

Regional Economic Development Plan - Key components

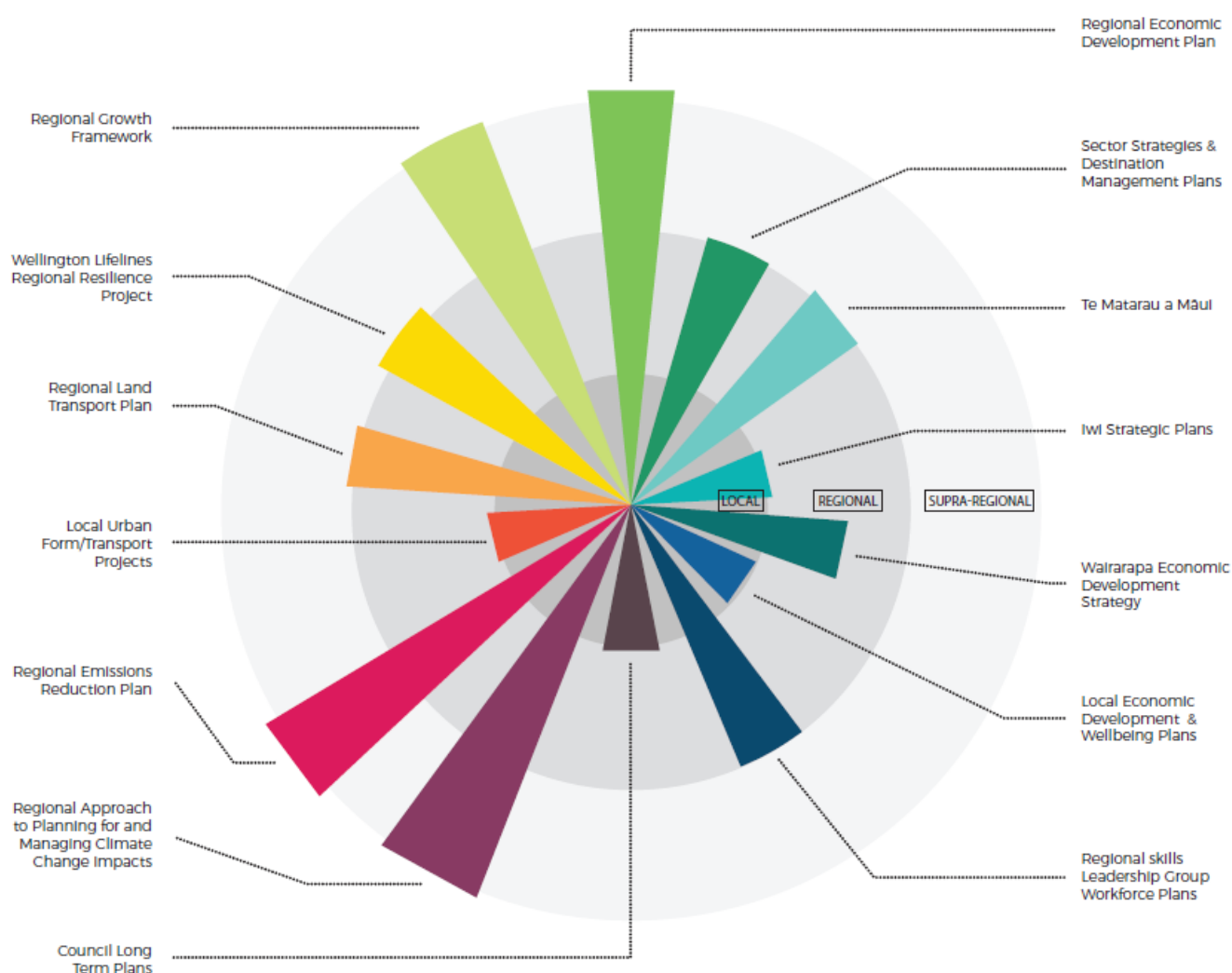
1) Positioning Diagram

This diagram illustrates the relationship and span of some of the key plans across the wider region with economic impacts. It is not a hierarchy but rather shows the link between those plans, the local communities, and how they support and intersect with each other.

