Preface

This report has been prepared for the Wellington Regional Strategy Committee by Nick Davis, Paul Alexander, Paul Clarke and Emily l'Ami from MartinJenkins (Martin, Jenkins & Associates Limited).

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Executive Summary

Introduction

This report presents the findings and recommendations of our review of the Wellington Regional Strategy (the Strategy). The review is intended to assist the Wellington Regional Strategy Committee to decide whether or not to cease Strategy governance and funding activity from 1 July 2012. The function of regional economic development carried out by Greater Wellington Regional Council (GWRC) will cease on 30 June 2012 unless GWRC undertakes the necessary process to continue it.

The review focuses on two key questions:

- What outcomes have been achieved to date across the Strategy’s initiatives/activities?
- Has the Strategy been implemented as intended and in accordance with best practice?

We summarise our main findings and recommendations in relation to these questions below.

Context

The Strategy is the Wellington region’s sustainable economic growth strategy. It was developed between 2004 and 2007 by the Wellington region’s nine local authorities in consultation with the region’s business, education, research and community interests. It emerged from a shared recognition that previous arrangements for promoting economic development were fragmented, inefficient and did not take full advantage of opportunities for regional economic advancement.

A key issue addressed by the Strategy was whether to take a consolidated approach to the delivery of certain economic development initiatives and activities through a single, regionally funded economic development agency. This issue was contentious at the time the Strategy was approved in 2007, but all councils eventually agreed to an approach whereby an economic development rate would be charged across the region by Greater Wellington Regional Council. Grow Wellington, formally a CCO of the Greater Wellington Regional Council, was established as the region’s economic development agency.

The Strategy itself is comprehensive and spans initiatives intended to directly grow the regional economy, especially exports, through the activities of the regional economic development agency (eg businesses support and sectors development), as well as initiatives to promote Good Regional Form (eg strengthening the CBD and regional centres, industrial land planning). In all, a total of 34 action areas (nine of which were high priority) and 68 initiatives are included in the Strategy.

The Wellington Regional Strategy Committee was established to oversee and drive implementation of the Strategy. That Committee comprised an independent chair, six of the region’s eight mayors, the chair of the Greater Wellington Regional Council, and several
independent members drawn from the community. This Committee is supported by a Chief Executives Group and the small Wellington Regional Strategy Office, established to coordinate the delivery of the programme of activities and initiatives under the Strategy. Strategy activities were funded from a combination of a regional economic development agency rate, external funding and contributions (both funding and officer time) from individual councils.

Extent of outcomes achieved to date

This review has been conducted at an early stage in the life of Strategy, which has a 20 year horizon. Many of the initiatives and activities in the Strategy are medium to long-term in nature, with significant economic impacts expected only over periods of a decade or more. The development of regional economic development capability itself takes time. For these reasons, this review has focused primarily on short-term impacts and outcomes.

Growing our Economy

A key focus area for the Strategy was to invest in growing the region’s economy, especially its exports. The key areas under this focus area included:

- Developing businesses, products and services (eg providing business support and advice, developing centres of excellence, realising the region’s primary production potential etc)
- Selling and marketing the region and its businesses overseas (eg supporting firms with market access, further developing a regional approach to tourism)
- Supporting businesses to get their products to international markets (eg bringing long haul flights to Wellington, broadband)
- Supporting the business sector through underpinning growth inputs (eg investment attraction, education, labour market strategy etc).

This focus area received the vast majority of the regional rate funding and is primarily delivered by Grow Wellington. Other key contributors included Positively Wellington Tourism and the individual councils of the region. The above four areas have not received equal attention, with some gaps in translating Strategy intentions into programmes activities. There has been less attention paid beyond tourism activity to selling and marketing the region to businesses and potential investors, and ‘key business growth inputs’ other than the development of the Labour Market Strategy.

Our main findings in relation to this part of the Strategy can be summarised as follows:

- There appears to be greater awareness amongst businesses in the region of Grow Wellington than of the Wellington Regional Strategy, although this is not surprising given most survey respondents had accessed Grow Wellington services.
- The majority of businesses who had received business growth services from Grow Wellington over the last 24 months were either very satisfied or satisfied with those services, and the vast majority attribute ‘great value’ (31%) or ‘some value’ (57%) to those
services. The specific benefits most often mentioned include: the provision of useful business connections and information, and assistance with access to government resources and funding. Some firms noted improvements in access to skills and talent, internal capability, access to capital and improved export potential.

- Satisfaction with Grow Wellington’s sector development support is also reasonably strong, although there is significant variation across the supported sectors. In brief:
  - Support for the export education sector is highly valued by stakeholders, although it is too early to see impact on export revenue from efforts to promote English language services in offshore markets
  - There have been demonstrable achievements flowing from the food and beverage sector support, including Wellington on a Plate and the attraction of Le Cordon Bleu to establish a Cuisine and Hospitality Centre in Wellington City
  - The work of Film Wellington, while less strategic in nature, plays an important role in facilitating film production in the Wellington region. However, other needs of the film sector have not been progressed, although this may change with the work towards the establishment of the screen and digital centre of excellence
  - Positive developments in the manufacturing and primary sectors are less clear.

- The most frequently mentioned benefits associated with Grow Wellington’s sector development support include: raising the profile of the sector and improving sector collaboration. Other benefits mentioned include: addressing a key issue or opportunity in the sector; improved sector capability and capacity, improved export potential, improved productivity, and improved revenue and market access. The economic value of these benefits has not been quantified but, to date, are likely to be modest.

- Many of the achievements in the sector development area have relied on strong partnerships developed across the region, in particular collaborations between Grow Wellington, Positively Wellington Tourism and Wellington City Council.

- Progress in relation to support for centres of excellence is less clear, and there have been a number of lessons learned in this area. Of the three centres supported, the Clean Technology Centre of Excellence is the most advanced and shows the most promise. External funding constraints have held up progress on the Health Education, Research and Commercialisation Centre and the future of this initiative is unclear. The screen and digital centre initiative has changed tack over time and progress remains at an early stage.

- Some progress has been made in relation to other ‘Growing our Economy’ actions, notably concerted efforts to bring long haul flights to the region and to improve broadband. Good work has been done in both areas but tangible results have yet to be realised. It is not possible to judge, at this stage, to what extent the investments made will result in tangible benefit but both initiatives better positioned the Wellington region to realise opportunities.
Although the overarching aim of the Growing our Economy part of the Strategy is to double the region’s exports as a share of GDP by 2026, to date, there has been no systematic attempt to measure the extent to which Strategy activities have increased exports. The survey data, with over half (54%) of those firms surveyed not looking to export in the future, would indicate at one level some inconsistency with the Strategy’s goal. However, to draw firmer conclusions requires a fuller understanding informed by systematic data collection. Having a long term export goal in place does not in our view preclude activities, such as building sector capability and providing market intelligence, that help provide the ingredients toward export opportunities in the future.

Our review has also identified a number of issues for further consideration:

- There are opportunities for better strategic alignment of tourism activity across the region, and for integration between tourism promotion and other elements of the Strategy
- The absence of a programme of ongoing monitoring and evaluation has limited the availability of outcome information for this review, and it would benefit future reporting on the achievements of the Strategy if such a programme were to be put in place
- There remains some risk of duplication of economic development activity across the region, and scope to take a more regionalised approach to such issues as marketing the region to business, and leveraging the education and research capability of the region
- The case for providing priority support for sectors appears stronger in some cases than others, and any refresh of the Strategy should reconsider the priority sectors for the region.

**Good Regional Form**

A key focus area for the Strategy is to promote good regional form, as a means of achieving a well-configured and compact community that enhances regional competitiveness and the quality of life of residents and businesses.

The areas of activity under this part of the Strategy spanned a wide range of issues including: strong CBD & sub-regional centres, quality urban design, integration of transport with urban and rural needs, land for business growth, open spaces, and specific regional focus areas (ie the Granada to Gracefield corridor, and the northern Waikanae edge).

Assessment of the extent of outcomes achieved in the area of good regional form is particularly challenging because most initiatives involve either information sharing and/or are planning initiatives associated with several incremental steps and long lead times.

Our main findings in relation to this part of the Strategy can be summarised as follows:

- For all of the activities and initiatives considered, it is too early to observe changes in regional form on the ground
In addition, with some exceptions (eg the change to the Kapiti Coast District Plan to limit development on the Waikanae northern edge), the planning processes instituted under the Strategy have some way to run before even the planning stage is concluded.

At an activity level, varying levels of progress have been made across the key areas identified in the Strategy:

- Strong CBD and sub-regional centres: This activity has fallen well short of the Strategy’s ambition of having an overall vision for the region’s centres, guiding investment and examining regional investment mechanisms to unlock development potential not realised by the market. This reflected a lack of agreement amongst councils on the vision and appropriate interventions and a subsequent decision by CEs that there was no need for a formal regional approach to the identification and management of centres. Instead, a stocktake of centre planning approaches was undertaken in 2009, with information disseminated to and shared amongst councils.

- Regional focus areas: eight specific areas for development planning were identified in the Strategy. Significant activity has been undertaken and progress made in relation to the preparation of plans and proposed plan changes. However, it is not clear to what extent progress in these areas is a result of the Strategy and its processes, or would have occurred anyway.

- Open Spaces: several activities have been progressed in this area, notably the development of the Open Space Strategy and Action Plan, which was approved by the WRS Committee in November 2009. The key challenge in this area is to maintain momentum.

- Quality Urban Design: good progress has been made and all councils have become signatories of the New Zealand Urban Design Protocol and a regional urban design action plan has been put in place, with many of the proposed actions having taken place or underway.

- Land for Business Growth: The most notable output in this area is the commissioning of a study that identifies the available vacant industrial land in the region. Beyond this, other planned activities have not been undertaken.

Although not an explicit objective of the Strategy, work in a number of the above areas supported the inclusion of new policies supporting good regional form in the Regional Policy Statement.

The main benefits in the Good Regional Form area are yet to be realised and will not come to fruition for some time. However, benefits have already emerged from the region-wide approach, particularly in terms of sharing approaches and practices amongst council officers, and the adoption of common standards and frameworks by councils. This sharing is valuable and can be expected to lead to improvements in the quality work of individual councils and reduced costs.
While progress has been made, many of the ‘Good Regional Form’ activities progressed do not match the level of ambition in the Strategy. The most significant regional form issues likely to influence the region and its economy over the coming decades (eg urban intensification, a regional approach to CBD and regional centre development) have not been tackled. The cooperation between councils has fallen short of strategic engagement.

**Implementation of the Strategy**

While the above discussion of the extent of outcomes achieved generally paints a positive picture of progress and some benefit, in general we conclude that the level of impetus and progress under the Strategy has failed to live up to the ambition of the Strategy. Realisation of tangible economic benefits has mostly been modest.

This review has identified some shortcomings in the implementation of the Strategy.

In our view, successful implementation of a regional economic development strategy requires:

- **A Strategy that:**
  - is clear in its priorities, actions and initiatives
  - is clear about what resources and capability are needed to deliver on those
  - is realistic, in terms of a match between priorities, actions and initiatives, on the one hand, and actual resources and capability on the other hand.

- **A Governing body that:**
  - clearly owns the Strategy
  - advocates regional priorities identified in the Strategy with central government and other partners
  - makes decisions on regional strategy issues (or, if not the decision maker, provides advice, builds support for and brokers decisions at the individual council level)
  - oversees revisions to the Strategy to ensure it remains relevant and a live document
  - decides on funding priorities
  - reports on progress towards delivery of the Strategy including the achievement of its goals and outcomes
  - builds strong stakeholder relationships and partnerships.

- **Adequate supporting mechanisms including:**
  - clear roles and responsibilities amongst the delivery agencies, and between the Governing Body and delivery agencies
  - good programme management, to coordinate and drive delivery of the Strategy’s initiatives and activities
– effective reporting against planned delivery, and a programme of monitoring and evaluation to assess the extent of achievement of outcomes
– funding and resourcing mechanisms that provide sufficient certainty that the necessary resources are available.

Our review concludes that there is room for improvement in all of the above areas.

On the Strategy itself, we conclude that it has suffered from too many activities and initiatives, and the statements of priority accorded in the Strategy have in a number of cases not translated into resource allocation and priorities for action. The Strategy has also become out of date due to unprecedented changes in the global and national economic environment. We consider that the Strategy should be refreshed, and that any future Strategy should contain fewer activities and initiatives.

A number of issues have been identified with the governance arrangements. While we do not believe the WRS processes and governance arrangements are fundamentally flawed, there is a clear case for change in how implementation of the Strategy is happening in practice. In short, we have concluded that:

• the Committee has not driven the implementation of the Strategy as actively as it might, difficult decisions are not being made nor trade-offs between initiatives raised and addressed
• the Committee has not been key in influencing other fora such as the Mayoral Forum or the Regional Transport Committee, and some mayors perceived duplication between these fora and the Committee
• the relationships between the Committee and delivery agencies, particularly Grow Wellington, have not been as strong as they need to be
• issues have also been raised with the composition of the Committee, in particular its size and balance between political and independent representation
• there is some confusion, particularly amongst independent members, as to the Committee’s core purpose and role.

This has led us to conclude that a more active WRS Committee is critical if the aims of the Strategy are to be realised. The Committee should take on a regional leadership role in a way that avoids duplication with existing structures and is consistent with its lack of statutory powers. Where the WRS Committee is not the legal decision maker it should make recommendations to the formal decision maker.
Finally, we believe that the Committee has not been fully enabled to perform its role because of weaknesses in various support mechanisms. The WRS Office has performed a useful role but has been limited in its resource and has been diverted from coordinating the overall programme of work towards leading specific activities and initiatives.

In addition, no ongoing programme of monitoring and evaluation of the impacts and outcomes of the Strategy has been put in place. Delivery and reporting on progress against the Strategy has been compartmentalised. In terms of funding arrangements, the reliance on voluntary council contributions of funding and resource has led to uneven progress against a number of areas of the Strategy. The Strategy’s ambitious objective of matching ratepayer funding dollar-for-dollar with external funds has proved unrealistic given significant changes in global and national conditions. In some areas there has been a significant mismatch between the priority accorded to an activity in the Strategy, and the level of activity that has been undertaken.

**Future Directions**

A key question for this review is whether, taking into account the outcomes achieved to date and the quality of implementation of the Strategy, there is a case for continuing with the Strategy governance and funding activity, or whether to cease that activity at 30 June 2012.

On this question, we conclude that there remain good reasons for continuing to pursue economic development (including good regional form) at a region-wide level, and to fund and deliver economic development activities on a region-wide basis. Our reasoning for this is as follows:

- In the face of increasingly intense competition from other cities and regions for resources, talent and capital, there is clear merit in facing the strategic challenges of ensuring a vibrant city-region on a region-wide basis. Such challenges do not respect sub-regional territorial boundaries.
- Internationally and domestically, regions (especially those containing large urban areas) are moving towards an approach where they plan for and approach economic development on a region-wide basis.
- Previous arrangements in the region involved fragmentation and duplication of economic development activities. Reverting to an individual council-based approach risks a recurrence of these problems.
- Although arguments have been advanced against a region-wide approach on the basis of efficiency and unequal distribution of benefits, we consider such concerns can be addressed through good governance and, overall, the benefits of a regional approach outweigh the costs.

To fully realise the benefits from such a region-wide approach, it is important that the Strategy itself be refreshed, and that changes are made to the governance and implementation arrangements.
The general thrust of our recommendations is as follows:

- A refresh of the Strategy is required because of significant changes in the economic environment and because there are arguably too many activities and initiatives and some stated priorities do not appear to have region-wide support.

- In refreshing the Strategy, it will be important to develop an associated action and resource plan that makes more transparent what is to be progressed, by when, and what resource is being allocated for that purpose.

- A programme of monitoring and evaluating key initiatives should be put in place, with systematic and regular measurement of progress and outcomes achieved.

- The role of the Committee should be clarified and its composition changed, so that it is smaller in size and better balanced as between political and independent members.

- To achieve better alignment between the Strategy, the Committee and Grow Wellington, it is proposed that the Committee more actively engage in setting the direction for Grow Wellington and that there be an independent member appointed to both bodies.

- Improvements are also required on reporting against the Strategy, including from Grow Wellington to the Committee on its achievements.

- To enable the above changes and to support the Committee in its role, we propose a strengthened support function, drawing on the capacity and resources of the region.
1. Introduction

Regions play a vital role in New Zealand’s future. Achieving our national goals of growing a more prosperous economy requires scale and capability to be built at the firm, sector and regional levels. As the nation’s second largest regional economy¹ the success of the greater Wellington region is important not only to its residents but also to the rest of New Zealand.

The approach taken to the review was to consider how implementation of the Wellington Regional Strategy (the Strategy) could be strengthened and improved, by examining the delivery of the Strategy, the quality of its implementation (including governance structures, roles and responsibilities and funding arrangements) and the extent to which expected outcomes are occurring. We envisage this review:

- helping to sharpen the Strategy’s future direction and focus
- clarifying roles and responsibilities regarding the implementation of the Strategy
- informing decisions about the appropriate level of resourcing and funding necessary to give effect to the Strategy’s objectives
- helping to achieve a balance between local and regional needs.

Purpose

This review is a formal requirement of the mediation agreement between Hutt City Council (HCC), Upper Hutt City Council (UHCC) and the Greater Wellington Regional Council (GWRC). Under this agreement the Wellington Regional Strategy Committee (the WRS Committee), based on the findings of a full and independent review, must recommend whether or not GWRC will continue to carry out the function of regional economic development. The function will cease on 30 June 2012 unless GWRC undertakes the necessary process set out in section 16 of the Local Government Act 2002.

This review meets the terms of the mediation agreement and also offers a timely opportunity to consider early progress towards the Strategy’s intended outcomes.

Findings from the review will help to inform the future development and direction of the Strategy should the WRS Committee continue to pursue economic development on a region-wide basis.

¹ Based on Statistics New Zealand’s Regional Gross Domestic Product estimates for 2003.
Scope

This review focuses on two key questions:

- Has the Strategy been implemented as intended and in accordance with best practice?
- What outcomes have been achieved to date across the Strategy’s key focus areas?

The scope of this review did not include a critique of the Strategy itself. However, we do report the views of stakeholders and some of our own observations of key economic issues facing the region that have emerged or become more prominent since the Strategy was developed in 2007.

In addition, during the course of this review the WRS Committee requested that we also consider the question of whether the representation of the Wairarapa Councils on the WRS Committee is adequate and appropriate.

Challenges

In undertaking this review we have had to address the following two key challenges:

- Short time elapsed: the Strategy was approved in 2007 and has a 20 year horizon. Since regional economic development is an incremental process, the timing of this review is at an early stage. It follows that progress on many of the Strategy’s stated goals and intended outcomes can be expected to be limited. This review assesses whether implementation has proceeded as intended and asks what progress has been made in relation to short-term outcomes.

- Attribution of cause and effect: the causal link between local government activity and long-term regional outcomes is circuitous and complex. As such we have considered the context within which Strategy initiatives are being undertaken and explicitly acknowledged that Strategy initiatives are a contribution toward, and not the only influence on, desired outcomes. We use standard evaluation techniques to determine, where possible, the specific outcomes attributable to the initiatives/activities under the Strategy.

Principles

In reviewing the implementation and outcomes of the Strategy, consideration needs to be given to a range of best practice economic development principles. The principles we have had regard to are as follows:

- Clarity of accountabilities: the allocation of roles and responsibilities should support effective and efficient prioritisation, delivery and monitoring of the Strategy

- Appropriate resourcing: levels of funding and resourcing (including capability and capacity) should support effective delivery of Strategy activities and provide value for money
• effective prioritisation, monitoring and review: the Strategy’s governance systems and processes should promote regular and robust prioritisation, monitoring and review of activities in support of the Strategy
• effective delivery mechanisms: delivery mechanisms should support the effective and efficient delivery of initiatives
• alignment with regional and local goals: the Strategy should be aligned with and adequately balance regional and local goals, and take account of national policy drivers that may influence regional activities.

Our approach
The review considered a set of key research questions covering both outcome and implementation aspects in order to assess the extent of progress towards outcomes identified in the Strategy. It progressed in three main phases and included a mix of qualitative and quantitative activities. The three phases to the review were:

• Phase one: planning and desk research. This phase drew on a review of relevant documentation and involved key informant interviews. A full list of documents reviewed is included in Appendix 7 and key informant interviewees are listed in Appendix 2.
• Phase two: data gathering. This phase involved:
  – key stakeholder interviews
  – an online survey of Wellington businesses with a focus on those that have had some experience of Grow Wellington
  – case studies of three priority Strategy initiatives (ie broadband, Centres of Excellence, and regional centres and focus areas).
• Phase three: analysis and reporting, including presentation of draft findings with the project reference group (ie the Senior Officers Resource Team) and the Chief Executives Group. Feedback from these groups was incorporated, as appropriate, into this report.

We have ordered the report to cover the extent of achievement of outcomes (Section 3), to be in a better position to review overall Strategy implementation in the light of those findings (Section 4). Separate sub-review questions are covered in each section.

In reporting on governance, we considered ‘Effective Leadership and Partnership’ as integral components of the governance arrangements. Appendix 5 lists these actions, which have mostly been achieved and relate to the establishment of initial governance arrangements.
2. Context and background

This section sets the scene for the review by considering regional growth strategies and the role of local government, the current state and economic challenges facing the Wellington region, and relevant national policy settings. It also provides background on the development of the Wellington Regional Strategy and governance arrangements.

Regional growth strategies

A regional growth strategy is a broad approach to managing growth within a region, encompassing economic as well as social, cultural and environmental development. In developing and implementing a regional growth strategy, local government plays a number of important roles:

- developing a clear understanding of the differing roles to be played by local government to achieve strategy outcomes
- ensuring national government is effectively engaged and that the Strategy aligns with national goals
- identifying the region’s strengths and weaknesses
- facilitating business and community engagement and ensuring the Strategy reflects their needs and desires
- using local government tools and levers effectively and efficiently.

A significant amount of international and local research has been undertaken to try and identify the key elements of a good regional growth strategy and its implementation. A team of international experts engaged in the development of a regional plan for Auckland identified the following ‘key ingredients of effective metropolitan action planning’:  

- recognition and understanding of the interdependence of the parts of the region, its distinctive communities and their particular contributions to regional success
- a regional leadership function to articulate and be responsible for achieving the regional vision and actions
- ability to identify and measure the significance of the region’s contribution to the success of the country (both economic, social, cultural and environmental)
- ability to assess the major challenges facing the region in a domestic and international context
- a focus on long-term fundamental issues that will support improved functionality of the region including drivers of growth (eg skills, innovation, enterprise, infrastructure)
- a single regional plan that integrates the different strategies and plans into one framework, underpinned by a core evidence base and expressed as a single narrative.
• building engagement with and support from central government
• building investment and financing capacity (e.g., through engagement with the private sector and the better use of assets)
• building implementation capability at the scale required to deliver on the major opportunities and challenges facing the region
• regular measurement and benchmarking of progress against agreed goals
• development of a regional identity.

The majority of regions across the country have some form of regional growth strategy and/or plan in place. Many strategies centre on economic development while also considering areas from social disparity through to environmental sustainability. Common areas of focus include:

• infrastructure, in particular broadband
• skills and the labour market
• security of energy supply
• developing globally competitive firms
• innovation and productivity.

Most strategies promote the interests of regional specialisations, generally based on sectoral advantages. For example, the Bay of Plenty Regional Strategy has prioritised forestry and the Canterbury Regional Economic Development Strategy has prioritised water. Auckland Unleashed, the Auckland Plan discussion document, highlights potential priority sectors that include food and beverage; film and creative sectors; marine; health technologies; biotechnology; knowledge intensive industries; advanced materials; and education.

The delivery mechanism given most prominence in regional growth strategies is the regional economic development agencies (EDAs). Figure 1 provides some illustrative examples.
Regional economic development agencies (EDAs) funded (in the majority) by local councils are the most common delivery mechanism. An exception in funding structures is the Bay of Plenty Priority One Strategy, which is a mixed model of funding that includes council and direct business funding.

Auckland has recently moved to a council controlled organisation model with a considerable increase in resources and funding. Auckland’s new Auckland Tourism, Events and Economic Development (ATEED) is understood to have staff of approximately 240 and a planned 2011/2012 operating budget of $47.5m\(^2\). It is worth noting that tourism promotion sits outside the governance and funding machinery for the WRS, which is different from the approach taken in Auckland.

Christchurch’s Canterbury Development Corporation (CDC) received $5.2m in 2009, $3.7m of which is from Christchurch City Council. Most other regions/cities (eg Taranaki, Hamilton, Dunedin, Southland) have smaller budgets with few exceeding an annual budget of $1m. Accordingly, few have funding to support long-term projects of scale and instead focus on smaller scale local cluster development programmes (eg Hamilton on aviation and Taranaki on oil and gas).

Several regional growth strategies have been reviewed or evaluated in recent years, notably the Auckland Regional Council’s Evaluation of the Regional Growth Strategy and the related Auckland Region Economic Development Strategy and Metro Action Plan. Lessons learned based on this and other reviews include:

- Strategies often suffer from a lack of prioritisation, with too many priorities, initiatives and action plans relative to available resources
- Local economic development agencies typically focus on economic development in their territorial authority, sometimes competing with each other and largely operating independently of one another so that opportunities for regional synergy are missed
- Implementation and delivery of the strategies is often fragmented, resulting in duplication of functions and wasted resources
- There is a wide variation in the resources at the disposal of the local and regional EDAs and in the activities that they undertake, and often insufficient resources are budgeted given the stated ambitions for the Strategy
- Local and regional EDAs often vary in their capability and find it difficult to retain skilled staff

• It is often difficult to achieve coordinated effort to address strategic goals and overarching coordination groups often lack teeth, funding and a clear mandate to oversee delivery of the Strategy

• Key economic development roles and functions of local government are sometimes left outside of the Strategy. For example, in Auckland until recently, tourism promotion sat outside the economic development framework and was funded by some but not all local authorities

• EDAs are typically funded through short-term funding contracts, with resources thinly spread across organisations and activities

• Strategies and plans are often not aligned at local and regional level, as well as between the region and national levels. Given the substantial overlap in the goals of these strategies/plans, the scope of synergies is significant and often go unrealised

• There is often little evaluation of the impact or added value of economic development activities at a local or regional level.

**Principal local government roles in economic development**

According to international cities expert, Greg Clark, local government has two principal roles in fostering regional economic development:

• ensuring that public services that have a significant impact on economic development are delivered in a very robust and effective way

• delivering specific economic development activities and programmes in close cooperation and collaboration with the private sector and central government.

The first of these roles includes local government's role in land use planning and regulation, public amenities and the provision of infrastructure and facilities. Taking an integrated approach to the delivery of these services is key, as is coordinating with central government and the private sector. For example, when developing communities it is necessary to ensure that issues such as transport infrastructure, commercial zoning, and location of educational institutions and healthcare providers is considered, so that people also have access to jobs and skills training as well as housing and amenities. Similarly, local government efforts to safeguard a region's natural environment and to promote a diverse society are both essential to preserving the quality of life that attracts many businesses and workers to a region. A key message here is that local government can systematically use the power of its core business to promote economic growth. To this end, it is especially important to ensure that regional growth strategies feed into and shape the planning instruments for the region.
The second principal role incorporates a potentially wide range of diverse activities, including tourism planning, city branding and promotion, support to businesses and investors, investment promotion and attraction, fostering entrepreneurship and innovation, the facilitation of sector-specific infrastructure, and skills development among other roles. It also implies an influencing and partnering role for local government to central government in relation to key growth drivers (eg telecommunications infrastructure and broadband, tertiary education, security of energy supply etc). It includes the important catalysing and coordinating role that local government can play in coordinating major regional projects that require cooperation between key players in the local economy, including individual firms, cluster or industry groupings, educational institutions and the like.

Regional growth strategies need to be clear about the specific economic development roles to be played by local government and other parties within the region. The above roles imply a broad conception of regional economic development, recognising that it is underpinned by land-use and spatial planning, the provision of infrastructure and public amenities, and the promotion and attraction of tourism and events, and the provision of business development services.

The Wellington region

The Wellington region’s economic performance is the primary driver of living standards and the welfare of Wellington residents. As the country’s second largest regional economy\(^3\), the success of the Wellington region is also important for the rest of New Zealand. The region accounts for 11% of the nation’s population, 10% of New Zealand’s businesses.\(^4\)

In 2008, the Wellington regional economy contributed $22.8 billion to national GDP, and in 2003 had the highest levels of GDP per capita of any New Zealand region. However, over the ten year period of 1998 to 2008, Wellington region’s GDP growth was 2.9% compared to the New Zealand rate of 3.3%.\(^5\) Labour productivity (1.9% p.a. compared with 2.5% p.a. for 2008 year) has been slower than the national average.\(^6\)

The Wellington region specialises in a number of sectors, most particularly government administration and defence (52% of the total enterprises in this sector across New Zealand are based in Wellington), property and business services is the second most prominent, followed by finance and insurance.

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\(^3\) Based on Statistics New Zealand Regional Gross Domestic Product estimates for 2003.
\(^5\) Wellington Insight City Profile (Draft) 2009.
\(^6\) Wellington City Council. Wellington City Profile: Key Facts About the City. 2010.
In employment terms, Government, Arts and Recreation, and Other Services is the most notable specialisation with 22% of all New Zealand filled jobs in this sector located in the Wellington region in June 2008.\textsuperscript{7}

Economic activity in the region is not distributed evenly across all nine councils. Wellington's central business district (CBD) accounts for over half (52%) of the region’s GDP and average labour productivity within the CBD is significantly higher than elsewhere in the region. This is consistent with other city-regions, which find evidence of agglomeration benefits within dense urban areas.\textsuperscript{8}

Despite significant expansion of commercial accommodation space in recent years, mainly as a result of public sector expansion, the presence of corporate head offices in Wellington has been on the decline. The number of New Zealand’s top 200 companies based in Wellington City has dropped significantly from 65 in 1985 to 24 in 2010.\textsuperscript{9}

This long-term trend was previously countered by a period of strong economic growth and expansion of the public sector but these economic supports have now reversed, particularly as a result of the Global Financial Crisis. Recent events, such as the Christchurch Earthquakes, similarly alter the economic outlook for Wellington.

Other global factors, such as competition for skills, an ageing population, growing environmental concerns, fierce competition from rapidly industrialising fast-growing economies such as China and India, geographical isolation and rapid technological change all pose a threat to Wellington’s continued success.

At the national level, central government’s economic focus has until recently been on Auckland and its potential as the country’s key international city. This presents both an opportunity to benefit from Auckland’s growth, but also a risk that resources and funding will flow north. The Christchurch Earthquakes and the need to rebuild Christchurch will similarly divert resources away from other projects, although the government has so far indicated it remains committed to planned investments in other regions.

The above context is consistent with a draft long-term City Strategy developed by the Wellington City Council (WCC), which indicates that although Wellingtonians currently enjoy a high quality of life, ‘a longer term view would say we are reaching the ‘high watermark’ of Wellington’s development or potential turning point in the city’s fortunes’.\textsuperscript{10} That work identifies several risks to Wellington’s future including a gradual but relentless northward drift of corporate

\textsuperscript{7} Wellington Insight City Profile (Draft) 2009.
\textsuperscript{8} See, for example, Maré and Timmins (2006) and Maré (2008).
\textsuperscript{9} Wellington City Council. Wellington City Profile: Key Facts About the City. 2010.
business in the last two decades, slowing migration to the city (or projected negative migration to the region in the next 20 years), rising office vacancy rates, generally low workforce population growth and a narrow job sector.\textsuperscript{11}

Interviews conducted as part of this review have reinforced many of these points especially in relation to concerns about increasing office vacancy rates and, related to this, the vitality and sustainability of the CBD. In general, stakeholders throughout the region recognise the key role that the CBD plays in the wider region, while also indicating that other parts of the region also face their own independent challenges.

The Wellington Regional Strategy

Between 2004 and 2007, Wellington’s nine local councils,\textsuperscript{12} in consultation with the region’s business, education, research and voluntary sector interests, developed a fact-based, region-wide, long-term sustainable growth strategy. The Strategy emerged from shared recognition that previous arrangements did not support the achievement of regional goals and that a regional approach was required. Specifically, the previous arrangements were seen as:

- failing to highlight and address regional priorities – an example being divergent views within the region about the region’s roading priorities
- leading to duplication of economic development activities (prior to the Strategy, economic development was delivered by three agencies (Go Wairarapa, Enterprise Coast and Positively Wellington Business\textsuperscript{13})
- working against the delivery of longer-term and/or strategic initiatives, as securing funding for such initiatives was challenging and involved high compliance costs to bring the necessary regional partners to the table.

The Strategy was developed in a comprehensive way with strong engagement from key stakeholders and significant community consultation. Development of the Strategy drew on over 200 reports and documents in addition to two surveys of business and public interests. Following two sets of public consultation, the final Strategy was adopted by the GWRC on behalf of the region in May 2007.

\textsuperscript{11} Op. Cit.
\textsuperscript{12} Greater Wellington Regional Council, Wellington City Council, Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Kapiti Coast District Council, South Wairarapa District Council, Masterton District Council and Carterton District Council.
\textsuperscript{13} Positively Wellington Business was the largest of the economic development agencies, with a budget in 2005/06 of $3.9m.
An early and essential question addressed in the process was to agree whether there was a case for local government to develop and fund an economic development strategy. Agreement was not initially unanimous, but all councils, following a mediation process, eventually agreed to this approach and to a regional rate to be levied by the GWRC. A formal structure, the WRS Committee, was established to ensure all parties remain committed to a regional set of structures and processes.

The stated aim of the Strategy is to make the Wellington region internationally competitive, a great place to live, with excellent career opportunities and a strong vibrant economy. It is a 20 year strategy that focuses on adding value through facilitating growth in areas where the region has the potential to be a world leader.

Nine high-level outcomes were identified, reflecting the Strategy’s holistic view of prosperity incorporating environmental, social, cultural and economic performance. To achieve these outcomes the following three focus areas were agreed:

- Investment in Leadership And Partnership
- Investment in Growing our Economy, especially for exports
- Investment in Good Regional Form.

Sitting beneath these areas of focus are a range of 34 action areas (nine of which were given high priority) and 68 initiatives. Initiatives vary greatly in terms of scale, scope, roles and responsibilities, area of focus and timeline. Many initiatives are about facilitation (ie bringing together the key players that can deliver on the Strategy’s objectives).
Leadership of the Strategy was intended to preserve what is good at a local level, while maximising the opportunities from greater regional co-operation. The Committee was seen as the ‘keeper’ of the Strategy, and the intention was that the Strategy would be monitored and reviewed. The Strategy also provided regional funding to support its implementation and set as an objective for the Strategy a dollar-for-dollar match between ratepayer and non-ratepayer...
funding. In addition to the GWRC and TAs, the intention was to involve central government, business, and the education, research and voluntary sectors in its development and implementation.

The Strategy was intended to provide ‘an overview of the opportunities that exist to lift the region’s economic performance’ rather than a detailed work plan and, as such, Grow Wellington and key stakeholders were expected to develop projects to deliver on the Strategy’s aims.

Implementation of the Strategy includes the establishment of significant governance, funding, support and delivery mechanisms including:

- the WRS Committee
- a Chief Executives Group (CEG) and Senior Offices Resource Team (SORT)
- the Wellington Regional Strategy Office (WRS Office)
- a regional economic development agency (Grow Wellington)
- a regional rate to fund aspects of the Strategy’s implementation.

The specific roles and responsibilities of each party within the governance arrangements is illustrated below.

**Figure 3: Governance arrangements for the Wellington Regional Strategy**
Roles and responsibilities

Greater Wellington Regional Council

The GWRC is responsible only for decisions that cannot be delegated to the WRS Committee (ie setting regional rate funding levels and appointment of WRS Committee and Grow Wellington board members). In the event that the GWRC do not agree with a WRS Committee proposal, it is our understanding that the matter would be referred back to the WRS Committee rather than the GWRC overturning the decision. To our knowledge, this ‘power to refer back’ has not been used to date.

The WRS Committee

The WRS Committee is a standing committee of the GWRC established to implement and develop the Strategy. The WRS Committee’s terms of reference outlines five specific responsibilities, three of which relate to this review (ie supporting an independent review of the Strategy, making a recommendation on whether to continue, and following the process set out in section 16 of the Local Government Act based on this decision). The main function of the Committee is to manage the Strategy on behalf of the region’s councils including:

- overall guidance and further development of the Strategy
- recommending annual Strategy funding to GWRC
- overseeing Grow Wellington
- seeking additional central government funding
- implementing other initiatives outlined in the Strategy subject to available funding
- co-ordinating, monitoring and guiding initiatives to achieve outcomes identified in the Strategy.

The WRS Committee comprises the region’s mayors (with the three Wairarapa councils currently represented by South Wairarapa District Council), the chair of GWRC and five independent members (appointed by the WRS Committee). The Chair is an independent member. The Committee meets when required (in practice, about 5-6 times per year).

