

ECONOMIC DEVELOPMENT STRATEGY

Preamble:.....	3
Review of Economic Development in Rangitikei	4
Rangitikei’s economic profile.....	4
Manawatu-Whanganui Regional Growth Study.....	4
Council’s current role in economic development.....	5
Identify Rangitikei’s economic development opportunities (strengths) and threats (weaknesses).....	6
Develop a mission statement for Council's economic development activity and identify the outcomes sought	7
Mission:.....	7
Purpose:	7
Target population	7
Key indicators of success	7
What will success look like?.....	11
What indicators describe this picture of success?.....	12
Next steps	12
Actions	13
1. Sector development focussing on primary production	13
2. SECTOR DEVELOPMENT FOCUSSING ON EDUCATION SECTOR	15
3. SECTOR DEVELOPMENT FOCUSSING ON MAORI ECONOMIC DEVELOPMENT.....	16
4. TOWN CENTRE DEVELOPMENT	17

5. DISTRICT PROMOTION	18
6. MONITORING AND EVALUATION.....	20

Revised draft

Preamble:

Council has a policy on promoting economic development (Policy Manual, policy intent 1: promoting economic development).

This identifies Council as a significant business and employer in the District in its own right. It is also a provider of activities and services that have capacity to support business retention, development and expansion. Council has a role in community leadership to influence, where it can, the wider determinants of economic prosperity, such as

- Employment
- Education level and opportunities for skill development
- Creation and distribution of wealth
- Income levels
- Working conditions
- Childcare

Following the triennium election in October 2013, economic development was identified as a key strategic priority for the new Council and a series of workshops and information sessions were held during February-April 2014. These inform Council's activity management plan for the Economic Development and District Promotion activity for the 2015-25 LTP.

Review of Economic Development in Rangitikei

Rangitikei's economic profile

The Council has joined with regional partners through the LASS (Local Authority Shared Services) to subscribe to the InfoMetrics economic data services. The "Rangitikei at a Glance 2013" set of economic indicators and statistics identifies that over the past ten years, the District has performed well in terms of productivity growth, growth in GDP per capita and in housing affordability. However, according to other indicators, the District is not performing well. These indicators are GDP growth and GDP per capita, business and employment growth, annual earnings and industrial diversity.

Agriculture remains the dominant driver of the District's economy, with associated downstream manufacturing also remaining important. Education and training, retail and construction sectors are relatively strong. These five sectors between them contribute about 65% to the District GDP.

Manawatu-Whanganui Regional Growth Study

Central government's intention is to double primary sector exports by 2025 nationwide, and to double the agribusiness exports from the Manawatu/Whanganui region in the same timeframe. The Ministry of Business, Innovation and Enterprise (MBIE) has commissioned the Manawatu-Whanganui Regional Growth Study. The Manawatu/Whanganui region was chosen for the Regional Growth Study partly because it has been identified as one of the most undeveloped and under-performing regions in terms of economic growth.

The Horizons Regional Council press release on 10 July 2014 states that "ultimately, the study will provide a comprehensive analysis of the Horizons regional economy, its current comparative and competitive advantages, the constraints that need to be addressed and the opportunities for development. Most importantly the study will identify actions that need to be taken to strengthen the region's economy."

The timeline for completion of the Regional Growth Study is February/March 2015. The study will inform a regional agribusiness strategy¹. This is unlikely to be completed in time to fully inform the LTP planning process.

¹ Council's Strategic Water Assessment programme will also be part of the background material for the strategy.

However, the Council is concerned to ensure that the Rangitikei is an active partner in regional growth, playing its part in implementing a strategy and also reaping the benefits of growth.

Council's current role in economic development

Following a review of economic development in 2011 to inform the 2012-22 LTP, Council confirmed its role in economic development as:

- Prioritising the renewal and maintenance of essential District network infrastructure (roading, water, waste water and storm water services)
- Developing a regulatory system that is efficient and minimalist in approach
- Reinforcing a customer service focus across all departments within Council
- Advocating and promoting the District to local and national government agencies
- Tourism and district promotion through visitor information centres in Bulls and Taihape and an annual grant to Rangitikei Tourism to promote the District
- Town centre development with annual grants to the three town coordinators in Taihape, Bulls and Marton and a small amount of funding for the Community Boards and Committees to spend in their respective areas
- New and iconic local events through the Community Initiatives Fund
- Supporting new, non-competing businesses to establish in an appropriate commercial zone through limited rates remission
- Council has made provision to provide limited rates remission to property owners who are required to address earthquake-risk associated with their commercial properties, and to waive consent and building fees for any work that is done (including demolition and rebuild) to achieve compliance with the earthquake-prone buildings legislation.

