

ECONOMIC DEVELOPMENT STRATEGY

Absolutely

POSITIVELY

ME HEKE KI PŌNEKE
WELLINGTON CITY COUNCIL

Wellington





Smart Wellington
To attract, retain and
grow investment, to
create jobs, and to
support sustainable
economic growth in
Wellington City.

- ▶ Generating income and productivity growth at a faster rate than the economy as a whole.
 - ▶ Creating significant numbers of jobs in smart, innovative companies and helping those businesses go global.
 - ▶ Generating higher exports of knowledge-intensive goods and services.
 - ▶ Creating an environment where innovation can flourish, with an increasing economic contribution from research and technological development.
 - ▶ Developing ‘smart’ infrastructure to support Wellington’s creative, knowledge-intensive industries and firms.
- ▶ Partnering with local, regional and national organisations, recognising that the Council cannot act alone in achieving the aims of the strategy
 - ▶ Taking a business-friendly approach, recognising that Council activities directly affect business in a variety of ways
 - ▶ Adopting an evidence-based approach, drawing on relevant economic research and accurate intelligence about the issues currently facing businesses in the city
 - ▶ Recognising the fundamental drivers of growth, including innovation, skills, international connectedness, high quality infrastructure and public services

Platforms

Strategic Directions



Destination Wellington

Clearly define Wellington's competitive advantage and better communicate Wellington's strengths internationally.

Implement strategies to maintain Wellington's reputation as the arts, culture and events capital of New Zealand.

Continue to invest in City amenity infrastructure that supports events and showcasing activity.

The Smart Capital

Encourage links between Wellington's tertiary education and research institutions and the business community.

Support the growth and development of our creative, knowledge-intensive industries and professional services firms.

Create a business environment where innovation can flourish and where smart firms can access the resources they need to grow.

The Connected Capital

Strengthen international business and trade connections.

Advocate for infrastructure improvements within the city and region that will significantly enhance the economy.

Support access to good transport options between suburban areas and the CBD.

Open for Business

Foster a business environment where it is easy, efficient and affordable to invest and do business.

Protect and enhance the central city's role as the economic engine room of the region.

Support the development of vibrant suburban centres.

Strengthen the Council's links with economic stakeholders, underpinned by a strong understanding of the Wellington economy.

INTRODUCTION

The strategy was developed because of concerns about the urgent need for Wellington to respond to significant changes in the global economy, the increasing focus by central government on Auckland and Christchurch for investment, and the downsizing of the public sector in Wellington.

While the strategy provides the city with a long-term economic vision for the city, its primary focus is on priority areas to be progressed immediately to maximise the city's opportunities for economic growth. See Appendix 1 for an overview of the key actions proposed.

Wellington City has many economic advantages. It has a highly educated and skilled population and the country's most productive and well paid workers. Its status as the capital city and centre of government represents a distinct advantage, as does its reputation as the country's cultural arts and events capital and travel guide Lonely Planet naming it the world's 'coolest little capital'. It has a strong base of tertiary education and research institutions, a good entrepreneurial base and solid infrastructure. These attributes, together with the compact city centre, low environmental footprint, high-quality recreational and open spaces and attractive waterfront make for a highly liveable and competitive city.

“WE NEED TO BE **MORE PROACTIVE** IN ADDRESSING OUR RELATIVELY MODERATE INTERNATIONAL TRADE, MIGRATION, TOURISM AND INTERNATIONAL STUDENT CONNECTIONS.”

Despite these strengths, Wellington’s relatively narrow industry base makes the city vulnerable to structural shifts in dominant industries.

To exploit the latent potential of the city’s assets and combat these challenges, Wellington must do more to leverage its advantages to develop a stronger, smarter and more resilient economy consistent with the direction set in the Smart Wellington strategy. In particular, we need to be more proactive in addressing our relatively moderate international trade, migration, tourism and international student connections. It will be important for us to:

- ▶ better promote Wellington as a great place to visit, live, work and invest to attract, retain and grow business in Wellington
- ▶ better support and grow our knowledge-intensive industries
- ▶ build on our reputation as arts, culture and events capital
- ▶ better connect local industry to global markets through strengthened international business and trade connections
- ▶ ensure that core Council services are delivered in a business-friendly way.

Wellington City Council has an important role in supporting economic activity working alongside key delivery partners.

Key roles for the Council include promoting the city as a place to visit, work and do business, attracting events, providing public amenities, providing functional and resilient infrastructure, facilitating connections across the City, nationally and internationally, creating a business-friendly environment, and delivering the Council’s services in a business-friendly way.

