

QUALITY OF LIFE

IN A REGION OF CHOICE

DRAFT WAIRARAPA ECONOMIC DEVELOPMENT STRATEGY 2005-2025



DRAFT FOR CONSULTATION
JULY 2005

FOREWORD



This document sets out a draft economic development strategy for the Wairarapa region. It builds on and refines the concepts developed and achieved in the previous strategy covering the period 2002-2007.

The Wairarapa has come a long way. The development of the wine and visitor industries over the years has put the region on the map like never before. Farming and forestry remain important parts of our economy and we are attracting people who want the balanced lifestyle the Wairarapa can offer. But we can and need to do better in an increasingly competitive world.

Looking to the future the region faces some challenges. Our population is ageing at a faster rate than any other region in New Zealand. It is also declining.

The Wairarapa economy is primarily land-based and will continue to be. Finding new ways to use this resource and add value to its production is a key part of this strategy. At the same time we need to retain and attract people and assets, including infrastructure. Skilled workers and businesses which add value to their products locally will drive growth and improve our quality of life.

This strategy is presented as the draft economic development chapter of wider plans for the region currently being developed, particularly the local authority Long Term Council Community Plans. These focus on the social, economic, cultural and environmental factors that contribute to the wellbeing of our communities.

The different parts of the economic development strategy are all interrelated, just as the strategy itself must be interrelated with the

social, environmental and cultural aspects of the Long Term Council Community Plans. The strategy also has important linkages with other regional and national strategies.

The ideas contained in this document are open for consultation and debate. It is a high level look at how the region as a whole can develop economically. It is not a work plan and does not attempt to set out specific details of how things will be done.

YOU CAN HAVE YOUR SAY

Most of all, this plan needs involvement and commitment from all sectors of the community, not just business. This is needed now, in the consultation stage, and later when developing action plans and implementing them.

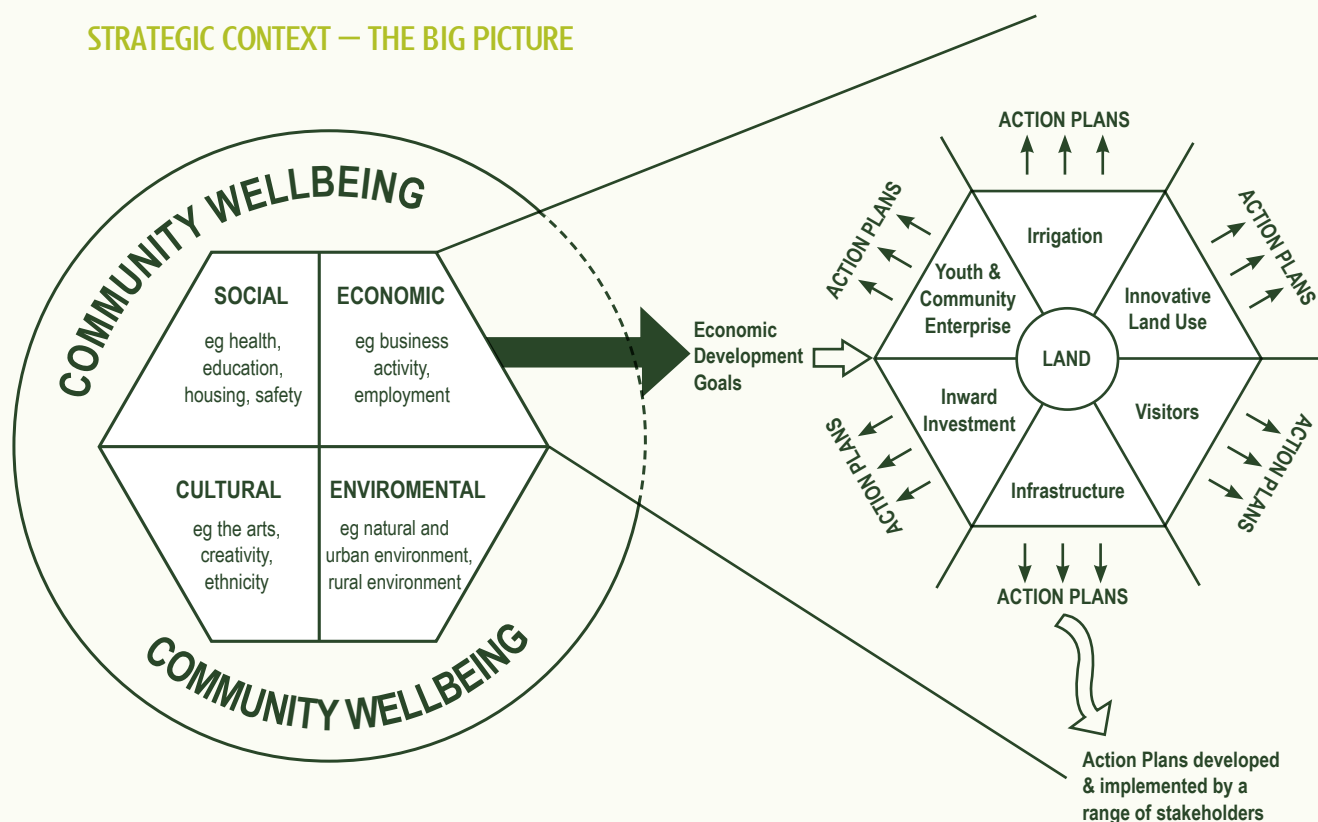
I encourage you to read this draft plan, think about it, and constructively help to develop it further. The pages at the back have some questions and also room for your comments and suggestions.