The associated annual budgets (2014/15) are:

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|--|---|
| • Information Centres in Taihape and Bulls | \$357,000 (excluding commissions and earned income) |
| • District Promotion budget | \$250,000 (excluding internal charges) |
| Including: | |
| ○ Community Initiatives Fund | \$30,000 |
| ○ Maori Community Development project | \$15,000 |
| ○ Youth Strategy | \$14,000 |
| ○ CCTV surveillance | \$18,000 |
| ○ Strategic Water Assessment | \$50,000 |

- MOU arrangements with Town coordinators/RT \$100,000
- Path to Well-being initiatives \$22, 000

Identify Rangitikei's economic development opportunities (strengths) and threats (weaknesses)

Council undertook an analysis of strengths and weaknesses in workshop during April 2014 (Appendix 1). As a result, the drivers of economic development were identified and the strengths and weaknesses of each driver identified. In considering these, Council identified five potential Key Result Areas (KRAs) as a focus for Council economic development activity in the future.

- KRA1: Economic development leadership
- KRA2: Growth and development of the identified sectors, specifically agribusiness, education and Maori economic development
- KRA3: High-class infrastructural, utilities and telecommunications network throughout the district
- KRA4: Vibrant and attractive towns that entice growth
- KRA5: Promotion of the District as a great place to visit and to live

Develop a mission statement for Council's economic development activity and identify the outcomes sought

Mission:

Making our District Thrive

Purpose:

To increase the wealth, sustainability and resilience of the District through an increase in human resources and capital

Target population

- High productivity businesses
- Agricultural sector
- Businesses associated with the District's lifestyle
- Businesses that capitalise on regional strengths and growth