The Chief Executives Group

The Chief Executives Group’s (CEG) primary accountability is for execution of the Strategy including recommending an overall project plan and Strategy budget to the WRS Committee and ensuring milestones are met. The Chief Executives Group is described as the primary servicing group for the WRS Committee, although in practice Chief Executives have dealt with

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the Strategy as and when issues have been raised and many of the responsibilities of the Chief Executives Group have been delegated to SORT and the WRS Office (see below).

**The Senior Officers Resource Team (SORT)**

The Senior Officers Resource Team was established and mandated by the CEG to provide them with support as required. SORT comprises senior representatives from each of the region’s councils (with Masterton and Carterton represented by South Wairarapa District Council), a representative of Grow Wellington, and an officer with a relationship to Ara Tahi (a joint strategic Māori advisory group of GWRC with an iwi liaison role). The role of SORT in support of the CEG, as set out in their terms of reference, includes contributing to, and driving, the WRS work programme, monitoring and reporting, and collective peer review to support regionally significant initiatives.

**The Wellington Regional Strategy Office**

The WRS Office was set up in 2008 to coordinate project streams of the Strategy and to report to the WRS Committee and the CEG. It was set up to work with SORT, in particular, to drive the ‘Good Regional Form’ initiatives of the Strategy in conjunction with the councils of the region.

**Grow Wellington**

*Governance and strategic direction*

Grow Wellington was established as a council-controlled organisation (CCO) in 2007 under GWRC. The Grow Wellington Board reports to the WRS Committee. GWRC has delegated the responsibility to the WRS Committee for monitoring its performance.

Grow Wellington is governed by a board of eight, comprised mainly of directors with business and innovation-related experience. Day-to-day management of Grow Wellington is undertaken by a Chief Executive with the organisation structured according to its key areas of work.

Grow Wellington’s mission is to connect, inspire and facilitate high growth export-oriented businesses with the aim of growing the Wellington regional economy, especially exports. To do this Grow Wellington delivers a range of short-term business growth, medium-term sector growth and long-term centre of excellence activities and services.

Each year Grow Wellington undertakes an internal strategic review of its activities and investments. This review informs the development of a Statement of Intent outlining Grow Wellington’s three year vision and key areas of work (including targets and investment) supported by an annual business plan. A draft Statement of Intent is presented to the WRS Committee for feedback before being approved by the Grow Wellington Board.

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Creative HQ, the region’s business incubator, has recently moved from operating within Grow Wellington to becoming a separately constituted company with its own Board.

**Monitoring and reporting**

Grow Wellington’s formal reporting obligations include requirements to:

- present six monthly reports to the WRS Committee
- present a draft Statement of Intent to the WRS Committee (by 1 March) and receive feedback from the WRS Committee
- Prepare an annual report outlining achievements to date and including full financial statements.

**Funding and resourcing**

Grow Wellington is funded via a targeted regional rate collected by the GWRC. The rate is subject to the Section 16 Mediation Agreement, which capped the amount GWRC is able to rate for economic development for the Wellington Regional Strategy at $5 million per annum (subject to Consumer Price Index adjustments) until 30 June 2012. The current level is $4.5 million, of which a proportion goes to fund the WRS Office, and $4.25 million to Grow Wellington.

In 2010 Grow Wellington sought additional funding of $150,000 for the 2010/2011 and 2011/2012 years to support business growth opportunities associated with the Rugby World Cup. The Committee did not recommend this additional funding, instead asking Grow Wellington to present a business case ‘should it wish to pursue additional funding’.

**Strategy funding and resourcing**

**Funding**

When the Strategy was established, a number of funding options were considered including: a levy on all ratepayers; a levy on commercial and industrial ratepayers; a levy on residential ratepayers only; and funding by subscription (ie funded by interested parties on a project by project basis). In evaluating funding options, international and local experience was considered as well as region-specific issues and the advantages and disadvantages of each option (eg the costs to implement and the impacts on different parties).

A general rate on all ratepayers was recommended as the most simple and practical solution. The rate is a targeted rate on all properties in the region. GWRC is responsible for striking the regional rate based on a recommendation from the WRS Committee. This targeted rate for economic development was a new activity for GWRC, and was implemented from 1 July 2007.

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Figure 4 shows the distribution of the EDA rate for 2009/10 by TA area.

**Figure 4: Economic Development Agency rate 2009/10 budget ($000s) by TA area**

Resources

The Strategy arrangements established resources to fund a WRS Office and support the operation of the WRS Committee. Each of the councils in the region made commitments to participate in the Strategy’s implementation, though resourcing quickly emerged as an issue once the Strategy was finalised.

Council contribution to the Strategy has varied significantly by project and individual council, with a relatively small number of projects, such as broadband, occupying a large proportion of council resources.

Monitoring, reporting and review

The Strategy envisaged a measurement system (Genuine Progress Indicator, now known as Genuine Progress Index, or GPI) for measuring the success of the Strategy, and saw the WRS Committee as having a role in monitoring progress towards goals, and undertaking reviews of the Strategy to keep it ‘live’ and relevant.

No formal evaluation and monitoring programme is set for the Strategy. This review can be considered the first comprehensive assessment of progress against the Strategy’s objectives.

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18 Greater Wellington Regional Council Annual Plan 2010/11.
3. Outcomes Achieved

This section describes our findings in relation to the extent of outcomes achieved to date under the Strategy. It is divided into two parts that mirror the two major areas of focus for the Strategy:

- Part A presents our findings in relation to the Growing our Economy focus area of the Strategy
- Part B presents our findings in relation to the Good Regional Form focus area of the Strategy.

The Leadership and Partnership part of the Strategy is considered in Section 4, as this is a cross-cutting issue and is not tied to any specific activities or outcomes.

Part 3A: Growing our Economy

The over-arching aim of the Growing our Economy part of the Strategy is to double the region’s exports as a share of GDP by 2026. To achieve this, four key areas and 20 actions were identified under the Strategy, some of which were highlighted as priorities for the region’s economic growth (see Figure 5). The vast majority of the Strategy’s direct resourcing through the regional rate is focused in this area.
In this part we consider to what extent, and as a result of Strategy activities:

- individual businesses have been grown
- priority sectors have been supported to grow and develop
- support for Centres of Excellence (ie screen, digital, biotechnology and clean energy) have led to positive outcomes
- progress has been made towards improving the use and supply of broadband.

In addition to these specific focus questions, we report on:

- the delivery of services by Grow Wellington, and overall perceptions of how well the regional EDA is performing
- other priority and key actions identified in the Strategy undertaken by councils and other key stakeholders, such as broadband and work to attract long-haul flights.
Grow Wellington is primarily responsible for giving effect to most of the actions under the Growing our Economy part of the Strategy. However, the Strategy envisaged that a number of other parties (eg the region’s councils, central government agencies, and the business, education and voluntary sectors) would contribute to and in some cases lead economic development actions as appropriate. For expositional reasons, we begin by discussing those activities delivered or led by Grow Wellington. Activities led or significantly contributed to by other parties are discussed at the conclusion of this section.

We conclude this Part with a brief summary of progress against the full set of actions under the Growing our Economy part of the Strategy.

**Grow Wellington activities**

This section sets out Grow Wellington’s activities (in the key areas of business growth, sector growth and Centres of Excellence) over the last three years, and reports our findings on the extent to which these activities have contributed to (or have the potential to contribute to) the Strategy’s goals.

Since its establishment in 2007, Grow Wellington has developed and evolved its areas of activity while maintaining a consistent focus on the delivery of programmes aimed at driving export growth.

Grow Wellington currently undertakes a range of activities in the following three areas:

- short-term business growth activities aimed at growing individual businesses within the region
- medium-term sector growth activities with five regional priority sectors targeted for their potential to contribute to export growth (ie manufacturing, primary industry, food and beverage, education, and film)
- long-term work to develop global Centres of Excellence in industries identified as having world-class talent and the potential for transformational growth (ie clean technology, screen and digital technologies, biotechnologies and life sciences).

For the 2009/10 year, Grow Wellington’s total expenditure of $5.465 million was spent on business growth (42%), followed by sector growth (37%) and Centres of Excellence (18%).

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19 Grow Wellington, Annual Report 2009/2010 – other expenditure in 2009/10 was towards broadband, and ‘raising the Value of our International Gateways’.
Perceptions and Awareness of Grow Wellington Services

Since the establishment of Grow Wellington in 2007, 35% of respondents to the business survey consider the quality of services have improved, 5% saw a deterioration, and 50% responded that they didn’t know/were unsure.

Figure 6: Since the establishment of Grow Wellington in 2007, what do you think has changed regarding the level and quality of economic development services in the region?

![Graphic showing responses to Figure 6]

Base: All respondents (n=326)

Awareness of Grow Wellington was high at 92%, compared to awareness of the Wellington Regional Strategy at 50%, which to some extent is to be expected given the survey was of Grow Wellington clients and stakeholders, although of the respondents, 23% had never accessed or participated in Grow Wellington services/activities.
The survey indicates support from the business community for the services Grow Wellington currently provides. The highest response was in support of ‘supporting and growing individual businesses’. It should also be noted that, in terms of potential gaps and emerging issues since the Strategy was developed in 2007, there is some overlap in the views of businesses and stakeholders we identified. These include areas such as: ‘attracting and retaining major businesses’, ‘attracting investment’; and ‘supporting research and innovation’. 
Figure 8: Top services the region’s economic development agency should be delivering

- Supporting and growing individual businesses: 162 (50%)
- Attracting and retaining major businesses in the region: 152 (47%)
- Attracting investment: 123 (38%)
- Supporting research and innovation initiatives and the development of intellectual property: 115 (35%)
- Supporting the region’s growth sectors: 101 (31%)
- Supporting exporters: 90 (28%)
- Improving education and skill levels: 90 (28%)
- Developing global centres of excellence in the region: 65 (20%)
- Supporting broadband take-up in the region: 69 (20%)
- Other (incl. Genuinely supporting businesses/new business start-ups/small businesses, providing affordable, high-speed internet): 16 (5%)

Base: All respondents (n=326)

The main services delivered by Grow Wellington considered by businesses to contribute to the growth and development of their business relate to ‘providing useful business connections/contacts’, and ‘business information’, and ‘helping to gain access to government resourcing and funding’.

**Business Growth services**

Grow Wellington’s Business Growth services are aimed at providing direct support to the region’s businesses, and in doing so to contribute to WRS outcomes such as growing and retaining businesses and supporting export businesses.20

Business Growth support is provided in different ways depending on the life stage of the business. The range of support includes: general business support (ie business advice and connections), the Activate programme (16 week programme on business fundamentals), the Bright Ideas Challenge (activities to move businesses to the next level through business planning and connection to business support), business incubation (delivered through Creative HQ), and initiatives to improve access to investment (for example, supporting an Angel investor.

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20 Grow Wellington Statement of Intent 2010/2011
network) and innovation system (administering TechNZ grants). In the past business growth activities have also included work in the areas of skills, labour market and migrant attraction.

Grow Wellington’s Business Growth team works with businesses on an individual basis to analyse their needs and connect them with expertise required to help them innovate and grow. Business growth services are delivered at a local level, with Business Growth managers in Wellington City, Hutt Valley, Porirua, Kapiti and the Wairarapa. Grow Wellington acts as a regional partner for both New Zealand Trade & Enterprise (NZTE) and the Foundation for Research, Science and Technology (FRST) to deliver and administer national business support programmes. Grow Wellington has also established partnerships with other business services professionals and organisations across the region.

Grow Wellington’s Business Growth team consists of 6 full-time employees. From 2009/10 to 2010/11 expenditure on Business Growth services increased by 14% from $1.9 million to $2.2 million.

Detail on the achievements within each of the individual business growth services is presented below.

**Individual business support**

A significant part of Grow Wellington’s time is spent consulting with and connecting business. On average around 300 business consultations are undertaken every year. Activity has increased significantly in the six months to December 2010, as a result of the introduction of the Bright Ideas Challenge (which acts as a feeder for Grow Wellington business growth services) and the introduction of new Business Growth managers in the regional centres of Wellington City, Hutt Valley, Porirua, Kapiti and the Wairarapa.

Our business survey found good levels of satisfaction with general business support services and advice. Of the 80 firms who reported accessing general business advice services, 24 (30%) were very satisfied and 29 (36%) were satisfied.

Some quotes from business survey respondents illustrate why some firms strongly valued these services:

> I was extremely impressed with how hard they worked for us – to tell us what was available to us and to assist with getting funding for a project.

> At our stage of development we do need additional funding support and advice from capable staff (Grow Wgtn has that!) as we have committed a huge amount of time, money and resources to our business, its vision and value/product proposition for the past 2 years. Grow Wellington gives us that immediate “credibility factor” which means everything, possibly even more than any funding support, as we have the solution and now the ability to open some important doors.
Others who were less positive indicated that:

- Grow Wellington has an important networking and connecting function but we still have to translate the connections into action
- We have not had follow-through yet on some of the services promised
- They did provide some contacts but our business doesn't really fit in to any of their existing programmes

**Business Training (Activate)**

Activate is an initiative developed and implemented in 2007. It is an intensive 16 week course on business fundamentals for early stage businesses. It was developed because Grow Wellington identified a lack of comprehensive support at the very early stage of a business idea as a major hurdle facing Wellington’s entrepreneurs.

Initially run by Creative HQ, the region’s business incubator, it is now run by Grow Wellington. It acts as a feeder for Creative HQ incubator companies.

Since 2007, 112 businesses have completed the Activate programme (7 in 2007/08, 42 in 2008/09 and 63 in 2009/10). Of the 20 survey respondents who had accessed these services, 3 (15%) were very satisfied and 12 (60%) were satisfied.

**Bright Ideas Challenge**

Launched in April 2010, the Bright Ideas Challenge provides support and advice to start-up businesses on how to take their ideas to the next stage of development, and also to connect businesses with the innovation and research activity in the region, where this is relevant. It replaced a previous programme, known as ‘Accelerate’.

The first Challenge received 1,233 entries, which have been developed into 151 business plans through the support of 50 business experts. The programme has leveraged financial and in kind support from the innovation community, estimated by Grow Wellington to be worth $500,000. Grow Wellington is now focused on supporting these business plans, has started the programme for 2011, and intends to continue the Bright Ideas Challenge as an annual event.

The Bright Ideas Challenge has exceeded the targets set by Grow Wellington, with a higher than expected response from the public (more than four times the estimated number of entries were received). The Bright Ideas Challenge has attracted attention from other economic development agencies interested in replicating the concept. It would appear to have been successful in raising the profile of entrepreneurship in the region, and has attracted strong support from the business community.
It is not yet possible to assess to what extent the Bright Ideas Challenge, and follow up business support, will lead to successful emerging businesses.

Of the 55 business survey respondents who had participated in the Challenge, 13 (24%) were very satisfied and 22 (40%) were satisfied.

One respondent had this to say about the Bright Ideas Challenge:

The Bright Ideas Challenge accelerated our progress through the initial start-up phase by a) connecting us with relevant experience and advice, and b) reducing the cost barrier (by arranging grants) of access to necessary early stage professional support (IP lawyers, early stage business investment advice). On their own, each of these things would have helped somewhat; together they accelerated our business by an estimated 6+ months.

Business Investment and Innovation Services

Grow Wellington supports and connects investment and innovation at an early stage through three initiatives: Angel HQ, Escalator, and TechNZ.

Angel HQ: Grow Wellington established Angel HQ in November 2007 as an angel investment network. Overseen by the Angel HQ Board, it aims to help bridge the gap between a firm’s ability to fund early growth from its own resources, and the point where the company qualifies for institutional finance from traditional sources. Grow Wellington’s role has been to establish the Angel HQ network and support it over the medium term, with the aim of it becoming a self-sustaining investor club in the long term. Since its inception Angel HQ has grown to 30 members, 53 deals have been presented and 10 closed. On 30 November 2010, Angel HQ became independent of Grow Wellington as part of its planned evolution into the region’s innovation community. While Angel HQ has had some success, Grow Wellington acknowledge they are ‘still trying to work out how to make it sustainable’, which is unsurprising as early-stage capital raising is very challenging in the current economic environment.

Escalator: In 2010 Grow Wellington was engaged as a regional delivery partner for New Zealand Trade and Enterprise’s specialist investment-ready service for small to medium enterprises. Grow Wellington hosts Escalator training workshops and refers eligible businesses to Escalator’s individual assessment and targeted advisory service. Since Grow Wellington’s involvement, attendance at Escalator workshops from people in the Wellington region has increased. One survey respondent had this to say about the potential of Escalator support:

Advice and support from Escalator services has the potential to help film producers to potentially source private investment which would significantly assist in growing the sector.

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TechNZ: Grow Wellington is the Wellington regional partner for the Ministry of Science and Innovation’s (MSI) TechNZ programme, which is focused on growing world class New Zealand companies through innovative technology. In 2009/10, Grow Wellington, in their role as regional partner, facilitated the granting of just over $1m of TechNZ funding for the Wellington region.

Of the 61 business survey respondents who had accessed investment and innovation related support, 16% (26%) were very satisfied and 22 (36%) were satisfied. While positive, this is the lowest level of support across all the business growth services, perhaps reflecting difficulties in raising capital.

**Business Incubation**

Creative HQ is the region’s business incubator, aimed at facilitating and driving the development of high growth potential businesses. Creative HQ ventures are supported with market analysis through to capital raising and internationalisation.

Established in October 2002 by Positively Wellington Business, Creative HQ Limited is, as of 1 July 2010, a 100% owned subsidiary of Grow Wellington. As well as Grow Wellington funding, Creative HQ receives nominal funding and in-kind contributions from five strategic partners. Creative HQ use a responsible engagement model that equates to Creative HQ taking a 5% equity stake in ventures.

As at December 2010 Creative HQ had 22 active ventures, two less than target. Between 2007 and 2010, 21 ventures exited Creative HQ, 14 (67%) have been successful and 7 (33%) unsuccessful.

Of 31 business survey respondents, 11 (35%) were very satisfied and 12 (39%) were satisfied with the business incubation support they had received through Creative HQ. Along with Activate, this is the highest level of satisfaction across all the business growth services.

Two business survey respondents had this to say about Creative HQ:

> Creative HQ has been vital to our growth and a very valuable service.

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23 Formerly run by the Foundation of Research, Science & Technology.


25 This includes technology support from Citylink and FX Networks; professional services from Deloitte; legal advice from Morrison Kent; and technology transfer through Viclink.

26 The common measure of success for graduate companies is how many are still in business, and for how long. Incubator Support Programme Evaluation Report, Ministry of Economic Development, May 2008
Creative HQ and the introductions facilitated through the KEA network and Bright Ideas Challenge have been instrumental at speeding and supporting our growth and establishing the necessary foundations for our company.

An evaluation carried out on behalf of MED in 2008, found Creative HQ compared well to other incubators around the country.

Each year Creative HQ collects key information from its 44 alumni businesses (i.e., businesses that have exited Creative HQ). Results for 2009/10 were positive with:

- Revenue growth of 44%
- Exports as a percentage of total revenue 49%
- Export revenue growth of 71%.

Creative HQ uses NZTE’s economic impact formula\(^27\) (developed for the seven nationally recognised New Zealand incubators) to calculate annual and lifetime economic impact. Results indicate significant economic impact for the region of:

- Annual economic impact\(^28\) $64 million (2009/2010)

Overall, the Creative HQ story is positive. Creative HQ has helped consolidate the previously fragmented regional incubator network, alumni businesses are showing strong growth, and their contribution to the regional economy is increasing over time. There is a sense from Creative HQ and Grow Wellington that the initiative is ‘reaching critical mass’ and poised for significant growth.

‘We now have a community of sectors in the region and our ventures are getting local, regional and international awards.’ Creative HQ stakeholder

**Impacts of Business Growth Services**

Business survey respondents were asked how Grow Wellington’s services had contributed to the growth and development of their business. Figure 9 summarises the results for those respondents (n=169) that had accessed one or more business growth services. Figure 10 indicates that Grow Wellington services contributed to the growth of businesses through providing useful business connections (57%) and useful business information (56%).

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\(^{27}\) Economic impact = (total revenue + salaries + investment) x2 (economic multiplier)

\(^{28}\) The economic impact figures are based on results in the following areas for alumni only. The 09/10 economic impact was calculated on the results received for 17 of our alumni businesses. Calculated as (total revenue + salaries + investment) x 2 (economic multiplier). This formula is the mechanism used by NZTE to assess the economic impact of the seven nationally recognised New Zealand incubators.

\(^{29}\) The lifetime economic impact is based on results collected over the last three years (07/08, 08/09 and 09/10).
Figure 9: Satisfaction of business growth services accessed

- **Activate** – 16 week programme on business fundamentals for early stage businesses

- **Creative HQ** – incubator for high growth export oriented businesses

- **General business support services and advice including introductions to business support services**

- **Bright Ideas Challenge** – series of activities to take business ideas to the next level and connect to appropriate business support

- **Support obtaining investment** (eg from TechNZ, Escalator, Angel HQ)

- **Other** (incl. Summer of Tech, Education Wgtn, Global Kea, Cleantech Centre, WOAP, Small Business Centre Courses)

![Bar chart showing satisfaction levels for various business growth services accessed.]

Source: MartinJenkins
Figure 10: How have Grow Wellington services contributed to the growth and development of your business/organisation

Overall, the results indicate a strong level of satisfaction with business growth services provided. 31% of those surveyed found the business growth services accessed of great value, and 57% of some value to the growth and development of their business.

In conclusion we note that business growth services are valued and receive strong levels of satisfaction from the businesses surveyed. We recommend a focus on reporting outputs and a set of intermediate outcomes that allow a picture of performance to emerge that links to the outcomes of the Strategy.
Sector Growth services

Grow Wellington has identified the following five sectors within the region ‘which have critical mass, both current and potential, and can be built on to achieve export growth’\(^\text{30}\) and, in relation to which, Grow Wellington believes it has the ‘ability to address the gaps preventing them from achieving greater export success’

- education
- food & beverage
- film
- manufacturing
- primary industry.

Grow Wellington’s short term Sector Growth outcome is ‘priority sectors identified and initiatives underway’ and long-term outcome is ‘export growth in priority sectors’.

Grow Wellington’s Sector Growth team consists of 5 full-time employees (one shared between primary and manufacturing and two within film). From 2009/10 to 2010/11 expenditure on Sector Support services decreased by 23% from $1.6 million to $1.2 million.

The following section describes these sectors and the work that has occurred within them, including key achievements and intended future direction.

**Education**

The education sector accounts for 9% of regional employment. There are 1,153 education institutions in the region, the majority of which are based in Wellington City (47%). In 2009, the Wellington region had 5.3% of New Zealand’s international fee paying students, equating to $132.5 million value for the region\(^\text{31}\). Although the number of international students decreased by 4% between 2007 and 2009, total tuition fees received increased by 3.6%.

Through Education Wellington, Grow Wellington supports the region’s export education sector. Education Wellington provides a range of services and support such as: provision of promotional and marketing materials; coordination of marketing networks and inbound and outbound missions; professional development workshops; provision of information and resources for the sector; liaison with other regional education groups. The target markets for attracting international students are Vietnam and China.

\(^\text{30}\) Grow Wellington Statement of Intent 2010/2011  
\(^\text{31}\) Freeth A. The Wellington Regional Economy, 2010
In addition to the international student attraction programmes, Grow Wellington has begun supporting the development of education services with the potential to earn income from offshore. This programme currently involves developing sister school relationships at primary school level with New Zealand teachers delivering English conversation lessons to Korean students. Thirty primary schools across the region are signed on to deliver real time English conversation lessons into Korean after-school programmes.

The work in this sector appears to be highly valued by those stakeholders involved. Of the 18 business survey respondents who had participated in Grow Wellington’s education sector growth activities, 8 (44%) were very satisfied and 8 (44%) were satisfied. A client and stakeholder survey undertaken by Grow Wellington in July 2010 that focused on the education sector received 28 education respondents, and of these 96% reported being satisfied with the support received from Education Wellington.

Some firms who had engaged in education sector growth activities had this to say:

- The collaborative approach of institutions exploring and going to new markets is helping to grow international students in Wellington
- It serves to improve the profile of Wellington as a destination for international students.

Key achievements include:
- Promotional film developed to tell the region’s education story
- New Education Wellington website launched as a one-stop-shop for information on studying in the region
- Initiative with Korean schools including a pilot programme with 13 schools completed on 15 December 2010.

**Food and Beverage**

The region’s food and beverage sector accounts for 5.2% of firms and 10.9% of regional employment. The majority of businesses are located in Wellington city (48%) followed by Lower Hutt (21%). Around two thirds (65%) of food and beverage firms employ 5 people or less.

Prior to 2007, Go Wairarapa successfully applied for New Zealand Trade and Enterprise Major Regional Initiative(MRI) funding for a project known as Cuisine and Fine Wine. This MRI aimed to promote the fine food and wine of the Wairarapa region by improving the international marketing of the Wairarapa cuisine and wine industries. Funding was subsequently transferred to Grow Wellington and two key initiatives were progressed: a school of cuisine, and a wine strategy.
After prolonged negotiation, Grow Wellington, in collaboration with the Wellington Institute of Technology and the Universal College of Learning (UCOL), attracted Le Cordon Bleu to establish a New Zealand Centre for Cuisine and Hospitality Excellence at the Regent Centre in central Wellington. The school is predicted to attract at least 500 international students annually and contribute up to $30 million per annum to the regional economy. This initiative builds on Grow Wellington’s work with the food sector and on a joint campaign with Positively Wellington Tourism to brand the city as New Zealand’s culinary capital.

Grow Wellington’s work in the food and beverage sector is guided by a Food and Beverage Advisory Group and a Food Strategy, both of which have been developed in collaboration with the sector. Membership of the Advisory Group has recently changed to include more food manufacturing businesses as the Group moves towards a greater focus on growing exports. Stakeholders recognise that building sector capability and regional growth is a necessary first step, but that it can also provide a pathway to future exporting opportunities.

A key part of the Strategy is to ‘tell the Wellington food story’. ‘Wellington on a Plate’ has proved a successful joint venture between Grow Wellington and Positively Wellington Tourism as a means of doing this. An economic report commissioned to measure the impact of Wellington On a Plate estimated that, during the festival event in August 2010, business in participating restaurants increased by between 5 and 50 percent.

One participant had this to say about food and beverage sector growth activities:

Activities such as ‘Wellington on a Plate’ inspire participants to reach internationally desirable levels of performance.

Of the 44 business survey respondents who had participated in Grow Wellington’s food and beverage sector growth activities, 19 (43%) were very satisfied and 19 (43%) were satisfied.

Work to support this sector has been a success story for Grow Wellington and the other partners engaged in the work. The attraction of Le Cordon Bleu is seen as a significant development for the region with considerable potential economic benefits. Although the change of location away from the Wairarapa to Wellington city was seen as a disappointment for some, it is expected there will still be spin-off benefits for the Wairarapa.

32 Figures from Le Cordon Bleu based on previous schools
33 Economic report on Visa Wellington on a Plate event August 2010, as reported by Positively Wellington Tourism, Nov 2010
Key achievements include:

- The brokering of arrangements to bring Le Cordon Bleu to the region
- Food and Beverage Advisory Group formed consisting of industry partners
- Food strategy completed and endorsed by the Food Advisory Group
- Development of food and beverage initiatives
  - Wellington on a Plate (delivered)
  - Export Beer Cluster
  - Food Directory.

Film

From 2007 to 2008 the number of screen industry businesses located in the Wellington region increased by 9% to 648 and screen production expenditure more than doubled to $285 million in 2008.\(^{34}\)

Film Wellington, a programme of Grow Wellington, promotes and facilitates local and international screen production in the Wellington region. Activities include: issuing film permits; managing national and international enquiries; working with local authorities to ensure their processes are ‘film friendly’; provision of filming support and facilitation. Though less strategic in nature than other Grow Wellington sector activities, Film Wellington performs a core regional function.

The business survey undertaken for this report indicated high satisfaction with the service. Of 23 survey respondents in the film sector, 6 (26%) were very satisfied and 11 (48%) were satisfied with the film sector support services.

Some sector participants had this to say about the film sector support services:

> The support for the Wellington film industry is a huge help for growth in the sector. Growth of the NZ film industry brings significant export dollars into the local economy.

Key achievements:

- development of global film marketing plan for Wellington region
- development of online film permit application.

\(^{34}\) Statistics New Zealand, Hot of the Press 2008
**Manufacturing**

Manufacturing accounts for 3.5% of the region’s firms and 6.1% of regional employment. Between 2007 and 2009 the number of manufacturing sector businesses declined by 4.4% and the number of employees declined by 13%. The rate of decline was greater in the Wellington region than for the country more generally. Sixty percent of manufacturing businesses are either in Wellington City (31%) or Lower Hutt (29%). The majority of businesses (72%) employ five people or less.

Upon its establishment in 2007, Grow Wellington took over the Greater Wellington Industry Development Centre from Positively Wellington Business. This was an initiative designed to advance industrial activity in Wellington through commercialisation and market development opportunities. Central government funding ceased in March 2008 and, following a review, Grow Wellington decided it did not fit with current industry needs and closed the Centre.

After engagement with the sector, Grow Wellington identified a need to build collaboration amongst local manufacturers to help foster innovation and exporting opportunities. A graduate scheme was considered a starting point to build stronger links and the Optimising Manufacturing Scheme was developed.

Launched at the end of 2009, the Scheme facilitates graduates into positions in manufacturing companies to address productivity and efficiency improvements. Three graduates per intake enter an 18-month contract that entails working for six months in three Wellington manufacturers, where they will participate in both in-house learning and external professional development. Although the Scheme is still in the early stages of development, 10 graduates have been placed (with more expected this year), and a graduate network has begun to form.

Grow Wellington’s Manufacturing sector manager has also visited a large number of the region’s manufacturers to discuss business growth opportunities, with the aim of linking them with the support required.

Although the numbers of respondents is lower than for most other sectors, the business survey results suggest that satisfaction with manufacturing sector support is lower than for other sectors. Of the 19 firms who rated satisfaction with manufacturing sector growth services, 3 (16%) were very satisfied and 8 (42%) were satisfied.

**Key achievements:**
- Initial funding for the Optimising Manufacturing Programme secured through the Ministry of Social Development and TechNZ
- 10 graduates placed in manufacturing companies through the Optimising Manufacturing Programme.
Primary industry

The region’s primary sector accounts for 5.2% of firms and 1.4% of regional employment. Between 2007 and 2009 the number of Primary sector businesses declined by 8.3% and the number of employees declined by 5.5%. The rate of decline was greater for the region than for the sector nationally. The majority of the region’s primary sector businesses are located in the Wairarapa and the Kapiti Coast. Although there are 77 large primary sector businesses in New Zealand (100+ employees), none are located in the region. 94% of the region’s businesses employ 5 people or less.

Grow Wellington’s work with the Primary sector has revolved around the development of an irrigation project for the Wairarapa. The aim of the project is to future proof the productive capacity of the Wairarapa valley land, and the subsequent economic and social return, through water storage and irrigation opportunities. It is a long-term (20 year) project with distinct phases and significant funding requirements.

Grow Wellington’s role in the irrigation project has been one of facilitation and support during the establishment phase. In 2009 the Greater Wellington Regional Council assumed leadership of the project as there was a desire for the project to be regionally integrated.

Governance for the project has been established with a Regional Leadership Group in place consisting of representatives of GWRC, the three Wairarapa District Councils, the Wairarapa Regional Irrigation Trust, the two Wairarapa iwi, and environmental/recreation groups. A study by economic consultants Nimmo-Bell and BERL for GWRC estimated significant potential benefits as a result of the construction of storage and irrigation infrastructure. From a regional economy-wide perspective, the project has a net benefit of $407 million to the Wairarapa community, and $330 million to the Wellington region as a whole. This translates to a benefit-cost ratio of 10.2 for the Wairarapa and 3.7 for the Wellington region.

The project now requires financing to undertake the next piece of work which could lead to application for a resource consent. Pre-feasibility investigations on water storage sites and demand have now also been undertaken.

Overall, while this project is estimated to have significant gross benefits, its long timescale and significant funding requirements mean there is some uncertainty over its future. Stakeholders we interviewed generally supported the concept, and were keen to see it happen, but were realistic in seeing it as a long term prospect.

35 Freeth A. The Wellington Regional Economy. 2010
37 Grow Wellington Annual Report 2009/2010
38 Economic Evaluation of Wairarapa Regional Irrigation Project, for Greater Wellington Regional Council, Jan 2010. Nimmo-Bell and BERL.
Now that the first phase of the project has been completed, Grow Wellington’s future role is expected to be limited. Grow Wellington is now working with the timber industry to identify opportunities where similar facilitation services may accelerate sector growth as a result of increasing volumes of timber reaching maturity in the southern North Island.

Only 3 survey respondents rated their satisfaction with primary industry sector growth activities so it is not informative to discuss these results in detail.

Key achievements:

- Heads of Agreement brokered by Grow Wellington between the Irrigation Trust and Meridian Energy
- Secured $135,000 over 4 years from the Ministry of Agriculture and Forestry Community Irrigation Fund
- Cost/benefit and economic impact report completed.

**Impacts of Sector Growth Services**

Business survey respondents were asked how Grow Wellington’s services had contributed to the growth and development of their sector. Figure 11 summarises the results for those respondents (n=110) that had accessed or participated in sector growth services.
Figure 11: How have Grow Wellington sector growth activities contributed to the growth and development of your sector

Source: MartinJenkins

Figure 12 indicates the satisfaction with sector growth activities.
Business survey respondents were also asked to what extent they expect sector support activities to improve the export growth potential of their sectors. The results indicate that the majority expect exports to increase to some extent (42%) or greatly (21%) but significant numbers also expect little change in exports (25%) or no change at all (12%).

**Summary**

Overall, the results suggest that sector growth support activities have delivered some benefits and offer the potential to contribute more. However, the extent of outcomes achieved is not uniform across the sectors:

- The work of the education sector is highly valued by stakeholders, and there appear persuasive arguments to undertake marketing of the region’s education sector on a regional rather than sub-regional basis. It is too early to assess the impact and export revenue potential of selling English language services offshore.

- The food and beverage sector work has clear governance in place, strong partnerships with the sector, and some demonstrable achievements around Wellington on a Plate, and attracting Le Cordon Bleu to establish a Cuisine and Hospitality Centre in Wellington.

- The work of Film Wellington is a largely operational role in support of facilitating film production in the Wellington region, but it is nevertheless important for the region.
However, other needs of the film sector, and other parts of the creative industries, are not addressed by this work, although some activities are currently under consideration as part of the screen and digital Centre of Excellence.

- In the manufacturing sector, the main activity has been the establishment of a graduate scheme, Optimising Manufacturing. We understand it has been a challenge to engage with the sector, which is understandable given the broad nature of activities considered as manufacturing, and where incentives may not be apparent for collaboration at the regional level. The scheme is at too early a stage to assess its full value. Overall, satisfaction of firms with manufacturing sector growth services is lower than for other sectors.

- The extent to which outcomes have been achieved in the primary sector to date is unclear, other than preparatory economic assessment work in relation to a Wairarapa irrigation project. Work with the timber industry is at an early stage.

Figure 13: Sectors that best reflect regional strengths with potential for growth

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information media and telecommunications (this includes film and screen and digital technologies)</td>
<td>211, 65%</td>
</tr>
<tr>
<td>Science and research</td>
<td>147, 45%</td>
</tr>
<tr>
<td>Food, beverage and accommodation</td>
<td>123, 38%</td>
</tr>
<tr>
<td>Education</td>
<td>98, 30%</td>
</tr>
<tr>
<td>Health and biotechnology</td>
<td>74, 23%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>70, 22%</td>
</tr>
<tr>
<td>Professional services (eg finance, accounting, insurance, property services)</td>
<td>62, 19%</td>
</tr>
<tr>
<td>Primary industry</td>
<td>39, 12%</td>
</tr>
<tr>
<td>Retail and wholesale trade</td>
<td>31, 10%</td>
</tr>
<tr>
<td>Other (incl. Clean Tech, Engineering, Technology)</td>
<td>27, 8%</td>
</tr>
</tbody>
</table>

Source: MartinJenkins. Base: all respondents (n=326)

A key question for the future relates to which sectors to continue to support and which to pull back from. The business survey provides some indication of the sectors that respondents considered best reflect regional strengths with potential for growth (see Figure 13). Caution should be used in interpreting these findings as the sampling frame for this survey is unlikely to be representative of the business population in the Wellington region.
We recommend that any refresh of the Strategy considers whether the current priority sectors remain the relevant focus for the region, keeping in mind a long term focus that builds on capability and activities that are already proving effective.

Centres of Excellence

Grow Wellington’s Centres of Excellence (CoE) programme is intended as a long-term (20 year) intervention to establish sustainable world class industries in the region. The programme seeks to bring together technology, education, research, commercialisation and business through a range of initiatives in the areas of: biotechnology and life sciences, clean technologies, and screen and digital technologies.

