

8 February 2012

Paul Mersi
Chairperson
Grow Wellington
PO Box 10-347
Wellington 6143

Dear Paul

Thank you for your letter to the WRS Committee members dated 3 November 2011. The Committee appreciates the time that you and the Board have put into thinking about the future of the Wellington Regional Strategy.

The Committee would like to work closely with the Board during the process of refreshing the Strategy, and acknowledges that the Board is keen to be involved.

The note attached to your letter raised some points that the Committee thought it would be helpful to respond to. For clarity, the points raised by the Board have been italicised.

We see two key areas that need significant improvement: the reconciliation of differing views amongst the owner/funder stakeholders, and the translation of owner/funder stakeholder expectations into clear guidelines and objectives for the implementation agency.

While there will always be some differences in views amongst the Council stakeholders, the WRS Committee is the forum to discuss and resolve these differences of views. The Committee is the representative of the shareholder and as such is the primary point of contact for the Board.

The WRS Committee will prepare annually a letter of expectation for the Board, for consideration as part of the Board's annual planning and Statement of Intent (SOI) process. The WRS Committee also expects the Grow Wellington Board to bring to it any issues that might arise through the year. In addition to these measures the Committee anticipates joint sessions through the year with the Grow Wellington Board to enable issues and opportunities to be raised and addressed.

While the Committee will provide clear instructions to the Board about its expectations, realistically these will not be able to be expressed in absolute detail. Ongoing communication between the Board and the Committee will be required as activities are progressed.

There is a need to review and, if necessary, redefine what constitutes the Wellington region, i.e. which TAs are in and which are out.

All the Wellington region's councils are included in the Strategy. The Mayors and the Greater Wellington Chair have all made a commitment to work together to improve the economic wellbeing of the region, and all will be members of the WRS Committee.

Some owner/funder stakeholders do not appear to be indifferent as to where in the region activities are focused/based and economic growth occurs.

Activities should occur where it makes sense from a regional economy perspective. It is expected that activities will occur throughout the region, but the Committee does not expect a rationing approach to activities, i.e. a deliberate spread of activities. Parochial interests should not influence the decisions of Grow Wellington.

The Committee expects that Grow Wellington will communicate to the stakeholders the benefits of its activities to the overall region, even when activities happen in only one part of the region.

Not all owner/funder stakeholders seem to have a genuine patience for long pay-back initiatives (5-10 years plus).

The WRS Committee understands and accepts that many economic development activities are long-term. It is important that these types of activities are carefully and strategically considered before investment is made to minimise risks associated with their long term nature and ensure there are ongoing reviews of effectiveness so that adjustments can be made if needed.

The Committee expects that Grow Wellington will have clear progress measures to ensure the ultimate outcomes are likely to be achieved through the life of the activities, including assessing the viability and value of the projects in a changing economy.

The Wellington Regional Strategy cannot be as static as it has been; it must become more adaptable.

The WRS Committee agrees with this. It was also one of the key findings of the Martin Jenkins review of the WRS. The Committee has made a commitment to a continuous review of the Strategy, which is anticipated to result in changes to the Strategy more frequently than in the past. To this end, it is resourcing itself to both monitor changes and issues in the economy in the Wellington region and assess the relevance of the WRS. The Committee expects the Grow Wellington Board to be actively engaged in ongoing reviews and changes to priorities through its own knowledge of the economy.

There is need to clarify certain terms and concepts in the Wellington Regional Strategy.

This definition is expected to be achieved through the setting of outcome and output measures for the WRS. This will be done through the first half of 2012 as part of the WRS refresh. It is expected that Grow Wellington will work with the Committee in identifying these measures.

Clarity is required on whether growth in the Wellington region should come at a cost to other regions in New Zealand. In our view, while attracting international business and opportunities

should remain a priority, the revised approach to the WRS must recognise the increased competitiveness of other regions in NZ.

It is important that the Wellington region is as competitive as possible. The Committee agrees that opportunities to grow the economy should be taken where they exist, including encouraging businesses to the region. Grow Wellington should also take opportunities to collaborate with other regions where this will benefit the Wellington region economy. Initiatives will be developed as part of the definition of Focus Area 4: Attracting business, investment and talent to the region.

The WRS must take a position on the relative importance of various sources of economic growth.... While an export-orientated international focus should generally offer best opportunities for growth, there should be flexibility to take advantage of other growth generators.

The WRS will continue to focus on exports as one of the key contributors to economic growth. However this will not be the exclusive approach of the Strategy and the Committee expects Grow Wellington to work with businesses that operate primarily in the NZ domestic economy, that have the potential to significantly grow the Wellington regional economy.

The region's real and material points of difference (vis NZ and internationally) must be agreed and consistently used as a basis for the economic and business development activities across all agencies and stakeholders.

The Committee agrees with this statement. One of the tasks that will need to be done under the refreshed WRS is to look at how we market the region to attract investment and talent. The Committee expects Grow Wellington to work with the Councils and other agencies (e.g. Positively Wellington Tourism) so this work is coordinated and complementary.

Key areas of Grow Wellington activity

The Committee strongly supports the Board's commitment to:

- Improve the quality of Grow Wellington's interaction with all stakeholders
- Improve the monitoring, measurement and reporting of achievements and outputs
- Continuous prioritisation of Grow Wellington's spending across activities through an increasingly disciplined and outcome-driven focus.

The Board has highlighted a number of key areas of its work as adding real value to the economy. The continuation of these activities will be addressed through the WRS refresh process.

Yours sincerely

Sir John Anderson
Chair, Wellington Regional Strategy Committee