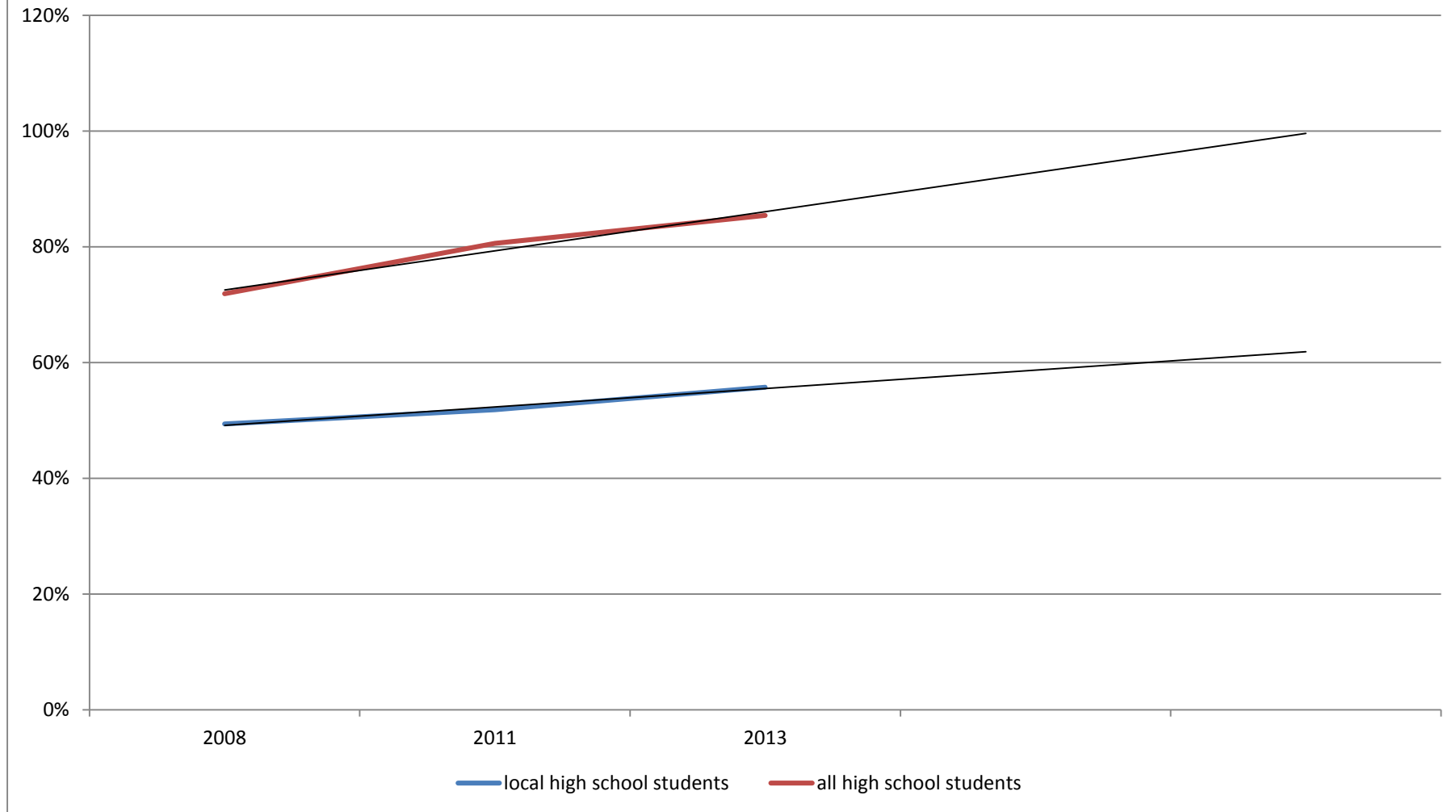
Key indicators of success

- The District's share of national GDP is more reflective of our share of the population
- A greater proportion of young people living in the District are attending local schools
- More people living and working in the District (than is currently projected by Statistics New Zealand)