The Centres of Excellence concept is to improve opportunities for innovation and commercialisation in a sector by bringing together key players in the innovation system. Grow Wellington’s consideration of a successful CoE is one that is built upon world-class institutions, companies and people in a specialised field that demonstrates a global, sustainable, competitive advantage.

Grow Wellington’s Centres of Excellence team consists of two FTE’s, however this is expected to increase to three in 2011. Grow Wellington’s expenditure on the centre of excellence programme was $968,000 in 2009/2010 and is forecast to be $960,000 in 2010/2011.\(^{39}\)

Appendix 1 provides description and analysis of the Centres of Excellence programme. Summarising the key points here, the centres could be said to have met the short term objective of ‘industries for development agreed and initiated’, but it is too early to assess progress towards the long-term objective of ‘by 2030 to create an additional $1 billion of wealth for the region from the Centres of Excellence programme’.\(^{40}\)

We have considered progress of each CoE against a set of success factors, including the need for clear governance, a champion and owner for the initiative, clarity around Grow Wellington’s role as a facilitator, business and stakeholder buy-in, strong national and international links to address scale limitations of the region, and realistic funding expectations. Against these criteria, progress has been partial and mixed.

Of the three centres, the CleanTech centre is the most advanced and so far shows the most promise. The centre aligns well with current national agendas, has a governance structure in place, and has the support of research organisations, local businesses and stakeholders including Kapiti Coast District Council, though the real potential may lie in research and commercialisation activities that extend beyond the physical site for small businesses.


\(^{40}\) Grow Wellington Statement of Intent 2010/2011
The most substantive aspects of the Health Education, Research and Commercialisation Centre (HERCC) have not been realised due to a lack of external funding. The Capital and Coast District Health Board (CCDHB) is a foundation partner for the initiative, though during this period has faced a number of competing priorities. Grow Wellington is currently considering leasing floor space at Wellington Hospital to allow interested companies to begin co-location on a small scale, an approach that may need to be considered in the light of our recommendations below.

The development of a screen and digital centre of excellence has had two distinct phases. The initial phase centred around the development of a large-scale physical Digital Innovation Hub (DIH), but this was not completed as it was identified that a physical centre was not the priority need for the sector. In 2010, Grow Wellington undertook a strategic review of their activities in this area, and has since worked with the sector to agree programmes in the following key areas:

- international connectivity, including optimising support for the AnimFX conference to leverage international opportunities
- support for an orchestral scoring stage
- co-working space aiming to provide a supportive environment for screen and digital start-ups
- digital education working with the School of Computer Graphics within Victoria University.

There is also some work on film funding under development.

Figure 14 presents business survey respondents satisfaction with Centres of Excellence development activities. The small number of respondents makes it difficult to interpret the findings. On the face of it, however, the overall level of satisfaction (ie respondents who are either very satisfied or satisfied) appears lower than for business growth services and sector growth services. Relatively high proportions of people are ‘neither satisfied nor dissatisfied’ reflecting the long-term expectations of stakeholders.
Business survey respondents were asked (see Figure 15) about how the development of Centres of Excellence has contributed to the growth and development of their industry. The most common responses were: improved industry collaboration or raised industry profile. However, almost one third of respondents indicated there had been “no contribution”.

Source: MartinJenkins. Base: Accessed/participated in Grow Wellington centre of excellence activities (n=53)

Figure 14: Satisfaction with the Centres of Excellence development activities participated in

Clean technologies – regional Centre of Excellence projects and/or initiatives in clean technologies eg CleanTech Centre, marine energy, geospatial, and clean transport

Screen and digital – regional Centre of Excellence projects and/or initiatives in screen and digital technology

Biotechnologies and life sciences - development of a regional Centre of Excellence also known as the Health, Education, Research and Commercialisation Centre (HERCC)

Other (incl.: Renewable energy, Intellectual Property, Manufacturing)
Figure 15: In what ways has the development of a centre of excellence contributed to the growth and development of your industry?

Base: Have accessed/participated in Grow Wellington centre of excellence activities (n=53)

Grow Wellington acknowledges that lessons have been learned through the process of supporting CoEs, including the need to take an evolutionary rather than a “big bang” approach, with small steps to maintain momentum. More consistent processes around governance, business plan review and partner engagement would have provided earlier opportunities to assess whether the programme, including the funding expectations, were on track or needed revision.

The development process to arrive at the centres appeared to be thorough and involved consensus building within the region. The concept of intensive sector support for areas of regional strength has validity and some (though not unanimous) regional support. However, there remains an open question as to how much the focus should be on one or more physical locations instead of building a broader-base of regionally clustered activity. In other regions, there are some initiatives that have a focus on one or more locations, often building from existing regional strengths, but there are also initiatives that have a strong emphasis on linking to broader regional and national networks.
We recommend that, if the region continues to support the programme, updated business plans be required for each centre, allowing a re-appraisal of funding expectations to support each project, and a re-evaluation of the roles of project champions, and assessing if council and other key partners can be more engaged where appropriate.

Other services and activities

Grow Wellington has undertaken a number of other activities that do not fit under the headings of business growth, sector growth and Centres of Excellence.

Skills attraction and retention

Grow Wellington has developed and contributed to a number of initiatives designed to attract, develop and retain skills in the region.

Between 2007 and 2009, Grow Wellington undertook a range of activities aimed at attracting skilled migrants to the region such as:

- attending job expos in the United Kingdom
- promoting the region at an expo in Auckland
- contributing to the Wellington Regional Settlement Strategy
- assisting migrants to move to the region and find work
- the development of a skilled migrant database (now discontinued due to lack of demand).

More recently Grow Wellington’s focus has shifted towards skills development including internships. Summer of Tech (previously Summer of Code) has been running since 2006. It places students (expanding to cover computer code, engineering, business analysis and design) with local companies for a 12 week internship. To date 120 students have been interned and the programme has helped to create 90 jobs. The 2010 process matched 61 students to projects across the region.

Grow Wellington has contributed to the Wellington Regional Labour Market Strategy as appropriate.

Infrastructure

Grow Wellington has also sought to contribute to the following Strategy outcomes related to economic development infrastructure:

- improvement in use and supply of broadband
- raising the value of our international gateways.
On the latter issue, Grow Wellington has been involved in work led by Positively Wellington Tourism on long haul flights.

The Strategy included an outcome of adding value to a carbon neutral region, which Grow Wellington considers as being subsumed into the CleanTech Centre of Excellence.

**Other ‘Growing our Economy’ actions**

This section considers the key areas and actions in the Growing our Economy Focus Area where progress has been made, with a brief progress update set out in Table 1 on page 61. Referring to the four areas of activity set out in Table 1, it is apparent that most activity has been focused on ‘developing businesses, products and services’ and on ‘getting our products to international markets’.

In relation to ‘selling and marketing overseas’, whilst the delivery of tourism services is generally considered as working well, activities in this area do not amount to a regional approach to marketing the region to businesses and potential investors, as the Strategy had envisaged. There is no discernible framework in this area to be able to match activities undertaken with outcomes.

Similarly, there has been less attention paid to ‘key business growth inputs’ other than the development of the Labour Market Strategy reported below, and education sector growth services.

**Role of councils and other stakeholders**

The Strategy envisaged a broad range of activities in the focus area carried forward by a wide range of regional stakeholders. Other than activities within the clear remit of Grow Wellington covered above, most attention has been paid at the regional level to broadband, a Long Haul (Flight) Strategy and, at least in the early phases, labour market development. These three actions are covered below, including a separate case study on broadband.

While Grow Wellington is the delivery agency for business support services, some actions have been addressed through local government, central government and other agencies, in particular Positively Wellington Tourism. Individual councils continue to play a role in local economic development, including business development and business support services in some cases. This includes tourism promotion and a number of councils support business infrastructure developments, business attraction, international activities, and events promotion.
Wellington City Council undertakes the broadest range of economic development functions including business development services, business infrastructure support, and international connections and tourism promotion through their council-controlled organisation Positively Wellington Tourism.41

A stocktake of the economic development activities of Councils is included in Appendix 4. We note that this stocktake focuses on activities that relate to regional priorities and activities as set out in the Strategy. It does not purport to be a comprehensive list of all economic development activity that continues at a local level and falls outside the WRS Committee processes.

**Bringing Long Haul Flights to Wellington**

The Strategy identified the need to bring direct, long haul flights to Wellington, identifying this as a core component of successful regions. To address what was described in the Strategy as ‘a handbrake on the regional economy’, the aim was to have direct long haul flights to and from Asia by 2010, two years after new aircraft become available.

In response, a Long Haul Strategy (LHS) has been developed by Wellington International Airport Ltd (WIAL) and Positively Wellington Tourism (PWT), supported by regional partners including Wellington City Council (including through their support for PWT), Wellington Regional Council and direct contributions from some other councils, Wellington Employers’ Chamber of Commerce, and Grow Wellington.

Under the auspices of the Strategy, studies have been commissioned that indicate there is enough existing demand to/from Wellington to support a direct service to Asia and onward to Europe. A 2008 study by BERL estimated a GDP contribution of $23.4 million per annum and additional employment of 372 FTEs from a single air service increasing in frequency to operate daily within two or three years.42

Although some existing aircraft have a potential range to Singapore, opportunities were considered limited and it was envisaged at the time the Strategy was written that new aircraft (B787s and A350s) would provide the best opportunity to link Wellington more directly to the rest of the world. These new aircraft were expected to be in operation in 2008, however there has been a considerable delay to the entry into service of the B787s which has impacted the ability to achieve the original aim of the Strategy, namely direct flights to and from Asia by 2010.

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41 Information provided by Wellington City Council as part of this review
42 Business and Economic Research Ltd – Economic impact of a Wellington Long Haul Air Link
Nevertheless, the LHS is still being actively pursued, and stakeholders who commented on the issue consider it remains relevant. Current activities include market development involving offshore activity and in particular raising the profile of Wellington in Asia, and a dedicated trade familiarisation programme to bring key contacts to Wellington to experience the regional offering themselves. The project has been supported by Wellington City Council through an annual contribution of $200,000 for each year since 2006/07, supplemented by investments from other councils in the Wellington region (ceasing in 2007/8), and project investment from Wellington International Airport.

The lead organisations for the project recognise that taking a co-ordinated Wellington approach across business sectors including tourism, education, film, and property strengthens the region’s case.

In summary, while outcomes have not yet been achieved as envisaged in the Strategy, the strategic rationale for a regional approach to secure regional benefits still applies. The Wellington Regional Strategy and its governance arrangements provide an avenue for advancement of this strategic regional issue.

**Broadband**

The Strategy considered a high performing broadband network as a priority for positioning the region to compete in the global economy. We undertook a case study of the region’s approach to broadband (see Appendix 1) to assess how this priority initiative was taken forward, testing Leadership and Partnership, and providing an assessment of lessons learned.

The long term target still remains valid, and the region is still positioning itself to achieve the Strategy target that ‘by 2017 all of the Wellington region will have affordable access to an interactive, open access broadband network’. Critical decisions are expected this year from central government that will have a significant impact on achieving this target.

In the last three years, government policy has changed considerably with regard to broadband. The region has had to reconsider its role from one of funder and governance partner to more of a facilitation role (i.e. with the aim of making it easier and more cost-effective for private sector investors to build a fibre access network in the region).

The profile and understanding of broadband has risen at the political level. Processes have been improved and streamlined by the region providing joint submissions to central government and national stakeholder groups on technical issues, rather than multiple individual submissions. Technical deployment issues have been worked through at a regional level, such as approaches to road openings, aerial deployment, and rules around new trenching technologies. This has also helped improve the capability and understanding of the issues across councils. The region also hosted a successful trial of shallow trenching technologies in the Kelson suburb, the only trial undertaken by the operator Chorus in the country. Government
and broadband operators have acknowledged that the approach taken by the region can assist in easing the compliance and regulatory costs of region-wide deployment.

We conclude that there remains a regional focus to the government’s broadband plans, and the work of the Strategy partners is expected to provide benefit through positioning the region well for early broadband deployment, and improved working arrangements with telecommunications companies more broadly.

Whether the region will actually benefit from early deployment of the government's main broadband programme, the UltraFast Broadband Initiative, is yet to be determined, and much of the decision may rest on cost factors outside of the control of the region’s councils.

Looking forward, broadband remains an issue identified by regional stakeholders as a priority, and one that benefits from regional co-ordination. Beyond the larger councils and the WRS Office (Wellington City has contributed much of the resource over the three years, and Hutt City has played a leadership role for key elements recently), resourcing broadband in addition to core functions has been a challenge for some councils.

Consideration will need to be given as to whether the council role remains restricted to infrastructure, or whether it should broaden to include ICT take-up, adoption and demand initiatives. A wider remit may require a different set of expertise and personnel. The process of re-confirming the remit for the officers’ Broadband Operational Group (BOG) should also highlight resource constraints and be explicit about the contribution councils are in a position to make.

We recommend that the region continue to approach broadband facilitation on a regional basis, though the remit and scope of council activity may need to change as the government's broadband initiatives enter an operational phase later this year.

**The Wellington Regional Labour Market Strategy**

The Wellington Regional Labour Market Strategy (WRLMS) is an example of a broader economic development initiative taken forward by regional partners, the Ministry of Social Development and the Department of Labour.

In July 2006, the Wellington Regional Strategy Forum (predecessor to the WRS Committee) endorsed the development of the Wellington Regional Labour Market Strategy (WRLMS) to be jointly funded by the Department of Labour (DoL), the Ministry of Social Development (MSD) and the Wellington Regional Strategy.
The WRLMS is a complementary strategy to the Wellington Regional Strategy, which recognises the critical link between the labour market and economic prosperity. It contributes to the Strategy’s ‘key business growth input’ actions in particular: education, increasing labour market participation, increasing labour market productivity, and growing the regional skills base.

MSD and DoL sponsor and facilitate the WRLMS, while the WRS Committee receives information on the Strategy’s implementation and offers support, leadership and advocacy where appropriate. The Wellington Regional Labour Market Governance Group includes representatives from MSD (Chair), WelTec, Employers’ Chamber of Commerce, Career Services, Grow Wellington, Trade Start, Pacific Business Trust, Hutt City Council and the WRS Office.

WRS participation is primarily one of support and advocacy through the WRS Committee. In practice, the Committee’s role has been limited to receiving annual updates on the WRLMS and the Committee Chair’s endorsement of a regional submission on the Government’s Tertiary Education Strategy. Most recently, the Wellington Regional Labour Market Governance Group has discussed the adoption of GPI measures to better align the WRLMS with the WRS.

Overall, while this work appears to have had traction at the outset, the change in Government and changes in key WRLMS personnel have contributed to the project losing momentum over time.

We recommend the Committee reviews the role of the WRLMS in achieving the Strategy’s aims before committing additional resources.

**Summary of Growing our Economy achievements**

Table 1 summarises progress against the Strategy’s action areas. Those marked with an asterisk were identified as priority actions in the Strategy. Some of the activities below have been either addressed in other ways or not been progressed under the auspices of the Strategy. Progress reporting to the WRS Committee has tended to focus on those areas that are active, rather than those mentioned in the Strategy but where no specific regional activity has occurred.

In sum, the overall level of achievement falls short of the aims and expectations of the Strategy. This is due in part to unrealistic expectations set by the Strategy, but it also relates to governance and co-ordination issues. Without programme management across the whole Strategy, the elaboration of how to give effect to, and prioritise, high level initiatives in the Strategy has not happened. This can be seen to apply to initiatives such as ‘attracting high value individuals to the region’, and ‘telling the region’s story internationally.’

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43 Greater Wellington Regional Council, Update on the Wellington Regional Labour Market Strategy, February 2010
There are some areas where it is hard to see how output data from Grow Wellington annual reports (ie 3 new manufacturing projects) aligns with progress against longer term outcomes (ie increased exports). There is scope to improve reporting by providing a clearer set of intermediate outcomes to clarify linkages between individual activities and the goals and desired outcomes of the Strategy.

That said, many initiatives in the Strategy are dependent on strong co-operation, regional support and co-ordinated activity, where clear prioritisation across the overall Strategy is essential. We return to these points when considering the implementation of the Strategy, including issues relating to refreshing the Strategy, matching priorities to resources, and programme management.

With regard to the four ‘key areas’ covered above, we would summarise as follows:

- **Developing businesses, products and services.** This area has seen the most activity of the four areas. The level of services to support business growth has grown, and the overall perception is of good quality of services that have improved over time. The business incubator network (Creative HQ) can be said to have been strengthened and consolidated over the last three years and this Strategy outcome has been met. However, more longer term forms of intervention around sector development and centres of excellence have proved more challenging and in these areas progress has been mixed, and some activities have not progressed as far as had been anticipated.

- **Selling and marketing overseas.** This area encompasses selling and marketing the region from a tourism perspective, as well as promoting the region to businesses and investors. Though the delivery of tourism services is generally considered as working well, we note the WRS Committee has not been engaged in further development of a regional approach to tourism. However, there appears to be a gap around taking a regional approach to marketing the region to businesses and potential investors, and no discernible framework to measure outcomes in this area. Some stakeholders identified a need to seek greater clarification of Grow Wellington’s role in the area of selling and marketing the region to businesses and investors.

- **Getting our products to international markets.** Some good work has been done in relation to efforts to bring long haul flights to the region and improve broadband, but tangible results have yet to be realised. It was also anticipated that the Strategy and its processes could add value to the Port’s operation through the regional form initiatives. Overall, there remains some way to go to demonstrate outcomes that realise Strategy aspirations in this area.

- **Key business growth inputs.** Measuring the progress of Strategy initiatives in this area is challenging due to the high level nature of the Strategy objectives, such as ‘attract and retain talented people’, and ‘the role of education’. This area has had less attention paid to it in this implementation phase other than the development of the Labour Market Strategy, and education sector growth services. We note later in the report that there are
opportunities to consider to better leverage the research and education skill base in the region.

Table 1: Progress against Focus area: Investment in Growing our Economy, especially our exports

<table>
<thead>
<tr>
<th>Key area and action</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Developing businesses, products and services</td>
<td></td>
</tr>
<tr>
<td>* Grow and retain existing business</td>
<td>This has been Grow Wellington’s primary area of focus delivering a set of business support services, such as introduction and business facilitation services, courses on business fundamentals, and building business capability. The range of business support services has grown over the last three years, and businesses perceive the quantity and quality of services has risen. Noteworthy activities include the Bright Ideas Challenge, and Creative HQ, the region’s business incubation facility, which is now well established.</td>
</tr>
</tbody>
</table>
| * Grow Centres of Excellence | Grow Wellington’s three Centres of Excellence are at varying stages of development:  
- CleanTech: the most advanced CoE with a physical centre and committed stakeholders  
- HERCC: has had a number of false starts and external funding still not realised – Grow Wellington is currently considering leasing space and recruiting a manager to progress commercialisation opportunities  
- Screen and digital: has recently undergone a strategic review – the original Digital Innovation Hub has been discontinued and a suite of smaller-scale initiatives are now being progressed |
| Attract high value individuals to the region | Unaware of a regional project that specifically addresses this although Angel HQ helps to support an angel investment network for the region’s early stage enterprises |
| Strengthen and consolidate the business incubator network | Progressed by Grow Wellington through Activate (pre-incubation) and Creative HQ (incubation). Creative HQ became an independent entity as at 1 July 2010 |
| Establish a business innovation & advancement academy | Unaware of regional project that specifically addresses this although some of the initiatives such as business incubation, and the Centres of Excellence work could be seen as partial contributors |
| Attract export businesses | Unaware of a regional project that specifically attracts export businesses although some link to Grow Wellington’s activities |
| Realise primary production potential | Progressed through the Wairarapa irrigation project which is now led by Greater Wellington Regional Council. Grow Wellington is now considering opportunities in the wood sector. |
## Key area and action

<table>
<thead>
<tr>
<th>Key area and action</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2. Selling and marketing overseas</strong></td>
<td></td>
</tr>
<tr>
<td>Provide market access support</td>
<td>A number of Grow Wellington activities contribute to this area</td>
</tr>
<tr>
<td>Tell Wellington region’s story internationally</td>
<td>Progressed to some extent through Grow Wellington and Positively Wellington Tourism. Initiatives such as Wellington on a Plate contribute. Grow Wellington has developed the Wellington story in collaboration with business for businesses to use in their communications</td>
</tr>
<tr>
<td>A regional portal</td>
<td>Positively Wellington Tourism and Grow Wellington have collaborated to develop a web presence for the region rather than a separate portal</td>
</tr>
<tr>
<td>Further development of a regional approach to tourism</td>
<td>The WRS Committee has not been engaged in further development of a regional approach to tourism</td>
</tr>
<tr>
<td><strong>3. Getting our products to international markets</strong></td>
<td></td>
</tr>
<tr>
<td>* Bring long haul flights to Wellington</td>
<td>A Long Haul Strategy has been developed, led by Positively Wellington Tourism, but delays in the operation of new aircraft and commercial considerations have impeded progress</td>
</tr>
<tr>
<td>Adding value to the region’s port</td>
<td>The WRS Committee has not considered the matter, though work has been undertaken to assess the economic impact of the port</td>
</tr>
<tr>
<td>* Grow broadband</td>
<td>Supply side work through Broadband Operational Group has better positioned the region to help facilitate deployment by commercial operators. Demand side survey work commissioned by Grow Wellington</td>
</tr>
<tr>
<td><strong>4. Key business growth inputs</strong></td>
<td></td>
</tr>
<tr>
<td>Attract investment</td>
<td>Progressed partially through Angel HQ, although the Strategy envisaged a more ambitious goal to attract venture capitalists and international businesses which have alignment with the Centres of Excellence programme</td>
</tr>
<tr>
<td>Education</td>
<td>Grow Wellington has progressed education as a priority sector, focusing on international education. Some councils pursuing own local education initiatives (eg Lower Hutt working with local education and research organisations)</td>
</tr>
<tr>
<td>Increase labour market participation, and productivity</td>
<td>Progressed through the Wellington Regional Labour Market Strategy which is currently on hold</td>
</tr>
<tr>
<td>Attract &amp; retain talented people</td>
<td>Unaware of a regional project that specifically addresses this</td>
</tr>
<tr>
<td>Grow the regional skills base</td>
<td>A number of initiatives have contributed, such as the Wellington Regional Labour Market Strategy, and skills attraction and retention initiatives, though there is insufficient information to determine progress against this broad outcome attributable to regional actions.</td>
</tr>
</tbody>
</table>
**Exports**

As noted at the start of this section, the overarching aim of the Growing our Economy part of the Strategy is to double the region’s exports as a share of GDP by 2026. To date, there has been no systematic attempt to measure the extent to which Strategy activities have increased exports.

In the absence of systematic data on the region’s exports, the business survey provides some indication of current and future export activity of a subset of Grow Wellington’s clients. It indicated that, on the one hand that, of those who export, 79% expect their export earnings to increase over the next 12 months. On the other hand, it indicates less than half of the businesses surveyed are currently exporting (42%), and over half (54%) are not looking to export in the future. At one level, this would appear to be inconsistent with the Strategy’s overarching goal, but to draw firmer conclusions requires a fuller understanding informed by systematic data collection of the propensity of firms in the region to export, and the intermediate steps on that journey.

We would note that Grow Wellington, through its processes, appear to have oriented their sector and centre of excellence work with the impact on exporting potential in mind. Having a long term export goal in place does not in our view preclude activities, such as building sector capability and providing market intelligence, that help provide the ingredients toward export opportunities in the future.

**Part 3B: Good Regional Form**

Good regional form is about ‘the physical arrangement of urban and rural communities including effective environmental management’\(^{44}\). In the context of the Strategy, achieving good regional form is an enabler of a well-configured and compact community that enhances the quality of life for residents and businesses.

The Good Regional Form action areas in the Strategy encompass land use planning, environmental management, transport planning and other aspects such as urban design. The specific action areas that are set out in the Strategy include:

- strong CBD and sub-regional centres (priority area)
- regional focus areas (priority area)
- open spaces
- quality urban design
- land for business growth
- integration of transport with urban and rural needs

\(^{44}\) Wellington Regional Strategy p32
• rural industry growth
• housing close to work and transport
• affordable housing
• rural lifestyles.

It was intended that these action areas should largely be implemented by in kind contributions from individual councils. No specific funding was allocated from the regional rate for these projects, although resource from the WRS Office has been used to coordinate and lead some of the activities.

To enable progress on projects given limited resources, an early decision was taken by the Chief Executives’ Group to identify priority projects and a group of ‘secondary projects’. In the latter group, activity was limited to information-sharing between councils.

We would expect good regional form to be critical to economic growth in a number of ways, but chiefly through the achievement of compact urban form, good transport networks, provision of appropriate amenities and affordable housing and business land. Progress against the focus areas of the Strategy is intended to make Wellington an easier place to do business (eg by integrating transport with urban and rural needs, ensuring adequate supply of business land, and providing housing close to work and transport) and a more attractive place to live (eg by supporting affordable housing, rural lifestyles and good open spaces).

In this part we examine to what extent the Good Regional Form initiatives have contributed, or have the potential to contribute, to the goals of the Strategy – notably improved competitiveness of the Wellington region. Among other things, we consider the extent to which Strategy activities:

• improved regional open spaces
• improved industrial land planning and use
• improved intensification planning and practices
• strengthened the Wellington CBD and regional centres.

**Background**

Progress on good regional form needs to be considered against the backdrop of the planning framework for the region. Several statutory documents are key in shaping regional form:

• The **Regional Policy Statement** (RPS) is prepared by the GWRC under the Resource Management Act 1991 (RMA). Its purpose is to promote sustainable management of natural and physical resources. These include land, water, air, soil, minerals and energy, plants and animals, and all structures. District plans must give effect to the RPS, and decisions regarding resource consents, water conservation orders, and heritage orders
must be consistent with the RPS. Since the Strategy is not a statutory document, one mechanism by which its priorities and activities can gain traction is by incorporation into the RPS.

- **District Plans** are prepared by each TA and are required by the RMA to be consistent with the RPS and any national policy statements. They are a tool in setting out how each local authority plans to meet their obligations under the RMA. District plans cover such matters as: effects of land use, impacts of land use on natural hazards and the management of hazardous substances, noise, activities on the surfaces of rivers and lakes, and impacts of land use on indigenous biological diversity. A key element of a District Plan is zoning, which prescribes what activities are permitted in any given area.

- **The Regional Land Transport Strategy (RLTS)** is approved by the GWRC under the Land Transport Management Act 2003. It is prepared every six years with a 30 year horizon. The RLTS is overseen by a statutory regional transport committee (separate to the WRS Committee) with representation from the councils in the region. In Wellington, TAs are currently represented by their mayors with councillors as alternates. The RLTS aims for an affordable, integrated, safe, responsive, and sustainable land transport system that contributes to: assisting economic development; assisting safety and personal security; improving access and mobility; protecting and promoting public health; and ensuring environmental sustainability. The RLTS is taken into consideration when making funding allocation decisions. The committee recommends it to the GWRC for formal approval.

The most recent Wellington Regional Land Transport Strategy 2010 – 2040 notes that it and “Wellington Regional Strategy and Wellington Regional Policy Statement development processes have been closely aligned to ensure transport is integrated with land use outcomes.”

**Basis for assessing the extent of outcomes achieved**

Assessing the impact of any strategy on good regional form is inevitably problematic. Regional form changes only slowly over time and is subject to a range of influences raising questions of attribution. In cases where change averted is a good outcome, the counterfactual is often not clear. Good regional form is a somewhat nebulous concept without well defined indicators.

In light of these considerations, we have focused on the extent to which:

- specific activities in the Strategy were implemented consistent with the overall intent of the action areas
- processes and arrangements supporting regional form have been established
- any anticipated improvements in regional form can reasonably be expected to follow that would contribute to the economic development of the region.

In each of these areas, we have considered the extent to which the Strategy has added value to what might otherwise reasonably be expected to have occurred.
Regional form initiatives: outcomes achieved for specific action areas

Strong CBD and sub-regional centres

The Strategy identifies the Wellington CBD and the regional centres as the engine rooms of economic development. The Strategy recommends an overall vision for the region’s centres, supported by locally developed strategies. It was intended that consideration be given at a regional level to the best locations for ‘big-box’ retailing and more intensive housing, and to review transport investment programmes to ensure alignment with CBD and regional centre strategies.

It was also intended that appropriate regional investment mechanisms be explored that might help to unlock development potential within a centre or CBD, where the market is not yet delivering on the desired level of development.

This focus area has been led by the Wellington City Council on behalf of all the councils of the region. In practice, work has been concentrated on a stocktake of centre planning approaches undertaken in April/May 2009, followed by a SORT workshop to disseminate the information and discuss opportunities for collaboration.

The main findings of the stocktake were to note the variety of approaches and tools used with respect to centre planning, research being undertaken, and to identify common issues such as big box retailing. It also identified opportunities for information sharing.

Subsequently the Chief Executives Group decided not to adopt a formal regional approach to the identification and management of all centres as it would be too resource intensive and there was lack of agreement by councils as to the shared vision. However, SORT did make some recommendations to support the alignment of management approaches. Also, the work done in this area supported the inclusion of a new topic on regional form in the Regional Policy Statement. This has the potential to strengthen the contributions of the CBD and sub-regional centres.

These contributions are potentially valuable, but fall short of the ambition set out in the Strategy. They do not establish a vision for the CBD and other centres, nor, at a regional level, the best locations for ‘big-box’ retail or urban intensification, and do not appear to have included any review of transport investment mechanisms (although it could reasonably be argued that this last is a matter for the Regional Transport Committee).

We understand that the officer leading this work has left Wellington City Council and that a replacement appointment to this workstream has not yet been made.
Nor are we aware of any work undertaken to develop regional investment mechanisms to unlock development potential within the centres not currently being developed by the market.

**Regional focus areas**

The Strategy identifies eight geographic focus areas considered to be particularly important to the successful implementation of the Strategy. These are a mix of areas identified for development (eg in concert with the development of a transport corridor) and areas under pressure where careful management of development is desirable for environmental sensitivity reasons.

The actions identified for each of the geographic focus areas are the preparation of plans or studies or to institute a change to the relevant District Plan or plans. We do not have any estimates of the level of effort being applied to the planning for regional focus areas, but indications are that it is likely to be the most substantive of the regional form action areas in terms of total level of activity.

As set out in Table 7 of the case study, in Appendix 1, there has been substantial progress with the preparation of plans and planning changes. While not all have been progressed as far as envisaged in the Strategy, this is understandable given their contingency on a number of related factors.

In almost all cases it is too soon to see changes to regional form on the ground as a result. The developments envisaged typically take timeframes of a decade or more from conception to implementation. Further, the developments are primarily enablers for economic development which is contingent on a private sector response which can take a number of years to come to maturity.

As it is far too soon to expect tangible economic benefits, the key question is whether WRS processes are having a material influence on the outcomes of the planning processes and their timing.

This is difficult to assess due to the complexity of planning processes. Priorities and actions proposed under the Strategy require a long-chain of events to occur before impact on outcomes in the physical environment.

Nevertheless, a number of indicators suggest that the impact of WRS processes on progress in the Regional Focus Areas has been relatively minor. To begin with, it was determined in this area that there was no need for a regional coordination role. The WRS process has essentially been limited to periodic stocktakes of progress (the last was in March 2009), with updates provided by officers from participating councils.
In other words, joint work in this area has largely involved information sharing. There does not appear to have been the peer review by other councils envisaged in the Strategy. In practice, the initiatives have been progressed at the behest of individual councils, working with neighbour councils and the NZTA where relevant.

It is not clear whether regional focus area initiatives were progressed as a result of their inclusion in the Strategy, or whether they would have occurred anyway.

A related point is that it is not clear to what extent strategic choices made at a regional level influenced the determination of the regional focus areas for inclusion in the Strategy. It has been suggested to us that there was an expectation that each council should have at least one regional focus area (there is only one for the Wairarapa). It has also been suggested that the specific areas chosen were considered ‘business-as-usual’ for the councils concerned.

**Open spaces**

Open spaces include parks, walking tracks and natural areas. The open space work recognises the importance of quality open spaces to liveable cities and regions. The Strategy noted that there are opportunities to improve the open space network and to gain more economic benefit from assets such as the Karori Wildlife Sanctuary (now Zealandia).

Activities under this action area were intended to identify ways to better integrate the region’s open spaces particularly for recreational activities like walking and mountain biking, whilst retaining a balance with ecological and other values.
The key actions proposed and progress is as follows:

Table 2: Progress on open spaces action areas

<table>
<thead>
<tr>
<th>Actions proposed</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map the different categories of open space including those administered by DOC and walking tracks</td>
<td>This has been done and we understand the mapping will be published shortly. A common classification of open space category and functions has been developed across the region.</td>
</tr>
<tr>
<td>Identify gaps and opportunities to improve the regional integration of public open space.</td>
<td>An Open Space Strategy and Action Plan(^ {45} ) was developed and signed off by the WRS Committee in November 2009. It has not yet been published pending availability of the maps referred to above.</td>
</tr>
<tr>
<td>Develop a regionally agreed action plan for improving the integration of public open spaces.</td>
<td></td>
</tr>
</tbody>
</table>

In 2010, additional action areas were considered, including areas of conflicting use including motorised recreation, key biodiversity areas, and sportsfields (particularly looking at the quality of turf).

It is still early days in terms of visible changes on the ground, but the Open Space Strategy is comprehensive. This action area appears to have gained considerable momentum as a result of regional collaboration, and there are already benefits in terms of sharing information and approaches. If the momentum is maintained there is potential to see real improvements in regional outcomes beyond what is attributable to the efforts of individual councils.

Two circumstances might have contributed to this outcome. Firstly, the open spaces work was led by the WRS Office itself. It is the Good Regional Form area with by far the largest input from the WRS Office and GWRC in terms of time. This allowed a relatively high level of dedicated effort on project management. Secondly, the need for significant trade-offs across the region have not arisen in the work to date. This has allowed work to progress without a need for difficult political decisions. It is conceivable that trade-offs might arise in future, but this seems less likely than in areas such as industrial land.

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\(^ {45} \) The Open Space Strategy and Action Plan establish a framework for the integration of public open spaces and the sharing of approaches and practices across the region
Quality urban design

The intention of the quality urban design action area was for all councils in the region to sign up to the New Zealand Urban Design Protocol (NZUDP) and prepare a regional action plan as to how effect will be given to the protocol. The Strategy noted the potential for the region to provide national leadership in urban design and sustainable development standards.

All councils have now become signatories of the NZUDP and the regional urban design action plan has been developed and approved by the WRS committee in July 2009. Many of the actions proposed in the action plan have taken place:

- a WRS website portal was established for information sharing (and is used to support other action areas)
- urban design review meetings held by individual councils have been opened up to other councils
- a register of urban practitioners has been circulated to councils
- a review of subdivision guidelines has been carried out
- a regional urban design symposium was held with Ministry for the Environment in August 2010.

Early WRS work in this area, along with the work on a strong CBD and sub-regional centres, led to the inclusion of a new objective on regional form, design and function in the Regional Policy Statement. Several new policies support this objective and other Strategy aims:

- Policy 29 requires the encouragement of land use activities to enhance Wellington CBD and sub-regional and suburban centres
- Policy 30 requires the identification and promotion of higher density and mixed use development
- Policy 30 requires identifying and protecting key industrial employment locations
- Policy 32 requires supporting a compact and well designed regional form through the RLTS
- Policy 53 requires considering achievement of the region’s urban design principles
- Policies 54 and 67 require considering the maintenance of a compact well designed and sustainable regional form.

Getting agreement to this new objective and policies may have proved difficult in the absence of the Strategy.

The focus is now on sharing information and collaboration on approaches and projects to make the most effective use of limited resources across the region.
This action area was led by the WRS Office, which noted that the key benefit of the work on urban design has been the creation of a forum for urban planners to come together to discuss common issues and approaches across the region.

**Land for business growth**

Insufficient availability of land for business growth is potentially a key constraint on economic development. The Strategy noted that prime industrial land prices have been rising, primarily as a result of competition between commercial and residential demands. It also noted that there was a limited understanding of how to utilise available industrial land in a way that achieves wider economic growth outcomes.

The intention of this action area was to examine the demand and supply of industrial land and to provide information and guidance on strategic locations for business investors. If the market is not delivering then action (eg zoning changes) might be taken, including to ensure that employment growth occurs where it provides most regional benefit.

Hutt City Council has taken the lead on this action area, and commissioned a study that identifies the available vacant industrial land in the region. This addresses the first of four activities proposed for this area.

Apart from an initial workshop to identify factors influencing demand, little work has been undertaken on the other activities and this action area is now in abeyance.

In particular, little or no work was done on the intended action of considering the factors determining the supply and demand for industrial land. A stronger understanding of the potential contribution of industrial land to the overall objectives of the Strategy – ie consideration of demand factors – would have been an appropriate place to start and would have informed the nature and extent of further intervention in this area. It would also have set the context for the work that was done. In this respect, the industrial land work is best considered as straddling the Good Regional Form and Growing our Economy areas.

