

Uplifting Waitaki: Hāpaitia te Waitaki Economic Development Strategy



20th September 2022



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Waitaki Economic Development Strategy

Overview

- This is the Uplifting Waitaki: Hāpaitia te Waitaki Economic Development strategy.
- The strategy has been developed by Polis Consulting Group with Waitaki District Council and Te Rūnanga o Moeraki and with the engagement of businesses and stakeholders of the district.
- It draws on a combination of qualitative and quantitative research, and practice knowledge to set out a path to grow the district's economy, in a sustainable and inclusive way.

Recommendation

- Council adopt the Waitaki Economic Development strategy including:

Overall direction of strategy to deliver growth that is sustainable and inclusive

Core recommendations on 5 key programmes (high-level only)

Establishment of an Economic Development Agency as a CCO and associated funding

High level governance and organisational structure

Staged Implementation timeline

Background

- Waitaki District Council (WDC) has invested significantly in Economic Development (ED), including Tourism Promotion, for a number of years. Whilst there has been a lot of activity within this area from ED staff within the Council and from the Council's CCO, Tourism Waitaki, Council believes that the activity could be delivering better value for ratepayers and more measurable benefits for our community. Council also believes there is opportunity to engage with stakeholders more effectively with a view to improving collaboration and partnership working and enhancing delivery.
- Post an Expressions of Interest process, Polis Consulting Group was appointed in December 2021 to work with the Council, Te Rūnanga o Moeraki and stakeholders. Their brief was to optimise economic development and tourism outcomes for the district by developing a clear and focused Economic Development Strategy (including the tourism sector) that is evidence based and has the engagement and support of stakeholders; and to review how WDC, its CCO and partners are set up to deliver that strategy.
- In parallel to this work, Regional Tourism Organisations (RTOs) are being funded by government to develop Destination Management (DM) Plans. Stafford Consulting was appointed by Tourism Waitaki and delivered the final plan in August 2022. DM Plans aim to reshape New Zealand's tourism to ensure visitors give back more than they take, are socially aware and care about their environmental footprint. Destination Management encourages an holistic, integrated and more regenerative approach moving beyond marketing & promotion to include the visitor experience, resource and infrastructure management. Once adopted by Elected Members agreed priorities from the Waitaki DM Plan will be integrated into the Visitor programme.

Summary Brief

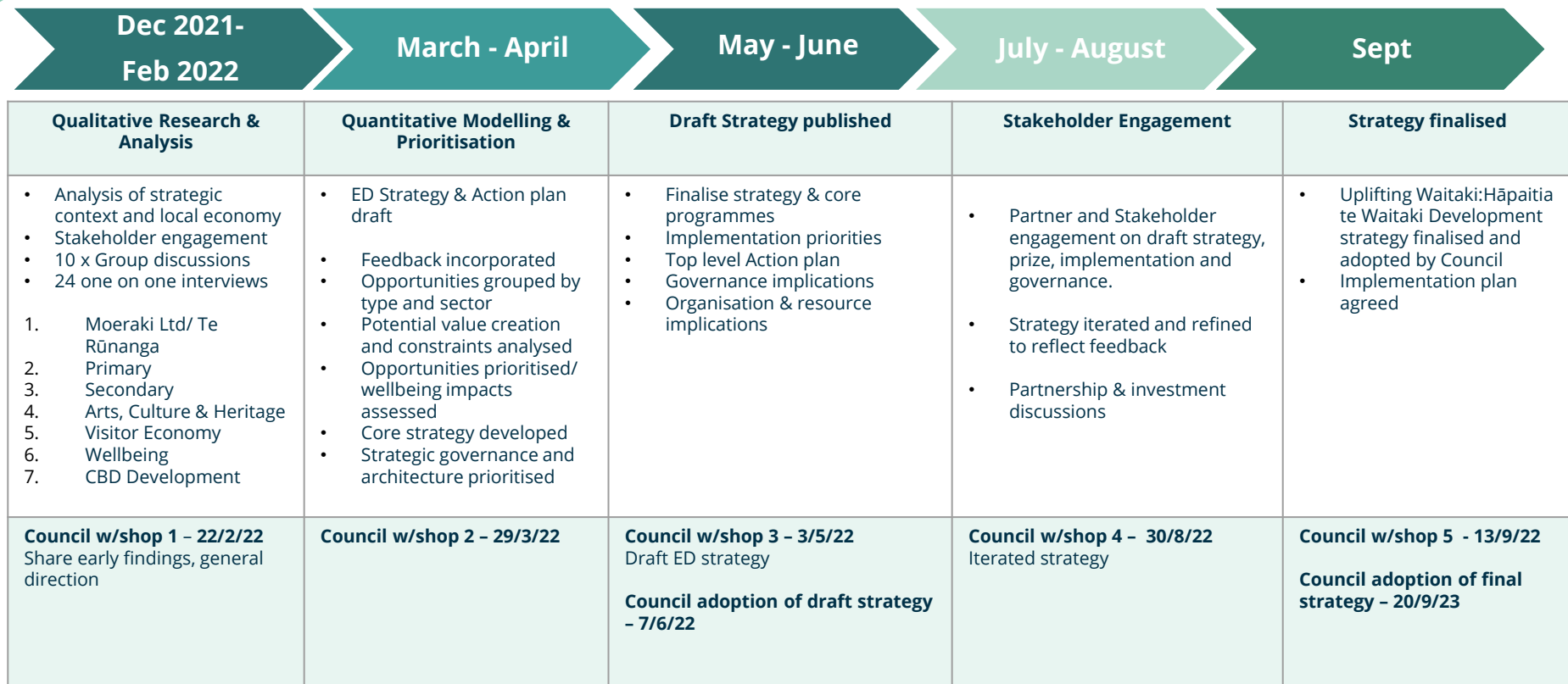
Project goals

1. Clear evidence based Economic Development Strategy (including tourism) for the district (i.e. not just a council strategy) developed with Stakeholder Engagement
2. Review to ensure fit for purpose and optimized arrangements to deliver the strategy that make most effective and efficient use of the resources available

Polis scope summary

- Undertaking analysis of the external and internal strategic context for Waitaki's future growth
- Design and delivery of a Waitaki Economic Development Strategy (WEDS) with clear recommendations that will provide economic stretch and enable future innovation
- Development of a clear, high level action plan
- Best fit between economic development and destination management/ regional tourism office functions
- Recommendations for optimal governance arrangements for the WEDS, integration with other council functions, collaboration with neighbours, business, iwi and community, and operational arrangements

The development process and timeline



Whakataukī

Hāpaitia te Waitaki

Uplifting Waitaki

Waitaki hāpai Tangata

Waitaki hāpai Pakihi

Waitaki hāpai Hapori

Uplifting People, Business and Community

Gifted by Te Rūnanga o Moeraki



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Executive summary

Business and Stakeholder feedback on the draft strategy has endorsed the Uplifting Waitaki: Hāpaitia te Waitaki 10 - year Economic Development strategy

- Success was defined as “sustainable, inclusive growth”
- Qualitative analysis identified many initiatives, but limited implementation
- Ideas were grouped and prioritised into 5 core programmes
- Quantitative analysis was undertaken to test priorities, to size the prize, and assess wellbeing impacts

5 core strategic programmes, if implemented, should create \$70-\$145m additional GDP and 1350 additional jobs in 2032, above projected growth - up to 8% additional direct growth above projected (up to 16% with indirect growth)

Implementing the strategy is estimated to deliver a ~9% uplift across well-being dimensions

Draft high-level action plans are recommended for each core programme, subject to further development

Governance and organisation are recommended, creating a new EDA “Venture Waitaki” as a CCO

- Additional funding of ~\$1.3m p.a. net of reprioritised existing funding is recommended to fully implement the strategy
- A three staged approach to implementation is proposed while resources are secured. Resourcing for full implementation is secured by Horizon Three.
- The future role and management of the Oamaru Blue Penguin Colony will be further explored during 2022/3.

The high ROI creates a strong basis for partnership investment – Council, Government, Business and other partners

- Further work is required to detail and calculate ROI and to plan/execute stakeholder engagement

Strategy Development



Uplifting Waitaki: Hāpaitia te Waitaki



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Qualitative Phase

Process

Extensive on-location interviews and workshops

- Success criteria confirmed with Council, Governance Group with senior staff input
- Baseline desk research drawing together all available data
- 24 stakeholder interviews
- 10 community and Iwi workshops

Result

High number of project initiatives identified that typically had:

- Little prioritisation or strategic alignment
- Low levels of planning, readiness and quantification
- Limited track record of implementation



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Success was defined as sustainable inclusive growth

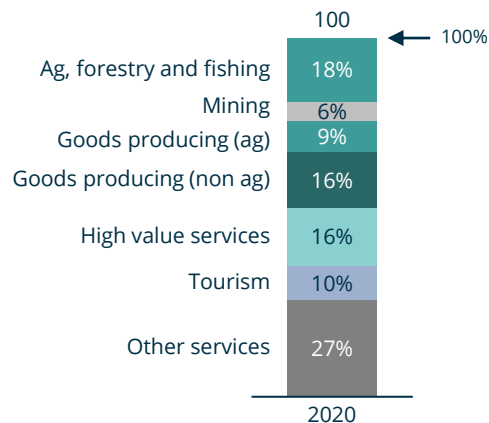
Success definition criteria and weightings

Element	Dimensions	Weightings ⁽¹⁾
	Sustainability, inclusiveness, and growth are at the heart of WEDS. All programmes are designed to deliver on these three outcomes	
Sustainable	Environmental and ecosystem features of any project alongside ability to sustain and build prosperity over time	25%
Inclusive	Include locals in delivery, build community wealth, employ locals, and build locally owned businesses that provide returns to the community	25%
Growth	Increasing prosperity associated with resilience and long-term social, environmental, and cultural well-being	50%

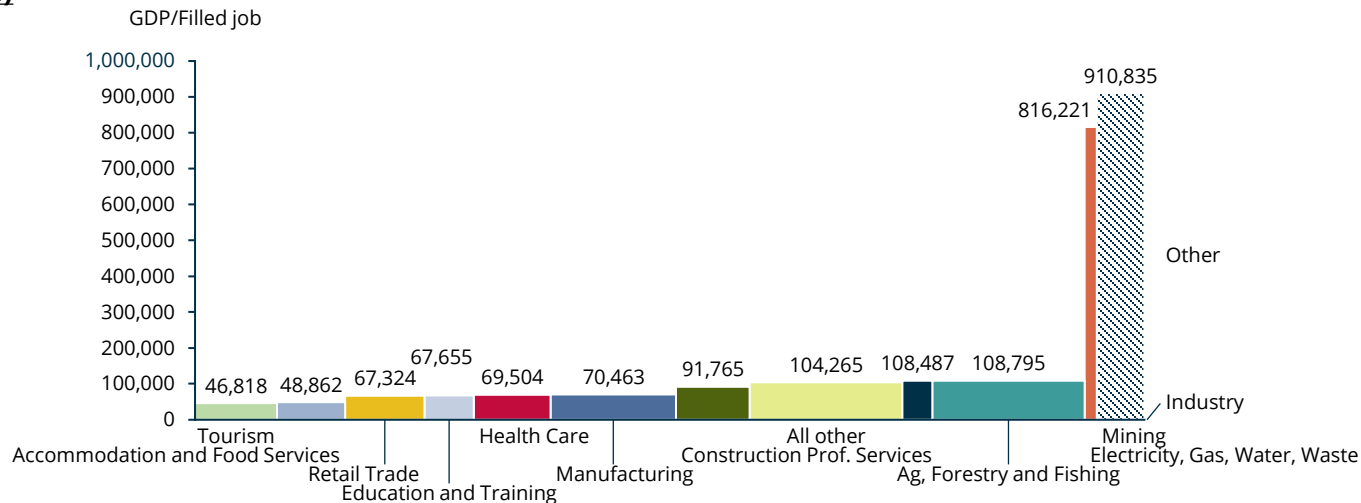
The recommended strategy can achieve substantial improvements in all three dimensions simultaneously

Baseline research profiled the Waitaki economy's growth trends

Filled jobs by sector, 2021 (%)



GDP per filled job by industry



Waitaki had 11,611 filled jobs in the district in 2021

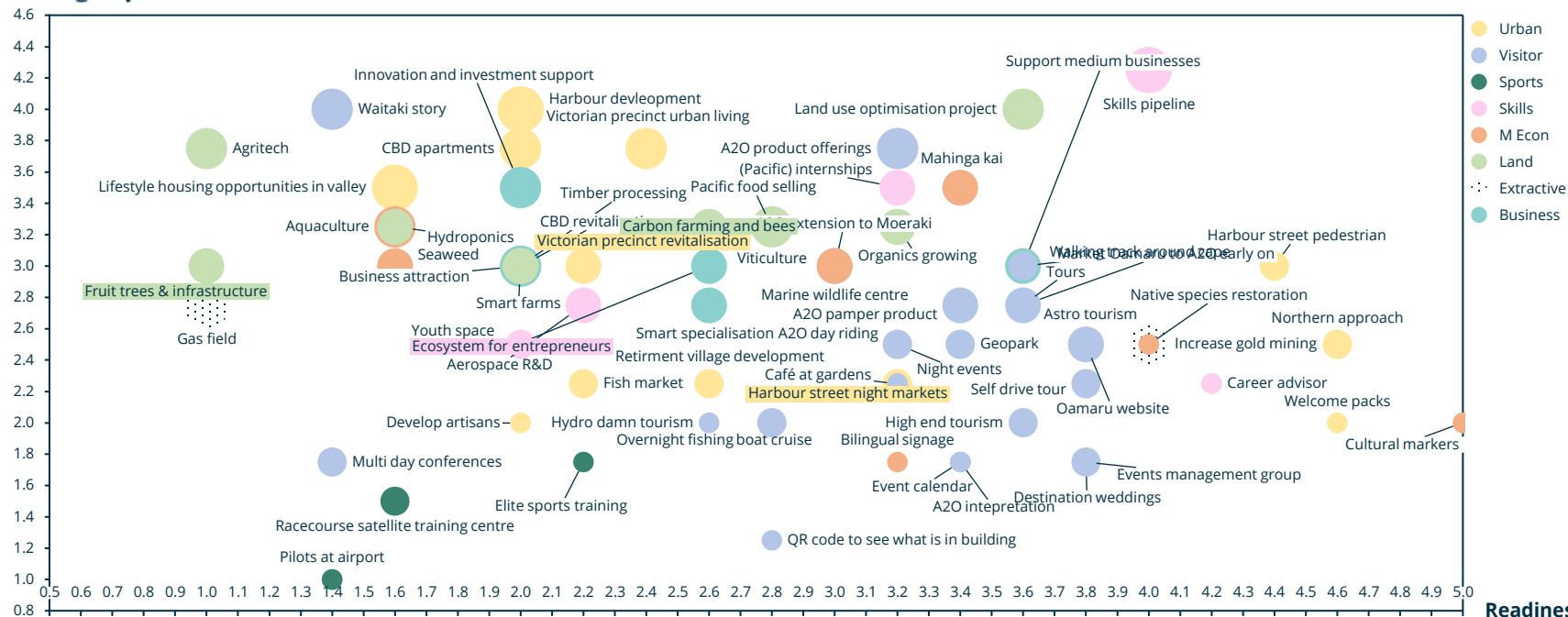
- Agriculture and related secondary industries (e.g. meat processing) account for 27% of the region's jobs
- Dairy cattle farming contributes 40% (817) of agriculture, forestry and fishing jobs
- Mining is a significant contributor to GDP but only contributes 5.5% of regional employment

jobs

Qualitative analysis identified multiple initiatives

Projects by wellbeing impact and readiness (Bubble size is economic impact)