Wellington’s economic success is intertwined with the performance of the wider region and the national economy. Many of the institutions and resources required for the city’s success and the success of the wider region are shared. An economic strategy for Wellington City must be integrated with the region’s economic strategy and central government’s economic growth agenda. As a consequence, it will need to be delivered in partnership with key partners locally, regionally and nationally.

This document sets out the contribution that Wellington City Council will make to economic development in the city over the period to 2015 and towards the vision of a Smart Capital – a world-class city delivering increased prosperity and quality of life for all Wellingtonians.

CONTEXT

Wellington City Council recently developed a high-level strategy that sets out the key directions for Wellington over the next 30 years to become a smart capital.





CONTEXT

This Economic Development Strategy provides the long-term economic focus that will support Wellington's progress towards that vision. There are also a number of key activities that can be undertaken in the short term (to 2015), that will contribute to the following goals:

- ▶ an open and welcoming city
- ▶ Wellington as a 'smart' city
- ▶ effective and efficient infrastructure
- ▶ city and regional connections that support economic growth and innovation
- ▶ highly productive international connections
- ▶ Wellington as an eco-city
- ▶ supporting the central city as the engine room of the wider city and region
- ▶ telling Wellington's story.

Wellington's economy is dominated by the public sector which provides nearly 20% of the jobs in the city. This sector provides underlying support for many other services and has traditionally been a source of stability in the economy.

In terms of output, the finance and insurance, business services and communications sectors are extremely important for Wellington, as they are responsible for creating 40% of the economy's output. These sectors serve not only local demand but also provide services nationally, and in some cases, internationally.

Wellington is also growing world-class firms and specialised skills in the creative industries, including film, design, digital animation and post production, gaming, IT solutions, software development and professional services.

These firms and industries are knowledge-intensive and highly productive. Indeed, the current industry mix and our highly educated workforce means that Wellington City enjoys the highest GDP per capita of any city in New Zealand.¹

Nonetheless, the Wellington economy remains sensitive to the performance of a few prominent industries. Recent projections by Market Economics suggest that any government austerity measures could have a significant impact on the city's economy.

The public sector will continue to be an important part of Wellington's economy, but the long-term sustainability of the economy hinges on making a transition to a broader and increasingly knowledge-based economy.

¹ Infometrics (2010). Wellington 2040 Economic Study, prepared for Wellington City Council.



“THE LONG-TERM SUSTAINABILITY OF THE ECONOMY HINGES ON MAKING A TRANSITION TO A BROADER AND INCREASINGLY KNOWLEDGE-BASED ECONOMY.”

There are promising signs that Wellington is headed in the right direction. According to Market Economics, ‘smart businesses’² will soon overtake public services as the dominant employer. However other parts of the economy will continue to remain important to the city, including the tourism, retail and hospitality sectors. The proposed strategy and actions respond to this need for a diversified business base to maximise economic growth within the city.

There has been significant investment in the physical infrastructure of the city which has contributed to its connectivity regionally, nationally and internationally. This has increased the city’s attractiveness to business, talent and investment. However there will be an ongoing need to invest in infrastructure to continue to improve quality air and shipping links; public transport services; the effectiveness of the roading system and the continued provision and upgrade of world-class ICT networks.

Transitioning to an economy where sustainable economic growth is derived from smart, innovative businesses will require:

- ▶ clarity about the city’s competitive advantage and an integrated approach to attracting and retaining talent and investment
- ▶ strengthening our international linkages, particularly our air links and broadband connectivity, so that firms in Wellington can strengthen connections with international markets and increase exports
- ▶ an environment in which innovation flourishes and where smart, innovative companies can start-up and grow
- ▶ a “can do” attitude from the Council in the way that we deliver our services.

The Council invests in a number of activities that support economic development in the city, including support for visitor attractions (eg Te Papa), provision of venues for events, tourism promotion, and support for business through Grow Wellington (funded regionally and governed by the Wellington Regional Strategy Committee). This strategy proposes retaining much of the focus of these existing activities and identifies some new areas for attention. There is an opportunity to undertake new activities and change how we currently do things to achieve better returns.

² The Market Economics definition of ‘smart’ businesses includes: Telecommunications, computer consultancy, business services and engineering. ‘Smart’ businesses are as a segment of Wellington’s businesses using knowledge and technology intensively during every day operations including businesses such as telecommunications services, computer consultancies, engineering, business management and professional business services. ‘Smart’ also refers to the way businesses operate, using technology or innovative processes to add value.