**We recommend** that programme management should include consideration of opportunities to use resources in Growing our Economy action areas to support Good Regional Form action areas, and vice versa.

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46 These activities were to include: completing a study of factors affecting supply and demand; identifying employment locations that fit with the strategic direction of WRS; and mapping and promoting industrial-based employment locations with a good strategic fit.
Other good regional form activities

We summarise progress on the remaining regional form activities in the table below.

Table 3: Progress on other lower priority regional form activities

<table>
<thead>
<tr>
<th>Actions Proposed</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating transport with urban and rural needs</td>
<td>This role has been taken on by SORT, and by groups established under the Regional Land Transport Strategy.</td>
</tr>
<tr>
<td>An intention to strengthen the regional transport officer group to ensure that land use and transport decisions are better integrated.</td>
<td></td>
</tr>
<tr>
<td>Rural industry growth</td>
<td>Feasibility studies have been undertaken.</td>
</tr>
<tr>
<td>The Strategy noted strong growth potential for rural industry but predicted water shortages would limit capacity especially in the Wairarapa. It noted an irrigation project has been initiated by Go Wairarapa.</td>
<td>We report further on this issue under the primary sector of ‘Growing our Economy’.</td>
</tr>
<tr>
<td>More homes close to city centres and transport links</td>
<td>A stocktake of the context within which councils manage intensification and their relevant planning and policy provisions has been completed.</td>
</tr>
<tr>
<td>A coordinated approach to the management of intensification while retaining the character of traditional low-density suburbs.</td>
<td>An information sharing forum by SORT team members was held to develop recommendations supporting information sharing and a common approach.</td>
</tr>
<tr>
<td>Affordable housing</td>
<td>Work has stalled as anticipated central Government direction on which to base local government actions did not emerge. SORT decided that it would be difficult to make progress in the circumstances and decided to stop work.</td>
</tr>
<tr>
<td>An intention to study affordable housing in association with central government analysis of housing needs, to work with private developers to explore ways to build more affordable housing and look at a regional investment mechanisms to address deficiencies in supply.</td>
<td></td>
</tr>
<tr>
<td>Rural lifestyles</td>
<td>A stocktake of the use of sub-division design guides and codes was undertaken by councils.</td>
</tr>
<tr>
<td>An intention to examine regional opportunities and constraints to a regional lifestyle with a view to identifying and managing areas suitable for long-term lifestyle development.</td>
<td>A recommendation was made that there should be greater alignment between the councils regarding controls around sub-divisions.</td>
</tr>
</tbody>
</table>
Continuing coordination mechanisms

A District Plan Review Group was established in June 2010 and is intended to progress those initiatives that are still active – including the strong CBD and regional centres. This could potentially be a useful mechanism to institutionalise the information sharing mechanisms that have been established by the Strategy. However, we understand that it has only met once, there is a lack of clarity about its role, and there are no further meetings currently scheduled.

We recommend that the District Plan Review Group, or a similar mechanism to institutionalise the information and approach sharing developed under the Strategy should be reactivated.

Regional form key findings

Outcomes and potential impact

It is too early to observe significant changes in regional form on the ground. With some exceptions (for example the change to the Kapiti Coast District Plan to limit development on the Waikanae northern edge) the processes instituted under the Strategy have some way to run before they have an effect on the ground\(^{47}\). The changes to the Regional Policy Statement resulting from Strategy work, notably the new section regarding regional form and function, have the potential to flow through to impacts on the ground as they are taken up in District Plans and reflected in consenting decisions.

In those areas where good progress has been made at the activity level, it is possible to envisage downstream changes to regional form as a result. The time frame for this is likely to vary from project to project. It is possible that changes to open spaces could be instituted relatively quickly, but planning supporting transport networks could take five to ten years or longer to come to fruition.

Looking forward, a critical issue will be the extent to which momentum can be maintained. Momentum varies considerably across the action areas. Most, if not all, of the regional focus area planning activities have a life of their own outside the Strategy and can be expected to flow through to planning and investment decisions in due course. The open spaces strategy should maintain momentum under the leadership of the WRS Office. The strong CBD and sub-regional centres work has relatively little momentum as a regional activity, although there may be ongoing activity at the individual council level.

\(^{47}\) To illustrate the point, under the Granada to Gracefield Regional Focus Area, the Ngauranga Triangle Strategy Study is an input into the Hutt and Western Corridor Plan, which in turn will feed into the Regional Land Transport Strategy, with further funding decisions required before any developments take place on the ground.
Other benefits
Officers report that the Strategy and related processes have significantly improved interaction between councils, which has produced benefits in terms of sharing approaches and frameworks to common issues (for example the classification of open spaces, or in the work on centres) and in developing and adopting common standards (such as the urban design protocol). Given the commonality of problems and issues faced by the councils and the constraints on staff and other resources, this sharing is valuable and should either improve the quality of work of individual councils (through learning from the approaches of others) or reduce costs (by avoiding re-investment in developing approaches) or both.

Alignment with Growing our Economy initiatives
There are valid arguments for the connection between the Good Regional Form action areas and business and economic development, but some of the causal chains are rather long. For example, while affordable housing, the availability of rural lifestyles, and integration between open spaces potentially increases the attractiveness of the region as a place to live, so do many other amenities and services not falling within the scope of the Strategy.

The matters cited are important and it is useful to bring an economic perspective to them. But given the availability of other regional coordination mechanisms, there may be opportunities to define the scope of the Strategy differently. Other action areas, for example industrial land, have more direct links. The overall scope of the Strategy is considered further in the next section, but it is clear that a better match between Strategy priorities and the resources available is required.

More generally, prioritisation across the action areas and the work within them would benefit from being better informed by a narrative of the nature of economic development expected and how planned initiatives and activities are expected to contribute. For example, while work on land for business growth has focused on the availability of industrial land, the Property Council has observed that Wellington’s business is office space and efforts should be directed to commercial rather than industrial growth.

We recommend the elements of the Good Regional Form work should be refreshed with regard given to:
- matching the range of priorities to the resources available
- moving from cooperation and information sharing to more strategic engagement
- developing clear alignment with Growing our Economy elements of the Strategy.

Conclusions
The Strategy describes ambitious outcomes for the good regional form component of the Strategy, implying significant changes to the built environment, urban design and overall amenity value of the city-region. By reference to these ambitions, the specific actions proposed in the Strategy were relatively modest and were more modest still in practice due to resourcing
considerations. The actions are best characterised as areas identified for further planning attention (often by one or two individual councils), the establishment of regional coordination processes, or information sharing.

The result has fallen short of strategic engagement. Progress appears to have been strongest in those areas where there are not difficult trade-offs across the region. We have noted a number of opportunities for a more strategic approach to regional form, but they do potentially involve difficult trade-offs. Examples are: an approach to limited urban sprawl across the region (perhaps analogous to Auckland’s Metropolitan Urban Limit, as opposed to the focus on Waikanae); considering the optimum location of big box retailing on a regional basis; and considering differing priorities across the regional centres. Using the WRS mechanisms to resolve the trade-offs involved could potentially significantly enhance outcomes.

However, we recognise that there are limits to what can be achieved through a set of voluntary arrangements. If, for whatever reason, these trade-offs are considered too hard, then the WRS governance arrangements, while not fundamentally flawed, are probably overly elaborate in relation to the decision making actually required for the Good Regional Form focus areas. The Good Regional Form would benefit from the governance enhancements considered in Section 5, but if significant trade-offs are not being made, alternative simpler arrangements might also be considered.
4. Implementation of the Strategy

This section describes our findings and recommendations regarding the implementation of the Strategy, including our conclusions regarding the effectiveness of the governance, management and funding arrangements.

The key questions that we have been guided by include:

- to what extent the Strategy’s development was informed by best practice principles, robust data and information
- how and in what ways have the governance structures, in particular the WRS Committee, contributed to the effective delivery of the Strategy
- how effectively have the supporting structures (in particular the WRS Office, Chief Executives Group, and Senior Officers Resource Team) operated
- how and in what ways have the delivery arrangements (in particular Grow Wellington) contributed to effective delivery of the Strategy
- whether the funding arrangements have effectively supported the delivery of the Strategy
- what other factors have helped or hindered effective implementation of the Strategy.

We discuss these and other questions under the following headings:

- future of the Strategy and regional coordination
- the development and evolution of the Strategy
- coordination and management of the programme of activities
- strategy funding and resources
- strategy governance.

Criteria for reviewing implementation of the Strategy

It is important in any review to be transparent about the criteria and principles that have been used to inform conclusions. Generic principles for good governance include ensuring clear roles, responsibilities and accountabilities, and appropriate resourcing, delivery and monitoring arrangements.

More specifically, in relation to implementation of a regional economic strategy, we consider that good governance and oversight implies a governing body that:

- clearly owns the Strategy, ie understands and is committed to the direction of the Strategy, the priorities contained within it, and actively champions and drives implementation
- advocates regional priorities identified in the Strategy with central government and business
• makes decisions on regional strategy issues (or if not the decision-maker, brokers actual decisions and builds support amongst the relevant parties)
• oversees revisions to, or a periodic refresh of, the Strategy so that it remains a living document
• decides on funding priorities, receives advice on resourcing required to carry out the Strategy, and negotiates funding with a range of parties
• ensures strong stakeholder relationships, and facilitates and brokers relationships and partnerships
• is composed, in terms of size and balance, in a way that promotes effective governance.

To support the governing body in its performance of the above functions, ideally this requires the following tools, mechanisms and capabilities:
• an environmental scanning and information gathering resource to inform the evolution of the Strategy, eg what areas require particular emphasis, and to maintain its relevance over time
• a programme of monitoring and evaluation that includes:
  – assessment against intended outcomes
  – tracking delivery against outputs and targets
  – recommendations for action, and any changes required in strategic direction
• a strong executive support function, with sufficient resource to coordinate the delivery of the Strategy and advise the governing body on key issues facing the region
• mechanisms to influence actions of delivery agencies, such as the ability to influence Statements of Intent and reporting processes for key delivery agencies.

Such functions need to be carried out in a cost-effective manner, making best use of the available resources of the regional partners.

**Future of the strategy and regional coordination**

This section makes a number of recommendations regarding the Strategy itself, its management and governance. These matters cannot be addressed in detail without asking whether a regional approach, the Strategy and WRS mechanisms should continue, at least in a form that is recognisably built on the present approach.
Stakeholders interviewed, including the political leaders in the region, cited the following benefits from the current arrangements:

- **Strategic benefits of:**
  - covering regional form and economic issues in one process, positioning the region to consider major economic issues facing the region
  - being able to co-ordinate views and speak with one voice to central government and others.

- **Programme level and process improvements, such as:**
  - consistent and aligned processes in relation to urban design, or building a common strategy across the region’s Open Spaces
  - approaching broadband in a manner that builds regional capability and improves regional process efficiencies.

A number of stakeholders also reminded us of problems associated with the previous arrangements, including fragmentation and duplication of economic development activities, the wide variation in resources and capability across the region, and the fact that region-wide opportunities were missed because of the tendency for individual councils to focus on their own patch. We note that very similar problems were observed in Auckland prior to the Auckland Governance Reforms.

There are regional wide challenges to ensuring a vibrant city-region that retains and grows key businesses and economic activities, and attracts and retains a high skilled population with attractive amenities, events and regional form. This is in the face of increasingly intense competition from other cities for resources, talent and capital.

In the previous section, we identified a number of areas where greater strategic engagement at a regional level would be helpful. There are few areas where less strategic engagement makes sense, although there is clearly a role for local economic development initiatives.

Generally, regions (especially those containing large urban areas) are moving towards an approach where they plan for and approach economic development on a region-wide basis. While a regional approach is not immune to problems, particularly where there are multiple local governance structures, the underlying proposition that economic development should be pursued at a regional level, and in support of a single regional EDA, remains valid today.

During this review, a small number of stakeholders advanced arguments in favour of moving away from the region-wide approach. Broadly, these arguments fall into two main categories:

- **WRS processes are less efficient and effective than individual councils’ own internal mechanisms**
- **the benefits are inequitably distributed relative to the contribution of individual councils (or their ratepayers).**
We consider that such concerns, while potentially real, ought to be able to be ameliorated within the framework of a region-wide approach. In our view, the potential costs associated with a regional approach are, in principle, significantly outweighed by the benefits.

It is important to note that the development of region-wide economic capability is something that takes time to achieve. A decade is not an unrealistic timeframe over which to build effective regional partnerships and capability, including a high-performing economic development agency. Abandoning a regional approach now risks the goodwill and benefits that are beginning to accumulate.

Areas for future focus of the Strategy

Local government has an important set of tools and levers to pull that can support economic development in the region. The business survey provides an indication of the economic development functions that businesses in the region consider government should be involved in, with only two percent considering that there is no role for local government in economic development.

Figure 16: Economic development functions local government should be involved in to support and promote economic growth

Base: All respondents (n=326)
As we discuss further below, there is a strong case for refreshing the Strategy and strengthening the governance and programme management arrangements. Before any such changes are made, it would be appropriate to consider the overall approach to regional coordination and economic development. Though the formation of the Strategy arrangements can be considered a positive step forward in terms of regional development, there remain limits to any set of voluntary arrangements relying on consensus-based decision making across multiple council boundaries. In particular, tensions inevitably remain when issues can either be viewed from the perspective of local political imperatives for a local council, or through the lens of what positions the region to be internationally competitive.

Overall, we conclude that the region is much better placed than under previous arrangements to respond to regional level challenges.

We also conclude that business development functions are better co-ordinated and planned on a regional basis though there remains a role for local solutions as part of a regional approach.

We recommend the region retains a long term approach to building effective economic development capability in the region.

**Development and evolution of the Strategy**

The commitment to bring together regional partners to sign up to the original project plan in 2006/2007 was in itself a key achievement. Incorporating issues relating to economic development, land use and transport planning in one strategy document and process was seen as a good example nationally.48

The Strategy document received favourable comment at the time, and with stakeholders interviewed, for:

- covering a broad span of issues including infrastructure (eg transport), land use planning and economic development in one strategy
- the robustness of the process to develop the Strategy, including two rounds of consultation, and a comprehensive approach to data gathering.

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48 “The WRS is unique in New Zealand as the only regional strategy that incorporates both economic development and land use and transport planning. Based on overseas research findings, the WRS estimates that optimising regional land use and transport planning could add more than $150m to regional GDP per annum.” Regional Partnerships Programme Evaluation (2008), Ministry of Economic Development.
A number of the key issues identified (ie broadband, transport, sector development) remain highly relevant three years later. Some compromises were required to reach agreement, and some of the harder regional issues have largely been parked rather than tackled through the governance arrangements. A particular case is the agreement to prioritise the CBD and regional centres, leaving prioritisation unresolved three years later.

In addition, the Strategy has not translated easily into a plan of action for a variety of reasons including:

- the breadth of issues covered, coupled with the large number of priorities, initiatives and actions
- the reliance on voluntary contributions from Councils for required resources over and above the regional rate, which is mostly used to support Grow Wellington activities
- there is a gap between the aspirations and targets of the strategy and actual implementation and resources available.

‘The Strategy is too big, and falls over under its own weight. Pick key issues and build consensus around those.’ Stakeholder involved in Strategy formation.

It would be unrealistic to expect the Strategy to be right first time. This is particularly the case given the significant changes in economic conditions over the last three years. Indeed, the first three years of the Strategy have seen unprecedented levels of global and domestic economic turmoil, with the global financial crisis, new conflicts in the Middle East, and natural disasters in the form of the two Christchurch earthquakes and the recent Japanese earthquake and tsunami.

Even without these changes, any strategy and the priorities within it needs refreshing to remain relevant. A number of WRS Committee members indicated their willingness to engage more fully in strategic sessions / regional planning workshops. Many recognised it was time to hold another strategic process to agree the key economic initiatives that need progressing through regional co-operation.

In light of the above, we consider it is timely to refresh the Strategy. Learning the lessons from this review, a refreshed Strategy should contain fewer priorities.

We recommend that the WRS Committee lead a refresh of the Strategy. The exercise should:

- be undertaken in a fully consultative manner across the region
- clearly distinguish between those issues that require co-ordinated effort by regional parties and regional leadership, and those best handled locally
- match priorities with realistic funding and resourcing expectations.

As the Strategy needs to be owned at the political level throughout the whole region, this includes all Wairarapa Councils on an equal basis.
In terms of **scope**, there are options to consider in relation to the range and breadth of priorities encompassed within the Strategy and in particular:

- the extent to which the Strategy should aim to encompass social, cultural and environmental outcomes. For example, Auckland has put in place an Auckland Future Vision Committee and an Auckland Plan that considers economic drivers alongside social, cultural and environmental factors
- whether to move towards region-wide spatial planning
- how broadly to focus proactive economic development activity, including to what extent tourism, and events management should link with business and sector development, investment promotion and other aspects such as facilities management.

It is beyond the remit of this report to assess the merits of what the revised priorities for the region should be. However, we note a number of issues that arose in the context of discussions with stakeholders and through responses to the business survey that could feed into a process to refresh the Strategy:

- a stronger focus on the **education and research** potential of the region. This is a multi-faceted area, but includes the potential to explore stronger industry/education/research linkages, closer attention to addressing any skills and capability gaps for the region; exploring the merit of a technology and research focus of activity for the region (such as in the Gracefield / Hutt areas (eg IRL, GNS, Weltec and others); and further realising opportunities for export education. This issue prompted over 150 responses in the business survey seeking views on what could be done to improve collaboration between business and education/research, with many positive comments seeking more joint initiatives between the sectors
- a **cohesive approach to marketing the city and region to businesses**. Retaining and attracting large employers to the region is a particular issue for the Wellington CBD and a challenge to the resilience of the city-region
- **broadband** is still considered by many stakeholders to be a priority for the region, though the exact role for stakeholders in the region needs to be clearly identified, and may evolve beyond an infrastructure facilitation role to adoption and demand initiatives
- a regional view of key **infrastructure** decisions and management – those particularly mentioned included transport and water (including wastewater, stormwater and irrigation). Stakeholders suggested consideration of regional or sub-regional approaches to infrastructure development, and shared services options that have both economic and service delivery components.

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50 Other overarching strategy exercises include work that commenced toward a “Future Christchurch”, and the current Wellington City Council 2040 exercise.

51 We understand that discussions have been taking place about an irrigation project in the Wairarapa, though described by a number of stakeholders in the Wairarapa as still being a long way off happening.
The following three points relevant to any refresh of the Strategy were noted by a number of stakeholders, and we briefly expand on these three below.

- the development of a more co-ordinated approach to tourism, and events management across the region, working within the existing structures
- the role of the economic development agency, including whether the present focus on promoting exports is appropriate
- engagement with Māori and opportunities for Māori economic development including public/private partnerships.

**Economic development, tourism and events management**

The present suite of economic development activities provided under the Strategy sits alongside a range of others provided in the region – most notably tourism promotion and events management. The approach adopted in Auckland and elsewhere of combining economic development, tourism and events management functions in one CCO was noted by a number of stakeholders as part of this review. Tourism promotion is primarily carried out by Positively Wellington Tourism (PWT), which is predominantly funded through Wellington city, but stakeholders indicated further opportunities could be realised through having a stronger regional perspective to the tourism offering.

These issues were previously considered in 2007 and the approach adopted was reported by stakeholders to be working well. Stakeholders were uniformly positive about the performance and effectiveness of Positively Wellington Tourism. Grow Wellington and PWT appear to have a strong and mutually supportive relationship that has proved successful in running events such as Wellington on a Plate. In fact, the expertise in monitoring in relation to PWT could provide some learning opportunities when considering effective economic development indicators for Grow Wellington.

Given current arrangements and structures are operating effectively, there would appear to be little benefit in seeking structural solutions to bringing economic development, tourism and event functions closer together unless broader regional governance changes are also under consideration.

We recommend that the WRS Committee considers opportunities for better strategic alignment of tourism activity across the region through co-operative arrangements rather than structural change.

**Role of the economic development agency**

While there was broad support for Grow Wellington’s areas of focus (i.e. supporting and growing business, supporting priority sectors and developing centres of excellence), some questioned whether a focus on exports is too narrow (and wanted it broadened to include building local business capability that may be a step toward higher growth, and export opportunities). A Grow
Wellington Board member described the focus on exports as ‘the right aspirational driver for local businesses’ but we note that this does not preclude building local firm capability where there is the potential to create jobs, investment and economic activity through growth. We note that a focus on export growth is in-line with the government’s Economic Growth Agenda. A focus on high-growth firms (whether exporting or not) is another common focus for EDAs.

Some stakeholders considered that Grow Wellington should not be in the space of individual business support services, which could be undertaken by other organisations such as local chambers of commerce. This often went hand in hand with a view that the role of an EDA should be to facilitate and support regional interventions with significant potential impact where there are clear co-ordination challenges.

We note that Grow Wellington currently plays a mix of these roles and that its current scope is broadly consistent with other regional EDAs. The activities of Grow Wellington are also consistent with the sorts of business and sector development interventions supported by agencies such as the Ministry of Economic Development, Ministry of Science and Innovation and New Zealand Trade & Enterprise. Indeed, Grow Wellington has delivery contracts for several government business support schemes.

Clarity around the role for the local EDA is important and assists with monitoring delivery and assessing the contribution to outcomes of its activities. It is appropriate that the overall scope of Grow Wellington’s activities be set by the Strategy, while leaving adequate room to anticipate and respond to the specific needs of business and specific sectors. Where there are multiple agencies involved, such as the case with separate tourism promotion, city branding, and events attraction and management entities, clear roles and relationships between the bodies is important.

We recommend the WRS Committee gives consideration to the roles it wants its regional economic development agency to play, and to express those roles in any refreshed Strategy.

**Engagement with Māori**

Engagement with Māori was strong at the outset but may need re-invigorating. We received input from the Chair of Te Ara Tahi, an advisory committee made up of iwi and Greater Wellington Regional Council representatives. Iwi in the region had been involved in consultation and engagement in the development of the Strategy. Iwi are involved in separate statutory planning processes, such as the development of the Regional Policy Statement, but there is scope for greater engagement with the Strategy’s implementation.

A number of stakeholders we spoke to identified greater opportunities for Māori economic development that could provide opportunities for public/private partnerships to enhance the region’s economic development. In particular, the resources and long term strategic investment approach of the Port Nicholson Block Settlement Trust, and the likelihood of iwi in the region
concluding Treaty settlements in the coming years, could provide opportunities to be explored further.

We recommend that opportunities for greater alignment with Māori be considered in the refresh and continuing development of the Strategy.

**Coordination and management of the programme of activities**

A key function of the governance and support structures is to coordinate and manage the overall programme of initiatives and activities in support of the Strategy, including serving as secretariat to the Committee, and coordinating the monitoring, evaluation and reporting on delivery in relation to priorities and progress towards the goals and intended outcomes of the Strategy. Since the Strategy is comprised of a large number of inter-dependent action areas, effective programme management is a critical element for implementing the Strategy.

**Programme management and support for the WRS Committee**

In order for the Committee to effectively perform its role of driving the Strategy, it needs to be supported by an effective support function. The key support roles include:

- an environmental scanning and information gathering function to inform the Committee on key issues that require consideration, and to support the evolution of the Strategy
- coordinating the delivery of the Strategy’s main activities and the programme of monitoring and evaluation
- providing progress updates and periodic reporting on overall progress against the goals and intended outcomes of the Strategy
- supporting the Committee to oversee, as appropriate, key delivery agencies through commentary and advice on Statements of Intent and progress reports.

It was envisaged that the WRS Office would play many of these roles but it has not been in a position to fully perform these functions for a variety of reasons:

- the focus of the WRS Office has been diverted from programme management and has become a project management office for a number of the initiatives (ie broadband, development of the Genuine Progress Index (GPI) and urban design) which was not originally anticipated
- the WRS Office comprises two full-time staff and, with the adoption of project management responsibilities, this level of resource has proved insufficient to perform all of the above functions to the fullest extent.
We consider a more comprehensive programme management role is required to better support the Committee. This would require an increase in the resources for this function, perhaps one or two additional full time equivalents. We believe these resources could be provided in kind, for example by way of secondments from other councils. There is scope to harness the capability and resources of the larger councils to better effect in any future arrangements. Any additional commitment of resources would need a strong mandate from the Committee and councils.

Strengthened programme management would have implications for the CEG and SORT, particularly in coordinating the provision of resources for the Strategy, and advising on relevant papers provided to the Committee.

The stronger role envisaged below for the WRS Committee would also drive an increased demand for input from CEG and SORT (directly or indirectly) and an improved opportunity for their engagement.

We do not make any formal recommendations for these groups, as we expect their roles in relation to the WRS Committee to be shaped by the Committee, and any changes considered to the programme management arrangements.

We recommend that the Committee consider:

- strengthening the programme management and executive support for the Committee, to enable it to better perform its role in driving the Strategy
- the appropriate level of resourcing to give proper effect to the key support roles of the WRS Office.

**Monitoring and evaluation**

The Strategy envisaged the WRS Committee having a role in monitoring progress, assisted by the development of a Genuine Progress Indicator (now referred to as the Genuine Progress Index (GPI)) for measuring the overall success of the Strategy.

In addition to the GPI, which we discuss below, the main reporting and monitoring information available on the Strategy includes:

- the WRS Office annual reports
- the Grow Wellington annual reports
- quarterly updates on progress against active initiatives from the WRS Office to the WRS Committee.
There is no consolidated report or review of progress on the Strategy that looks across all three areas of focus for the Strategy: Leadership and Partnership, Growing our Economy, and Good Regional Form. The WRS Annual Report and WRS Office updates concentrate largely on the good regional form and other non-Grow Wellington initiatives. The Grow Wellington annual reports focus on their activities, which primarily support the Growing our Economy area of focus.

There is no separate programme-wide monitoring or evaluation framework or systematic collection of outcomes information for the main initiatives and activities under the Strategy. Indeed, this review can be viewed as the first attempt to take stock of progress against the full set of activities described in the Strategy. The lack of systematic monitoring and outcomes information limits the value of reviews such as this, since it is not an easy matter to recreate data and the history of activities and initiatives after the fact.

A number of mayors expressed their desire to be presented with a clearer picture of performance on an ongoing basis, so they are able to see where progress is and is not being made across the range of Strategy initiatives. This is an entirely reasonable expectation and we consider it important that more systematic monitoring and evaluation of key initiatives and activities be put in place in the future.

The development of a comprehensive **Genuine Progress Index** has been a major initiative of the Strategy, and a key focus for the WRS Office. The aim of the GPI is to provide an overarching framework to measure the well-being of the Wellington region integrating economic data with environmental, cultural and social data. It includes over seventy individual indicators, across a set of nine community outcome areas. Considerable development has been undertaken and a report prepared for the WRS Committee, although the report is yet to be made publicly available. A summary of the GPI is set out in Appendix 6 attached.

While the GPI is a very comprehensive approach to measurement, and in the long-term may serve as a guide as to the region's overall performance on a broad range of dimensions, it should not be seen as a substitute for monitoring and evaluating the impact of activities attributable to the Strategy.

Readily accessible reporting tracking progress against outcomes that regional partners can realistically influence should assist in resource allocation and prioritisation, and provide a clearer process for decision making (eg to stop initiatives that are taking up resource but failing to realise tangible benefits).

We recommend that the Committee considers:

- the establishment of an evaluation and monitoring plan across the Strategy
- the appropriate balance of resource for monitoring and reporting on the actions of regional partners directly attributed to the Strategy vis a vis resourcing for the GPI
• requesting a report on the current state of the GPI, taking stock of the proposed indicators, what overlap and synergies with indicators councils monitor in any case, and the merit of maintaining a tailored regional approach.

**Evidence base and data gathering**

A number of stakeholders we interviewed raised the issue of the capability within regional organisations to undertake, and interpret, environmental scanning and information gathering to inform strategy development and regional planning. We understand much of this work has been outsourced, such as the work to produce the Wellington Regional Outlook. We have not, as part of the broad approach to this review, had the opportunity to consider the merit of the case of co-ordinating a regional approach for efficiency gains, but consider it is an issue worth further investigation.

We recommend the Committee reviews the current approach in the region to economic data gathering and analysis to support policy decisions, with a view to identifying potential scope for benefits from centralising some data gathering.

**Strategy funding and resources**

This section describes the funding and resources that have been committed to the Strategy to date, and considers how and in what ways these funding and resourcing arrangements (including the extent of external funding and other resources) have supported the delivery of the Strategy.

**Overall funding levels**

The assumptions and expectations regarding funding that were set out in the Strategy relied significantly on the role of external factors (eg national / international decisions and business contributions) outside the direct control of the Committee. The Strategy included the ambitious objective of a dollar-for-dollar match between ratepayer and non-ratepayer funding. This has not been achieved.

When the Strategy was developed, it was reasonable to expect that the region would be able to access some central government funding through various regional development programmes (eg Regional Partnership Programme (RPP) and the Major Regional Initiative (MRI) fund) as well as the potential for specific sector development support. The global financial crisis and election of a new government in 2009 has had a significant effect on available government funding for regional and sector development initiatives. With the benefit of hindsight, the dollar-for-dollar objective was not realistic.

The majority of the direct funding for the Strategy has come from the regional rate (see below).
The largest additional external funding source was the Government’s Regional Partnership Programme (RPP), where $774,000 was available to be drawn down by the region.\(^\text{52}\)

In addition, individual councils, particularly Wellington City Council, have directly funded specific initiatives under the Strategy. The financial and in kind contributions of councils is discussed further below.

**The Regional Rate**

The creation of a regional rate to fund economic development activity was a key initiative of the Strategy. Although there is provision to rate up to $5 million per annum, adjusted for CPI movements until 30 June 2012, in practice the amount levied through the regional rate has not exceeded $4.5 million.

It should be noted that, though the regional rate is a new funding mechanism, the rate will have led to reductions in spending by councils on economic development functions. Local councils spent $3.9 million on economic development activities in 2005/06 prior to the formation of the new arrangements (eg funding by five councils for Positively Wellington Business, which folded into Grow Wellington).\(^\text{53}\)

We do not comment on the appropriate extent of funding required for the region, as this depends on the extent of ambition for the Strategy and regional arrangements in the future. There was a clear steer from the mayors we interviewed that any increase over and above the current rate cap was not going to be contemplated in the current environment. A number of stakeholders went further, and wanted to have a clear picture of value for money before considering any further collective rate funding for economic development beyond 2012.

We would, however, comment that:

- If continuing with a regional approach to economic development, the regional rate as established remains an appropriate tool. No strong case has been put forward for alternative means to funding regional activities. Alternative arrangements to a regional levy, as explored at the time of the Strategy’s development, include separate rating arrangements for each individual council. Such options include free rider issues and risk fragmentation of resources. We do not consider that the benefits of greater control over resource allocation for individual councils outweigh these concerns.


\(^{53}\) Positively Wellington Business ceased operation. Positively Wellington Tourism continues to act as a CCO of Wellington City Council, also performing contracts for other councils in the region. Wairarapa retains some support for Destination Wairarapa, and Kapiti Coast District Council retain some investment in Nature Coast Enterprise covering the Kapiti Horowhenua area, primarily relating to tourism activities.
Grow Wellington’s funding levels and arrangements put the Wellington region in a stronger position to pursue economic development than most regions in New Zealand, though Auckland is positioning itself strongly in this area through the new Auckland Tourism Events and Economic Development Agency (ATEED). A departure from a regional rating approach would be a step back in this regard.

The regional rate provides more stability than previous arrangements for economic development activities. We understand previous arrangements involved more compliance costs in securing funding from individual councils, and some stakeholders we interviewed considered this led to a shorter term focus for activities. Some stakeholders advocated funding security of three years to provide further certainty and focus on delivery.

When considering the aspiration level of the Strategy, funding has not been adequate to deliver to that level of ambition, but the rating arrangements provide the region with greater certainty to plan economic activities than previous arrangements.

We recommend that any revised Strategy more closely aligns initiatives with likely funding sources. Expectations for external funding require revising downwards.

Funding and other resource contributions from councils

As part of this review, we undertook a stocktake of the council resources (including funding) that have been applied towards the delivery of Strategy initiatives. This is presented below in relation to council officer (Table 4) and WRS Office and GWRC (Table 5) resource on individual projects. Significant direct funding contributions are noted below.

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54 This was facilitated by the SORT group and undertaken by email questionnaire.
### Table 4: TA officer contribution – Number of days by project and area

<table>
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Source: MartinJenkins – Questionnaire on Council Resources

\(^5\) In some cases project meeting time may have been counted as part of the project time hence there is potential for duplication.
Table 5: WRS Office and GWRC contribution - Number of days by project and area

<table>
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<td>Housing close to work</td>
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<td>Open spaces</td>
<td>6</td>
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</tr>
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<td>9</td>
<td>3</td>
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</table>

Source: MartinJenkins – Questionnaire on Council Resources

As can be seen from the tables, Council contributions to the Strategy have varied significantly by project. These figures come with a number of caveats and do not capture broader activities of councils that could be considered as economic development (eg infrastructure in support of business, international connections and promotion) so should be used as an indication only.

Overall, the most significant area of work has been Broadband, with over 277 weeks of officer time and $157,000 being spent in this area (the vast majority of which came from Wellington City Council). After Broadband, a large amount of time has gone into Open Spaces (270 days, primarily from Porirua, the WRS Office and GWRC) and the Genuine Progress Indicator (199 days, half from the WRS Office). The Industrial Land project included a contribution of $25,000
from Hutt City Council. Other projects have consumed relatively little time, in particular Regional Focus Areas (17 days), Strong CBD (62 days) and Housing Close to Work (62 days).

Councils have put a significant amount of time into SORT meetings (192 days).

The majority of WRS Office time (245 days) has been spent on ‘General WRS responsibility’ which relates to servicing and supporting the WRS Committee. The next most significant area for the WRS Office was overseeing/liaising with Grow Wellington (114 days).

These findings highlight a number of issues:

- Actual project resourcing has not in all cases matched the priority initiatives set out in the Strategy, other than the work on broadband and to some extent on regional centres and the Wellington CBD. In some cases, for example work on industrial land, intensification, and centres, there was no clear mandate to make significant progress at a regional level despite these areas being identified as priorities in the Strategy.

- Resourcing for economic development activities is only one of many priorities for councils. The Strategy and WRS processes need to be cognisant of the likely level of resource that can be committed to implementation of projects. Overestimating the likely council contributions in some areas has had a knock-on effect for the WRS Office, which has stepped up to lead individual projects at the cost of overall programme management.

Though not surprising given the different scale of councils in the region, the resources put into the Strategy are not spread evenly across the region.

Not all of the councils of the region have, or are in a position to, set aside dedicated resource to implement or contribute to the Strategy actions. Supporting papers for SORT meetings indicate that the Strategy has not been a priority for all councils, resources in many councils are already stretched, and the staff involved in the Strategy have multiple responsibilities. Other specific issues identified include staff vacancies and a lack of capability and skills in the required areas. SORT meetings have discussed and agreed to separate out initiatives into those for regional action, and those where more of an information dissemination role will be played.

For initiatives that rely on council resources, future strategies and/or action plans should make more explicit the expectations about the resource contributions expected of councils. This will help bring a sharpness to prioritisation decisions at a regional level. For agreed priorities, elevating key actions to the status of Key Performance Indicators at the Chief Executive and/or senior officer level would help to clarify accountabilities. This should ensure only those actions accorded high priority, and with budgeted resources, get the green light to proceed.

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Combined TA Resources for WRS Regional Form Projects.
WRS Committee consideration of funding and resourcing priorities

The Strategy’s funding has been spent largely on business development functions, whereas other aspects of economic development (land use, property development, infrastructure, major events or regional marketing) are also significant in terms of a broader regional economic approach.

Current arrangements enable the WRS Committee to give direction to Grow Wellington, and determine how the regional rate is spent. In practice, other than resource to fund the WRS Office, the majority of funding has been provided to Grow Wellington.

We consider that, as long as there are clear governance and accountability arrangements in place, regional activities other than business development, or delivered through arrangements other than directly by Grow Wellington, could be considered for funding. This may need re-consideration of the scope of the regional rate.

If the WRS Committee decides to revise the Strategy, we recommend:

- a funding and resource plan be developed, informed by an assessment of resource and capability potentially available in Councils to support regional work
- accountabilities reflected as KPIs agreed at CE level and senior officer level so that regional Strategy activities are embedded as part of council activities.

Governance arrangements

This section of the report considers the overall governance arrangements and makes recommendations to strengthen them. More specifically it considers:

- the case for change to the governance arrangements
- scope and role of the WRS Committee and other bodies
- membership/constitution of the Committee
- the relationship between the Committee and Grow Wellington.

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57 The terms of the WRS Governance and Funding Mediation Agreement (2207) includes a clause that the regional economic development agency will not fund community and activities and events. Clear parameters will require agreement as to permitted activities.
The case for change to the governance arrangements

We do not believe the WRS processes and governance arrangements are fundamentally flawed, and are commensurate with the ambition level of the original Strategy. However, there is a clear case for change in how implementation of the Strategy is happening in practice and changes to the governance arrangements have a role to play in this.

