



**BUILDING  
THE FUTURE  
WE WANT.**



# **ECONOMIC DEVELOPMENT STRATEGY 2018-2028**



**We are.  
Ruapehu.**



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*“Ruapehu is a district known for its agricultural and horticultural production and its snow-sport, alpine, tourism and holiday attractions.*

*The army continue to make a strong contribution to the District’s economy – particularly in Waiouru.*

*The agricultural and wood processing sectors provide a solid contribution to the economy and the towns of the District provide quality services to a broad spectrum of residents, business enterprises and visitors.”*



# Introduction.

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## Refresh of the Ruapehu Economic Development Strategy.

In 2014 the Council prepared an Economic Development Strategy. This covered the period 2015-25. Recent Ruapehu visitor sector development planning and the change of government justified the Ruapehu District Council refreshing that Strategy. The new Strategy covers the period 2018-2028.

The purpose of the refreshed strategy is to: describe the current economy including its strengths and weaknesses define: establish a clear economic growth vision and objectives and then; to define the actions to be taken to secure this desired future.

## Leadership to achieve economic growth.

It is the leadership, courage and skills of individuals who make businesses and communities successful. Central government has a fundamental leadership role to play in many of these dimensions. The new Labour-led coalition government has provided clear signals about its intention to play a stronger role in regional economic development.

The Ruapehu District Council, in partnership with iwi and local businesses, also has a strong role to play – both on their own as a successful partner with central government.

The Council's 'service-based' role is to provide the regulatory environment, visitor sector support services and a general supportive atmosphere within which new investment is encouraged and individual businesses are enabled to flourish.

The Council's infrastructure provision role, particularly the supply of quality roads and transport systems, provides a foundation or 'enabler' for growth. Quality water and waste systems play an equally important role. Digital connectivity, and the capability of individuals to make use of this infrastructure, is also important.

In addition, attractive and well-functioning towns create pride and community cohesion.

The Council has recognised the importance of the several roles it must play in providing and advocating for the provision of these services as a core part of its future growth agenda.

Details about the economic development context within which Ruapehu District Council's planned economic growth vision, principles and actions will be applied, follow.

*It is the leadership, courage and skills of individuals who make businesses and communities successful.*

**DON CAMERON  
MAYOR  
RUAPEHU DISTRICT**





## Challenge.

Despite its points of strength, Ruapehu District is at the tail end of the regional development stakes in New Zealand. GDP per capita is 23% below the national average. Nominal GDP dropped from a 2011 peak of \$540m to \$506m in 2016. The average annual employment growth between 2001 and 2016 was around minus 2%. In the period between 2001 and 2016, the population of the Ruapehu District declined by more than 17%.

Without conscious intervention, the critical mass of population in the Ruapehu area may continue to decline to a point where it may be difficult, under current financial arrangements, to meet all the costs of the current level of infrastructure supply and maintenance, at the standards

expected by the community and government. Current levels of publically-provided service, including quality education and health, may also be difficult to sustain. There may be an increasing proportion of elderly persons and a declining number of children and school age persons. There may also be an increasing number of unoccupied dwellings.

The potential for on-going decline in the Ruapehu economy demands urgent action in seeking out and applying interventions to turn the tide of recent decline. With the right support, it is clear the latent economic development potential of the District can be unlocked.

## Economic growth, community wellness and sustainability.

Creating wealth is not an endpoint in itself. Rather it is a precondition for community wellness and economic sustainability. Successful economic development encompasses the integration of social, cultural, environmental and spiritual wellbeing.

## Growth opportunities.

The 'Accelerate 25' Manawātū-Whanganui Economic Development Action Plan identified several opportunities for district growth. Implementation programmes are now unfolding.

The Accelerate 25 Plan demonstrated that the greatest potential for District growth lies in the visitor sector. With the right interventions, the contribution of this sector to the District's GDP could double by 2025. A visitor sector development plan was prepared in 2016. This identified and prioritised the 36 actions required to unlock this potential. This is now in the process of being implemented.

Six iconic visitor sector experience investments, three priority connectivity investments and a range of other initiatives were selected for priority attention alongside establishing a new governance model to lead sector development.

Necessary interventions include: supporting iwi as investors; building business capability; attracting new investment; and developing the market for Ruapehu to continue to be a preferred visitor destination.



# The refreshed Strategy focuses on five areas for investment:

## 1. Visitor sector growth.

Including i-Site services, the work of Visit Ruapehu, the design and implementation of a new sector development model, destination rebranding and the implementation of the other actions identified in the 2016 Ruapehu Regional Visitor Development Plan.

## 2. Infrastructure and broadband enhancements.

Including resolving cellular black-spot concerns and building the digital capability of individuals.

## 3. Town centre refresh initiatives.

## 4. Business and enterprise support.

Including attracting and encouraging existing and new business enterprise to locate in the District and leveraging Government support to achieve this goal.

## 5. Skills and talent development.

## 1. Visitor Sector Growth.

### Visit Ruapehu and i-SITE network - key focus.

1. Visit Ruapehu and i-SITEs are sufficiently resourced to:
  - Actively support development of Ruapehu tourism sector
  - Provide leadership role in regional tourism development
  - Provide thought leadership role both regionally and nationally
  - Work in partnership with regional and national partners
2. Council supports implementation of the Regional Visitor Development Plan.
3. Relationships with relevant government Ministers and officials in key agencies maintained

### Tangible outcomes.

1. Growth and value/income of the sector continues to improve against 2017/18 indicators.
2. Social licence for Council involvement in supporting tourism development can be measured as generally positive.
3. Council is able to continue with regional joint-venture marketing efforts.
4. Ministers and agency officials understand Ruapehu issues and support our agenda.

## 2. Enabling infrastructure.

### Land Transport - key focus.

1. Work with contracting partners to ensure that additional \$2m in FAR can be capitalised upon.
2. Relationships developed and maintained with NZ Transport Agency (NZTA) and regional transport partners
3. Work with KiwiRail to explore opportunities and identify visitor and farming sector transport/road hotspots and develop business cases for inclusion in future transport plans and investment programmes.

### Tangible outcomes.

1. Work program is completed to plan
2. Foresight and influence over policy and issues that will affect Ruapehu. Growth in reputation and perception as thought leader.
3. Efficiency and effectiveness of land transport network is maintained as measured by NZTA Procedural Audit
4. Increase in rail freight and rail passenger service options for Ruapehu.
5. KiwiRail infrastructure such as stations enhanced and maintained.

### Broadband and Mobile - key focus.

1. Commission a stock-take on the effect of recently announced up-grade programmes and work with government to fill identified gaps.
2. Provide services and information to help people with getting connected and enabling them to reap the benefits of improved internet services.
3. Mobile coverage along all State Highways within the district.

### Tangible outcomes.

1. All broadband black spots are filled. High speed broadband is available throughout the Ruapehu district including remote rural communities.
2. Tangible examples of new broadband (internet of things) technology being utilised by individuals, farmers, businesses, iwi, schools and communities e.g. have online presence, use of apps, specialist software, etc.
3. Measured increase in internet in homes as measured by census data.
4. No mobile black spots along SH 4, 41, 43, 47, 48, 49 and 1 within the district.

### **Solid Waste - key focus.**

1. Waste Management and Minimisation Plan (WMMP) is adopted and implemented.
2. Solid Waste services support growth aspirations while protecting our environment, and meeting legislative requirements.

### **Tangible outcomes.**

1. Successful implementation of WMMP including:
  - Wind down and closure of District Landfill
  - Implementation of new kerbside collection systems inc. food waste.
  - District composting system.
  - Successful public education campaign.
2. High level of public support for new solid waste services and way of doing things.

### **3 Waters focus - key focus.**

1. 3 Waters services supports safe, healthy communities, meets regulatory requirements and keeps pace with changing demand.
2. Relationships developed and maintained with key drinking water related Ministries and regional water partners inc. Horizons and iwi.

### **Tangible outcomes.**

1. Improved perception and understanding in communities around Council provided 3 waters services notably drinking water.
2. Foresight and influence over policy and issues that will affect Ruapehu including access to government funding.
3. Health partner relationships with local iwi.
4. Growth in reputation of Council's 3 Waters management.

## **3. Town centre refresh initiatives.**

### **Town centre revitalisation - key focus.**

1. Tangible, visible progress made on township plans where journey already underway.
2. Council's position on earthquake prone buildings inc. level of ratepayer support (if any) for building owners decided and communicated to stakeholders.
3. Maintain proactive engagement with community and township groups and progress development of majority supported

revitalisation plans

### **Tangible outcomes.**

1. Individual revitalisation plans developed, costed and implemented for townships that want them.
2. Building owners have all the information they need to make a decision on whether to fix, demolish, sell, etc.
3. Communities remain engaged with revitalisation activities and support expenditure.

