

Greater Wellington Regional Council: Horizon scan

The changes we are expecting across our region

Understanding our future environment and the possible impacts on the region underpins much of our forward planning.

We have developed an evidence-based picture of what we could expect in the region over the next five to 30 years. It is a process that ensures we are a forward-thinking council with an outward focus. These projections are only the best estimate we can make at the time with the information available. However, when consistently applied to our work, they can aid us in being better prepared for the future. The projections have been applied across all of our work and are relatively consistent with the assumptions being made by the territorial authorities in our region.

The areas of change identified that may have significant impact on our role, our services, and our finances include:

- Population and demographic change
- Economic uncertainty, affordability challenges, and resource shortages
- Increasing risk from environmental change, climate change, and natural hazards
- Partnership with mana whenua and Māori
- Changes to Government and legislation
- Technological advancements and the future of work.

Population and demographic change

It is assumed the region will continue to experience steady growth, however, population projections have been revised downwards over the short and medium term.

164,000 additional residents are estimated over the next 30-years. This figure has been revised downwards since our previous assumptions in the 2021-31 Long Term Plan. The complex nature of the variables involved with population and demographic change creates a significant amount of uncertainty and flexibility. These uncertainties increase the further from the present day the projection runs.

Population growth is not expected to be evenly distributed across the Region. Wellington and Lower Hutt are expected to experience the biggest population increases. However, Masterton and the Wairarapa are projected to experience the highest rate of growth in the Greater Wellington Region.

Over the next 10 years, our Region is likely to become more culturally and ethnically diverse. There is the expectation of a growing Māori and Pacific population, particularly in Porirua and Lower Hutt. The Māori population in the Wellington Region is projected to grow between 0.7 and 2.5 percent annually between now and 2043. Growth in the Pacific population is projected to grow between -0.3 and 2.5 percent between now and 2043. The population of people of Asian descent is also projected to grow in the Region, with forecasts between 0.7 and 4.3 percent annually between now and 2043.

An increasingly aged demographic is expected with rates of population growth being highest at age 50 and over. This is a continuation of a long-term trend. The share of the population aged over 70 is expected to rise from 10 percent to 15 percent over the next 30 years.

General growth, combined with an aging population, will likely place increased pressure on a wide range of services and resources. It also has the potential to put pressure on the natural environment and the health of our waterways.

Economic uncertainty, affordability challenges, and resource shortages

The New Zealand economy is facing multiple challenges that are contributing to an increasingly uncertain outlook. Mixed performance across the economy is forecasted, particularly in the short-term.

High interest rates have reduced domestic demand and a slower global economy has weighed on New Zealand's exports. The increases in costs for communities and the associated equity challenges are expected to continue. The period of slow growth drives further slowing in the labour market, with the unemployment rate expected to increase.

The Treasury forecast the economic slowdown to persist through 2023 and 2024. Interest rates are expected to fall and growth is expected to pick up, averaging 2.8% per year from 2026 onwards. Unemployment is also expected to trend downward from 2026 onwards. Like our population projections, uncertainty increases the further from the present day the projection runs.

The Wellington Region has a diverse economy made up of different industries. The most dominant industry is professional, scientific, and tech services, which constitutes 21.4 percent of the Region's working population. Property operators, real estate services, and construction services are also strong industries in the Region. A small proportion of the Region, 3.3 percent, works in agriculture, forestry, and fishing.

Increasing risk from environmental change, climate change and natural hazards

The Wellington Region is expected to continue to experience more frequent and intense rainfall events, particularly in Western areas, due to the impacts of climate change. The Wairarapa is expected to experience longer duration and more frequent drought events. The number of hot days will likely increase, and the number of frosts will decrease. Sea level rise and more frequent and intense coastal flooding and erosion is expected. Inland we are likely to see more intense river flooding, and increased landslides. The annual average temperature is expected to rise.

The Wellington Region will continue to be at risk from adverse natural events including earthquakes, tsunami and, increasingly, wildfires due to climate change.

The state of biodiversity in New Zealand is considered to be in a state of crisis. Pressures including introduced invasive species, changes in land, water and sea use, direct exploitation and harvesting (including water extraction), pollution and the increasing threat of climate change have and will continue to contribute to this decline.

Partnerships with mana whenua and engagement with Māori

Working in partnership with mana whenua and engaging with Māori is of significant importance to Greater Wellington. We are committed to improving opportunities for mana whenua to be meaningful partners to our decision-making processes.

Frameworks and models that incorporate mātauranga and te ao Māori are increasingly being used to inform Greater Wellington's environmental management, policy, processes and decision-making. Expectations to give adequate effect to the principles of Te Tiriti o Waitangi is also increasing. Te Tiriti o Waitangi provides a foundation for recognising the rights and interests of Māori.

There is the expectation of more Treaty settlements to be concluded in the Wellington Region over the next 10-years, and post settlement opportunities arising. This will come with a number of improved economic and wellbeing outcomes for our partners and the Region.

Changes in Government and legislation

It is important we align with Government direction, while also delivering on existing commitments. Local Government has been facing the most significant period of legislative review and reform in 30 years. This significant programme of Government reforms presents impacts across governance structures, operational capacity, roles, responsibilities, and financial capacity.

A newly formed Government Coalition presents further change and new directions. While timelines and processes are not yet clear, the Government's initial policy priorities have been outlined in their 100-day plan, including:

- the immediate action to repeal the Natural and Built Environment Act (NBA) and Spatial Planning Act (SPA) reverting us back to the Resource Management Act (RMA)
- maintaining fast track consenting while a permanent regime is developed,
- indicating its long-term goals include developing new legislation to make it easier to develop new legislation for housing and infrastructure, enable primary industry, and better balance environmental protection,
- further action is expected early in the new year to repeal all legislation relating to water services entities (contained in the Water Services Entities Act 2022, Water Services Entities Amendment Act 2023, and Water Services Legislation Act 2023) also known as Three Waters. In addition, the National Policy Statement for Freshwater Management 2020 will be reviewed and replaced.

For local government this evolving direction carries significant levels of uncertainty which we must prepare to navigate and respond to in ways that will have the best outcomes for our region.

Technological change, information, and future of work

Advances in technology will continue to be ongoing, rapid, and unpredictable. New products and capabilities will likely change many aspects of the way we live and communicate, and enable Greater Wellington to improve the delivery of its services. It may also bring real risks that require policy and institutions to guide its design and use.

An overabundance of information – some accurate and some not – increasingly making it hard for communities to find trustworthy sources and reliable guidance when they need it.

There is the expectation of increasing workforce diversity, and a wider and more inclusive perspective in decision-making.

Widespread remote work may remain a permanent feature of the future working environment, catalysed by the experiences made during the COVID-19 crisis. Research suggests many workers value the ability to work from home and are willing to change jobs or accept lower wages in order to continue working from home.