

RANGITĪKEI DISTRICT COUNCIL

# ECONOMIC DEVELOPMENT STRATEGY 2021-2031



# ECONOMIC DEVELOPMENT STRATEGY 2020-2050

## Our aspiration

The Rangitikei District has an inclusive, productive, diversified and innovative economy that benefits all residents, businesses and business sectors.

## Our approach

The Council will develop and nurture an economy that includes all sectors of economic activity, including agriculture, micro, small, medium and large businesses, retail, wholesale, distribution, services, manufacturing, transportation, tourism, Iwi-based business interests, the wider Māori economy and social enterprises that have a business model and contribute to the social good of the community.

Historically, agriculture has always been the main contributor of economic activity in the District, and will continue to be a key driver in developing additional economic activity. In the future we foresee an expansion of smart technology farming practices and more diverse use of productive farmland to produce more profitable farms, bearing in mind the challenges and opportunities created by climate change. Rangitikei farmers could be at the forefront of new technologies and new food products for the future, keeping up with international trends and developments in farming practices and responding to changing market demand, particularly the growing consumer requirement for traceable organically raised food. We will focus on improved connectivity on farms to allow farmers quick and reliable access to new technologies, changing agricultural opportunities and new markets.

The necessary industries and technologies will be available in the District to increase the production of higher value-added products rather than just raw materials. Although the District will be driven by agricultural activities, the production of higher value-added products with more local content will create a more balanced economy with a healthy mix of agriculture and high tech industries. This would create many new jobs in the District, but also an increase in higher skilled jobs for younger people with growing families.

The District will have a thriving visitor industry that leverages the diversity and beauty of Rangitikei's natural landscapes from the ocean to the Kaimanawa Ranges, outstanding fresh farm produce, and other unique rural tourism opportunities such as cycling, 4-wheel drive adventures, rafting, hunting, fishing, walking, tramping, farm stays, boutique accommodation and camping.

We will have a closer economic relationship with the New Zealand Defence Force (NZDF), leveraging off of the District's proximity to Waiouru Army Base and the expansion of Ohakea Air Force Base.

The District will attract new large commercial investments related to transport infrastructure and forestry products value addition, food manufacturing and others, and will strengthen and grow the retail and services sectors. Existing small and medium-scale businesses, start-ups and entrepreneurship, could be supported by facilitating the provision of Business Development Services (BDS), mentoring, access to finance and potentially, incubation.

We will collect and analyse the important measures of economic activity to determine opportunities for growth and development. This will inform the plan to strengthen the economic environment and create an improvement in the lifestyle and standard of living within the District that is envisioned over the next 10 years. The intention is for Council to actively pursue targeted investment to promote this change, leading to the increased attractiveness of the District for new residents wanting to live and work in the Rangitikei.

Active collaboration with District Iwi, neighbouring Councils, business associations and Central Government agencies is an underlying theme.

The strategy outlines ten priorities and four enablers:

Ten-priorities:

1. strengthen and diversify primary sector productivity;
2. increased and meaningful secure employment, entrepreneurship, career pathways, training and volunteer opportunities;
3. district promotion and destination management;
4. partner with Hapū, Iwi and the Ratana community to reach agreement on how they want to engage with Council, what their economic development plans are and how to support them on an ongoing basis;
5. expand and diversify housing stock by incentivising residential development, realigning existing housing with family size, changing zoning bylaws to permit smaller section size and facilitating the development of social and emergency housing<sup>1</sup>;
6. leverage the expansion of the Ohakea Air Force Base and new large commercial and industrial investments;
7. create stronger, sustainable, more diverse and interesting downtown business areas that offer residents the retail stores, products and services they seek, and which will serve as a central focal point to the communities they live in;
8. identify and facilitate opportunities for business growth, value-addition, value chain growth and strengthening, clustering, incubation and succession planning, promoting new, non-traditional, emerging and home-based businesses and additional sectors to grow and diversify the economy;
9. information-gathering and analysis concerning businesses operating within the District, and the national, regional and local organisations that support them; and,

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<sup>1</sup> Please refer to Council's Housing Strategy 2021 – 2031.

