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Report to the Policy and Finance Committee
from Helen Wood, Corporate Policy Advisor,
Greg Schollum, Chief Financial Officer and
Howard Stone, General Manager

Economic Wealth in the Greater Wellington Region and the Olympics Opportunity

1. Purpose

To report to the Committee on a formal proposition for funding requested from the Wider Wellington Olympics Trade Focus Group (WWOTFG) and to comment on the wider context of economic development in the Region.

2. Background

The Policy and Finance Committee received a report from Councillors Ian Buchanan and Margaret Shields on 7 September 1999 (report 99.509), which suggested that the Council should give consideration to a proposal designed to take advantage of economic opportunities for the Wellington Region arising from the Sydney Olympics. Suzanne Snively, representing the WWOTFG, made a presentation to the meeting outlining these economic opportunities and requested funding from the Council of at least \$350,000. As a result of the presentation the Council resolved to:

- *Support in principle making a financial investment in the promotion of the Greater Wellington Region economy, so adding to its ability to maximise the ongoing wealth opportunities created by the Sydney 2000 Olympic Games.*

- *Invite the WWOTFG to present a formal proposition for funding to the Council.*
- *Request officers to work with the WWOTFG towards devising a structure and accountability regime consistent with responsibly managing public expenditure, on a programme of this type.*

Councillors indicated at the 7 September meeting, that the Olympics initiative should be seen in the broader context of a co-ordinated ongoing economic development strategy for the Region. Thus the Olympics should be seen as the catalyst to stimulate a longer-term programme to encourage economic growth in the Region and to enhance ongoing business relationships between the regions of Wellington and New South Wales, rather than be seen as the primary focus.

At the time of finalising this report the WWOTFG has not yet submitted a formal proposition to the Council for funding as required by resolution 2 above. Unfortunately, therefore, officers are not in a position to analyse the funding request and as such we will need to report back to a future meeting of the Policy and Finance Committee.

3. Current Regional Economic Initiatives

It is important, in our view, that when the WWOTFG proposal is received it is seen in context.

In addition to the WWOTFG initiative, there are a number of existing regional economic development and tourism initiatives and programmes. The geographical regions for these programmes do not necessarily match the Regional Council's boundaries.

3.1 Five Cities and Invest Wellington

The Five Cities Economic Development Group is a joint venture between the economic development agencies of the cities of Wellington, Hutt, Upper Hutt, and Porirua and Kapiti Coast District Council. Its objective is to undertake regional economic development programmes which result in increased business sustainability, employment and investment within the Wellington urban area.

The key programme of the Five Cities Group is the regional investment strategy "Invest Wellington". The programme is jointly funded by the Five Cities and a number of private sector partners. Invest Wellington is an investment attraction campaign to encourage businesses, particularly from overseas, to the Wellington region. The programme is project managed by a full time advisor within Wellington City's economic development agency (Capital Development Agency).

3.2 **Totally Wellington and Centre Stage**

Totally Wellington is a trust funded by the Wellington City Council to market the City as a visitor destination. One of its key strategies is “Centre Stage”, an international marketing joint venture partnership to promote the top of the South Island and the bottom of the North Island. The Centre Stage group is a collective of regional tourism organisations and key tourism suppliers from the region covering the cities of Wellington, Hutt, Upper Hutt and Porirua and the districts of Kapiti Coast, Wairarapa, Nelson and Marlborough. The group works to educate the travel trade and ultimately the international consumer about tourism opportunities in its region.

3.3 **Wairarapa Economic Development**

A Wairarapa Economic Development Working Party was formed in 1997 to devise economic development initiatives, one of which was the Wairarapa Economic Summit held in September 1997. The result of the summit was recognition of the need to encourage greater co-operation between sector groups and the need for a co-ordinated marketing effort. A Wairarapa brand and marketing campaign (Wairarapa - Right On Balance) was launched last year.

3.4 **Chief Executives’ Scoping Study**

The chief executives from the local authorities in the Wellington Region including the Regional Council, have agreed that they are concerned about the economic outlook for the Wellington Region and that a regional approach needs to be taken finding appropriate solutions. A consultant has been commissioned to undertake a study to review:

- how best to attract business
- how to retain business
- how to expand tourism in the Wellington Region.

The study is due for completion in late October 1999.

3.5 **Publication of Regional Economic Data**

As requested through the Long Term Financial Strategy (LTFS) workshop development series, officers are presently looking at Council’s role in the provision of regional economic information. As Councillors will be aware the Council used to publish two quarterly reports, *Economic Trends In The Wellington Region* and *Wellington Region Quarterly Survey Of Business Opinion*. Since discontinuing these publications two years ago, the Council has received a number of requests to resume this role. Officers are currently investigating what the needs for regional economic data are and what is the best way to make this information publicly available, including the possibility of partnerships with other interested parties.

4. What is the process for looking at the Council's role in Regional Economic Development?

As Councillors have already suggested, the Council needs to take a long term strategic view of economic development in the Region. While a catalyst such as the Olympics may be necessary to stimulate sustainable economic growth, it should be part of a broader long term strategy. It is therefore something which is appropriately dealt with in the context of Council's next LTFS, along with other Council priorities.

Officers have already made some progress in investigating Council's role in providing regional economic data and by supporting the regional Chief Executives' scoping study on economic development. This study will assist the Council in formulating its position on regional economic development as part of the next LTFS.

5. WWOTFG Proposal

As no formal funding request has yet been received from the WWOTFG, officers have not been able to form any views on the soundness of the WWOTFG proposal (aimed at capitalising on the economic opportunities arising from the Sydney Olympics) or on the appropriateness of the proposed accountability arrangements.

6. Next Steps

Officers will need to report back to the next appropriate Policy and Finance Committee meeting in respect of:

- The WWOTFG funding proposal
- The results of the Chief Executives' scoping study on economic development

in addition to providing a further update on the Council's role in providing regional economic data.

7. Communications

There is nothing substantive to report at this time.

8. **Recommendations**

- (1) *That the report be received and the contents noted.*
- (2) *That the Committee request officers to report back to the next appropriate Policy and Finance Committee meeting in respect of:*
 - *The WWOTFG funding proposal*
 - *The results of the Chief Executives' scoping study on economic development*

in addition to a further update on the Council's role in providing regional economic data.

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