

Wellington Regional Economic Development Plan

Summary of Independent Review and Advice

July 2022

Our role

In January 2022, MartinJenkins were commissioned by WellingtonNZ and the Greater Wellington Regional Council (GWRC) to provide independent advice on the preparation of the new Wellington Regional Economic Development Plan (WREDP).

As independent advisors, our specific tasks were to:

- provide an overview of the strategic issues and possible challenges for regional economic development in the Wellington-Wairarapa-Horowhenua region such as key factors influencing sustainable growth (constraints/enablers) and prosperity over the medium to long-term using the PRISM framework
- have a particular focus on a just transition to a low carbon future for the regional economy and identify the opportunities for the regional economy that may come from making this transition
- provide an outline of the key areas of focus at a regional level where the greatest benefits can be gained from intervention
- consider the governance options and arrangements for implementing the Plan with the multiple stakeholders including the role of the Wellington Regional Leadership Committee (WRLC), and
- highlight how the Plan may be more than the “sum of the parts”.

Our approach

In responding to these requirements, we adopted a flexible and pragmatic approach to working with the WellingtonNZ and GWRC teams, acting as independent advisors and critical friends. Working alongside the WellingtonNZ team, we engaged with the Project Steering Group to review the emerging direction of the Plan and facilitated a session with the WRLC, with a focus on confirming the purpose and vision of the WREDP.

Recognising the importance of ensuring our advice was based on a firm evidence base, we also drew upon the latest available Infometrics data to prepare an up-to-date and comprehensive review of the prosperity and wellbeing of the regional economy. This evidence base was shared with the Project Steering Group and incorporated in the Plan as it was drafted.

Initial observations and advice

Following our appointment to the role of independent advisors, we reviewed the outputs from the Phase 1 desktop review, which considered the wider extant local, regional and central government plans relevant to the Wellington region, as well as the outputs from subsequent stakeholder engagement and workshops.



Our initial observations and advice to the Project Steering Group was to ensure that as the Plan was developed:

- there was an articulation of how the Plan related to and built upon the wide range of local, regional, and national strategies that had been reviewed in Phase 1
- that particular attention was paid to how the Plan related to key regional strategies, including the Wellington Regional Growth Framework and forthcoming Wellington Regional Workforce Plan
- that each of the five dimensions of government’s PRISM framework were clearly reflected in the Plan.

Our initial review also recommended that alongside the stated purpose of the Plan, which at that point was “to guide the long-term direction and assist the region to prioritise, fund and deliver high impact economic initiatives over the next 5 – 10 years to create jobs and improve quality of life”, there needed to be a set of associated strategic objectives, which would reflect the vision and purpose of the Plan.

In addition, we also highlighted the need to ensure that there was clear underpinning evidence to support the focus on the proposed sectors and enablers, around which the Plan was to be organised. This observation highlighted the need for an up-to-date evidence base, which was subsequently prepared by MartinJenkins and provided as an input to support the development of the Plan.

Response and further advice

In response to our initial observations and advice, work was undertaken by the WellingtonNZ team to prepare a strategic framework which set out a vision and strategic objectives of the Plan. This framework was informed by a workshop with the WRLC, which was facilitated by MartinJenkins.

The underpinning evidence, which provided a review of prosperity and wellbeing across the Wellington region, highlighted that overall, the Wellington region was achieving mixed results, with:

- moderate GDP growth and good performance on indicators of wellbeing and labour market participation/utilisation
- relatively slow employment and population growth, but
- high productivity and income levels.

Considering this, we identified two subsequent challenges that we recommended should be reflected in the Plan, these being:

- The region’s limited employment and population growth to date and potential future projections may constrain the ability of the region to achieve its desired employment objectives. Priorities and actions that will attract and retain migrants and labour in the region would be important.
- There are significant differences in economic and wellbeing indicators across local authority areas and ethnic groups, with economic outcomes not evenly distributed across the region nor its communities. Priorities and actions that help to reduce disparities across local authority areas and communities would also be important.

Our review of the proposed sectors and enablers, drawing upon the available data, also identified a series of challenges and opportunities for the regional and sub-regional economy. These opportunities and challenges were subsequently shared with the Project Steering Group and each of the designated chapter leads.