AIM

The aim of this strategy is to attract, retain and grow investment, business and talent, to create jobs, and to support economic growth in Wellington City. The actions outlined in the strategy will make an important contribution to our goal of being globally recognised as a ‘smart’ capital.



A smart capital requires an internationally competitive and innovative economy that is resilient to change. Such an economy would:

- ▶ generate income and productivity growth at a faster rate than the economy as a whole
- ▶ create significant numbers of jobs in smart, innovative companies and attract talent and investment to help take those businesses global
- ▶ generate higher exports of knowledge-intensive goods and services off the back of strengthened international trade and investment connections
- ▶ create an environment where innovation can flourish, with an increasing economic contribution from research and technological development
- ▶ develop 'smart' infrastructure to support Wellington's creative, knowledge-intensive industries and firms.

Wellington has all the attributes it needs to grow a knowledge-intensive economy. It is growing world-class firms and competitive advantages in the creative and digital industries. We have a strong skills base on which to build, and significant knowledge capital in our educational and research institutions.

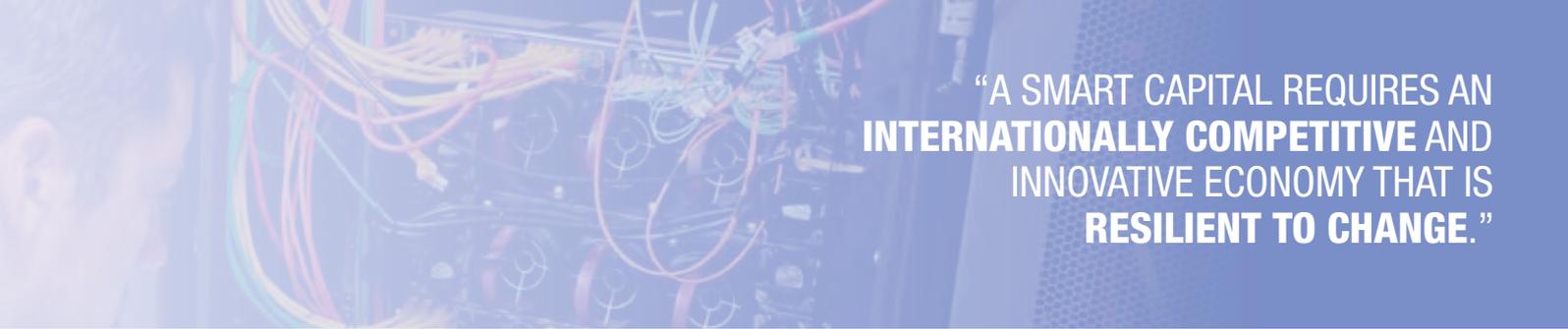
Supporting Wellington to become even more vibrant, eco-friendly, resilient, diverse and internationally connected will be good for the city, good for the region and good for the national economy.

Targets

The overriding goal of this strategy is to put Wellington on the path to a 10% increase in GDP per capita in the 10 years to 2021, growing to 21% by 2031. Wellington City GDP currently stands at \$12.8 billion. The 10% growth target in GDP per capita growth over 10 years translates as an additional \$1.4 billion or 11% in value added to the economy by 2016, \$2.7b (21%) by 2021 and \$5.4 billion (or 42%) by 2031. This is consistent with delivering the net 10,000 jobs that the strategy aims for.

Key targets include:

- ▶ creating a net 10,000 new jobs across the economy by 2015: 50% in smart, knowledge intensive businesses
- ▶ increasing the number of new projects involving foreign direct investment in Wellington firms from the current base of 25 to 50 by 2021
- ▶ increasing exports by \$0.5 billion by 2021 (an average annual growth rate of 3.25%).



“A SMART CAPITAL REQUIRES AN
**INTERNATIONALLY COMPETITIVE AND
INNOVATIVE ECONOMY THAT IS
RESILIENT TO CHANGE.**”

Principles underpinning the strategy

Key principles applied in developing the strategy include:

- ▶ partnering with local, regional, national and international organisations, recognising that the Council cannot act alone in achieving the aims of the strategy
- ▶ taking a business-friendly approach, recognising that the Council’s activities directly affect business in a variety of ways
- ▶ adopting an evidence-based approach, drawing on relevant economic research and accurate intelligence about the issues currently facing business in the city
- ▶ recognising the fundamental drivers of growth, including innovation, skills, international connectedness, high quality infrastructure and public services
- ▶ the importance of Wellington’s image and international reputation to the achievement of the strategy’s aims
- ▶ working in a meaningful way with mana whenua to achieve positive economic outcomes

The strategy

The strategy proposes that effort be focussed in four main areas:

- ▶ Destination Wellington
- ▶ The smart capital
- ▶ The connected capital
- ▶ Open for business.