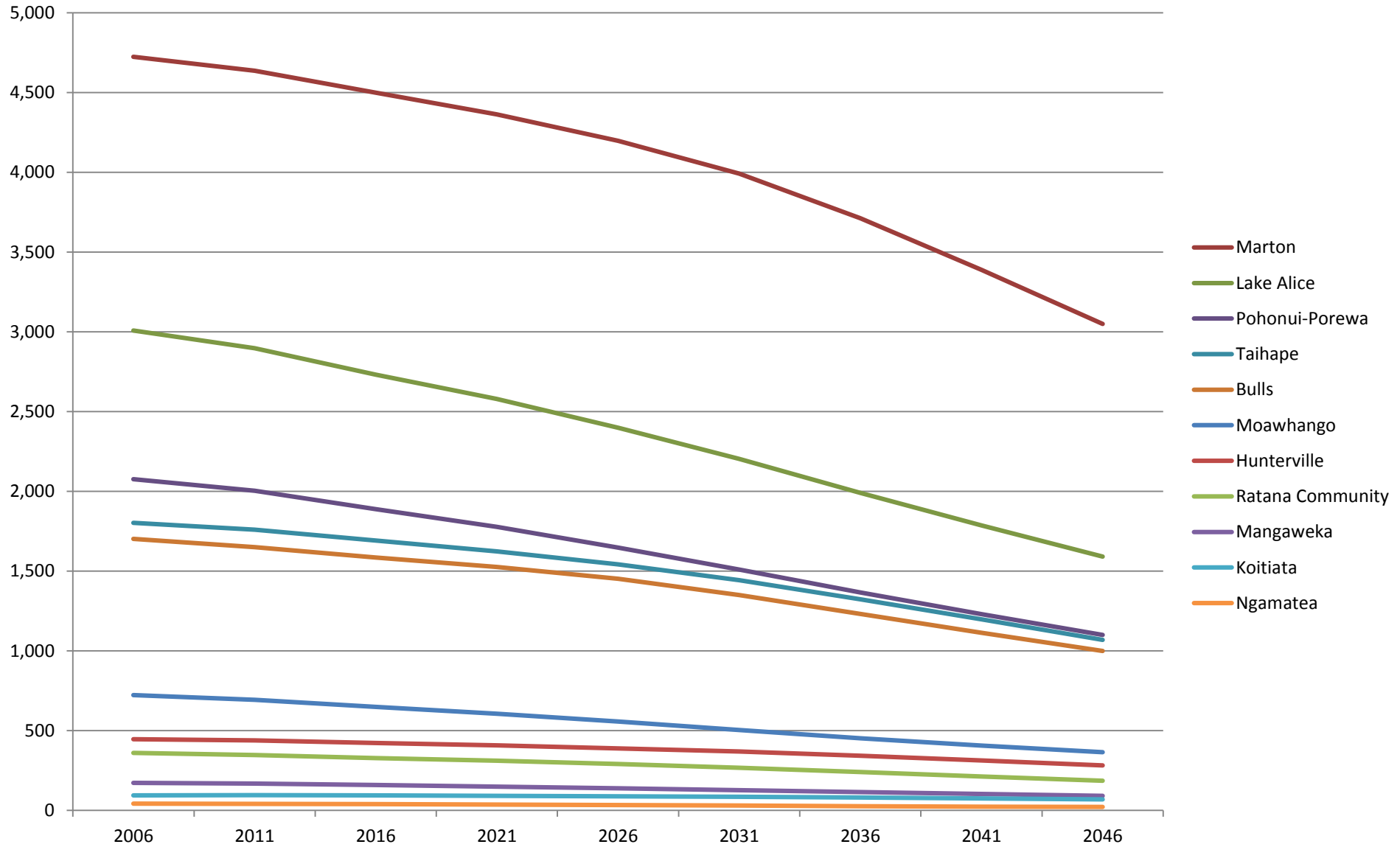
Headline indicator 1: growth in GDP



Headline indicator 2: high school enrolments as a percentage of residents of high school age



Headline Indicator 3: Resident population 2006 - 2046



What will success look like?

By 2025, the District has doubled the value of its agribusiness exports. The primary production sector is thriving with intensification leading to growth in productivity and GDP. The growth has been achieved sustainably through a proactive approach to managing the environmental impacts of that intensification. There is an air of prosperity in the rural areas – well-maintained homes, farm buildings and fences, an efficient roading network that gets goods in and out from the productive units and population in the rural area units is stable.

The knock-on effects of this rural growth are seen in the towns. Concerted efforts ensure that support services are provided locally and competitively and the towns are thriving.

In the main town of Marton, the town centre has been revived, there are more Small and Medium Enterprises (SMEs) focussing on services for residents and visitors, mainly those that rely upon a good level of disposable income i.e. cafes, restaurants, clothing boutiques etc. There may be a new major manufacturer/distributor in the area but nonetheless, Marton is a vibrant residential satellite for Palmerston North, offering a distinct and high quality rural small town lifestyle. It is cohesive and well-connected town with a strong sense of identity as well as community².

In Bulls, the new multi-purpose facility with Council service centre, located in the heart of the CBD, has driven a regeneration of the town as a great place to live and a great place to stop. The town provides easy access to services that enhance the traveller's experience as well as modern and affordable services for local people. Many of the additional personnel relocated to Ohakea have chosen to establish family homes in Bulls because of the easy, rural lifestyle. The town looks great: active place-making has created a number of relaxing and inviting people-places which encourage people to linger longer in the town and add to the general sense of a bustling crossroads.

In Taihape, the distinctive flavour of a community in the heart of rural New Zealand is immediately evident: a sense of intimacy combined with a warm welcome for those passing through and an invitation to stop and refresh. The beauty of the surrounding countryside is reflected in the town through the green spaces dotted throughout the CBD, with the magnificent Ruapehu Mountain and spectacular upper reaches of the Rangitikei River providing the back drop. The town has ingeniously reinvented its public and civic spaces to provide everything that a vibrant and self-sufficient rural community could need.

² To be confirmed once the Marton Town Centre Plan has been adopted

What indicators describe this picture of success?

- Retail spending through Eftpos terminals
- School enrolments
- Employment rates
- Average income
- Number of consents - commercial and residential

NOTE: It is important to select indicators that are

- a) Are easy to collect
- b) Have a good proxy value (i.e. a rise in the indicator has direct correlation with the identified success factors)
- c) Have are able to communicate powerfully what is the desired outcome

It is also important not to have too many indicators which can detract from the factors that contribute most to success.

