



**Submission to
Wellington City Council
Toward 2040: Smart Green Wellington
Wellington Employers' Chamber of Commerce
August 2011**

Introduction

The Wellington Employers' Chamber of Commerce advocates policies that reflect the interests of Wellington's business community and the development of the regional economy as a whole. It works closely with other chambers in the region and is part of the Employers' Chamber of Commerce (Central)¹.

The Chamber is pleased to be able to make this brief submission on Toward 2040: Smart Green Wellington. Wellington's development has been a core focus of ours for 156 years and we are grateful for the opportunity to make this contribution.

Submission

Toward 2040: Smart Green Wellington (the document) is a good description of many of the issues currently facing Wellington and the strengths it needs to build on to take the city forward. We support the vision set out in the document which is based on taking advantage of Wellington's compact geography and skilled population.

If anything however, the strategy understates the situation currently facing Wellington and the need for a more immediate focus. With a combination of public service cuts, corporate drift and the government attention on Auckland and in particular the recreation of Christchurch, this is a crucial time for Wellington. While long term planning is important, the council needs to look to the here and now as well as the years leading up to 2040. For example the city needs to quickly respond to the Christchurch earthquakes – both in terms of strengthening rules and tenants' changed expectations as well learning from the way Christchurch recreates itself.

The document also falls into the trap of focussing on currently fashionable sectors and has neglected traditional areas of economic activity. It is hard to

¹ The Employers' Chamber of Commerce Central was created out of the merger between the Wellington Regional Chamber of Commerce and the Employers and Manufacturers Association (Central) in 2010. It is part of both the New Zealand Chambers of Commerce and Business New Zealand families.

believe the manufacturing sector which employs more than 4000 people in 540 businesses in Wellington City is not mentioned at all yet the word 'sustainable' appears 30 times. There is also no mention of one of the port which is one of the region's most important pieces of infrastructure. Notwithstanding these omissions, the document has some sensible comment on the areas it covers, particularly around revamping the central city but because of these and a number of other omissions it can't claim to be a full economic strategy.

We think attracting and retaining good businesses and people is key to Wellington's future. We agree that Wellington's talented pool of people and the compact nature of the city have been instrumental in attracting the range of innovative businesses we have here. This has helped Wellington evolve into a centre for creative, knowledge-intensive businesses, which in turn attracts more highly skilled people. However, Wellington can't rest on its laurels as other cities compete for those businesses.

At the end of the day it is the business sector that will create jobs and economic activity but the council can greatly assist by ensuring it is easy for businesses to set up and operate. It can do this mainly through providing competitive rates, lowering council barriers, accommodating business requirements wherever possible, and providing secure, reliable infrastructure.

In other words the council has a role in Wellington's economic development by creating an environment that makes the city an appealing place to live, visit and do business. It needs to constrain its expenditure and be careful to focus on high quality programmes and infrastructure which attracts people and businesses and provides a return for the city.

We think this macro approach is more effective than traditional economic strategy and economic development programmes which often involve picking winners or providing subsidies to select businesses. We are pleased that the document by-in-large is in line with this and recognises that the ability of the council to pull a rabbit out of the hat is limited. The document emphasises the importance of liveability in attracting people and businesses, which is a legitimate role of the council.

There are, however, some things in the document that cause us concern. For example, it contains a number of things that the council intends to do and a number of things that it says needs to happen. Sometimes it is unclear which is which and such vague language could be interpreted as opening the way for the council to be over-active in some areas. It not clear whether words like 'support' and 'encouragement' imply the council intends to offer financial support to the initiatives or whether it is just something that the council thinks has merit and so 'should be supported' as an idea. For example, offering incentives to reduce energy use and encouragement for businesses to integrate sustainability into their models.

We agree there needs to be linkages between research and development and commercialisation (page 22) but it is not obvious that this is anything the council can influence. Having said that, things like this, which even though are not council specific, will still serve a useful purpose in getting the city to focus on them and so do have a place in the document.

Another concern is that there seems to be a push in the document in favour of collaboration against competition (page 22 and elsewhere). While not disputing the benefits of industry clusters and the collaboration that can come from that, we should not underestimate the ability of competition to spur performance, deliver cost effective services and ultimately improve the ability of Wellington businesses to compete on the world-stage.

Generally we support the vision as set out in the document. We think it is the way the city is evolving. The council does have a role in facilitating us to get there but heavy-handed intervention is neither desirable nor necessary.

Priorities

Priorities for the Chamber in terms of an economic strategy to take Wellington forward include bringing long haul flights to Asia into Wellington. Whether that means extending the runway or not, in conjunction with the airport company, the council needs to do everything it can to make this happen fast.

A world standard convention centre is also a must for Wellington. This would capitalise on the city's geographical position in the centre of the country and help bring people to the city. Other facilities to attract people and interest in the city such as a film museum would fill a real gap and have been talked about for too long.

Such facilities do not necessarily have to be council funded (especially the film museum) but council can have a role in making them happen.