## **4. Business and enterprise support.**

### **Business development - key focus.**

1. Council ensures economic and business development functions are adequately resourced.
2. Implementation and wide adoption of regional brand 'Our Greater Outdoors'
3. Council has understanding of Ruapehu iwi post-settlement commercial aspirations and is position to assist realisation of these objectives.
4. Active participation and influence in Accelerate25 regional growth plan implementation.
5. Continue with positive stories on Ruapehu's growing optimism and economic development.

### **Tangible outcomes.**

1. Economic Development Manager and Business Development & Partnership Manager roles have resources to meet their objectives.
2. Businesses from all sectors adopt and make use of the Greater Outdoors brand.
3. Positive, respectful relationships with Ruapehu iwi based on mutual understanding and shared interests.
4. Ruapehu businesses see/gain tangible benefits from Council's participation in Accelerate25.
5. People understand and support Council's focus for economic development.

## **5. Skills and talent.**

### **Skills and talent - key focus.**

1. Work with local businesses, the farming community and training providers to identify workforce gaps and opportunities for training and skills development.
2. Work with local schools, Ministry and other key stakeholders to identify and resolve any negative perception issues around our education providers that is leading parents to send their kids out of district or to relocate themselves.
3. Council to support training of local young people.
  - Through such things as our cadet program and where feasible having cadetships a requirement of our contracts with suppliers.

- Having contract structures that give local suppliers the confidence to take on an apprentice or trainee.

### **Tangible outcomes.**

1. Better connections between schools, training providers and employers.
2. Increased opportunities for Ruapehu youth to gain work experience, on job training and full time employment.
3. Clearer pathways for youth to transition from high school and into an apprenticeships or other training.
4. Lesser numbers of parents sending their kids out of district for High School education or choosing to leave the district.
5. Quality teaching staff seeking employment with our education providers.



"He Tirohanga Mokopuna  
- Te Kaunihere a Rohe o  
Ruapehu"  
The Wellbeing of future  
generations - Ruapehu  
District Council

# Ruapehu District Economic Action Plan - Executive Summary

Ruapehu - a pristine natural environment with prosperous and economically viable communities founded on strong agricultural and tourism-related businesses and vibrant towns.

## Development Opportunities

### Accelerate 25

- Sheep and beef in the hill country
- Tourism
- Dairying
- Branding for Ruapehu foods
- Wild game
- Vegetables for export
- Mānuka honey
- Speciality fruits and nuts
- Forestry – one billion trees/climate change
- Contact centre
- Quality care and lifestyle for older people
- Digital connectivity
- Grow business/skills and talent.

**ACCELERATE 25**  
MANAWATŪ-WHANGANUI  
Prosperous. Strong. Vibrant.



### Te Pai Tawhiti



Success for Māori enterprise encompasses the integration of social, cultural, economic, environmental and spiritual well-being, and sustainability.

### Ruapehu Regional Visitor Development Plan

36 actions are now being moved forward to promote our rivers, mountains, National Parks and our other 'greater outdoor' experiences. Six are for new iconic attractions, including:

1. New gondola at the Whakapapa ski-field
2. New mountain bike track Turoa to Ohakune
3. Upgraded one day walk between Whakapapa to Turoa
4. New lodge and café at Pipiriki
5. New Waharoa or welcoming entrance-way and service centre at Ohakune
6. Changes on the Tongariro Alpine Crossing.

In addition, investments are proposed in capacity building, infrastructure and a wide variety of other visitor experiences and services, including at Taumarunui.

## Current State

### SWOT Analysis

#### Strengths

- 'Ruapehu - Our Greater Outdoors'
- Productive volcanic soils
- Punching above its weight
- Provincial Growth Fund

#### Weaknesses

- Distant from markets
- Mediocre markets for farming produce
- Difficult terrain for roads
- Large area of public conservation land

#### Opportunities

- Regional Economic Development Strategy and Action Plan
- Ruapehu Regional Visitor Sector Development
- Partnerships

#### Threats

- Ruapehu's small rating base
- Small town vulnerability
- Insufficient volume of interest to sustain quality training, skills and innovation development centres

### The New Zealand Economy

- Urban centres are growing – Auckland is a draw-card
- Reduced employment on-farm, with outsourced labour more prominent
- Technology will shift employment away from low-skilled jobs
- Motivated individuals and businesses are the driver of economic growth
- GDP is not the best indicator of economic well-being – Treasury is moving to a multi-well-being approach
- Local government areas are not economic regions in their own right.



# The Challenge

Ruapehu District is at the tail end of the regional development stakes in New Zealand. GDP per capita is 23% below the national average. Nominal GDP dropped from a 2011 peak of \$540m to \$506m in 2016. The average annual employment growth between 2001 and 2016 was around minus 2%. In the period between 2001 and 2016, the population of the Ruapehu District declined by more than 17%. Conscious intervention is required.

## Approach

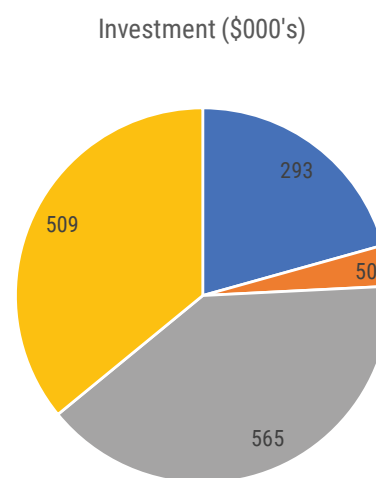
### Delivery Principals

- Benefits must outweigh costs: clear and direct – select the right options
- Multi taskers: facilitators, advocates, providers, funders, innovators – fit-for-purpose interventions
- Relationship developers: strong links to central government; business community collaboration
- Move at speed, responsive
- Customer focused – red carpet not red tape
- Sustainable development

### Delivery Structure



### Investment



- Strategic Development
- Business Development Programme
- Visit Ruapehu (RTO)
- i-Sites

### Our Five Focuses

-  Visitor Sector Growth
-  Enabling Infrastructure
-  Town Centre Refresh
-  Business and Enterprise Support
-  Skills and Talent Development

### Economic Development Vision

A pristine natural environment and prosperous and economically viable communities founded on strong agricultural, tourism and related businesses and vibrant towns that:

- **Attract** others to live, work, play and visit the area
- **Better meet the needs** of current Ruapehu residents without compromising the ability of future generations to meet their needs.

### Measures

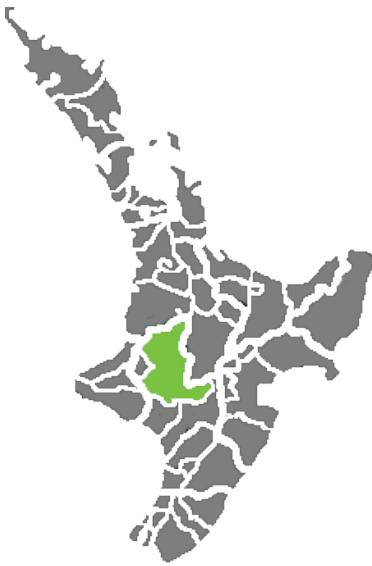
1. Financial and physical capital
2. Human capital
3. Social capital
4. Natural capital

### Government's Provincial Growth Fund

While there are limits to the degree to which both local and central government can bring about economic development, it is clear that best gains will be secured for Ruapehu if it leverages the intentions detailed in the Provincial Growth Fund.



# Ruapehu District - People and Place



## Region

The District is part of the Horizons Regional Council, 'Manawatū-Whanganui'. It is less than four hour's drive from New Zealand's largest domestic populations and the same distance from the key international gateways located at Auckland and Wellington airports.

## Iwi

The District includes the rohe of many iwi hapu groups with overlapping interests within the Taupō, Rangitikei, Whanganui and Waitomo Districts.

## Population

The 2016 population of Ruapehu District was 12,500. This population is located across 6,730 square kms. The main towns and their populations are:

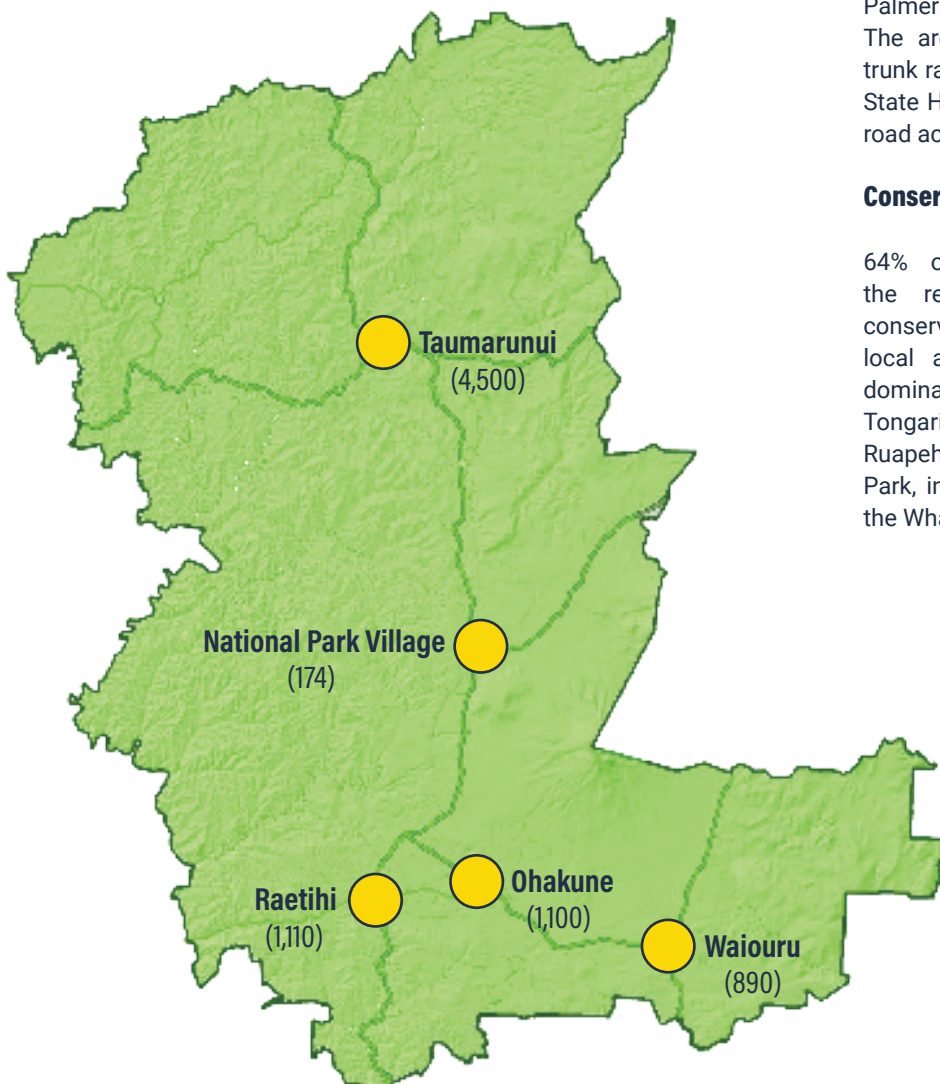
- Taumarunui (4,500 people)
- National Park Township (174 permanent residents)
- Ohakune (1,100 permanent residents)
- Waiouru (890 permanent population)
- Raetihi (1,110 permanent population)

## Connectivity

The closest airports to the Ruapehu District are located at Taupō, Palmerston North and Whanganui. The area is traversed by the main trunk railway. State Highway One and State Highway Four provide the main road access routes.

## Conservation estate

64% of Ruapehu is rate-able – the remainder is largely public conservation lands not subject to local authority rates. The area is dominated by the World Heritage Tongariro National Park and Mt Ruapehu and the Whanganui National Park, including the upper reaches of the Whanganui River.



# Why refresh Ruapehu's economic development strategy?

*There is much that has happened since the Council prepared its 2015-25 'Growing Ruapehu Economic Development Strategy'. Recent developments and the influence they may have had on future economic development opportunities are described below. To take advantage of these recent developments, the Council has resolved to take another look at its earlier offering.*

## Manawatū - Whanganui Growth Study (2015).

With the assistance of MBIE, a study of growth opportunities across the Manawatū – Whanganui was commissioned by Horizons Regional Council in 2015. The resultant report noted that Ruapehu has a smaller and younger population than the region as a whole. It has a similar age profile to New Zealand as a whole. The Māori population is large at 43%, compared to 16% nationally.

The population has been shrinking at 1.5% pa (vs. 1.1% pa growth nationally). Personal and household incomes are much lower than the national average, due to lower wages rather than lower participation in work. Home ownership is low, even though houses are affordable relative to incomes.

Ruapehu's biggest employers are in farming, tourism and in the provision of Government services:

- » Sheep and beef farming and agriculture support services are the biggest employers, but they have been shedding jobs over the past decade (over 20% of jobs lost).
- » Tourism (especially related to the ski-fields and increasingly related to mountain biking) creates jobs in accommodation, hospitality (cafes, restaurants and bars) and retail (supermarkets, for example).
- » Government has a strong presence through defence, education and health (although many of the organisations delivering these services have been contracting over the past decade).

The report concluded there is one significant area of advantage for Ruapehu. This lies in opportunities associated with the visitor sector. This sector requires careful development so that it is a 'quality offering' with the associated strong revenues attached. While not a provider of large incomes, the report clearly saw tourism as having the potential to make a significant difference to both GDP and employment.



In addition, the key informants interviewed as part of the Study, identified several other areas of economic development opportunity deserving of further attention. They included:

### Sheep and beef

This is a main stay of the district economy, though there may be little potential for growth under existing market conditions.

### Dairying

This is growing in the area, particularly on the flat volcanic soils close to Ohakune. Methods for growing this sector are similar to those in other parts of the region and nation.

### Branding of Ruapehu sourced food products

Informants presented the opportunity of attributing a Ruapehu brand to products associated with the attractiveness of the Mt Ruapehu landscape.

### Wild game

Opportunities to continue to grow the volume of wild venison and wild boar products were identified, together with proposals through which these may be packaged and marketed in a way displaying their Ruapehu provenance.



## Vegetables

There is already a significant vegetable industry in the area. It was noted that the Ruapehu District has some unique advantages for vegetable growing, particularly root vegetables. The District could do more to capitalise on 'point of origin' branding with an emphasis toward the particular quality and flavour of Ohakune sourced product and the comparatively low use of fungicides, biocides and other pest suppressant chemicals because of the effect of the District's cold climate. Growth opportunities may be greatest if products are more extensively exported. Export regulations are viewed as being a challenge to deal with. Locals said they would welcome assistance to find methods to streamline the pathway through them. Water reticulation and irrigation were viewed as being a valuable contingency against the risks to production during dry summer months.

## Mānuka honey

The unique advantage associated with the Ruapehu District is the large size of the area of regenerating forest, with Mānuka dominance. Some informants believed there was an opportunity for a town like Taumarunui to establish itself as 'honey central'. This could include local branding, advanced processing and production of medicinal honey products.

## Specialty fruits and flowers

Ruapehu has pockets of very good land capable of growing fruits and nut trees. Informants from Taumarunui saw an opportunity to establish cooperatives for packaging and marketing and to achieve the benefits of scale. Advantage was also seen in researching and publishing a report documenting the suitability of the fruit and nut growing opportunities in the area or a 'resource inventory' of the comparative strengths of the district and, in addition, a platform to enable the connection of individuals and enterprises who are currently engaged in these activities.

## Forestry

Winstone Pulp International (WPI) is a key contributor to local GDP. The scale of production in any one year reflects input costs, the value of the New Zealand dollar and the prices able to be secured on the international market. The current infrastructure and plant have latent capacity which is able to be ramped up when conditions justify it. There are challenges operating in a remote area relating to staff - many current skilled employees have their homes at other locations. The question was asked - what more would it take to have all WPI employees deciding to make Ruapehu their home.

## Freight

WPI transport their product to the Port of Napier by rail. The train returns empty. A more active search may assist to identify opportunities for backfill freight.

## Education and training

Informants, particularly those based in Taumarunui, saw benefit in broadening the range and depth of the training courses in the area to help build the skills needed by existing and new enterprises e.g. truck and tractor drivers and computing skills.

## Recruiting and bonding professionals

Vets, medical professionals and other skilled professionals/trades are difficult to secure in small towns because of the remoteness of these locations. Informants called for an expansion of bonding schemes as a means of building necessary expertise in their communities.

The growth of the Manuka Honey industry is providing new opportunities for Ruapehu's townships and rural communities.



## Contact centre

Towns like Taumarunui have a stable population, cheap real estate and a skilled work force suited to the competitive supply of contact centre services. Informants suggested that these advantages be more actively marketed to potential clients.

## Business leadership

Business leaders in both Ohakune and Taumarunui saw advantage in establishing a 'development group' to carry forward the above initiatives.

*The message from the Accelerate 25 Growth Study is there is a clear case for the Council finding resources and programming the development of feasibility studies and business cases to support each and all of the above areas of focus.*

# Manawatū - Whanganui Economic Action Plan (2016).

Drawing on the base information presented in the Manawatū Whanganui Growth Study (as described above), nine opportunities were identified for in-depth assessment. The product of this assessment was an action plan listing the initiatives required to secure growth. Putting aside the visitor sector for a moment (addressed more fully below) many of the other areas for development are of as much relevance to Ruapehu as they are to other parts of the region.

District Councillors explored what they may do to take advantage of these opportunities at a workshop held late in 2016. In addition to the actions to progress some of the nine identified opportunities described above, they agreed to:

- **Quality care and lifestyle for older people**

Stay informed of the progress of a Horowhenua-led initiative exploring how to apply an

innovative Levin-wide master plan and operational model to help older people select Levin as a preferred location to live, work and play.