The Regional Growth Framework and Regional Economic Development Plan sit in the supra-regional sphere. This includes territorial authorities and iwi across the region as well as central government.

At the regional level we include Te Matarau a Māui, Destination Management Plans and Regional Land Transport Plan as reflecting the scope of the whole region. Sector strategies which can provide relevance are included as one grouping. There are also a number of sub-regional plans, providing regional benefits across localities but with a narrower geographic focus, such as the Wairarapa Economic Development Strategy.

There are then local plans which remain important and governed at the local level. Importantly, these include any local economic development or wellbeing plans as well as council long term plans, district plans and iwi strategic plans.



2) Regional Snapshot

Te Upoko o Te Ika represents the wider supra-region and contributes to the rich history that is part of the Wellington story.

As a region we accounted for 13.7% or \$44.87 billion of New Zealand's Gross Domestic Product (GDP) in 2021. This represents close to \$80,000 GDP per capita across the Wellington region, much higher than New Zealand overall at \$63,700 GDP per capita.

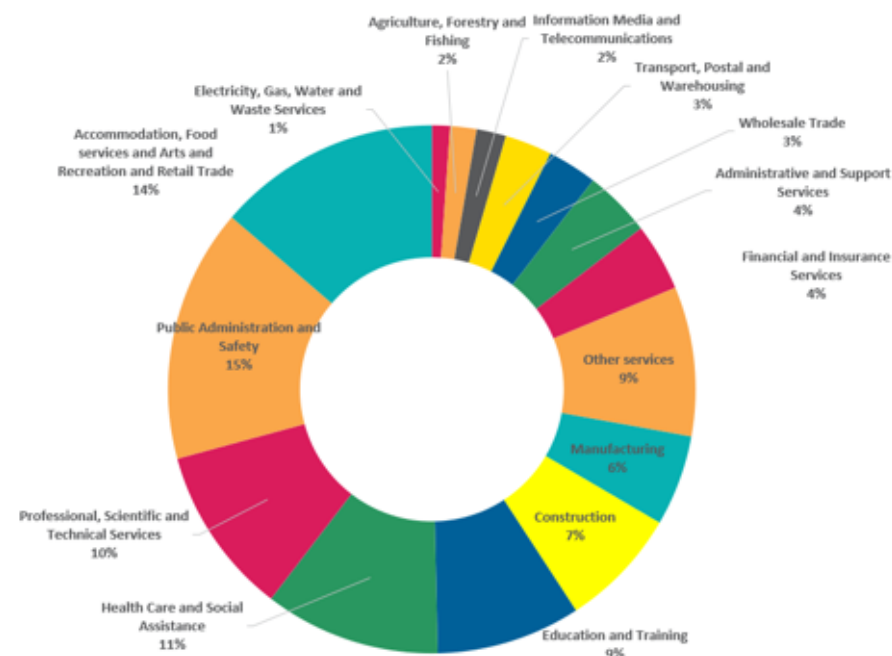
However, this is driven by Wellington City, which achieved an estimated \$126,000 GDP per capita in 2021, accounting for 61% of the Region's total, and is growing at one of the lowest rates of all regions, only above growth achieved in the West Coast and Taranaki. GDP per capita across all the other sub-regions was well below the New Zealand average, particularly Horowhenua, Kāpiti Coast and Porirua⁶.

The mean income per capita in 2020 was \$46,333 for Wellington, an increase of 1.5% from 2019, and higher than the mean income per capita of \$40,399 across New Zealand⁷.



Estimates indicate our real regional GDP growth over 2011-2021 was 2.1% per year, an increase of \$8.38 billion over the decade. This was below the national growth rate over the same period of 2.6% per year⁶, however some sub-regions including Porirua, Carterton and the South Wairarapa achieved stronger growth than others.

Estimated industry contribution to regional employment in 2021:



In 2021, our regional employment rate (excluding Horowhenua), at 70.3% was well above the New Zealand rate of 67.0%. Our labour force participation rate (the proportion of working-age people 15 years and over that are either employed or actively looking for work) of 73.6% in 2021 was also well above the New Zealand rate (70.3%).