10. facilitate the formation and assist in the institutional strengthening and capacity building of representative business organisations within the District.

Four-enablers:

- A. knowledge base
- B. policies and bylaws
- C. engagement, facilitation and communication
- D. relationships

In addition, the strategy defines the measures of success, with targets for each year set in the annual plans.

## Priorities

### 1. Diversify and strengthen primary sector productivity

#### Aim

To maximise the productive capacity of land in the District, particularly by facilitating connectivity, adoption of new technologies, expanded market information and access and the introduction of new business models and products.

#### Council could

- Initiate and maintain dialogue with farmers to increase mutual understanding of what Council could do to assist them.
- Facilitate opportunities for farmers to learn about opportunities for diversification from new technology, changing market demand and the challenges posed by climate change.
- Continue active engagement in the Rangitikei/Whanganui Land Optimisation project.
- Advocate for improved digital connectivity in areas where needed.
- Investigate the development of an assistance programme (similar to that currently in place to insulate homes) for farmers to upgrade their digital connectivity and to trial different crops and methods.
- Facilitate approaches to improve certainty of access to water (such as the development of the Tutaenui Rural Water Supply Scheme).
- Collaborate with Government agencies such as the Ministry for Primary Industries, Horizons Regional Council and farm sector groups in promoting ecosystem-based management to ensure long-term sustainability.
- Respond to Central Government proposals for altered policies, regulations and programmes affecting the primary sector.
- Facilitate discussions concerning succession planning and provide support related to generational change, transformation and diversification of primary sector businesses.

## 2. Increased meaningful, secure employment, entrepreneurship, career pathways, training and volunteer opportunities

### Aim

To proactively secure and increase employment, business training and volunteer opportunities in the District, across a wide range of skill levels.

### Council could

- Ensure the District Plan provides sufficient commercial and industrial-zoned land with good transport linkages to attract new businesses and to promote the expansion of existing businesses.
- Establish regular meetings with business owners, entrepreneurs, local organisations and fraternal and membership groups with a business focus to understand their needs and aspirations and how to reduce and remove barriers to growth that will lead to increasing job opportunities, agreeing steps Council can take to promote and facilitate this process.
- Incentivise the location of businesses and industries in the District with higher value-added production, as well as increased investment by existing businesses, growing employment generation by developing and implementing policies that allow for rates remissions, reduced consent fees, assistance with infrastructure or development agreements.
- Promote spousal employment and entrepreneurship opportunities in response to the increasing number of families who will locate to the District to work at new large commercial and industrial investments and the large businesses located close to the District (e.g. Waiouru Army Base and Ohakea Air Force Base).
- Promote and publicise Whanganui & Partners' Talent Connect online job portal to link job seekers who are looking for employment with local businesses recruiting staff within the District.
- Collaborate with relevant regional and Central Government agencies, Ngā Wairiki Ngāti Apa (Te Puna – Education, Training & Employment) and interested local businesses and business associations to create and expand the availability of apprenticeships, career pathways, business strengthening, capacity development training and business-related volunteer opportunities within the District.

## 3. District Promotion and Destination Management

### Aim

To encourage the growth of tourism that capitalises on the District's natural beauty, creativity and its agricultural base, expanding promotional activities that highlight the attractiveness of the Rangitikei, its communities and people.

