

**Report 07.87**

20 December 2006

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**Minutes of the Meeting of the Wellington Regional Strategy Hearings Subcommittee held in the Wellington Regional Council Chamber, 142 Wakefield Street, Wellington on Tuesday, 19 December 2006 at 9.31am and Tuesday, 23 January 2007 at 2.38pm**

**Present**

Councillor Buchanan (Chairman), Sir John Anderson, Mayor Francis (23 January 2007), Mayor Guppy, and Mayor Milne.

**Also Present**

Mayors Brash and Prendergast, Councillor Douglas, and Mayors Ogden and Staples (19 December 2006).

**In attendance**

Messrs MacIntosh, McCaw & Spargo..

**Officers Present**

Blakeley (Porirua City Council) (23 January 2007)

Davis, Reay, and Waayer, McKevitt (19 December 2006), Maher and Turfrey (23 January 2007) (Greater Wellington).

Pedersen (Upper Hutt City Council).

Poole (Wellington City Council).

Ten Hove (Masterton District Council) (23 January 2007)

## **Public Business**

### **Procedural Items**

#### **WRSHS 07 Apologies**

*There were no apologies*

#### **WRSHS 08 Public Participation**

No members of the public wished to participate in the meeting.

#### **WRSHS 09 Confirmation of Minutes**

*Resolved*

*(Cr Buchanan/Mayor Milne)*

*That the Committee:*

*Confirms the Minutes of the meeting held on 4, 5, and 6 December 2006, Report 06.738.*

### **Matter for Consideration**

#### **WRSHS 10 Wellington Regional Strategy Project Background**

##### **Report 06.736**

File: WRS/07/01/02

*Resolved*

*(Cr Buchanan/Cr Milne)*

*That the Committee*

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

### **Matters for Decision**

#### **Tabled**

*Supplementary Order Paper: Officers' report on Submissions to the Wellington Regional Strategy and LTCCP Amendment. (Report 06.737, File WRS/7/1/2). Graham Spargo and Jane Davis.*

WRSHS 11 **Officers' Report on Submissions to the Wellington Regional Strategy and LTCCP Amendment**

**Report 06.737**

File: WRS/7/1/2

*Resolved*

*(Cr Buchanan/Sir John Anderson)*

*That the Subcommittee:*

1. ***Receives the report.***
2. ***Notes the content of the report, as amended by the Subcommittee during deliberation.***
3. ***Agrees to recommend to the Interim WRS Committee the following changes in relation to the WRS:***
  - a. *Change the WRS text to strengthen recognition of factors influencing the Wellington regional economy, particularly those around private sector activity and central government's role and actions.*
  - b. *Address the perceived lack of analysis and evaluation by including reference in the WRS to background work such as:*
    - *Business sector analysis by 3 digit ANZSIC codes (Kemp),*
    - *Regional Full Time Equivalent projections by 1 digit ANZSIC codes (NZIER),*
    - *Floor space projections for office, industrial and commercial (Property Economics),*
    - *Housing segment demand information (Property Economics and SGS economics and planning)*
    - *Cluster performance information (Infometrics, BERL and NZIER and MED).*
    - *WRS evaluation and development process information*
  - c. *More strongly incorporate sustainability and climate change considerations into the WRS in the introductory text and principles and assessment criteria for WRS projects.*
  - d. *Note that ongoing discussion will occur with stakeholders such as the Wellington Regional Chamber of Commerce and Business Porirua around specific analysis expectations beyond the current work available.*
  - e. *Accept the various offers of resource support and input to progress components of the WRS (through the proposed implementation agencies/forums) from the Wellington Regional Chamber of Commerce, Employers & Manufacturers Assn, Tertiary Education*

*Providers, Central Government Agencies and Crown Research Institutes.*

- f. Include some additional background detail and justification as to benefits accruing from WRS initiatives.*
- g. Strengthen references to the fact that business plan detail and specific benefit analysis will occur at implementation level via the regional EDA and as ad hoc projects arise.*
- h. Time limit increases in economic growth to 2020 with either 4% economic growth retained as a goal; or, identify a goal of GDP per capita in the top half of the OECD membership by 2020.*
- i. Alter the WRS text on 4% economic growth to make clear that actions of the private sector and central government have a significant bearing on this. Note that the WRS can contribute to facilitating stronger economic growth and importantly provides a rallying point for ongoing discussion across all stakeholder groups about sustainable prosperity and quality of life in the region.*
- j. Include in the WRS criteria for promoting development of the regional economy in ways that align to 'carbon zero' goals.*
- k. More strongly emphasise sustainability criteria (including addressing climate change risks) in the WRS.*
- l. Signal that consideration will be given to setting a target date for the Wellington region to become 'carbon neutral' / 'carbon zero' and include research to be undertaken into actions to examine the feasibility of this goal.*
- m. Signal that the potential for a 'centre of excellence' around practical application of 'green technologies' in the Wellington region will be explored (e.g. energy related applications such as wind, current, and biomass sources, and building technologies).*
- n. Incorporate the importance of active leisure into the WRS, especially in relation to the region's community outcomes and its economy.*
- o. Incorporate 'active leisure' in the WRS vision and/or community outcomes.*
- p. Confirm the change areas set out in the WRS.*
- q. Change the description for the Pauatahanui and North Waikanene Change Areas to make clear that these are not being promoted for strong growth, but rather careful management in light of environmental and / or servicing issues.*
- r. Modify the text in relation to the Grenada to Gracefield change area to make clear that proposals to explore broadening housing choice in some parts of the change area, and to address roading links will proceed through local community based planning processes. These will be informed by principles under the N.Z. Urban Design Protocol.*