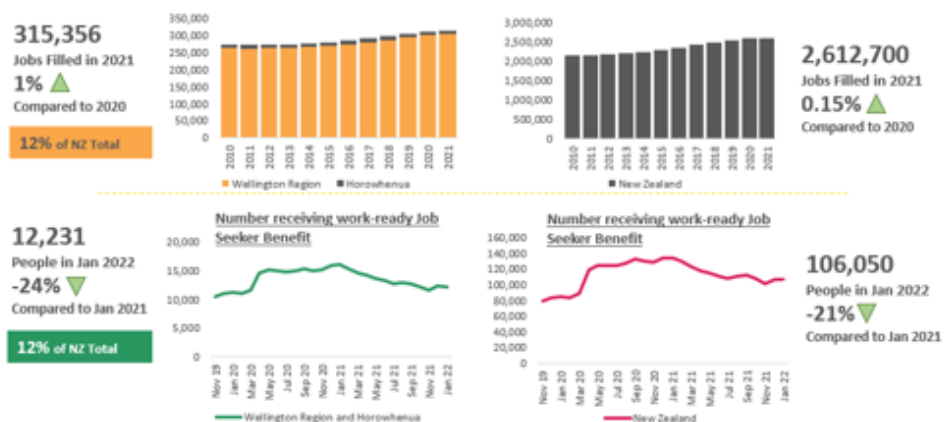
Employment and participation rates differ across our sub-regions, with urban areas generally having higher rates than rural areas, and unemployment represents unfilled potential for our region. Horowhenua, Porirua and Wellington City have relatively high unemployment rates, and the latter two along with Masterton also have relatively high underutilisation rates.

⁶ Martin Jenkins Independent Review and Advice, 11 April 2022.

⁷ Infometrics, 2021.

However, our regional employment growth has been relatively low over the past decade at 1.5% per year job growth, or a total increase of 43,100 jobs, compared to 2.0% per year nationally⁶.

The number of people receiving a work-ready job benefit in the region decreased significantly between 2021 to 2022 as the region began to recover from the initial shock of Covid-19.



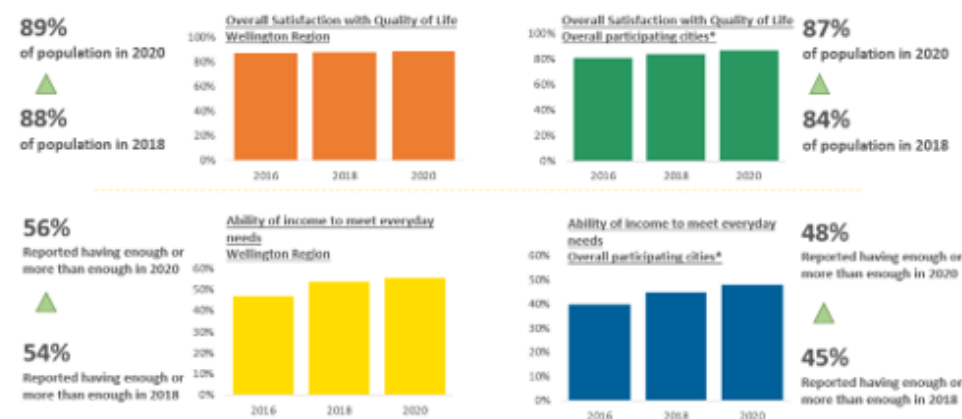
Our population growth has been below the national average over the last 10 years, at 1.3% per year compared to 1.6% nationally, representing a growth by 69,100 from 2011-2021. Most population growth for the region (excluding Horowhenua) has been due to inward migration (87%), much higher than most urban-regions other than Auckland, and a low proportion from natural increase. Wellington has had a relatively high proportion of international migration compared to other urban regions⁶.

Horowhenua and the Wairarapa have experienced the strongest population growth in our region for the medium-term, while Wellington City and Lower Hutt have experienced the lowest. Our working age population is expected to grow relatively slowly by 42,800 over the next 20 years, while the population of over 65-year-olds is expected to grow very strongly, by 67,400 over the same period.

Wellington was the 94th most expensive city out of 209 in Mercer's annual cost of living index 2021⁸, indicating the cost of living here is more affordable than Sydney at 31st, Melbourne at 59th, and Auckland at 70th however much higher than the NZ average.