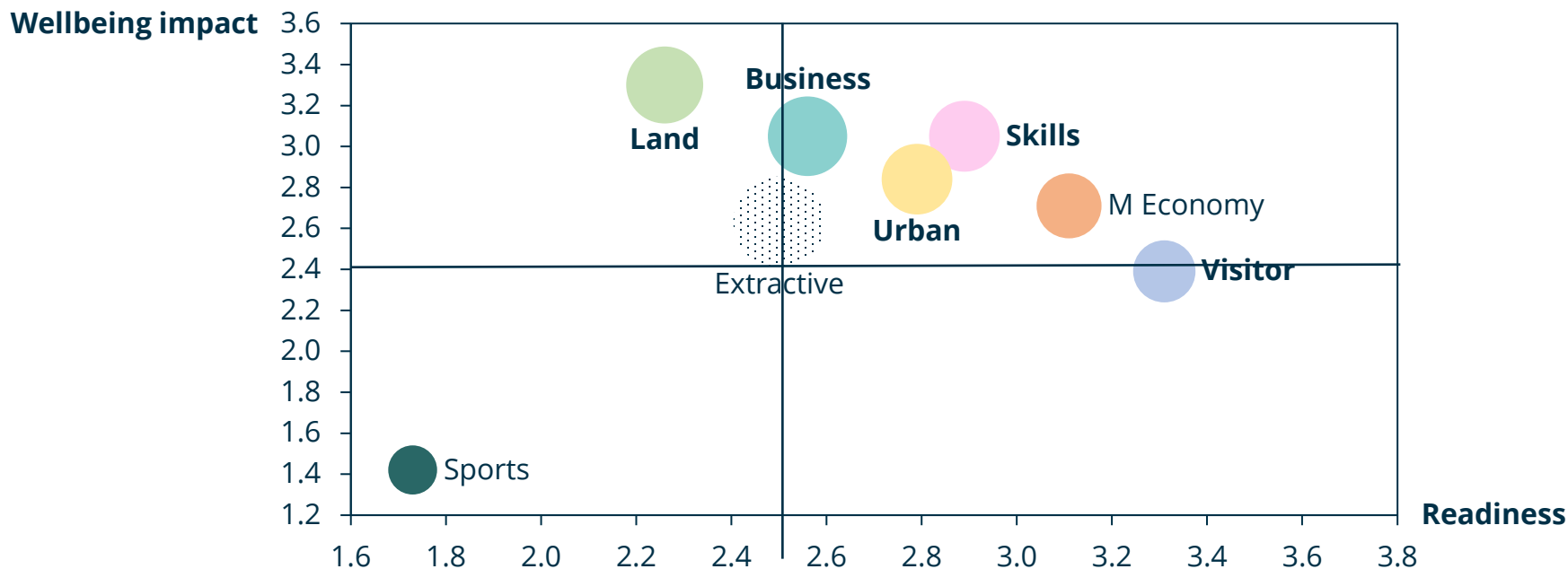
Wellbeing impact



Multiple initiatives were prioritised into 5 core programmes

Programme average wellbeing impact by average readiness

(Bubble size is average economic impact)



Note: Māori economy projects were regrouped within the five substantive priority areas but remain important in their own right. Sports and Extractive were not prioritised (low impact or low multipliers). Source: Polis analysis, Council input on criteria and assumptions.

Draft programmes were developed from qualitative inputs for subsequent quantitative analysis

Programme	Description	Qual rank	Hypothesis
1. Optimised primary sector (Land)	<ul style="list-style-type: none"> Land use optimisation Related secondary industry Māori ED: Mahinga Kai 	1	The largest sector in the economy has headwinds but also the greatest opportunity to create value.
2 Enhanced urban vibrancy (Place)	<ul style="list-style-type: none"> CBD + Heritage development Harbour development 	4	Urban vibrancy will attract businesses, residents and visitors while adding to amenity for locals. Increased revenue from heritage buildings will ensure sustainability.
3. Business innovation and growth (Business)	<ul style="list-style-type: none"> Business innovation and attraction Ecosystem for entrepreneurs Māori ED: Māori entrepreneurs 	3	Innovation focus will lift entrepreneurship, innovation, productivity and prosperity. <ul style="list-style-type: none"> - Leveraging assets with “stretch” - Adding “new” opportunities and businesses
4. Waitaki skills pipeline plan (People)	<ul style="list-style-type: none"> Skills development Skills attraction Māori ED: Moeraki Ltd / Ngāi Tahu scholarships 	2	Skills development increases human capital, reduces youth leakage, addresses the dependency ratio, and balances demographics to increase community wellbeing and connectedness
5. Increased return from visitor economy (Visitors)	<ul style="list-style-type: none"> A2O product offerings Waitaki story /marketing Māori ED: Moeraki A2O extension/Waitaki story 	5	Visitor economy will add value to the Waitaki economy by more engaged experiences. It captures increased value from visitor flows, provides entry level jobs and business opportunities, and multipliers to other industries

Quantitative phase

Process

Detailed literature review and expert interviews to seek quant data.

Stochastic modelling of GDP/Jobs outcomes per programme

Wellbeing indicator index scores quantified

Synthesis of results into recommended strategy

Result

Substantial value gain in GDP and jobs above baseline trends

Core strategy pillars and priorities confirmed



Quantitative methodology: Overview

	Baseline	BAU Trajectory	Strategic "Tilt"
WEDS	<ul style="list-style-type: none"> Current (2021) GDP and employment for each sector, per Infometrics data Note visitor uses a pre-COVID base (2020) 	<ul style="list-style-type: none"> High, low, likely cases based on historical growth rates (past 10 years) of the sector (see slide 50) 	<ul style="list-style-type: none"> Per annum growth rates increase by 20-50%, likely is 35% <p><i>Example: 3% growth rate</i></p> <ul style="list-style-type: none"> <i>Shift to a growth rate of between 3.6% to 4.5%,</i> <i>likely growth rate of 4.05%</i> <p>= + 1.05% growth</p>
Wellbeing	<ul style="list-style-type: none"> Waitaki's current index for each indicator, per Infometrics data (see slide 72-74) 	<ul style="list-style-type: none"> High, low cases are based on wellbeing indicator index scores of other similar South Island TA's Likely case is median index for each indicator of other similar South Island TA's 	<p>Economic indicators</p> <ul style="list-style-type: none"> Same high, low as BAU Likely = Waitaki current as starting point, linear growth of likely to reach the high point after 5 years <p>Other indicators</p> <ul style="list-style-type: none"> Same high, low as BAU Likely = Waitaki current as starting point, linear growth of likely to reach the high point after 10 years



Five core strategic programmes can deliver ~\$146m GDP gain and 1350 additional jobs in 2032

Quantitative modelling confirmed relative value of five core programmes: land, place, visitor, business and people.

Implementing the strategy is estimated to lift direct GDP by \$70m or 8% above BAU by 2032

- Including indirect and induced effects, total GDP stimulus could reach \$146m by 2032

Strategy is estimated to create 1350 additional jobs and 3000 residents, supporting 12% population growth

Implementing strategy is estimated to deliver a ~9% uplift across the four well-beings

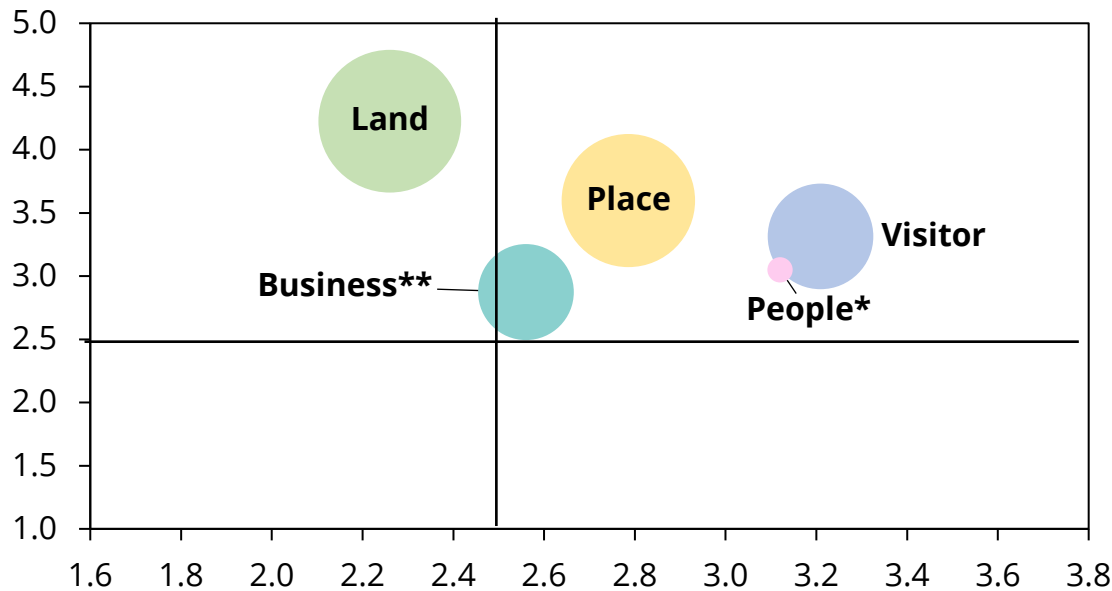
- Strategy improves all wellbeing dimensions, but BAU trajectory falls backwards on environment and knowledge
- Well-being analysis is grounded in comparable data and extensive modelling

Quantitative modelling confirmed relative value of five core programmes

Programme average wellbeing impact by average readiness

(Bubble size is proportionate to GDP)

Wellbeing impact



Programme Rank

(67% well-being impact * 33% readiness)

Programme	Rank
Land	1
Place	2
Visitor	3
People	4
Business	5

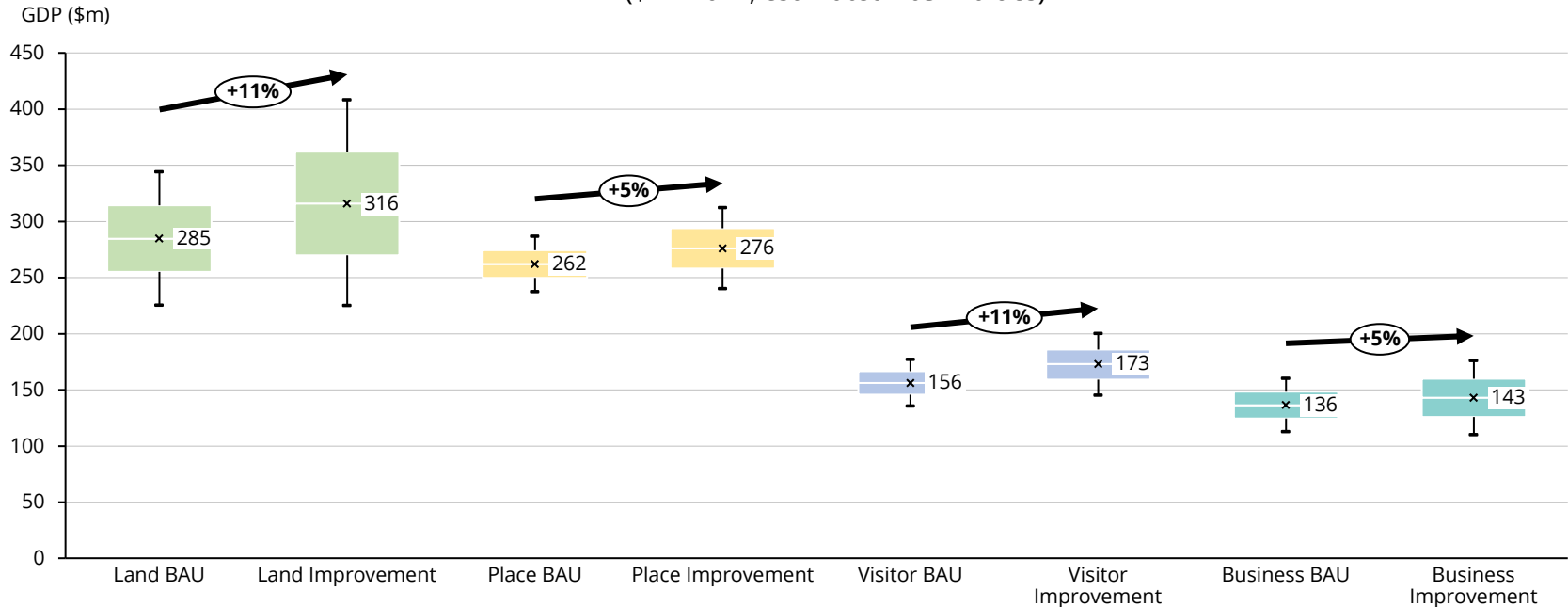
Note: * People is an enabling programme built around skills and workforce development that is needed for the other core programmes to thrive.

** Business quant analysis only includes manufacturing. Actual 'Business' programme of work is broader to include innovation and entrepreneurship

Source: Polis analysis, Waitaki model + qualitative interviews

Implementing the strategy is estimated to lift direct GDP by \$70m or 8% above BAU by 2032

Direct GDP contribution by programme
(\$NZ 2022, estimated 2032 values)



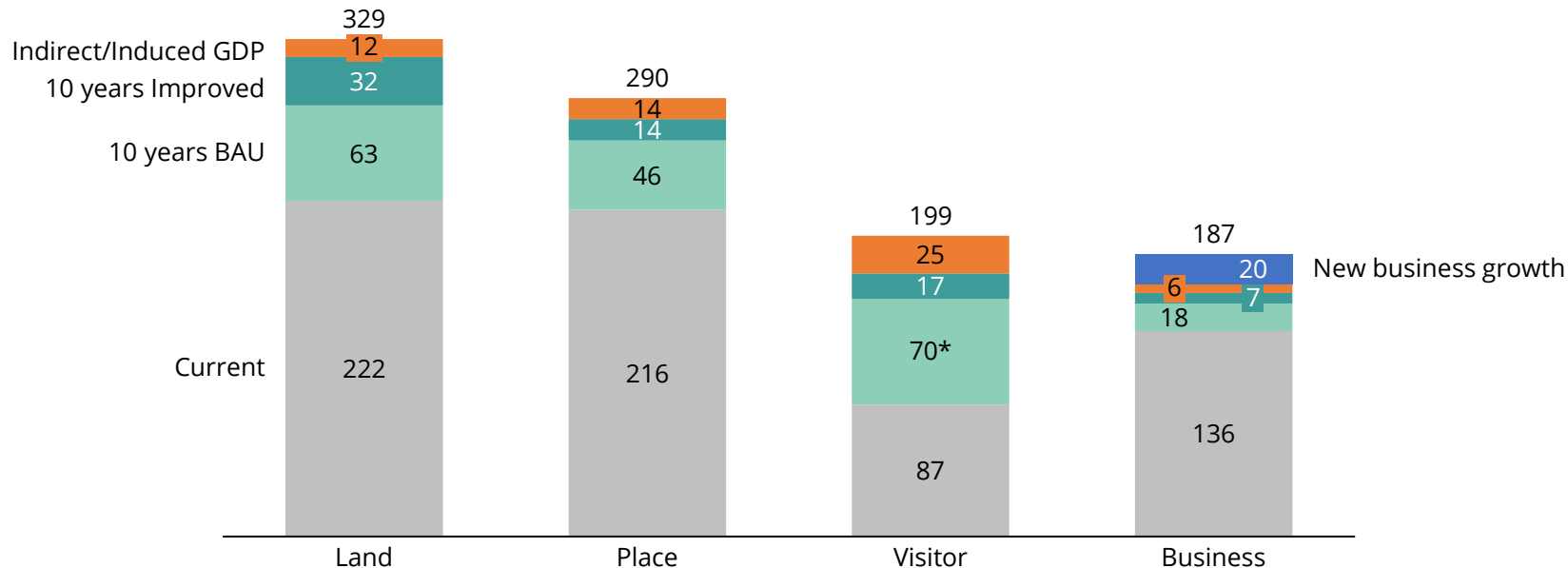
Notes: Percentage changes are from mean to mean and show the expected improvement in GDP per sector with WEDS implemented

Source: Polis analysis: Waitaki Model, data obtained from Infometrics 2021. See slide 67 for methodology summary and 68 to 69 for input data overview

Including indirect and induced effects, total GDP stimulus could reach \$146m by 2032

Total GDP contribution by programme

(\$NZ 2022, estimated 2032 values)

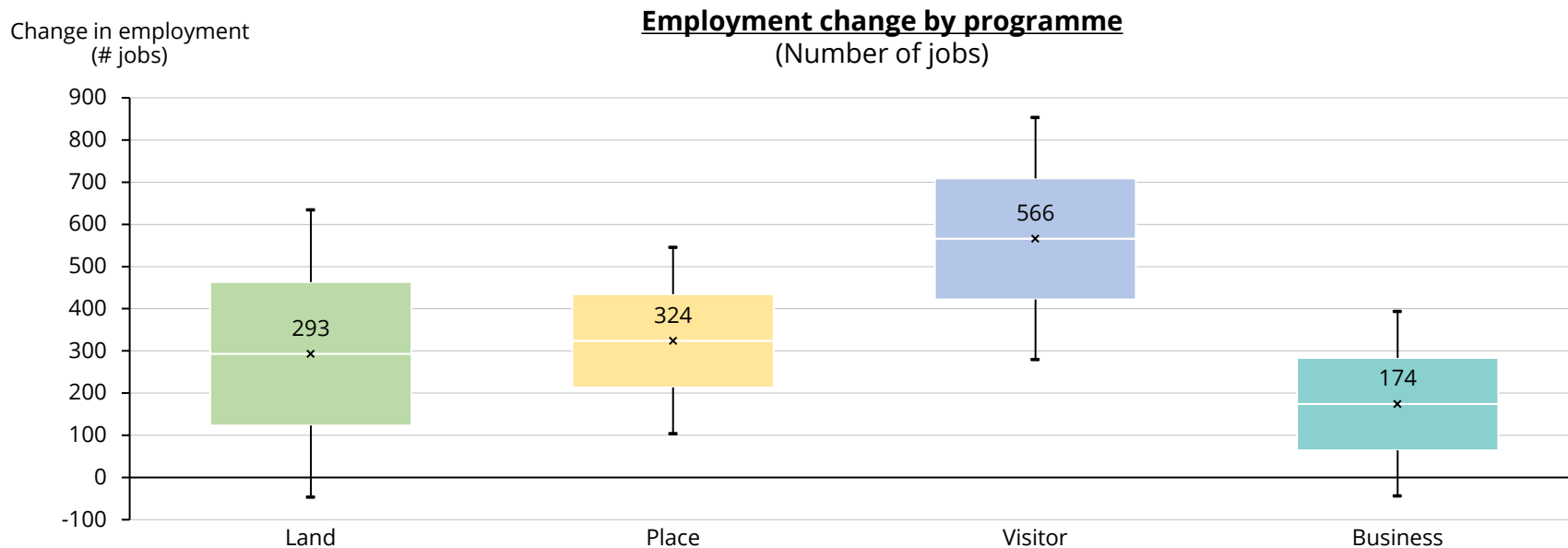


Note: *Modelling assumes resumption of pre-COVID growth patterns in Visitor sector

** Business category is mainly driven from Manufacturing. Freezing works growth appears limited, but we believe there will be additional upside in local manufacturing above regional averages

Source: Polis analysis: Waitaki Model, data obtained from 2021 Infometrics data

Strategy is estimated to create 1350 additional jobs and ~3000 new residents, supporting 12% population growth



Note: While it is expected to see relatively high employment with low paying jobs, it is important to treat the high visitor change in employment with caution as the multipliers used appear high, as a result of recent (pre-COVID) high NZ tourism growth.

Source: Polis analysis: Waitaki Model, data obtained from Infometrics 2021

Wellbeing analysis highlights the importance of a reset

Process

Well-being analysis is grounded in comparable data from similar regions and extensive modelling (900 simulations)

Result

BAU trajectory falls backwards on environment and knowledge

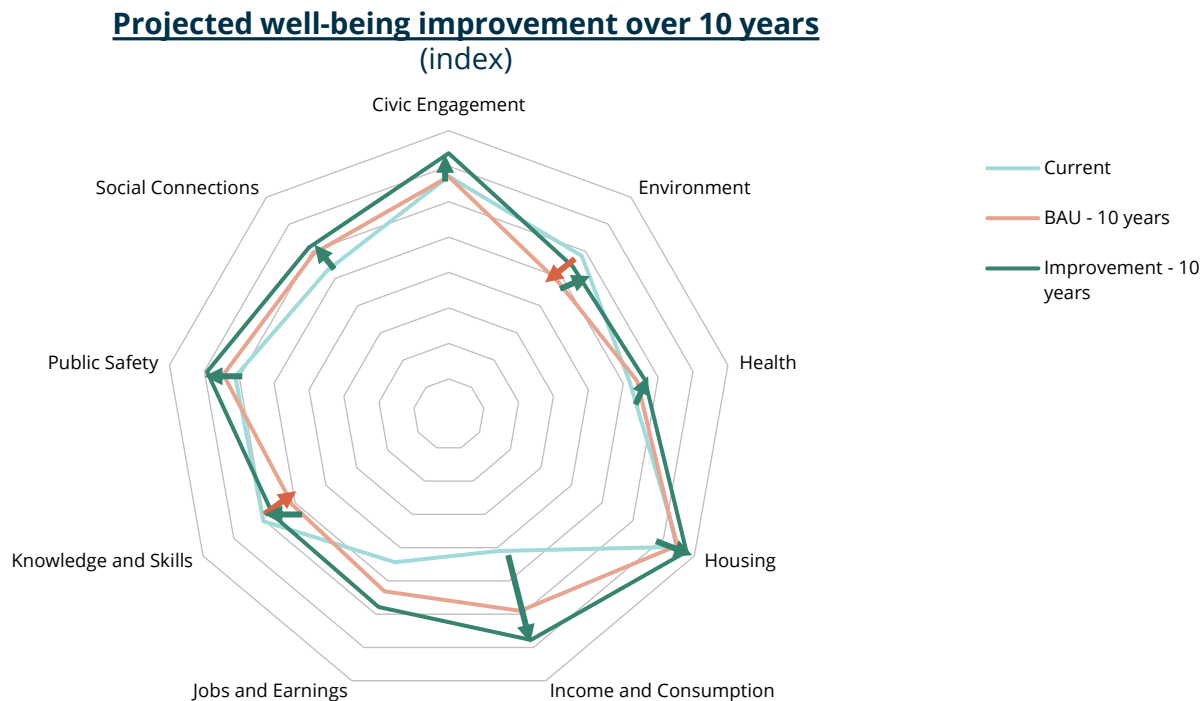
WEDS improves all well-being dimensions over BAU trajectory

Implementing WEDS estimated to deliver a ~9% uplift across the four well-beings

Inference: Recommended strategy achieves goal of inclusive, sustainable growth and demonstrably supports well-being outcomes

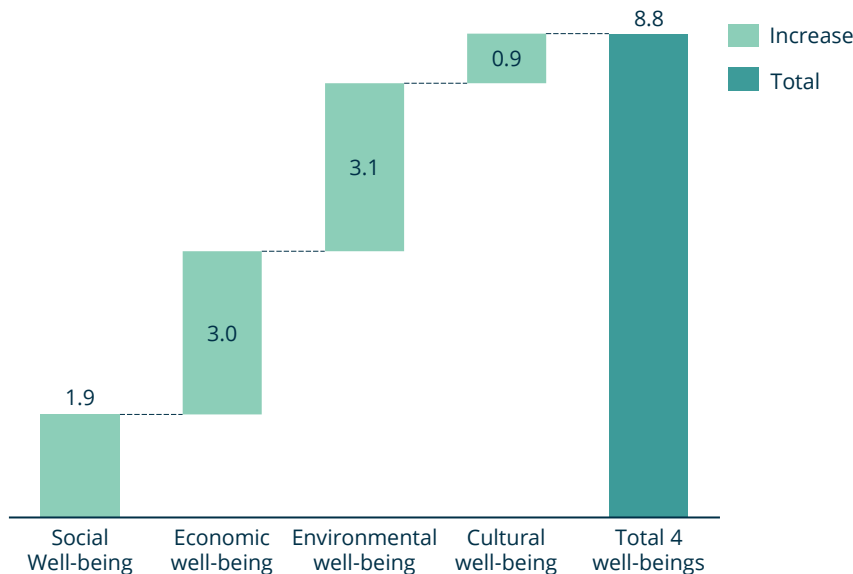


BAU trajectory falls backwards on environment and knowledge, but WEDS improves all well-being dimensions



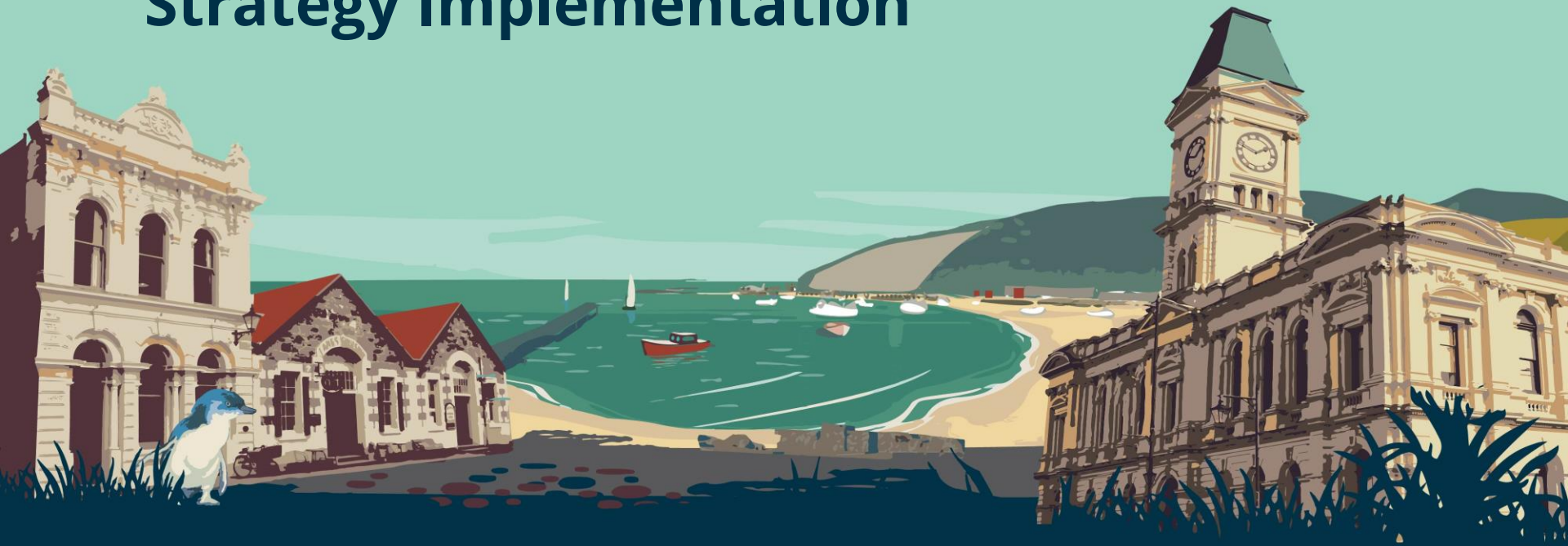
Implementing strategy estimated to deliver a ~9% uplift across the four well-beings

Four well-beings improvement over 10 years
(% gain relative to BAU trajectory)



Well-being	10-year index gain (above BAU)	Contribn
SOCIAL WELL-BEING	7.5%	1.9%
Civic Engagement	9.9%	
Health	8.5%	
Housing	4.4%	
Public Safety	7.1%	
ECONOMIC WELL-BEING	11.8%	3.0%
Income and Consumption	14.8%	
Jobs and Earnings	8.8%	
Knowledge and Skills	12.0%	
ENVIRONMENTAL WELL-BEING	12.2%	3.1%
Environment	12.2%	
CULTURAL WELL-BEING	3.6%	0.9%
Social Connections	3.6%	
TOTAL		8.8%

Strategy Implementation



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From strategy to action: implementation approach

Context

There is a substantial prize for Waitaki District now at stake...

...But the best-evidenced strategies are worth nothing if they do not get implemented

This section bridges strategic programmes to draft high-level action plans

Process

Implementation approach

For each programme:

- Desired outcome and rationale
- Key “must-do” action steps
- High-level action plan



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Execution without Strategy is aimless Strategy without Execution is useless

The world is littered with well written strategies that don't get implemented

Economic development strategies are complex and challenging. Designing actions that contribute to outcomes is difficult but must be achieved.

A mix of short-term actions and longer-term significant projects is desirable to create momentum

Recommendations below are designed to be an indicative first cut, for discussion and further development, that would be built upon by programme managers, when appointed.

Implementation needs to balance empowerment and innovation with clear lines of accountability: our structural recommendations reflect this.



An Action Plan is a living document and an organising tool for implementation

Principles:

- It reflects outcomes and strategic intent
- It is iterative, flexible, and agile within a strategic context
- It is a Framework for collective impact

Tools:

- Project prioritisation using Multi Criteria Decision Analysis
- Portfolio and project management disciplines
- Risk Matrices

Purpose:

- Create and sustain momentum
- Increase trust and collaboration
- Include
- Focus
- Facilitate
- Enable
- implement

Note: The draft high level implementation plan is recommended as a starting point. It is not final. It will need to be considered and completed by an action plan working group and agreed by an economic development governance group

Five interconnected programmes of work provide the foundation for the action plan



The Waitaki Story will bring the essence of the district to life for residents, businesses and visitors

Uplifting Waitaki:
Hāpaitia te Waitaki





1. Land & Water programme overview

Desired outcome

The Land & Water programme supports and grows the primary sector by:

- Exploring land & water use optimisation
- Secondary industry opportunities
- Innovation opportunities.

It delivers inclusive outcomes via local employment across the district in higher paying jobs.

- Land use is a key driver in Waitaki's economy, a thriving land sector provides returns to the entire community

The Land & Water programme encourages sustainability

- optimises the use of the land & water to perform both profitable and sustainable activities
- supports diversification of the sector.

Programme rationale

Addressing opportunities and challenges in the primary sector must be a strategic priority for Waitaki

- Primary agriculture and direct servicing accounts for 15% of GDP and 27% of employment in Waitaki District
- Large % of land remains marginal / underutilised
- Climate change and emissions policies imply high risk of future reduction in contribution of dairy and sheep/beef to GDP & employment
- Rising sea temperatures are impacting the fisheries and aquatic resources across New Zealand.

Impact of programme	Potential Gain
Potential change in GDP	\$44m
Change in Income	\$20m
Change in Employment	293 FTE



1. Land & Water : Must-do actions

- Develop scope for land & water use optimisation feasibility studies
- Establish a flexible feasibility fund [for land use optimisation projects]
- Investigate extension programme for farmers
- Investigate opportunities for fisheries and aquatic resource development across the district
- The Mahinga Kai project is both symbolic and a practical representation of traditional land use and kaitiakitanga.
- Funding needs to be sought for the extension of the programme and support to engage visitors, businesses and residents' connection to the Waitaki Story project.



EXAMPLE: 1. Land Action plan

Project title	Lead	Team	Funding	Risk	Status	Action	Who	When
Land-use optimisation feasibility study: exploring sustainability and profitability opportunities	EDA/U CEO	TBA: WDC, MPI, Dairy NZ, Beef and lamb, ORC, Lincoln University, Fed Farmers	TBA		New	Develop scope and funding for feasibility studies to present to Action Plan working group	EDA/U CEO	June
Mahinga Kai	Te Rūnanga o Moeraki	Land working group	TBA		Existing	Application to extend funding and widen reach to visitors	Te Rūnanga o Moeraki	
Land use optimisation: sheep milk feasibility study, Sheep Milk Factory, Douglas Fir	Land lead	Subject matter experts	TBA		On hold pending LUO feasibility study	Await preceding actions		
Innovation: investigate bio active and functional food opportunities	Land lead	Callaghan Innovation/ CRI's / Food HQ	TBA		On hold pending LUO feasibility study	Await preceding actions		
Innovation: 'Listen to the land' pilot	Land lead	Open Parallel, MPI	TBA		Research and strategic plans are well developed	Develop a draft business case to present to the Action Plan working group	Nicolás Erdödy	June
Farmer extension programme: sustainability, profitability, well-being	Land lead	MPI, Dairy NZ, Beef and lamb,	TBA		Extension plans are well understood by farmers and can be translated into a programme that aligns with Action plan and farmer outcomes	Investigate Extension 350 (Northland) and other extension programmes, report to Action Plan Working Group	Land lead	June / July
RBI extension (Rural Broadband Initiative)	EDA/U CEO	CIP, Telcos	TBA		We do not know the correct picture of broadband coverage across the district	Ground truth Broadband capacity across the district – black spots and lack of capacity. Report.	EDA/U CEO	July/Aug /Sep



2. Place programme overview

Desired outcome

The Place strategy includes:

1. Ōamaru CBD and Heritage Development
2. Ōamaru Harbour Development
3. Revitalisation of Waitaki's rural townships

CBD and Heritage Development supports a thriving downtown quarter augmented by additional business and residential tenants

- Growth is inclusive as the rejuvenated downtown attracts a range economic activity and employment opportunities
- Better use of heritage buildings will ensure long term sustainability

Harbour Development improves use of space and infrastructure across the harbour and waterfront zones

- Significant amenity benefits
- Contribute to a longer-term programme

Development of place will be pivotal to a prosperous, vibrant future for Ōamaru, Palmerston and the district

Programme rationale

Ōamaru has magnificent natural and historic assets and under-utilised urban spaces.

- Current investment levels are likely insufficient to avoid asset degradation and stranding
- Current lack of connectivity and commerciality

Current lack of quantified development planning in key rural townships

Impact of programme	Potential Gain
Change in GDP	\$28m
Change in Incomes	\$20m
Change in Employment	324 FTE

Source: Polis analysis: Waitaki Model



2. Place: Must-do actions

- CBD revitalisation – create an integrated development plan for the CBD, encompassing Harbour zone, heritage precinct and CBD
- Heritage Precinct sustainability and profitability – develop and implement comprehensive business plan to improve financial & non-financial sustainability (including profitability) of heritage precinct
- Urban connectivity – improve connectivity between Harbour zone, heritage precinct & CBD (incl. implementation of projects included & funded in LTP 2021)
- Set up a Heritage Fund that will support increased commercial returns and heritage preservation from heritage buildings
- Develop a place making plan for Palmerston



2. Place: action plan

Project title	Lead	Team	Funding	Risk	Status	Action	Who	When
CBD revitalisation	Place Lead	Business South, developers, Moeraki Ltd	WDC, private investment		New	Create integrated development plan for the CBD, encompassing Harbour Zone, heritage precinct and CBD	WDC	Sept
Heritage precinct sustainability and profitability	Place Lead	Whitestone Trust, developers, business sector, Moeraki Ltd	EDA/U, WDC, Whitestone Trust, private investment		New	Develop & implement comprehensive business plan to improve financial & non-financial sustainability including profitability of heritage precinct	Place Lead	
Vision 2040 Harbour development	Stronger Waitaki	WDC, Schools, landscape architecture expert	WDC		New	Vision 2040 Harbour development competition	People Lead	
Urban Connectivity	WDC	EDA/U, business South, community organisations	WDC		Existing in Spatial Plan and LTP	Improve connectivity between harbour zone, heritage precinct & CBD (incl. implementation of projects included & funded in LTP 2021)	WDC spatial planning team	
Urban vibrancy: cultural festival	WDC Event manager	EDA/U, Moeraki, community organisations	Sponsors TBA		New	Establish cultural festival	WDC event manager	
Placemaking: Palmerston	WDC	Developers, business sector, community organisations, Oceana Gold	WDC, business sponsorship		New	Develop & execute 'Place-making' plan for Palmerston – extend to other small townships as appropriate	Place Lead	



3. Visitor programme overview

Desired outcome

The Visitors programme increases visitor economy return by growing spend and stay through product development.

- Development of new and existing product offerings
- Provide visitors with engaged, authentic, quality experiences

It delivers inclusive outcomes through business growth and employment opportunities in multiple townships across the district.

Nature and cultural based visitor experiences are sustainable business models that maintain and restore conservation and cultural values

Programme rationale

The visitor economy is a small but important sector of Waitaki's economy, with key opportunities

- Tourism accounts for 2.7% of the district's GDP
- Despite a substantial drop in international tourism in 2021 as a result of border closures, domestic tourism has been growing
- A visitor economy focus boosts the awareness and attractiveness, and brings wider social and environmental benefits to the region
- Nearly 75% of all visitors do not stay the night, and spend 30% less than in neighbouring Districts

Impact of programme	Potential Gain
Change in GDP	\$42m
Change in Incomes	\$30m
Change in Employment	566 FTE



3. Visitor: Must-do actions

- Integrate priority initiatives from the Waitaki Destination Management Plan into the Visitor programme to develop a medium-term programme of work
- Engage with Moeraki, WW Geopark and key stakeholders to develop a value proposition for the district and an integrated and aligned Waitaki Story plan that attracts new businesses, residents and visitors to the district.
- Draft 'Otago Coastal Cycle Trail extension to Palmerston' business case for the New Zealand Cycle Trail Enhancement and Extension Fund. Secure funding to complete the A20 cycle trail.
- Decide on new Kākaunui and Moeraki Cultural tourism product offerings to support the cycle trail extension and develop business cases
- Leverage high Moeraki visitor flows into increased overnight and multi-day stays

3. Visitor: Action plan

Draft



Project title	Lead	Team	Funding	Risk	Status	Action	Who	When
A2O product development: Oamaru stay the night deals	Visitor Lead	Mackenzie District Council, A2O	EDA/U, Operators		New	Plan to develop and attract new product offerings along the trail. Connect with A2O to promote Oamaru.	EDA/U Action plan lead	July
Palmerston cycle-way extension and product development	Visitor Lead	EDA/U, DOC, NZTA, MBIE, Moeraki Ltd cycleway trust	MBIE, WDC, NZTA		Indicative Business case completed	Business Case completed	Visitor Lead	Sept
Moeraki Cultural Centre	Moeraki Ltd	EDA/U	TBA		New	Business case completed	Moeraki resource (TBC)	Sept
Cultural markers, and wayfinding	Moeraki Ltd	EDA/U	Moeraki Ltd, WDC, MBIE		Cultural markers identified	Cost existing cultural markers for development, identify additional areas for cultural wayfinding	Moeraki resource (TBC)	June
The Waitaki Story	Visitor Lead tbc	Moeraki Ltd, WW Geopark/ Vanished World, Library, Waitaki Advisory Committee	Feasibility Fund, MBI, Tourism Innovation Heritage NZ DoC,		New	Develop Waitaki value proposition & Story Concept	Visitor Lead	Dec
Oamaru Blue Penguin Colony	Visitor Lead	DOC, UoO, MBIE Tourism	MBIE, Doc, WDC		conceptual	Undertake product development to link with the Waitaki Story add education to tourism and conservation outcomes and improve visitor experience	Visitor Lead	Dec
Waitaki Whitestone Geopark	Waitaki Whitestone Geopark	EDA/U, DOC, UoO, WTA, Moeraki Ltd	WDC, Tourism Innovation Fund, Sponsors		Existing	Confirm UNESCO Global Geopark status. Explore connection to The Waitaki Story	Geopark Manager	Sept



4. Business programme overview

Desired outcome

The Business strategy enhances business productivity and growth by:

1. Leveraging manufacturing and service sector opportunities
2. Supporting business growth, innovation and attraction
3. Developing an entrepreneur ecosystem

Delivers inclusive outcomes through growing Waitaki Businesses, increased productivity and available skilled jobs

- Creates strong networks, collaboration opportunities
- Provides Māori, Pacific, youth, women, new migrants and residents with a platform to innovate

The Business pillar encourages sustainable and inclusive growth by supporting innovation, resilience, and diversification in the local economy.

Programme rationale

Secondary industry/manufacturing appears strong relative to size of Waitaki District population

- Manufacturing jobs have high productivity and are generally well paid

Innovation and entrepreneurship provides pathways for new businesses, products and services

- Strengthens resilience, competitive and comparative advantages for the district

Impact of programme	Potential Gain
Potential change in GDP	\$32m
Change in Incomes	\$8m
Change in Employment	174 FTE

Source: Polis analysis: Waitaki Model



4. Business: Must-do actions

- Understand future manufacturing growth plans, search for innovation projects and gain market intelligence on barriers and opportunities for growth
 - Define how WCD / EDA/U can enhance business environment to foster growth (define local roles of market and state)
- Engage with the Business Hive to discuss possibilities of locating the EDA/U and makers-space in the Hive, and leadership in setting up the entrepreneurial ecosystem
- Draft business case for a small business Entrepreneurship Fund
- Partner and complement Ngāi Tahu entrepreneurship programmes to support the entrepreneurial ecosystem



4. Business: Action plan

Project title	Lead	Team	Funding	Risk	Status	Action	Who	When
Entrepreneur ecosystem: Collaborative workspace with soft incubation services	Business Lead	The Business Hive, Moeraki Ltd/ Ngāi Tahu	Hive commercial model with contracted services		New	Feasibility of EDA/U locating in the Hive	EDA/U CEO	July
Entrepreneur ecosystem: Angel network	Business Lead	Business South, Angel association NZ, Hive	EDA/U, BAU		New, no companies are investment ready	Discussions with Business South and the Angel Association on tapping in to established networks	Hive CEO	July
Entrepreneur ecosystem: Entrepreneur Fund \$100k to complement Ngāi Tahu business grants	EDA/U CEO	The Business Hive, Moeraki Ltd, Ngāi Tahu	WDC		New	Develop a business case to put to Council	Business Lead	Sep
Entrepreneur ecosystem: Makers-space	Hive	Library, schools, Business Lead	TBA		New	Develop a business case for a Maker-space located in the Hive	Hive CEO	July, Aug
Regional Business Partnership and business mentors	Business South	EDA/U, The Business Hive	NZTE, EDA/U		Under way	Strengthen and ramp up local deliver. Co-locate at the Hive	Business South	July
Business success lunchtime learning	Hive	EDA/U, Business South	HIVE, EDA/U		New	Create a programme of lunchtime business seminars	Hive CEO	July



5. People Development programme overview

Desired outcome

The People Development action plan:

- increases the skills base available to employers in the District
- mitigates against future skills losses as a result of the ageing of the workforce
- fosters an entrepreneurial mindset, particularly amongst the youth.

Provide pathways for youth, particularly from the Māori and Pasifika communities, to access scholarships, internships and apprenticeship opportunities.

Create flexible employment options for those employees approaching the end of their careers.

The initiatives included in this action plan will enhance the social, intellectual and human capital of the Waitaki community.

Programme rationale

Enhanced skills supply is an enabler of economic development across industries and sectors

- Employers in all industries report difficulties in recruiting skilled employees
- The District displays a combination of unfavourable demographic and labour market indicators: low unemployment, small existing skills base, ageing workforce, high dependency ratio, high outward migration of school leavers, high NEET rate, increased Jobseeker support recipients post-COVID-19

A clear opportunity exists to develop a bespoke Waitaki Workforce and Skills Programme – aligned to the Regional Skills Plan developed by the Otago RSLG but specific to the needs and character of the District



5. People Development: Must-do actions

- Waitaki Workforce and Skills Initiative – develop skills development pathways in district suited to local businesses, to retain local talent
- Delivery of tertiary programmes in-district
- Skills Resource Map – develop Skills Map for District, showing skills availability & shortages (incl. future shortages based on ageing of workforce)
- Professional development for careers advisors – develop & implement professional development programme for career advisors, aligned to structure of local economy
- Māori / Pasifika skills development opportunity – scholarships, internships, apprenticeships for Māori / Pasifika youth



5. People Development: action plan

Project title	Lead	Team	Funding	Risk	Status	Action	Who	When
Waitaki Workforce and Skills Initiative	People lead	WDC, schools, Ara, MSD, ITOs, community organisations, industry / employers, Moeraki Ltd, RSLG	WDC		New	Develop comprehensive Workforce & Skills Initiative, implement specific projects under this initiative (incl. those described below)	People lead	
Waitaki resident attraction programme	EDA/U CEO	Stronger Waitaki Community organisations, Business South, industry / employers	EDA/U, WDC		New	Develop & roll out resident attraction programme	Visitor Lead	Dec
Skills Demand forecast	People lead	ITOs, industry / employers, RSLG	EDA/U, WDC, RSLG		New (but can likely integrate outputs from RSLG Regional Skills Plan)	Develop Skills Demand Forecast for District – showing skills availability & shortages (incl. future shortages based on ageing of workforce)	People lead	Dec
School to work transition programme (Incl. existing initiatives e.g. Education to Employment Brokers, Youth Employment Success programme)	People lead	EDA/U, WDC, MSD, schools, local industry / employers, Moeraki Ltd, Youth Trust, Workbridge	EDA/U, WDC, MSD		New / existing (E2E brokers & YES programme – http://youtheemployer.nz)	Investigate feasibility of E2E broker for Waitaki / coordinate with activities of E2E brokers in Otago & South Canterbury	People lead	Jun
Y9,10 what's in my backyard: understanding your local economy.	People lead	EDA/U, WDC, schools, local industry / employers, Youth Trust	EDA/U, WDC, MoE		New	Develop business case for 'What's in my back yard' programme	People lead	Dec



5. People Development: action plan (contd.)

Project title	Lead	Team	Funding	Risk	Status	Action	Who	When
Local Apprenticeships programme (y11,12)	People lead	EDA/U, WDC, schools, MSD, local, industry / employers, Moeraki Ltd, Youth Trust	EDA/U, WDC, private investment		New	Develop a local apprenticeship support programme	(TBC)	
Young Enterprise Scheme	YES	EDA/U,	YES		Existing	Provide a plan to increase participation by Waitaki students in Young Enterprise Scheme	Business Lead	Dec
Mayor's Taskforce for Jobs	WDC	EDA/U, MSD, local industry / employers, schools, Youth Trust or similar	WDC, EDA/U		Existing	Integrate activities of MTFJ with Workforce & Skills Plan – e.g. with apprenticeship programme	WDC	2023
Skills transfer and retention / flexible employment programme	People lead	EDA/U, community organisations ((e.g. GreyPower), local industry / employers, MBIE, RSLG	WDC, EDA/U, private investment		New	Develop skills transfer & retention programme, including enhanced flexible employment options for 55+ age group	(project lead TBC)	
Professional development for Careers advisors	People lead	WDC, schools, Ara, MSD, MoE, ITOs, community organisations, local industry / employers, RSLG	WDC, EDA/U, MoE		New	Develop a local economy module career advisor professional development,	Project lead TBC	Feb 2023
Vision 2040 Harbour development	People lead	WDC, Schools, landscape architecture expert	EDA/U, WDC, MoE		New	Vision 2040 Harbour development competition	Youth Trust	2023

Governance and Operations



Uplifting Waitaki : Hāpaitia te Waitaki



Waitaki
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Governance and operations

Context

Best practice economic development principles were used to underpin governance and operational models

We need mechanisms that are inclusive, capable, agile and flexible

Council's stated desire is to develop more of a partnership approach with local businesses and stakeholders

Process

Governance recommendations followed ED best practice tailored to the Waitaki context

Operational recommendations considered the pros and cons of contemporary models tailored to the Waitaki context.





Governance and operational principles support the decision making and recommendations

Governance principles

Professional governance that balances empowerment and accountability

Multi-sector: Māori, academic, public and private sectors

Fit for purpose – governance satisfies required skills matrix

Civically minded leadership

Preserves boundaries between governance and management

Operational principles

Market facing

Trusted, accountable partner

Working in the public interest

Agile, facilitative and enabling

Functions that support WEDS and business as usual ED programmes

Subsidiary entities work together to achieve WEDS goals

Working assumptions: WDC cannot achieve success acting alone. Strategic partnerships will be critical to success. Local/central govt, private and community sectors all have a role

An EDA is the recommended operational model for WEDS

	Economic Development Agency (EDA)	Economic Development Unit (EDU)	Public-Private Partnership (PPP)
Structure	Separate legal entity reports to governance entity, often a CCO	Within council, report to CEO	Myriad legal entities: LLC, Trust, limited partnership
Council relationships	Can take on and share risk outside of council (council still shareholder) Unencumbered by other council mandates Harder to have integrated approach across council functions	Within council better integration across council functions	Hard to get buy in, risks shared
Private sector relationships	Supports increased trust and private sector partnerships	Harder to partner with private sector, commercial and in confidence harder to manage	More confidence & engagement by private sector
Māori relationships	Supports Māori partnerships	Harder to partner with Māori	Supports Māori commercial partnerships
Governance	Can be multi-sector and multi-level	Councillors are in governance and feel like they have more control over operations	Most often Private sector governance Requires high trust
Funding	Arms-length but still public sector expenditure, plus external funding	Often receive public sector expenditure but less likely to receive private support	Private sector operational funding seldom matches public sector
Public Benefit	High transparency and accountability through public good entity audit and separate financials	Focused on public benefit	Higher opportunity for private sector objectives and interests to outweigh public benefit
Operations	Agile and flexible implementation Costs increase	Regulatory functions must operate alongside development opportunities, potential for staff conflicts	Agile and flexible implementation Risks of conflicts of interest, costs increase

Pro

Con- can mitigate

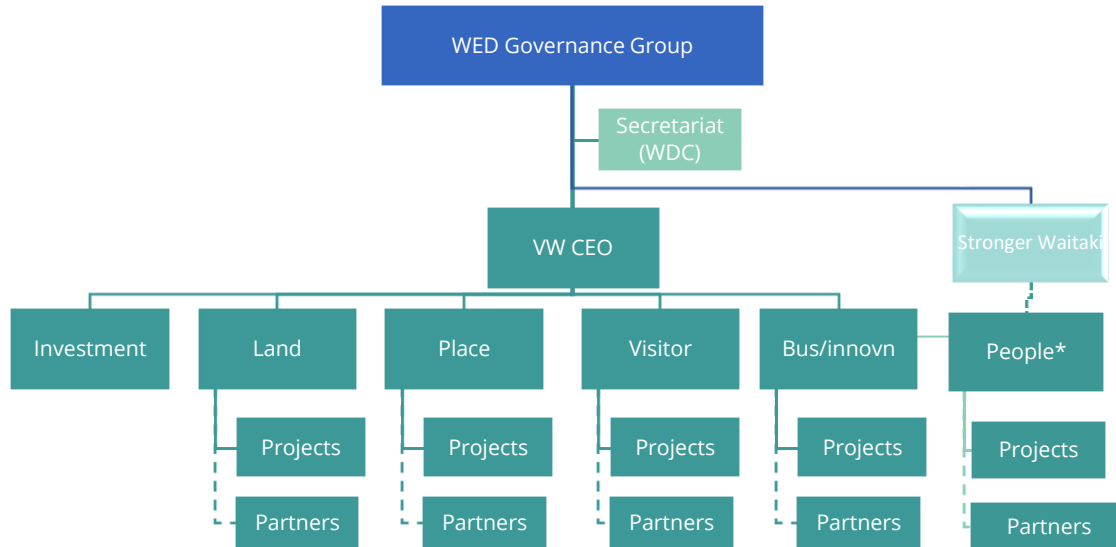
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An EDA provides the most benefits with mitigable cons

WEDS Governance should integrate and empower delivery

WEDS –proposed governance structure



The Waitaki ED Governance Group (WEDGG) is appointed by WDC and Iwi.

The WEDGG includes:

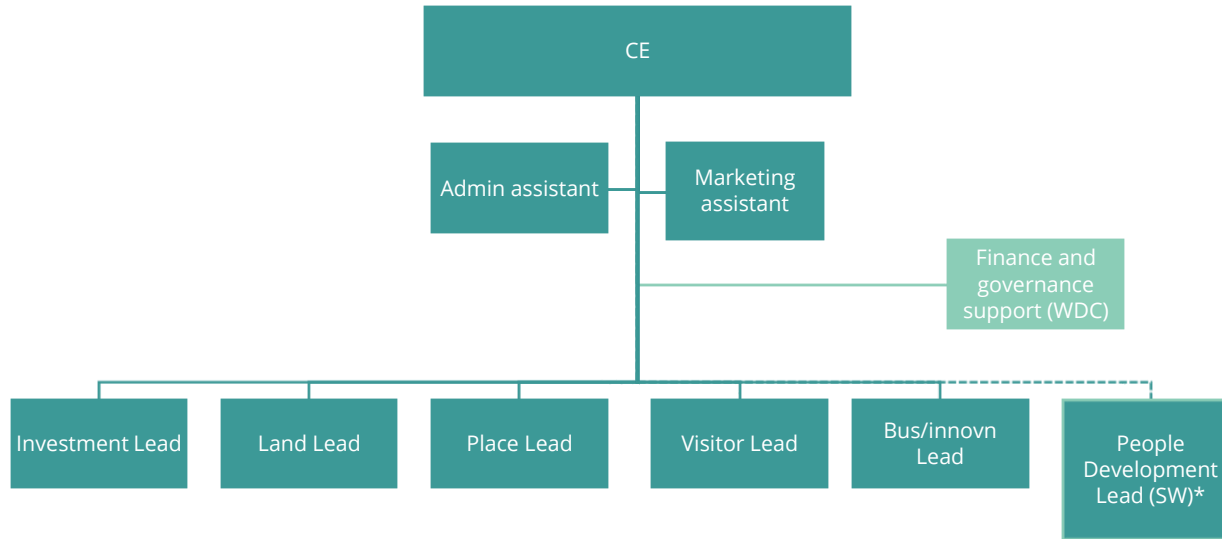
- Chair and deputy chair (elected by the group)
- At least one iwi member and one Council member, each with ED experience
- At least one academic or experienced economic development specialist
- Two appointees with business / industry experience that align with WEDS
- CEO of WDC, the EDA/U ex officio
- Stronger Waitaki Stewardship Group nominee
- Matrix skills across appointees to include audit and risk, governance and investment

Professionalised: meeting costs are covered, fees to be decided for external appointees

* People Lead is part of the Stronger Waitaki team, funded through the EDA

Operational structure flows from operational principles and the needs of WEDS

EDA – proposed organisation structure Horizon Three



Operational structure

Venture Waitaki (VW), EDA working title, is established

- WEDGG governs VW
- Limited Liability Company, Public Good Entity
- People Development lead is Stronger Waitaki, funded through the EDA
- Finance and governance support function served by WDC
- Action plan working group supports implementation: membership is CE's of VW and WDC, 5 x programme leads and an Investment lead.

* The People Development Lead works within the EDA team to deliver the People outcomes

Refocusing and renewing institutional arrangements will empower successful delivery of WEDS

<u>Institution</u>	<u>Action</u>
Tourism Waitaki	Disestablish
Venture Waitaki – <i>EDA working name</i>	Establish (and incorporate some tourism functions within Visitor pillar).
Stronger Waitaki	<ul style="list-style-type: none"> • Retain and link to overall WEDS via WEDGG • Focus on skills/ workforce development
Oamaru Blue Penguin Colony	<ul style="list-style-type: none"> • Decouple from Tourism Waitaki, establish new CCO • Focus on product development & investment

Recommendations are subject to further discussion and consultation

- To expedite delivery of the Place programme, the Oamaru Whitestone Civic Trust will be supported separately to move to a more commercial footing and focus.

Engagement should be strategic and aligned to WEDS and should affirm the strategy, gain support and ask for help

Engagement scope

Horizontal

Key partners

Stakeholders

Interviewees

Neighbours

Vertical

Local community organisations

Regional councils

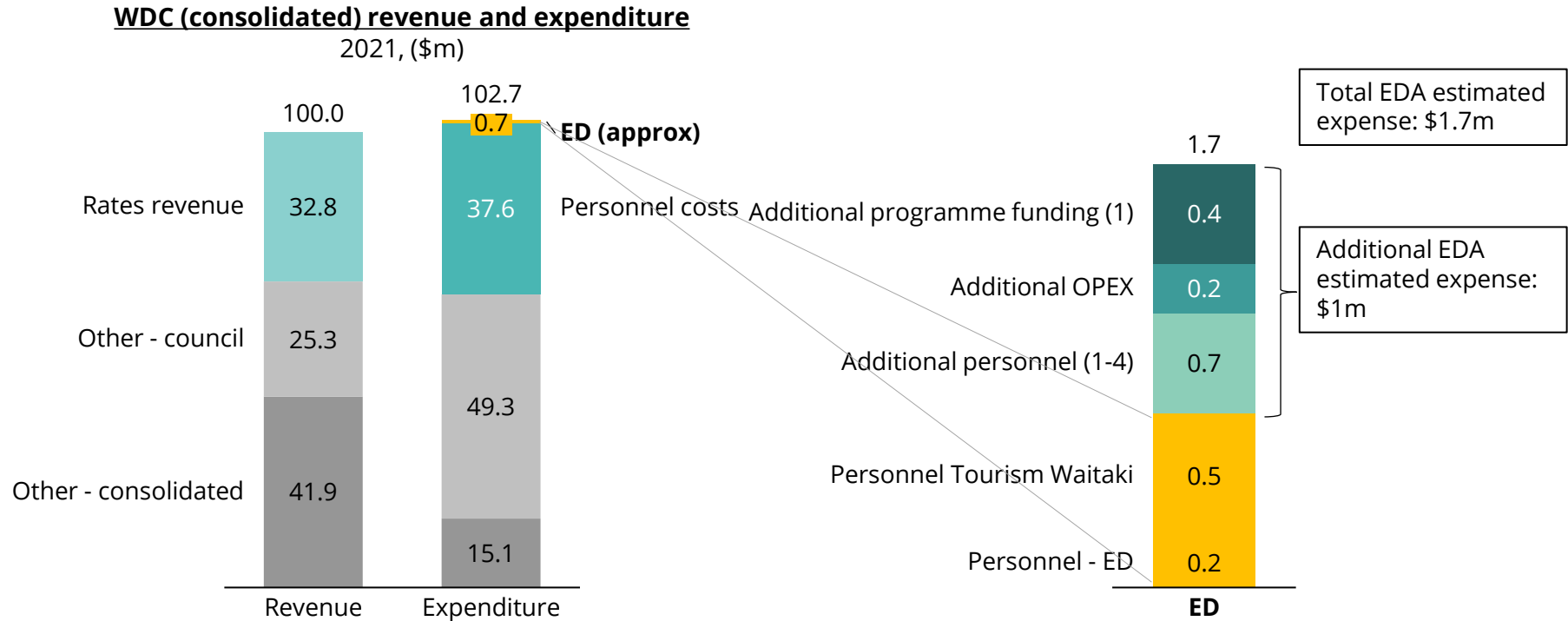
ORED, RSLG

Government departments e.g., Kanoa, MPI, MBIE, NZTE, Callaghan...

National organisations e.g., Food and Fibre, Plant and Food, Food HQ, TNZ, Scion...

Note: engagement will be focused primarily on programme development and delivery as key structural decisions are within the remit of council to make

An EDA will comprise 1.7% of WDC expenditure



Funding requirement can be met from multiple sources

Core funding requirements proposed

VW staff funding for ~ 9 FTE

- CEO @ \$200k
- 6 x programme leads @ ~\$130k
- 2 x assistant positions @ ~\$80k

In kind: Council CFO and governance support

OPEX: Rent, insurance and basic opex ~ \$100k

Governance entity Est ~ \$100k pa (most ex officio)

Additional programme funding ~\$400k

Circa \$1.8m p.a. in total once EDA is fully established in Horizon 3.

Core funding sources

Operation funds that will support EDA establishment:

- Base level funding -Transfer and maintain current Tourism Waitaki & ED staff role funding to EDA- \$500k in 2022/3
- Explore Central Government co funding for programme development
- Horizon One - Consider use of i) 3W Better Off Funding
- Horizon Two/Three -Consider i) Reallocating Visitor Information Centre funding, ii) OBPC profit reinvestment recovery iii) Seek partner funding/sponsorship based on expected return to the community

Additional core cost ~5 FTE + governance + opex + fund

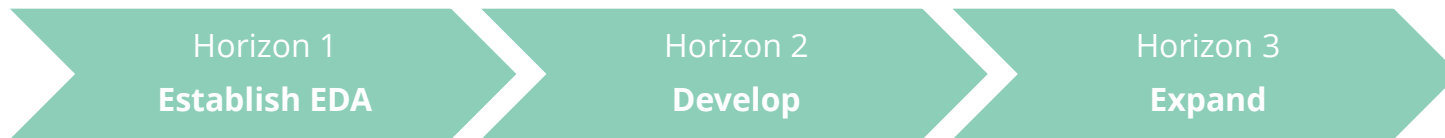
- **Est range to find ~\$1.3m, less central govt once EDA is fully established**

Embed Government programme funding

- E.g. administration levy on projects, special grants

Although a step up from baseline resources are needed, the return on this investment should be very high

WEDS Staged implementation proposed while funding is secured

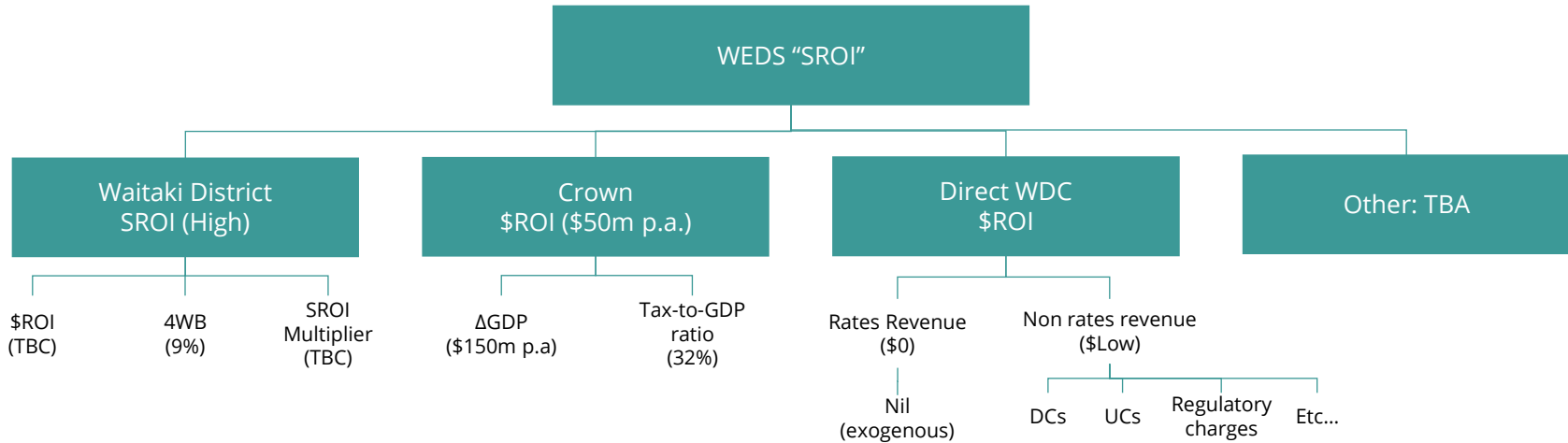


	By 2024/5	By 2026/7	By 2027/8
FTE	3 FTE 1x Investment Lead 2 x Programme Leads	6 FTE 1 x CE 1 x Investment Lead 3 x Programme Leads 1 x Marketing Assistant	9 FTE* 1 x CE 1 x Investment Lead 5 x Programme Leads 2 x Marketing/Admin Ass.
Programme funding	Circa \$275k	Circa \$375k	Circa \$500k

- Horizon 3 resourcing reflects Polis' recommendation. All staffing is subject to further review to ensure roles, skills and experience are aligned to agreed outcomes and success measures.

*Speed and scale of implementation reflective of funding secured

Total WEDS SROI is complex to calculate but extensive: Crown SROI is ~\$50m p.a. in 10 years



Note: Return on investment calculations are complex when spanning different entities when spanning both economic and social benefits. An adequate treatment of ROI would require significant analysis and expert input and is beyond the scope of this study. The diagram is directional and indicative.

Funding requirements derived from multiple sources

Potential partner funding

Kanoa/MBIE – partner funding available for business case and feasibility development

MBIE infrastructure investment – e.g. contribution to sheep milk production facility

MPI – seed funding for agricultural development and research

CRI's/Callaghan – direct and in-kind support for targeted research and innovation

NZTE – business case and market entry support and inward investment

Project proposals and stakeholder management strategies for central government is yet to be developed.

VW possible programme funding tools

Feasibility Fund - Minimum \$1-200K/annum carried over - Fund to be part of VWs operational funding and leveraged up with partners. Potential avenue for partnership with central Government (e.g. MPI, Kanoa)

Entrepreneur Fund – one off \$100k investment for low interest loans under \$10k. VW to facilitate investment-ready businesses. Separate Investment advisory panel to approve loans

WDC Heritage Fund – to support long term maintenance and preservation of heritage buildings in the Waitaki

Fund structure and support will be developed as part of the core business of the new EDA organisation

Conclusion

Waitaki now has a credible and evidence-based draft strategy to achieve sustainable, inclusive growth.

- That will turn around potential decline from a low-growth baseline

There is a substantial prize at stake

- 5 programmes should deliver \$70-145m GDP gain and 1350 additional direct jobs (as at 2032)
- Implementing the strategy should also deliver a ~9% uplift across all four well-beings

An independent WEDS Governance Group and a new delivery entity (“Venture Waitaki”) are needed

An integrated high-level action plan has been recommended for each core programme

- These will be detailed and iterated by “Venture Waitaki” /EDA once established
- More work is required on funder and stakeholder engagement going forward

Given the step-change in investment required for the EDA, staged implementation is recommended.

Growth expectations and ambitions will need to be adjusted to reflect available resources.



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Appendix:

1. Methodology
2. Quantitative programme model inputs
3. Well-being model inputs
4. WEDS process guide
5. Institutional evolution
6. Baseline data
7. Qualitative research summaries
8. Interviewees



1. Methodology

Triangulation and methods

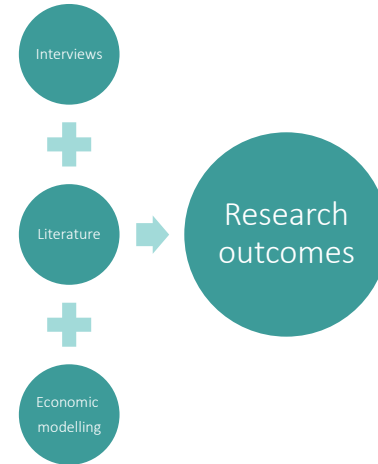
Methodology

Our methodology triangulated three main forms of data:

1. Grounded qualitative interviews and workshops that captured local knowledge, intelligence, understanding and strategic insight
2. A literature review that provided context and further strategic insight
3. Quantitative research that built on baseline data, statistics and sector knowledge to model outcomes.

Quantitative data largely confirmed the qualitative data, with some minor emphasis changes, thus completing the triangulation process.

Deep practice knowledge informing the application of strategy to implementation





Steps taken in analytical process

1. A Success definition was workshopped and tested at the beginning and revisited throughout the project. This guided analysis and prioritisation
2. Baseline statistics were assembled and analysed. This supported qualitative questioning and economic modelling
3. Three forms of qualitative research were undertaken:
 - I. 24 One-hour Semi-structured interviews with key knowledge holders
 - II. 10 two-hour facilitated workshops with key knowledge holders.
 - III. A Literature review including reports, strategies, case studies, policy documents and media

All interviews and workshops were digitally recorded to back up notes taken by a research analyst. The literature review provided context and further evidence. All qualitative research was analysed and synthesised into themes.

4. Wellbeing prioritisation was performed using multi-criteria decision analysis and tested with the governance group and council
5. Project and theme prioritisation was performed also using MCDA and tested with the governance group and council
6. Quantitative simulation modelling was performed to triangulate and confirm themes and ranged outcomes
7. Confirmation of strategic priorities led to
8. Implementation and governance imperatives being developed

Quantitative methodology: Overview

	Baseline	BAU Trajectory	Strategic "Tilt"
WEDS	<ul style="list-style-type: none"> Current (2021) GDP and employment for each sector, per infometrics data Note visitor uses a pre-COVID base (2020) 	<ul style="list-style-type: none"> High, low, likely cases based on historical growth rates (past 10 years) of the sector (see slide 61) 	<ul style="list-style-type: none"> Per annum growth rates increase by 20-50%, likely is 35% <p><i>Example: 3% growth rate</i></p> <ul style="list-style-type: none"> <i>Shift to a growth rate of between 3.6% to 4.5%,</i> <i>likely growth rate of 4.05%</i> <p>= + 1.05% growth</p>
Wellbeing	<ul style="list-style-type: none"> Waitaki's current index for each indicator, per infometrics data (see slide 64-66) 	<ul style="list-style-type: none"> High, low cases are based on wellbeing indicator index scores of other similar South Island TA's Likely case is median index for each indicator of other similar South Island TA's 	<p>Economic indicators</p> <ul style="list-style-type: none"> Same high, low as BAU Likely = Waitaki current as starting point, linear growth of likely to reach the high point after 5 years <p>Other indicators</p> <ul style="list-style-type: none"> Same high, low as BAU Likely = Waitaki current as starting point, linear growth of likely to reach the high point after 10 years



2. Quantitative programme model inputs

Programme methodology and inputs: manufacturing data and GDP growth rates

Methodology: Programme model assumptions and input data

The modelling simulation uses random sampling and statistical modelling to estimate mathematical functions and mimic the operations of complex systems.

GDP growth values were used to predict future GDP in ten years' time by sector on two bases:

- Business as usual (BAU) in which annual GDP growth was forecasted year-by-year as a continuance of the existing economy system.
- Improvement in which the annual GDP growth is “shocked” using probability with values of 20%, 50% or 35% higher than. What we estimate as a realistic change scenario on different sectors informed by qualitative research, baseline data, literature reviews.

Multipliers were used to calculate the indirect and induced effects of the estimated direct economic impact.

The model was iterated 900 times to derive means and standard deviations for each value of interest.

Data used:

- GDP Growth Values: Values (High, Low, Likely) were derived from the Infometrics Database for the Waitaki District over the 10 years to 2021.
- Multipliers: Derived from the national accounts input-output tables for the year ended March 2020

Programme data: Manufacturing

Manufacturing data set.		
Sub-industry	GDP (\$m)	Employment
Meat Processing	57.5	890
Iron and Steel Casting	8.82	61
Other Machinery and Equipment Manufacturing n.e.c.	7.31	70
Cheese and Other Dairy Product Manufacturing	6.85	124
Natural Fibre Textile Manufacturing	6.87	109
Confectionery Manufacturing	4.77	98
Beer Manufacturing	4.44	23
Other Fabricated Metal Product Manufacturing n.e.c.	3.60	52
Log Sawmilling	2.88	44
Bakery Product Manufacturing (Non-factory-based)	1.60	31
Wooden Structural Fittings and Components Manufacturing	1.57	26
Ready-Mixed Concrete Manufacturing	1.41	15
Cake and Pastry Manufacturing (Factory-based)	1.23	21
Motor Vehicle Body and Trailer Manufacturing	1.23	13
Wooden Furniture and Upholstered Seat Manufacturing	0.94	14
Wine and Other Alcoholic Beverage Manufacturing	0.78	4
Cleaning Compound Manufacturing	0.54	4
Architectural Aluminium Product Manufacturing	0.57	8
Seafood Processing	0.44	6
Other	4.95	17
Total	118.3	1679

Source: Infometrics 2021

Programme data: GDP Growth rates

GDP growth rates											
Programme	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Land	-4%		6%	-3%	4%	3%	1%	-5%	10%	-2%	2%
Place	-1%	2%	-1%	5%	5%	-1%	3%	3%	-1%	-1%	-1%
Visitor	11%	6%	5%	11%	13%	16%	1%	9%	7%	7%	
Manufacturing	-2%	6%	-5%		-2%	-1%	-4%	8%	4%	2%	3%



3. Well-being model inputs

Well-being methodology and model inputs, four well-beings data

Well-being analysis is grounded in comparable data and extensive modelling

The modelling simulation uses random sampling and statistical modelling to estimate mathematical functions and mimic the operations of complex systems.

Well-being values were used to build the BAU (or counterfactual) trajectory.

The working assumption is that better economic outcomes will lift four well-beings in line with the peer group over 10 years.

- For the three sectors in focus (economic well-being indicators) it is assumed the ramp to the peer group well-beings is a shorter 5 year trajectory.

The model was iterated 900 times to derive estimates of the 10-year well-being indexes and the percent change from current Waitaki values.

Data used:

- Well-being Values: Values (High, Low, Likely) were taken from the Infometrics Database over 10 years for a sample of similar South Island territorial authorities
- Multipliers: Derived from the national accounts input-output tables for the year ended March 2020

* Note: TA's used are: MacKenzie District, Central Otago District, Timaru District, Tasman District, Selwyn District, Ashburton District, Marlborough District, Nelson City, Waimate District, Clutha District, Hurunui District, Gore District, Kaikoura District, Invercargill City, Southland District, Waimakariri District, Buller District

Four well-beings data: Social

Public Safety		
Indicator	Value	Score
Crime rate	303.6 per 10,000	79.9
Road fatalities rate	26.7 per b VKTs	53.9
Workplace injury rate	12.9%	49.7
Total		61.1

Health		
Indicator	Value	Score
Mental health presentation rate	4.5%	53.3
Drinking water quality	0.9 Index	88.0
Life expectancy	81.7 years	59.2
Suicide rate	2 per 10,000	6.8
Total		51.8

Housing		
Indicator	Value	Score
Home ownership rate	72.5%	87.0
Household crowding rate	3.9%	92.0
Rental affordability rate	25.8% of income	42.0
Housing affordability ratio	4.8 ratio to income	78.1
Total		74.8

Civic Engagement and Governance		
Indicator	Value	Score
General election turnout	83.3%	78.7
Local election turnout	51.5%	55.7
Total		67.2

Four well-beings data: Economic

Income and consumption		
Indicator	Value	Score
Benefit dependency rate	9.4%	65.5
Median household income	\$48,200	19.6
Personal earnings	\$50,580	38.1
Total		41.0

Jobs and Earnings		
Indicator	Value	Score
NEET rate	25.1%	10.9
Skilled worker rate	22.5%	16.3
Unemployment rate	2.4%	90.9
Workers in declining industries	14.6%	59.2
Total		44.3

Knowledge and Skills		
Indicator	Value	Score
ECE participation	98.4%	84.9
School leavers with NCEA Lv2	84.1%	71.7
Secondary-tertiary transitions	60.6%	63.7
Workforce with NCEA Lv3	41.2%	21.1
Total		60.4

Four well-beings data: Environmental and Cultural

Environment		
Indicator	Value	Score
Co2 emissions	47.3t per capita	48.2
Waste diversion rate	40.1%	68.5
Total		58.3

Social connections		
Indicator	Value	Score
Dependency ratio	70%	25.5
Internet access rate	68.6%	42.5
Truancy rate	2.8%	67.0
Work commuting time	12 minutes	77.4
Total		53.1



4. WEDS process guide

High level job descriptions, WEDS process guide: reporting, performance assessment, risks



Venture Waitaki High level Job descriptions

Chief executive

- Leadership and management of Venture Waitaki
- Portfolio manager and Chair APWG
- Member of WED Governance Group

Admin assistant

- CE and executive support
- Secretary for APWG

Marketing Assistant

- GM Marketing support
- Website management
- Familiarisations

Investment Lead

- Facilitation of investment into all projects and special projects
- Facilitation of inward investment
- Membership of working group
- Support for Project leads
- Progress and performance reporting

Programme Leads

- Responsibility for programme delivery
- Support for project leads
- Projects assessment and prioritisation
- Lead on some projects
- Partnership and collaboration management



WEDS Process playbook

Reporting

- Each project should be left to the project lead to run.
- Monthly reporting to an Action Plan Working Group undertaken by Programme Leads and CEOs.
- A monthly report will update the Action Plan Working Group on progress, risks, challenges and opportunities on each project.
- It should also include closure or completion of actions and recommended next steps, or recommendations to halt work on a particular project with reasons why.
- The Action plan working group chair will be ex officio on the WEDS Governance Group alongside the CEO Stronger Waitaki to report on Action Plan progress bimonthly.

Performance / Outcome Assessment

- Performance assessment can be addressed at three levels: Governance, Action Plan Working Group, and projects.
- At the governance level outcome and overall action plan progress can be assessed.
- At the Action Plan Working Group level Programme progress can be assessed.
- At the Programme level projects can be assessed.
- Each level requires different information and assessments to be made. However, they all start with sound performance assessment of the projects themselves and work up the hierarchy to provide the appropriate information on progress to the appropriate audience.



WEDS Process playbook Cont..

Risks and Opportunities

- Risk can be assessed at two levels:
 - at Project level representing the risk assessment for each project within a programme,
 - at Action Plan level assessing the overall health of the Action Plan.
- Programme working groups can then address the risks associated with each project and remove barriers or mitigate risks.
- Risk Reporting to the WED Governance Group can be by “exception only” bringing all programmes together to report by exception (Red Flags) those projects that need the support of the Governance Group.

Elevation of Risks and Opportunities

- Monthly Action plan meetings will surface new opportunities and risks.
- Time sensitive and/or significant risks or opportunities need to be elevated by the APWG chair to the chair of the WEDGG at any time. Extraordinary meetings can then be held to initiate a response.



5. Institutional evolution

Tourism Waitaki, Venture Waitaki, Oamaru Whitestone Civic Trust, Oamaru Blue Penguin Colony



Institutional evolution: Tourism Waitaki Disestablishment

Context and Rationale

Tourism Waitaki originated by replacing the Waitaki Development Board. This was seen as appropriate at the time to foster tourism growth to complement other sectors in the economy

Tourism was growing significantly prior to Covid, and has been reasonably resilient based on a large share of domestic tourists

Waitaki is facing new and challenging environments for its continued well-being, economic growth and productivity

While tourism offers growth opportunities for the district and is a key Programme in WEDS it is only one part of the WEDS picture

A key outcome and focus of work to support tourism goals moving forward will be product development. This is not Tourism Waitaki's core skill set

A more balanced, wider ranging and cost-effective economic development function that includes tourism, destination management and product development is now required. These are skills found in a highly functioning economic development agency alongside traditional RTO functions.

Existing RTO functions can be retained in a new structure

Recommendations

1. Disestablish Tourism Waitaki
2. Roll the current funding and functions into a new EDA structure
3. Shift the focus from destination marketing to place marketing that encompasses business, resident and visitor attraction
4. Shift Waitaki's website presence Waitakinz to represent the wider focus



Institutional evolution: Venture Waitaki Establishment

Context and Rationale

WDC cannot do this alone, it will need help.

There are significant challenges facing Waitaki's economy that reach far beyond tourism

Tourism has had a disproportionate share of development resources

Māori, public, private and third sectors all need to support WEDS and commit time and resources for it to succeed.

Trust needs to be built with stakeholders to secure engagement with and contribution to WEDS

A core competency of an EDA is partnering to achieve a significant goal and finding external resources to contribute

Recommendations

1. Create a new economic development agency that is charged with facilitating the implementation of WEDS
2. Transfer all Tourism Waitaki Funding to the new structure
3. Establish an Economic Development Governance Group on behalf of the district to govern the new EDA and WEDS



Support the Oamaru Whitestone Civic Trust to move to a more commercial footing and focus

Context and Rationale

The Oamaru Whitestone Civic Trust (OWCT) is set up as a charitable trust

The trust holds significant assets on behalf of the community with associated responsibilities falling on the Trust

The trust has been struggling financially and revenues have not been sufficient to maintain assets to the standard that the trust aspire to or to repay a loan from Council.

The vision for the heritage precinct has limited private sector development opportunities

Many OWCT buildings originated for industrial or commercial use

Heritage and earthquake regulations have limited commercial opportunities

There is a need for a more commercial approach that is in keeping with the need for heritage preservation but partners with the private sector to increase rents, re-development and ongoing maintenance

Recommendations

Offer business support to the OWCT to

1. To focus on increased commerciality targeting new commercial uses at market rates
2. Review trustee governance to include commercial, legal and development skills
3. Utilise the sale proceeds from Council Assets to create a Waitaki Heritage Fund that will provide:
 - i. Low interest Loans to private sector investors to a maximum of 50 % of heritage remediation work. Repayable over the length of the lease or upon termination of the lease. Added to rent payments
 - ii. No interest loans to charities for remediation work repayable over the length of the lease as above.



Institutional evolution: Oamaru Blue Penguin Colony

Context and Rationale

There is both the perception and risk of a conflict of interest between Tourism Waitaki and the Penguin Colony

The Penguin Colony is a hero tourism product for the district but there is potential for further development

New developments for the penguin colony are promising and will need investment

Recommendations

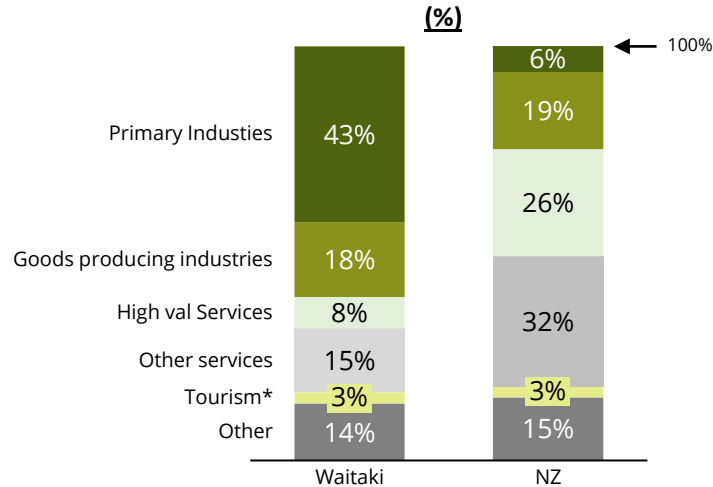
1. Decouple the Penguin Colony from Tourism Waitaki
2. Put the Penguin Colony on its own economic footing but remain a Council Owned Organisation
3. Set up new governance and partnership arrangements that meet three purposes of conservation, education and tourism
4. Council remain as shareholder reinvesting dividends in the extension of the Colony and destination marketing for the district
5. Focus in the short term on product development



6. Baseline data

The Waitaki district is heavily concentrated around primary industries

Contribution to GDP by sector, 2021



Source: Infometrics, 2021

Waitaki's GDP is \$1,886m in 2021 (approx. 0.5% of NZ GDP)

- Primary industries in Waitaki account for 43.6% of GDP

Waitaki's high value services contribution to GDP is significantly below the NZ average

Waitaki has a high, and trending upwards, HH Index – meaning its economic activities are concentrated within a few industries**

- Waitaki's HHI is 133, which is much higher than the NZ average of 48

- Relatively high volume, low-medium value industries at present.
- Improving productivity, value-add and export earnings in the primary industries is critical to Waitaki's and New Zealand's sustainable economic growth. Aim to lift the districts economy by transitioning to tech enabled sectors e.g. Agritech.
- The importance of sustainability is increasing, with environmental pressures and climate change presenting an ever-growing focus to the primary sector

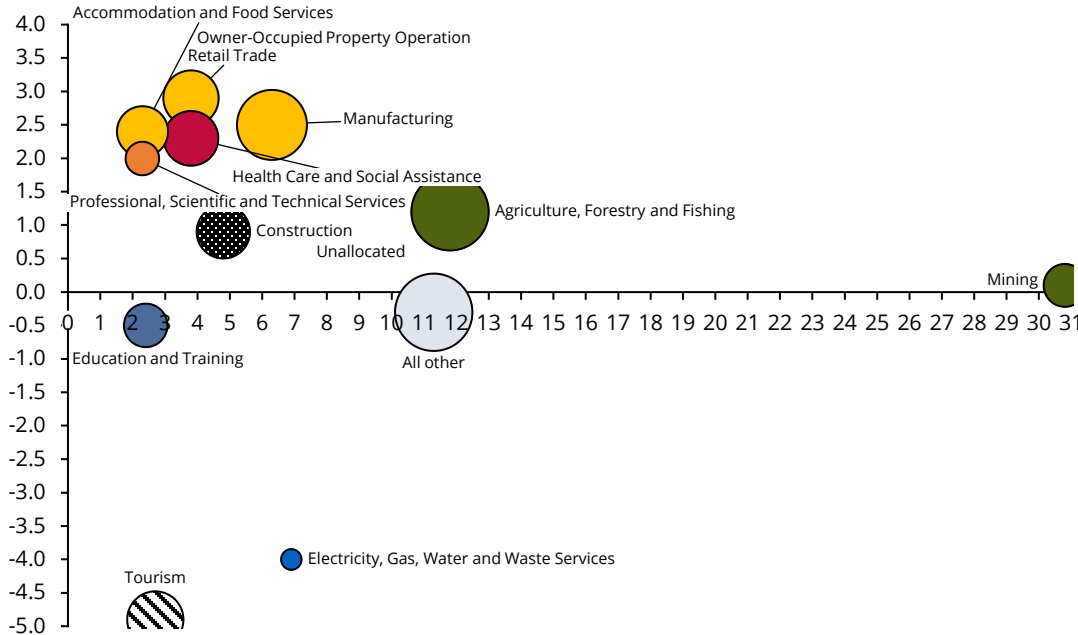
*Note that tourism has been separated from 'other services' but we will be checking for further duplication. Tourism has been rounded up, and it reflects the national average

**HHI measures market concentration, taking relative size distribution of the firms in a market into account. HHI increases as both the number of firms in a market decreases, and the disparity in size between those firms increases

GDP per job is highest in primary industries and manufacturing

Share of GDP by annual GDP growth by number of jobs

GDP growth % (2016 - 2021)



Agriculture, Forestry and Fishing contributed to 28% of the economic growth since 2011*

- Highest ever dairy pay-out, an additional \$337m injection to the district – predicted to increase throughout 2022
- Predicted ongoing strong performance in agriculture (Westpac insights)

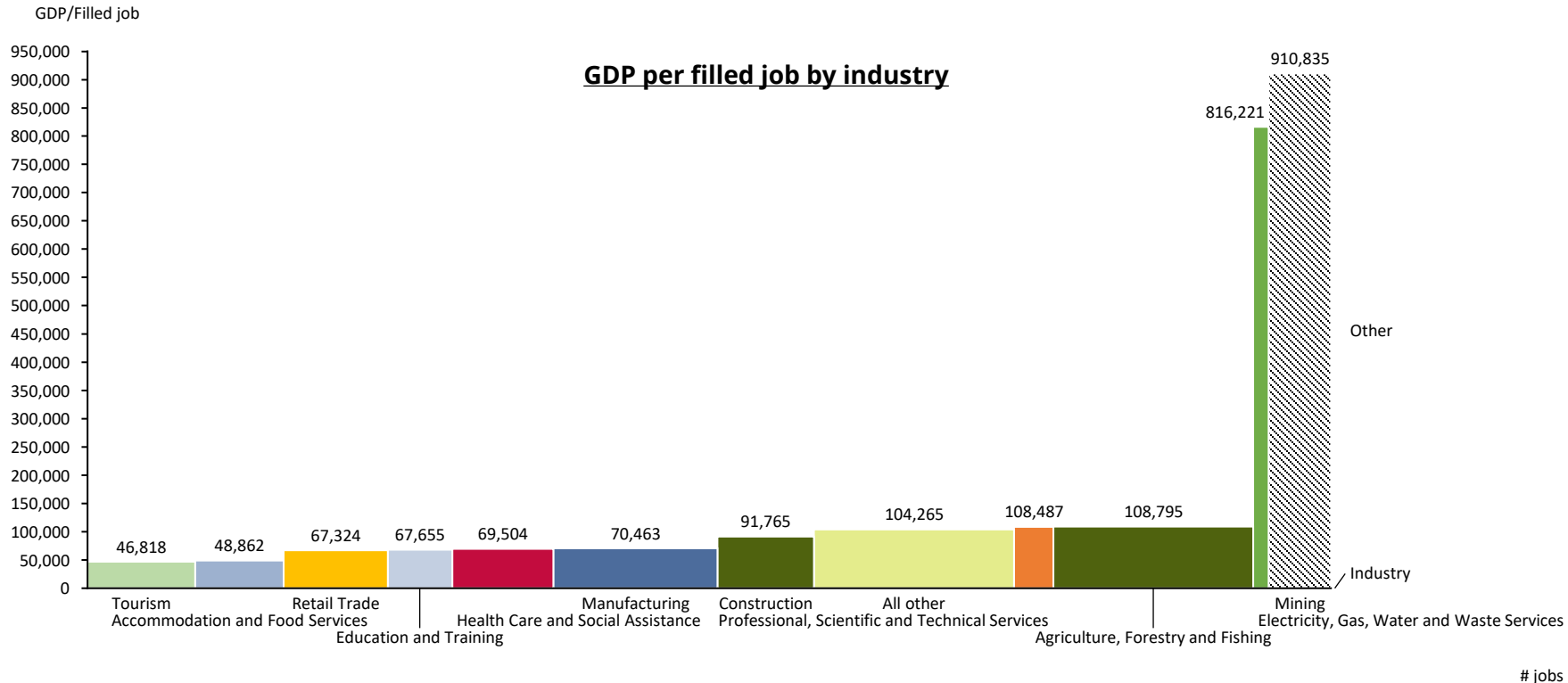
Manufacturing is heavily weighted by meat processing (which includes freezing)

- The manufacturing profile has shifted over the past decade towards meat processing and away from textile (sheep) manufacturing

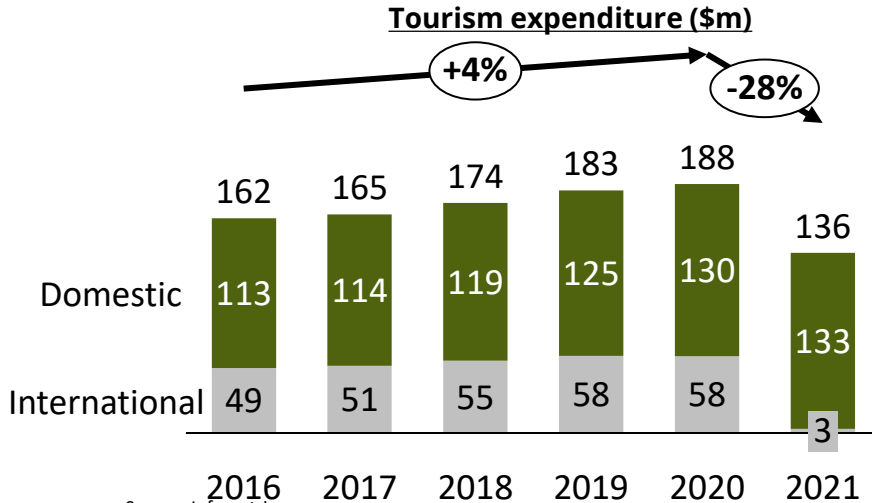
Mining is a significant contributor to GDP

- Mining only contributes to 5.5% of regional employment
- Gives low local benefits / multipliers

Agriculture, Forestry and Fishing has the largest workforce with highest GDP per filled job