Doug Matheson
Chairman
Go Wairarapa



This draft economic development strategy recognises the importance of partnerships in achieving its goals. No one entity can do it on its own. Collaboration and cooperation between business, the community and local and central government will be needed to make the Wairarapa the best it can be.

STRATEGIC CONTEXT – THE BIG PICTURE





ECONOMIC ISSUES AFFECTING THE WAIRARAPA REGION

The **median income** in Wairarapa is \$17,032 compared with New Zealand at \$18,500.

Wairarapa has a **higher proportion of areas of deprivation** than New Zealand with 68% of the population living in areas with NZDep2001 scores of 5 or higher.

Wairarapa has a **lower level of educational attainment** than the New Zealand average.

Wairarapa's population is forecast to decline and is **ageing at a much faster rate** than New Zealand as a whole. The proportion

of Wairarapa people aged over 65 years will increase from 15% in 2001 to 26% in 2026. New Zealand as a whole will reach this point thirty years later than the Wairarapa.

We currently have a smaller proportion of **people of working age** compared with the rest of New Zealand. This is forecast to become even smaller. This means we need to work harder to retain and attract people of working age.

The region is **attracting people** to live here, but many of these people are not also working here.

EMPLOYMENT GROWTH PERFORMANCE AND PROSPECTS



Source: BERL database and forecasts, Statistics NZ

GDP GROWTH PERFORMANCE AND PROSPECTS



Source: BERL database and forecasts, Statistics NZ

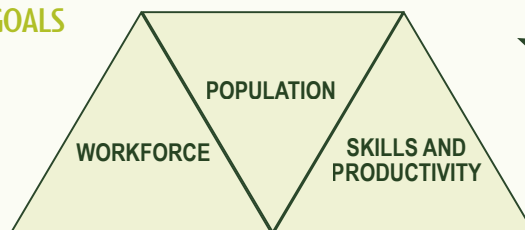


THE STRATEGIC FRAMEWORK

VISION

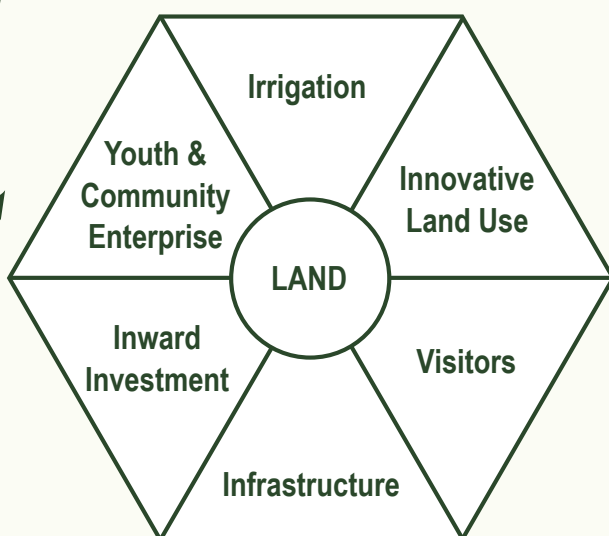
For Wairarapa to be a region which offers an improving and sustainable quality of life for all its citizens. It will also be a region of choice for people considering relocating within New Zealand or to New Zealand from offshore.

THREE GOALS



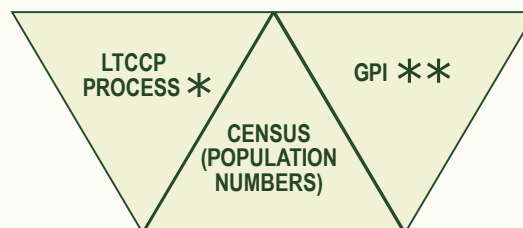
will be achieved through:

THE SIX DRIVERS OF ECONOMIC WELLBEING



How will we know how well we are doing?

MEASUREMENT



* Results of action plans developed from this strategy will be measured through the Long Term Council Community Plan (LTCCP) process.

** GPI (Genuine Progress Indicators) eg

Economic

- Employment figures
- Median income
- Number of businesses
- Net GST balance

Social/Cultural

- Deprivation index
- Health statistics
- Crime statistics
- % of income spent on housing/food

Environmental

- Air and water quality
- Urban open space
- Noise pollution incidents

GOALS

This strategy sets out to achieve three key goals – population growth, workforce



GOAL 1: POPULATION GROWTH

To achieve population growth at a rate above the New Zealand average (16%) over the next 20 years. This should translate into an additional 10,000 people making a population of 48,500 by 2025.

For its economy to achieve significant and sustainable growth, the Wairarapa needs more people.

Currently the Wairarapa has no population growth. It is forecast to decline if present trends continue and nothing is done to address them. Current projections also show that Wairarapa's population will also grow older more quickly than any other region in New Zealand.

More people are needed to support infrastructure and services of a high quality. The more people using the infrastructure, the more viable it becomes. For example, roads and hospitals are built and maintained based on the number of people using them.

More people spend more, and when the economy reaches a certain size it gains some self-supporting ability. A larger population would assist the economy to sustain itself by generating internal demand.

GOAL 2: WORKFORCE GROWTH

To match the population growth in Goal 1 with growth in the workforce by 2025.

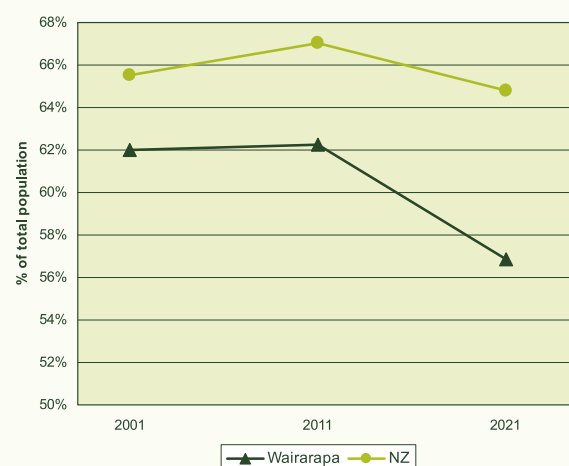
Global trends show a declining number of people in the workforce. This goal aims to have more people who are both living here and working here.

The Wairarapa has to work harder than other regions to retain and attract people of working age because we have less of them to start with and our population is ageing more rapidly.

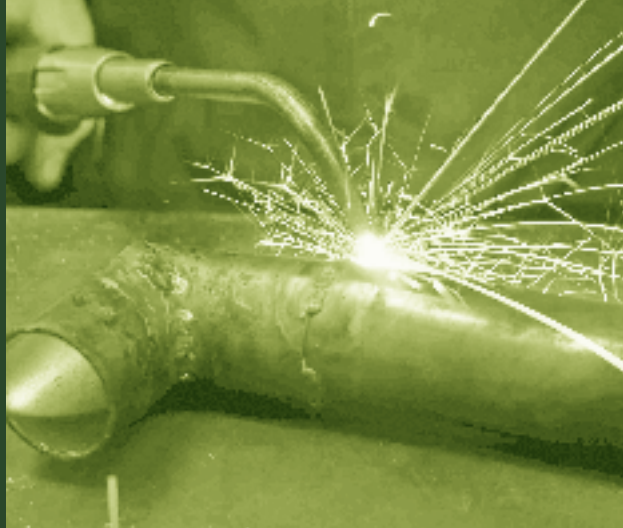
While many older people have a valuable contribution to make through paid or voluntary work, we still need more people in the middle age group.

In the Wairarapa we have fewer people in the middle age-group than the rest of New Zealand. This means less people to work and contribute to other activities such as sport, schools and community support. The main reason why they are not here is because there are not enough jobs.

WORKING POPULATION (15 - 64 YEARS) POPULATION PROJECTION



growth and improved skills and productivity.



GOAL 3 — SKILLS AND PRODUCTIVITY

To have a workforce with a greater proportion of people in the higher skilled and higher job value categories.

Higher skills create more productivity which in turn leads to higher value jobs and greater community prosperity.

Technological advances mean that productivity gains can be made without a corresponding increase in the workforce. However, new skills are required to take advantage of these technological gains.

We need to determine what skills are required in the future and communicate these requirements to educators, business and the wider community.

Opportunities that exist for people to gain higher skills also need to be identified and communicated.

We also need to encourage the development of a regional culture that has a thirst for information and knowledge.



DRIVERS

of economic wellbeing



IRRIGATION

THE AIM

To enable the Wairarapa region to maximise the productive value of its premium productive land without lack of access to water as a barrier.



STRATEGIES

Investment in a regional water storage and distribution system for use in irrigating land will increase production. A similar investment is required in on-farm infrastructure and in changing land uses and management practices.

Owners and users of the land need **information** on the opportunities and practices required to capture the full benefits of irrigation development.

A skilled **workforce** will be required by the land owners/users as they intensify and diversify their land uses to maximise the opportunities presented by irrigation provision.

For the region to gain the full economic value of increased production made possible through irrigation, investment in **processing and distribution** systems will be needed within the Wairarapa.

The preservation of the **environment** is vital to the region's character and the regional development of irrigation must not compromise its natural and productive forms.

Land use is driven by **market demand** which the region will be more able to meet through the provision of irrigation.

THE STAKEHOLDERS INVOLVED

- > Farming Community (including agriculture and horticulture)
- > Farming support sector
- > Local Government (regional and district)
- > Food and beverage marketing channels

RELATED STRATEGIES

- > Greater Wellington Regional Council Freshwater Management Plan
<http://www.gw.govt.nz/story3013.cfm?PubID=150>
- > Ministry for the Environment/Ministry of Agriculture & Forestry – Fresh Water Plan of Action
<http://www.mfe.govt.nz/issues/>
- > NZTE – Food & Beverage Strategy
<http://www.nzte.govt.nz/section/11758.aspx>





INNOVATIVE LAND USE

THE AIM

To increase the value of production from the land and the retention of that value within the region.



STRATEGIES

Land use decisions are driven by **market demand** as it is the market that determines the success or otherwise of all business operations. The region's land use mix and subsequent production must be aligned with the rapidly changing global market trends.

Regional capability encompasses both the capability to efficiently produce product and to accurately assess market potential and react to market changes.

Cooperative action will assist Wairarapa producers to achieve critical mass to access global markets that may be inaccessible if they act individually.

Inward investment is required in the production, processing and marketing components of the value chain. This investment is likely to be sourced both within the region and externally.

Timely and relevant **information** will allow the land owners and users of the region to respond innovatively to market opportunities and threats.

As land use becomes more intensive and more value is added to production within the region through processing and distribution, there will be higher requirements of the **workforce** and more opportunities within it.

THE STAKEHOLDERS INVOLVED

- > Wairarapa land owners and managers
- > Wairarapa rural support service providers
- > NZ export development agencies
- > NZ rural support agencies and associations

RELATED STRATEGIES

- > Parliamentary Commissioner for the Environment – Growing for Good
<http://www.pce.govt.nz>
- > NZ Growth & Innovation Framework (GIF)
<http://gif.med.govt.nz/>
- > Ministry of Agriculture & Forestry – Contribution of Land Based Industries to NZ Economic Growth
<http://www.maf.govt.nz/mafnet/publications/>



DRIVERS

of economic wellbeing



VISITORS

THE AIM

To increase the number and value of visitors to the Wairarapa region in order to increase the demand for goods and services, and as a result, improve the sustainability of the hospitality sector.



THE STRATEGIES

Events are the key driver of visitor numbers to the region and need to be encouraged, expanded and made more professional to appeal to individual target markets.

Product development will ensure that the visitor experience is constantly evolving, high quality and commercially viable.

International marketing is required to ensure that the region receives a growing share of the international visitor traffic.