The following sections briefly outline the strategic directions, specific actions and intended outcomes in each area. Where these actions have financial implications for the Council, they will be subject to the Council’s 2012/22 Long Term Plan process.





DESTINATION WELLINGTON



A deep pool of talent is the lifeblood of smart, knowledge-based economies.

Global competition for innovative high-technology businesses and the talented people that create and grow them is strong. A core component of this strategy is attracting and retaining the people, businesses and investors that have the talent and resources to grow smart, innovative businesses here.

Wellington is one of the world's best kept secrets as a place to do business. Visitor return rates show that those who have experienced the city found it highly attractive not only as a place to visit, but to live and work.

Letting more people know what we have to offer will increase numbers of visitors, international students, migrants and potential investors in our innovative industries.

To date the Council has focused on marketing our city to visitors and attracting major events such as the Rugby Sevens to our capital. Continuing to do this is important as tourism and events make a major contribution to our economy.

But there is potential for more to be done to enhance the city's attractiveness to the talent, businesses and investment needed to develop a more fast-growing, innovative and globally competitive city.

We need to extend our destination marketing approach beyond promoting Wellington as a tourist destination and adopt a broader strategy that also targets attraction of talent, businesses and investment to promote Wellington as the business capital of New Zealand. For example, Wellington City performs comparatively poorly against other New Zealand cities in the attraction of international students yet the city's tertiary institutions are highly regarded both nationally and internationally.



DESTINATION WELLINGTON

Strategic directions

- ▶ Clearly define Wellington's competitive advantage and better communicate Wellington's strengths internationally to tourists, migrants, international students, businesses and investors.
- ▶ Implement strategies to maintain Wellington's reputation as the arts, culture and events capital of New Zealand.
- ▶ Continue to invest in city amenity infrastructure that supports event and promotional activity.

Specific actions

High-priority actions

1. Ensure the city's destination marketing approach is broadened to include talent, business and investment attraction by 2012
2. Clarify the roles of New Zealand Trade and Enterprise and the Council in attracting and retaining business investment. Establish key market segments for targeted Inward Investment activity and identify what the Council and its partners can do to support better promotion of Wellington City to these potential investors by 2012
3. Support the attraction of more international students by aligning city and tertiary education institution marketing efforts by 2012 with the objective of achieving a 2% increase in the number of foreign fee-paying students by 2015.
4. Assess the adequacy and future needs of City amenities that attract talent and investment by 2012.
5. Refresh the Council's events strategy in light of this Economic Development Strategy in 2012.
6. Develop art and exhibits to visually express Wellington's digital strengths, and support the city's smart capital image, working together with industry partners starting in 2012.

“VISITOR RETURN RATES SHOW THAT THOSE WHO HAVE EXPERIENCED THE CITY FOUND IT **HIGHLY ATTRACTIVE** NOT ONLY AS A PLACE TO VISIT, BUT TO LIVE AND WORK.

Supporting actions

7. Continue to deliver tourism promotions into key markets that promote Wellington's events, retail and visitor offerings.
8. Continue to invest in key recreational, cultural, social and visitor attractions.
9. Better align destination marketing with the city's events, digital and arts and culture strategies to maximise their impact by 2012.