- s. *Include in the WRS the definition of “environment” suggested by NZHPT.*
- t. *Make a recommendation from the WRS Interim Committee to GWRC’s Environment Committee that the Regional Policy Statement review include consideration of a region wide agreement on heritage principles and practices.*
- u. *That the WRS Interim Committee gives direction on the topic of using debt secured against public assets to accelerate public infrastructure development.*
- v. *Confirm the WRS intention to provide mechanisms for regular and focused involvement of infrastructure providers with the WRS processes.*
- w. *Add a new to page 40 of the WRS, following the discussion under “LAND FOR BUSINESS GROWTH”:*

#### *RURAL INDUSTRY GROWTH*

*The region has a strong rural industry sector, centred primarily in the Wairarapa. This sector makes a contribution to the regional economy, especially through the viticulture industry. While the rural sector has potential to grow, in the Wairarapa predicted shortages of water limit capacity to both grow current production and also limit the opportunities to convert to more intensive land uses. This includes potential for more dairying.*

*An irrigation scheme would enhance the growth opportunities in the Wairarapa and for this reason an irrigation project has been initiated by Go Wairarapa. Like all major projects any future scheme would need to attract significant funding and would be subject to the requirements of the Resource Management Act. Potential effects associated with damming water and the impacts of potential future land uses would need to demonstrate their environmental sustainability.*

- x. *Incorporate into the WRS the importance of farming and forestry in both an environmental and economic sense, especially in relation to the region’s proposed carbon neutral objectives.*
- y. *Ensure Go Wairarapa’s programmes are more obviously incorporated into the WRS.*
- z. *Incorporate specific reference to the potential growth opportunities arising of irrigation in the Wairarapa.*
- aa. *Note the potential to harness the Wairarapa’s food and wine opportunities through the Cuisine School in the WRS*
- bb. *Incorporate greater emphasis on existing businesses including what the WRS proposes to improve business retention.*
- cc. *Include the following:*

- a. *That, within a decade, all of the Wellington Region will have affordable access to an interactive, open access, broadband network capable of supporting applications and services using integrated layers of voice, video and data, with sufficient symmetrical capacity to meet the ongoing information and communications needs of the city's residents, businesses and institutions, and help catalyse a transformation in regional economic development.*
- b. *That as an interim target, the Wellington Region build on the definition of fast broadband in the Government's digital strategy. In this strategy, fast broadband is defined as data transfer at a rate greater than 5 Megabits per second (Mbps). Therefore it is recommended that the Committee suggests an interim target (say by 2010) for the WRS regionally of a 5 Mbps symmetrical data rate. Further, that it recognises that this will quickly be inadequate to meet the needs to the Region, and therefore endorses a more aggressive objective of removing data transfer speeds as a constraint on the Region's ability to maximise the economic and social benefits of broadband. For example, in the Wellington CBD and Miramar (centres of digital content creation) this will mean facilitating access to 10 Gbps services as soon as possible.*
- c. *That urgency be given to implementing the broadband strategy, with priority given to actions that will lift labour productivity, assist in transforming the economic development of the Wellington Region and deliver major social benefits (e.g. through health care, schools and libraries) to the communities of the region.*
- dd. *Acknowledge and explain the importance of the Port to the regional economy. This should include the importance of good transport links*
- ee. *Confirm the following:*
  - a. *That Centres of Excellence be established under the Economic Development Agency (EDA) auspices. This will provide for consistency of approach, cross sectoral learning and idea generation and a cost effective support infrastructure.*
  - b. *That prior to final decisions being made on which sectors will be focussed on in the short term, that the EDA convene meetings of the participants in the identified sectors to further analyse the opportunities, agree prioritisation and the pathway forward*
  - c. *That each Centre of Excellence be lead by a 'Director' (a General Manager level individual). This person would have experience (and preferably qualification) in the sector and have a highly developed leadership and interpersonal skills.*