The **domestic market** will remain important to the region and marketing activities will continue in this area.

Destination management involves maintaining and enhancing public infrastructure and planning rules to ensure that the visitor experience is of a high quality and that the natural and built-up environment complements that experience.

Through **inter-regional cooperation** a small region like Wairarapa can become an integral part of a collective product that is more attractive, particularly to international markets.

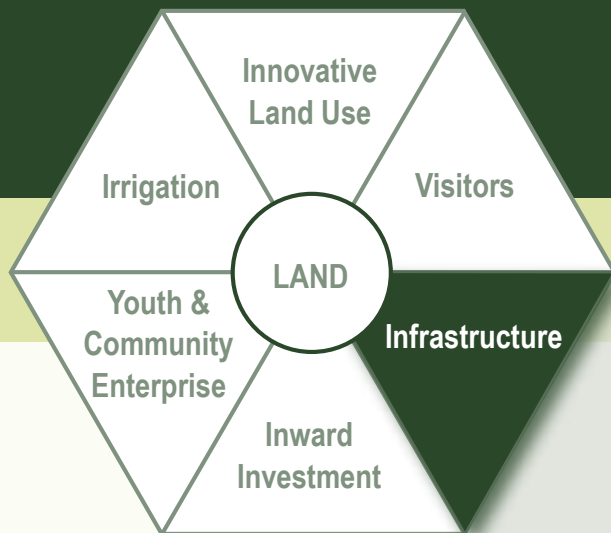
THE STAKEHOLDERS INVOLVED

- > Visitor industry
- > Other regional tourism bodies
- > Local Government (Regional and District)
- > Central Government (ie Tourism New Zealand)

RELATED STRATEGIES

- > Wellington Regional Strategy
<http://www.wrs.govt.nz/>
- > Tourism NZ International marketing Strategy
http://www.tourismnewzealand.com/tourism_info/publications/
- > NZ Tourism Industry Strategy 2020
<http://www.tianz.org.nz/Current-Projects/New-Zealand-Tourism-Strategy-2010.asp>

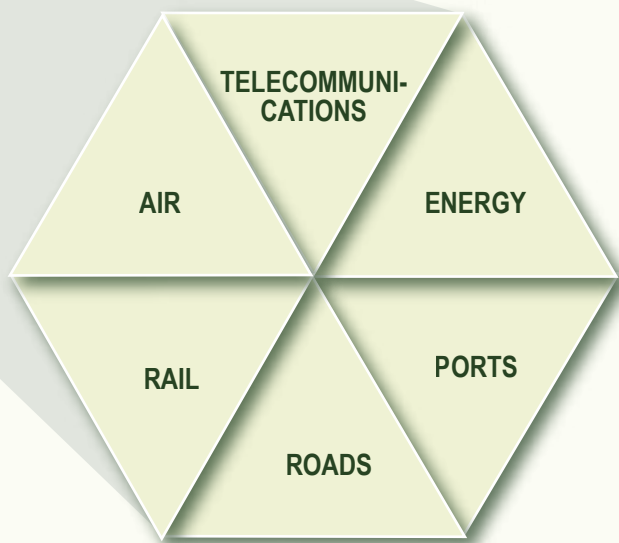




INFRASTRUCTURE

THE AIM

To have a regional infrastructure that is sufficient to allow the region to maintain the existing economic and social activity and to attract new activity that will boost community wellbeing.



STRATEGIES

For the Wairarapa to be part of the global economy **telecommunications** of a world-class standard that are accessible to the entire region are vital. Information flow and responsiveness through telecommunications is a feature of all the other drivers.

The issue of high **energy** costs needs to be addressed eg through generation within the region (to lower transmission costs), energy efficiency initiatives and building demand (to generate competition).

Access to a globally competitive **port** infrastructure is a vital part of the export chain given the dominance of export production from Wairarapa.

Roads are the main mode of transport for the region's goods and services within, into and out of the Wairarapa. This includes the movement of visitors. Given that the region has only one entry/exit road at each end, the standard of these entry/exit points must be high to minimise the risks to the region.

Rail is the alternative transport method used to import/export goods and people from the region. As with roads, the quality of the service at each end of the region must be high to avoid risks.

Efficient and affordable access to international **air** connections is important to the visitor sector and the region's producers of fresh goods.