WELLINGTON: THE SMART CAPITAL

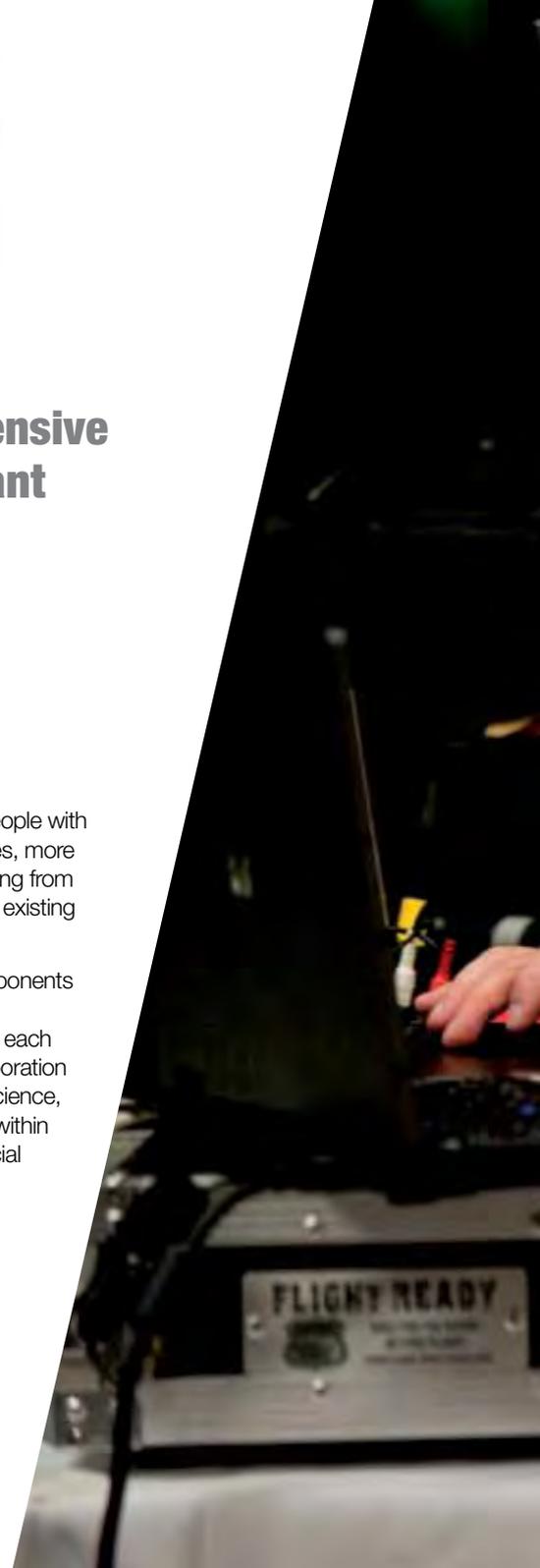
Increasing the number of ‘smart’ knowledge intensive businesses in our economy will provide significant education and employment opportunities for Wellingtonians, will create wealth that can be reinvested into the economy, and will provide support for the many small businesses that make up our economy.

Economic analysis shows that Wellington will derive an increasing proportion of economic output from ‘smart businesses’. While our economy is on the right path, with significant high-value professional services with the potential to export, reaching our potential requires a significant shift in economic performance. However, while Wellington’s research and development-intensive industries have grown faster than the rest of New Zealand, these industries account for a smaller proportion of the total economy in Wellington relative to other major New Zealand cities.

We have at our fingertips all the ingredients to become a bigger player in high value industries. We already have one of the most productive economies in New Zealand, combined with higher-than-average incomes. We have a strong skill base on which to build and significant knowledge capital in our educational and research institutions, and we have professional services that offer an opportunity for international business.

But Wellington needs more talented people with knowledge in high-technology industries, more entrepreneurs and more financial backing from investors to both create new and grow existing innovative companies.

While Wellington has many of the components that promote innovative activity, those components are not well connected to each other. There is a need for greater collaboration and partnerships between business, science, research and education organisations within the city, and a need for more commercial outcomes from our research base.





WELLINGTON: THE SMART CAPITAL

Strategic directions

- ▶ Encourage links between Wellington's tertiary education and research institutions and its business community.
- ▶ Support the growth and development of our creative, knowledge intensive industries and professional service firms nationally and internationally.
- ▶ Create a business environment where innovation can flourish and where 'smart' firms can access the resources they need to grow.

Specific actions

The Council will play a leadership role in encouraging links between Wellington's tertiary education and research institutions and the business community, working with economic development agencies in the region. This will include the following high- priority and supporting actions:

High-priority actions

1. Develop 'smart' infrastructure to support Wellington's creative, knowledge-intensive economy. This could include:
 - (a) Ensuring the availability of affordable space for 'smart', high-technology start-ups connected with business development services such as those offered by Creative HQ by 2013.
 - (b) Investigating an 'innovation hub' concept by providing space for innovative companies, research and education interests to collaborate by 2015.
2. Explore opportunities for supporting professional services firms to sell more services internationally (in particular IT firms and firms with experience in the provision of services to public sector organisations).



