



# Wairarapa

## Economic Development Strategy and Action Plan

October 2018

**“ There are some very positive signs in the local economy. Tourism is growing and so is population. Visitors are coming from over the hill and bringing money with them which goes into the local economy.**

**Change is taking place.”**

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# Introduction

*The idea for a Wairarapa Economic Development Strategy and Action Plan (Strategy and Action Plan) came from the three councils of Wairarapa in consultation with the Greater Wellington Regional Council (GWRC). The Wairarapa has not had a comprehensive economic development strategy in some time and with the advent of the Labour-led government's Provincial Growth Fund, for which Wairarapa qualifies, there was an incentive to prepare one.*

In addition, work is currently underway on a Wellington Regional Investment Plan, which is complementary to this Plan with one reinforcing the other.

The preparation of this Strategy and Action Plan was overseen by a Steering Group, facilitated by Steve Maharey acting on behalf of the mayors and chair of the GWRC. The Steering Group was comprised of the chief executives of the Wairarapa councils, the GWRC and Wellington Regional Economic Development Agency (WREDA). The process also has the endorsement of the Wellington Regional Strategy Committee. The work, while undertaken by consultants, was funded by the Greater Wellington Regional Council, for which we are grateful.

It was important to us that this analysis was thorough, so the Plan contains significant economic analysis, with an additional 27 stakeholders interviewed and three Action Teams involved, each with around eight people on them. The subject areas of the Action Teams were: food and beverage, visitors and tourism, and knowledge - intensive industries. A list of team members is included in the appendices and we wish to thank all those who contributed through these groups and the interviews.

The Strategy and Action Plan concentrates on the question of what's good for Wairarapa. It is realistic about our people and our financial capacity to do things. It focuses on our regional uniqueness and our key opportunities and priorities. It is practical and deliverable.

This Strategy and Action Plan comes at a good time. There are some very positive signs in the local economy. Tourism is growing and so is population. Visitors are coming from over the hill and bringing money with them which goes into the local economy. Change is taking place.

We want to be in control of that change. We want development but not uncontrolled growth. We prize our "rural" values and our quality lifestyle, and we certainly don't want to be jeopardising that. We want to take advantage of the new techniques and technologies that are entering modern industry, but we don't want to be taken over by them.

We also want to be sure that those who find it difficult to keep up, whether they cannot find a job or haven't had success in the education system, will not be forgotten and this Plan has considered those people and families. While we initiated the development of the plan, it is the region's plan and we are looking to all people in Wairarapa to join this journey.

*Lyn Patterson – Mayor, Masterton*

*John Booth – Mayor, Carterton*

*Viv Napier – Mayor, South Wairarapa*

*Chris Laidlaw – Chair, Greater Wellington Regional Council*





# Executive Summary

*Wairarapa is a special part of New Zealand. It's rural, but with towns that are increasingly vibrant and growing rural lifestyle communities. Its economy is underpinned by primary production but is increasingly urban. Its character will always be strongly rural.*

Small enough to be manageable, it is large enough to have critical mass. Close to metropolitan Wellington, yet far enough away to have its own identity. Temperate, yet it experiences sufficient seasonal fluctuations to give it texture and variation.

Within the region are distinctive areas, such as the Martinborough wine region, the close-knit rural community of Gladstone, the historic Featherston, the bustling boutique town of Greytown and the rural service centres of Carterton and Masterton, together with picturesque and quirky coastal settlements, such as Lake Ferry, Ngawi and Castlepoint.

Wairarapa is a region of contrasts, all within an easily accessible geographic area. The Wairarapa region appears to be on the threshold of significant progress. Steady economic growth is evident across a number of sectors and population is increasing after a long period of near static growth.

This progress has sharply exposed a number of obstacles to further success, notably transport issues in and out of the region, resilience issues such as fresh water and skill levels.

This Strategy and Action Plan proposes a vision for Wairarapa development which involves a blend of deepening the economy whilst retaining the core human values that are highly prized in the lifestyle of the region: *"the best of rural and urban living"*.

The Strategy and Action Plan recognises that the route forward for Wairarapa is greater urbanisation in the sense that the growth industries and occupations are less "on-the-farm" and more in the tertiary and quaternary sectors, notably in knowledge-intensive industries. This is a result of similar changes across the whole New Zealand economy, but also a response to some of the challenges in front of us related to climate change, water quality and simply lifestyle preferences.