A key indicator of our regional performance is that 89% of residents reported overall satisfaction with their quality of life compared to 87% of New Zealanders. This has remained relatively consistent over the past six years⁹.

Despite this, there are differences in affordability across the region, and only 56% of residents reported having enough or more than enough income to meet their everyday needs in 2020 compared to 48% across New Zealand⁹. This is expected to decline as the increased cost of food, fuel and impacts from COVID-19 affect consumers.



Overall, our region is achieving mixed results, with moderate GDP growth and good performance on indicators of wellbeing and labour market participation, relatively slow employment and population growth, but high productivity and income levels.

⁸ <https://www.mercer.com/our-thinking/career/cost-of-living.html>

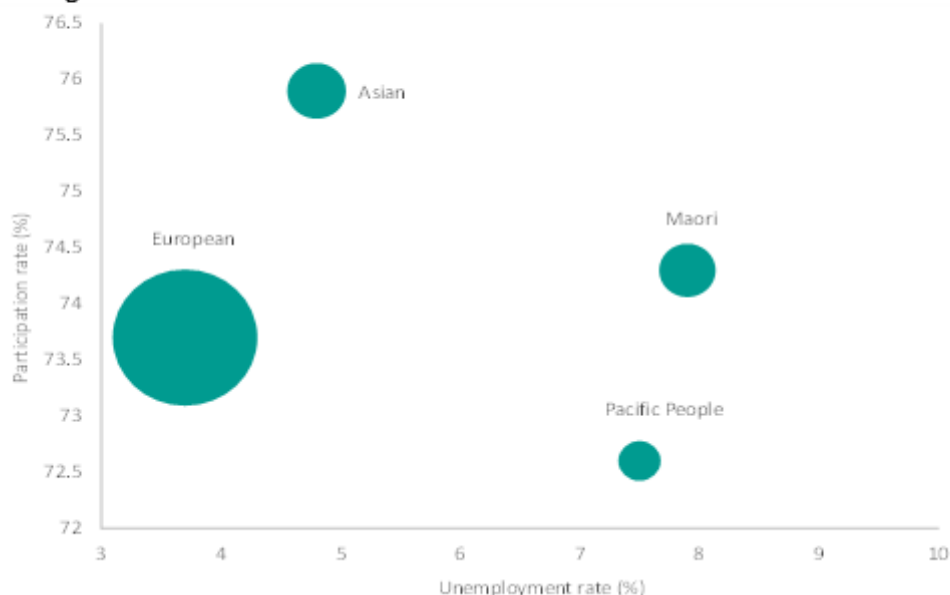
⁹ [QoL-8-City-Topline-FINAL-Interactive-PDF-2020.pdf \(qualityoflifeproject.govt.nz\)](#)

Impact of our regional performance on Māori and Pasifika

Māori represent 14%¹⁴ of our regional population and 12% of our workforce, (excluding Horowhenua)¹⁰ however only 16% of Māori living in our region whakapapa to one of our local mana whenua, meaning 84% whakapapa elsewhere¹¹.

While our regional economy performs strongly in some areas, there are wide disparities, especially for Māori and Pasifika.

Labour participation, unemployment and employment size by ethnic groups in our region:



In 2021, our region's unemployment rate was 4.5%, just below the New Zealand rate of 4.7%, however the unemployment rate was 7.9% for Māori and 7.5% for Pacific People, compared to 3.7% for European and 4.8% for Asian⁶. The figure

above illustrates how unemployment and labour participation vary considerably across ethnicities.

We have a young and growing Māori population, with 58% under 30 years old compared to 38% of non-Māori, yet Māori in employment earn \$165 per week less⁶ than the regional average, and only 30% are employed in high-skill jobs compared to 47% of non-Māori in the region¹². One quarter of our Māori workforce have no qualifications, and half of Māori with a degree live in Wellington City⁶.

Māori home ownership rates remain constant despite a declining national trend, however only 28% of Māori in our region own their home compared to 57% of non-Māori¹³.

Covid-19 has amplified the disparity between many Māori living in our region, and Western economic measures such as GDP do not reflect the socio-economic realities that Māori live and experience. More holistic wellbeing frameworks are being developed to reflect that Māori wellbeing is measured more in terms of quality of life than quantity of wealth and employment rates.