**“REACHING OUR POTENTIAL
REQUIRES A SIGNIFICANT SHIFT
IN ECONOMIC PERFORMANCE.”**

3. Work with Grow Wellington to further exploit the region's centres of excellence by 2013.

There are some initiatives already underway that may have prospects for the city but are not delivering to their full potential. There are opportunities to explore further opportunities in the following areas:

- (a) Health technologies, where Wellington has expertise in the Malaghan Institute, the MacDiarmid Institute and Capital and Coast District Health Board.
 - (b) Green technologies and sustainable design, where Wellington organisations and firms have expertise in architecture, design, earthquake engineering and some niche technology development (e.g. marine energy).
 - (c) Public sector innovation, where Wellington could build on such attributes as the Victoria School of Government to develop a centre of expertise for the Asia-Pacific region.
4. Build on existing world-leading digital businesses, and the recently created Masters in Digital Technology at Victoria University, to develop Wellington as the Australasian centre for education, skills and research into digital effects and related areas by 2013.
 5. Work with local education sector partners to find ways of better connecting international students with business, with the aim of retaining more talent in the city by 2012.

6. Work with relevant central government and sector organisations, educational institutions and the local business community to ensure better transition for youth from education to employment.
7. Explore the creation of a capital markets forum in 2012 to better connect Wellington's financial institutions (such as NZX, merchant banks, venture capitalists) with the needs and opportunities in high-growth Wellington firms.

Supporting actions

8. Continue to support incubator programmes such as Creative HQ.
9. Implement key digital strategy initiatives and investigate how these will apply to broader knowledge sectors in the Wellington region by 2015.

Key initiatives include:

- (a) Fostering education in innovative digital sectors and link education to industry needs.
- (b) Investigating sister city relationship and/or connections with Silicon Valley cities.
- (c) Developing joint strategies with digital infrastructure providers to establish Wellington's premier digital status.

WELLINGTON: THE CONNECTED CAPITAL

Wellington's people, places and ideas need to be strongly connected in a way that increases productivity and adds value to the city's economy. A closely connected city enables the flow of people, ideas, goods and services and investment on which a growing economy depends.

Wellington City has a long history as a transit point between the North and South Island, as an employment centre for the wider region, and as a politically astute city that is home to domestic politicians and foreign dignitaries. It is also renowned for its compactness and accessibility to pedestrians and commuters.

While Wellington is a highly liveable city, it rates lower than many global cities for its infrastructure.³ Continued infrastructure improvements are critical for the efficient transportation of people, data and goods especially as Wellington's transport system is nearing capacity. Future transport solutions must consider what's possible, practical and appropriate to meet the City and region's needs. Wellington also has New Zealand's third largest Port by cargo volume, directly supporting the employment of 5,760 FTEs, \$2 billion in GDP, and moving over 1 million passengers between the North and South Island each year.

Improving long haul air services, especially with Asia, is critical to improving Wellington's access to international markets and to attracting talented people, international students and investors. In addition, there is untapped potential value from leveraging foreign relations, especially with China, and facilitating business access into those markets.

The city's digital strategy sets out the way forward in improving digital infrastructure. Implementing that strategy is critical to this strategy's ambition of an internationally connected city.

³ In the Mercer Quality of Living global city rankings (2009), Wellington rated 47th equal for its infrastructure, compared with its overall position of 12th out of 50 cities for quality of living.

Gates 10-17



Koru Club



WELLINGTON: THE CONNECTED CAPITAL

Strategic directions

- ▶ Strengthen international business and trade connections, through both physical and virtual connectivity, and leverage the political resources and city-to-city relationships that Wellington possesses to better support trade and investment.
- ▶ Advocate for infrastructure improvements within the city and region that will significantly enhance the economy.
- ▶ Support strong links and access to good transport options between suburban areas and the CBD.

Specific actions

High-priority actions

10. Put in place a Long Haul Attraction Fund in order to secure direct flights from Wellington to Asia by 2013
11. Continue to advocate for the implementation of the Ngauranga to Wellington Airport Corridor Plan.
12. Work to prepare the city for, and facilitate the roll-out of broadband fibre, working with relevant infrastructure providers.
13. Monitor the success of free-to-use wifi in the CBD and explore extending the network to other parts of the city in 2012.
14. Consider the role for the Council in stimulating uptake of ultra-fast broadband once available, including exploring the case for a broadband infrastructure hub (such as the Cuba precinct) to provide high-speed connection for high-end digital uses.