Next steps

All the information gathered through the workshop and discussion process has been pulled together into this draft economic development strategy. The key drivers identified have been shared at the Rangitikei-A Path to Well-being Conference on 12 December 2014 in Bulls Town Hall, Bulls. Expert speakers and facilitated workshop sessions enabled 85 delegates and key stakeholders to consider the issues, potential actions and look at some degree of priority for these actions³. The outcome is a set of strategies objectives that will guide Council's activities over the next ten years or so. However, it is a wider action plan than simply for Council. This document contains a shared vision that Council hopes will be implemented by a wide range of local and regional stakeholders.

³ The conference report, "Making our District Thrive" can be found on www.rangitikei.govt.nz

Actions

1. Sector development focussing on primary production

Relevance to key indicators of success: to double GDP from agribusiness exports from the District

Contributes to KRA1, KRA2, KRA3

What?	Stakeholders	Council resources
The Mayor and Chief Executive to convene/support/facilitate sector groups on primary production and intensification/ diversification of rural production	Federated Farmers, Vision Manawatu, local businesses	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing these sectors in the district e.g. detailed investigation of the additional rural (agricultural, horticultural, cropping, forestry, etc.) production potential of the district	Regional Growth Strategy (following Regional growth Study)	Staff time (CE, Policy) \$50,000 per annum from 2015/16
Identify specific initiatives from the Strategic Water Assessment and work with MPI further on co-funded programmes to ensure water availability for production purposes	Rangitikei Growth Strategy	\$75,000 investment 2015/16 and \$50,000 thereafter
Develop local procurement policy for Council's own goods and services, including supporting local contractors to bid successfully for Council contracts, as far as practicable and in line with the procurement policy. Develop targets for local procurement.	Local contractors	Staff time (CE, Senior Management, Asset Managers)
Promote local procurement policy to other businesses in the District e.g. what services and industries do we need to develop/support locally	Local businesses	Staff time (CE, Policy)

Delivery of roading and network utility capital and renewal/maintenance programmes: particularly looking at strategic investment in new roads to ensure productivity gains for the primary sector/agribusiness	Rural landowners	Identified in existing AMPs for utility networks and roading
Advocacy to central Government for infrastructural maintenance, upgrading and development programmes, including for transport links via rail, and improved public transport	NZTA, MBIE, MOH, Horizons, KiwiRail	Staff time (CE, Senior Management Team, Asset Managers)
Advocacy for maintenance and upgrading of utility services (power, ultrafast broadband etc.) throughout the district	Utility network providers, Spark, Chorus, etc.	\$100,000 set aside for investment in UFB (one-off)

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2. SECTOR DEVELOPMENT FOCUSING ON EDUCATION SECTOR

Relevance to key indicators of success: to increase the proportion of young people living in the District being schooled locally, to be a net importer of young people for their high school education

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate sector group with the different labour-market 'players' operating in the district on appropriate district policies to address the needs and issues	High schools, tertiary education, PTEs, Ministry of Social Development, ITOs, etc.)	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing this sector in the district, specifically initiatives such as Flock House farm and Westoe (what can Council do to help these initiatives grow and flourish?)	High schools, tertiary education, PTEs, Ministry of Social Development, ITOs, etc.)	Staff time (CE, Policy)
Develop local procurement policy for Council's own goods and services, including supporting local contractors to bid successfully for Council contracts, as far as practicable and in line with the procurement policy. Develop targets for local procurement.	Local contractors	Staff time (CE, Senior Management, Asset Managers)
Promote local procurement policy to other businesses in the District e.g. how much of what is spent on the local education industry goes back into our local economy?	High schools, tertiary education, PTEs	Staff time (CE, Policy)
Continue the Rangitikei College scholarships (the original purpose was to support the Board of Trustees promote the College as the school of first choice for the southern Rangitikei) and extend to Taihape Area School	Rangitikei College Board of Trustees, TAS Board of Trustees	\$4,000 (4 x \$1,000)

3. SECTOR DEVELOPMENT FOCUSING ON MAORI ECONOMIC DEVELOPMENT

Relevance to key indicators of success: to double GDP from agribusiness exports from the District, more people living and working in the District (than is currently projected by Statistics New Zealand)