We are very strong on the need to develop Wellington's transport infrastructure - both public transport and roads. We are strong supporters of the plans to develop the route between Levin and the Airport including around the Basin and through the Mt Vic Tunnel.

Increased internationalisation of Wellington business is essential. As well as long haul, broadband is essential for this. Wellington needs to grow its exports including services (or weightless) exports, foreign investment and inward migration. The council has a role in expanding our international linkages (e.g. the Mayor leading a business delegation to China because of the unique ability of mayors to open doors there) but in general business to business relations will matter more than council to council relations.

We anticipate significant expansion in business activity in Wellington relative to public sector growth over the coming years. Wellington's status as the capital city is important and we are fortunate to have a well-run government sector based in Wellington. Nonetheless, we expect it to represent a smaller

proportion of the Wellington economy than it does today and we think this would be beneficial to the city's prosperity.

Ensuring that corporate shareholders (including the government with regard to its SOE and CRI portfolio) recognise that a significant number of people and businesses have a preference for New Zealand's smartest city ahead of its largest city when considering where to locate will be key to Wellington's attracting and retaining businesses and is particularly important at this time.

Central City Framework

By 2040, it is likely that the central city will accommodate a significantly greater number of people working, living and visiting Wellington than today. We think this is very desirable and that it is important for the council to prepare for this growth. The objectives under Dynamic Central City and in the Central City Framework, which aim to cater for a greater population and increased visitor numbers, are fully supported.

It is not the place of the chamber to comment on specific urban design projects but we think the proposed revamp of the city centre as set out in the Central City Framework including laneways, public spaces, boulevard improvements, trees, fountains and sculptures etc can greatly enhance the overall appeal of the city. Making the central city an attractive place to live, visit and do business by way of good urban design must not be underestimated as a factor to grow the city's economy and it is one of the areas the council can make a real difference.

We strongly welcome the increasing trend towards mixed-use residential and commercial activity in the central city. This is a major contributor to the city's vibrancy.

As the make up of the inner city changes, however, traditional office buildings will have to increasingly compete with apartments for space and it is essential that the efficient functioning of the central city as a 'business district' is not compromised. For example, we have no sympathy for the 'reverse sensitivity' argument that arises when residential activities move into traditionally non-residential areas and complain about the effects of existing activities in the area. (For example, new apartment dwellers in Courtenay Place should not complain about the noise or smell from restaurants and bars. They should know what they are buying into and adapt accordingly.)

A significant amount of new building activity and a greater number of high-rise buildings will be necessary if the increased numbers of people living, working, studying and visiting the central city are to be accommodated. It is likely that these will be spread beyond where they are currently clustered around the Lambton Quarter right across the central city particularly the area bound by Willis Street, Courtenay Place, Kent Terrace and Buckle Street. Shifting the centre of gravity in this direction and catering for increasing numbers of central city apartment dwellers will mean more attention to this area will be needed in terms of underlying infrastructure, laneways and public spaces etc.

Notwithstanding this southward shift of the centre of gravity, the northern part of the CBD should not be neglected. The Parliamentary precinct should be a significant attraction for Wellington and we support many of the council's proposals for this part of the city. We support the completion of the Kumutoto section of the Waterfront which will also serve to better connect Harbour Quays with the rest of the CBD. A pedestrian bridge from the stadium concourse to Thorndon Quay should also be investigated in this regard.

We support the goals of the digital strategy which will go some way to helping retain Wellington's status as 'a place where talent wants to live'.

The Wellington Region

We agree the central city is essential to the region's economic output and the contribution will increase over the coming decades. It is the jewel in the crown and we fully support the special attention Toward 2040 has afforded it.

While Wellington City, particularly the CBD is the main driver of the regional economy we think a regional approach is needed when considering the future of Wellington and we urge the council not to neglect the Wellington Regional Strategy, which is due for a refresh shortly. Duplication of strategies is not helpful and we think the solid thinking contained in this document could be usefully applied at a regional level.

In fact we are surprised that there aren't more references to the Wellington region in the document. While intercity connections are emphasised (national and international), there is an obvious gap in the document when it comes to how the city should interact with the rest of the region. A significant proportion of the CBD's workforce and customers, as well as goods and services consumed, come from other parts of the region. The fact that the rest of the region acts as a competitor in many ways (e.g. shopping malls competing with the CBD, rating base threatened by population and business growth outside Wellington city etc) only adds to its importance. While admittedly, the central city itself is a special case, we are not convinced that a strategy based around Wellington City Council's boundaries is preferable to one based on the Wellington urban area as a whole or the Greater Wellington boundaries. Better decision making from a regional perspective is the main reason we support some form of amalgamation of councils in the Wellington region.

Conclusion

In conclusion, we think Toward 2040: Smart Green Wellington is very good as far as it goes - particularly in revamping the central city and planning for population growth. As an economic strategy, though, the coverage is too narrow. Given the current pressures facing Wellington, we would like to see some of the resource that has been put into this project focus on keeping the momentum going to achieve some short term goals. We look forward to working with the council and providing a business input as the strategy is refined.