- d. *Supporting the Director will be a Business Analyst funded by sector participants. The Director would be employed on a performance based contract with agreed outcomes for the CoE.*
- e. *Each Centre of Excellence will have a Steering Group drawn from the particular sector and will provide sector leadership and guidance. It will be important that the Chair of the steering group be a person with a strong practical background in the sector and mana within the sector.*
- f. *The Director will be expected to undertake international travel annually to ensure the Centre of Excellence they are responsible for remains 'world class'. This to include assistance to each of the participants to develop alliances with appropriate world leading organisations.*
- g. *The initial 3 Centres of Excellence (established by 2010) to be selected by the Economic Development Agency after detailed consultation with the sectors on the priority list. It is considered critical that Centres of Excellence only be established where there is a sector desire for them to be established and to succeed and where the participants are prepared to make an investment themselves. As we only believe we will only have funding sufficient to support 3 CoEs in the short term it is critical that these be in sectors where maximum economic potential can be delivered rather than selected the 'low hanging fruit' now which could eventuate if the approach of some submitters was followed.*
- ff. *Confirm one region-wide EDA for the region but discuss with the Wairarapa Councils and Kapiti Coast District Councils how any integration will occur. This to be undertaken by the new EDA Board when it has been appointed.*
- gg. *Proceed with the EDA with the Centre of Excellence General Managers (referred to as Directors throughout this document and the Centres of Excellence document) being responsible to the CEO of the EDA. This will optimise accountabilities and knowledge sharing and reduce cost.*
- hh. *Confirm a merit based EDA Board comprising 7 people with the capability and experience to govern a successful EDA.*
- ii. *Confirm that the EDA be established as soon as possible (a transition from the current state to the new entity should occur during the first half of 2007) in order that it can determine its priorities, complete the analysis on its identified priorities and move quickly to implementation.*
- jj. *Increase emphasis on the role of education in the WRS, especially its potential to increase export earnings and to close the skills gap. Ensure that its inclusion is consistent with the overall strategy by aligning student attraction work to centres of excellence.*
- kk. *Incorporate direct reference to Education Wellington International in WRS and ensure ongoing funding support*

- ll. *Tie student attraction programme into sister city relationships.*
  - mm. *Confirm the concept of consolidation of regional incubator in the WRS.*
  - nn. *Note submitters' interest in further dialogue on incubators, and that a consolidation approach will form the basis of further dialogue between WRS representatives and relevant stakeholders.*
  - oo. *Confirm WRS concepts for promoting greater co-ordination and, where appropriate, alignment of activity around destination marketing, migrant attraction, educational opportunities and related matters.*
  - pp. *Incorporate information on the region's climate into marketing material generated.*
  - qq. *Confirm WRS proposals to provide a mandate for a 'keeper' committee on the basis of the current timetable.*
  - rr. *Confirm WRS proposals to provide a regional Economic Development Agency on the basis of the current timetable.*
  - ss. *Note the intention for engagement and partnerships across all strands of the WRS via development of an Implementation Project Plan.*
  - tt. *Include in the terms of reference or statement of intent for the regional EDA a requirement to actively consider a broad range of working arrangements for progressing sector related development activity, including scope for private sector lead and funded options acting independently but reporting back through appropriate WRS channels.*
  - uu. *Confirm funding be made available for the WRS at the levels proposed in the WRS consultation documents.*
4. *Agrees to recommend to the Interim WRS Committee the following changes in relation to the proposed LTCCP Amendment:*
- i. *Confirm the proposed Greater Wellington standing committee as the "keeper" of the WRS.*
  - ii. *Confirm the proposed standing committee membership structure, with details to be agreed by the participating Councils through the Multi-Party Agreement.*
  - iii. *Confirm Greater Wellington's role as host of the WRS standing committee.*
  - iv. *Confirm a regional economic development agency, in the form of a not-for-profit Council Controlled Organisation, and that further detailed work be carried out to determine its relationship with Go Wairarapa and Enterprise Coast, in consultation with the "owners" of those agencies.*
  - v. *Confirm the appointment of a merit-based board to the EDA.*
  - vi. *Agree to a targeted economic development agency rate of \$4.5 million (including GST) for 2007/08, to be allocated on the following basis (allocating 42% to businesses and 58% to non-businesses):*



- a. *A uniform annual charge to residential ratepayers of \$12.50 plus GST.*
  - b. *A uniform annual charge to rural ratepayers of \$25.00 plus GST.*
  - c. *The remainder of the cost of the EDA being charged to business on the basis of their capital values.*
- vii. *Confirm the quantum of funding for the EDA of \$4.5 million in 2007/08 and up to \$5.0 million in 2090/10.*
- viii. *Endorse the following review provisions as appropriate:*
- a. *An independent review of the effectiveness of the entire Wellington Regional Strategy to be undertaken regularly. The review to address and make recommendations for changes to the strategy. This will include consideration of whether the WRS Committee and / or its funding and other arrangements should continue.*
  - b. *The first review to be commissioned 5 years after the adoption of the WRS.*
  - c. *The subsequent reviews to be undertaken on a 3-yearly cycle to coincide with LTCCP cycles.*
5. ***Instructs*** *Officers to prepare a report to the Interim WRS Committee based on the matters agreed to in (3).*
6. ***Delegates*** *to the Chairman of the Subcommittee the final approval of the report to the Interim WRS Committee.*

## **Other Matters**

### **WRSHS 12 Questions**

There were no questions.

### **WRSHS 13 General**

There were no matters of general business.

The meeting was adjourned between 10.34 am and 10.49 am for morning tea, and for the day at 11.57 am on December 19 2006. It recommenced at 2.38 pm on January 23 2007, and closed at 4.12 pm on that day.

COUNCILLOR IM BUCHANAN

Chairman

Date: