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**Wanganui – Rangitikei – Ruapehu
Region**

**Regional Economic
Development Plan**

June 2002

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Introduction

Since September 2000 central government, iwi and local government in the Wanganui-Rangitikei-Ruapehu region have been working with stakeholders in our region to identify ways to overcome barriers to growth and how to make the most of the opportunities that exist.

The steering group brought together, for the first time in the region's history, leaders from central government, local government and iwi to engage stakeholders in our region's economy.

The plan looks out five years and, if we are successful, we believe our region will experience sustainable economic development that yields the benefits of:

- Increased business growth.
- Increased employment opportunities.
- Improved household incomes.
- Increased investment.

There has been a lot of goodwill between the stakeholders to work together on the common cause to achieve economic growth in the Wanganui-Rangitikei-Ruapehu region.

This plan is the result of more than 1000 people in our region participating in its development. Many of these people and the enterprises they represent have their own initiatives they wish to advance, but have experienced barriers in doing so. The Regional Development Partnership adopted this plan in March 2002.

Economic growth in our region is essentially dependent upon enabling those people that are already here.

Regional opportunities for growth have been identified in:

- The improved utilisation of land.
- Manufacturing, primary processing and associated service industries.
- The visitor industry.

The projects identified in this plan help enterprises and communities in our region to overcome the identified barriers. In doing so, we believe the region will also become increasingly attractive for others to locate their businesses and investment here. The regional projects will benefit our region. Projects identified during the planning process that provided important benefits solely to one or two districts have the opportunity to be progressed by those districts.

Our success, as a region, lies in continuing to work and learn from each other along with combining our respective strengths for the benefit of our people.

Regional Vision

A progressive region that provides families with opportunities to achieve a healthy lifestyle and successful businesses in a global marketplace.

**Kia whanake te rohe
Kia tu pakari ai te whanau**

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The Partnership

The following parties agree to work together, through the regional economic development steering group, to implement this plan for the benefit of communities and iwi in the region. The parties are committed to building a progressive region where families enjoy their lifestyle, and businesses succeed in a global marketplace.

The parties agree to:

- Take into account the principles of the Treaty of Waitangi through the appropriate consultation and service delivery to Maori and the community.
- Act in the spirit of partnership, working toward identified common goals, whilst ensuring the diversity of the partners' unique roles is respected and maintained.
- Recognise that the principles of the Treaty of Waitangi is a developing area and new principles may emerge as the Treaty is further defined between the Treaty partners.
- Understand that the delegated powers and functions of authority from the Crown to Councils are limited by statute.
- Work in a co-ordinated way to lead, resource and implement the regional projects in this plan.
- Meet on a regular basis to monitor progress of implementation.
- Meet each year to review and refine the plan and to set budgets and identify resources to be committed from the parties involved.
- Continue to build the relationships between the parties, through improved processes, to strengthen this regional partnership.

..... Prime Minister	..... Minister of Economic Development	..... Minister of Maori Affairs
..... Hinengakau Development Trust	..... Te Runanga O Ngati Apa	..... Te Runanga O Tupoho
..... Tutetawha Tapuwae Runanga	..... Te Runanga O Ngati Hauiti	..... Te Runanga O TamaUpoko
..... Tuhua Hikurangi Regional Management Committee	..... Mokai Patea	..... Nga Rauru Iwi Authority Society Inc.
..... Rereahu/Te Ihinga-a-rangi		
..... Ngati Rangi Trust		
..... Tamahaki Incorporated Society		
..... Ruapehu District Council	..... Rangitikei District Council	..... Wanganui District Council

Overcoming the Barriers to Enable Growth

The consultation and associated research highlighted 10 barriers constraining the growth of the above areas. The background papers address these issues in full. A summary of the barriers is as follows:

1. Education and training of the workforce

Insufficient education and training for the existing workforce (those in employment and those seeking employment) is constraining business productivity and known expansion opportunities.

2. Business advice and seeding finance

Difficulty for small to medium enterprises, including farmers, to access advice and seeding funding prevents the development of new initiatives and inhibits the resolution of business problems.

3. Unreliable access to modern communication technology in rural areas

Many businesses have the communications technology hardware installed and are seeking to use it to better compete nationally and globally, but the usefulness of the technology is constrained by the lack of access to a fast and efficient internet service.

4. Business compliance

Increasing complexity and cost of business compliance reduces time available for growing the business.

5. Settlement of Treaty of Waitangi claims

Slow progress in the settlement of Treaty of Waitangi claims is constraining development of iwi social and economic development initiatives and creating uncertainty in the communities in the region.

6. Transport

The advantages for business from using modern technology in passenger and freight vehicles can not be effectively realised on rural and state highways because road design has not kept up.

Existing opportunities to expand businesses into new global markets is inhibited by limited local international airfreight services (e.g. fresh meat).

7. Land locked land

The existence of land locked land prevents legitimate owners from receiving economic benefits from their own land.

8. Region has a lack of presence as a travel destination

Potential domestic and international visitors do not know the attractions and special interest activities of the region. Those that choose to come do not get sufficient information about the region prior to leaving their place of origin. There is also insufficient customised information when visitors arrive. This is constraining growth.

9. Water resource

No detailed analysis has been undertaken with respect to the availability and sustainability of surface and sub-surface water resources in our region. Hence, because of the lack of knowledge, horizons.mw (Regional Council) is unable to allocate water resources and business growth is being restricted.

10. Resource Management Act 1991

The judicial system requires improvement to deal with objections and appeals to the Environment Court with respect to new resource consent applications. The existing system can cause unnecessary impediments and delays for new major investments as well as frustrating developers.

Focusing on Opportunities for Growth

Improved land utilisation

There are two main areas that will enable enterprises to responsibly realise our land's potential. These are improving:

- Our understanding of the global market opportunities that the region can better respond to. This will require improving our capability to meet the growth opportunities, and adjust for shifts in market demand.
- The transport and communications infrastructure will increase the region's capability to supply products to global markets competitively.

		Market demand for land based products produced in the region [†]			
		Emerging	Developing	Mature	In Decline
Region's supply to the market	Emerging	Nutra-ceuticals			
	Developing		Dairy (excluding butter) Pears Venison	Beef	
	Mature		Forestry		
	In Decline		Chilled lamb Frozen lamb cuts	Pelts	Wool

[†] As indicated by market information from primary production specialists 9(2)(a) and discussions with producers.

* As indicated by information from Ministry of Agriculture and Forestry and Statistics NZ.

Enabling our enterprises to advance their opportunities

Many land utilisation initiatives have been identified or are being developed by enterprises in our region. The following regional projects are critical to enable such enterprises to advance their initiatives:

- Realising our land's potential.
- Workforce readiness.
- Effective roading network.

Focusing on Opportunities for Growth

Manufacturing, primary processing and associated service industries

Small to medium enterprises in our region will be better positioned to maximise opportunities for growth and employment by:

- Improving access to good information, advice and funding.
- Significantly improving the provision of relevant education and training of the existing and future workforce. This includes retraining employees in declining industries.
- Improving the transport and communications infrastructure.

The retention of businesses in mature or declining markets will also benefit from achieving the above.

		Manufactured products produced in the region		
		Rangitikei	Ruapehu	Wanganui
Region's supply to the market	Emerging	Technology (Software/Web)	Technology (Software/Web)	Technology (Software/Web)
	Developing	Meat processing (sheep) Boating (adventure) Technology (e.g. PEC)	Souvenirs (possum skin) Timber (lumber) Specialised dairy products	Timber processing Pet food manufacturing Boat building Light manufacturing Component manufacturing Meat processing (beef) Plastics industry Tanning
	Mature	Food processing Footwear	Timber (pulp)	Meat processing (sheep)
	In Decline	Apparel	Meat processing Wool processing	Footwear apparel Woolen mills Weaving Wool scouring

Enabling our enterprises to advance their opportunities

Many manufacturing related initiatives have been identified or are being developed by enterprises in our region. The following regional projects are critical to enable such enterprises to advance their initiatives:

- Regional business brokers.
- Workforce readiness.
- Effective roading network.

Focusing on Opportunities for Growth

Visitor industry

The region has many outstanding attractions and special interest activities that domestic and international visitors are seeking. By establishing a strong presence, growth can be expected. The target groups for our region's growth are:

- Domestic visitors within 2.5 hours travel time for two to three day weekend.
- Free independent travellers (international, domestic visitors) for one day to one week visits.
- New Zealand winter and summer holidays (domestic visitors) for one to two weeks.
- Coach tours (international, domestic visitors) for one day.

Region's supply to the market	Emerging	Visitor industry Health and rehabilitation Iwi cultural experiences
	Developing	Heritage and arts Eco-tourism Lifestyle experiences (e.g. fam-stays) National amateur sports events Soft adventure Maritime recreation River cruising/adventures
	Mature	Alpine and snow sports Hunting, tramping and fishing
	In Decline	
	In Decline	

Enabling our enterprises to advance their opportunities

Many manufacturing related initiatives have been identified or are being developed by enterprises in our region. The following regional projects are critical to enable such enterprises to advance their initiatives:

- Regional presence for visitors.
- Workforce readiness.
- Effective roading network.

Regional Priorities

What is a regional project?

To be a regional project it must:

- Have a significant impact on reducing identified barriers and enhancing opportunities.
- Have a clear benefit to the region's stakeholders.
- Encourage our people.
- Have the partnership's commitment to resource the project so that it can be successfully implemented.

The Regional Projects

Project	Opportunities targeted	Barriers addressed
Workforce readiness	Manufacturing, primary processing and associated support services. Visitor industry. Improved land utilisation.	Workforce education and training.
Regional business brokers	Manufacturing, primary processing and associated support services.	Business advice and seeding finance. Business compliance.
Realising our land's potential	Improved land utilisation.	Business advice and seeding finance. Land locked land.
A regional presence for visitors	Visitor industry.	Lack of presence as a travel destination. Unreliable access to modern communication technology.
Effective roading network to stimulate and sustain business growth	Improved land utilisation. Visitor industry. Manufacturing, primary processing and associated support services.	Road transport.

The following will significantly advance our regional projects

	Opportunities targeted	Barriers addressed
Advocacy to strengthen our economic environment	<p>Manufacturing, primary processing and associated support services.</p> <p>Visitor industry.</p> <p>Improved land utilisation.</p>	<p>Access to modern communication technology.</p> <p>Transport.</p>
Advancing Treaty claims	<p>Manufacturing, primary processing and associated support services.</p> <p>Visitor industry.</p> <p>Improved land utilisation.</p>	<p>Treaty claims.</p>

Project Description

Project	Scope
Workforce readiness	<p>a) To conduct annually an Industry Training Needs Analysis for the region that forecasts demand for the next three years.</p> <p>b) In the short-term, import skills for industries experiencing critical skill shortages. This will involve establishing a regional presence as a place that offers career opportunities, lifestyle and a great place to raise a family.</p> <p>c) Use the Industry Training Needs Analysis to develop industry and community relevant vocational training programmes with polytechnics, private training providers and the industry training organisations. The programmes are developed using a collaborative approach on an industry sector by sector basis.</p>

Project	Scope
Regional business brokers	<p>a) Using a regional business broker, link enterprises in our region to assistance available through the range of schemes that government provides.</p> <p>b) The work involves being knowledgeable of what schemes are available, knowing the networks and processes to access these schemes for the benefit of enterprises on a case by case basis.</p>

Project	Scope
Realising our land's potential	<p>To identify the opportunities arising from climate change and improved market information to develop practical options for improved farming methods and land uses to increase productivity in a sustainable manner.</p> <ol style="list-style-type: none"> a) Undertake climate and soil measurements at selected sites in our region. b) Involve farmers, iwi and/or growers at selected sites to formulate detailed plans for the study, collect data from test sites and send to project monitoring agency. c) Prepare maps of the climate elements and soil properties that are important for the farmer to make the best practice decisions for land use: <ul style="list-style-type: none"> • Climate conditions and year to year climate fluctuation that we may experience over the next 10-20 years. • The impact of longer term climatic changes that are likely to occur over the next 50-100 years due to human activities (greenhouse effect). d) Prepare a handbook that: <ul style="list-style-type: none"> • Catalogues the climatic and soil results for the project. • Provides information on the soils and climate. • Outlines the impact on the soil and land use from forecast climatic change. • Identifies new crops that are suitable for our climate and soil conditions. e) To advise those potentially affected or benefiting from the project of the results and the resultant opportunities, by: <ul style="list-style-type: none"> • Personal presentations – tours, seminars etc. • Electronic medium using GIS (Geographic Information System) and web site. • Providing brochures and/or CD with the results. f) To undertake selected pilot venture gardens around our region to demonstrate the potential, detailed evaluation and benefits prior to commercial production. g) To fund a Farm Development Advisor who uses the climate, soils and new crops/breeds information to assess a farm's options for improving production and accessing markets by: <ul style="list-style-type: none"> • Assisting the farmer to identify the risks and benefits associated with new crops and/or breeds. • Accessing commercial funding and gaining bankers' confidence. • Gaining support from regulatory agencies to enable change in land use, if required. • Gaining other sources of advice or information. h) To identify areas of land locked land and investigate options for land use including new crops and stock.

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Project	Scope
A regional presence for visitors	<p>To provide an interesting and enticing experience for national and international visitors.</p> <p>Identifying and branding the "regional route/s" that have clearly identified attractions, which are packaged and promoted through the following mediums:</p> <ul style="list-style-type: none"> a) E-business and interactive web site (including accessing information en-route about attractions/services, bookings, route planning. All core information held on the web). b) Hard copy customised route map focused upon visitors' needs. c) Promotion of the route nationally and internationally at TRENZ and ITOC. d) Marketing campaign to residents in our region. e) Professionally promote "the routes" image nationally and internationally. f) Signage to and along the route.

Project	Scope
Effective roading network to stimulate and support business growth	<p>To optimise road transport technology available on our regional roading network by:</p> <ul style="list-style-type: none"> a) Improving the quality and safety of the roading system for all road users - public and private, trucks, cars, buses, locals and visitors. b) Identifying roads in our region that have national importance and/or require significant upgrade to optimise the economic opportunities for our region and New Zealand. c) Advocating support for resultant preferred options to provide a safe and effective roading network in our region. d) Investigating alternative funding options and methods to fund our roading network, both construction and maintenance. e) Identifying local projects that can be advanced within current Transfund policy.

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Project	Scope
<p>Advocacy to strengthen our economic environment</p>	<p>Rail transport To research and advocate change to the current delivery mechanisms for rail transport. The focus will be kept on offering alternative delivery mechanisms that will be an improvement on current practice from a regional prospective.</p> <p>Cargo hub To support the initiatives being promoted for the development of an integrated international transport system in the lower North Island including air, road, rail and sea. This would provide enterprises with the opportunity for direct access to their global markets.</p> <p>Business compliance costs Business compliance costs on small to medium business are a major impediment to growth. The regional partners agree to work to minimise the level of regulation needed to maintain economic, cultural, environmental and social wellbeing of the region.</p> <p>Initiatives that enhance our green environment To encourage projects enhance the enhance quality of the natural environment and that also protect and enhance the region's green image.</p>

Project	Scope
<p>Advancing Treaty claims</p>	<p>The regional partnership will support, in terms of the partnership agreement, the region's iwi in their pursuit of their respective claims under the Treaty of Waitangi settlement.</p>

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Indicative Budget 2002-2006

Project	Indicative costs (excluding GST) (\$000)					
	2002/3	2003/4	2004/5	2005/6	2006/7	Total
Workforce readiness	100	80	80	70	50	380
Regional business brokers	0	0	0	0	0	0
Realising our land's potential	465	440	190	190	190	1,475
Regional presence for visitors	300	300	250	20	0	870
Effective roading network	10	10	10	10	10	50
Advocacy to strengthen our economic environment and advancing Treaty claims	15	15	10	10	10	60
Total	890	845	540	300	260	2,835

Notes:

Majority funding for workforce readiness is targeted from key stakeholders including Work & Income, Skill NZ, ITO and the respective industry group.

The Regional Business Brokers project is about delivering central government services better to those people that it is designed to assist. Industry New Zealand advises that this is a national issue and is now considering its options for improved service delivery. Accordingly, it is assumed that an appropriate service will be implemented to eliminate the present barrier to growth in our region.

Funding for "realising our land potential" and "regional presence for visitors" will be sought from Industry New Zealand as our major regional initiative.

The relatively small funding for effective roading network, advocacy to strengthen our economic environment and advancing Treaty claims reflects that much of these projects will be undertaken by key stakeholders within our partnership and regional community at no cost to this budget.

Source of funding	Indicative income (excluding GST) (\$000)					
	2002/3	2003/4	2004/5	2005/6	2006/7	Total
Industry New Zealand - Major Regional Initiative	615	585	355	225	0	1,780
Other Government Departments	70	55	55	50	35	265
MAF - Sustainable Farming Fund	30	30	10	10	10	90
District Councils	100	100	100	100	100	500
Others	75	75	20	20	10	200
Total	865	840	520	385	175	2,835

Ongoing Monitoring

The following will be monitored to identify progress:

- Employment full time equivalents (FTEs).
- Gross Domestic Product (GDP).
- Economic farm surplus \$/ha by land use.
- Household income.
- Participation rates in vocational tertiary education.

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Supporting papers

The Regional Project Plans

- Workforce readiness.
- Regional business brokers.
- Realising our land's potential.
- Accessing land locked land.
- A regional presence for visitors.

Initiatives identified and being developed by enterprises in our region

- A brief description of the initial 65 initiatives presented to the Regional Partnership that will benefit from the regional projects.

The Background Research Papers

- Increased utilisation of land - the opportunities, barriers, risks.
- Manufacturing, primary processing and associated service industries - the opportunities, barriers, risks.
- The visitor industry - the opportunities, barriers, risks.

The Process

- The regional development planning process.

The above papers are available from the offices of:

Ruapehu District Council
Huia Street
Taumarunui

Wanganui District Council
101 Guyton Street
Wanganui

Rangitikei District Council
High Street
Marton

Te Puni Kokiri
Victoria Avenue
Wanganui