“FUTURE TRANSPORT SOLUTIONS
MUST CONSIDER WHAT’S **POSSIBLE,**
PRACTICAL AND APPROPRIATE
TO MEET PEOPLE’S NEEDS.”

Supporting actions

15. Work with networks, such as Kiwi Expats Abroad (KEA) to connect to Wellington’s expat communities.
16. Investigate the creation of a Wellington Alumni, a network of community and business leaders to help shape the strategy and act as a sounding board for the Council by 2015.
17. Take advantage of Wellington’s national institutions, embassies and consulates to better connect Wellington businesses to markets and knowledge internationally (with New Zealand Trade and Enterprise and Ministry of Foreign Affairs and Trade). Develop joint action plans for business focused activity by 2012.
18. Undertake a programme of collaborative activities with the Council’s international contacts (such as sister cities and other local and international networks, outbound trade missions, inbound official visits and delegations) to facilitate business and market development opportunities including supporting five business delegations on and offshore by 2015.
19. Continue to advocate for high-quality transport network infrastructure and intelligent transport systems (e.g. integrated ticketing, real time information).

WELLINGTON: OPEN FOR BUSINESS

Being open for business means delivering the Council’s business-facing services with a ‘can do’ attitude, enabling a well-functioning built environment, and facilitating a business environment where ‘smart’, innovative firms can flourish.

It also means the Council having good research and intelligence on the state of the economy and the issues that matter to business, based on strengthened relationships and internal capacity.

The CBD is the economic engine of the city. Its resilience to economic and natural events is critical for the region as a whole. The CBD needs to be serviced with suitable and reliable physical infrastructure. It should also meet the diverse needs of its core tenants and future tenants, and it increasingly needs to provide a focal point for the creative and knowledge industries.

Though Wellington’s central city is compact, it is also made up of a series of distinct precincts or neighbourhoods, each with its own character – from the retail-dominated Golden Mile to the entertainment district around Courtenay Place to the creativity of Cuba Street to office buildings and inner-city residential areas.

Education and research institutions should be supported, and high-tech or creative start-up companies could be encouraged to cluster in certain areas of the city.

Wellington’s suburbs also contain important commercial hubs servicing local neighbourhoods and in some cases are home to significant industry specialisations (eg film and digital effects specialisation in Miramar). Ensuring support for those locations is also important.

In addition to enabling a highly functional central city environment, the Council has an important role in delivering regulatory and other services in a business-friendly way, including making smart use of technology to improve the integration and cost effectiveness of service delivery. This builds on the success of the Council’s resource consents process which recently achieved 100% compliance in meeting statutory timeframes.



WELLINGTON: OPEN FOR BUSINESS



Strategic directions:

- ▶ Foster a business environment in the city where it is easy, efficient and affordable to invest and do business.
- ▶ Protect and enhance the central city's role as the economic engine room of the region.
- ▶ Support the development of vibrant suburban centres as local business districts.
- ▶ Strengthen the Council's links with Wellington businesses and economic stakeholders, underpinned by a strong understanding of the Wellington economy, collective intelligence of developments, opportunities and issues.

Specific actions

High-priority actions

20. Engage with businesses to ensure that Council services, and the way that these services are delivered, are underpinned by a 'can do' attitude.
21. Implement the Central City Framework to support the ongoing vitality of the central city
22. Further strengthen the Council's partnership with the CBD and identify the best way to work with key stakeholders that will be critical in building a closer working relationship by 2012.
23. Engage with key corporate businesses in the city to understand their needs and how they can be retained in the city.
24. Consult business owners in suburban centres on their interest in being part of a Business Improvement District to promote local business vitality by 2012 .⁴
25. Explore opportunities for co-investment with Wellington iwi in projects that support the realisation of the city's economic potential, such as development of Shelly Bay by 2015.

⁴ BIDs are based on an internationally proven model aimed at assisting town centres, which are generally dominated by independent business operators, to come together collectively to take action that will enhance the centre for their respective businesses and for their local community. By definition a BID is an area within which businesses pay an additional levy or rate in order to fund improvements within the district's or suburb boundaries. This provides the resulting business association with sustainable independent funding to take action for the good of their local community. It also provides the local Council with an independent partnering organisation to help it understand in more detail the needs of its suburban town centres.



“THE CBD IS THE ECONOMIC ENGINE OF THE CITY. ITS RESILIENCE TO ECONOMIC AND NATURAL EVENTS IS CRITICAL FOR THE REGION AS A WHOLE.”