Based upon the review of sectors and enablers, we recommended that:

- Consideration should be given to ensuring that the objectives and actions contained in the final Plan recognise the importance of attracting and retaining migrants and a skilled workforce to support growth and competitiveness of the region
- The Plan acknowledges and seeks to reduce some of the apparent disparities across local authority areas where they are impacting inclusive growth outcomes and the region's overall competitiveness
- A clear set of sector definitions are applied to each of the identified sectors and there is a clear intervention logic for how sectors are grouped together and the impact of variations in industrial structures across the region
- For those sectors that are excluded from the Plan, but are of significance to the regional economy, there should be a clear articulation as to why, including where these sectors are seen as priorities for other regional plans and strategies
- In finalising the Plan, and each of the supporting chapters, consideration should be given to the identified challenges and opportunities for sectors and enablers and how these are reflected in the proposed initiatives.

Enabling a low carbon economy

As part of the independent review, MartinJenkins was also asked to provide advice on how the Plan addresses and responds to the principle of enabling and contributing to the shift to a low carbon economy.

In considering this aspect we looked at:

- why there is a need to address low carbon economy
- what we mean by low carbon economy, and
- how the Plan ensures it is enabling and contributing to a low carbon economy.

Based on our assessment of these issues, we recommended that:

- The overarching strategic framework for the Plan includes reference to the importance of supporting the transition to a low carbon economy
- Consideration should be given to the differences in emissions between sectors and sub-regions and how this might be reflected in proposed actions and initiatives within the Plan.
- There is alignment between the Plan, proposed initiatives and the emerging direction of the Wellington Region Emissions Reduction Strategy, with a view to revisiting aspects of the WREDP once the Emissions Reduction Strategy is complete
- The policies applied to the Plan need to be aligned and consistent across the various domains and activities. They should be consistent with the low-carbon strategy once it is agreed
- Programmes and actions within the Plan should consider their environmental impacts and should not increase carbon emissions
- Offsets should not be considered a solution to addressing actions that increase carbon emissions.



- The potential environmental impacts (positive and negative) of proposed interventions are considered as part of the assessment and selection process.

Responding to wider trends and drivers

In undertaking our independent review, we also highlighted the need to consider the wider set of trends and drivers that had the potential to influence the future direction of the regional economy, and recommended that:

- The strategic context for the Plan recognises the key trends, drivers and strategic uncertainties that could impact the future direction of the regional economy and keeps these under review, adjusting future activities as required
- Each of the chapters within the Plan considers the trends and drivers as well as their likely impact on the sector or enabler in question
- As part of future reviews, consideration should be given to a wider scenario-based assessment of the regional economy and the actions that are necessary to support positive future scenarios and address negative ones.

Governance and implementation

MartinJenkins were also asked to consider possible governance options and implementation arrangements for the Plan. In providing this advice, we highlighted the previous review we undertook of GWRC's role in economic development, which addressed many of the same issues. In considering the emerging options that had been suggested we recommended that:

- There was a focused discussion with the Project Steering Group on the emerging proposals to support governance and implementation of the Plan.
- Consideration was given to roles and responsibilities of different organisations and bodies regarding the key functions of governance, programme co-ordination and project management.
- The assessment and advice contained in the 2019 review of GWRC's role in regional economic development was considered in the proposals relating to this Plan.

Review of the draft and final Wellington Regional Economic Development Plan

After our initial advice and assessment, MartinJenkins were provided with a copy of the draft Plan for review. At this point the recommendations set out above had been considered by the Project Steering Group and chapter leads and were reflected in the draft as deemed appropriate.

Detailed comments were provided on the draft Plan and three overarching observations were made for consideration:

- Ensure greater consistency in the way each of the chapters were set out and structured, including the level of detail and data presented in support of the priorities for each chapter
- Provide greater clarity on how identified priorities and actions intersect with other regional plans and strategies
- Demonstrate the intervention logic for proposed regional initiatives, given the identified challenges and opportunities.



In preparing the final Plan, the WellingtonNZ project team considered our advice, as summarised above, as well as feedback from other reviewers from Local Government, Te Matarau a Māui, and AATEA Solutions. In presenting the final Plan for approval to the Project Steering Group, the project team provided their assessment of how each of our recommendations had been considered and addressed in the final plan. Table 1 reproduces the assessment provided by the project team.