Pasifika represent 8%¹⁴ of our population and 6%¹⁵ of our workforce. Pasifika experience many similar issues to Māori. Pasifika people contribute to our economy and connect us to the Pacific and related trade opportunities. They have potential to leverage commercial opportunities that enhance these connections. Showcasing international partnerships in events and festivals is a key element in achieving a vibrant, creative region.

Our transition to a low carbon economy

In 2019, our region emitted just over 5 million tonnes of CO₂, or about 8.8 tonnes per person. Although the Wairarapa accounted for about 8% of the population, it accounted for just over a third of emissions. Upper Hutt, which had a similar sized population, only accounted for 4% of emissions. Wellington City, which accounts for just under 40% of the population, accounted for just over 20% of emissions⁶.

¹⁰ Household Labour Force Survey, Dec 2021 StatsNZ

¹¹ <https://wrgf.co.nz/wp-content/uploads/2020/03/BERL-Report-GWRC-final-report-29-March-2018.pdf>

¹² <https://wrgf.co.nz/wp-content/uploads/2020/10/WRGF-Employment-Analysis-Report-0.6-1.pdf>

¹³ <http://www.tematarau.co.nz/current-state-of-play/>

¹⁴ StatsNZ, Regional Report

¹⁵ Household Labour Force Survey, StatsNZ

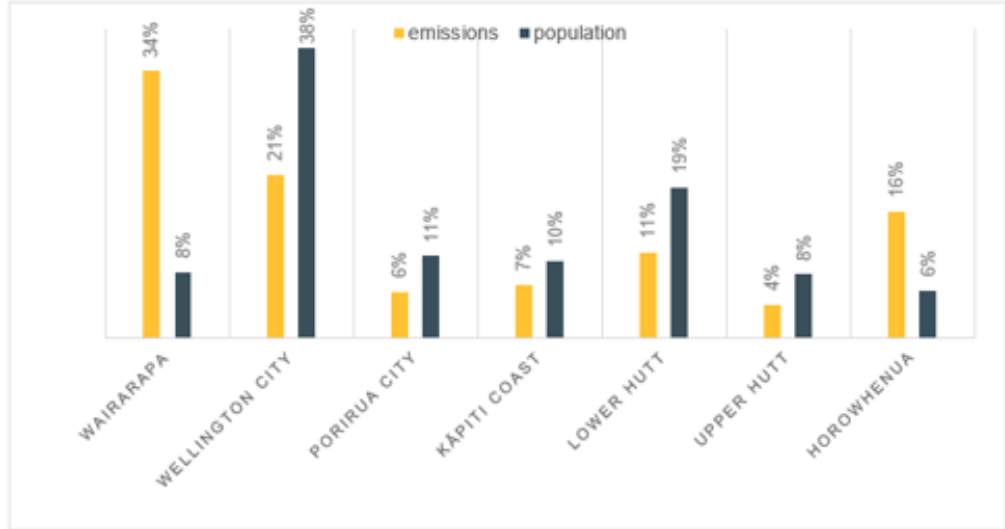
Transport accounts for the largest share of emissions, followed by agriculture and then stationary energy. Industry and waste account for less than 5% of total emissions respectively. Most of the agriculture emissions are from the Wairarapa and Horowhenua however the largest carbon sinks are also in these locations.

Increased environmental consciousness is driving greater industry-consumer interaction, changes in consumer behaviour, and community action around environmental change. This creates new opportunities for business, particularly future niche sectors and services, re-defining skills requirements and innovative operational approaches.

We need to build the reduction of CO₂ emissions and potential impacts of climate change into planning and economic development processes, to become more resilient to the future economic and social impacts of climate change while ensuring we can take advantage of the opportunities.