The current governance arrangements are not operating effectively or as originally intended, and need to be reconsidered on the basis of the level of ambition for a regional strategy going forward. Our review of the actual implementation of the governance arrangements has found that:

- difficult decisions are not being made by the WRS Committee. Trade-offs between initiatives and actions across different Councils are not being actively raised, or brought to the Committee for resolution
- the structures may fit the original expectations of the Strategy, but there is a significant gap between the original aspirations of the Strategy, and what is happening in practice
- a number of stakeholders raised concerns about the value for money of the current arrangements, and questioned whether the resource spent on regional governance was worth it for the results achieved
- some stakeholders consider the role of the Committee is not clear, for example as to whether the role is to disseminate information, make decisions, or provide strategic advice to influence decisions such as planning, transport or local body decisions
- in practice, reflecting the above factors, the Committee’s decision-making role and influence has been limited. This has been confirmed by our interviews with mayors, a number of whom have questioned why they should attend the Committee
- key decisions with region-wide impacts are typically made in other statutory Committees, such as the Regional Transport Committee, or outside of formal structures (eg through the Mayoral Forum). Some mayors observe duplication between these fora and the Committee, and questioned whether there were other options that were more time efficient and cost effective
- the existing governance arrangements have also contributed to the Strategy being delivered in a compartmentalised way. Regional form and Grow Wellington activities are largely considered separately, without explicit consideration of gaps, or links between them. The separate board in place for Grow Wellington significantly limits the Committee’s scope of responsibilities.
Role of the WRS Committee

As noted, we found that the Committee’s decision-making role and influence has been limited. An active WRS Committee is critical to the effective implementation of the Strategy and the operation of WRS processes. The WRS Committee should take on a regional leadership role in a way that avoids duplication with existing structures and is consistent with its lack of statutory powers. Most of the recommendations in this section are designed to give effect to this role, starting with clarity of the role itself.

We recommend that the role of the WRS Committee, or similar body, should clearly encompass the following:

- ensuring that a regional economic development perspective is brought to all regional statutory planning documents including the Regional Policy Statement, the Regional Land Transport Strategy, and any regional spatial planning
- advocacy of regional priorities set out in the Strategy with central government
- ensuring the Strategy is amended/refreshed as required
- ensuring that appropriate monitoring and evaluation arrangements are in place
- ensuring that appropriate programme management arrangements are in place
- reporting against progress of the Strategy at the outcome level
- deciding on funding priorities across the whole of the Strategy
- maintaining key stakeholder relationships
- actively participating in the process of setting the strategic direction for bodies whose purpose is to support the Strategy (ie Grow Wellington)
- monitoring the performance of Grow Wellington and individual councils’ contributions to the Strategy, against those organisations’ planning documents and the resource plan for the Strategy
- identification of critical strategic issues that would inform the Strategy and its implementation
- brokering resolution of issues where there are strategic trade-offs being made.

Where the WRS Committee is not the legal decision maker on any of these items, it should make recommendations to the formal decision maker.

Successful strategy processes tend to be inclusive and find ways to engage external stakeholders such as eminent community and business leaders, which in turn helps socialise and develop community support for the Strategy.
Business and community input is important as part of Strategy arrangements. Independent membership of the WRS Committee is one mechanism for this, but is not of itself sufficient. Other mechanisms could be explored that allow business and community leaders to contribute and directly leverage their skills and experience.

We recommend that the Committee maintains a broad stakeholder engagement process in relation to Strategy formation and the delivery on individual programmes, irrespective of decisions on composition on the Committee.

**Composition of the WRS Committee**

**Independent Chair**

Stakeholders we interviewed indicated support for the role played by the independent Chair of the Committee. A number of Committee members were keen for an independent Chair to be maintained, particularly given the current composition of the Committee comprising the majority of the region’s mayors. If the Committee considers regional matters of importance, an independent Chair who can broker agreement is helpful. Some mayors saw the opportunity for a more active role for the independent Chair.

We recommend maintaining an independent Chair.

**Independent members**

The role of independent members on the WRS Committee is unclear, with some current and former members unsure how best to contribute. This is partly a symptom of a lack of role clarity for the Committee as a whole, and of the fact that most major decisions are taken in other fora. The intention was to give eminent Wellingtonians an opportunity to shape Wellington’s future development, but in practice members have felt unable to contribute to this. A number of Committee members recognised that the current size of the Committee, and the weighting of the Committee including more political representatives than independent members, has had the effect of crowding out the independent members’ contributions.

These issues may have contributed to a higher than expected turnover of independent members.

Are we inducting new members right? If we’re going to use independents, then use them properly. WRS Committee member

We believe there is a potentially useful contribution that independent members could make to help broker arrangements and de-politicise the discussion, or fill a clearly identified skill gap.

We recommend maintaining independent members, noting the role should be clearer once the core role and functions of the Committee are established.
Mayoral representation

Currently all the region’s mayors and the Chair of the Greater Wellington Regional Council are on the WRS Committee, with the exception of the three Wairarapa councils which have been represented by the Mayor of the South Wairarapa District Council. The widespread participation of the region’s mayors gives the Committee significant status but, as noted earlier, the limited decision making role of the Committee belies this status.

A number of mayors commented that the business of the Committee overlaps with the Mayoral Forum, whilst recognising that the Forum lacks formal status. We also note that the presence of the seven mayors on the Committee has led to independent members feeling that their input becomes secondary to the political discussion and unsure as to where critical decisions are being made.

It has been suggested that a smaller, more focused Committee could be appropriate given that major political decisions are taken in other fora, and because the major political consideration is in signing up to the Strategy and its priorities rather than overseeing its execution. Reduced representation from mayors would also achieve a better balance between political representation and independent members. A Committee with mixed membership and more equal composition of political and independent representatives, may present the region with a preferred governance option to consider.

Reporting on the Strategy would need to be strengthened, as would communication from the Committee to all mayors and councils of the region. Individual councils would continue to be involved in key decisions, as currently, through their representation on the Mayoral Forum and bodies such as the Regional Transport Committee. Councils would continue to have an opportunity to represent their views to the Committee via mayoral representatives on the Committee. Consideration would need to be given to the appropriate basis for appointing mayors, with a revolving basis possibly being appropriate. It may also be appropriate to reconvene an annual Strategy forum, which all mayors and senior council representatives could attend. All councils would continue to be involved in implementation of Strategy activities as currently.

We recommend that consideration is given to the level of mayoral representation on the WRS Committee with a view to:

- avoiding duplication with other fora involving the region’s mayors
- encouraging the contribution of independent members
- reducing the overall size of the Committee.
**Representation of Wairarapa Councils**

During the course of this review, we were asked to consider the representation of the Wairarapa Councils on the WRS Committee. It was noted by the WRS Committee at the meeting on 30th November 2010 that the three Wairarapa Councils have advised that they wish to have direct representation on the WRS Committee.

Given our recommendations above that there are a number of improvements that can be considered for overall governance arrangements, the question is best addressed at the level of principles.

The principle of ensuring all councils in the region participate in any regional strategy formation process, and sign up to any final Strategy documentation, argues for the inclusion of the three Wairarapa Councils on an equal footing.

If however, our recommendation above is followed that consideration is given to a Committee reduced in size and with equal composition of political and independent representatives, then separate arrangements to agree membership would be required.

**Relationship between the WRS Committee and Grow Wellington**

The relationship between the WRS Committee and the role of Grow Wellington attracted a number of comments as part of the review. There were differing perceptions of role, and the governance arrangements relating to Grow Wellington.

While many stakeholders felt that an arms-length board is appropriate and beneficial given Grow Wellington’s focus on and direct relationship with the business community, others believe the WRS Committee (as the funders) should have a more direct role, or that Grow Wellington should be brought closer into the WRS governance processes. Some stakeholders suggested that a lack of understanding between the Grow Wellington Board and the WRS Committee made meaningful engagement difficult.

A formal mechanism exists for the WRS Committee to participate in the process of setting Grow Wellington’s strategic direction, through the statement of intent process. However, it seems that the Committee has not actively engaged in this process to date. Some WRS Committee members considered that the Committee has not been clear enough about what they wanted from Grow Wellington.

We recommend that the WRS Committee should participate more actively in the process of setting the strategic direction for Grow Wellington, perhaps by way of a Letter of Expectations from the Committee’s Chair on behalf of the GWRC. This should help to ensure that priorities
are aligned with the overall direction of the Strategy and that relevant connections are made across different elements of the Strategy.

A further way of strengthening alignment between the Strategy and Grow Wellington’s priorities would be for common membership across the WRS Committee and the Grow Wellington Board.

We recommend that consideration be given to one independent member being appointed to both the WRS Committee and the Grow Wellington Board.

Monitoring Grow Wellington’s performance

Formal reporting arrangements are clearer for Grow Wellington than for other elements of the Strategy through an annual SOI, annual report, and half yearly reports. This is also supplemented by periodic presentations to the Committee on specific projects. Grow Wellington send a copy of their annual report to each of the region’s mayors along with a cover letter which outlines the specific activities and services that have been delivered in their area.

Stakeholders we interviewed acknowledged the challenge and potential costs related to reporting to multiple councils, though views were divergent on the quality of reporting. Some mayors noted that a greater effort had been made recently to communicate across the region and as a consequence mayors and councillors feel more engaged.

Those that retain concerns about reporting expressed concerns that information is not as thorough or timely as it should be and that it is too ‘promotional’ in nature, making it difficult to assess what has actually been achieved.

Grow Wellington needs to clean up its reporting so that mayors are really clear on how money is spent. WRS Committee member

In September 2010, due to concerns about "the level of reporting from the company, and in particular the lack of detail in that reporting" the WRS Committee set out additional formal and informal reporting requirements including:

- detailed financial information as part of the six-monthly reports: this is a formal requirement to enable to Chief Executives Group to prepare a report accompanying the Grow Wellington report
- regular Chairs’ meetings: this is an informal requirement for regular meetings between the chairs and Chief Executives of: WRS Committee, Greater Wellington, Mayoral Forum, Chief Executives Group, and Grow Wellington

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58 Wellington Regional Strategy Committee letter to Grow Wellington, 1 September 2010
• more detailed information to be provided at regular meetings between Grow Wellington and the WRS Office.

We agree that these requirements should improve the reporting arrangements. There is scope for Grow Wellington’s current reporting to more closely link annual outputs to its contribution to Strategy outcomes, informed by a programme of monitoring and evaluation. It should be recognised, however, that clearly attributing success from economic development activities is not an easy undertaking.

**Role of Councils in Strategy’s governance**

Our recommendations on governance so far have been intended to strengthen the WRS Committee’s regional leadership in economic development. Ultimately, however, the Strategy has to be aligned to council priorities, and its mechanisms aligned with established statutory institutional arrangements – the latter not least because individual councils are likely to continue to provide important resources for Strategy implementation. Moreover, the Strategy is a voluntary arrangement that needs the buy-in of all the councils in the region.

The mechanisms to achieve these goals are political decisions that fall outside our terms of reference. In this final section we raise issues that have been brought to our attention whose consideration would be helpful in enhancing the role of the WRS Committee.

A particular tension that the Strategy and governance arrangements have to grapple with is the need to respond to the interests of small TAs and the larger TAs. Resources, capability, and the ability to engage and lead initiatives varies considerably across the region. Larger authorities, such as Wellington City and Hutt City, have resources and capability that is critical for the Strategy to succeed. Equally, if these councils were disengaged, it would considerably weaken the effectiveness of any regional approach.

The issue is particularly pertinent for Wellington City Council which is the largest authority in terms of staff and capability. It also has stewardship of the region’s CBD and key economic assets such as the waterfront, and is the country’s capital city. The city has traditionally had a strong role to play in the region’s branding, tourism and events promotion, and adds considerably to the marketing of the region, and skills and talent attraction initiatives.

In terms of relationships with central government, political, business and community leaders in the city, and international relationships, the Mayor of Wellington is very strongly placed to advocate on behalf of the city and region, particularly on issues where the Chair of the Regional Council, the city Mayor, or a joint communiqué from the Mayoral Forum can jointly convey a strong regional message.
Our analysis of council resources and funding applied towards Strategy activities indicates that Wellington City has contributed a significant share, particularly for broadband and long-haul flights. Given the strategic role of Wellington City and the CBD in the Wellington region, it is important that Wellington City Council is highly engaged with the Strategy if it is to succeed. There is scope for the Council to contribute more directly to shaping the Strategy, while ensuring that the Strategy continues to take a region-wide perspective.

We recommend that the WRS Committee considers how best to ensure regional arrangements leverage the resource and capability of the region's councils, in particular Wellington City Council.

Sequencing of proposed changes

The recommendations for strengthening the governance arrangements creates sequencing issues with the proposed refresh of the Strategy recommended above. It is conceivable that the refresh leads to substantial changes to the Strategy. A significant change to the scope and nature of the Strategy could have implications for the design of the governance arrangements. On the other hand, the refresh will require its own governance and oversight.

We recommend that final decisions on new governance arrangements be considered in the light of any Strategy refresh process. The existing, or interim arrangements might be used to oversee the refresh.

Regional governance reforms

Broader regional governance reforms are not part of the scope of this report and involve a broader set of considerations than the economic development lens we have brought to this report, so we have not developed any related recommendations. However, we would note that:

- A number of stakeholders interviewed referred extensively to wider regional governance considerations, so we are aware that any recommendations made in the context of the regional economic strategy may be viewed in the context of a broader governance discussion.
- A statutory regional spatial planning approach, as is being implemented in the Auckland region, can provide a mechanism to integrate economic development and planning processes, a key expectation of the original strategy, but harder to implement in practice under existing arrangements. Under this approach, the most significant economic priorities for the region would feed into the regional plan to give effect to economic priorities with a spatial dimension. Equally, however, we recognise that there is a danger of regional spatial plans being of such a high level that they do not address the underlying tensions and compromises, and that with the resolution of some issues, other problems would emerge with regional structural options.
• There was some support amongst mayors, though by no means unanimous, for a regional approach to spatial planning, though for some this was as much an exercise in identifying what was missing, and what hard decisions need to be made at a regional level. The option of a regionally agreed spatial plan is not necessarily dependent on any broader changes to governance structures, though it is likely to be difficult under present voluntary arrangements. It may be easier to engage in elements of spatial planning that fall short of a full blown regional spatial plan. Transport was cited as an example where an effective regional arrangement is in place without any structural change.

• It should also be noted that there was strong feedback from most TAs that any governance arrangements need to clearly represent the views of local communities. There was no strong advocacy for a unitary council model, except for some comments that relate specifically to the Wairarapa Councils.
5. Conclusions and Recommendations

Conclusions

Extent of outcomes achieved to date

This review has been conducted at an early stage in the life of Strategy, which has a 20 year horizon. Many of the initiatives and activities in the Strategy are medium to long-term in nature, with significant economic impacts expected only over periods of a decade or more. The development of regional economic development capability itself takes time. For these reasons, this review has focused primarily on short-term impacts and outcomes.

Growing our Economy

A key focus area for the Strategy was to invest in growing the region’s economy, especially its exports. The key areas under this focus area included:

- Developing businesses, products and services (e.g., providing business support and advice, developing centres of excellence, realising the region’s primary production potential etc)
- Selling and marketing the region and its businesses overseas (e.g., supporting firms with market access, further developing a regional approach to tourism)
- Supporting businesses to get their products to international markets (e.g., bringing long haul flights to Wellington, broadband)
- Supporting the business sector through underpinning growth inputs (e.g., investment attraction, education, labour market strategy etc).

This focus area received the vast majority of the regional rate funding and is primarily delivered by Grow Wellington. Other key contributors included Positively Wellington Tourism and the individual councils of the region. The above four areas have not received equal attention, with some gaps in translating Strategy intentions into programmes activities. There has been less attention paid beyond tourism activity to selling and marketing the region to businesses and potential investors, and ‘key business growth inputs’ other than the development of the Labour Market Strategy.

Our main findings in relation to this part of the Strategy can be summarised as follows:

- There appears to be greater awareness amongst businesses in the region of Grow Wellington than of the Wellington Regional Strategy, although this is not surprising given most survey respondents had accessed Grow Wellington services.
- The majority of businesses who had received business growth services from Grow Wellington over the last 24 months were either very satisfied or satisfied with those services, and the vast majority attribute ‘great value’ (31%) or ‘some value’ (57%) to those services. The specific benefits most often mentioned include: the provision of useful business connections and information, and assistance with access to government

resources and funding. Some firms noted improvements in access to skills and talent, internal capability, access to capital and improved export potential.

- Satisfaction with Grow Wellington’s sector development support is also reasonably strong, although there is significant variation across the supported sectors. In brief:
  - Support for the export education sector is highly valued by stakeholders, although it is too early to see impact on export revenue from efforts to promote English language services in offshore markets
  - There have been demonstrable achievements flowing from the food and beverage sector support, including Wellington on a Plate and the attraction of Le Cordon Bleu to establish a Cuisine and Hospitality Centre in Wellington City
  - The work of Film Wellington, while less strategic in nature, plays an important role in facilitating film production in the Wellington region. However, other needs of the film sector have not been progressed, although this may change with the work towards the establishment of the screen and digital centre of excellence
  - Positive developments in the manufacturing and primary sectors are less clear.

- The most frequently mentioned benefits associated with Grow Wellington’s sector development support include: raising the profile of the sector and improving sector collaboration. Other benefits mentioned include: addressing a key issue or opportunity in the sector; improved sector capability and capacity, improved export potential, improved productivity, and improved revenue and market access. The economic value of these benefits has not been quantified but, to date, are likely to be modest.

- Many of the achievements in the sector development area have relied on strong partnerships developed across the region, in particular collaborations between Grow Wellington, Positively Wellington Tourism and Wellington City Council.

- Progress in relation to support for centres of excellence is less clear, and there have been a number of lessons learned in this area. Of the three centres supported, the Clean Technology Centre of Excellence is the most advanced and shows the most promise. External funding constraints have held up progress on the Health Education, Research and Commercialisation Centre and the future of this initiative is unclear. The screen and digital centre initiative has changed tack over time and progress remains at an early stage.

- Some progress has been made in relation to other ‘Growing our Economy’ actions, notably concerted efforts to bring long haul flights to the region and to improve broadband. Good work has been done in both areas but tangible results have yet to be realised. It is not possible to judge, at this stage, to what extent the investments made will result in tangible benefit but both initiatives better positioned the Wellington region to realise opportunities.

- Although the overarching aim of the Growing our Economy part of the Strategy is to double the region’s exports as a share of GDP by 2026, to date, there has been no systematic attempt to measure the extent to which Strategy activities have increased exports. The survey data, with over half (54%) of those firms surveyed not looking to export in the future,
would indicate at one level some inconsistency with the Strategy's goal. However, to draw firmer conclusions requires a fuller understanding informed by systematic data collection. Having a long term export goal in place does not in our view preclude activities, such as building sector capability and providing market intelligence, that help provide the ingredients toward export opportunities in the future.

Our review has also identified a number of issues for further consideration:

- There are opportunities for better strategic alignment of tourism activity across the region, and for integration between tourism promotion and other elements of the Strategy
- The absence of a programme of ongoing monitoring and evaluation has limited the availability of outcome information for this review, and it would benefit future reporting on the achievements of the Strategy if such a programme were to be put in place
- There remains some risk of duplication of economic development activity across the region, and scope to take a more regionalised approach to such issues as marketing the region to business, and leveraging the education and research capability of the region
- The case for providing priority support for sectors appears stronger in some cases than others, and any refresh of the Strategy should reconsider the priority sectors for the region.

**Good Regional Form**

A key focus area for the Strategy is to promote good regional form, as a means of achieving a well-configured and compact community that enhances regional competitiveness and the quality of life of residents and businesses.

The areas of activity under this part of the Strategy spanned a wide range of issues including: strong CBD & sub-regional centres, quality urban design, integration of transport with urban and rural needs, land for business growth, open spaces, and specific regional focus areas (ie the Granada to Gracefield corridor, and the northern Waikanae edge).

Assessment of the extent of outcomes achieved in the area of good regional form is particularly challenging because most initiatives involve either information sharing and/or are planning initiatives associated with several incremental steps and long lead times.

Our main findings in relation to this part of the Strategy can be summarised as follows:

- For all of the activities and initiatives considered, it is too early to observe changes in regional form on the ground
- In addition, with some exceptions (eg the change to the Kapiti Coast District Plan to limit development on the Waikanae northern edge), the planning processes instituted under the Strategy have some way to run before even the planning stage is concluded
At an activity level, varying levels of progress have been made across the key areas identified in the Strategy:

- **Strong CBD and sub-regional centres**: This activity has fallen well short of the Strategy’s ambition of having an overall vision for the region’s centres, guiding investment and examining regional investment mechanisms to unlock development potential not realised by the market. This reflected a lack of agreement amongst councils on the vision and appropriate interventions and a subsequent decision by CEs that there was no need for a formal regional approach to the identification and management of centres. Instead, a stocktake of centre planning approaches was undertaken in 2009, with information disseminated to and shared amongst councils.

- **Regional focus areas**: eight specific areas for development planning were identified in the Strategy. Significant activity has been undertaken and progress made in relation to the preparation of plans and proposed plan changes. However, it is not clear to what extent progress in these areas is a result of the Strategy and its processes, or would have occurred anyway.

- **Open Spaces**: several activities have been progressed in this area, notably the development of the Open Space Strategy and Action Plan, which was approved by the WRS Committee in November 2009. The key challenge in this area is to maintain momentum.

- **Quality Urban Design**: good progress has been made and all councils have become signatories of the New Zealand Urban Design Protocol and a regional urban design action plan has been put in place, with many of the proposed actions having taken place or underway.

- **Land for Business Growth**: The most notable output in this area is the commissioning of a study that identifies the available vacant industrial land in the region. Beyond this, other planned activities have not been undertaken.

- **Although not an explicit objective of the Strategy, work in a number of the above areas supported the inclusion of new policies supporting good regional form in the Regional Policy Statement.**

- **The main benefits in the Good Regional Form area are yet to be realised and will not come to fruition for some time. However, benefits have already emerged from the region-wide approach, particularly in terms of sharing approaches and practices amongst council officers, and the adoption of common standards and frameworks by councils. This sharing is valuable and can be expected to lead to improvements in the quality work of individual councils and reduced costs.**

- **While progress has been made, many of the ‘Good Regional Form’ activities progressed do not match the level of ambition in the Strategy. The most significant regional form issues likely to influence the region and its economy over the coming decades (eg urban intensification, a regional approach to CBD and regional centre development) have not been tackled. The cooperation between councils has fallen short of strategic engagement.**
Implementation of the Strategy

While the above discussion of the extent of outcomes achieved generally paints a positive picture of progress and some benefit, in general we conclude that the level of impetus and progress under the Strategy has failed to live up to the ambition of the Strategy. Realisation of tangible economic benefits has mostly been modest.

This review has identified some shortcomings in the implementation of the Strategy.

In our view, successful implementation of a regional economic development strategy requires:

- **A Strategy that:**
  - is clear in its priorities, actions and initiatives
  - is clear about what resources and capability are needed to deliver on those
  - is realistic, in terms of a match between priorities, actions and initiatives, on the one hand, and actual resources and capability on the other hand.

- **A Governing body that:**
  - clearly owns the Strategy
  - advocates regional priorities identified in the Strategy with central government and other partners
  - makes decisions on regional strategy issues (or, if not the decision maker, provides advice, builds support for and brokers decisions at the individual council level)
  - oversees revisions to the Strategy to ensure it remains relevant and a live document
  - decides on funding priorities
  - reports on progress towards delivery of the Strategy including the achievement of its goals and outcomes
  - builds strong stakeholder relationships and partnerships.

- **Adequate supporting mechanisms including:**
  - clear roles and responsibilities amongst the delivery agencies, and between the Governing Body and delivery agencies
  - good programme management, to coordinate and drive delivery of the Strategy’s initiatives and activities
  - effective reporting against planned delivery, and a programme of monitoring and evaluation to assess the extent of achievement of outcomes
  - funding and resourcing mechanisms that provide sufficient certainty that the necessary resources are available.
Our review concludes that there is room for improvement in all of the above areas.

On the Strategy itself, we conclude that it has suffered from too many activities and initiatives, and the statements of priority accorded in the Strategy have in a number of cases not translated into resource allocation and priorities for action. The Strategy has also become out of date due to unprecedented changes in the global and national economic environment. We consider that the Strategy should be refreshed, and that any future Strategy should contain fewer activities and initiatives.

A number of issues have been identified with the governance arrangements. While we do not believe the WRS processes and governance arrangements are fundamentally flawed, there is a clear case for change in how implementation of the Strategy is happening in practice. In short, we have concluded that:

- the Committee has not driven the implementation of the Strategy as actively as it might, difficult decisions are not being made nor trade-offs between initiatives raised and addressed
- the Committee has not been key in influencing other fora such as the Mayoral Forum or the Regional Transport Committee, and some mayors perceived duplication between these fora and the Committee
- the relationships between the Committee and delivery agencies, particularly Grow Wellington, have not been as strong as they need to be
- issues have also been raised with the composition of the Committee, in particular its size and balance between political and independent representation
- there is some confusion, particularly amongst independent members, as to the Committee’s core purpose and role.

This has led us to conclude that a more active WRS Committee is critical if the aims of the Strategy are to be realised. The Committee should take on a regional leadership role in a way that avoids duplication with existing structures and is consistent with its lack of statutory powers. Where the WRS Committee is not the legal decision maker it should make recommendations to the formal decision maker.

Finally, we believe that the Committee has not been fully enabled to perform its role because of weaknesses in various support mechanisms. The WRS Office has performed a useful role but has been limited in its resource and has been diverted from coordinating the overall programme of work towards leading specific activities and initiatives.

In addition, no ongoing programme of monitoring and evaluation of the impacts and outcomes of the Strategy has been put in place. Delivery and reporting on progress against the Strategy has been compartmentalised. In terms of funding arrangements, the reliance on voluntary council contributions of funding and resource has led to uneven progress against a number of...
areas of the Strategy. The Strategy’s ambitious objective of matching ratepayer funding dollar-for-dollar with external funds has proved unrealistic given significant changes in global and national conditions. In some areas there has been a significant mismatch between the priority accorded to an activity in the Strategy, and the level of activity that has been undertaken.

**Future Directions**

A key question for this review is whether, taking into account the outcomes achieved to date and the quality of implementation of the Strategy, there is a case for continuing with the Strategy governance and funding activity, or whether to cease that activity at 30 June 2012.

On this question, we conclude that there remain good reasons for continuing to pursue economic development (including good regional form) at a region-wide level, and to fund and deliver economic development activities on a region-wide basis. Our reasoning for this is as follows:

- In the face of increasingly intense competition from other cities and regions for resources, talent and capital, there is clear merit in facing the strategic challenges of ensuring a vibrant city-region on a region-wide basis. Such challenges do not respect sub-regional territorial boundaries.
- Internationally and domestically, regions (especially those containing large urban areas) are moving towards an approach where they plan for and approach economic development on a region-wide basis.
- Previous arrangements in the region involved fragmentation and duplication of economic development activities. Reverting to an individual council-based approach risks a recurrence of these problems.
- Although arguments have been advanced against a region-wide approach on the basis of efficiency and unequal distribution of benefits, we consider such concerns can be addressed through good governance and, overall, the benefits of a regional approach outweigh the costs.
Recommendations

Refreshing the Strategy

We recommend that the WRS Committee:

- leads a refresh of the Strategy. The exercise should:
  - be undertaken in a fully consultative manner across the region
  - clearly distinguish between those issues that require co-ordinated effort by regional parties and regional leadership, and those best handled locally
  - match priorities with realistic funding and resourcing expectations.

We recommend that:

- final decisions on new governance arrangements be considered in the light of any Strategy refresh process. The existing, or interim arrangements might be used to oversee the refresh.

Role and Scope of the WRS Committee

We recommend that the role of the WRS Committee, or similar body, should clearly encompass the following:

- ownership of the Strategy
- ensuring that a regional economic development perspective is brought to all regional statutory planning processes
- advocacy of regional priorities set out in the Strategy with central government, and maintaining key stakeholder relationships
- ensuring the Strategy is amended/refreshed
- ensuring that appropriate programme management arrangements are in place, including monitoring, reporting and evaluation arrangements
- deciding on funding priorities across the whole of the Strategy, and ensuring there is an active resource plan for the Strategy
- brokering resolution of issues where there are strategic trade-offs being made.

We recommend that the WRS Committee considers:

- opportunities for better strategic alignment of tourism activity across the region through co-operative arrangements rather than structural change
- the roles it wants its regional economic development agency to play, and to express those roles in any refreshed Strategy
opportunities for greater alignment with Māori be considered in the refresh and continuing development of the Strategy.

Composition of the Committee
We note that a committee with mixed membership and more equal composition of political and independent members may present the region with a preferred governance option to consider.

We recommend that the WRS Committee considers:

- the level of mayoral representation on the WRS Committee with a view to:
  - avoiding duplication with other fora involving the region’s mayors
  - encouraging the contribution of independent members
  - reducing the overall size of the Committee
- maintaining an independent Chair
- maintaining independent members, noting the role should be clearer once the core role and functions of the Committee are established.

The WRS Committee and Grow Wellington
We recommend that the WRS Committee considers:

- participating more closely in the process of setting the strategic direction for Grow Wellington, perhaps by way of a Letter of Expectations from the Committee’s Chair on behalf of the GWRC
- the merit of appointing one independent member to both the WRS Committee and the Grow Wellington Board.

Programme Management
We recommend that the WRS Committee considers:

- strengthening the programme management and executive support for the Committee, to enable it to better perform its role in driving the Strategy
- the appropriate level of resourcing to give proper effect to the key support roles of the WRS Office
- the establishment of an evaluation and monitoring plan across the Strategy
- the appropriate balance of resource for monitoring and reporting on the actions of regional partners directly attributed to the Strategy vis a vis resourcing for the Genuine Progress Index.
We note that resources, capability, and the ability to engage and lead initiatives varies considerably across the region. This issue is pertinent to all councils to some extent, but has particular relevance for Wellington City Council as the largest authority in terms of staff and resource, as steward of the central business district, and as the country’s capital city.

We recommend that the WRS Committee considers:

- how best to ensure regional arrangements leverage the resource and capability of the region’s councils, in particular Wellington City Council.

**Funding and Resources**

We recommend that:

- any revised Strategy more closely aligns initiatives with likely funding sources. Expectations for external funding require revising downwards
- a funding and resource plan be developed that matches funding to priorities, informed by an assessment of resource and capability available in councils to support regional work
- accountabilities are reflected as KPIs agreed at CE level and senior officer level so that regional Strategy activities are embedded as part of council activities.

**Growing our Economy**

We note that many of the actions in the Growing our Economy focus area require close cooperation between regional actors, including Grow Wellington, to be successful.

We recommend that:

- there needs to be renewed focus on reporting outputs and a set of intermediate outcomes that allow a picture of performance to emerge that links to the outcomes of the Strategy.
- any refresh of the Strategy considers whether the current priority sectors remain the relevant focus for the region, keeping in mind a long term focus that builds on capability and activities that are already proving effective
- if the region continues to support the Centres of Excellence programme, updated business plans be required for each centre, allowing a re-appraisal of funding expectations to support each project, and a re-evaluation of the roles of project champions, and assessing if council and other key partners can be more engaged where appropriate
- the region continue to approach broadband facilitation on a regional basis, though the remit and scope of council activity may need to change as the government’s broadband initiatives enter an operational phase later this year.
Good Regional Form

We recommend that:

- programme management should include consideration of opportunities to use resources in Growing our Economy action areas to support Good Regional Form action areas, and vice versa
- the District Plan Review Group, or a similar mechanism to institutionalise the information and approach sharing developed under the Strategy should be reactivated
- the elements of the Good Regional Form work should be refreshed with regard given to:
  - matching the range of priorities to the resources available
  - moving from cooperation and information sharing to more strategic engagement
  - developing clear alignment with Growing our Economy elements of the Strategy.
Appendix 1: Case Studies

Overview

Selection of Case Studies

Case studies of priority initiatives provide an opportunity to bring to life issues and opportunities associated with the implementation of WRS initiatives. They can also gauge progress against aims, and the extent to which priority initiatives are contributing towards Strategy outcomes.

Criteria used to select case studies involved considering initiatives that:

- were given highest priority in the Strategy (those with an asterisk).
- were considered to be initiatives with the greatest potential impact.
- are sufficiently developed so that lessons can be learned as part of a formative review.
- require a degree of regional co-ordination to maximise impact
- test the inter-relationship between the regional form and mainstream economic development functions of the Strategy.

Three case studies were chosen, after consultation with the SORT group, one each in the ‘Growing our Economy’ and ‘Good Regional Form’ and one that spans both - broadband. In going through the process, we would test the first stream of the Strategy – Effective Leadership and Partnerships. Though the case studies may not meet every criterion, they represent a close match and cover a cross-section of issues.

The following were chosen:

- Case Study 1 – Business Centres of Excellence
- Case Study 2 – Priority Good Regional Form Projects
- Case Study 3 – Broadband.
Case Study 1 - Centres of Excellence

Methodology

Centres of Excellence have been identified as one of three case studies contributing to this review. We have followed a common methodology for each of the three case studies.

This case study considered the process of developing Centres of Excellence. The Centres of Excellence programme is an initiative identified in the Strategy, and being undertaken by Grow Wellington. The initiative as a whole has focused on promoting growth in three main areas: Screen and Digital Technologies, Biotechnology and Life Sciences (through the HERCC – Health Education Research & Commercialisation Centre), and Clean Technology.

The Centres of Excellence initiative has been described as having the potential to add significant long term economic benefits for the region. Some have evolved further than others – the case study examined the success factors. Given many are at an early stage, the case study acknowledged that evidence to support long term outcomes may not be readily available at this stage of development.

Nevertheless it provided an opportunity to consider how the sectors and centres were identified, what has worked well, less well, what has been learnt in the process, and what potential the centres may have as regional growth engines.

The case study involved interviews with the Centres of Excellence Programme Manager, site visits to individual centres (Ōtaki, and the Patient Simulation Centre at Wellington Hospital) to meet those directly involved, interviews with recipients/users of the centres, as well as raising specific questions as part of the qualitative interviews in phase two of the project. The case study includes some national context, and a review of the relevant documentation.

This case study provides a complementary picture alongside the online business survey, the former providing an indication of the direction of long term interventions, the latter more tangible data on shorter term business development programmes.

Context / Aims of the Centres of Excellence Programme

WRS link: Growing Centres of Excellence is a priority initiative of the WRS. This initiative seeks to grow the regional economy, especially exports, by contributing to the economic development outcome ‘developing businesses, products and services.’ The overall objective of the Centres of
Excellence proposal was ‘to significantly contribute to increasing the region’s export share of GDP by between $3b and $4b by 2026’. 59

**Definition:** Centres of excellence seek to improve opportunities for innovation and commercialisation in a sector by bringing together key players within the innovation system (ie education providers, research institutions, policy makers (local and central), industry (local and international).

**Rationale:** International economic research60 points to the importance of building depth in niches to create scale and competitive advantage. OECD research into innovation policy in a range of developed countries identified the development of a clear strategy for key infrastructure (in particular incubators and cluster development) as a key way to enable high value businesses to grow and develop in New Zealand.61 An OECD review of New Zealand’s innovation policy identified that ‘New Zealand should develop a clearer strategy regarding support for developing key infrastructure for innovation (eg clusters).’62

**National context:** Government’s Economic Growth Agenda seeks to lift exports to 40% of GDP. While it does not specifically advocate the use of Centres of Excellence, the high level aims and policy drivers are aligned with Centre of Excellence objectives and activities that support science, innovation and trade and an increase in the number of innovative New Zealand firms participating in the global economy. An example of Government support for building a national network between regional clusters is the Food Innovation Network New Zealand (FINNZ), which was announced in March 2010 and is eligible to receive up to $21 million in Government funding.

At the sector level, Government has identified high priority sectors – eg dairy, food, high value manufacturing and services, and petroleum and minerals. Budget 2010 included an increase of $234m of government assistance for a range of programmes intended to increase Research and Development activities by business, and to create better linkages between innovative firms and research organisations. Although the sectors being progressed in the Wellington region through the Centres of Excellence initiative do not closely match with those prioritised by Government, there are, however, potential opportunities that may emerge at a national level through the establishment of a Green Growth Advisory Group, which will report on opportunities of the clean technology sector at the end of 2011.

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59 NZIER. Wellington Regional Centres of Excellence Proposals: Fit with Government strategy, intervention logic, gaps in the evidence base. September 2008. NZIER were reporting on previous inputs into the Strategy. Grow Wellington’s Statement of Intent for 2010/11 has the objective of by 2030 an additional $1b of wealth for the region from the Centres of Excellence Programme.

60 For example Porter’s Clustering at the edge: Growing businesses of global reach from thin soil, Potter J and Miranda G. Clusters, Innovation and Entrepreneurship, August, 2009.


There is also some linkage with the Government’s National Network of Commercialisation Centres initiative announced in the May 2010 Budget, and for which proposals were submitted by January 2011. The Government is seeking to create an integrated approach to commercialisation, encouraging those involved to work together to create scale, enhance capability and improve collaboration between businesses, research organisations and education institutes.

**Identification of Centres of Excellence**

Picking the ‘right’ Centres of Excellence, ie sectors that are representative of the region’s comparative strengths and international growth areas, is a fundamental first step. The identification of Wellington’s Centres of Excellence was a two stage process. As a first step a working party of current and former chief executives from the region identified a qualified list of 12 sectors where the region has skills and businesses that are currently, or have the potential to be, world class. The WRS noted that Centres would only be established where ‘there is an industry desire for action and where participants are prepared to invest directly themselves’.

Grow Wellington then convened advisory panels of internationally renowned leaders in the industries, research and education fields, along with iwi and community groups, to identify a short-list of four possible sectors, namely screen and digital technologies; sustainable and renewable energy; biotechnology and life sciences; and natural hazard preparedness. In evaluating the short-list, the following criteria were considered, eg is this an area of regional and national capability? Does development in this sector have the potential to be world class? Does the sector represent an area of significant global market opportunity?

In September 2008 ‘business as usual’ forecasts of economic activity in each of the Centre of Excellence areas were undertaken to provide a benchmark from which the performance of Centre of Excellence activities could be assessed. As a result natural hazards was dropped from the list because, while it was felt to have some regional merit, the national case was not strong enough. The Grow Wellington Board then agreed to progress the following sectors: digital, biotechnology and life science (which developed into the Health Education Research and Commercialisation Centre (HERCC), and clean technologies. Though it was recognised with clean technology that the market was not very mature, the Grow Wellington Board agreed to support the sector on the basis that it has medium to long term potential.

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63 Wellington Regional Strategy
64 Wellington Regional Strategy
Implementation (resourcing and funding)

Grow Wellington has defined a successful Centre of Excellence as a core network comprised of world-class institutions, companies and people working in a specialised field together which demonstrates a global, sustainable, competitive advantage. This creates a critical mass of skills capability and infrastructure, which in turn provides continuous opportunities for employment, research and commercial endeavour in that field.66

Governance and support: A Build Strategy was developed to progress the Centres of Excellence proposals. An advisory panel was convened for each Centre. Members represent the key areas (ie business, research, education, capital markets, commercialisation, support services and policy) and are leaders in their fields. They met during May 2008. Each panel had a terms of reference and the intention was for them to meet each quarter to provide business, science and project advice to the General Manager of the respective Centres of Excellence during their establishment and build phase. They also recommended actions to advance the goals of the Centres. The intention at the outset was that the panels would be replaced upon formal establishment of governance bodies for each Centre, originally estimated as by late July 2009.67

Funding: Grow Wellington sought contribution from New Zealand Trade and Enterprise’s (NZTE) Regional Strategy Fund, and were successful in securing funding as follows:

- Clean technology initiatives ($313,000 in total, including $233,000 for the Clean Technology Centre itself)
- Developing the HERCC business case ($150,000)
- Development of digital and screen initiatives ($206,000).

These figures do not exactly map to the annual report figures, as not all funding for clean technology initiatives has been drawn down as yet, and Grow Wellington have until September 2011 to draw down remaining allocated Regional Strategy Funding from NZTE, subject to meeting project milestones. Expenditure has been approximately $1m per year (see below).

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Table 6: Estimated Total Funding for the Centre of Excellence Initiatives

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Revenue</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/2009</td>
<td>$ 253,569</td>
<td>$ 1,031,114(^{(68)})</td>
</tr>
<tr>
<td>2009/2010</td>
<td>$ 293,099</td>
<td>$ 968,900</td>
</tr>
<tr>
<td>2010/2011</td>
<td></td>
<td>$960,000 (forecast)</td>
</tr>
<tr>
<td>2011/2012</td>
<td></td>
<td>$1,200,000 (forecast)(^{(69)})</td>
</tr>
</tbody>
</table>

**Resourcing:** It was intended that each Centre of Excellence would have its own Director, Advisory Panel and staff. During the development stages, the intention was that each Centre would also have an international level Advisory Panel including representatives from research, education, commercial interests, incubation and capital, support network, infrastructure, public policy.

**Objectives**

The following short-term and long-term outcomes have been developed:

- Short term outcome: industries for development agreed and initiated
- Long-term outcome: by 2030 an additional $1b of wealth is created for the region. A strong multiplier effect is expected.

Grow Wellington’s role is to lead the establishment of the Centres of Excellence in a facilitator and catalyst role. Below we provide a description of each Centre, then provide findings and recommendations for the Centres of Excellence initiative as a whole.

**The Health Education Research and Commercialisation Centre (HERCC)**

**Context/aims**

The context for this Centre of Excellence is that a group comprising Capital and Coast District Health Board (CCDHB), Victoria University and Medical Research Institute of New Zealand (MRINZ), supported by Grow Wellington, developed a programme to establish a Centre which will become a one-stop shop for clinical research and commercialisation\(^{(70)}\). The concept is for a Health, Education, Research and Commercialisation Centre (HERCC), with the goal to become

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\(^{(68)}\) Grow Wellington, Annual Report. 2009/10
\(^{(69)}\) Grow Wellington, Statement of Intent 2010/11
a nationally and internationally collaborative, commercially sustainable centre of scientific and educational biomedical excellence.\textsuperscript{71}

This Centre responds to a global need for new biomedical solutions, and aims to fill a capability gap in New Zealand in the clinical sciences. HERCC seeks to develop new care models to meet patient needs, in combination with new products and equipment to make the care easier and safer. The concept underpinning the Centre is based upon a number of components which can be visually depicted as follows: (see Figure 14).

**Figure 17: Core components underpinning the HERCC concept**

The aim of the HERCC is to create opportunities from the synergies created, including through co-location of the following:

- Patient Simulation Training and Research (the use of mannequins or computers to train health professionals in the skills needed for optimal patient care)
- Building and Enhancing the Biomedical Workforce education/training

Clinical Research and Clinical Trials (the intention is to enable Phase One to Phase Four clinical trials to be carried out)

Research and commercialisation (which is subject to an additional short business case).

**HERCC Business Case**

A business case was prepared by Deloitte on behalf of Grow Wellington in September 2009. The business case states the CCDHB, Victoria University, MRINZ and Grow Wellington as cornerstone partners, with twelve other founding partners involved in phase one, including Otago University School of Medicine, Formway Furniture, Trinity Bioactives and Whitireia Polytechnic.

The business case indicated that the HERCC has secured commitment from its phase one partners for $7.8m operating costs and $6.4m capital over the first five years – but to reach its potential it identified the need to secure additional operating funds of $8.5m over five years and capital of $7.3m over two years.

The intention of the HERCC is to:

- Enhance and extend the National Patient Training Centre to include training for nurses, paramedics, and research into medical processes, patient safety research etc
- Attract and retain leading medical and clinical practitioners
- Establish collaborative relationships between the participants and potential laboratory and research facilities at the centre
- Establish joint teaching opportunities where, for example, CCDHB clinicians can teach Masters level classes in collaboration with Victoria University
- Facilitate the commercialisation of current and spin-off co-located companies.

The plans also involved providing a Commercialisation Manager. In addition to the physical location at Wellington hospital, the HERCC concept includes regional participants on a virtual basis, including Crown Research Institutes (CRI)s, Hutt Valley District Health Board, and the Malaghan Institute. The business plan notes that international links to the Mayo Clinic in the USA (who contributed to early discussions) and Korea’s ETRI national research centre are also in place. In relation to the patient simulation facilities, the business case indicates a relationship is in place with the Simulation Technology-enhanced Learning Initiative (STeLI) from the London Deanery.

The business plan projects a Net Economic Benefit (NEB) of $131.88m at a multiplier of 7.9:1. Our understanding is that this figure is dependent on the centre become fully operational, after having accessed the additional funding required, and assuming revenue from up to ten companies commercialising activity as a result of engagement with the HERCC.
As regards the commercialisation aspects of the proposal, an addendum to the business case was submitted to the Ministry of Economic Development (MED) in March 2010 seeking financial support for the establishment of a company to support commercialisation of Intellectual Property (IP) from participants in the Centre of Excellence. The company would be known as Wellington Health Technology Ltd (WHTL). The bid seeks up to $1.5m each from MED and the three foundation partners over the first three years.

National Context

- The national and international context would suggest a strong market for new biomedical solutions. The business case states that the New Zealand Government spends the equivalent of 9 per cent of GDP operating the health system, yet capacity and capability demands still exceed the ability of the system to deliver. In terms of the opportunity presented through the simulation facility, it is estimated that clinical errors in New Zealand hospitals cost at least $44m a year, and simulation and skills training are efficient ways to reduce clinical errors.

- Canterbury and Manukau have also been working on proposals to establish Health Innovation Hubs throughout 2009/10. They have presented their case to central government (Ministry of Economic Development), but have not yet had a response. Meetings have been held between the Wellington proponents and the supporters of the other two proposals.

The commercialisation proposal is connected in terms of decision-making with a national process involving Auckland (Manukau). Our understanding is that a decision on the Auckland/Christchurch proposals will be made first, and that the Wellington proposal is seen as a second, but connected, business case.

In terms of the local business profile, a report providing a sector overview of New Zealand medical technologies\(^{72}\) indicated the sector included approximately 90 companies – citing 40 in Auckland, 20 in Christchurch, and 3 in Wellington. While it is acknowledged that this is by no means a comprehensive list, it provides some indication of sector scale and density in New Zealand. The benchmark report prepared for Grow Wellington in September 2008 by Infometrics identified 37 private sector organisations involved in bio-medical activities in the Wellington region. While there may be businesses with potential in the Wellington, the region would appear to have less critical mass than Auckland (with Fisher and Paykel Healthcare) and Christchurch. From a research organisation perspective, however, Wellington is well represented.

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\(^{72}\) New Zealand Medical Technologies – A Sector Overview, by AERU and Flicka, Jan 2009.
Activities to Date
The business plan indicated that the HERCC will be a Charitable Trust governed by a Board consisting of seven members. Underneath the overarching Board, the proposal is to split activities between an Education Governance Group and a Research and Commercialisation Governance Group. However, such arrangements have not yet been progressed, pending a decision on funding for the business case.

The HERCC has a clear set of foundation partners, CCDHB, the Medical Research Institute of NZ, and Victoria University. The three organisations have signed a Memorandum of Understanding cementing their agreement to co-operate, and we understand there is some collocated activity between the foundation partners at the hospital site, and also Otago University Medical School.

The Simulation and Skills Centre is in place and operational, occupying a floor of the Clinical Services Block at Wellington Regional Hospital. Training programmes are in place, providing core training for CCDHB staff, and deriving income from external stakeholders through providing advanced training at the Centre. So far $600,000 has been invested in the development. The current facility, whilst functional, is considered a temporary facility, and caters for simulation training rather than delivering to the broader collaborative concept of the HERCC.

A plan has been developed to fit out a purpose-built floor to meet the broader HERCC concept, but the cost for this is estimated as $5m in building works, and $1.5m to fit the centre with the necessary technical and educational equipment. A number of avenues are being pursued to raise funds, including conversations with the Ministry of Science and Innovation (MSI) in 2011, linkage with the broader business case presented to MED, and philanthropic donors.

The current status of the national Health Innovation Hub proposals for Auckland and Christchurch, of which the Wellington proposals are an adjunct, is pending the consideration of the Minister of Economic Development.

Our understanding of the international co-operation arrangements, such as the Memorandum of Agreement with the Deaneries UK, is that these are currently inactive, awaiting further on-site developments.

Plan Going Forward
We understand from Grow Wellington that they plan to take a head lease on floor space at Wellington Hospital starting on a smaller scale than the original plans, and are in the process of recruiting a Centre Manager, with the intention of re-engaging with local businesses who may be interested in pursuing commercialisation opportunities and locating at the hospital. This has been agreed with the CCDHB.
Progress against Outcomes

Progress against outcomes is difficult to discern at this early stage of development, particularly given funding has not been forthcoming. The progress envisaged in the September 2009 business case has not been realised and so the assumptions of net economic benefit are not valid without external funding contributions and without businesses evolving commercialisation opportunities as a result of Centre of Excellence activity. In terms of meeting process milestones associated with developing the Centre’s concept, Grow Wellington input can be seen to have played a brokering role in bringing the three foundation partners together at the outset, and providing links and networks with a broad range of regional partners.

Grow Wellington has also helped introduce an international focus on simulation based training, and supported travel opportunities for potential international partners. Arguably, a notable contribution has been to broaden the remit of the concept from education and health opportunities to include a focus on commercialising Intellectual Property, which has led to a potentially broader partnership. This has influenced the design of the fit-out of the proposed HERCC facility to accommodate business incubator and research facilities.

Findings

A full examination of the merit of each individual partnership and collaboration opportunity under the concept of the HERCC, and the strength of the potential research and commercialisation opportunities, requires a re-assessment of the business plan, and is beyond the scope of this case study. Our findings are intended to provide comment on the activities we were able to discern from the site visit, and interviews with a sample of partners and businesses.

Our overall impression is that the initiative gathered a head of steam at the outset, involved many health, research and business stakeholders, but faced a number of challenges, and lost much impetus through 2009-2010. Much time and energy was spent seeking external funding to realise the plans to the fullest extent, but the region was late to build links with Christchurch and Auckland, who have developed health hub plans of their own. The external environment has changed making the likelihood much slimmer of realising the full extent of the business plan expectations.

It has also proved a challenging area to foster a strong regional collaborative agenda, with a number of the potential partners having agendas that will be hard to align fully with a regional vision, recognising some stakeholders are also potential competitors. Shifting the concept to involve commercialisation, not a core role for many of the partners, was a particular challenge in the process.

Although the supporting material for the HERCC includes a list indicating considerable partner commitment, in practice many of these arrangements are on hold pending progress on funding and the development of a site for the HERCC. The establishment of a Charitable Trust, as
envisaged at the outset, has not been progressed, and it is necessary to clarify the current position for potential stakeholders.

An ongoing challenge with the project for Grow Wellington is meeting and maintaining stakeholder expectations. For CCDHB, the simulation and training activity is one of many pressing priorities at a time of considerable change for the organisation. The CCDHB is the potential “champion” for the initiative, but during this period has undergone changes in the senior leadership team, which has had an impact on the timeframe of the project.

We understand a lesson learned from the process has been to undertake an audit of the potential of the Intellectual Property involved. This was not undertaken at the outset for the HERCC, but was undertaken in relation to clean technology opportunities. Some stakeholders also suggested greater attention was needed on facilitating the networks in the sector, developing a local cluster, and assisting with international connections, with less onus on the physical location per se.

Clean Technology

Context / Aims

The concept for the Clean Technology Centre of Excellence is to bring together physical and virtual infrastructure into three broad interrelated areas:

1. A clean technology strategy group. This group consists of a range of experts who focus on national and international opportunities and partnerships with developing and developed countries.

2. Clean technology research network. This involves bringing together terriaries, clean energy technology, CRIs, research and internships. It can include technology demonstration projects which links research institutions and business (and funding). This is in the process of being developed.

3. A commercialisation network. Although much of the recent focus has been on a physical incubation centre (ie Kapiti Clean Technology Centre), the concept recognises the need for a virtual network across the region.

In terms of a definition, clean technology in essence means everything that reduces the environmental impact of an activity. It can be defined as ‘products or services that improve operations performance, productivity, or efficiency while reducing costs, inputs, energy consumption, waste or pollution’.

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73 Ferguson G. Greater Ōtaki Project: Update on clean technology economic development opportunities. February 2010.
The Clean Technology Centre of Excellence aims to accelerate the transfer from research to commercialisation by coordinating and facilitating clean technology research, commercialisation and international opportunities.

The initial business case for the Clean Technology Centre of Excellence identified regional capability that could be further enhanced through local and regional leadership and the development of linkages to complementary companies around New Zealand. It also identified a clear role for Grow Wellington to ‘take an overview of regional clean technology capability and build on this by identifying and realising global opportunities to underpin the future growth of the regional economy’.

**International context**

Most OECD countries consider eco-innovation as an important part of the response to contemporary challenges, including climate change and energy security. In addition many countries consider that eco innovation could be a source of competitive advantage in the fast-growing environmental goods and services sector.

**National context**

Government has identified the development of a profitable and exportable clean technology sector as a key catalyst to New Zealand’s economic development. New Zealand’s existing clean and green image, world-leading renewable energy generation and domestic energy needs present a case for a focus on the development of clean technologies in New Zealand.

A 2008 survey estimated that there were approximately 220 businesses that could be classified as ‘clean tech’ in New Zealand. Activities, technologies and businesses within the New Zealand clean technology sector can be grouped into a number of categories the most significant of which include renewable energy, clean transport, and energy efficient building technologies. The New Zealand Clean Energy Centre, an initiative that received regional partnership funding from the Government, is due to open in April 2011 in Taupo.

**Activities to Date**

Current regional projects include the physical clustering of activity at the Kapiti Clean Technology Centre (see detailed information below) as well as regional and international projects. A governance group is in place and provides direction and peer review.
The Kapiti Clean Tech Centre is a core part of the Clean Technology Centre of Excellence. It is a technology innovation park on the Kapiti Coast for clean technology research and business incubation.\(^{79}\) The new purpose-built 540m\(^2\) park provides a physical co-location for research and the commercialisation of new clean technology businesses.

The centre is a partnership between Grow Wellington and Kapiti Coast District Council (KCDC). The Centre aligns with and contributes to KCDC’s strategic direction. On 16\(^{th}\) February 2010 Kapiti Coast District Council formally ratified ‘that the Ōtaki community aspires to be the first New Zealand ‘off-the-grid’ town by becoming a net supplier to the national energy grids as part of the Greater Ōtaki Vision economic development strategy.\(^{80}\)

The Centre was officially opened on 18\(^{th}\) November 2010. As at February 2011 there were eight businesses and two organisations on site (Kapiti Coast District Council and Weltec). We understand a number of prospective tenants are in active conversations with Grow Wellington about occupying space at the Centre.

The project has secured $313,000 from NZTE, of which the first tranches have been drawn down after meeting establishment targets. Grow Wellington has signed a 9 year lease, and expects to cover the lease costs through rental income. As well as being the lease holder, Grow Wellington’s role is one of attracting and identifying new ‘incubatees’.

**Regional projects**, many of which have international connections, include:

- Distributed power generation and supply: including
  - a potential collaboration with an Indian syndicate (India Horizons and IRL), and
  - a Smart grid Ōtaki test site, with KCDC, an energy syndicate and potential collaboration with an Austin based clean technology research and development organisation
- Clean Transport projects involving Wellington and Hutt based businesses
- Marine Energy projects, including an Memorandum of Understanding with the European Marine Energy Centre and a potential New Zealand syndicate
- A Gas hydrates project with GNS and Japan
- Geospatial information systems development.

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\(^{79}\) Grow Wellington. Summary Briefing: The Clean Technology Centre Value Proposition

\(^{80}\) Ferguson G. Greater Ōtaki Project: Update on clean technology economic development opportunities. February 2010.
Of these projects, the focus for Grow Wellington for 2011 is to assess the prospects of key regional projects, aiming to support the potential for a “big win”. Further investigation is taking place with clean transport and marine projects. Grow Wellington is also pursuing an opportunity to link with green venture capital funds, such as the Hikurangi Foundation (supported by the Tindall and Todd Foundations).

A further development anticipated this year is to link the Kapiti Clean Technology Centre with high speed broadband, including a connection to the Kiwi Advanced Research & Education Network (KAREN).

Outcomes

Over the next three years Grow Wellington has identified a number of outputs and activities. Key activities include:

- the development of a national clean technology network including businesses from other regions
- the development of an incubation fund
- additional local and national incubator participants.

Investment is forecast at $960k in 2010/11 increasing to $1.2m in 2011/12. The three-year outcome is $5m export revenue from the region’s clean technology businesses. As with the HERCC, it is too early to be able to judge the success of the Centre in achieving its long term outcomes, and no measurement against the export revenue target has yet been undertaken.

Findings

In terms of stakeholder feedback, the Ōtaki Centre has generated considerable support. KCDC have been particularly complementary about the approach taken by Grow Wellington to align the Centre to the Council’s vision, and for their engagement with the local Wānanga Te Wānanga o Raukawa, which has also involved work to bring high speed broadband connectivity to local facilities.

Dr Mapp, Minister of Research, Science and Technology, Mayor Rowan, Sir Stephen Tindall and other mayors attended the launch of the Centre. A business located there, SpectioNZ, cited three key reasons for their involvement at the Centre as:

- Access to specialists – the initiative had provided them with links to the right experts, in their case the Institute for Geological and Nuclear Sciences
- Funding – in the sense of facilitating links to investors, and also in terms of affordable rents during the start-up phase for businesses
- Global market intelligence – partners providing them with intelligence about international market opportunities, eg links with NZTE and Kiwi Expats Abroad (KEA) network etc.
Another business interviewed considered it was still “early days” in terms of judging the benefits of the Centre and broader clean technology activity, but that at least for their business, it had expanded their horizons, providing them with potential new business opportunities and pathways to market that may not otherwise have presented themselves.

An example is that of a company using Geographical Information Systems (GIS) to support fleet optimisation, (ie planning efficient journeys to save cost and reduce environmental impact). The company is now exploring opportunities to combine with other concepts developed in the region relating to alternative transport technologies, and as a result of improved market intelligence, is also considering its international market opportunities. The business commented that Grow Wellington’s role was to provide a “route-map” – not necessarily providing all the support themselves, but providing the linkage with relevant NZTE assistance or technology support and networks.

Another comment made was that the clean technology collaboration gave businesses and local Councils the opportunity to engage early to seek solutions that may be mutually beneficial, for example, programmes relating to waste minimisation. One business survey respondent had this to say about the Clean Technology Centre:

‘The development of the Clean Tech Centre in Ōtaki provides a focal point for collaboration and attracting the necessary resource of business experts to make the pathway to export far more achievable’.

Grow Wellington has certainly provided the project with an impetus, though it is too early to assess the likelihood of success for the Clean Technology Centre of Excellence. The physical Centre at Ōtaki has only just opened and broader regional collaboration is also in its infancy.

The concept and ambition for the programme is as a regional initiative, though for many stakeholders, they still considered it as primarily about the Ōtaki Centre, and from our research we were not able to ascertain a strong regional project as yet.

Business planning involved the commissioning of a report by Greenchip into the potential of the opportunity. The report noted that “there exists more than adequate activity for the Clean Tech Centre on the Kapiti Coast to proceed...However this park, and the work of Grow Wellington, does not develop in isolation.”

The findings of the Greenchip report would still appear relevant - “Grow Wellington has to focus on future competitiveness. The key opportunity for Grow Wellington is being able to focus and prioritise research and company development activity and to build future competitive advantage. This requires leadership and taking calculated commercial and technological risk.” “In undertaking such risk, it is important to meet a number of criteria that ensure that the risk is effectively managed to the best of the known abilities and consideration of known information.”
The issues and findings outlined above would suggest that, looking forward it will be important to:

- Maintain and strengthen regional collaboration with a view to ensuring strong national collaboration, as scale may remain an issue. “Greenchip firmly believe that a national objective must be portrayed. New Zealand is too small to have several diverse initiatives in the same sector. More can be achieved by collaboration, as none of the local clusters are large enough to contain all the key skills.” “Focus needs to be adjusted to take in the global marketplace.”
- Ensure clear governance structures remain in place
- Maintain an incremental approach, building from the commitment of the partners.

**Screen and digital technologies**

Wellington’s screen and digital technologies industry is diverse including film, gaming, animation, digital media, web, and ‘edu-tainment’. While the sector is relatively small it has seen considerable revenue growth and continuing global recognition for its world-class creative talent.

In 2009, the sector accounted for 1.7% of the region’s businesses and 0.5% of the region’s employees. The sector is dominated by a small number of large firms with the vast majority (83%) located in Wellington city. Between 2007 and 2009 the number of businesses grew by 13%, while the number of employees fell by 18%.

A 2008 sector benchmark analysis estimated the real value added of the sector at $168m (in 2008 prices), equating to 0.64% of regional economic value added. Forecasts for the digital technologies sector predict an annual average increase in real activity levels of 2.2% between 2010 and 2040 (0.1% more than the predicted regional average).

In recent years the global screen and digital landscape has experienced significant changes which have, in general, been beneficial to New Zealand’s screen and digital sector. New channels and business models have enabled local firms to circumvent traditional international power structures and improvements in broadband access have helped reduce our geographic isolation.

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81 Freeth, A. The Wellington Regional Economy. 2010.
A 2008 review of Grow Wellington’s Centres of Excellence found that ‘screen and digital technology and content had a very strong fit with national areas of focus and Auckland’\(^{83}\). It also noted that given Auckland’s work in this area ‘it will be important to identify the particular areas that Wellington should lead and what will be complementary to Auckland and Canterbury specialisations.’

**Context/aims**

Grow Wellington’s screen and digital Centre of Excellence seeks to capitalise on the region’s significant screen and digital talent and technology. In particularly, it seeks to help the region double its screen and digital sector revenues by 2025 and ensure that Wellington is globally recognised as a Centre of Excellence in the sector.\(^{84}\)

‘Wellington does have a comparative advantage in this sector...we are uniquely positioned...we have one of the world’s leading visual effects studios in the world which is a huge draw card...Wellington has a [screen and digital] brand’. (Wellington business stakeholder)

**Activities to date**

The development of a screen and digital Centre of Excellence has occurred in two distinct phases.

The initial phase centred around the development of a large-scale physical Digital Innovation Hub (DIH), to be overseen by a new national industry membership body, the New Zealand Institute of Screen Innovation (NZISI). The DIH was intended to provide a purpose built infrastructure with a combination of technical facilities (eg a scoring stage), office spaces and common services. Grow Wellington facilitated the development of the DIH and supported the establishment of the NZISI as the screen and digital Centre of Excellence governance group. Grow Wellington received funding ($137,516\(^{85}\)) from NZTE to develop inputs to a business case (including economic benefits) for the DIH, however this was never completed.

In 2010, Grow Wellington’s activities to support the region’s screen and digital sector underwent a strategic review to ensure that ‘the projects we focus on will deliver optimal results for a dynamic sector of the Wellington regional economy that is at the cutting edge of global technology’.\(^{86}\) This review resulted in the DIH proposal being shelved (as it was identified that a large ‘bricks and mortar’ initiative was not the priority need for the sector).

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\(^{84}\) http://www.growwellington.co.nz (Accessed 15 February 2011)

\(^{85}\) NZTE. Report to MED and MCH on the Digital Innovation Hub

The original idea for a [Digital Innovation] hub was good and could still work...at the time we would have used space...conditions have changed though and smaller grass roots initiatives are probably more appropriate. Sector stakeholder

The strategic review involved workshops with the sector (with Grow Wellington acting as a neutral facilitator) to re-evaluate initiatives and agree a plan going forward. Key sector issues were identified in particular: a need to reduce the industry's reliance on service provision and to grow the industry through ownership; a need for appropriate infrastructure to enable growth; and a need to support talent attraction, development and retention. To address these issues a range of new and refined initiatives have been developed and agreed with the sector in the following key areas:

- **International connectivity:** initiatives to develop international relationships and credibility to ensure smaller businesses are connected to the major international players. A key project is to optimise support for the AnimFX conference e.g. increased linkage to Creative HQ
  
  I'd estimate that AnimFX has generated $15m worth of deals to date, and there are around $50m currently on the table. Sector stakeholder

- **Support for an orchestral scoring stage:** originally conceived as part of a DIH, this project is now being scoped as a standalone facility to enhance the region's infrastructure. The project is being led by the NZSO as the ‘home of the NZSO’ with support from Grow Wellington.

- **Co-working space:** this initiative is a significantly cut-down version of the original DIH concept. The co-working space aims to provide an supportive environment for screen and digital start-ups to grow, develop and collaborate. The space will be run by an experienced, private, co-working company and is expected to launch in April 2010, with capacity for up to 40 companies. Grow Wellington has helped facilitate the development of the space and will have an ongoing role connecting residents with business growth services and incubation services through Creative HQ.

- **Digital education:** the creation of a School of Computer Graphics within Victoria University to develop the region’s research capability and provide a flow of high quality local skills. Grow Wellington will facilitate the project in conjunction with key business stakeholders and central agencies. Course content is currently being developed and a business case is going through Victoria University internal processes in June 2011.

- **Development of a fund for a slate of film, television and video gaming production.** Grow Wellington is facilitating and helping to structure the fund (details are currently confidential).

**Findings**

Overall the performance of the screen and digital Centre of Excellence initiative has been mixed. In the last three years the Centre’s governance, management and focus have changed making it difficult to gain traction.
Initial undertakings were ambitious, and though the concept of a Digital Innovation Hub may have been initially valid, changing economic conditions and government focus led to a lack of sector support for a large scale ‘bricks and mortar’ solution. Although Grow Wellington is no longer progressing the DIH, two current initiatives (support for an orchestral scoring stage and the co-working space) build on the original DIH concept.

While governance arrangements were put in place in the early stages of the Centre’s development, their perceived lack of sector representation presented a risk to the Centre’s reputation. The current arrangement of informal governance on a project-by-project basis is appropriate given the early stage and small nature of initiatives. Over time however, a more formalised mechanism could be useful to provide strategic advice and guidance. We recognise there are already a number of sector groups in this space and accordingly, a need to avoid potential duplication.

Our understanding is that a detailed business plan for the screen and digital centre of excellence was not fully completed, including the case for the Digital Innovation Hub. The development of an activity plan for 2010-2012 is a necessary step forward, though remains very high-level and needs to be supported by an evidence base.

Grow Wellington is now focused on a range of smaller scale projects with industry buy-in. The current suite of initiatives appear to be aligned with industry needs and realistic given resources and funding. They address the fundamentals of infrastructure, funding and education, and we understand they are progressing on track.

There is support for Grow Wellington’s role in the screen and digital sector and Grow Wellington appear to be well connected to regional and national representative organisations.

‘Grow Wellington are the glue, the industry is focused on their area and on day-to-day....initiatives bubble up from the industry but we need someone to drive them’. (Sector stakeholder)

‘Grow Wellington has been working with us on some strategic initiatives that could significantly increase the exports of the film sector.’ Business survey respondent

Having a world class music scoring stage in Wellington will provide a significant boost to the already attractive post production completion of theatrical films in New Zealand and in so doing will boost the financial security of the NZSO. International films are attracted to New Zealand by the talent of the technical skill base in production and post production, cost and facilities like Weta Digital, Weta Workshop and Park Road Post. Business survey respondent

When asked which sectors best reflect regional strengths with potential for growth, 64.7% of respondents to the business survey cited information media and telecommunications (including film, screen and digital), the highest response rate for any sector.
Centres of Excellence - Key Findings

The Centres of Excellence work of Grow Wellington remains high profile and is a significant part of their budget and activities. According to Grow Wellington’s annual reports and SOI documents, the next three years will involve a continued focus on the Centres of Excellence with some significant activities planned (eg the development of a Digital Innovation Hub precinct, a HERCC incubator launched, and a Clean Technology incubation fund in place). Grow Wellington investment is projected to increase from $960k in 2010/11 to $1.2m 2011/12. Within the next 3 years, $5m export revenue is expected from businesses within each of the three Centres of Excellence.

Progress against these objectives and targets needs to be judged in the context that they are long term interventions, and that the initiative has only been operating for three years. The fiscal situation for accessing external funding has also changed significantly since the start of the programme. We considered the following elements as critical success factors for the development of a successful programme, based on advice provided to Grow Wellington:

- Sector support will be focused on areas where there is world-class potential based on regional and national capabilities, sustainable competitive advantage, a strong fit with national and regional economic strategy, and the potential to generate higher growth through this support
- A whole systems approach is taken to capitalise on existing capabilities in the region and elsewhere in New Zealand
- Funding is focused on strengthening alignment, infrastructure and capability
- Governance and advisory arrangements follow best practice
- Progress is monitored, and impact evaluated.

From our interviews with stakeholders, and experience of economic development, we would also suggest the following factors:

- The role for the economic development agency is clear – as a facilitator, with a clear exit strategy
- A champion and owner organisation is in place (providing an exit strategy)
- There is buy-in and support from key partners in the region
- Realistic funding expectations and business plans are in place, adjusting to any changing relevant context.

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The theory of the work conforms with much of the above, but Grow Wellington accept that some mistakes have been made along the way in practice, and false starts mean less progress has been made than anticipated. Some of the lessons would appear to be:

- It has been important for Grow Wellington's role to be clear. They see their role as facilitating collaboration and bringing the partners together, with the aim of establishing separate governance arrangements so the ownership rests with the partners.

- The level of partnership envisaged has been ambitious, often including stakeholders with competing expectations. In some areas, the success of an initiative may be dependent on those partnerships, which may be a key project risk not to be underestimated.

- With HERCC, the challenge of building collaboration amongst parties was considerable, and arguably underestimated, and also the focus remained on external funding for a long period, which stalled the programme.

- Where it is important to show runs on the board, Grow Wellington has looked to start projects off at a manageable level. An example of this is that an affordable site was chosen for the Clean Technology Centre, so the project can commence, without waiting for external funding bids.

- Similarly, in terms of publicity, Grow Wellington has learnt through its digital initiatives, and latterly applied to the Clean Technology Centre of Excellence, to start smaller scale, with more achievable goals, and with less publicity at the outset.

- The documentation relating to the Centres of Excellence’s is clear about the need for strong governance structures, and this theory seems to have been implemented at the outset. However, not all governance structures appear to have been maintained to the same level.

- Project management of the digital and screen Centre initiative was not strong, however, steps have been taken to address the situation. Significant focus was given to developing one concept before the programme was re-evaluated and put on a different track.

The main recommendations in the report are that it is timely to seek updated business plans for the centres that allow for a re-appraisal of funding expectations to support each project. We would also note the following points below:

- **Establish clear roles and a champion** (as appears to be the case with the Clean Technology Centre of Excellence, where KCDC are championing a key part of the programme, and national links and networks also appear to be in place).

- **Success requires strong regional support.** The case studies illustrate the importance of having willing education and research partners in place, and also that councils can play an essential role to make the programme succeed. For example, councils may act as champions, including at the mayoral level, and can highlight the initiative in their long term plans, apportion land for business development or make land available for a specific
initiative such as a business park/centre. Governance arrangements may need to consider a stronger role for councils and other partners in some cases.

- **Ensure open and regular communications.** The feedback from stakeholders would indicate that, though they may be aware of the concepts underpinning each Centre, very few had a grasp of the detail, or the current position of each Centre of Excellence.

The region has a strong research and education base, and opportunities exist to exploit business and commercialisation opportunities that may not arise without a strong catalyst role. There would appear to be a legitimate brokering and facilitation role for Grow Wellington to play as the regional economic development agency, but without the strong support of councils and other partners and addressing the points above, the chances of success for the Initiative as a whole are weaker.
Case Study 2 - Good Regional Form

The Good Regional Form case study considers the two priority action areas under good regional form. We have considered each of them separately.

Case Study 2A: Strong CBD and sub-regional centres

Objectives

The Strategy identifies the Wellington CBD and the regional centres as the engine rooms of economic development and as hubs for transport movements, civic and community investment. The Strategy recommends an overall vision for the region’s centres, supported by locally developed strategies. It was intended to consider the best locations for big box retailing and more intensive housing, and to review transport investment programmes.

The intention was to help local government better engage with the business community and developers, and to guide investment to the right areas.

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

Achievements

The action area has been led by Wellington City Council on behalf of all the councils.

A stocktake of centre planning approaches was undertaken in April/May 2009 followed by a SORT workshop to disseminate the information and discuss opportunities for collaboration. Six centres participated in the stocktake which was done by questionnaire. Key findings of the stocktake are listed below:

- **Centre Planning**: the stocktake noted that the approaches to planning vary – with some councils having a stronger emphasis on the District Plan to manage centres than others. Comprehensive plans were underway or completed for Porirua, Petone, Hutt City, Johnsonville, Adelaide Road and Wellington CBD (most of these plans are also subject to Regional Focus Area actions, considered in case study 3B below, which provides an update on current status). A range of implementation tools were identified (eg funding, land acquisition, direct land development, promotion and facilitation) and the stocktake noted that there was no evidence of collaboration across the councils in the region with the development or utilisation of implementation tools.

- **Research**: a variety of research studies both commissioned by the councils and external players were identified. These ranged from city wide spatial retail studies aimed at establishing the patterns of existing and future retail development, potential management options, to some specific studies undertaken by the Wellington City Council on retail thresholds and management approaches.
• **District plan changes:** a consistent theme of management of large-format retail was identified with various approaches used to manage their design.

• The stocktake identified a number of opportunities for improving collaboration and coordination. However CEs also resolved that there was no need for a formal regional approach to the identification and management of all centres – this could be dealt with at the city/district level within the framework provided by the RPS.