THE STAKEHOLDERS INVOLVED

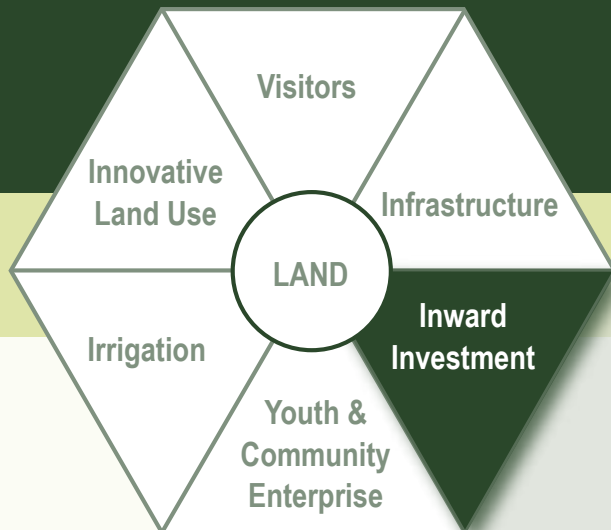
- > Local Government (regional and local)
- > Central Government
- > Private Sector suppliers
(eg transport and telecommunications companies)
- > Land Transport NZ

RELATED STRATEGIES

- > Minister of Economic Development – Infrastructure Stocktake
http://www.med.govt.nz/irdev/econ_dev/infrastructure/
- > Greater Wellington Regional Council – Regional Land Transport Strategy
<http://www.gw.govt.nz/story3055.cfm?PubID=287>



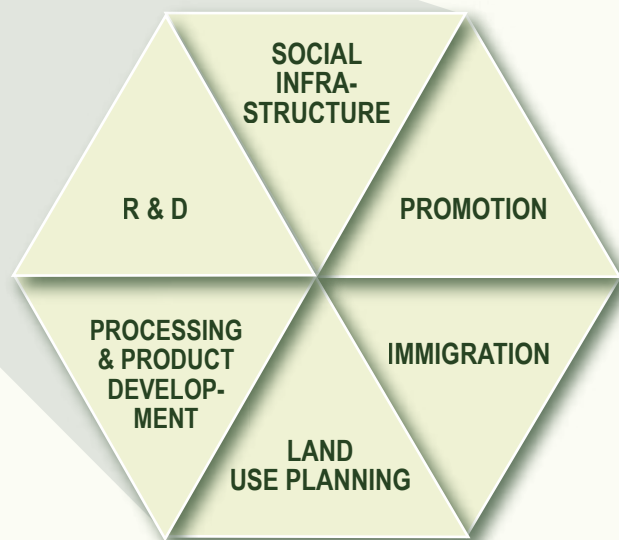
DRIVERS of economic wellbeing



INWARD INVESTMENT

THE AIM

To attract significant inward investment from both the public and private sectors. This investment must be in both physical assets and people.



STRATEGIES

Social infrastructure is a key component of achieving a high quality of life. It includes such things as health and education services, recreational facilities and social support services, all of which are population driven. A strong economy without a strong social infrastructure is vulnerable to erosion by a “better life somewhere else”.

Promotion to the existing community and externally to potential new members and/or business connections is vital if the opportunities that exist in the region are to be taken full advantage of.

Immigration is the only way that we are going to achieve the goal of population growth. Systems and processes required to make the region immigration-friendly must be developed and maintained.

Proactively **plan how land will be used** to accommodate business and population growth. This can be achieved through the Combined District Plan and other mechanisms which must be used to make the region attractive as an investment target, business location and place to live.

The region can capture the full value of its products and services through **processing and product development**. This requires an active investment strategy.

Research and development is the source of innovation and discovery. The region needs to ensure that it takes full advantage of the R & D capability in surrounding regions and attempt to secure R & D activities within the region.