# The Strategy and Action Plan identifies a three by three plan:

- **Sector-focus:** Tourism and visitors, Added-value food and beverage, Knowledge-intensive industries
- **People-focus:** Housing, Knowledge and skills, Business development
- **Infrastructure-focus:** Rail, Air travel, Water

There are also proposals in the environment area with a focus on trees to take advantage of the One Billion Trees programme and the fact that Wairarapa has a large amount of land suitable for tree planting.

Within each of these focus areas is a set of actions. Some are extensions of existing activity, others are proposed new innovations. All are designed to either press forward economic activity or release a handbrake that is holding it back.

The priority outcomes targeted in the Strategy and Action Plan are jobs and household incomes. Greater prosperity across the whole community will feed growing confidence.

These outcomes are underpinned by several key values which are intertwined through the document, the most significant of which are:

- Emphasis on **value** over volume
- Emphasis on **social inclusion** to thwart the trend to greater stratification
- **Picking up** those who are getting left behind
- Building **business capability** and capacity – artisan, scale-up, digital
- Building the **Māori profile** and influence in economic progress and the regional identity
- Emphasis on key **infrastructure enablers** that are currently impeding progress

Finally, the Strategy and Action Plan examines the best way to govern and deliver the wide range of projects and services recommended. This is a 20-30 year plan. It sets long term direction and examines how this programme will be funded in both the short and long term.

It has been said that Wairarapa is a well-kept secret. Now is the time to share its mysteries with others, broaden and deepen its economy, yet hold fast to its unique character.

# History of Wairarapa and Mana Whenua

*Rangitāne and Ngāti Kahungunu are mana whenua iwi of Wairarapa as are their associated hapū and whānau.*

The Wairarapa has a strong mana whenua history with many important Māori heritage sites, some of international significance. The cultural landscape includes those places associated with ngā atua (deities), taniwha and kaitiaki (guardians and protectors of places), as well as places discovered, visited and or named by ancestors and explorers.

Places are also referenced, named and remembered for what happened there; battle grounds, agreements, love stories, visitations and accidents all form part of the cultural landscape experienced by mana whenua.

The Wellington region has a long and eventful Māori history, including its identification as “Te Upoko o Te Ika a Maui” or the Head of the fish of Maui. Palliser Bay is the mouth of the huge fish and Wairarapa Moana is the fresh-water eye of Maui-tikitiki-a-Taranga’s fish, Te Ika-a-Maui (Maui’s fish).

Wairarapa Moana (sea of glistening water) was among the first areas settled in New Zealand with sites dating back some 800 years. Wairarapa Moana today remains a richly diverse and wild place as well as being severely compromised by many threats to its ecology and water quality. The third largest lake in the North Island, it is home to more than a hundred native and exotic bird species, rare plants and native fish species and is still revered by Māori as a source of wellbeing for the region.

The Wairarapa coastline is rugged and consists of about two-thirds of cliffs and rocky beaches, with the remainder mostly shingle beaches. Stretching from Lake Ōnoke and Cape Palliser where the rock formation named Ngā-Rā-o-Kupe (Kupe’s Sails)is situated up past Rangiwakaoma (Castle Point) which is one of Wairarapa’s most spectacular landforms and home to New Zealand’s third highest lighthouse.

Inland, Pukaha Mount Bruce, where the forest is the last surviving 942 hectares of the ancient Te Tapere Nui o Whatonga (70-Mile Bush) that once stretched from Masterton to Norsewood completes a picture of an area rich in culture and heritage.

Recent redress through treaty settlements will enable both Rangitāne and Ngāti Kahungunu to look at some of these culturally significant assets and opportunities have been discussed through the process of developing this strategy and action plan. Potential development of iwi proposals are, however, on a different timeframe, but work is advancing and we have had a number of discussions and workshops with both Rangitāne and Ngāti Kahungunu. Furthermore development is underway on a Māori economic development strategy and action plan for the whole of the Wellington Region.

# Strategy

The strategy is tightly focused around; key sectors, people, infrastructure and environment - three by three by three by one.

## The Vision

expressing an integrated economy and community of the future

## Outcomes

the six things the strategy is designed to achieve

## Three key sectors

tightly integrated, closely inter-related, forming a whole

## Three people enablers

focusing on housing and vocational and business development skills

## Three infrastructure enablers

rail, air travel and water

## One environmental project

trees

The strategy is summarised in the diagram on the following page. It cascades down from vision to outcomes, to sectors, to people, to infrastructure. It builds up from an infrastructure base through people capabilities and sector development to outcomes and vision. It is both top down and bottom up.