26. Create a regular business issues forum to ensure the Council remains apprised of current developments in the economy, and that the business community can be better informed on key developments being undertaken by the Council, by 2012.
27. Build the Council's knowledge of the economy and its capacity to inform our discussions with businesses on economic opportunities for Wellington.

Supporting actions

28. Review the Council's procurement policies to ensure there are no undue impediments to smart, innovative firms gaining Council contracts by 2013.
29. Use new and smart technologies (e.g. smart grid technologies, real-time information systems) to improve quality and efficiency of city infrastructure, amenities and natural resource use by 2015.
30. Make public spaces readily available for events and to showcase 'smart' innovative Wellington companies by 2012.
31. Continue the programme of prioritised investment in core city infrastructure.

IMPLEMENTING THE STRATEGY

Final decisions about priorities and which specific actions to pursue will be made following public consultation and further engagement with key partners.

Where additional resources are required to be invested by the Council, more detailed business cases will be developed as part of the Council's 2012/22 Long Term Plan process that takes place in the first half of 2011/12. There will be the opportunity for further public comment as part of the Long Term Plan consultation process.

Working in partnership

Many of the priority actions identified in this strategy can only be undertaken in collaboration with key partners and action planning needs to be a joint activity with partner agencies. In light of this it will be important that this strategy is closely aligned with the proposed refresh of the Wellington Regional Strategy and the work of Grow Wellington, with the agendas of key central government agencies, and with other complementary strategies and plans such as the Regional Freight Plan and the Roads of National Significance.

We will work collaboratively with these stakeholders to identify opportunities for joint projects and activity that will maximise the city's ability to leverage resources, reduce duplication and contribute to the achievement of the Government's Economic Growth Agenda.

Key delivery partners will include (but not exclusively) Positively Wellington Tourism, Grow Wellington and New Zealand Trade and Enterprise, the Wellington Employers' Chamber of Commerce, business leaders and industry organisations, local iwi, tertiary education and research institutions, NZCTU, other economic development agencies including the Auckland Tourism, Events and Economic Development agency (ATEED), and central government departments including the Ministry of Economic Development, the Ministry of Science and Innovation, Ministry of Social Development and the Ministry of Foreign Affairs and Trade.

⁵ BIDs are based on an internationally proven model aimed at assisting town centres, which are generally dominated by independent business operators, to come together collectively to take action that will enhance the centre for their respective businesses and for their local community. By definition a BID is an area within which businesses pay an additional levy or rate in order to fund improvements within the district's or suburb boundaries. This provides the resulting business association with sustainable independent funding to take action for the good of their local community. It also provides the local Council with an independent partnering organisation to help it understand in more detail the needs of its suburban town centres.

The strategy – at a glance

The strategy has identified key six areas to be progressed immediately in order to maximise the economic growth potential of the city in the short-term. Where these actions have financial implications for the Council, they will be subject to the Council's 2012/22 Long Term Plan process. The key initiatives are:

- development of a Long Haul Attraction Fund to secure direct flights from Wellington to Asia by 2013
- development of an integrated talent, business and investment attraction strategy to support a more aggressive business, investment and talent attraction activity by 2012
- proactive engagement with key businesses in the CBD and wider city to ensure they remain in Wellington
- explore the opportunity with suburban business communities for the Business Improvement District as a way of stimulating local business vitality by 2012⁵
- further development of Creative HQ as an incubator for innovative high- growth companies by 2013
- develop a 'business friendly' culture within the Council to support business attraction and growth by engaging more proactively with businesses.

The strategy also contains a number of additional actions to be undertaken in the short term. Some examples are:

- Assess the adequacy and future needs of City amenities that attract talent and investment to Wellington by 2012
- Develop 'smart' infrastructure to support Wellington's creative, knowledge-intensive economy. This could include:
 - Ensuring the availability of suitable affordable space for smart, high-technology start-ups connected with business development services such as those offered by Creative HQ
 - Investigating an 'innovation hub' concept by providing space for innovative companies, research and education interests to collaborate
- Explore opportunities for supporting professional services firms to sell more services internationally (in particular IT firms and firms with experience in the provision of services to public sector organisations)
- Explore the creation of a capital markets forum in 2012 to better connect Wellington's financial institutions (such as NZX, merchant banks, venture capitalists) with the needs and opportunities in high growth Wellington firms
- Take advantage of Wellington's national institutions, embassies and consulates to better connect Wellington businesses to markets and knowledge internationally (with New Zealand Trade and Enterprise and Ministry of Foreign Affairs and Trade).