Table 1: Response to MartinJenkins advice and recommendations

MartinJenkins advice	WellingtonNZ response	WellingtonNZ assessment
Strategic framework		
<p>The final WREDP should contain a clear overarching strategic framework that demonstrates the connection between vision, purpose, aims, objectives and activities.</p>	<p>An Overarching Framework has been incorporated into the Plan to provide a line of sight between the vision, strategic objectives, approaches and focus areas.</p>	<p>Sufficiently addressed</p>
<p>The framework and proposed initiatives are supported by a robust evidence base that considers the key challenges and opportunities facing the Wellington regional economy.</p>	<p>The analysis undertaken by Martin Jenkins has informed the Overarching Framework and been considered in the assessment of initiatives. Evidence of the challenges and opportunities is referenced (footnotes) in each chapter on sectors and enablers.</p>	<p>Sufficiently addressed</p>
Wellington regional economy		
<p>Consideration should be given to ensuring that the objectives and actions contained in the final Plan recognise the importance of attracting and retaining migrants and a skilled workforce to support growth and competitiveness of the region.</p>	<p>One of the Plan's strategic objectives is to build our workforce, and the Plan contains a range of initiatives to support developing and utilising a skilled workforce. The importance of migrants is reflected in the visitor economy chapter, air connectivity and support through initiatives such as the Inclusive Employment Programme.</p>	<p>Sufficiently addressed</p>
<p>The Plan acknowledges and seeks to reduce some of the apparent disparities across local authority areas where they are impacting inclusive growth outcomes and the region's overall competitiveness.</p>	<p>The context/regional snapshot section recognises the disparities across local authority areas and for Māori and Pasifika, and the plan's vision and strategic objectives reflect the need to improve our quality of life and enable all to thrive.</p>	<p>Sufficiently addressed</p>
<p>A clear set of sector definitions are applied to each of the identified sectors and there is a clear intervention logic for how sectors are grouped together and the impact of variations in industrial structures across the region.</p>	<p>ANZSIC codes have been used to collate sector data and will ensure sector progress can be monitored consistently. Sector definitions were challenging for Screen, Creative and Digital and STEM however a set of definitions has been agreed to consistently measure against in the future.</p>	<p>Sufficiently addressed</p>
<p>For those sectors that are excluded from the Plan, but are of significance to the regional economy, there should be a clear articulation as to why, including where these sectors are seen as priorities for other regional plans and strategies.</p>	<p>The context of the Plan outlines why government, professional services, construction and health are not addressed as individual sectors in the plan, and how they will be addressed. For example, Health and Construction are largely workforce related and subsequently included in the Regional Workforce Plan being developed by the Regional Skills Leadership Group.</p>	<p>Sufficiently addressed</p>



MartinJenkins advice	WellingtonNZ response	WellingtonNZ assessment
<p>In finalising the Plan, and each of the supporting chapters, consideration should be given to the identified challenges and opportunities for sectors and enablers and how these are reflected in the proposed initiatives.</p>	<p>Chapter leads and WellingtonNZ supports have highlighted in issues and opportunities in each chapter and included initiatives which will help to address these. Not all issues and opportunities will be addressed in the first REDP and new initiatives will be included in future refreshes of the REDP.</p>	<p>Sufficiently addressed</p>
<p>Low carbon economy</p>		
<p>The overarching strategic framework for the Plan includes reference to the importance of supporting the transition to a low carbon economy.</p>	<p>One of the strategic objectives included in the Overarching Framework reflects this.</p>	<p>Sufficiently addressed</p>
<p>Consideration should be given to the differences in emissions between sectors and sub-regions and how this might be reflected in proposed actions and initiatives within the Plan.</p>	<p>Emissions are reflected by sub-region and sector in the regional snapshot. Proposed actions that support a transition to a low carbon economy are identified in the initiatives table with an icon - for example CleanTech, land use change, and the Western Growth Corridor Food and Beverage Programme. The Regional Emissions Reduction Plan is likely to have more targeted initiatives as a key focus.</p>	<p>Sufficiently addressed</p>
<p>There is alignment between the Plan, proposed initiatives and the emerging direction of the Wellington Region Emissions Reduction Strategy, with a view to revisiting aspects of the WREDP once the Emissions Reduction Strategy is complete.</p>	<p>The Wellington Region Emissions Reduction Strategy is acknowledged in the Plan but still being developed. Further alignment can be made when our Plan is refreshed in 12-24 months' time.</p>	<p>Sufficiently addressed</p>
<p>The policies applied to the Plan need to be aligned and consistent across the various domains and activities. They should be consistent with the low-carbon strategy once it is agreed.</p>	<p>Consistent criteria have been used to assess initiatives for the Plan and to consider the impact on sustainability and our transition to a low carbon economy.</p>	<p>Sufficiently addressed</p>
<p>Programmes and actions within the Plan should consider their environmental impacts and should not increase carbon emissions.</p>	<p>One of the PRISM-based criteria used to assess initiatives was "Makes positive steps towards a low-carbon economy and the sustainable use of natural resources to ensure we won't negatively impact future generations."</p>	<p>Sufficiently addressed</p>
<p>Offsets should not be considered a solution to addressing actions that increase carbon emissions.</p>	<p>Considered as outlined above. Offsetting carbon emissions is not considered as part of the review process or future refreshes of the REDP.</p>	<p>Sufficiently addressed</p>
<p>The potential environmental impacts (positive and negative) of proposed interventions are considered as part of the assessment and selection process.</p>	<p>Where an initiative may lead to increased carbon emissions, the rational for and against it has been considered during the shortlisting process.</p>	<p>Sufficiently addressed</p>
<p>Trends and drivers</p>		
<p>The strategic context for the Plan recognises the key trends, drivers and strategic uncertainties that could impact the future direction of the regional economy and keeps these under review, adjusting future activities as required.</p>	<p>Trends, drivers and strategic uncertainties are addressed in an annex to the Plan and will continue to be considered as the Plan is implemented and when it is refreshed in the future.</p>	<p>Sufficiently addressed</p>