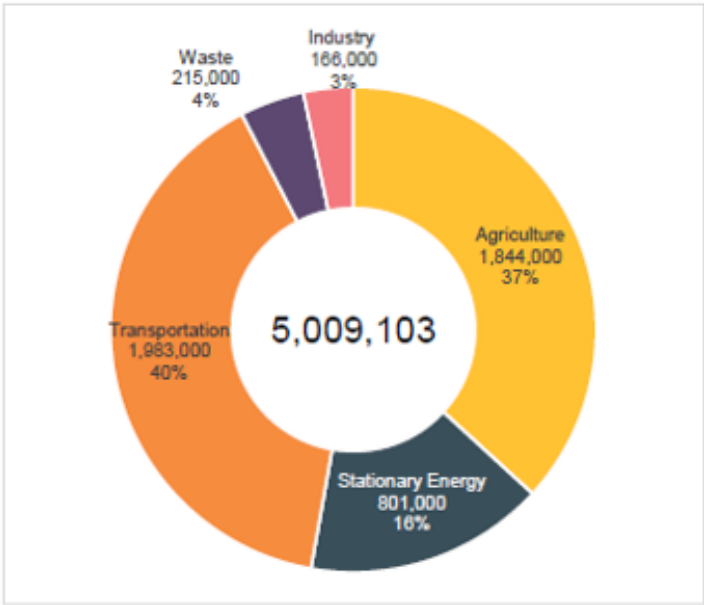
The Regional Emissions Reduction Strategy being developed by June 2023 to guide how our region can actively reduce emissions. In the interim we have considered the impact on emissions as part of determining which initiatives to support.

Emissions by area:



Source: GWRC (2020). Wellington Region's Carbon Footprint 2018-19; Horizons Regional Council (2020). Horizons Region Community Carbon Footprint 2018/19

Gross emissions by sector:



Source: estimated from GWRC (2020). Wellington Region's Carbon Footprint 2018-19; Horizons Regional Council (2020). Horizons Region Community Carbon Footprint 2018/19

3) Overarching Wellington Regional Framework

PRISM Regional Economies

We have adopted the Government's PRISM Regional Economies Framework to build on our economic strengths and address the unique challenges we face in the Wellington region.

PRISM has helped us to develop the Overarching Wellington Regional Framework that we will structure the REDP around. It has helped us to prioritise the strategic objectives that are most important and relevant to our plan and identify how we can help the Wellington region be more Productive, Resilient, Inclusive, Sustainable and empower Māori & Pasifika to thrive.



Overarching Wellington Regional Framework

Ngā moemoea Vision	<p>To build a future focused, creative, sustainable and thriving Wellington Region for all to be proud of.</p> <p>Note: whakataukī to be added.</p>				
Strategic Objectives	<p>We aim to be a leader of change utilising our competitive advantage in key sectors.</p>	<p>We aim to build a prosperous and creative region to improve our quality of life.</p>	<p>Te Ahikāroa will enhance and empower the takiwā of Te Upoko o Te Ika.</p>	<p>We aim to build our workforce and resilience in our infrastructure to support economic development.</p>	<p>We aim to support a transition to a low carbon economy and responsibly manage our natural resources for future generations.</p>
Approach	<p>Acceleration of key sectors to build on our competitive advantage and future opportunities</p>			<p>Acceleration of key enablers to build from solid foundations</p>	
Ngā mahi Focus areas/Actions	<p>Screen, Creative and Digital Technology</p> <p>Science, Engineering and High Value Manufacturing</p> <p>Technology</p> <p>Visitor Economy (including arts and hospitality)</p> <p>Primary Sector – Food and Fibre</p>			<p>Māori Economic Development</p> <p>Skills, Talent and Education</p> <p>Water Accessibility and Security</p> <p>Resilient Infrastructure</p>	

Vision

Our vision is *“to build a future focused, creative, sustainable, and thriving Wellington region for all to be proud of”*.

The reason for this vision is that we are collectively aiming for an entirely better life and world in its broadest sense for all our children and mokopuna. Our vision was created based on feedback from the Wellington Regional Leadership Committee, iwi and the Steering Group. Our progress will be measured using the Nielsen bi-annual Quality of Life Survey¹.

Whakataukī or Māori narrative aligned to the vision

PLACEHOLDER: A foreword/narrative to bring an ahikā energy to the plan. AATEA Solutions/Kura Moeahu is progressing the development of this in discussion with mana whenua and we expect to include it when available.

¹ As measured by Nielsen bi-annual Quality of Life Survey. In 2020, 89% of Wellington Regions residents quality of life was positive. only 56% of residents reported having enough or more than enough income to meet their everyday needs in 2020.