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to seek Memoranda of Understanding with Iwi organisations to collaborate and progress Maori economic development	Iwi organisations in the District	Staff time (CE, Policy)
Investigation of realistic opportunities for further developing this sector in the district, support inclusion of Maori/iwi interests	Regional Growth Study	Staff time (CE, Policy)
Work with Iwi to open up landlocked land, particularly in the north of the District in line with Council's policy on Maori Landlocked Land.	Maori landowners in the District, adjoining landowners/landowners with potential to unlock land locked land	Staff time (CE, Policy)

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4. TOWN CENTRE DEVELOPMENT

Relevance to key indicators of success: More people living and working in the District (than is currently projected by Statistics New Zealand)

Contributes to: KRA1, KRA3, KRA4

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate (as appropriate) town centre development groups in Marton, Taihape and Bulls – in conjunction with Town Coordinators.	Town Centre Plan Steering Groups	Staff time (CE, Policy)
Ongoing implementation of the Town Centre Plans in Bulls, Taihape, Marton and Hunterville.	Town Centre Plan Steering Groups, CC/CBs, Project Marton, TCDT, BDCT	\$60,000 for each of 2015/16, 2016/17, 2017/18 and thereafter \$10,000 per annum
Develop and implement a strong vision for leisure and community assets across the District to provide for a quality lifestyle in the District.	Community groups, community facility owners	Identified in C&L AMP
Make an amount available to Community Boards/Committees to undertake local initiatives, including small works, that contribute (where appropriate) to the overall Town Centre Plans e.g. prototyping projects	CC/CBs	\$20,000 per annum
Contract with local agencies in line with identified priorities: <ul style="list-style-type: none"> • Stop traffic • Attract families • Grow businesses 	Project Marton, BDCT, TCDT	\$40,000 for contracts with MOU groups

5. DISTRICT PROMOTION

Relevance to key indicators of success: More people living and working in the District (than is currently projected by Statistics New Zealand)

Contributes to KRA1, KRA2, KRA5

Action Plan:		
What?	Stakeholders	Resources
The Mayor and Chief Executive to convene/support/facilitate a District Promotion group in conjunction with Town Coordinators and Rangitikei Tourism	Project Marton, TCDT, BDCT, Rangitikei Tourism	Staff time (CE, Community Services Team Leader)
Provide visitor information centres in Taihape and Bulls as the gateways to our District, develop clear information centre identity for Marton. How much impact is derived from the Information available and IT connectivity for visitors and locals? Would strengthening the connections to other businesses and facilities within each town make a difference?	Rangitikei Tourism, community groups and organisations	Included in Information Centres activity management plan
<p>A more coherent web presence for the District</p> <p>Update website to be more user friendly and contain resources and/or links to resources. Is the separation between RT's website and Council's helpful for the local community and visitors?</p> <p>An up-to-date "What's On" calendar of events to be available on line, including all community events (large and small)</p>	Rangitikei Tourism, Project Marton, TCDT, BDCT	<p>Included in IT activity management plan</p> <p>\$60,000 for contracts with MOU groups</p>
Develop and implement an events strategy that showcases the District lifestyle, attracts residents and visitors to the District, heavily promote the District lifestyle at these events	Event organisers	\$25,000

<p>Investigate and compile a portfolio of identified future industry/ business development opportunities for the district which includes:</p> <p>Develop promotional materials (such as a database of commercial property available in the District, for example, Kensington Road)</p>	<p>Real Estate Agents, property owners, businesses, business groups, Iwi organisations</p>	<p>Staff time (CE, Community Services Team Leader)</p> <p>\$10,000</p>
<p>Leverage off Destination Manawatu, Visit Ruapehu and Visit Wanganui's programmes and initiatives. The promotion of the district must be done within a regional context⁴.</p> <p>For these organisations, including Rangitikei (such as through the 'Country Road' promotion, extending cycle trails from Ruapehu through to Wanganui)) extends the range of visitor attractions.</p>	<p>Destination Manawatu, Visit Wanganui, Rangitikei Tourism</p>	<p>Staff time (CE, Community Services Team Leader)</p> <p>\$10,000</p>

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⁴ The well-established operators (e.g. River Valley, Mangaweka Adventure) don't need Rangitikei Tourism as a promotion vehicle. It's doubtful whether smaller businesses see benefit in greater familiarity with other attractions in the District. The Te Kahui Tupua initiative attempted to get all business operators into thinking about the bigger, regional picture

