



Monday 6 November 2006

MEDIA STATEMENT

Wellington lifestyle, economy, 'future proofed'.

The Wellington region must act to future-proof its economy and lifestyle, according to Ian Buchanan, Chair of the interim Wellington Regional Strategy (WRS) committee.

“Doing nothing is a very bad option,” he says.

The WRS is a long term growth plan for the region seeking the trifecta of a great lifestyle and rewarding careers, supported by a strong regional economy. It aims to make the Wellington region ‘internationally competitive’ and has been two years in the making.

Public submissions on the draft strategy close on Monday (13 November).

“The region’s economic clock is ticking and there are problems that must be addressed if greater Wellington is to avoid becoming an international ‘also ran’. Our incomes are low – the average kiwi earns \$440 per week less than his/her Australian counterpart – and our productivity is below international standards. Again, comparisons across the ditch are not favourable. Average output (GDP per capita) is 30 percent higher in Australia than New Zealand,” says Mr Buchanan.

“The number one problem for most New Zealand businesses is the ability to attract staff and it’s not hard to see why, when incomes available overseas are so much higher. One of the disturbing things for Wellington, and indeed New Zealand, is that we’ve just come off a period of strong growth but we’re still well behind the eight ball,” he says.

The Wellington Region faces a future shortage of 25-45 year olds. In 2026 there are projected to be 38,000 fewer people in this age group than there are now. There is likely to be increasing pressure on the region to retain its talent. The working age population in Europe is projected to decrease by 65 million in the same time frame.

Mr Buchanan said the WRS was an excellent document – a result of input from the business, research, education and voluntary sectors - that would only improve as a result of submissions received.

“We’re keen to hear more from business, especially on who should pay. Initial public feedback suggests business is the main benefactor of a growth strategy so business should pay. However the WRS is also about ‘regional form’ – the things that contribute to quality of life, so there’s an argument for a reasonable public contribution,” he says.

According to some reports the WRS has secret plans to sting business.

“Claims of secrecy are complete rubbish. The funding options have been widely advertised, we’ve written to 1500 businesses and sent information to all local media,” he says.

The region currently invests \$3.9 million in economic development. It is proposed this be increased to \$4.5 - \$5.6 million by 2010. Four funding options are being considered. In two scenarios the business sector will pay less than they do currently, and in two it will pay more.

Mr Buchanan said a fair amount of the debate had centred on cost. “While this is understandable it’s missing the point. Rome’s burning and we’re squabbling over what is effectively the price of a cup of coffee. The amount we’re proposing to invest is peanuts relative to the size of the problem,” he says.

Under one funding option the average cost per ratepayer will be between \$3 and \$10 per annum.

Mr Buchanan said the Wellington Region was a trailblazer for New Zealand. “Nine Councils have been involved in this process and while we’ve had our differences nine are represented on the committee that will drive the strategy forward. I can’t think of any other region that has achieved cooperation on this scale,” he says.

For more information contact

Ian Buchanan
06 304 9553 home
04 384 5708

Jock Mackintosh
04 970 9786
021 808 303