### Council could

- Promote and strengthen existing tourism businesses and support the development of new products that extend the range of options for visitors to participate in activities on the land, rivers and sea within the District, and facilitate the growth of related travel, accommodation and hospitality.
  - Increase Rangitikei's profile in national tourism programmes such as Te Araroa and the New Zealand Coastal Arts Trail, and align District visitor destination programmes with those offered by adjoining regions to leverage off their initiatives.
  - Develop a Destination Management Plan focused on long-term tourism sustainability, ensuring the right balance between impact on the environment, supporting residents' quality of life, respecting and honouring mana whenua culture and history, and adding value to the economy.
  - Develop an events strategy to grow visitor numbers, profile our district and showcase our towns both regionally and nationally. Support event organisers to grow and develop current and new events, increasing visitor spend.
  - Negotiate collaboration between tourism operators so that their businesses are increasingly complementary and aligned, expanding mutual opportunities and strengthening the sector.
  - Facilitate the establishment and growth of retail and town promotions and community events, working with local business associations, membership and fraternal organisations, churches, schools, clubs and Iwi.
  - Leverage the District's natural assets and visitor attractions, including the Tutaeporoporo Action Trail, White Cliff Boulders, walking, tramping and 4-wheel driving trails, horse trekking, white water rafting, fishing and multiple golf courses.
4. Partner with Hapū, Iwi and the Ratana community to reach agreement on how they want to engage with Council, what their economic development plans are and how to support them on an ongoing basis

#### **Aim**

To work collaboratively as a partner with Hapū, Iwi and the Ratana community, supporting their economic development objectives and in growing a sustainable and vibrant Māori economy in the District.

#### **Council could**

- Recognise and assist in realising the opportunities in Te Pae Tawhiti for Māori enterprises and economic development in the Rangitikei.
- Initiate dialogue with each Hapū and Iwi and the Ratana community to understand their economic development needs, plans and their view of how to create closer economic development collaboration and partnership with Council.
- Develop Memoranda of Understanding, as necessary, with each Hapū, Iwi and the Ratana community and ensure regular meetings to review and consider economic development needs, strategies, plans and actions.

- Contribute to the development of Te Poho o Tuariki for the provision of apprenticeship, business skills development and entrepreneurship training within the District.
- Help facilitate resolution to the lack of road access to Māori land-locked blocks in the northern Rangitīkei to stimulate business, employment and economic development.

## 5. Expand housing stock by incentivising residential development, realigning existing housing with family size, changing zoning to permit smaller sections and developing social and emergency housing<sup>2</sup>

### Aim

To attract more people to make their home in the District, creating a better alignment between housing need and supply, and contributing to the growth of the economy.

### Council could

- Review and change the District Plan to ensure sufficient land is available for residential and rural development to cater for different lifestyles, aspirations and needs.
- Review the need for future-focused spatial planning as a key determinant to economic development, being mindful of the forecasted impact of climate change.
- Quantify housing supply and demand throughout the District to provide the data and analysis needed to plan for and align housing need with supply to accommodate the different categories of housing required and to support economic growth.
- Facilitate the development of emergency and social housing, investigating opportunities to work through Public/Private Partnerships (PPPs) and Community Housing Providers, accessing Central Government and alternative funding sources and enabling housing recipients to remain part of their communities, close to their families, friends and work and support groups.
- Facilitate subdivisions and construction of housing stock with easily understood processes and incentives.

## 6. Leverage the expansion of Ohakea Air Force Base and new large commercial and industrial investments in the District

### Aim

To develop partnerships with the New Zealand Defence Force (NZDF) in the expansion of Ohakea Air Force Base, the District's proximity to Waiouru Army Base and new large

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<sup>2</sup> Please refer to Council's Housing Strategy 2021 – 2031.

commercial and industrial investments in the District to understand, respond to, grow and leverage off of the residential and economic development opportunities they create.