As a result, SORT identified a set of recommendations seeking to align the region’s management approaches to centres. The recommendations cover:

• using the WRS portal to exchange management information about management approaches
• holding a workshop to compare approaches to developing centre planning documents
• inviting all councils to participate in centre planning consultation processes
• distributing each council’s District Plan review work programme every six months
• establishing a working group of senior staff working on District Plan matters
• investigating the potential for regional collaboration in the development and delivery of implementation tools.

Subsequently, the District Plan Review Group was established in June 2010 to share information on best practice. It is intended to review the stocktake in 2011.

We understand that the officer leading this work for Wellington has left Wellington City Council and no one has yet taken up this workstream. With the exception of the District Plan Review Group, it is not clear to what extent the recommendations have been put into practice.

**Comment**

The recommendations developed are essentially intended to institute a set of information sharing processes. These can be valuable, but fall short of the ambition set out in the strategy. They do not establish a vision for the CBD and other centres, nor, *at a regional level*, the best locations for big box retail or urban intensification, and do not appear to have included any review of transport investment mechanisms (although it could reasonably be argued that this is a matter for the regional transport committee).

We understand that this shortfall from the ambition of the strategy reflects a lack of agreement between councils as to a shared vision for the centres.

We are not aware of any work undertaken to develop regional investment mechanisms to unlock development potential within the centres missed by the market. Such an investment mechanism would face two significant challenges:
robust governance arrangements would need to be in place in order to consider trade-offs between centres; however, progress under the Good Regional Form action areas has been best in areas where there are not significant tradeoffs to be made.

a narrative as to the reason the market is not delivering on the desired development would need to be developed.

Case Study 2B: Regional focus areas

The Strategy identifies eight action areas considered to be particularly important to the successful implementation of the Strategy. These are a mix of areas identified for development (for example the development of a transport corridor) and areas under pressure where careful management of development is desirable for environmental sensitivity reasons.

The actions identified for each of the focus areas are the preparation of plans or studies or to institute a change to the District Plan.

Table 7: Regional focus areas

<table>
<thead>
<tr>
<th>Regional Focus Area</th>
<th>Participating Entities</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Waikanae Edge</td>
<td>Kapiti Coast District Council</td>
<td>Public plan change 79 to the District Plan established urban edge and associated low impact urban and eco-hamlet concepts.</td>
</tr>
<tr>
<td></td>
<td>An intention to constrain northern urban development to focus new growth on selected centres, transport nodes, and Ōtaki through planning changes.</td>
<td></td>
</tr>
<tr>
<td>Pauatahanui</td>
<td>Porirua City Council with input from all councils and NZTA</td>
<td>The Porirua Development Framework (August 2009) proposed a Pauatahanui/Judgeford Future Development Study in the short to medium term. This is subject to LTCCP funding and we understand this not expected before Dec 2011 at the earliest.</td>
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<tr>
<td></td>
<td>An intention to develop a structure plan to constrain development close to the proposed Transmission Gully motorway/SH58 interchange and preserve the ecological importance of Pauatahanui inlet.</td>
<td></td>
</tr>
<tr>
<td>Grenada to Gracefield</td>
<td>Wellington City Council</td>
<td>A number of planning documents have been prepared or are in preparation:</td>
</tr>
<tr>
<td></td>
<td>Hutt City Council</td>
<td>• Petone vision statement (2009)</td>
</tr>
<tr>
<td></td>
<td>Porirua City Council</td>
<td>• Petone plan change is in progress with the release of a discussion document in May 2009, though no response has been announced although the consultation period has closed</td>
</tr>
<tr>
<td></td>
<td>NZTA</td>
<td></td>
</tr>
<tr>
<td>Regional Focus Area</td>
<td>Participating Entities</td>
<td>Status</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Vision Seaview Gracefield 2030</td>
<td></td>
<td>• Vision Seaview Gracefield 2030 was released in June 2010 with work on action planning in progress</td>
</tr>
<tr>
<td>The Ngauranga Triangle Strategy Study (Jan 2010)</td>
<td></td>
<td>• The Ngauranga Triangle Strategy Study (Jan 2010) is a joint study of NZTA, WCC, HCC looking at the area SH1 between Tawa and Ngauranga, SH2 between Ngauranga and Petone and possible link between Petone and Tawa/Grenada; this is an input into the Hutt and Western Corridor Plan reviews being undertaken by Greater Wellington Regional Council and strategic regional land transport planning</td>
</tr>
<tr>
<td>The Ngauranga Triangle Strategy Study (Jan 2010)</td>
<td></td>
<td>• Lincolnshire Farm Structure Plan August 2006: this fed through into a District Plan change in 2007 and WCC is now looking to develop the area</td>
</tr>
<tr>
<td>The Ngauranga Triangle Strategy Study (Jan 2010)</td>
<td></td>
<td>• WCC’s Northern Growth Management Framework was completed in 2003 (ie prior to the Strategy)</td>
</tr>
<tr>
<td>Lincolnshire Farm Structure Plan August 2006</td>
<td></td>
<td>A number of key supporting plans have been developed or are in motion:</td>
</tr>
<tr>
<td>Lincolnshire Farm Structure Plan August 2006</td>
<td></td>
<td>• Ngauranga to Airport Strategic Corridor Study (2009)</td>
</tr>
<tr>
<td>Lincolnshire Farm Structure Plan August 2006</td>
<td></td>
<td>• Johnsonville Town Centre Plan: the final plan was adopted by the Council in November 2008 and implementation is proceeding subject to LTCCP funding</td>
</tr>
<tr>
<td>Lincolnshire Farm Structure Plan August 2006</td>
<td></td>
<td>• Adelaide Road Framework: the framework to enhance this area (which included property purchase) has not proceeded as hoped due to lack of hoped for funding from NZTA; some improvements to roading are planned, and a new plan is under development – expected in 2011</td>
</tr>
<tr>
<td>Lincolnshire Farm Structure Plan August 2006</td>
<td></td>
<td>• Kilbirnie Town Centre Plan: a spatial structure plan, central city framework and city strategy were completed in December 2010; these will feed into a final Wellington 2040 Plan expected in June 2011.</td>
</tr>
</tbody>
</table>

Johnsonville to the airport – the growth spine
Planning to manage growth pressures in an area that has many key regional facilities and the CBD, including transport issues

Wellington City Council
NZTA
<table>
<thead>
<tr>
<th>Regional Focus Area</th>
<th>Participating Entities</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paraparaumu town to Paraparaumu beach</td>
<td>Kapiti Coast District Council</td>
<td>Specific actions are largely in abeyance pending resolution of Western Link Road planning processes. Will be progressed in ambit of District Plan review and change.</td>
</tr>
<tr>
<td>Planning to integrate current and potential uses, avoiding undermining town centre intensification through new big box retail, and managing transport links given new road development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Porirua to Linden</td>
<td>Porirua City Council</td>
<td>Porirua City Centre revitalisation plan adopted October 2009. This has led to the Porirua City Centre Project (PCCP) which is identified in Council's Long Term Plan as one of its key projects (the other being sewerage infrastructure renewal). Budgets to implement the project have been developed and encapsulated in the LTP. To date, a Master Concept Plan for the City Centre has been developed. Phased implementation strategies have been developed. Work on detailed engineering designs and tender documents are proceeding for Stage 1. Planning of the Porirua Hospital site awaiting outcome of Ngati Toa Treaty Settlement – this has reached the detailed negotiation stage. Changes will be incorporated into the Porirua City Council District Plan.</td>
</tr>
<tr>
<td>State Highway 2 / State Highway 58 interchange to Upper Hutt City Centre</td>
<td>Upper Hutt City Council</td>
<td>A District Plan change to restrict retailing within the business industrial zoned land throughout the city to reinforce the function of the CBD was approved in June 2009. A private plan change to rezone land at the Eastern Hutt road was approved in June 2009.</td>
</tr>
</tbody>
</table>
Evaluating the impact of this collection of planning processes is problematic for a number of reasons, principally:

- **Timeframes** the developments envisaged typically take timeframes of a decade or more from conception to implementation. The developments are primarily enablers for economic development which is contingent on private sector response which can take a number of additional years to come to maturity.

- **Questions of attribution** arise as the plans envisaged are mostly enablers to development – actual development is contingent on a number of other factors.

As it is far too soon to expect there to be any economic benefits to have materialised, the key question is whether WRS processes are having a material influence on the outcomes of the planning processes and their timing.

This is again problematic as given the complexity of planning processes, actions taken under the Strategy are only some of many factors affecting outcomes. However, there are a number of indicators that suggest that the impact of WRS processes is relatively minor. This was one of a number of action areas where it was agreed that there was no central coordination role. WRS process has reduced to periodic stocktakes (the last was in March 2009) at which officers from participating councils reported progress. This was primarily an information sharing exercise. There does not appear to have been the peer review by other councils as was envisaged in the Strategy. As a result, the initiatives have overwhelmingly been those of single councils or of two councils, with or without the involvement of NZTA.

This means that any impact principally stemmed from the fact of the inclusion of the focus area in the Strategy itself. While in a number of cases subsequent planning documents made reference to the Strategy and it is possible that their inclusion added to momentum, it is likely that many of the focus areas would have been the subject of planning attention in the absence of the Strategy.
A related point, it is not clear that there were strategic choices made at a regional level in the selection of some of the regional focus area areas. Some commentators suggested to us that there was an expectation that each council should have at least one (albeit one for the Wairarapa).
Case Study 3 - Broadband

Methodology

The approach taken in this case study was to measure progress against regional intentions, explore “Effective Leadership and Partnership” in the context of this initiative, and provide an assessment of any lessons learned, and some comparison with the “readiness” of other regions for high-speed broadband deployment.

As part of the case study we reviewed the relevant literature, including MED documentation on the government’s broadband initiatives, regional submissions made by the Wellington Regional Strategy to national processes, and project documentation.

We also conducted a group interview with the members of the Broadband Operational Group (BOG), an interview with the Wellington Regional Office, and verified information with the Ministry of Economic Development to understand the national perspective.

Context/Aims

The WRS highlighted broadband technology (alongside investment in airports) as being arguably the most important factors that position a city to compete in the global economy. Subsequently the WRS Office set out a number of workstreams that included supply side work carried forward by the Broadband Operational Group (BOG) on region-wide policies to facilitate the deployment of broadband. There was also a workstream set out on the demand-side relating to the uptake of broadband.

The targets in the Strategy were as follows:

- By 2017 all of the Wellington region will have affordable access to an interactive, open access, broadband network.
- That as an interim target by 2010, building on the definition of fast broadband in the Government’s digital strategy, the region adopt an interim target of 5 Mbps symmetrical data rate. It is recognised that this will quickly be inadequate so in some areas a more aggressive objective will be required, for example in the Wellington CBD and Miramar this will mean facilitating affordable access to 10 Gbps services as soon as possible.

The Strategy also envisaged that by 2007, a broadband business case for the region would be developed, and that the region would formally endorse and resource a “Wellington Regional Xchange” – a local connection point for internet traffic.

The Strategy also noted that “achieving region wide broadband is a priority which will involve Councils either facilitating private sector investment, or owning and operating the infrastructure themselves”.

*Review of the Wellington Regional Strategy 145*
However, the context set by central government policy has changed considerably in the period 2007 to 2010. National broadband policy has influenced and changed the role of local government. The change has been from a funding programme (Broadband Investment Fund – BIF) that envisaged a stronger role for local government in funding and governance of municipal fibre networks, to the UltraFast Broadband (UFB) Initiative that has the objective of delivering fibre-to-the-home for 75% of the population, but using a co-investment model between a crown entity, Crown Fibre Holdings (CFH), and private sector investors. There is also a separate Rural Broadband Initiative (RBI), impacting Makara, and the Wairarapa (excluding Masterton).

The change in central government policy has meant that local authorities are expected to play a facilitative role as part of the initiatives, not as direct investors or partners. The role of the Broadband Operation Group (BOG) has accordingly changed. Prior to the 2008 election, BOG was responsible for co-ordinating bidding material submitted as part of the Broadband Investment Fund. With the new Government, the objective of the broadband work has been to position Wellington as a lead region to be chosen for deployment for the RBI and UFB initiatives. The majority of activity has been focused on where Councils can play a facilitative role to assist telecommunications companies to deploy fibre.

Activities to Date

Governance

A clear governance structure has been put in place for the region’s broadband work. The Broadband Operational Group (BOG) has met regularly throughout the period reviewed, the WRS Office has been actively involved, project planning has been implemented (though with some project timescales slipping), and decisions and discussion papers have been sent to the Chief Executive’s Group and the WRS Committee as and when required.

Funding / resources

Broadband has been one of the key projects resourced by the WRS Office, and significant project elements and leadership have been provided by Hutt and Wellington City Councils and project lead roles undertaken by other Councils in the region. A survey undertaken of Council resources contributing to the WRS indicated that 277 weeks of officer time (TA and WRS Office) and $157,000 project funding were spent on broadband (the vast majority of which came from Wellington City Council.)

Activities

The BOG set out a work programme, which has included the following elements below:

- Governance and Funding Proposals
- Technologies/Deployment
- Uptake/Demand Side Initiatives.
Governance and Funding proposals
This generic title can be used to describe regional submissions and input to government programmes. This has involved, for example:

- Preparing a bid for the previous Government's Broadband Investment Fund
- Presenting a regional position with national organisations such as MED, CFH, and the Telecommunications Carriers Forum (TCF). For example, this included making submissions to the TCF on Draft Principles for Telecommunications Infrastructure for New Subdivisions88 and to MED on broadband deployment standards. In this and other communications the region has presented itself as wanting to be at the forefront of broadband developments and as “fibre friendly”.

Technologies/Deployment
The main role for local authorities, once central government direction changed, has been to make the process of deployment simpler and more cost effective for broadband operators. Accordingly, much of the focus of BOG has been on:

- Developing region-wide rules for new trenching technologies (standards relating to depth and deployment methods for underground fibre). This has led to a common standard being agreed across the region for “micro-trenching” which involves laying fibre at a shallower depth
- The region was successful in gaining agreement from MED to host a trial with Chorus in the Kelson suburb
- Developing region-wide rules for aerial deployment. A stocktake of current District Plan rules in the region was undertaken by Wellington City Council, which has indicated that, if aerial deployment were to be a predominant mode of deployment, District Plans would require amendment in a number of places. Aerial deployment can reduce up-front deployment costs, though requires increased maintenance costs on an ongoing basis
  - This work has progressed to the point of clarifying with operators the cost implications of aerial deployment. Whilst aerial is cheaper to deploy, it is estimated to have approximately half the life of fibre that is ducted underground. By establishing with operators the cost implications, it has become clear that it may be economic to deploy where aerial deployment is already in place, and consents are permitted. However, for new builds or sub-divisions, the preference of operators is to deploy underground.
- Developing a consistent approach to road openings to facilitate broadband deployment. A set of best practice guidelines has been produced, and the initiative has had a number of spin-off benefits. For example in the Hutt region, combined meetings are held to co-

ordinate road openings, and a regional approach has developed relating to utilities more generally, beyond the broadband-specific work

- Developing a stocktake of Council policies relating to access to local government assets. In conversations with likely broadband providers, however, it has become apparent that Council assets for use by broadband providers are not in high demand.

**Uptake/Demand Side Initiatives**

The original intention at the outset of the broadband work was that the Councils would focus on the infrastructure elements, and Grow Wellington would progress initiatives on the demand side, ie business take-up and demand for high speed broadband. Work undertaken has included:

- Consideration by Grow Wellington of a tool, similar to the consumer tool “Powerswitch” to create a “Broadband Finder” interactive tool for consumers/businesses. This initiative was not progressed further.

- A survey by Grow Wellington carried out in 2010 of selected Grow Wellington client businesses. While this involved too small a sample to be representative, it lends weight to the view that for a number of “digital value” businesses, high speed broadband is considered to be an essential service. Wellington has had the advantage of having competing fibre networks in parts of the region including the CBD area, but across the wider region, the key issues remain cost of high speed broadband, and availability of reasonable broadband services for some businesses.

- Following the WRS Committee seeking to position the region at the forefront of broadband developments, Grow Wellington were asked to commission a study, undertaken by BERL, into “the economic benefits of early UFB roll-out in Wellington.” This report provided a number of findings that can be used to support the case for early adoption in the region:
  - that productivity gains from, and uptake of, broadband is likely to be greatest from creative industries, government, education and health – all sectors well represented in the Wellington region.
  - that Wellington’s population profile of young, highly skilled, and globally connected people lends itself to earlier adoption and take-up of new technologies, when compared with other New Zealand regions.
  - that the density of population, urban form, and prioritised local government planning, may make deployment cost effective and timely, when compared to other regions (though it should be noted there are a number of topographical challenges).

**Plan going forward**

Decisions on the outcome of deployment of UltraFast Broadband are still pending, with the Government expected to make announcements by around May 2011.
Outcomes/impact

The significant shift in central government direction and broadband schemes, which in effect amounts to an investment in urban and rural broadband in the region of $1.8b can be seen as material, and a valid reason why the original objectives set out in the Strategy have not been met.

It would not appear to be a viable strategy to have pursued a solo regional approach while major national investment decisions are pending, though other regions have still taken smaller scale pro-active steps (such as Christchurch evolving their municipal network).

The interim target of 5Mbps symmetrical data rates for the whole region has not been met, and it should be recognised that such measures are to a large extent the result of actions of private telecommunications companies, affected by competition levels in the market, and potentially impacted by government regulatory actions, but not impacted significantly by local initiatives.

A more viable, though less concrete, yardstick by which to measure regional developments is the subsequent objective of positioning the region as at the forefront of new broadband initiatives. Measured against this, the key measure will be when the Wellington build phase is scheduled as part of the Government’s UFB Initiative.

Key Findings

Governance and Resourcing

- The work of BOG, and the attention given to broadband at a Chief Executive and political level through the WRS can be said to have been positive in raising, and addressing issues at a regional level, and can be seen as positioning the region well.

- Governance arrangements have worked well in this area. The BOG appears to have operated as a constructive forum. Attendance levels have been good, there is a strong commitment to continue the work of the group, and broadband remains a priority for the Councils involved.

- Although national broadband policy changed, it still retained an approach that supports regional bids by Local Fibre Companies, requiring liaison with broadband operators on a regional level, and being able to respond at a regional level is beneficial.

- Broadband is clearly seen by Councils as a “regional function”. Although a lot of the detailed work takes place at officer level, the BOG clearly saw that having broadband as a priority in the WRS, and the attention afforded to it at the political and regional level, provided the Group with a clear mandate, and an imperative to progress the work programme.

- The BOG process, while it comes at a “co-ordination” cost, has been cost-effective through producing one regional submission to national processes (instead of potentially 7-9 individual submissions). This approach also presents a stronger regional front. This point
was recognised at the national level, with officials involved in the UltraFast Broadband Initiative acknowledging that regional collaboration can lead to significant improvements in terms of consistency of approach when dealing with potential Local Fibre Companies (LFCs).

- BOG has also assisted in building internal capability and an understanding of broadband, both at the Chief Executive level and the operational level, for example, with road engineers, who have worked alongside BOG on standards development.

- That said, the work has been hampered by a lack of dedicated project resourcing, beyond the time of the officers involved, contributions of the larger councils and the WRS Office. For smaller Councils in particular, being tasked to lead regional workstreams alongside existing Council priorities has led to a number of implementation delays.

Positioning the Region for Broadband Deployment and Adoption

- Common standards have been agreed across the region in relation to alternative deployment methods such as trenching, and the processes relating to co-ordinated road-opening. These measures are positive, as is taking a co-ordinated approach toward engaging with broadband operators on a regional basis on both urban and rural broadband initiatives.

- The trial involving approaches to micro-trenching is now complete. It was the only one undertaken by Chorus in the country. The trial went well in terms of learning lessons for future deployment, and the process attracted lots of visitors to the trial site from around the country. Hutt City Council was commended for their facilitative approach, and it was considered helpful to have representation from the region’s councils on the BOG group to help select the appropriate location for the trial.

  ‘It’s a huge advantage for us to have a single entry point. Given the UltraFast Broadband Initiative is a regional initiative, it adds cost and compliance if arrangements are complex and not aligned at the sub-regional level’. National Broadband Stakeholder

- To some extent, though, the proof of the benefits of regional co-ordination will be whether the region realises benefits from early, cost-effective deployment, and adoption, of broadband. While there is clearly good co-ordination at officers’ level on issues such as trenching techniques and aerial deployment, these different approaches involve trade-offs between reducing up-front deployment costs, and long term maintenance issues. Aerial deployment, if required more extensively than current arrangements, would require District Plan changes, and would test the relative priority of broadband at the political level.

- Cost will also be a strong determinant in decisions regarding early broadband deployment. Despite Wellington’s population density being favourable, other regions served by utility companies have low deployment costs where they can use existing infrastructure at marginal cost. The Wellington topography, and the state of current infrastructure, does not lend itself to low deployment costs when compared nationally. Another factor to consider in
terms of consideration of priority regions in the country may include the level of undersupply within the region, and Wellington is already endowed with current fibre networks in place.

- The constitution of BOG lends itself to a focus on infrastructure. Looking forward this may need to change, and potentially broaden to include a greater emphasis on the effective use of broadband by businesses, communities, health, and education institutes. This could build on existing initiatives such as the Wellington Loop (an education initiative), and proactive measures on community Information Communication Technology (ICT) by some Councils, particularly Porirua City Council.

- There is some consideration being given to further facilitative work on rural broadband, including a proposal to run workshops on broadband adoption in the Wairarapa. There is also the potential role of broadband, including wireless accessibility, as part of the brand and business offering of the city and region, and as a visitor attraction.

- These issues would suggest that, looking forward:
  - Broadband remains identified by regional stakeholders as a priority, and an issue that benefits from regional co-ordination.
  - Resourcing issues for BOG need to be highlighted and transparently addressed, including agreement on which projects are priorities for delivery at the regional level as part of a project planning exercise.
  - Consideration should be given to refreshing the remit of BOG, and whether the role remains restricted to infrastructure, or should broaden to include ICT take-up, adoption and demand initiatives. A wider remit may require a different set of expertise and personnel.
Appendix 2: Methodology

The review was progressed in three main phases and included a mix of qualitative and quantitative activities.

Phase one: Planning and desk analysis

The purpose of this phase was to obtain a comprehensive understanding of the aim and context of the review. We sought to refine our proposed approach including identifying key stakeholders and case studies to be included in the subsequent phase.

This phase drew on a review of relevant documentation provided to us by the Wellington Regional Strategy Office, Grow Wellington and the individual councils. It also involved key informant interviews with personnel from these organisations as well as several other stakeholders. A full list of documents reviewed and key informant interviewees is included below.

Phase one culminated in the preparation of a project plan that built on our initial proposal and outlined our approach to data gathering, timelines and deliverables in more detail. This project plan was approved by the Senior Officers Resource Team, which acted as a reference group for the project. This group comprised senior representatives from the individual councils and Grow Wellington.

Phase two: Data gathering

During this phase we built a picture of the development and implementation of the Strategy, the activities that have been undertaken and the outcomes that have been achieved (or have the potential to be achieved) as a result.

To do this we employed a range of qualitative and quantitative methods:

- key stakeholder interviews with a wide range of stakeholders (ie mayors, central and local government stakeholders and business representatives) to explore perceptions of the Strategy’s implementation and outcomes achieved to date
- an online survey of Wellington businesses with a particular focus on those with some experience of Grow Wellington services to obtain explore perceptions of Grow Wellington’s focus, services and economic impact, as well as the key issues facing the region’s business community. The survey methodology is set out in more detail in Appendix 3.
- case studies of three priority initiatives (ie broadband, Centres of Excellence, and regional centres and focus areas) to provide an in-depth description and analysis of priority initiatives. The selected case studies reflect a conscious choice to focus on initiatives that provide an opportunity to test co-ordination and monitoring mechanisms across the Strategy.
A full list of key stakeholder interviewees as well as detailed information on the online survey and case studies is included below.

**Phase three: Analysis and reporting**

The final phase brought together findings from the previous phases. As noted earlier, due to challenges associated with time elapsed and attribution, the review focused on identifying progress towards short-term outcomes that can be expected to contribute to the achievement of longer-term outcomes.

A meeting was held with the project reference group to present and discuss findings and emerging thinking. Following that, a draft report was prepared for review by the project reference group and the Chief Executives Group. Feedback from these groups will be incorporated into the final report.

**Review questions**

The Review focused on two key questions:

- Has the Strategy been implemented as intended and in accordance with best practice?
- What outcomes have been achieved to date across the Strategy’s initiatives/activities?

This was broken down into implementation and outcome aspects, with the following sub implementation questions.

**Sub implementation review questions:**

- to what extent was the Strategy’s development informed by best practice, principals, robust data and information?
- how and in what ways are governance structures (in particular the WRS Committee) contributing to the effective delivery of Strategy outcomes?
- how and in what ways are the Strategy’s support mechanisms (in particular the WRS Office, CEO Group and SORT) contributing to the effective delivery of Strategy outcomes?
- how and in what ways are delivery arrangements (in particular Grow Wellington) contributing to the effective delivery of Strategy outcomes?
- how and in what ways are funding arrangements (including the extent of external funding) supporting the effective delivery of Strategy outcomes?
- what (if any) factors have hindered and/or contributed to the effective implementation of the Strategy?
Sub outcome review questions

- what do key stakeholders perceive as the most significant change that has occurred as a result of the Strategy activities to date?

Investment in effective leadership and partnerships (these have been addressed as part of the findings on governance arrangements):

- to what extent has regional leadership improved as a result of Strategy activities?
- to what extent have partnerships between the local authorities in the region, central government, business and the education, research and voluntary sectors improved as a result of Strategy activities?

Investment in growing our economy, especially our exports:

- to what extent have identified Centres of Excellence (ie screen, digital, biotechnology and clean energy) been progressed as a result of Strategy activities?
- to what extent have identified priority sectors been supported as a result of Strategy activities?
- to what extent have individual businesses been grown, as a result of Strategy activities?
- to what extent has the use and supply of broadband been improved as a result of Strategy activities?

Investment in good regional form

- to what extent has regional form improved as a result of Strategy activities?
- to what extent have regional open spaces improved as a result of Strategy activities?
- to what extent has industrial land planning and use improved as a result of Strategy activities?
- to what extent has intensification planning and practices improved as a result of Strategy activities?
- to what extent have the Wellington CBD and regional centres been strengthened as a result of Strategy activities?
Interviewees

Table 8: Key informant interviews (n=7)

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jane Davis and Nicola Shorten</td>
<td>WRS Office</td>
</tr>
<tr>
<td>Ernst Zollner</td>
<td>ex Wellington City Council</td>
</tr>
<tr>
<td>Paul Swallow</td>
<td>Ministry of Economic Development</td>
</tr>
<tr>
<td>Charles Finny, Jeremy Harding</td>
<td>Wellington Employers’ Chamber of Commerce</td>
</tr>
<tr>
<td>Murray McCaw</td>
<td>Grow Wellington</td>
</tr>
<tr>
<td>Nigel Kirkpatrick</td>
<td>Grow Wellington</td>
</tr>
<tr>
<td>Kim Kelly</td>
<td>Hutt City Council</td>
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</tbody>
</table>

Table 9: Stakeholder interviews (n=33)

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Fran Wilde</td>
<td>Greater Wellington Regional Council</td>
</tr>
<tr>
<td>Mayor Adrienne Staples</td>
<td>South Wairarapa District Council</td>
</tr>
<tr>
<td>Mayor Wayne Guppy</td>
<td>Upper Hutt City Council</td>
</tr>
<tr>
<td>Mayor David Ogden</td>
<td>Hutt City Council</td>
</tr>
<tr>
<td>Mayor Jenny Brash</td>
<td>Porirua City Council</td>
</tr>
<tr>
<td>Mayor Jenny Rowan</td>
<td>Kapiti Coast District Council</td>
</tr>
<tr>
<td>Mayor Kerry Pendergast</td>
<td>Wellington City Council</td>
</tr>
<tr>
<td>Mayor Gary McPhee</td>
<td>Carterton District Council</td>
</tr>
<tr>
<td>Mayor Garry Daniell</td>
<td>Masterton District Council</td>
</tr>
<tr>
<td>Mayor Celia Wade-Brown(^{89})</td>
<td>Wellington City Council</td>
</tr>
<tr>
<td>Mayor Ray Wallace</td>
<td>Hutt City Council</td>
</tr>
<tr>
<td>David Benham, CE, Jane Davis, and Melanie Thornton</td>
<td>Greater Wellington Regional Council</td>
</tr>
</tbody>
</table>

\(^{89}\) Newly elected Mayors were contacted to ask if they wished to contribute their views. WRS Committee members Mr Paora Ammunson, and Professor Sir Ngatata Love were provided the opportunity to contribute to the review, and Mr Wes ten Hove, CE Masterton District Council.
<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Jack Dowds, CE and Rachel Hornsby</td>
<td>South Wairarapa District Council</td>
</tr>
<tr>
<td>Max Pedersen, CE, Richard Harbord, and Chris Upton</td>
<td>Upper Hutt City Council</td>
</tr>
<tr>
<td>Tony Stallinger, CE and Kim Kelly</td>
<td>Hutt City Council</td>
</tr>
<tr>
<td>Gary Simpson, CE and Moira Lawler</td>
<td>Porirua City Council</td>
</tr>
<tr>
<td>Pat Dougherty, CE and Gael Ferguson</td>
<td>Kapiti Coast District Council</td>
</tr>
<tr>
<td>Garry Poole, CE</td>
<td>Wellington City Council</td>
</tr>
<tr>
<td>Colin Wright, CE</td>
<td>Carterton District Council</td>
</tr>
<tr>
<td>Sir John Anderson, Chair</td>
<td>WRS Committee</td>
</tr>
<tr>
<td>Mr Lou Gardiner</td>
<td>WRS Committee</td>
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<tr>
<td>Jackie Lloyd</td>
<td>WRS Committee</td>
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<tr>
<td>Te Waari Carkeek, Chair</td>
<td>Ara Tahi</td>
</tr>
<tr>
<td>Nigel Kirkpatrick, CE and Nicky Steel</td>
<td>Grow Wellington</td>
</tr>
<tr>
<td>Murray McCaw, Chair</td>
<td>Grow Wellington</td>
</tr>
<tr>
<td>David Perks, CE</td>
<td>Positively Wellington Tourism</td>
</tr>
<tr>
<td>Glenys Coughlan, Chair</td>
<td>Positively Wellington Tourism</td>
</tr>
<tr>
<td>Mel Harrington</td>
<td>Ministry of Social Development</td>
</tr>
<tr>
<td>Graham Spargo</td>
<td>ex Project Manager for establishment of the WRS</td>
</tr>
<tr>
<td>Emma Glen</td>
<td>New Zealand Trade and Enterprise</td>
</tr>
<tr>
<td>Nicola Shorten, Melanie Thornton, Kate O'Regan</td>
<td>WRS Office</td>
</tr>
<tr>
<td>Samantha Seath</td>
<td>Economic Development Association NZ (EDANZ)</td>
</tr>
<tr>
<td>Ian Cassels</td>
<td>Property Council</td>
</tr>
</tbody>
</table>
### Table 10: Case study interviewees

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broadband</strong></td>
<td></td>
</tr>
<tr>
<td>Melanie Thornton</td>
<td>WRS Office</td>
</tr>
<tr>
<td>Broadband Operational Group (BOG) members</td>
<td>Relevant officers from Councils, Grow Wellington</td>
</tr>
<tr>
<td>Daryl May</td>
<td>Chorus</td>
</tr>
<tr>
<td>Broadband Programme Management officials</td>
<td>Ministry of Economic Development</td>
</tr>
<tr>
<td><strong>Centres of Excellence</strong></td>
<td></td>
</tr>
<tr>
<td>Sven Pannell, Centre of Excellence Manager, Screen and Digital</td>
<td>Grow Wellington</td>
</tr>
<tr>
<td>Jos Ruffell, Business Development Executive</td>
<td>Sidhe Interactive Online</td>
</tr>
<tr>
<td>Steve O'Connor, GM</td>
<td>Creative HQ</td>
</tr>
<tr>
<td>Steven Finlay, Centre of Excellence Manager, Clean Tech and Health *2</td>
<td>Grow Wellington</td>
</tr>
<tr>
<td>Brian Robinson, Director National Patient Simulation Training Centre</td>
<td>Capital &amp; Coast DHB</td>
</tr>
<tr>
<td>Dr Sunil Vather, CE</td>
<td>Im-Able</td>
</tr>
<tr>
<td>George McIrvine</td>
<td>Industrial Research Limited</td>
</tr>
<tr>
<td>John Errington,</td>
<td>Viclink</td>
</tr>
<tr>
<td>Paul Mather, Director for the Centre for Smart Product</td>
<td>WelTec</td>
</tr>
<tr>
<td>Jos Kunnen, CEO</td>
<td>Critchlow</td>
</tr>
<tr>
<td>Pat Dougherty, Chief Executive</td>
<td>Kapiti Coast District Council</td>
</tr>
<tr>
<td><strong>Regional Centres</strong></td>
<td></td>
</tr>
<tr>
<td>Case study component undertaken as part of other interviews with CEs, Property Council, WRS Office.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3: Business survey

On online survey of Wellington businesses was conducted as an effective and cost efficient way to gather local business views and perceptions.

The survey questions cover awareness of the Strategy and of Grow Wellington, and seek responses from businesses that are direct recipients of Grow Wellington services. The survey also asked some broader questions around economic development in the region. These sought to understand the views of local business on the role of local government in economic development, the sectors the respondents saw as best reflecting regional strengths, the services they believe the region’s economic development agency should be delivering, and questions to understand the profile, including export intentions, of the respondents.

Survey questions were written by MartinJenkins and agreed upon by the project reference group, SORT, prior to launching the survey. Survey questions were based on outcome review questions in order to establish which expected outcomes are occurring. This appendix provides the responses to all the survey questions, including a selection of responses where respondents provided comments. Key findings are also incorporated into the relevant sections of the main report.

A database was provided by Grow Wellington containing companies and organisations who were clients of Grow Wellington but also included a broader set of their stakeholders. The breadth of the database was illustrated in the survey, 23% had never accessed or participated in Grow Wellington services/activities. The final response rate was 29% (326 respondents from 1127 invited).

The profile of respondents below shows that a majority are from businesses (81%) and a large proportion or respondents were either the owner/operator (42%) or the CEO/director (31%) (see Figure 18). Most industries are represented in the survey, information media and telecommunications with the highest proportion at 25% (see Figure 19). More than half of the organisations are located in Wellington City (54%), as well as significant proportions from Lower Hutt (11%), Kapiti and South Wairarapa district (both 7%). See Figure 20.
Profile of respondents

Figure 18: Organisations represented; Respondents role within the organisation

Base: All respondents (n=326); Non-government agency respondents (n=321)

Figure 19: Industries represented

Base: Non-government agency respondents (n=321)
A large proportion of the business that responded were small in terms of turnover, 55% with an annual turnover of less than $1 million, and in terms of staff/employee numbers, 75% with less than 20 staff/employees (see Figure 21).

Nearly half (45%) of organisations have been in operation for more than 10 years (see Figure 22). Four in ten (42%) organisations are currently exporting and of these, nearly 80% predict their export earnings to increase in the next 12 months (see Figure 23). Of those not currently exporting, either having never exported or exported in the past, 54% are not looking to export in the future (see Figure 24).
Figure 21: Annual turnover/revenue; Number of employees/staff in organisations

![Chart showing distribution of annual turnover/revenue and number of employees/staff in organisations.]

Base: Business organisations (n=259); Business organisations (n=259)

Figure 22: Number of years in operation

![Chart showing distribution of number of years in operation.]