### Vision

*The best of rural and urban living*



### Outcomes

*Jobs Household income Knowledge and skills  
Sustainability Social and cultural integration Regional integration*



### Sectors

*Added-value food & beverage  
Visitors and Tourism  
Knowledge economy*



### People

*Housing  
Knowledge & skills  
Business development*



### Infrastructure

*Rail Air travel Water*



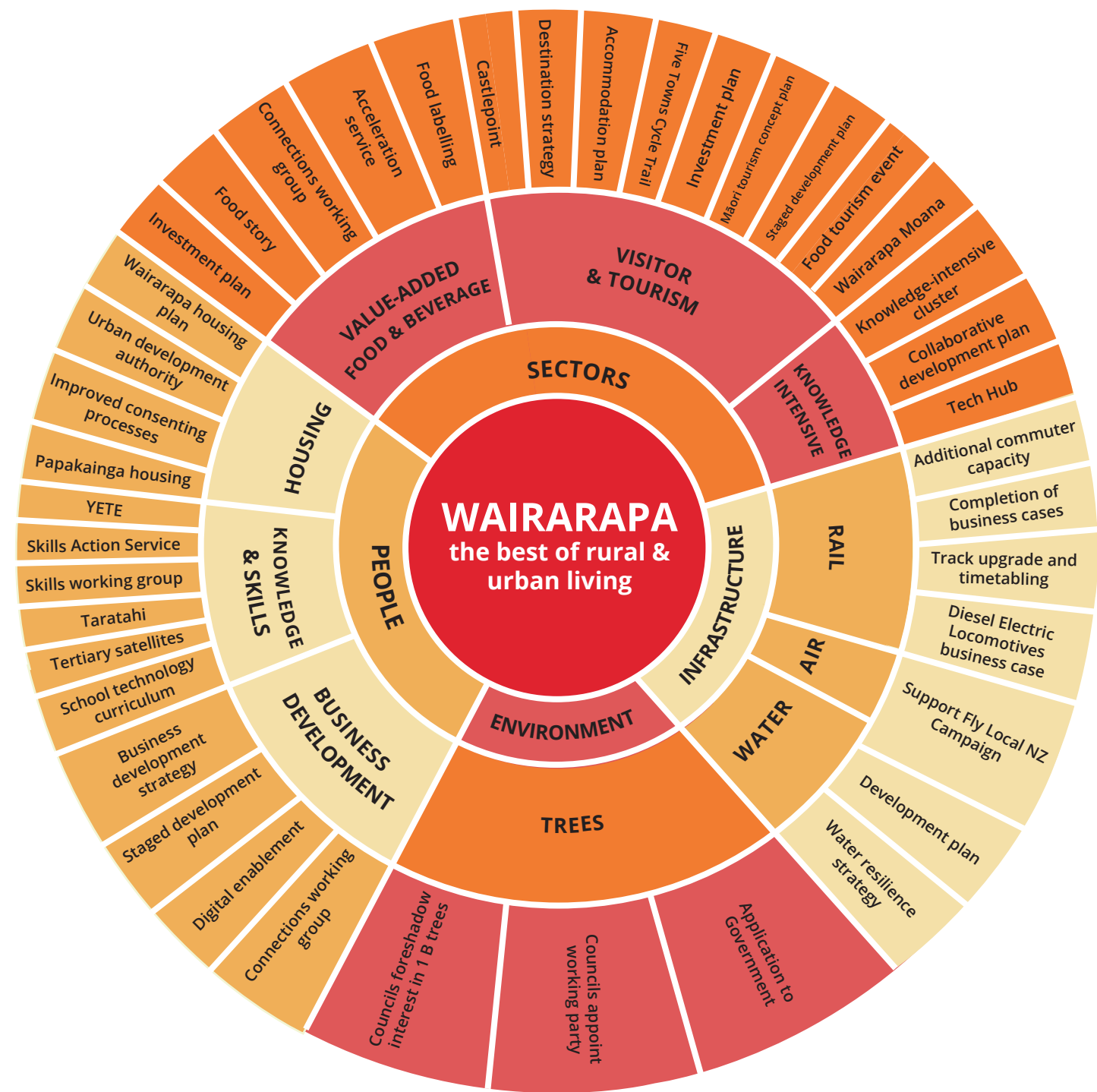
### Environment

*Trees*

# Programme at a Glance

This diagram captures the whole programme in one picture. At the centre is the vision surrounded by the focus areas, then the action areas and finally the actions.