#### **Council could**

- Seek clarification from the NZDF on the nature and scale of housing and other facilities and business services needed for new staff and their families as Ohakea Air Force Base expands. Understand how the Defence Force could partner with Council to upgrade, expand or develop new community facilities and housing.
- Undertake the same discussion with new large commercial and industrial investments within the District.
- Collaborate with the wider region to develop a concept plan showing ways in which the needs of new Ohakea staff and their families could be met in the Rangitikei, Palmerston North, Whanganui and Manawatu.
- Reach agreement with the NZDF on how the concept plan will be promoted and implemented.
- Consider a District Plan change to create additional residential land and a procedure to accelerate and streamline the resource consent process to incentivise the expansion of housing to support the economic growth and employment that will be created by the expansion of Ohakea Air Force Base and the new large commercial and industrial investments within the District.
- Identify the economic opportunities created by new large commercial and industrial investments' forward (distribution) and backwards (supply) value-chain linkages, and the potential to strengthen or address gaps in local value chains, increasing District value-addition, sourcing of goods and services, employment and business creation.
- Promote and incentivise clustering of economic activities and new business start-ups in key sectors within the District that are anchored by new large commercial and industrial investments.

### **7. Strengthen the viability, sustainability and diversity of downtown central business areas and the retail businesses and service providers that occupy them**

#### **Aim**

To create stronger, more diverse, sustainable and interesting downtown business areas that offer residents the retail stores, products and services they seek and which serve as a central focal point to the communities they live in within the District.

#### **Council could**

- Undertake a needs assessment of the businesses and services residents would like to access within the downtown centre of the towns they live in.



- Undertake a stock take of the businesses and services that presently exist within downtown areas, determining what they need to strengthen their viability and the assistance they may require from Council to operate sustainably (if any).
  - Compare the needs assessment to the stock take to develop a gap analysis indicating what retail businesses and service providers already exist and which ones could be assisted to start-up or relocate within downtown centres.
  - Determine the tools Council has to promote and attract retail businesses and service providers to remain in and relocate to downtown centre business areas.
  - Increase the provision of retail trade and services and the attractiveness, cohesion and planning of town centres by incentivising investment in businesses and buildings.
  - Develop a spatial plan of downtown centre business areas to create a vibrant and interesting mixed living, services, retail and public amenities environment (e.g., ground floor retail, 1<sup>st</sup> floor services or rehabilitated apartments, no vehicle zones, bike paths, mini parks, etc.) and facilitate their redevelopment.
- 8. Identify and facilitate opportunities for business growth, value-addition, value chain strengthening, clustering and incubation, promoting new, non-traditional and emerging businesses and sectors to grow and diversify the District's economy**

### **Aim**

To grow, strengthen and diversify the District's economy through proactive, targeted and innovative interventions, the provision of technical assistance and by accessing outside resources.

### **Council could**

- Ensure the District Plan provides sufficient commercial and industrial-zoned land with good transport linkages to attract new businesses and to promote the expansion of existing businesses.
- Identify and analyse the key sectors and leading anchor businesses within them in the District, as well as established small and medium-scale enterprises (SMEs), including home-based businesses, social enterprises and potential start-ups. Determine their needs, constraints and potential to grow, add value and to strengthen their viability and generate employment through institutional strengthening, capacity building, training, mentoring, access to finance and the provision of technical assistance and Business Development Services.
- Facilitate discussions to develop a clear understanding of what the District's economic points of difference are and how to grow a more vibrant, sustainable, non-traditional and diversified economy by visualising what businesses should exist, the

synergies and linkages between them and how to transform the present day economy to that of the future.

- Determine the District's key future growth sectors (based on point of difference, competitive advantage, geographic location, primary, natural and human resources and sustainability of key anchor firms, etc.) and pursue a strategy to attract and cluster businesses to promote synergy, strengthened forward and backward linkages, business-to-business (B2B) growth and to gain scale.
- Facilitate the establishment of a network of expert mentors and coaches throughout the District that will assist established and start-up enterprises strengthen their business models and viability and acquire new skills through the provision of advice, coaching, access to new information and contacts/networks.
- Investigate the creation of a Public/Private Partnership to establish a start-up MSME (micro, small and medium-scale enterprise) incubation centre that could offer business support, training, mentoring and services to entrepreneurs to assist them to launch and sustain their businesses in their start-up phase (6 months – 1 year).
- Coordinate information-sharing and facilitate contacts and discussions with businesses located in the District concerning access to credit and financial services offered by diverse providers.
- Facilitate discussions concerning succession planning, generational change and business transformation and diversification within the District.