- **Food innovation**

Maintain oversight of the Massey University-based Food HQ food technology development opportunities and seek out opportunities to apply them in the Ruapehu District.

- **Poultry**

Monitor progress and keep an eye out for any flow-on development opportunities for the District arising from the Rangitikei and Manawatū-based focus of these developments.

- **Realising Māori opportunity**

Discuss the broad suite of potential actions identified across the nine opportunity areas with iwi leaders, particularly those related to the visitor sector.



*The message from the Action Plan is that Ruapehu should continue to focus on the 'enabler' foundation stones upon which economic development depends and, at the same time, seek out opportunities to leverage the lessons learnt from the development opportunities being led and explored elsewhere in the region.*

The Manawatū Whanganui Action Plan also emphasised the importance to economic development of a number of critical 'enablers' or foundation stones upon which growth is dependent. These are addressed more fully later in this refreshed strategy but in brief:

► **Distribution and transport**

Work with Kiwi-Rail to explore opportunities and identify visitor and farming sector transport / road hot-spots and develop business cases for inclusion in future road transport plans and investment programmes.

► **Growing business**

Identify, recruit and support potential businesses interested in moving to the district and those already located in the region who may need support to grow.

► **Skills and talent**

Work with local businesses, the farming community and training providers to identify workforce gaps and opportunities for training and skills development.

► **Digital connectivity**

Commission a stock-take on the effect of recently announced up-grade programmes and work with Government to plug identified gaps.



## Ruapehu Regional Visitor Development Plan (RRVDP - 2017).

The RRVDP was completed on 1 July 2017. It was accompanied by a report analysing the state of the Ruapehu visitor sector and a statement of the Ruapehu 'Destination Value Proposition and Brand Promise'. Since then, the focus of Council effort has been toward 'implementing' the actions identified in this Plan.

The RRVDP's critical target was to double the combined total of international and domestic visitor expenditure in Ruapehu from \$181 to \$388m by 2025 i.e. achieve 10% annual cumulative growth rate in expenditure.

The momentum toward achievement of this target is already beginning to pick up. The proposed RAL Alpine Aerial Tram / gondola is now a fully developed concept. A request for funding support has been forwarded to Government.

In addition the new mountain bike track between Turoa and Ohakune, an upgraded walking track between Turoa and Whakapapa (the 'Ruapehu Alpine Walk'), Waharoa entranceways to the Parks and visitor experiences at Pipiriki have been well socialised. Moreover, the pressures being

felt at the Tongariro Alpine Crossing are being resolved with the assistance of a new approach to the management of visitor flows.

These experiences and the 31 other sector growth opportunities listed in the RRVDP will, once implemented, be transformational for the Ruapehu visitor sector and the Ruapehu economy.





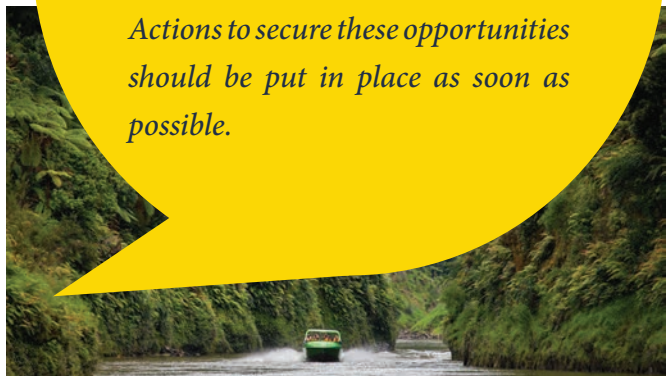
The opportunities reflect a pyramid of interventions with high priority given to new or expanded experiences at the peak, solid secondary experiences at the next level, specialist experiences at the third tier and set of opportunities designed to grow the capacity and capability of operators within the sector at the foundation of the pyramid.

To enable Ruapehu to fully maximise its potential for growth, a new way of working may be required. Areas such as Ruapehu that have high densities of highly attractive public conservation lands are often also the places where local government resources (financial and human) are constrained.

To support sustainable, long term growth the implementation project will therefore also outline short and longer term visitor sector 'business model' solutions to this challenge.

*The message from the Ruapehu Regional Visitor Development Plan is that tourism provides clear development opportunities for the region.*

*Actions to secure these opportunities should be put in place as soon as possible.*



## Te Pai Tawhiti - a strategy for Māori economic development across the Manawatū-Whanganui Region (2016).

Success for Māori enterprise encompasses the integration of social, cultural, economic, environmental and spiritual wellbeing, and sustainability.

The overarching goals within Te Pai Tawhiti recognise a flourishing economy not as an endpoint, but an important precondition for wellness and sustainability i.e. Whānau Ora, community cohesion, wise leadership and the on-going acquisition of knowledge.

This includes, for example the importance of building the skills and talents of iwi to comfortably allow them to play an appropriate role within economic development.



## Government's Tuawhenua Provincial Growth Fund (February 2018).

The new Labour-led coalition government has committed to a form of economic growth that is sustainable and beneficial for all New Zealanders. They view Regional economic development is an essential component of their economic strategy. They note nearly half of New Zealand's population lives outside the main urban centres, and that these non-main centre areas generate around 40 per cent of the country's economic output.

Government suggest, if the provinces are not doing well, New Zealand's overall economic performance will be affected. Similarly, they suggest if we want to diversify the New Zealand economy and make it more environmentally sustainable, changes will be needed in the provinces.

With these objectives in mind, the Government agreed in December 2017 to establish the Tuawhenua Provincial Growth Fund of \$1 billion per annum over three years. The focus of this fund is investments to raise the productivity potential of regional New Zealand.

The Fund will invest in a range of projects from feasibility studies, capacity building and small local projects through to larger sector-led initiatives and infrastructure investments.

The Fund has three tiers: Regional Projects and Capability; Sector Investments (including the One Billion Trees Programme); and Enabling Infrastructure Projects.

Infrastructure projects, such as transport and telecommunications, are envisaged as going through existing funding and assessment processes before being considered for funding through the Fund, to ensure the Fund is used for projects that specifically benefit the regions.

In relation to transport, the Fund is envisaged as playing several roles, including boosting the number of regional projects that can receive funding, bringing forward projects, and providing funding assistance to assist those regions that have significant difficulties with affordability for key projects. The Fund will also assist the Government to meet their goals for rail.



Government envisage supporting different types of regional economic development project in each year between now and 2020.

- **Early focus (2018) will be on:**

Getting investment opportunities through their feasibility and testing stage; investing in strengthening work and employment readiness and capability; building a pipeline of infrastructure initiatives and; investing in those projects which are ready to go.

- **Late 2018 / 19 funding decisions will be on:**

Making funding decisions on the basis of submitted feasibility and business cases particularly those on large sector investment and 'enabling infrastructure' projects.

- **2019/20 delivery of projects:**

Supporting the delivery of projects funded in the early period.



Government view the success of their policy being judged in terms of how it:

- » Encourages sustainable economic development activity that is innovative, diverse and high value. This is viewed as including lifting productivity and wages, enhancing natural capital and ecosystem services, and transitioning to a low carbon economy.
- » Delivers more prosperous and equitable outcomes for New Zealand's people and its regions including supporting regions to thrive, and supporting Māori aspiration.
- » Invests in infrastructure to support sustainable growth This includes infrastructure to support environmentally sustainable economic growth.
- » Grows international connections through adoption of progressive trade policy and engagement.

*While there are limits to the degree to which both local and central government can bring about economic development on their own, it is clear that best gains will be secured for Ruapehu if it leverages the intentions described above.*

*The message from the release of the Government's Provincial Growth Fund policies is that the Council should devote priority attention to preparing business cases and feasibility studies suited to these policies.*



Government have defined a set of eligibility and assessment criteria to guide their decision making about how the Provincial Growth Fund will be allocated. These criteria (paraphrased), together with comment about how Ruapehu development opportunities align with them, are described Below.

<b>Eligibility and assessment criteria</b>	<b>Application within Ruapehu</b>
<b>Increase productivity potential and support sustainable jobs, business and use of natural resources</b>	<b>Visitor sector and other opportunities</b>
<b>Not fund activities which will take place anyway – neither socialise losses or privatise gains (additionality)</b>	<b>Self-explanatory</b>
<b>Build on regional strengths and prioritise investments that develop high growth activities in areas of comparative advantage</b>	<b>Visitor sector</b>
<b>Reflect local support e.g. supported by region’s economic development governance group</b>	<b>Visitor sector, vegetable growing, Mānuka</b>
<b>Reflect a strong business case</b>	<b>Currently being developed</b>

# Review of Ruapehu District Council Economic Development arrangements (September 2017).

The Council invited consultant's Morrison and Lowe to review the Council's economic development governance, funding and service delivery arrangements.

After receipt of the Morrison and Lowe report (September 2017) the Council concluded that, given the Council's small size, economic development is best delivered through an enhanced form of the current 'five segment matrix'

*This refreshed strategy is built on the back of the Council's commitment to the current organisational arrangements.*

arrangement encompassing: economic development strategy; i-Sites; business development support and through the; 'Visit Ruapehu' – the District's Regional Tourism Organisation.