A full explanation of the logic for the choice of focus and action areas is contained in the report and in the appendix. The rest of the report details all aspects of this diagram including the proposed actions.



# Vision

# The Best of Rural and Urban Living

This vision is about retaining “values” (quality of life, sustainable lifestyle, emotional health) and increasing “value” (of income, affordability of living) of the economy.

In this vision “rural” is a proxy for values and “urban” is a proxy for value. It is presented in simple language to gain wider acceptance.

# Outcomes

The outcomes are the “results” we want to achieve through this programme. This chart explains the outcomes in general terms. At some point they will be quantified and given KPIs to measure success against them.

Supporting outcomes (List in priority of importance)	Importance rating	Comments
<b>Jobs</b> <ul style="list-style-type: none"><li>• More employment</li><li>• Better jobs</li><li>• Fewer casualties (reduce NEETs)</li></ul>	Very high	Jobs are seen as the foundation of the vision of prosperity and quality of life.
<b>Household income:</b> <ul style="list-style-type: none"><li>• At or above national averages</li></ul>	High	Improved net household incomes are a combination of better incomes and affordable living costs.
<b>Skills:</b> <ul style="list-style-type: none"><li>• Skills related to a contemporary economy</li><li>• At or above national averages</li></ul>	High	Skills are closely related to jobs. New skills are required for new jobs. A higher value economy will require higher skilled people at all levels.
<b>Sustainability:</b> <ul style="list-style-type: none"><li>• Carefully worked balance of environment and development</li><li>• Envable environmental practices</li></ul>	Moderate	Environment is a priority in its own right. Environment is a key component of “values” for living.
<b>Social and cultural integration:</b> <ul style="list-style-type: none"><li>• Strong communities</li><li>• Active participation of tangata whenua in community and economy</li></ul>	Moderate	That the increased value of the economy brings people together and doesn’t set them apart and isolate them.
<b>Regional integration:</b> <ul style="list-style-type: none"><li>• Connection with the broader Wellington regional economy</li></ul>	Moderate	Connection with Wellington will enhance lifestyle and ideally feed new jobs, especially in the knowledge economy dimensions of development.

# Success

What would success look like on a 10-20 year horizon?

## A Way of Life

- founded on traditional values
- light and carefully managed impact on the environment
- built on creative thinking, problem-solving and collaboration skills
- about social integration, family and community

## An Economy

- focused on value, not just volume
- based on knowledge, not just physical effort
- growing at nationally comparative rates
- well-aligned with Wellington
- well-connected nationally and internationally

## For food sector:

- Greater diversification into value-added land uses
- A significant increase in enterprise level businesses with increased export sales
- More start-ups right across the board of food production
- A steady increase in the number of boutique artisan enterprises selling in Wairarapa and Wellington creating a strong artisan economy
- The Wairarapa economy nationally known as an artisan economy and this of itself becomes an attraction to the area
- An emerging reputation of Wairarapa as a boutique, smart, food district of New Zealand

## For tourism and visitor sector:

- Tourism GDP growth at least matching overall New Zealand performance (as it did in 2017).
- Steady increases in length of stay and average tourism spend
- Wairarapa’s percentage of national tourism GDP rising and the percentage of tourism GDP to total GDP catching up and, over time, exceeding the national average
- A year-round calendar of conferences, events and attractions, supporting year-round occupancy.
- A digitally linked up tourism sector that is easy to access for visitors and is user-friendly
- Appropriate accommodation which is sufficient to support a year-round calendar of conferences, events and attractions, and further attract large scale events to the region

## For knowledge-intensive industries:

- Continuing growth at or near double digit rates for the next 10 years becoming a significant industry in the region
- The Wairarapa community embraces a view of itself as an increasingly digitally enabled area and that this emerges as a point of difference



**For Wairarapa rail services:**

- An all-day timetable, allowing free movement across the day
- A reduced travel time
- Rates of punctuality comparable to other services around Wellington and New Zealand
- A diverse range of passengers from city workers to tourists and day visitors
- Counter-cyclical patronage, not just the Wellington tidal patronage
- Links to key attractions such as the Five Towns Cycle Trail and local events such as Toast Martinborough
- Strong Wairarapa identity theming, such as visuals, packages and promotions for visitors, giving it a strong excursion ambience

**For Wairarapa air services:**

- An upgraded airport infrastructure including the runway
- An air passenger service is reinstated on an ongoing basis

**For knowledge and skills:**

- Increased knowledge and skills, particularly in the focus areas related to the priorities in this plan
- Improved interest and participation in knowledge and skills associated with STEAMID and the Eight Emerging Technologies
- Reduced numbers in the NEET category
- Overall reduction in unemployment