## 9. Information gathering and analysis concerning businesses operating within the District and the national, regional and local organisations that support them

### Aim

To ensure that Council has a broad understanding of all enterprises presently contributing to the District's economic development and the organisations that support them, their needs, challenges and opportunities, and considers what actions it could take to assist them.

### Council could

- Initiate dialogue with local businesses to understand how it can assist them.
- Undertake a baseline survey of all businesses operating within the District.
- Coordinate with the national, regional and local organisations that support businesses within the District.

## 10. Facilitate the formation and assist in the institutional strengthening and capacity building of business organisations within the District

### Aim

To develop and support local organisations that represent business members, providing them with services, accessing resources and lobbying on their behalf with government, including Council, and economic development agencies.

## Council could

- Promote the establishment of business associations within the District (such as a Chamber of Commerce or a sectoral body) whose purpose would be to strengthen and grow their members' businesses, serve as a unified voice with authorities and the public, and to enable Council (and other public and private entities) to interact with a large number of enterprises in an efficient and cost-effective way, rather than on an individual basis.
- Facilitate institutional strengthening and organisational development of District business associations to be able to offer relevant services to their members.
- Identify opportunities and funding to professionalise, train and build the capacity of business association officers.
- Establish MOUs with District business associations that describe how Council could work with and support them, and the desired outcomes of such support.
- Support and access resources to strengthen community-initiated economic development activities.

## Enablers

### A. Knowledge base

#### Aim

To ensure key measurements of economic activity are captured and analysed to determine opportunities for growth and development.

#### Council could

- Join SOLGM and utilise its community well-being database.
- Document current and desired connectivity across the rural areas of the District.
- Undertake monthly analysis and reporting to tourism businesses of visits to [www.visitrangitikei.com](http://www.visitrangitikei.com).
- Seek guidance from economic data analysis firms on the metrics to measure gaps, success, trends and opportunities, where feasible collaborating with neighbouring councils and sharing the costs.
- Undertake an annual analysis of the measurable results to evaluate progress and suggest where more (or less) intervention from Council would be helpful.
- Develop a database of relevant initiatives, programmes and policies provided by Central Government, neighbouring Councils and Local Government New Zealand.
- Undertake needs assessments, stock takes, gap analyses, surveys, focus group meetings and key informant interviews, and analyse the results, as needed.

### B. Policies and bylaws

#### Aim

To ensure Council policies and bylaws provide a strong business enabling environment to support key economic sectors, businesses of all scales and priority actions for growth and economic development within the District

#### **Council could**

- Review and improve policies that impact on economic development.
- Review bylaws for their impact on economic development, including actual or perceived barriers, and improve them, as necessary.
- Determine what information and data is required to strengthen and drive economic development policies and bylaws and liaise with other organisations, and in particular regional and Central Government agencies, to access their databases.

### **C. Engagement, facilitation and communication**

#### **Aim**

To ensure that Council utilises appropriate engagement, facilitation, group process, negotiation, consultation and communication practices to advance District economic development priorities.

#### **Council could**

- Establish Council principles for engagement, facilitation, group process, negotiation and communication practices that should be utilised in its economic development interactions, many of which are provided in the December 2019 Memorandum of Understanding: Tutohinga between Council and Te Tangata Whenua o Rangitikei (particularly, *Manaakitanga, Rangatiratanga, Whanaungatanga, Kaitiakitanga, Wairuatanga, Maramatanga* and *Kotahitanga*), and assist Council staff to understand and model those values.
- Ensure that sincerity, respect, honesty, professionalism, impartiality and transparency guide all interactions and that personal conflicts of interest are declared up-front and that those with conflicts of interest recuse themselves.
- Seek input and advice from key business representatives, associations and sectors, and Hapū, Iwi and the Ratana community as to the appropriate way to interact and collaborate with them.
- Utilise an impartial, respected third party to facilitate discussions and reach agreements should Council need to do so with community or business counterparts.
- Recognise that the tone and integrity of the process used to interact with each other and a commitment to inclusive “win-win” solutions are often the key determinants to success in economic development initiatives.
- Understand that Council is committed to appropriate sustainable business growth and meaningful employment in benefit of all businesses and residents within the District without favour.
- Determine the processes to track Council economic development commitments, follow-through, consultation and delivery, and implement them.