Tourism was growing at 4% p.a. (from 2016) before COVID hit, declining 28% due to collapse of international arrivals



Source: Infometrics

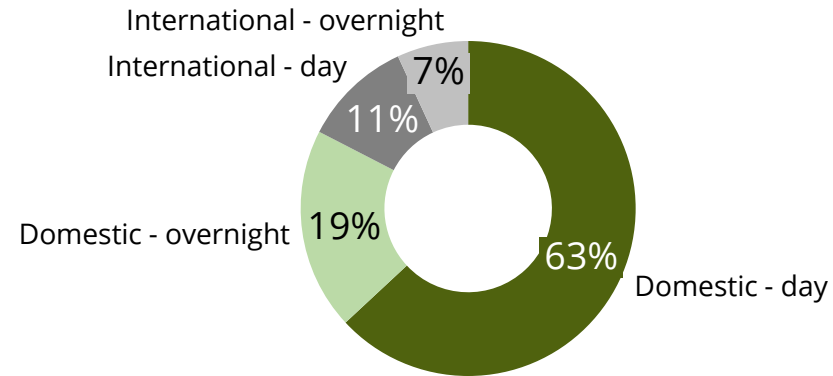
Tourism contributes to just 2.7% of the region's GDP

Despite a substantial drop in international tourism in 2021 as a result of border closures, domestic tourism has been growing

- There were 1.7m visitors to the district in 2018, majority were domestic day trips
- Approx. 50% of domestic tourism exp comes from Canterbury, and 23% from Otago (3)
- Tourism expenditure has been growing at ~5% on average p.a. since 2011 (3)

Average tourist attraction associated expenditure is approx. \$300 per visitor (compared to ~\$444 in the MacKenzie District) (1)

Visitation by type, 2018 (%) (1)



Source: Lincoln Waitaki MacKenzie Survey

- How does Waitaki increase average visit time? – Product development is needed
- How do we transition to high-end tourism?
- Does Waitaki want to capture more international tourists? (international visitors spend three times more per day than domestic tourists) (2)
- Want authentic and engaged tourists - cultural and environmental lens

House supply is growing, but not at a fast enough rate

The supply of houses is growing

- 56 new residential building consents in the past quarter, highest ever (19 3Q PY), +65% PY
- 80-100% of construction activity is in the form of houses
- Value of new house consents is high (~\$400k) compared to average house price – suggests the residential construction activity is taking place in upper segments of the market.
- Estimated total package at \$650k

The supply of houses does not meet the demand

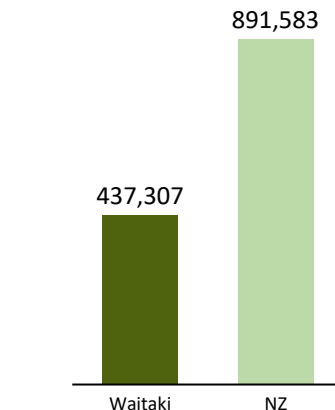
- Housing is relatively affordable in the district
- House prices are still 5 times over mean household income (NZ 7.8)

Existing housing stock does not meet demand

- 2/3 houses are occupied by an individual or couple
- Average household size was 3 bedroom – often an unoccupied bedroom
- Lack of 1-2 bedrooms for elderly

The demand for lifestyle/'hobby farms' development still exists but is less than historical demand

Average house price, 2021



Source: Infometrics 2021

Is this housing supply sufficient to attract young people / new skills into the region?

Housing stock suitable for changing demographics?

Employers are struggling to find skilled labour

Waitaki has a relatively small pool of skilled workers

- 112 Tertiary Education enrolments per 10,000 people (NZ average 169)
- 33% high skilled jobs (38% NZ) , 42% low skilled jobs (35% NZ)
- Typically low number of professionals (16% WD, 25% NZ), but growing at 3.6% since 2019
- Greater % of people in district with no qual (31% c.f, 25% NZ)

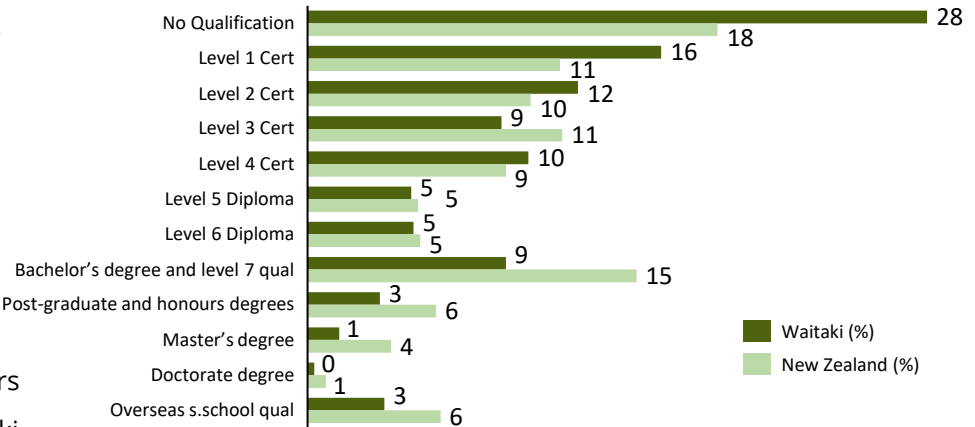
NZ's are becoming more educated

- Those with a bachelors or higher increased from 15-24% between 2006 and 2016 (2)

There is a national shortage of skilled labour for some sectors

- The most common constraint for businesses in the Waitaki was the inability to attract skilled employees

**Highest qualification for people in Waitaki District and New Zealand
(%), 2018 Census**



Source: Stats NZ

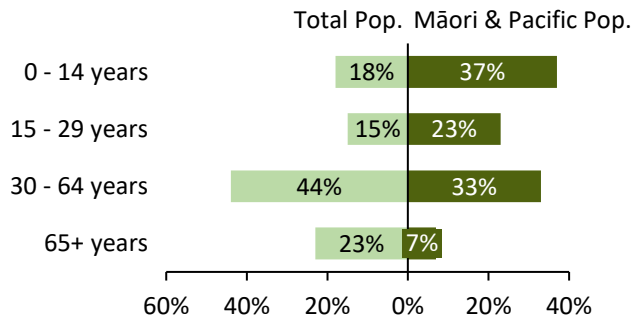
- Areas that can offer highly skills jobs can generally offer a higher standard of living to its residents. (infometrics)
- Training / retraining considered
- Attracting more young people to the district
- Do we have a pipeline of skilled workers to pull into the growing sectors?

Demographic change brings renewal opportunities

Pop % per age bracket



Waitaki age distribution



Waitaki's traditional European population is ageing

- 65+ population is 23%, (14% NZ)
- Increasing to 35% by 2030 (20% NZ)
- Oamaru is predicted to have one of the highest proportion of pension-eligible occupants in NZ (1)
- High dependency ratio of 2:3
- ~80% 65+ live in Oamaru

Young, growing, Polynesian workforce

- +31% Māori and +65% Pacific population growth (since 2013)
- Fastest growing Pasifika community in Aotearoa
- Pacific people make up 20% of Oamaru's 13,000 people (Auckland 15%), and 10% of the district's population - which is contrary to official statistics which suggest 4.5%.
- The largest ethnic group in Waitaki hails from Tonga

Inbound migration is young, skilled and diverse (based on qualitative information per interviews only)

(1) <https://www.stuff.co.nz/timaru-herald/features/7899329/Oamaru-ticks-all-the-boxes-for-retirees>

(2) <https://www.oamarumail.co.nz/community/25355/>



7. Qualitative field research



Quals - Recall : multiple ideas and opportunities, lacking prioritisation and implementation

- No shortage of good people, ideas, entrepreneurs and innovators....
- Building on high quality assets and rich cultural and natural history....
- Based around Waitaki's rural economy (43% primary sector GDP) with growing (related) secondary industry and a small but (pre-COVID) growing visitor economy
- Prioritisation of opportunities is critical – 100's of ideas provided in IV's and workshops
 - to be prioritised by MCDA
 - driven by Waitaki's success definition
- Aspiration must align with enhanced implementation capacity and capability

Overview: multiple opportunities, require prioritisation

Opportunities

- Primary sector: leverage and risk
 - Climate, water, carbon
 - Impacts on dairy, meat
 - Downstream effects on processing
- Manufacturing (including agribusiness)
- Māori economy
- “Place” - precincts, connection, visitors
- ED and innovation services

Enablers

- Substantive enablers
 - Capital
 - Innovation / IP
 - Infrastructure
 - Workforce / skills development
 - Housing, place making and amenity
- Process enablers
 - Strategy
 - Implementation
 - Governance and organisation

Example: For each section – for discussion, not recommendations



The Primary sector is the largest in the Waitaki economy, accounting for ~ 50% of GDP (incl. Pukeuri)

Opportunities

- Growth (productivity and volume)
- Value added food
- Plant protein
- Innovation: smart farms, up and downstream
- Mahinga kai (Hapu food production)
- Aquaculture

Issues and enablers

- Climate change: ahead or behind?
- Regulation and policy change (RMA, 3 waters)
- Logistics: “product to market” issues
- Sustainability, including “farmer extension”
- New functional foods
- High value viticulture and horticulture

Example: Lyndon Strang's farm – Five Forks



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Manufacturing and innovation have a critical role in value adding and GDP growth

Opportunities

- Leveraging primary sector base
 - Pukeuri Freezing Works
 - Oceania Dairy
- Expansion of medium scale companies
 - E.g., Whitestone Cheese, Te Pari, Numat
- Innovation
 - Support via MBIE, CRIs, Callaghan
 - Local innovation hothousing

Enablers

- Skills
- Housing
- I/S Collaboration
- Smart specialization
- R&D support
- Exogenous IP – E.g. aerospace
- Local IP development – see ED services

Examples: Whitestone Cheese, Te Pari



Visitor Economy: slow down, spend more – engaged authentic, quality experiences

Opportunities

- The Waitaki Story
- A2O extension and product development
- Heritage precinct
 - Victorian
 - Steam punk and...?
- Māori Cultural Tourism
 - Moeraki, Mahinga Kai
 - A2O product development, interpretation, cycle trail extension

Enablers

- Enhanced Partnership with Māori
- Enhanced Partnership with private sector
- Institutional integration and improvement – governance and operations
- Cross fertilization integration of ED and Tourism operations
- Widened brief for marketing

Example: Moeraki, Waitaki Braids



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Place: a sense of place that provides an overarching narrative for the Waitaki

Opportunities

- Precincts:
 - Harbour, Heritage, CBD
- Connectivity and commerciality
- Natural and built environment
- History, heritage and story-telling
- Anchor and community assets
- Cultural capital

Issues and enablers

- Institutional innovation
- Spatial planning
- Capital
- Developers and entrepreneurs
- Leveraging Council vision, assets and influence to catalyse development

Examples: Heritage Precinct, *Kakaunui*



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Organising for success: Economic development services and innovation

Opportunities

- Māori economy
- Business
 - Innovation
 - Growth
 - Attraction and
 - Retention
- Investment
- Infrastructure
- Destination
 - Marketing
 - Product development

Enablers

- Private sector partnership
- Capacity and capability in Econ Dev
- Feasibility and business case development
- The Hive
- Business South
- Stronger Waitaki
- Capital / investment
 - Public, private, philanthropic

Example: Priority One (+)



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8. Interviewees

Interviewees

Name	Organisation	Interview type
CBD		
Cara Tipping Smith	The Business Hive	Interview
Geoff Douch	Network Waitaki	Interview
Constantin and Aude Graf	Grafted	Interview
Grant McDiarmid	McDiarmids	Group
Helen Riley Duddin	Inc Design	Interview
Dawn Brown	Presence on Harbour	Group
Ian Elliott	Tourism Developments NZ	Group
Annabel Berry	Design Federation	Group
Allan and Carol Wills	The Woolstore	Group
Land-based industry		
Patrick Blampied	Te Pari	Interview
James Porteous	Oamaru Organics	Interview
Lyndon and Jane Strang	Farmer	Interview
Nicolás Erdödy	Open Parallel	Interview
Fraser McKenzie	McKenzie Accounting	Group
Phil Shuker	Plant manager	Group
Dai Leon	Organic guild hemp farming	Group
Jared Ross	NO Fed Farmers	Group
Andrew Rodwell	CE North Otago Irrigation	Group
Jim Jerram	Ostler Wines	Group
John McKay & Judith Mair	Mainland Poultry	Group
Callum Grant	Kakanui Tomatoes	Group
Mel Bennett	Bennett Transport	Group

Interviewees cont.

Name	Organisation	Interview type
Arts, Culture & Heritage		
Katrina Menzies	The Old Confectionery	Interview
Scott Eliffe	Totara Estate	Interview
Phillip McNichol	Poshtel, Meeks Mill	Interview
Graham Clark	Whitestone Civic Trust	Group
Chloe Searle	Forrester Gallery and Waitaki Museum & Archive	Group
Katrina McLarin	Casa Nova House	Group
Jane Thomson	Moa Bakery, Meet the Maker	Group
Michelle Harrison	Whitestone Civic Trust	Group
Frances McElhinney	Oamaru Opera House	Group
Sue McLean	McLean & Co, Crafted	Group
Heather Machin	Victorian Heritage, Forrester Gallery	Group
Visitor Economy		
James Glucksman	Pen-y-Bryn Lodge	Interview
Margaret Munro	Tourism Waitaki	Interview
Geoff Gabites	Cycle Journeys	Interview
Lisa Heinz	Waitaki Whitestone Geopark	Group
April Hayes Dickson	Marketing Consultant	Group
Jan Kennedy	Steampunk HQ	Group
Metka Conlan	Events	Group
Craig Sturgess	The old School Enfield	Group
Kate White	Waitaki Braids	Interview

Interviewees cont.

Name	Organisation	Interview type
Wellbeing		
Helen Algar	Stronger Waitaki – Community Development	Interview
Hana Halalele	Elected member/Oamaru Pacific Islands Community Group	Interview
Ethan Reille	Youth Council Chair	Interview
Jenny Bean	WDC Library Manager	Group
Adair Craik	Community & Business Supporter	Group
Maria Buldain	Multicultural Group	Group
Sandra Familton	Workbridge	Group
Catriona Prunty	Age Concern	Group
Leonie Rasmussen	Ara Institute of Canterbury	Group
Construction and manufacturing		
Brian de Geest	De Geest Construction	Interview
Simon Berry	Whitestone Cheese	Interview
Mike Lowe	McBrimar Homes	Interview
Hamish Stevens, Sarah Jennings, Keith Stevens	Moke Apparel	Interview
George Kelcher	Road Metals Co Ltd	Group
Cameron Leckie	Survey Waitaki	Group
Cam Frew	Waitaki Refrigeration	Group
Ailsa Hayes	Anvil Engineering Ltd	Group

Interviewees cont.

Name	Interview type
Richard Manning	Interview
Moeraki Ltd	
Gareth Boyt	Group
Trevor McGlinchey	Group
Don McFarland	Group
Shannon Goldsmith	Group
Koa Whitau-Kean	Group
T K Buchanan	Group
Moeraki	
David Higgins	Group
Justin Tipa	Group
Victoria Campbell	Group
Gareth Boyt	Group
Virginia Barlow	Group
Te Rūnanga o Moeraki	
Leigh Milmine	Group
Karen Coutts	Group
John Pirker	Group



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Thank you!