## The enhancements to be put in place include:

- Clarification of the respective roles and responsibilities of the Council, i-Sites and Visit Ruapehu.
- Development of a more strategic relationship with DOC and other partners i.e. moving beyond the current project-based set of relationships.
- Responding to any recommendations from implementation of the RRVDP about a preferred new business model for visitor sector development.



Councils use of the DOC Visitor Centre in Whakapapa Village for an i-SITE has been an outstanding success. Council is now wanting to develop a more strategic relationship with DOC and other partners that moves beyond the current project-based set of relationships.

# Call to action.

*An assessment of recent economic development information clearly demonstrates the need for the District to continue to direct focused attention toward actions which will sustain the health of the District's economy. A summary of recent trends follows.*

## Population projections.

The population of the Ruapehu District has declined by more than 17% between 2001 and 2016. Under all population scenarios (high, medium and low) Ruapehu District's population is projected to decline.

Under the high population growth scenario, population is projected to be around 10,000 people by 2035. Under the low scenario, population is projected to decline to just under 7,000 people (figure one).

Without conscious intervention, the critical mass of population in the Ruapehu area will decline to a point where it is difficult, under current financial arrangements, to meet the cost of infrastructure supply and maintenance at the standards expected by the community and government. Services - including quality education and health, may also be difficult to sustain.

There may also be an: increasing proportion of elderly persons and a declining number of children and school age persons; increasing number of unoccupied dwellings; increasing proportion of elderly persons and a declining number of children and school age persons and there may be; an increasing number of unoccupied dwellings.





## Projected resident population:



Figure one: Ruapehu projected resident population scenarios 2013-2043 (source: StatsNZ)

# Employment and gross domestic product.

The Ruapehu District is at the tail end of the regional development stakes in New Zealand. GDP per capita is 23% below the national average. The average annual employment growth between 2001 and 2016 was around minus 2%. Nominal GDP has dropped from a 2011 peak of \$540m to \$506m in 2016.

Information prepared for the Council by BERL in February 2018 indicates that with the exception of the visitor sector, things have not improved in the last year.

## Business profile

Overall the number of businesses in the Ruapehu District has fallen over the last decade. However, the number of businesses in manufacturing, business services, and the arts and recreation services sectors has slowly grown over the decade (figure two).

The primary sector had the most business units in 2017, and after a decline in business units last year, held steady at 651 business units between 2016 and 2017.

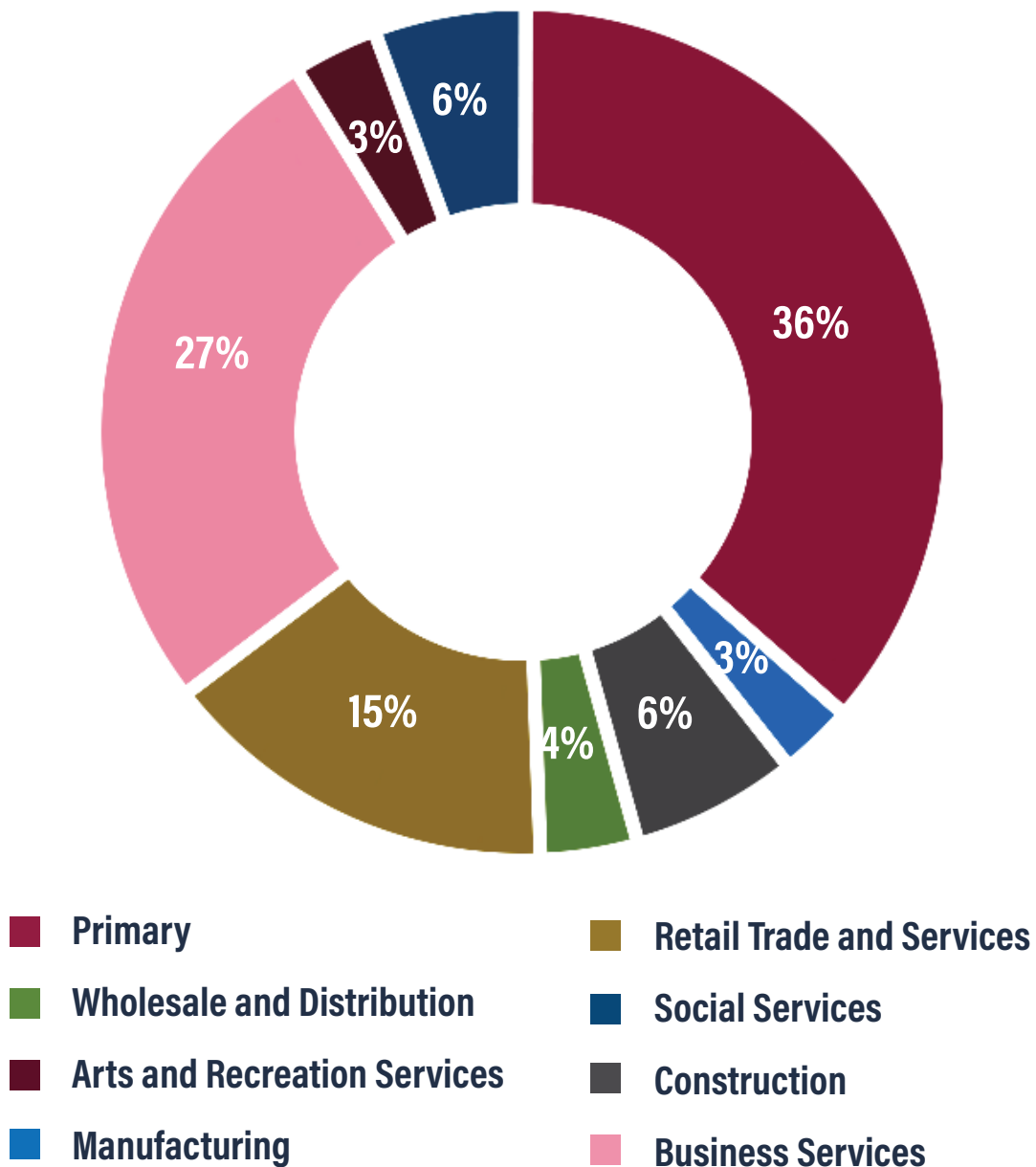


Figure two: Share of business units, Ruapehu District, (source: BERL 2018)

The number of new businesses created in the District has steadily increased, at 5.8 percent per annum over the past five years; however, the number of businesses closing has also increased over this period at 1.2 percent per annum. Business closures outpaced business births in 2017, with 150 businesses closing and 135 businesses opening their doors (figure three).

### Primary sector

Employment in the primary sector is over three times larger in the Ruapehu District than nationally. The primary sector generated 22 percent of all GDP generated in this district in 2017. Sheep and beef cattle farming is the largest primary industry, employing 507 FTEs and generating \$58 million in GDP. Dairy farming has experienced solid employment growth, with employment up 6.5 percent per annum since 2007.