## D. Relationships

### Aim

To ensure that Council identifies, develops, employs and manages appropriate relationships to advance its economic development strategies, plans, and operations on behalf of the residents, communities, businesses and business sectors within the District.

### Council could

- Define the kind of relationships and the responsibilities and potential advantages they entail that Council would like to develop when engaging with businesses, groups or the community concerning economic development.
- Identify key individuals, representatives, leaders and coalitions within each group that Council works, engages, consults, collaborates and partners with.
- Identify Council staff who have a key role to play in the economic development process and internally build strong relationships with them to create a collaborative, whole-of-Council approach.
- Work steadily to build, maintain and strengthen relationships, recognising that working collaboratively with individuals, businesses and groups committed to economic development will leverage additional resources and will create a multiplier effect to achieve more than Council is able to on its own.
- Recognise that Council's relationships and economic development engagement with Hapū, Iwi and the Ratana community are based on the December 2019 Memorandum of Understanding: Tutohinga between Council and Te Tangata Whenua o Rangitikei (particularly, *Manaakitanga, Rangatiratanga, Whanaungatanga, Kaitiakitanga, Wairuatanga, Maramatanga and Kotahitanga*), and assist Council staff to understand and model these values.

## Measuring success

The measures of success will be refined as a knowledge base is developed.

Likely measures could include:

- Change in population – total number, analysed by age, gender, ethnicity, economic activity, location;
- Number of households;
- Type (e.g. residential, social, emergency), increased number, location and construction cost of new houses and number, variety, size of household accommodated and cost of rentals and the decrease in number of people/households that are unable to access housing;
- Number, location and construction of new or expanded retail, wholesale, distribution, commercial, industrial, services, agricultural and creative businesses, as well as their increasing diversity and contribution to strengthening anchor firm value chains or key sectoral clusters;

- Number of new large anchor commercial and industrial businesses (that potentially will enable additional related businesses within the same sector to cluster around them locally) that invest within the District;
- Available land for houses, industry and business activities;
- Employment – analysed by key sectors, education level, permanent/temporary/seasonal, remuneration level and whether acquired as the result of an internship or training programme;
- Types and numbers of businesses in town centres and throughout the District;
- Results created by incentives provided for new homes, business expansion/retention/attraction, and agricultural strengthening/transformation/diversity/innovation and new ownership models;
- Visitor numbers, location, what business sub-sector they pertain to and their average and total spend;
- Effectiveness and measurable results (outputs) of economic development engagement and collaboration with Hapū, Iwi and the Ratana community;
- Effectiveness of engagement with Ohakea Air Force Base and new large commercial and industrial investments, measured by increased employment, investment, spending stimulus within the local economy, rates paid, start-up or relocation of additional businesses related to anchor investments, houses built by persons affiliated with these key investments and rates paid by new home owners;
- Effectiveness of engagement with existing small and medium-scale businesses, start-ups and entrepreneurs, measured by business growth, employment, new homes built and rates paid, and the amount of money injected into the local economy;
- Digital connectivity capability;
- Change in the GDP;
- Business owners' satisfaction related to their business growth and sustainability (determined through a qualitative survey);
- Residents' feeling of well-being related to the growing number of businesses offering more products, services, diversity, quality and choice (determined through a qualitative survey) in the District and the town they live in; and,
- Change in Council revenue related to economic development.