Strategic objectives

We thought carefully about all the opportunities and challenges we have heard about and will focus on five broad strategic objectives that are important across the region.

1) We aim to be a leader of change utilising our competitive advantage in key sectors.

Through innovation, partnerships, and supporting our diverse sectors we will enable our region to be internationally competitive and highly productive, therefore contributing to our positive global reputation.

2) We aim to build a prosperous and creative region to improve our quality of life.

We recognise our urban and rural potential, as well as variations in wellbeing across the region, and seek to create an enabling environment for a positive standard of living we all aspire to.

While our regional economy performs strongly in some areas, there are wide disparities, especially for Māori and Pasifika.

3) Te Ahikāroa will enhance and empower the takiwā of Te Upoko o Te Ika.

Ahikāroa are those who stoke the home fires, supporting the vibrancy of our takiwā (supra-region).

Through supporting implementation of Te Matarau a Māui we will support Māori to thrive, leading to greater outcomes for everyone.

4) We aim to build our workforce and resilience in our infrastructure to support economic development. We need to attract, retain and develop our workforce to meet increasing demand and grow our industries.

By developing resilient infrastructure, we create new opportunities and protect our regional economy from future disruptions such as earthquakes and flooding.

5) We aim to support a transition to a low carbon economy and responsibly manage our natural resources for future generations.

We have an opportunity to be a national leader in the deployment and adoption of Climate change technology.

We support initiatives that lower overall carbon emissions, to protect the wellbeing of the people and environment in our region both now and in the future.

Approach

We heard a strong emphasis on the need for action while engaging with a range of stakeholders and iwi. This Plan is a cluster of opportunities and the concrete steps which, if pursued together, will boost the prosperity of the region. It is both a strategy and an Economic Action Plan – with enough detail to guide and enough vision and direction to lead. Our plan therefore focuses on two key areas:

1) Accelerating key sectors to build on our competitive advantage and future opportunities

The following sectors have been identified because of the potential growth opportunities, annual average growth over the last decade, creation of skilled employment, and contributions to our regional identity. These sectors are:

- Screen, Creative and Digital Technology;
- Science, engineering and high value manufacturing;
- Technology;
- Visitor Economy (including tourism, arts and hospitality); and
- Primary sector - food and fibre.

2) Accelerating key enablers to create solid foundations for building our regional economy

The following enablers have been identified because they unlock, leverage and build resilience of our businesses, iwi and communities. These enablers include:

- Māori economic development;
- Skills, talent and education;
- Water resilience (in the Wairarapa); and
- Resilient and enabling infrastructure.

We aim to focus on key sectors and enablers that we can influence to shape our diverse regional economy. Other sectors have been considered such as Central Government and Professional Services, which make up 25% of jobs in our region, however their size and potential growth are mainly influenced the Government of the day. Health and Construction are also potential growth sectors however the opportunities are largely workforce related and subsequently included in the Regional Workforce Plan being developed by the Regional Skills Leadership Group.

Sectors and Enablers

Each of the sectors and enablers has different contexts, complexities, opportunities, issues and stakeholders. The chapters are being developed with a deliberate focus on outlining the opportunities and issues, and the tangible initiatives that we will undertake to achieve the strategic objectives. These are expected to be presented to the WRLC in July 2022.

Attachment 3 – Wellington Regional Leadership Committee feedback

WELLINGTON REGIONAL ECONOMIC DEVELOPMENT PLAN

Wellington Leadership Committee

Vision and Priorities Workshop 21 Feb - Feedback on Draft Vision

Table 1: Reactions to Draft Vision(s)