MartinJenkins advice	WellingtonNZ response	WellingtonNZ assessment
Each of the chapters within the Plan considers the trends and drivers as well as their likely impact on the sector or enabler in question.	The independent advice report was provided to all Steering Group members and WellingtonNZ supports to refer when drafting their chapters. Each chapter has subsequently been reviewed by the Programme team and Martin Jenkins.	Sufficiently addressed
As part of future reviews, consideration should be given to a wider scenario-based assessment of the regional economy and the actions that are necessary to support positive future scenarios and address negative ones.	The Plan's work programme could include further analysis and scenario-based assessment in the lead up to refreshing the Plan, to ensure the right actions continue to be prioritised to make the best possible impact. Action: The Steering Group should consider whether they would like to undertake Scenario planning and if so, the timing.	Partly addressed with additional steps to be taken.
Governance and implementation		
There is a focused discussion with the Project Steering Group on the emerging proposals to support governance and implementation of the Plan.	The implementation paper was agreed at the May 2022 Steering Group meeting.	Sufficiently addressed
Consideration is given to roles and responsibilities of different organisations and bodies regarding the key functions of governance, programme co-ordination and project management.	Implementation section in the REDP summarises the roles and responsibilities at a high level. Terms of Reference for the Steering Group will be refreshed and PMO established within WellingtonNZ.	Sufficiently addressed
The assessment and advice contained in the 2019 review of GWRC's role in regional economic development are considered in the proposals relating to this Plan.	The implementation paper was agreed at the May 2022 Steering Group meeting.	Sufficiently addressed

Concluding observations

MartinJenkins role as independent advisors was to provide an external perspective to support the project team and Project Steering Group as they prepared the Plan for approval by the WRLC. Our perspective was one of many that had to be considered in preparing the Plan and ultimately the Plan will be owned by the organisations that have collaborated to produce and approve the document.

As independent advisors, it has been clear to us that the process that has been followed in preparing the Plan has been highly collaborative and transparent. Regional and iwi partners, other stakeholders and industry have been part of the process and have played a key role in identifying potential initiatives.

The project team and Project Steering Group have considered our independent advice and recommendations and responded to them in the way that they felt was appropriate to the outcomes they were seeking to deliver. Throughout the process the response to our advice has been openly received and pragmatically reflected. As set out in the table above, the project team can clearly demonstrate how they have considered the received advice and where that has been incorporated in the final Plan.



The Plan provides a clear direction for the regional economy and an initial set of initiatives that are intended to realise the vision and strategic objectives set out in the Plan. Moving forward, the challenge for all the partners involved in the preparation of the Plan is one of implementation and ongoing review. On this basis, our final advice to the project team is to continue to monitor progress against the initial set of agreed actions and initiatives and to ensure that as they are progressed it is clear how they are responding to the identified regional challenges and opportunities, and proactively identify additional interventions required to meet the vision and strategic objectives of the Plan.