**For housing:**

- Availability of new housing keeping pace with demand
- Sufficient supply of social and affordable housing for private ownership
- Adequate supply of affordable rental properties (social and private)
- Adequate supply of seasonal workers' accommodation

**For business development:**

- Establishment and extension of small businesses in the key focus areas.
- Gradual improvements in business productivity
- The scaling up of businesses to undertake significant economic activity

**For trees:**

- An expanded Wellington Regional Erosion Control Initiative programme, as Wairarapa has a lot of erosion-prone land and this is an opportunity to stabilise it
- Expanded riparian planting as part of broader water quality initiatives
- Expanded commercial planting such as for Mānuka honey to strengthen a growing industry in the region
- Greater involvement of the private sector in planting



## Sectors

This section deals with the three key sector focus areas – **added-value food and beverage, visitor and tourism and the knowledge economy**. While they are separated for treatment in this plan, they are closely integrated in practice. For example, all rest on a high level of digital enablement and technical input. Those attracted by the tourism and knowledge-intensive industries are potential consumers of added-value food and beverage. These three sectors have been chosen both in their own right and because together they make an integrated whole.



# Added-value Food and Beverage

## Opportunity

*Performance in the agriculture sector in the Wairarapa is already of a high standard. Producers in the area believe their product is seen too much in functional terms - as a commodity - and not sufficiently in customer benefit terms – as a food.*

A consortium of local farmers and agriculture professionals has produced a publication called the “Wairarapa Food Story”. They want the Wairarapa to be a “smart innovative food district”. This is a great vision, but a deceptively complex ask.

***Wairarapa could be seen as having a “two-speed” food economy:***

1. Primary food production – food, essentially in its raw form. Value can be added through specialisation or diversification. For example, producing high value onion seeds instead of feed for dairy support.

Primary foods are generally produced for a national or international market and are often ingredients for added value products.

2. Secondary food production – food which is modified from its raw form into something more valuable. Value is added through some form of production process to produce a user-ready product such as wine, cheese, bread and olive oil. Secondary foods are often produced for a local or domestic market by artisan producers. Wider distribution is characterised by enterprise producers and requires more complex business arrangements and distribution channels.

Opportunities for development in Wairarapa lie in both the primary and secondary areas.

***We have identified three types of opportunities:***

- ***Support to primary food production innovators;*** assisting farmers to innovate new crops, practices and farming regimes; supporting their innovation with infrastructure, such as water and transport; and technical advice and support.
- ***Support to artisans to become established;*** investigation indicates that artisans who, by definition, are fanatical about their product, often lack business management skills and require support in operating and expanding their business.
- ***Support to food enterprise entities;*** our investigations indicate that these businesses require help in scaling up with a focus on market development, production processes and product development and refinement.

***Many Wairarapa food-related businesses would like to advance along the volume to value pathway, but often don't know how to or have difficulty getting started. This is both a challenge and an opportunity.***

***Inputs of technology, science, advanced processing skills, market information, branding and promotional skills are all necessary and don't necessarily exist in the Wairarapa in the quantity or quality required. Advancement would require connection with science and technology partners such as Massey University, CRIs and even international food processing companies. It may also involve forming consortia of people and organisations with the requisite skills both in the Wairarapa and beyond in order to resource the programme.***

***Much of the other activity is boutique production across a range of industries – cheese, wine, olives, bread, etc.***

***The industry which currently leverages a Wairarapa appellation most strongly is wine growing. Wairarapa Wines and Wines from Martinborough have recently amalgamated to undertake collaborative marketing as 'Wellington Wine Country.' The reputation of the area has been built off the back of excellent Pinot Noir varieties, however, rather than specific attributes of the area.***

***There is currently no distinctive Wairarapa brand story that differentiates it from other regions of New Zealand and that could operate as an umbrella brand for other industries. Simple origin branding would strengthen the Wairarapa identity.***

## Context

*A recent MBIE commissioned report<sup>1</sup> identified that growth categories in the food sector that have one or more of the following characteristics are more likely to be successful:*

- Unique - produce a limited amount and/or differentiate
- Counter-seasonal - fresh, quality, premium products
- On trend - growth premium products (including fresh cheese, innovative foods, meat, flavoured vegetables)
- Status/provenance – branded, status products with provenance

Percentages of GDP contribution for both the agriculture and manufacturing sectors in Wairarapa are well above New Zealand averages, indicating areas of comparative advantage. Over the last ten years, however, agriculture, forestry and fishing have experienced negative growth. In 2017, agriculture, forestry and fishing showed a slight decline of 0.2% in GDP (with horticulture and forestry being the exceptions). The overall GDP growth in the Wairarapa in 2017 was 3.8%; agriculture, forestry and fishing's contribution to this was -0.03%. These industries are now mature and need the sort of stimulus a value-added approach would provide.

