

2. Executive Summary

The Wellington region has many positive factors that offers it an optimistic future, provided we act now. We have strategic advantages in some sectors, and a good base on which to build economic development activity. A federation that offers strategic leadership, and draws together those agencies currently responsible for economic development, will best set the Wellington region on the path to prosperity.

Recommendations

- 1 Establish a regional economic development agency responsible for the majority of local authority economic development efforts. The regional agency should be the provider of all regional economic development activities within the next three years.
- 2 The outcomes the regional economic development agency should seek are:
 - Retention and growth of existing businesses
 - New businesses to the region, with a balance of both high value-added and quantity of jobs
 - Migrants, both internal and external, to the region
- 3 The role of the regional economic development -agency should be to work with businesses to:
 - Promote, marketing the region
 - Enable, making it easier to get things done
 - Facilitate, bringing people and organisations together
 - Advocate, by actively representing the region's interests
 - Collaborate, by working directly with organisations, businesses and groups
 - Demonstrate, by showing visionary and intellectual leadership
 - Inform, by coordinating and disseminating information.
- 4 That the agency should establish close linkages at a strategic level with tourism activities, but at the operational level should focus on business development.
- 5 That the region's strengths in the areas of:
 - Land based value-added processing
 - Information and value-added communications, including software development and call centres
 - Manufacturing – design/prototyping/innovation
 - National distribution centre
 - Design
 - Tourism including events and arts

- Film Production and related enterprises
 - Education
 - Government and Professional Services
- be recognised. These sectors should be the areas of initial focus.

6 That potential projects for the agency should include:

- Facilitation to achieve closer alignment between industry, research and education.
- Encouraging educational institutions to adopt an approach of “co-opetition”.
- Recognising and developing our region’s special educational strengths.
- Developing a support strategy for the film and television industry.
- Supporting a national distribution marketing campaign.
- Facilitation of a roundtable discussion with animal pharmaceutical companies to discuss scope for expansion with maximum complementarity of plant, equipment and skills.
- Evaluation of the potential for teleworking centres in outlying areas.
- Evaluation of the potential for more clusters.
- Developing a cluster approach for the science and technology-based agencies located in the region.
- Holding a venture capital forum.
- Promoting detailed design capabilities across the region.
- Recognising and developing our region’s uniqueness as a training centre for cultural activities.

7 That a trust be formed with no more than 10 trustees. The trust should be representative of the partnership involved in this initiative. The trust should seek charitable status.

8 Form an operating not-for-profit company, with seven directors (selected on merit, with regard to sector and intra-regional representation) appointed by the trust. The company’s board of directors would be responsible for appointing the chief executive of the regional economic development agency. Membership of the board of directors should exclude elected representatives from either central or local government.

9 That the board should immediately establish strategic direction for economic development in the Wellington region, and commence facilitation of major projects. In the medium term, the board should assume responsibility for programme delivery of major regional initiatives. In the longer term, the board should seek to deliver all regional economic development activities.

10 That local authorities’ contribution should be apportioned on the basis of a combination of population (.55) and net equalised capital value factors (.45).

This gives recognition to all the factors at play, but puts a higher weighting on population, where the benefit of more jobs will most be felt.

- 11 That local authority funding be on a three year rolling commitment, with outcomes negotiated annually between the Board and the Trust.
- 12 That an expression of interest be submitted for central government funding, and that this funding stream be vigorously pursued.
- 13 That private sector contributions be sought in two ways:
 - on a project basis, with private sector ownership and commitment gained at the early stage of any project; or
 - on a sponsorship basis. Indications of likely financial support were given by a small number of **organisations** throughout the Start Up Group's process, and the agency should test the possibility of private sector support for the agency's overall objectives.
- 14 That the agency should seek to secure a mix of funding streams, with significant funding being **sourced** other than from local government. Any evaluation of this should be after a three year period.
- 15 That a mix of performance measures be used to monitor overall and project progress.
- 16 That support be given to a change in local government legislation to allow the Regional Council to participate in regional economic development initiatives.