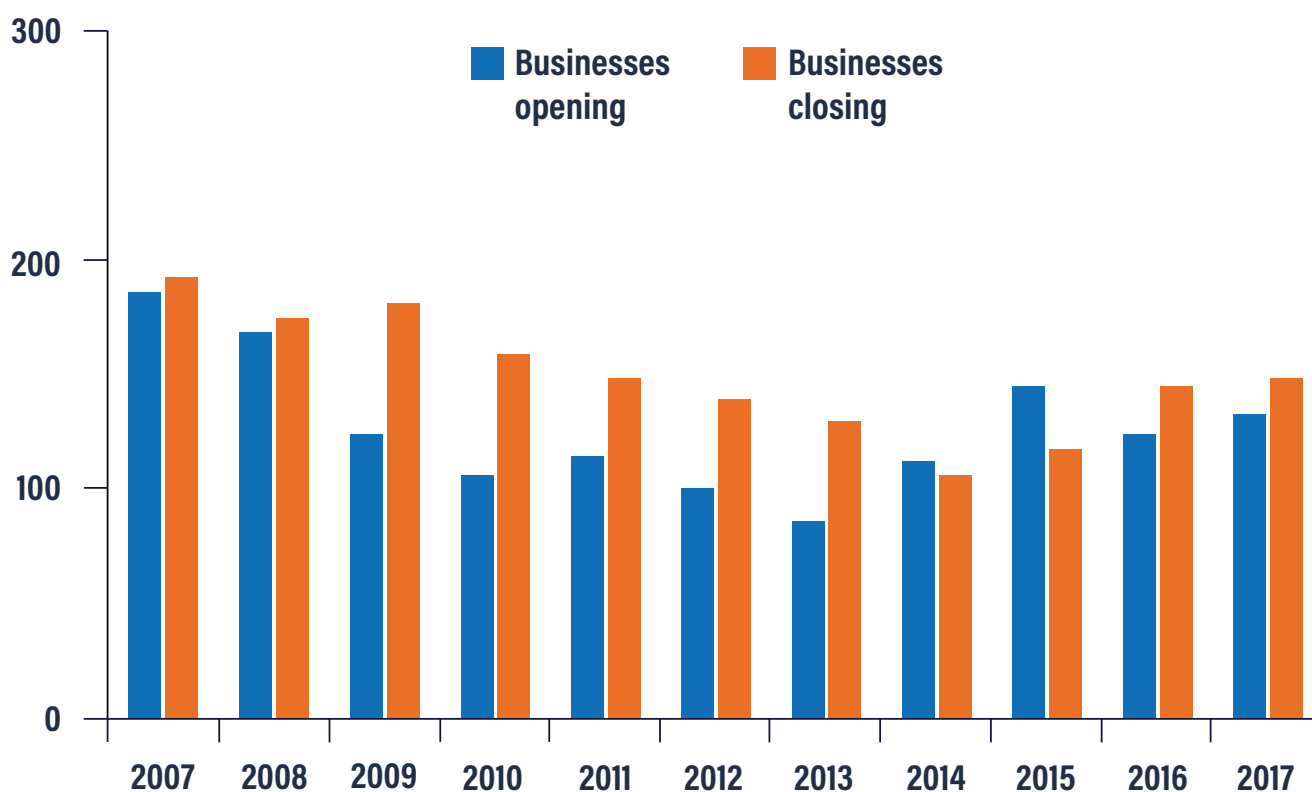


Figure three: Summary of business births and deaths 2007 -17 (source: BERL 2018)



## Tourism sector

The tourism sector was the one part of the Ruapehu economy experiencing growth over the recent period. The tourism sector employed 645 FTEs and generated \$48 million in GDP in 2017. Annual guest nights increased from 445,000 in 2016, to 453,000 in 2017.

One of the good things about the sector is that expenditure flows through many parts of the economy (figure four).

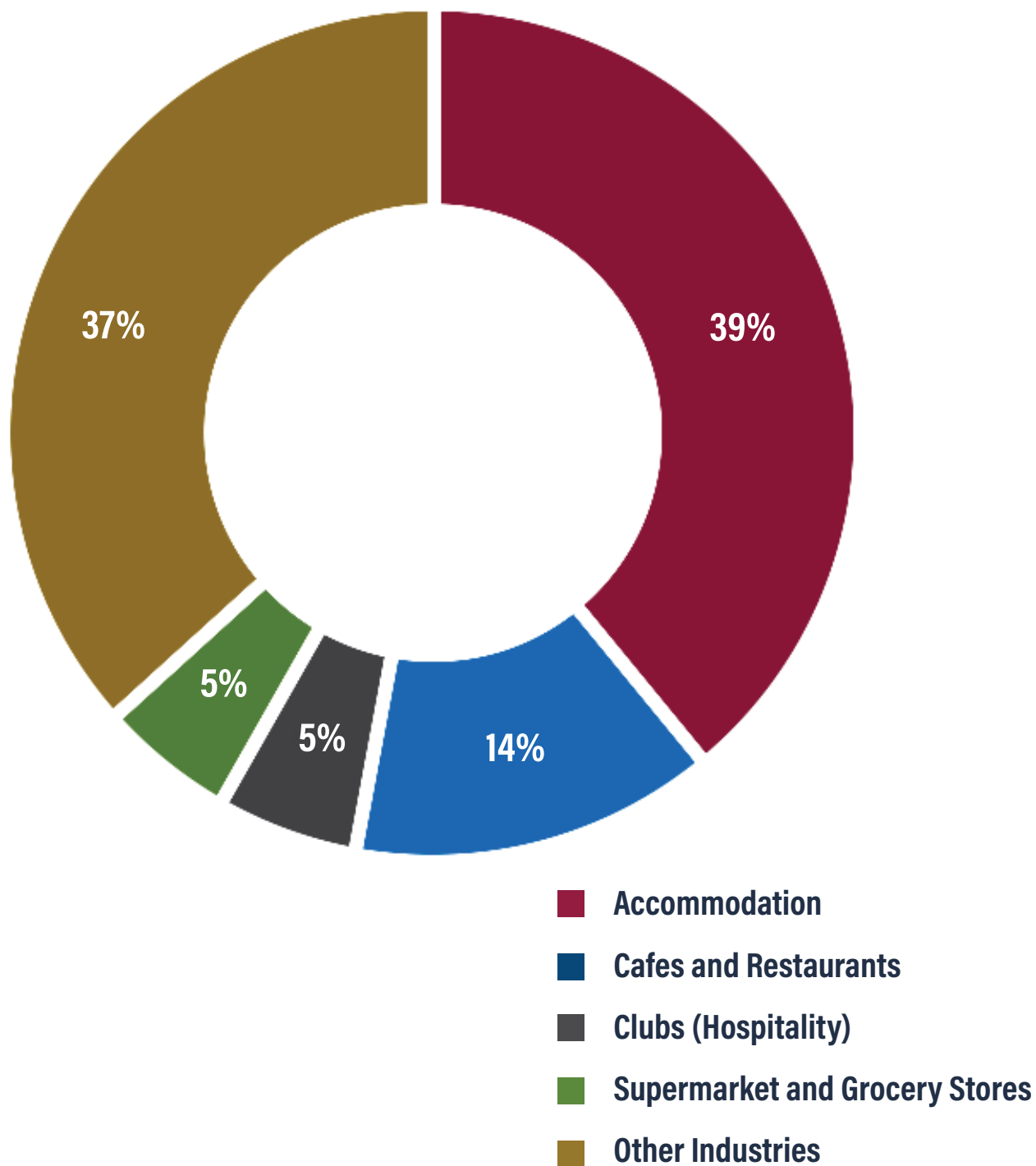


Figure four: Top five tourism-related employment sectors in Ruapehu (source: BERL 2018)

# The New Zealand economy is changing - some home truths.

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*A wide array of papers and the broad direction of recent comments by Treasury and other commentators paint a picture of a set of almost unavoidable trends with powerful influence over the future direction of the Ruapehu economy. These trends are summarised below.*

## Growth of Metropolitan New Zealand.

Over the next 30 years, Auckland and other main urban centres will continue to grow while other areas will decline. This implies the need for a rethink about focussing on economic growth on its own toward a framework that also empowers communities to meet both the economic and social needs of their populations in the midst of 'no growth' or even decline scenarios.

Creating wealth should therefore not be viewed by Ruapehu as an endpoint in itself. Rather it is a precondition for community wellness and sustainability. Successful economic development encompasses the integration of social, cultural, environmental and spiritual wellbeing, and all of this on a sustainable rather than boom and bust basis.



## Farming will not remain a big employment sector.

There has been a broad employment shift away from the primary and goods producing parts of the economy into the service sectors over the last 60 years. Farming employs less farm labour on-farm now than it did a year ago with outsourced labour becoming more prominent. Together with automation the amalgamation of farms into larger larger units with greater economies of scale is reducing the demand for farm labour.





## GDP is not the best indicator of economic well being.

While GDP is a useful measure of economic activity, it is not the only measure of economic outcomes. There can be wide divergences between GDP and more personal economic outcomes like household income.

For example, Taranaki has very high GDP per capita, but household incomes are similar to the national average. This means that the high GDP per capita in Taranaki has not lifted the economic performance for everyone in Taranaki. And as noted earlier, social cohesion and wellness extend far beyond how much money a person may earn.

Treasury have recognised the limits associated with use of GDP as its primary indicator of economic well-being.

The March 2018 'Government Investment Statement' provided an indication of this change in direction by also taking into account changes to natural, social, human and physical

indicators. Ruapehu District Council is a strong supporter of this broadened approach.

If growth in GDP is retained as the dominant measure of the success of an economic development strategy, then further thought needs to be given to what may underpin it.

Economists, like those from the New Zealand Institute for Economic Growth (NZIER, 2017) tend to decompose growth in GDP into three components: scale components arising from population increases; economic participation components arising from increased employment; and performance components arising from increases in productivity per worker.

In simple terms, what this means for Ruapehu is that it should support economic development interventions which may:

- Increase labour force participation, by for example, encouraging increases in the number of persons who may move to the region who are working age.
- Increase the skill, talent and innovation applied by the District's workforce.
- Increase the resilience of the District against economic shocks by encouraging diversity and complexity in the District's economy.
- Increase the link between Ruapehu businesses and Auckland businesses because it is apparent that these linkages or 'spill-over' benefits contribute to the success of a business.

## Economic versus local government administrative regions.

Data about economic growth are often collated to reflect the administrative boundaries of local authorities. These are not necessarily the boundaries within which the returns on investment in economic growth will be secured.

This is particularly the case for a District like Ruapehu as it is located on the boundary between the Manawatū – Whanganui Region and the Waikato Region. The situation is further complicated by the flow of visitors from Taupō who often enjoy the 'greater outdoors' adventures provided in Ruapehu but seek accommodation within the Taupō District.