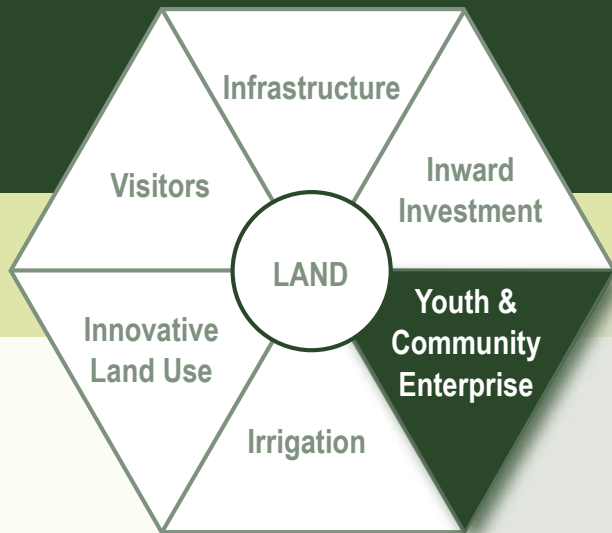
THE STAKEHOLDERS INVOLVED

- > Local Government
- > Central Government

RELATED STRATEGIES

- > NZ Growth & Innovation Framework (GIF)
<http://gif.med.govt.nz/>
- > NZTE – Strategic Plan – 2004-2007
<http://www.nzte.govt.nz/section/11914.aspx>





YOUTH & COMMUNITY ENTERPRISE

THE AIM

All sectors of the community think and act enterprisingly to take advantage of opportunities and react positively to threats to their wellbeing.



STRATEGIES

Regional marketing is required to create the perception of the region as one of creativity and enterprise. Creative and enterprising people are drawn to places and people who will support their way of thinking.

Core training is required to ensure that the business community (owners and employees) have the skills to take on the global market.

Growth stimulation involves ensuring that the region is aware of and takes full advantage of the tools provided by Central Government to stimulate growth in businesses, individually and collectively.

Leadership and social capital is required at all levels from civic leaders to leadership in individual business operations. Leadership skills and the development of social capital (participation) must be fostered and encouraged.

Make timely, relevant **information on opportunities** available in an affordable and accessible way to help ensure the region can fully benefit from the enterprise created through other economic drivers.

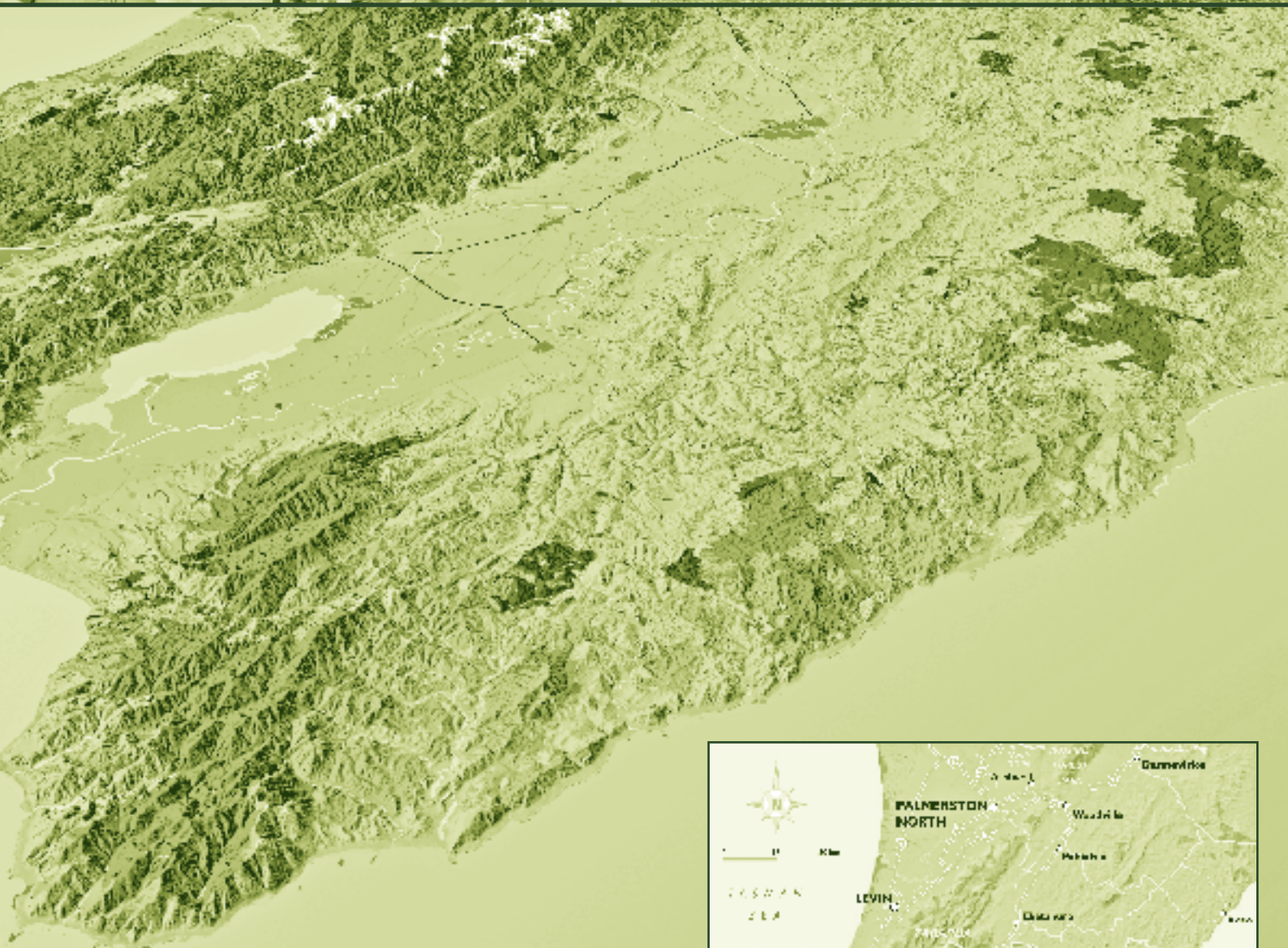
Community plans form the vision that each community within the region has for its future. The regional vision needs to be the sum of the individual visions and value the diversity of our communities.