6. MONITORING AND EVALUATION

Relevance to key indicators of success: enables corrective action to be taken if headline indicators not responding

Contributes to KRA1

Action Plan:		
What?	Stakeholders	Resources
Subscribe to InfoMetrics and other economic information databases as appropriate – including identification and evaluation of employer labour needs and labour supply issues - and report annually to Council/Finance/Performance Committee on District economic performance	Whole District	Already subscribed - make information available through website
Good business works: ongoing conversation between the Mayor and Chief Executive and businesses within the District. Identifying business and industry development barriers in the district	High productivity businesses, Iwi, Agricultural sector, Businesses associated with the District's lifestyle, Businesses that capitalise on regional strengths and growth	Staff time (CE, Executive Officer)
Develop and implement a “one-stop shop” in Council and promote this through website and Rangitikei Line	Local businesses, new businesses	In progress through "Working Together" plan
Ensure that Rangitikei District interests are fed into regional and national networks	Whole District	Staff time (CE, Senior Management Team, All staff

Appendix 1: Key Result Areas, opportunities and threats

KRA1: Economic development leadership in the district		
Drivers	Opportunities	Issues/barriers
<p>Good understanding of the current economic profile</p> <p>Good understanding and analysis of the opportunities/limitations for growth and development</p> <p>A business friendly Council</p>	<p>New Council with renewed focus on economic development</p> <p>Strong advocacy to central government</p> <p>Local procurement/local supply chains</p> <p>Links with Massey/UCOL</p>	<p>Information gaps (e.g. breakdown of District share of certain indicators which are included in regional figures.)</p> <p>The best case scenario for Marton is to become a satellite for Palmerston North/Wanganui (in terms of distribution/manufacturing), unless we can attract a big manufacturer/distributor to the area.</p>

KRA 2: Growth and development of the specific identified sectors, e.g. rural production, processing/added value, manufacturing sectors in the district, tourism		
Drivers	Opportunities	Issues/barriers
<p>Strong and supportive local networks of businesses</p> <p>Local supply chains</p> <p>Local work force</p>	<p>Strong primary production sector</p> <p>Strong education sector in Marton</p> <p>Ag-Trade College: Ngati Apa following purchase of the farming block at Flock House.</p> <p>Adding value/processing of raw materials/primary production</p>	<p>Geographical spread of businesses</p>

	Diversification of primary production	
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KRA3: High-class infrastructural, utilities and telecommunications network throughout the district		
Drivers	Opportunities	Issues/barriers
Broadband The infrastructure for the power industry also needs to be looked into (in regards to our District); Roading - TEU's – twenty-foot container equivalent units.	Join roads to make circuits	Lack of UFB connectivity Lots of rural properties purchasing generators to protect themselves from power outages.

KRA4: Vibrant and attractive towns that entice growth		
Drivers	Opportunities	Issues/barriers
"Live-ability" of communities (access to good, essential services – namely education, health, employment, housing) MOU arrangements with Town Coordinators	Sector meetings e.g. education to develop collaboration to provide full range of curriculum subjects Town Centre Plans in Bulls, Taihape, Marton, Hunterville	Loss of services erodes community

KRA5: Promotion of the District as a great place to visit, to live and to do business		
Drivers	Opportunities	Issues/barriers
Visitors to the District - stop and spend Website (geared towards people looking for a new community to live in, as well as attracting overseas tourists)	Elder friendly, family friendly Promote the District as being motorhome, motorcycle and cycle friendly Database commercial opportunities	Lack of visibly information centre in Marton

<p>Good measurable data and stories behind the facts Availability of information via multiple media e.g. website, specialist magazines etc.</p>	<p>Events calendar Better 'sell' the District Also look into promotional videos on the website; linked from any paper or electronic advertising Website linked/reinforcing marketing strategy Successful manufacturers are our biggest advertisement for being a 'business-friendly' district.</p>	<p>How do we let the 'greater' population know that we are a 'business-friendly' district? There needs to be more of a link between the Council website, the Rangitikei Tourism website and the information centres. Have to be able to deliver on what we are promoting. User-friendly website Tourism/Hospitality is a very small 'chunk of the pie', yet a large portion of our 'cash' goes into funding this area.</p>
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Revised draft

Revised draft