What this means is that adjacent local authorities may need to work more closely together to jointly achieve the benefits for their communities of their respective investments in economic growth.



# Ruapehu economy – strengths and weaknesses.

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With the context matters, as described above in mind, the following table summarises the factors affecting an economic SWOT analysis for Ruapehu. The content of this table has been informed by the matters raised in workshops and conversations with staff and by the data compiled as part of the visitor development action plan.

## Strengths

- ‘Ruapehu – our greater outdoors’ – leading edge biodiversity, landscape, heritage, snow-sport and other recreation opportunities
- Productive volcanic soils
- A District Council prepared to punch above its weight to achieve economic growth
- Recently announced Provincial Growth Fund with clear guidelines suited to establishment of a ‘partnership for growth’ relationship with the Council

## Weaknesses

- Distant from markets and absence of a relationship with any significant urban conglomeration
- On-going mediocre markets for farming produce
- Difficult terrain for roads
- Large area of public conservation land
- Spread of development interest across several small towns, all of which may not have sufficient critical mass on their own

## Opportunities

- Fully developed regional economic development strategy and action plan with distinct opportunities identified in relation to Mānuka, fresh vegetable and the visitor sector
- Fully developed Ruapehu Regional Visitor Sector Development Plan with 36 actions
- Growing market interest in the attractions offered by visitor destinations such as Ruapehu
- Partnership with Taupō and Waikato Councils to achieve scale benefits

## Threats

- Ruapehu’s small rating base makes it difficult to fund the scale of economic development intervention required to achieve accelerated growth
- Vulnerability of small towns like Waiouru because of their dependence on Defence spending
- Insufficient volume of interest to sustain quality training, skills and innovation development centres

# Vision – economic development 2018-28.

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*A pristine natural environment and prosperous and economically viable communities founded on strong agricultural, tourism and related businesses and vibrant towns that:*

- » *Attract others to live, work, play and visit the area and*
- » *Better meet the needs of current Ruapehu residents without compromising the ability of future generations*

## Principles to guide Council's economic development actions.

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*Council's approach to involvement in economic and business development issues will be guided by the following principles:*

### **Cost – benefit:**

Ensure potential or expected costs are outweighed by potential or expected economic development benefits.

### **District focus:**

Ensure matters to be addressed are a District as opposed to a regional or national issue.

### **Multi-task:**

Play a role suited to the economic development task at hand – whether that is facilitator, advocate, provider or funder.

### **Clarity:**

If funding an economic development activity, ensure the benefits to the District are clear and direct.

### **Relationships:**

Create relationships and partnerships which build strong and supportive links into the District's business sector, government and the regional Accelerate 25 economic development Lead Team.

### **Move at speed:**

Identify and assist to proactively resolve local business challenges, at speed.

### **Big and small changes all count:**

Be prepared to make the many small changes, as well as the big changes, to maximise the development potential of the District.

### **Customer Focus:**

Deliver quality services in a no surprises way.

### **Deliver to Standard:**

Ensure that all legislative standards are met.

### **Sustainable:**

Take into account economic, social, cultural and environmental factors in decision making.

### **Fit for Purpose:**

Make decisions that are fit for purpose.

### **Enabling Community Growth:**

Take into account future growth when making decisions about current activities.

### **Right Options:**

Ensure the 'right' decisions are made by using optimised decision making methods.

### **Innovative:**

Encourage innovation from contractors and staff.

### **Responsive to Communities:**

Involve the community in planning processes.



# Economic development: Priorities for action 2018-28.

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*The results of the SWOT analysis and the review of the current contextual / operating environment resulted in the identification of five key economic development priority areas for focussed Council attention and action:*

- 1. Visitor sector growth*
- 2. Enabling infrastructure*
- 3. Town centre refresh*
- 4. Business and enterprise support*
- 5. Skills and talent development*

## Visitor sector growth.

There are three critical domains for action: implementing the findings of the Ruapehu Visitor Development Plan; supporting the market development and sector-support work of Visit Ruapehu and others; supporting the visitor information and related services provided by Ruapehu's i-Sites.

### **Ruapehu Visitor Development Plan**

Ruapehu is clearly a destination with the natural 'greater outdoors' and nature-based resources, landscapes and assets sought by visitors. It has good proximity to over three million New Zealanders and is close to international gateways located at the Auckland and Wellington Airports.

The Ruapehu Visitor Development Plan defined how to add dimension, depth and variety to existing and new offerings, defined how to secure more visitors, who stay longer and contribute more to the local economy and defined how to establish a business model to sustain long term visitor sector growth.

The agreed critical target was to double the combined total of international and domestic visitor expenditure from \$181 to \$388m by 2025 i.e. achieve 10% annual cumulative growth rate in expenditure. In simple terms, extra days and extra spend-per-day from more visitors, doing more things, is the objective.

Other objectives included: continuing the current trend toward greater seasonally-dispersed visitation and

occupancy; growing the contribution and wealth of iwi as visitor sector investors and employees every year and; increasing the number and magnitude of 'experiences' on offer. This is while, above all else, sustaining environmental and heritage values, actively displaying sensitivity toward iwi aspirations and enhancing the quality of the visitor experience.

The catch is this: the Ruapehu District Council, the district's ratepayers and the region's visitor sector operators do not have the size or revenue streams to do what is required to grow the Ruapehu visitor sector on their own. Hence the need for the Council to design, pilot, fund, and apply a new and integrated destination development and management business model involving the best skills, leadership, governance, routes to market, funding sources and influencers they can lay their hands on.

The Visitor Development Plan identifies 36 actions. Six of these are for new iconic attractions including: a new gondola at the Whakapapa ski-field; a new mountain bike track between Turoa and Ohakune; an upgraded one day walk between Whakapapa and Turoa; a new Waharoa lodge and café at Pipiriki; a new Waharoa or welcoming entrance-way and service centre at Ohakune; and the on-going implementation of changes on the Tongariro Alpine Crossing to ensure the quality of this world-renown walk are sustained. Other actions relate to capacity building, infrastructure and the creation of a wide variety of other visitor experiences and services.

The momentum arising from the preparation of the Visitor Development Plan is already beginning to pick up. Proposed Ruapehu ski-field developments, particularly the new Alpine Aerial Tram / Gondola and the new mountain bike track between Turoa and Ohakune are close to securing necessary funding and consents with strong support from the Council and potential investment support from Government's Provincial Growth Fund. Work toward the implementation of all other initiatives is continuing.

## Visit Ruapehu

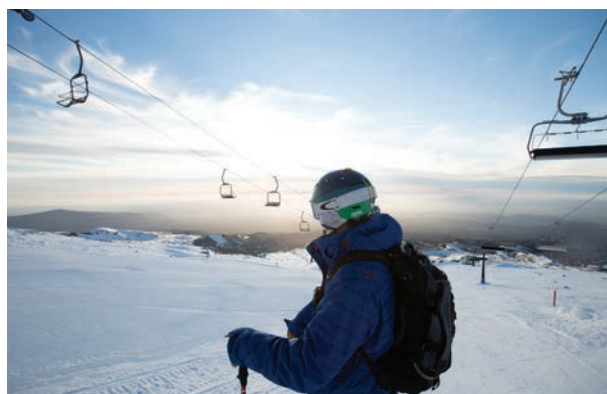
Visit Ruapehu is the Regional Tourism Organisation for the Ruapehu District. It exists to promote the destination of Ruapehu to both Domestic and International markets and to proactively and passionately create the desire for visitors to visit Ruapehu.

Its strategic priorities are: developing and protecting a sustainable and recognisable District brand; thriving partnerships; increasing investment and; sustainable growth.

Its products and services include: visitor guides; a refreshed website; imagery; hard copy editorial in critical travel magazines and 'famils' with key visitor service and experience providers; campaigns; market development; presence at trade shows and through social media; partnership with Tourism New Zealand, DOC, iwi and others and; an operator investment prospectus.

## i-Sites

The District's i-Sites at Waiouru, Ohakune, Whakapapa and Taumarunui are a welcoming source of information and friendliness. They provide more than just information to in-bound visitors. They are also: a centre of advice; an easy means of paying for visitor and other services; a centre of partnerships with DOC and the National Army Museum; a means of supporting local businesses and the community; and a brand statement about everything good that comes from living, visiting and working in the Ruapehu District.









# Town-centre refresh.

Growth is fuelled by the positive spirit and general attractiveness of the surrounds within which business is carried out. Fresh, modern and vibrant town centres are a critical dimension of this positivity and a vital foundation for economic growth.

Town centre revitalisation programmes have been developed by the Council for Ohura, Taumarunui, National Park Village, Raetihi and Ohakune. Modern public toilets, great landscaping, easy parking, community spaces and good access to parks and rivers are all in the mix. The gentrification of the Taumarunui Railway station is just one of several proposals currently under consideration.

The limit to what is achievable is dependent on the available budget. Incremental but not large enhancement projects are planned for implementation each year between now and 2028.

The Council is also aware that programming continuous renewal of streetscapes, curbs and related road works is a critical means of sustaining the freshness and vibrancy of town centres.



# Business development and enterprise support – the Council’s role.

## Council's overall vision and mission

The Council has defined its vision as *“Ruapehu ... the District of choice, where adventure begins and life is enhanced.”*  
This vision is accompanied by the Council’s mission *“Building a vibrant community based on effective leadership and service delivery.”*

This vision statement establishes where the Council would like the District to be in the future. The mission Statement guides what the Council will do to get there.

## Business support

Council has added business development and relationship-focussed staff to one of its teams as one means of assisting it to deliver this vision and mission. The purpose of these resources is to:

- **Economic security:**

Promote an economically secure District by maximising opportunities for development, employment and business through such means as maintaining a business-friendly environment and excellence in customer service.

- **Advice and liaison:**

Provide advice to Council and liaise with business and commercial operators on supporting initiatives for economic growth including by:

- » Applying a ‘client focussed’ approach.
- » Identifying the implications and local issues affecting proposed new developments including opportunities for improvement in the regulatory and compliance functions carried out by the Council.
- » Assisting commercial operators and developers to navigate Council’s statutory plans, policies and procedures.
- » Preparing a prospectus outlining the features making Ruapehu a comparatively competitive place to invest or to establish a new business.

- **Support for new ventures:**

Being an initial point of contact for new commercial ventures setting up in the District

## Seed funding

In addition, the Council has set aside a small economic development fund for use in providing strategic support for initiatives with very clear benefit to the District’s economy such as events, research, particular projects and investigations and projects to leverage the economic development funding made available by third parties.

This fund is likely to be sustained throughout the 2018-28 period with growth or decline in its volume being dependent on information about the delivery of clear resultant economic development gains for the District.

## Culture of change and consolidarity

Economic Development will only occur if a ‘culture of change’ is embraced by the community toward the task of seeking growth opportunities. There is also a need for the business community to embrace a ‘Ruapehu-wide’ view in their advocacy, alongside their advocacy for the views of the businesses in each of their townships.

# Skills, talent and innovation.

The pull of quality of lifestyle and the environmental attractiveness of Ruapehu are often seen as compensating factors to the downsides associated with a smaller range of employment prospects in the District than at other locations.

While lifestyle and environmental benefits help, for the Ruapehu economy to grow sustainably it will need to produce new and more jobs with a higher technical and creative content i.e. it must build the talent, skills and innovative spirit of the people in the District who are able to fill these types of jobs.

District jobs can no longer be those that are left after the “decent jobs” have migrated to larger urban areas.

The focus of new jobs needs to be in high-value sectors and industries. It is these jobs that will drive the add-value-chain that is a critical part of the total package of future economic development.

Educational attainment and advanced skill development is one of the most significant determinants of an individual’s and household’s income levels, job security and long term prosperity.

The current skills profile of the District is below average. Addressing the current educational attainment and skills deficits is critical if Ruapehu businesses are to facilitate new investment and allow businesses to grow and expand.

While some of the people with these skills will be attracted to the region from elsewhere, another path is to build these skills within the families from the District.

Building skills will only occur with the provision of appropriate tertiary training and by building business capability.

There is a limit to how much the Council can do in this space but there are some things the Council are already exploring.

These include those identified in the Visitor Development Plan such as:

- **Visitor sector operator capacity building and skill development:**

Work with NZTE to apply programmes to help build the capacity of small and medium sized visitor sector operators - with a focus on implementation of a coordinated digital plan and the development of integrated multi-experience, service, transport and accommodation itineraries suited to use by travel trade wholesalers.

- **Iwi visitor sector capacity and skill development:**

Work with the Māori Tourism Organisation Aotearoa and iwi to secure a grant to assist Ruapehu iwi to grow their capacity as full participants in the visitor sector.

- **Guides:**

Further explore and establish a method through which Ruapehu guides – particularly Māori guides from local iwi, may grow their knowledge of Ruapehu heritage and stories and deliver quality ‘added-depth’ memorable experiences for users of the many tracks in the Ruapehu area.

A further more general initiative, currently under consideration by the Council, is to:

1. do a stock-take of all tertiary / post-secondary school training providers in the District;
2. do a matching stock-take of the skills and talent development needs identified by existing businesses;
3. have preliminary discussions with potential business assistance and training / skill programme-providers and;
4. secure funding from MBIE, NZTE, TEC and MSD to assist to provide the right programmes to the right people.



*The current skills profile of the District is below average. Addressing the current educational attainment and skills deficits is critical if Ruapehu businesses are to facilitate new investment and allow businesses to grow and expand.*

# Resources and funding.

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*Figure five: Council's institutional arrangements for delivering economic development*

Putting aside infrastructure and town centre investments, Ruapehu District Council's ten year (Long Term Plan) budget for economic development totals \$1.4 million per annum. This is made up of the following components:

- » \$293K - Strategic Development
- » \$50K - Business Development Programme
- » \$565K - Visit Ruapehu (RTO)
- » \$509K - i-Sites

The above components will be delivered within a 'matrix' institutional arrangement or team approach as described above in figure five.



# Monitoring progress.

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Treasury have in the past applied a 'living standards framework' to guide their state of the nation monitoring and reporting processes. The initial Ruapehu Economic Development Strategy (2015) made good use of this framework. It continues to have value and hence, the Council's intention to continue to use it. It involves the assessment of 'four capital stocks':

1. Financial and physical capital
2. Human capital
3. Social capital
4. Natural capital

Improving these four capital stocks will lead to higher living standards and improved community well-being. There are a number of variables within each of these four capital stocks that could potentially be monitored to ensure Ruapehu capital stocks are heading in the right direction to enable higher living standards and well-being to be achieved. These are described below.

## Financial and physical capital.

*Financial and physical capital includes the buildings, machines and equipment and other conventional investment, including capital spending by government.*

*The financial assets of households provide resilience to unexpected life events and retirement. Housing is a major contributor to current wellbeing and is the highest-valued household asset.*

*Government owns physical capital stock in schools, roads, and hospitals to deliver public services. Its financial assets provide a buffer through economic fluctuations.*

### **The top three variables to consider here are:**

1. Total GDP – dollars and percentage growth
2. Council spend on road maintenance and improvements
3. Consents for non-residential buildings – new and altered

### **Other variables to also consider here are:**

- » Total sum invested in roads by NZTA and Council
- » Number of new businesses
- » Consents for residential buildings – new and altered
- » Tourism industry GDP – dollars and percentage growth
- » International Commercial Guest Nights – monthly peak and average
- » Domestic Commercial Guest Nights – monthly peak and average

# Human capital.

*Human capital is an individual's skills, knowledge, mental and physical health. It enables people to participate fully in work, study, recreation and in society more broadly*

## **The top three variables to consider here are:**

1. Total employment
2. Engagement with education number of ECE, primary and secondary school participants
3. Number of GP's and other health providers

## **Other variables to also consider here are:**

- » Education achievement - % getting NCEA level 2 and level 3

- » % of population under 25 Not in Education, Employment or Training (NEETs)
- » International and domestic migration
- » % of working age population with at least a level 3 qualification
- » Total tourism employment
- » Claims of work-related injury
- » Number of Live births
- » Number of deaths
- » Health statistics

# Social capital.

*Social capital has a large and well-evidenced impact on economic performance, democratic functioning, public safety, educational outcomes, labour market outcomes, and individual health and wellbeing. The particular risk is that government agencies take it for granted because it is rarely measured. Potentially detrimental effects include increased income inequality, poverty, housing mobility and ownership rates, family and whanau wellbeing, institutional quality, educational outcomes and individual health and wellbeing.*

## **The top three variables to consider here are:**

1. Number of submissions to Council Annual Plans
2. Number of beneficiaries
3. Vandalism and graffiti statistics

## **Other variables to consider here are:**

- » % of working age population not in the labour force
- » Home ownership rates
- » Percentage who vote in local authority elections
- » Number of voluntary organisations
- » Community board meeting or engagements
- » Crime rate
- » Number of volunteers
- » Council spend on parks
- » Council spend on libraries
- » Number of children who go to school without lunch, shoes or a rain-coat when it is wet

# Natural capital.

*Natural capital are the aspects of our environment that improve intergenerational well-being, including land, soil, water, biodiversity, minerals, energy resources, and ecosystem services.*

## **The top three variables to consider here are:**

1. Quality of freshwater
2. Council spend of the three waters (storm, drinking and waste water)
3. Amount of rubbish collected, recycled or sent to landfill

## **Variables to consider here are:**

- » Number of visitors to the Tongariro National Park
- » Number of people using the ski-fields each season
- » Number of Fish and Game fish licences issued
- » District carbon balance i.e. the balance of carbon emissions when compared against carbon sequestration by indigenous and exotic forests.