THE STAKEHOLDERS INVOLVED

- > Wairarapa Workforce Development Trust
- > Go Wairarapa
- > Central Government Agencies
- > Local Government

RELATED STRATEGIES

- > NZTE – Strategic Plan – 2004-2007
<http://www.nzte.govt.nz/section/11914.aspx>
- > NZ Growth & Innovation Framework (GIF)
<http://gif.med.govt.nz/>
- > Tertiary Education Commission Strategy
http://www.tec.govt.nz/about_tec/strategy/



DRAFT WAIRARAPA ECONOMIC DEVELOPMENT STRATEGY



CONSULTATION QUESTIONS

This DRAFT Economic Development Strategy for Wairarapa is open for public comment and input. The Strategy, if adopted, will have implications for the both the public and the private sector and so input from all sections of the community are needed.

The following questions are structured around the Goals, Drivers and Measurement sections of the Strategy.

4 PILLARS OF COMMUNITY WELLBEING

1. Do you agree that the 4 pillars of Community Wellbeing (Social, Economic, Environment, Cultural) are of equal importance? Yes/No

Reasons:

REGIONAL GOALS

2. In terms of economic performance, when compared to NZ, do you think Wairarapa should aspire to be:
above average/average/below average?

3. Do you agree that the region needs more people?

Yes/No

Reasons:

4. If Yes, how many more?

1000-5000

6000-10,000

10,000 +

5. Do you agree that the population of the region needs to contain a mix of youth, working age and retired age groups?

Yes/No

Reasons:

6. Do you agree that the region needs people to live AND work in the region if it is going to be more prosperous?

Yes/No

7. Is it important to raise the skills of the population in the region?

Yes/No

Reasons:

8. What skills do you believe are most important?



CONTINUED NEXT PAGE >>

DRAFT WAIRARAPA ECONOMIC DEVELOPMENT STRATEGY



6 DRIVERS OF ECONOMIC WELLBEING

9. Do you agree with the 6 drivers of economic wellbeing as identified? Yes/No

Reasons:

10. What have we missed?

11. Please comment on each of the drivers.

Irrigation

Innovative Land Use

Inward Investment

Visitors

Infrastructure

Youth & Community Enterprise

MEASUREMENT

12. Is it important to measure indicators other than those relating purely to economic performance? Yes/No

13. What are some of the key indicators that you believe should be measured to monitor the community's economic wellbeing?

14. How do you think the community should be informed of the results of this measurement?

Overall Comments:

Please complete the following to help us consider your comments:

Name: _____

Address: _____

Email: _____

Are you representing yourself ☐ or an organisation ☐ ?

Organisation: _____

Position: _____

Please detach this page and return by 31 August 2005 to:

Geoff Copps, Economic Development Manager, Go Wairarapa, 316 Queen Street, P O Box 674, Masterton

If you have any questions, please contact Geoff Copps Ph: 06 370 0902, Fax: 06 378 8451, Email: geoff@wairarapanz.com