	Comments
I like – what aspects of the draft vision do you like?	<ul style="list-style-type: none"> • Inclusion of environmental and equity considerations • World class aspirations • It's comprehensive but could be anywhere in the world – would anyone disagree • Decent jobs • Creative • Connected, Diversity and Positive • Has all the elements but long <p>On Alternative Vision</p> <ul style="list-style-type: none"> • Get it – short and sweet
I wish – what aspects do you think are missing or are unclear?	<ul style="list-style-type: none"> • Needs to be a discussion about 'global' aspects of vision and perhaps more important to be 'NZ solid' • Environment is more than 'resources' e.g., source of life and health • Need to say something about our uniqueness and something which is authentically us • Reference to Human Capital Development • Why 90% target in vision - shouldn't no one be left behind? • Creative is in the vision statement but doesn't seem to be a priority in areas of focus • Needs a shorter and sweeter statement • Needs to be more aspirational • Simplify the vision • Where is Partnership and Tangata Whenua in vision • Include cooperative and collaborative instead of competitive
I wonder – are there other matters that need to be considered in finalising the vision statement	<ul style="list-style-type: none"> • Needs to be more focus on productivity and innovation • Sustainable missing • Could the vision and the alternative vision be combined • Proud of who we are and where we have come from – able to aspire to what we want to be • We have equal opportunity to be creative, connected etc. • Important to account for environmental quality of our air, water, biodiversity • World class includes environmental state
Suggested alternatives	<p>Delivering a region where all residents have the opportunity to live, work and play</p> <p>Building a region where all our people thrive</p> <p>A region that attracts and grows innovative industry, where residents have the opportunity to succeed, which is connected and well supported, diversity is celebrated, environment is protected for future generations</p> <p>A creative, connected, competitive and sustainable Wellington Region where all our diverse residents the opportunity to succeed</p>

Applying the PRISM Framework

Table 2: Areas of focus for Wellington Regional Development Plan

Dimension	Comments
Productive	<ul style="list-style-type: none"> • Education and training opportunities • Upskill SMEs in technology so they are more productive • Better multi-modal networks and public transport • Importance of creative economy • Central government opportunities • Centre of excellence • We have space all over the region to use
Resilient	<ul style="list-style-type: none"> • Gardens and water supply • Community strengthened • Food security • Health of water reflects health of people
Inclusive	<ul style="list-style-type: none"> • Opportunities for training, skills development and education • Build community hubs for connecting and training • Getting input from diverse group – youth, older people etc •
Sustainable	<ul style="list-style-type: none"> • Food chains • Gardens • All sectors need to work towards sustainable outcomes • Focus on regenerative economy • Sustainable energy • Support wānanga knowledge transfer • Address outdated bi-laws to enable/incentivise rain water tanks • Practical and achievable strategies – liveable place supports economic development
Thriving Māori and Pasifika communities	<ul style="list-style-type: none"> • Training opportunities • Invest in cadetships • Appoint Māori to governance roles for diversity and influence • Identify Māori and Pasifika needs by asking them • Skills and capacity identification • Secondments to iwi (knowledge/skills) • Skills and capacity building

Priority Areas for Action

Table 3: Sectors and Enablers

Dimension	Comments
Sectors	
Screen, digital, gaming (including software/digital tech)	<ul style="list-style-type: none"> • Creative Industries • Invest in rangatahi IT and creative training
Science, engineering and high value manufacturing	<ul style="list-style-type: none"> •
Technology	<ul style="list-style-type: none"> • Sustainable technology • Essential to be competitive in global market

Dimension	Comments
Primary sector – food and fibre	<ul style="list-style-type: none"> • Sustainable foods • Changing and improving land use • Establish a COVE (Taratahi) • Develop Food Bowl • Land use changes • Consider what grows best • Reliable water • Continue technologic advancement • Maximum value added opportunities
Tourism and visitor economy	<ul style="list-style-type: none"> •
Other sectors	<ul style="list-style-type: none"> • Retirement sector/demographic change
Enablers	
Māori economic development	<ul style="list-style-type: none"> • Invest in Māori business networks • Resource Te Matarau a Maui (Māori Economic Development Strategy) • Invest in Māori employers (iwi, SMEs, Māori business networks) • Internships • All councils commit to Te Ika a Maui accprd on social procurement • Introduce minimum numbers for Māori and Pasifika employment in councils)
Skills, talent and education	<ul style="list-style-type: none"> • Spread across region more • Sort out apprenticeships • Enable micro credentials • Internships • Remuneration to match skills (retention) • Local government is the connector – opportunities to get alongside young people and businesses to create pathways
Water (mainly in Wairarapa)	<ul style="list-style-type: none"> • Water strategies to enable land use • Reliable • Protect category A&B soils from urban development • Te Maui o te wai principles during decisions