Base: Business organisations (n=259)
**Figure 23: Current export activity; Prediction of export earnings in the next 12 months**

Base: Business organisations (n=259); Currently exporting business organisations (n=109)

- Past exporter: 19, 7%
- Never exported: 131, 51%
- Currently exporting: 109, 42%

**Figure 24: Future intention of export activity**

Base: Business organisations not currently exporting (n=149)

- Looking to export: 69, 46%
- Not looking to export: 80, 54%
Survey responses

Figure 25: Awareness of the Wellington Regional Strategy and Grow Wellington

Base: All respondents (n=326); All respondents (n=326)

Figure 26: Accessed or participated in Grow Wellington services/activities; Reasons for not having accessed or participated in Grow Wellington’s services/activities

Base: Respondents aware of Grow Wellington (n=300); Haven’t accessed/participated in Grow Wellington activities (n=70)
Figure 27: Level of contact with Grow Wellington

- I have had limited contact with Grow Wellington: 95
- I have had moderate contact with Grow Wellington: 84
- I have had considerable contact with Grow Wellington: 47
- Other (incl. As and when we required it): 5

Base: Have accessed/participated in Grow Wellington activities (n=231)

Figure 28: Awareness of Grow Wellington services/activity areas

- Business Growth - Activate, Creative HQ, Bright Ideas Challenge, general business support services, support in obtaining investment (eg from TechNZ, Escalator, Angel HQ): 190, 82%
- Sector Growth - activities in priority areas of manufacturing, primary, food and beverage, education (Education Wellington), and film (Film Wellington): 117, 51%
- Centre of Excellence development in screen and digital technologies, clean technologies, biotechnologies and life sciences (HERCC): 72, 31%
- I am not aware of Grow Wellington’s services and activities: 5, 2%
- Other (incl. Summer of Code/Tech, Wgtn on a Plate, New Migrants employment, Film Wgtn): 12, 5%

Base: Have accessed/participated in Grow Wellington activities (n=231)
Figure 29: Grow Wellington business growth services accessed in the last 12 months

Base: Aware of Grow Wellington services/activity areas (n=225)

- General business support services and advice including introductions to business support services: 79%, 35%
- Support obtaining investment (e.g., from TechNZ, Escalator, AngelHQ): 61%, 27%
- Have not accessed any Grow Wellington business growth services: 56%, 25%
- Bright Ideas Challenge — series of activities to take business ideas to the next level and connect to appropriate business support: 55%, 24%
- Creative HQ — incubator for high growth export oriented businesses: 31%, 14%
- Activate — 16 week programme on business fundamentals for early stage businesses: 20%, 9%
- Other (incl. Summer of Tech, Education Wgtn, Global Kea, Cleantech Centre, WOAP, Small Business Centre Courses): 35%, 16%
Figure 30: Satisfaction of business growth services accessed

Base: Have accessed/participated in Grow Wellington business growth services/activity areas (n=169)
Figure 31: How have Grow Wellington services contributed to the growth and development of your business/organisation

- Provided useful business connections/contacts: 97.57%
- Provided useful business information: 94.56%
- Helped gain access to government resources and funding: 52.31%
- Improved access to skills and talent: 34.20%
- Improved internal capability and capacity: 22.13%
- Helped gain access to/attract new capital: 21.12%
- Improved export growth and potential: 19.11%
- Improved access to domestic markets: 12.7%
- Helped gain access to government resources and funding: 17.10%
- Provided useful business connections/contacts: 97.57%
- Provided useful business information: 94.56%
- Helped gain access to government resources and funding: 52.31%
- Improved access to skills and talent: 34.20%
- Improved internal capability and capacity: 22.13%
- Helped gain access to/attract new capital: 21.12%
- Improved export growth and potential: 19.11%
- Improved access to domestic markets: 12.7%
- Helped gain access to government resources and funding: 17.10%

Base: Have accessed/participated in Grow Wellington business growth services/activity areas (n=169)
Figure 32: Value of the services accessed to the growth and development of your business organisation

Base: Have accessed/participated in Grow Wellington business growth services/activity areas which have made a contribution (n=169)
### Table 11: Value of the services accessed to the growth and development of the organisation*

<table>
<thead>
<tr>
<th>Value</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of great value</td>
<td>Creative HQ has been vital to our growth and a very valuable service</td>
</tr>
<tr>
<td>Of great value</td>
<td>I was extremely impressed with how hard they worked for us - to tell us what was available to us and to assist with getting funding for a project</td>
</tr>
<tr>
<td>Of great value</td>
<td>At our stage of development we do need additional funding support and advice from capable staff (Grow Wgtn has that!) as we have committed a huge amount of time, money and resources to our business, its vision and value/product proposition for the past 2 years. Grow Wellington gives us that immediate &quot;credibility factor&quot; which means everything, possibly even more than any funding support, as we have the solution and now the ability to open some important doors</td>
</tr>
<tr>
<td>Of great value</td>
<td>The Clean Tech Centre has produced a number of connections which will become invaluable in the next 12 months, the support of Grow Wellington overall provides a level of enthusiasm which I love, and the business in the community mentor - Chris Souness - is an impartial sounding board I am currently relying upon</td>
</tr>
<tr>
<td>Of great value</td>
<td>Creative HQ and the introductions facilitated through the KEA network and Bright Ideas Challenge have been instrumental at speeding and supporting our growth and establishing the necessary the foundations for our company</td>
</tr>
<tr>
<td>Of great value</td>
<td>It has inspired me to start up a start up company</td>
</tr>
<tr>
<td>Of great value</td>
<td>The Bright Ideas Challenge accelerated our progress through the initial start-up phase by a) connecting us with relevant experience and advice, and b) reducing the cost barrier (by arranging grants) of access to necessary early stage professional support (IP lawyers, early stage business investment advice). On their own, each of these things would have helped somewhat; together they accelerated our business by an estimated 6+ months</td>
</tr>
<tr>
<td>Of some value</td>
<td>Grow Wellington has an important networking and connecting function but we still have to translate the connections into action</td>
</tr>
<tr>
<td>Of some value</td>
<td>We have not had follow-through yet on some of the services promised</td>
</tr>
<tr>
<td>Of no value</td>
<td>They did provide some contacts but our business doesn't really fit in to any of their existing programmes</td>
</tr>
</tbody>
</table>

* - a selection of responses
Figure 33: Grow Wellington sector growth activities accessed in the last 24 months

Base: Aware of Grow Wellington services/activity areas (n=225)

Figure 34: Satisfaction with the sector growth activities participated in

Base: Have accessed/participated in Grow Wellington sector growth services/activity areas (n=110)
**Figure 35: How have Grow Wellington sector growth activities contributed to the growth and development of your sector**

Base: Have accessed/participated in Grow Wellington sector growth services/activity areas (n=110)
Figure 36: Extent to which you expect these sector support activities to improve the export growth potential for your sector

Base: Have accessed/participated in Grow Wellington sector growth services/activity areas (n=110)
Table 12: Extent to which the sector support activities will improve the export growth potential for a sector*

<table>
<thead>
<tr>
<th>Extent</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly</td>
<td>Grow Wellington has been working with us on some strategic initiatives that could significantly increase the exports of the film sector</td>
</tr>
<tr>
<td>Greatly</td>
<td>Having a world class music scoring stage in Wellington will provide a significant boost to the already attractive post production completion of theatrical films in NZ and in so doing will boost the financial security of the NZSO. International films are attracted to NZ by the talent of the technical skill base in production and post production, cost and facilities like Weta Digital, Weta Workshop and Park Road Post</td>
</tr>
<tr>
<td>Greatly</td>
<td>Strengthen sector’s ability to work coherently and collaboratively</td>
</tr>
<tr>
<td>Greatly</td>
<td>The Wellington Region has a significant opportunity with existing and potential High Tech industries. Grow Wellington has only shown passing interest in developing this potential. There is a distinct lack of energy, passion, commitment or commercial understanding of what is required to lead such an initiative</td>
</tr>
<tr>
<td>Greatly</td>
<td>The support for the Wellington film industry is a huge help for growth in the sector. Growth of the NZ film industry brings significant export dollars into the local economy. Advice and support from Escalator services has the potential to help film producers to potentially source private investment which would significantly assist in growing the sector</td>
</tr>
<tr>
<td>Greatly</td>
<td>The development of the Clean Tech Centre in Ōtaki provides a focal point for collaboration and attracting the necessary resource of business experts to make the pathway to export far more achievable</td>
</tr>
<tr>
<td>Greatly</td>
<td>The collaborative approach of institutions exploring and going to new markets is helping to grow international students in Wellington</td>
</tr>
<tr>
<td>Some</td>
<td>It serves to improve the profile of Wellington as a destination for international students</td>
</tr>
<tr>
<td>Some</td>
<td>Activities such as 'Wellington On A Plate' inspire participants to reach internationally desirable levels of performance</td>
</tr>
</tbody>
</table>

* - a selection of responses
Figure 37: Which Centres of excellence have you been involved in over the last 24 months?

Base: Aware of Grow Wellington services/activity areas (n=225)
Figure 38: Satisfaction with the centres of excellence development activities participated in

Base: Have accessed/participated in Grow Wellington centre of excellence activities (n=53)
Figure 39: In what ways has the development of a centre of excellence contributed to the growth and development of your industry?

- Improved industry collaboration: 24,45%
- Raised industry profile: 23,43%
- Improved national and global linkages: 12,23%
- Improved linkage with region’s education and research sector: 12,23%
- Improved industry Intellectual Property and commercialisation opportunities: 9,17%
- Improved industry productivity and/or innovation: 9,17%
- Improved industry investment: 7,13%
- Improved industry exporting potential/capability: 6,11%
- Attracted/retained world-class skills and talent within the industry: 4,8%
- Attracted/retained world-class businesses within the industry: 3,6%
- Improved linkage with region’s education and research sector: 9,17%
- Improved national and global linkages: 12,23%
- Improved collaboration with other innovation sector organisations: 4,8%
- Improved industry profile: 9,17%
- Improved industry investment: 9,17%
- Improved industry exporting potential/capability: 7,13%
- Attracted/retained world-class skills and talent: 6,11%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
- Improved industry profile: 3,6%
- Improved industry investment: 3,6%
- Improved industry exporting potential/capability: 3,6%
- Attracted/retained world-class skills and talent: 3,6%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
- Improved industry profile: 3,6%
- Improved industry investment: 3,6%
- Improved industry exporting potential/capability: 3,6%
- Attracted/retained world-class skills and talent: 3,6%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
- Improved industry profile: 3,6%
- Improved industry investment: 3,6%
- Improved industry exporting potential/capability: 3,6%
- Attracted/retained world-class skills and talent: 3,6%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
- Improved industry profile: 3,6%
- Improved industry investment: 3,6%
- Improved industry exporting potential/capability: 3,6%
- Attracted/retained world-class skills and talent: 3,6%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
- Improved industry profile: 3,6%
- Improved industry investment: 3,6%
- Improved industry exporting potential/capability: 3,6%
- Attracted/retained world-class skills and talent: 3,6%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
- Improved industry profile: 3,6%
- Improved industry investment: 3,6%
- Improved industry exporting potential/capability: 3,6%
- Attracted/retained world-class skills and talent: 3,6%
- Attracted/retained world-class businesses: 3,6%
- Improved linkage with region’s education and research sector: 3,6%
- Improved national and global linkages: 3,6%
- Improved collaboration with other innovation sector organisations: 3,6%
Figure 40: To what extent do you expect the development of centres of excellence to contribute to significantly increased economic growth for the region?

![Pie chart showing responses to the question.]

Base: Have accessed/participated in Grow Wellington centre of excellence activities (n=53)

Table 13: Extent to which the development of centres of excellence will contribute to significantly increased economic growth for the region*

<table>
<thead>
<tr>
<th>Extent</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly</td>
<td>Again the Clean Tech Centre in Ōtaki is a direct example of centre of excellence providing a platform to attract developing technologies and supporting technologies as companies grow providing growth and employment opportunities for local communities</td>
</tr>
<tr>
<td>Greatly</td>
<td>I think you’re on to something here - just needs time to 1. enable businesses to understand the concept and evaluate it for their business and 2. for measurable outcomes</td>
</tr>
<tr>
<td>Greatly</td>
<td>It is still in early stages, but the potential leverage through collaboration seems dramatic</td>
</tr>
<tr>
<td>Greatly</td>
<td>It is without doubt that the CTC will produce at least two multimillion dollar businesses in the next 24 months(one of which is mine!) Steven Finlay should be commended for putting his heart and soul into getting this project up and running</td>
</tr>
<tr>
<td>Extent</td>
<td>Rationale</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Some</td>
<td>At this stage the momentum to make this succeed is enormous and unlike a number of countries, that are taking these types of developments seriously, is totally underfunded</td>
</tr>
<tr>
<td>Some</td>
<td>Centres of excellence only emerge in a sustainable manner when driven by industry participants. Regional entities should only support</td>
</tr>
<tr>
<td>Little</td>
<td>Early days. Still has to prove itself. Lack of engagement by other companies. Too far from Wellington to be useful for us</td>
</tr>
<tr>
<td>Little</td>
<td>I have doubts about govt/local govt agencies being good at picking winners</td>
</tr>
<tr>
<td>Greatly</td>
<td>They provide a focus and a hub for new ideas, economies, entrepreneurs and their collaborators to come together and to thrive in a co-creative and supported environment</td>
</tr>
<tr>
<td>Some</td>
<td>Not sure if the model for supporting clean tech by trying to fill a building with lease paying businesses is the best or most efficient model to support clean tech innovation. Steven Finlay is doing what I regard as an excellent job at providing the synergies and linkages that are extremely valuable to support clean tech development, but I am not convinced that this development will escalate because of a building in Ōtaki. In my view it will escalate when a support agency like Grow Wellington finds more effective ways to focus on supporting start-ups without them having to relocate to the Ōtaki building. It is about connectivity, coaching, and support, rather than a fixed geographical location in my view</td>
</tr>
<tr>
<td>Some</td>
<td>Not sure if there is a long term commitment to them which will be required if they are really going to deliver significant outcomes</td>
</tr>
<tr>
<td>Little</td>
<td>It needs a project champion to really get the relevant people and make it happen. Without this constant pioneering of the centre of excellence and working out how it will actually function, it will fizzle out and not reach its potential</td>
</tr>
<tr>
<td>Some</td>
<td>Question of whether they match regional competencies and market demand. Proof of the pudding will be in the eating</td>
</tr>
<tr>
<td>Little</td>
<td>Once again its a facilitative role rather than direct impact</td>
</tr>
<tr>
<td>Greatly</td>
<td>Together with CHQ they are a platform for regeneration and new business</td>
</tr>
</tbody>
</table>

* - a selection of responses
Figure 41: Since the establishment of Grow Wellington in 2007, do you think the level and quality of economic development services in the region has:

- Level
  - Increased: 180, 55%
  - Remained the same: 95, 29%
  - Decreased: 30, 9%
  - Unsure/don't know: 21, 7%

- Quality
  - Improved: 162, 50%
  - Remained the same: 116, 35%
  - Deteriorated: 15, 5%
  - Unsure/don't know: 11, 3%

Base: All respondents (n=326)

Figure 42: Top services the region’s economic development agency should be delivering

- Supporting and growing individual businesses: 162, 50%
- Attracting and retaining major businesses in the region: 152, 47%
- Attracting investment: 123, 38%
- Supporting research and innovation initiatives and the development of intellectual property: 115, 35%
- Supporting the region's growth sectors: 101, 31%
- Supporting exporters: 90, 28%
- Supporting research and innovation initiatives and the development of intellectual property: 90, 28%
- Developing global centres of excellence in the region: 65, 20%
- Supporting broadband take-up in the region: 30, 30%
- Other (incl. Genuinely supporting businesses/new business start-ups/small businesses, providing affordable, high-speed internet): 16, 5%
Base: All respondents (n=326)

Table 14: What do you value most about Grow Wellington’s services?*

<table>
<thead>
<tr>
<th>Value from Grow Wellington’s services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to experts and a pathway to central government services. CHQ</td>
</tr>
<tr>
<td>Act as a broker and facilitator</td>
</tr>
<tr>
<td>Connection to central government ability to link companies to other services or businesses</td>
</tr>
<tr>
<td>Connections to and support of the innovation community on Wellington</td>
</tr>
<tr>
<td>Contacts and introductions</td>
</tr>
<tr>
<td>Having a single body driving economic development for the whole region ie removing intra regional competitive factors</td>
</tr>
<tr>
<td>High levels of expertise</td>
</tr>
<tr>
<td>I have been unaware of exactly what Grow Wellington does</td>
</tr>
<tr>
<td>I’m not really sure what services they offer but I am aware of the drive to grow the region economically. I hope this continues</td>
</tr>
<tr>
<td>Passion, commitment and competency of staff to engage</td>
</tr>
<tr>
<td>Political, financial and regulatory backing to bring together the multiple parties required to successfully accomplish complex objectives (such as financing, building and supporting a scoring stage)</td>
</tr>
<tr>
<td>Profile given to the food and beverage sector - Wellington on a Plate is a superb example of what a co-ordinated business development agency can do</td>
</tr>
<tr>
<td>The free courses were brilliant as you could attend something ‘marginal’ and discover that actually it was an important component of doing business, or another way of viewing and doing things. Having to pay does severely reduce the knowledge uptake</td>
</tr>
</tbody>
</table>

* - a selection of responses
Table 15: Ways Grow Wellington could improve their service*

<table>
<thead>
<tr>
<th>Ways Grow Wellington could improve their service</th>
</tr>
</thead>
<tbody>
<tr>
<td>A &quot;mini&quot; incubator or Stage 2 Activate, for those from the initial Activate programme who have ideas that are going to develop, but still require or would benefit from support, one-on-one assistance, premises to work from, etc</td>
</tr>
<tr>
<td>Be more proactive throughout the Region</td>
</tr>
<tr>
<td>Become more transparent, more credible to business owners, more accessible to all businesses, more willing to work with other key players, more knowledgeable about all businesses, not just focused on tech/creative industries</td>
</tr>
<tr>
<td>Better communication with businesses about its purpose and performance</td>
</tr>
<tr>
<td>Better linkages through to Wairarapa particularly in relation to international education</td>
</tr>
<tr>
<td>Better regional balance. Nothing north of Ngauranga Gorge seems to matter</td>
</tr>
<tr>
<td>Continue to build clusters of activities such as export markets, industry niches and education</td>
</tr>
<tr>
<td>Greater focus on inspiring Wellington businesses to grow export revenues</td>
</tr>
<tr>
<td>Grow Wellington should initiate, facilitate and coordinate larger scale economic development plans for the Wellington region with a focus on the 21st Century not legacy infrastructure projects and industries. While maintaining their support of initiatives like Creative HQ</td>
</tr>
<tr>
<td>I think there is too much emphasis on &quot;picking winners&quot; and too little on creating a climate in which all businesses can thrive and seeing what emerges from that.</td>
</tr>
<tr>
<td>In 2007 there was some dead wood amongst the staff carried over from the previous organisation. These people have largely been replaced now and I have noticed a huge improvement in service levels over last two years.</td>
</tr>
<tr>
<td>They have been a bit slow to get the Centres of Excellence up and running. So this could be improved</td>
</tr>
<tr>
<td>Meet with key business leaders whom have international experience and formulate a strategy which will grow Wellington into a World Class city with appropriate trade links</td>
</tr>
<tr>
<td>Seems well conceived. I know it is happening, but I think really good cooperation and coordination between council development agencies, MSI and NZTE is vital, essential</td>
</tr>
<tr>
<td>Stop focusing only on exporters of widgets, but broaden the horizons of Grow Wellington to include innovators capable of generating effective linkages between private and public good outcomes. A greater focus on supporting business innovations that are capable of surviving in a climate of likely escalations in energy prices and other resource constraints</td>
</tr>
<tr>
<td>The Centres of Excellence concept appears to be inhibiting the way that they are working in that it seems often to be about a piece of real estate</td>
</tr>
</tbody>
</table>

* - a selection of responses
Figure 43: Sectors that best reflect regional strengths with potential for growth

- Information media and telecommunications (this includes film and screen and digital technologies): 211, 65%
- Science and research: 147, 45%
- Food, beverage and accommodation: 123, 38%
- Education: 98, 30%
- Health and biotechnology: 74, 23%
- Manufacturing: 70, 22%
- Professional services (eg finance, accounting, insurance, property services): 62, 19%
- Primary industry: 39, 12%
- Retail and wholesale trade: 31, 10%
- Other (incl. Clean Tech, Engineering, Technology): 27, 8%

Base: All respondents (n=326)
Figure 44: Economic development functions the government should be involved in to support and promote economic growth

![Bar chart showing economic development functions](chart.png)

Base: All respondents (n=326)

Table 16: What could be done to improve collaboration between the education & research sector and the business sector in the achievement of the region’s economic growth objectives?

<table>
<thead>
<tr>
<th>Improvements that could be made</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be quite clear about the difference between governance of the strategy and the operationalisation of it. There is a risk of too much bureaucracy/policy/regulatory interference and not enough support of innovation. One difference between Auckland &amp; Wellington is the amount of capital that appears to be available. Particularly at this time, capital to grow local businesses, particularly outside the region and into export markets, is scarce. The previous dependency on a now shrinking government client and budget is hard to overcome without financial and contacts/networking advice and assistance</td>
<td></td>
</tr>
<tr>
<td>Create the links between the business sector and universities and other research institutions. I am not sure that people with business expertise knows what is currently being investigated in the labs. I am sure that that goes the other way around too. It needs to link between the business' experience to see opportunities and the education &amp; research sectors to explore those ideas</td>
<td></td>
</tr>
<tr>
<td>Develop initiatives to encourage education/research to get together with business and experienced technical facilities</td>
<td></td>
</tr>
</tbody>
</table>
### Improvements that could be made

<table>
<thead>
<tr>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't interfere! Business will pick up great ideas without help. The risk of intervention is that time, energy and money get wasted on bad ideas, or worse, ideas that reinvent wheels</td>
</tr>
<tr>
<td>Education, Research and Business all have different imperatives that do not align well. Recognising and supporting the different imperatives within a collective strategy would help improve collaboration</td>
</tr>
<tr>
<td>Enable industry and education to work collaboratively on project...there is too much focus on research without tangible outcomes</td>
</tr>
<tr>
<td>Facilitate regular communication channels to deliver knowledge of education &amp; research opportunities to the investment sector so they can be assessed and commercialised (ALIGNMENT)</td>
</tr>
<tr>
<td>Focus on a few key initiatives that support the region’s top performing companies (industries) and a set of its smaller high growth companies (or emerging sectors). However, too much attention is placed on helping individual entrepreneurs instead of companies that have more than one employee. More effort is required to encourage collaboration to achieve scale</td>
</tr>
<tr>
<td>More programs like Summer of Tech but for other industries</td>
</tr>
<tr>
<td>Sharing of projects, ideas and activities. I have no idea what they are up to in education and research. I'm sure it is really interesting and possibly relevant though. We should be working together</td>
</tr>
<tr>
<td>Support serious start up business's with the prospect to export. Without any support it is likely we will have to ship our tool offshore to manufacture our products. What do we have to do to get some support that will not only benefit our investment, but it will create jobs and an export market for the region?</td>
</tr>
<tr>
<td>Talk to each other and be prepared to listen to another's point of view</td>
</tr>
<tr>
<td>Temporary internships between sectors, forums to exchange plans, dreams and needs between sectors</td>
</tr>
<tr>
<td>The education &amp; research sector needs to work in partnership with the business sector. Future employment opportunities for young people is paramount. The educators need to be aware of what education and skill sets will be required in the future so that students have the training and skills sets to add value and be more highly paid</td>
</tr>
<tr>
<td>The incubator programme has the ability to bring entities together in collaboration. The business sector can have growth opportunities that could be enhanced by partnerships with education and research</td>
</tr>
<tr>
<td>Use entities such as Grow Wellington to facilitate, coordinate and match research / education with businesses that can commercialise their research / ideas. Get the educational institutes involved in the Centres of excellence</td>
</tr>
</tbody>
</table>

* - a selection of responses
Figure 45: Key business/sector development needs

- National and global connections: 159 (50%)
- Access to talent and skills: 133 (41%)
- Access to capital/funding sources: 122 (37%)
- Access to local/central government funding and resources: 109 (34%)
- Export support: 113 (35%)
- General business support and advice: 109 (34%)
- Connections with research and education: 84 (26%)
- Management skills/training: 66 (21%)
- Support for starting a business (e.g., how to write a business plan): 31 (10%)
- Other (incl. Decrease council red tape, Networking, Education, Access to smart people): 30 (9%)

Base: All respondents (n=321)
Appendix 4: Complementary Economic Development Activities of Councils

The following information was provided in response to a question in the resources survey sent to all Councils – “Wellington Regional Strategy economic development initiatives are primarily led by Grow Wellington and focus on developing Centres of Excellence, sector support and support for businesses. Please describe any economic development activities your Council undertakes independently of this eg tourism promotion, business support, labour market activity.”

Wellington City Council

Wellington City Council’s activities cover four key areas critical to supporting a thriving and resilient local economy. These are:

- Business Development Services ie enterprise, business growth, innovation, export support, workforce development, talent attraction and retention
- Business Infrastructure Support ie spatial planning, transport, international linkages, broadband, regulatory control
- International Connections ie trade missions, expos and destination management to ensure that there is a consistent high quality visitor experience that meets the expectations created by the marketing material
- Tourism promotion through CCO Positively Wellington Tourism.

Hutt City

- Tourism promotion
- Business development
- TA assistance to business
- Business Support
- Funding for HV Chamber of Commerce
- Some sector support
- Business visitation programme.

Upper Hutt

Our Business Liaison Manager, Paul Lambert, undertakes business support/liaison work and tourism/event promotion as part of his duties.
Kapiti Coast

Kapiti Coast District Council staff:

- Support the development of Clean Tech Centre of Excellence – local focus on domestic scale technologies and Ōtaki off-grid vision. Cost of Ōtaki Economic Development Projects role $40,000
- Link up a focus on local productive land potential with Grow Wellington’s priority sector focus on food and manufacturing. Cost of Landcare study $90,000
- Nature Coast supported by Council staff (Total <0.5 FTE council staff)
- Contract with local Kapiti Horowhenua Economic Development Agency and regional tourism organisation Nature Coast for economic development and tourism activities including: business retention, growth and attraction initiatives and tourism development including (supporting) product development, promotion, coordination of events, destination marketing, operations of 2 i-sites.

Porirua

The key activities for Council are:

- providing a first point of contact between Council and business
- working with businesses, local and regional economic development organisations, and government agencies to facilitate business and economic development
- attracting new business and residents to enhance a vibrant and active city
- providing business clients with information, data and referral services
- promoting the city’s assets to attract new investment
- fostering development in the city.

The Council's economic development activity supports regional economic planning and projects under the Wellington Regional Strategy including partnerships with government on training and employment strategies. Council further provided on-going support services to local and potential businesses both directly by Council and through partnerships and contracts with city business agencies.

South Wairarapa District Council

We contribute $$ to Destination Wairarapa – the Wairarapa tourism promoter.
Appendix 5: Progress Against Leadership and Partnership (Governance) Actions

Table 17: Progress against Leadership and Partnership actions

<table>
<thead>
<tr>
<th>Action area</th>
<th>Due date</th>
<th>Progress</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRS finalised and agreed</td>
<td>Feb 2007</td>
<td>complete</td>
<td></td>
</tr>
<tr>
<td>WRS Committee confirmed</td>
<td>Feb 2007</td>
<td>complete</td>
<td></td>
</tr>
<tr>
<td>Regional rate implemented</td>
<td>July 2007</td>
<td>complete</td>
<td></td>
</tr>
<tr>
<td>EDA arrangements confirmed</td>
<td>July 2007</td>
<td>complete</td>
<td>Grow Wellington established.</td>
</tr>
<tr>
<td>Operational structure for implementation confirmed</td>
<td>July 2007</td>
<td>complete</td>
<td>WRS Office in place.</td>
</tr>
<tr>
<td>Measurement system for the Strategy (ie GPI) benchmarked and pilot operational</td>
<td>Dec 2007</td>
<td>benchmark complete</td>
<td>GPI report produced for WRS Committee, work continues, but report not yet public.</td>
</tr>
<tr>
<td>Input to LTCCP reviews for July 2009 and on 3-yearly cycle thereafter</td>
<td>2008</td>
<td>ongoing</td>
<td></td>
</tr>
<tr>
<td>Independent review of WRS effectiveness</td>
<td>July 2011</td>
<td>underway</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 6: The Genuine Progress Index

A major initiative has been to develop a comprehensive Genuine Progress Index. Its aim is to provide an overarching framework to measure the well-being of the Wellington region integrating economic data with environmental, cultural and social data. So far it includes over 70 individual indicators, across a set of 9 community outcome areas (see below). It has been a strong focus of work, and has occupied much of the WRS Office resource. It has also had good support at the officer level, and attracted some enthusiasm at the political level, though not unanimous support.

When the Committee met to consider the GPI report\(^90\) in [March 2010], it was considered not ready for publication at that time. Since that time, the work has been socialised with regional and central government organisations, but a decision is pending as to how to progress the work.

The report provides data between 2001 and 2008, showing a mix of positive and negative trends, with overall movement across the whole GPI as positive (though it must be noted that the recent recession will have impacted on some of the indicators, such as the unemployment rate). Positive points include the role of entrepreneurship and innovation, including investment in R&D increasing by 51% between 2001 and 2008. The index points to over ninety percent of the region’s population perceiving their life to be good or extremely good in 2008. The Healthy Community Index, however, shows a negative trend over the period, with indicators of most concern relating to blood pressure, diabetes and being overweight (though reflecting similar trends across the country).

Done comprehensively, the GPI is an approach that can give a much richer picture of community outcomes than a measure such as GDP alone. It also provides a branding opportunity for the region as taking a holistic view of sustainable development, taking heed of measures such as diverse communities, and preserving cultural and amenity values.

The indicators also have the potential to be a helpful tool to inform policy – one example given was the ability to provide data on obesity levels down to TA level, allowing more tailored public health responses working in association with health organisations. It can also be used as a means for individual Councils and GWC to report on community outcomes, and could be a common framework for the region to collect and consistently use data.

However, for a Strategy with limited resources available to implement projects, this review provides an opportunity for the Committee to consider the costs and benefit of continuing to invest in this approach. Given the lack of publicity for the report, and clear agreement on a way forward, opportunities to use the data to inform policy making have been limited.

Some of the potential benefits of the approach are provided above, however, there are some shortcomings to consider:

- Bespoke data sets need to be purchased to maintain the exercise. Historical data costs include $32,000 for two previous Quality of Life Surveys, on-going data costs include $25,000 for the Quality of Life Survey every two years, and Stats NZ requests of $1500-$2000 per year. Website development costs are $22,000, and further project funding has been set aside for 2011 to undertake a set of full cost accounts, which is estimated to cost $30,000 for development of two account, and $15,000 per account as an ongoing cost.

- There are some consistency issues to consider with regard to the Statistics New Zealand approach, who have developed a “sustainable development” framework. Other regions have also worked on a regional GPI, including the Auckland Regional Council (ARC), and Waikato. To provide regional comparators with the GPI developed by Wellington, we understand that would require an additional data gathering exercise to match the indices.

Table 18: Community outcomes and indicators of the GPI

<table>
<thead>
<tr>
<th>Wellington Region Genuine Progress Index Community Outcomes and Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prosperous Community</strong></td>
</tr>
<tr>
<td>Labour force participation rates</td>
</tr>
<tr>
<td>Unemployment rate</td>
</tr>
<tr>
<td>Purchasing power</td>
</tr>
<tr>
<td>Value of unpaid work</td>
</tr>
<tr>
<td>Value of building consents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Healthy Environment</strong></th>
<th><strong>Healthy Community</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Air quality</td>
<td>Prevalence of high blood pressure</td>
</tr>
<tr>
<td>Water quality for recreation</td>
<td>Prevalence of overweight/obesity</td>
</tr>
<tr>
<td>Coastal/marine water quality</td>
<td>Percentage of adults participating in regular physical activity</td>
</tr>
<tr>
<td>QEI covenanted areas</td>
<td>Prevalence of smoking</td>
</tr>
<tr>
<td>Total ecological footprint</td>
<td>Overall positive perception of health</td>
</tr>
<tr>
<td>Total energy use per capita</td>
<td>Residents regularly experiencing stress</td>
</tr>
<tr>
<td>Greenhouse gas emissions per capita</td>
<td>Life expectancy</td>
</tr>
<tr>
<td>Perceptions of air pollution</td>
<td>Cancer rate per 1,000 people</td>
</tr>
<tr>
<td>Soil quality</td>
<td>Preventable hospitalisation rate per 1,000 people</td>
</tr>
<tr>
<td>Erosion prone land under effective management</td>
<td>Ambulatory sensitive hospitalisation rate per 1,000 people</td>
</tr>
<tr>
<td>Groundwater quality</td>
<td>Injury preventable hospitalisation rate per 1,000 people</td>
</tr>
<tr>
<td>Stream and river water quality</td>
<td>Avoidable mortality rate per 1,000 people</td>
</tr>
<tr>
<td></td>
<td>Percentage of population living in deprivation</td>
</tr>
</tbody>
</table>
## Wellington Region Genuine Progress Index Community Outcomes and Indicators

<table>
<thead>
<tr>
<th>Quality Lifestyle</th>
<th>Connected Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Percentage of adults participating in regular physical activity</td>
<td>• Peak AM/PM congestion rates</td>
</tr>
<tr>
<td>• Overall positive perception of quality of life</td>
<td>• Ease of walking around the region</td>
</tr>
<tr>
<td>• Satisfaction with leisure time</td>
<td>• Ease of cycling around the region</td>
</tr>
<tr>
<td>• Recorded crime rate per 10,000 people</td>
<td>• Public transport patronage</td>
</tr>
<tr>
<td>• Residents rating of their happiness</td>
<td>• Percentage of people living within 400m of a public transport stop</td>
</tr>
<tr>
<td>• Sense of safety after dark</td>
<td>• Percentage of household with access to a motor vehicle</td>
</tr>
<tr>
<td>• Number of households on waiting lists</td>
<td>• Perception of transport network reliability</td>
</tr>
<tr>
<td>• Satisfaction with work/life balance</td>
<td>• Overall positive perception of public transport</td>
</tr>
<tr>
<td>• Overall positive perception of a rich and diverse arts scene</td>
<td>• Ease of making a journey across the region by public transport</td>
</tr>
<tr>
<td>• Ease of access to local parks or other green spaces</td>
<td>• Perception of transport network reliability</td>
</tr>
<tr>
<td>• Perception that graffiti, vandalism and litter is a problem</td>
<td>• Public transport journey times compared to travel by private car</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional Foundations</th>
<th>Sense of Place</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong and Tolerant Community</strong></td>
<td></td>
</tr>
<tr>
<td>• Residents perception of availability of support</td>
<td>• Percentage of people that feel a sense of pride in the way their city looks and feels</td>
</tr>
<tr>
<td>• Average voter turnout in local council, DHB and regional council elections</td>
<td>• Volunteerism rates</td>
</tr>
<tr>
<td>• Perception that the public can influence Council decision making</td>
<td>• Residents sense of community in local neighbourhood</td>
</tr>
<tr>
<td>• Overall positive perception of cultural diversity</td>
<td></td>
</tr>
<tr>
<td>• Percentage of people who can speak Te Reo Māori</td>
<td></td>
</tr>
<tr>
<td>• Percentage of children in early childhood education attending Kohanga Reo</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 7: List of relevant documents reviewed

Relevant documents for this review, in addition to WRS Committee papers and background documents, included the following:

- **Auckland Regional Council** (2010) *Business and Economy – The Auckland Region 2010*
- **Bay of Plenty Regional Strategy** (November 2008) *An Economic Growth Strategy for a Sustainable Future – Long Term Plan*
- **Canterbury Development Corporation** (2009) *Annual Report*
- **Colin Drew Development Solutions** (June 2006) *Wellington Regional Labour Market Strategy – Implementation Framework (including a Review of Existing Labour Market Programmes and Initiatives)* Supported by the Department of Labour and the Ministry of Social Development Wellington Regional Labour Market Teams
- **Economic Development Agencies of New Zealand** (March 2010) *Connecting Across the Economy – Regions Working for New Zealand*
- **Freeth, Andrew** (2010) *The Wellington Regional Economy* Prepared for Grow Wellington
- **Greater Wellington Regional Council** (January 2010) *Genuine Progress Index for the Wellington Region – Draft*
- **Greater Wellington Regional Council** Annual Plan 20010/11 – Approved
- **Grow Wellington** (June 2008) *Centres of Excellence Build Strategy*
- **Grow Wellington** Annual Reports 2007/08 to 2009/10
- **Grow Wellington** Business Plan 2010/11
• **Grow Wellington** *Half Yearly Report July – December 2009*
• **Grow Wellington** *Half Yearly Report July – December 2010*
• **Grow Wellington** *Statements of Intent*
• **Grow Wellington** *Survey Report for Client and Stakeholder Survey July 2010*
• **Grow Wellington** *Wellington Regional Outlook April 2009*
• Henderson, Chris; Perkins, Sam; Askin, Josie (2009) *Wellington Insight – City Profile*
• **Local Government New Zealand** *Local Government’s Contribution to Economic Growth*
  In association with BERL Economics
• **NZIER** (September 2004) *New Zealand’s regional economic performance* Report to Ministry of Economic Development
• **PricewaterhouseCoopers** (October 2010) *Wellington Regional Councils – Governance Review*
• **Venture Taranaki Trust** (2009) *Annual Report*
• **Wellington City Council** *Wellington City Profile – Key Facts about the City*
• **Wellington City Council, Strategy and Policy Committee** (May 2010) *Policy Scoping Paper – City Strategy 2040 (Vibrant, Internationally Competitive, Affordable City*
• **Wellington Regional Strategy** (April 2007) *Draft Terms of Reference for Senior Officers Resource Team (SORT)*
  Prepared by Infometrics Limited
• **Wellington Regional Strategy** *Annual Reports 2007/08 to 2009/10*
• **Wellington Regional Strategy, Information & Techniques Working Party** (December 2004) *Regional Stocktake – taking the temperature of the Wellington Region today*