It is clear that the most likely way to extract more value from the district's agricultural sector is primarily through added value processing, but value can be added all the way through the value chain. The Wairarapa is well positioned to take advantage of the emerging global opportunities, but there are currently few value-added food and beverage businesses operating at scale in the district.

The major food processors in the area are **Premier Beehive** in Carterton, **Hansells** and **Breadcraft** in Masterton. Premier Beehive is an excellent example of a value-added food enterprise. It markets a range of premium priced products under its Beehive and **Freedom Farm** brands and its value-added strategy has enabled it to achieve a 145 % increase in bacon sales in ten years. Premier Beehive is now one of the largest employers in the Wairarapa with 300 staff.

**JR's Orchards** are exporting premium New Zealand apples to highly demanding UK supermarkets and have vigorous expansion plans.

**Watson and Son** are selling premium priced Mānuka honey to international markets off the back of the wider New Zealand brand, and some local farmers are exporting high quality premium priced lamb under the **Atkins Ranch** brand into **Whole Foods**, a top-end food retailer in the US.

<sup>1</sup> EMERGING GROWTH OPPORTUNITIES IN NEW ZEALAND FOOD and BEVERAGE, completed late 2017; released March 2018, commissioned by the Ministry of Business, Innovation and Employment (MBIE) and prepared by Coriolis



# What does success look like?

- Greater diversification into value-added land uses
- A significant increase in enterprise level businesses with increased export sales
- More start-ups right across the board of food production, especially value-added
- A steady increase in the number of boutique artisan enterprises selling in Wairarapa and Wellington creating a strong artisan economy
- The Wairarapa economy nationally known as an artisan economy and this of itself becomes an attraction to the area
- An emerging reputation of Wairarapa as a boutique, smart, food district of New Zealand

# Point of difference

The point of difference in the Wairarapa resides in its people and its geography. Being a small district, which is clearly defined by the physical constraints of a valley, it has a strong feeling of community, and fosters a collaborative and co-operative approach to business. It is also of an optimal size to be able to bring together complex projects, and not so large that they become unwieldy.

In terms of geography, whilst small, it is also diverse, with many types of food production possible within the protective environment provided by the rift valley; its climate is attractive and benign.



# Contribution

What will adding-value to the food and beverages sector contribute to economic growth in the Wairarapa?  
A high-level impact assessment is made here of this contribution.

Indicator	Impact	Comments
Jobs	Medium to High	Traditional agriculture will produce more value but fewer and fewer jobs. The artisan level of operation comprises small businesses and small employers. Enterprise expansion will be a big contributor.
Household income	Medium	Added-value will translate into added returns; growth in incomes should follow.
Skills	High	At the heart of value-added food is skill development from the artisan to the technician levels.
Sustainability	High	Environmental awareness is closely associated with the producers and consumers of value-added products.
Social and cultural integration	High	Artisan and processing businesses will generally be small and will encourage participation. They will be strong social and cultural connectors.
Regional integration	Medium	This sector will be a strong element in the Wairarapa identity of the future. It will attract people to live in and visit the region. In particular, it will attract Wellingtonians and will be strongly dependent on that market.



# Essential Building Blocks

*Are there, and will there be, sufficient pre-conditions to support the type of development envisaged?*

- **Skills** – the level and types of skills available in the region have already been identified as presenting a challenge. Artisans, in many cases, will come from the outside, bringing skills with them, but a concerted effort to lift local skills in this sector will be required. The skill to establish and particularly to scale up businesses will be essential.
- **Knowledge** – new enterprises will require technology and IP input. This will require partnerships from outside the region, such as from universities, CRIS and international food networks.
- **Leadership** – there should be the leadership resources required available in the region, however leadership skills learned in traditional industries are not necessarily transferable. The key will be to harness the skills already existing in the district and find the people to drive the initiatives agreed upon.
- **Market** – new products will require new markets and new market channels. In some cases, businesses will be able to market through the internet; in others traditional channels would be used. Where in the past producers have marketed to intermediaries, many value-added products will need to be marketed to end-users. This is quite a different capability.
- **Water** – is critical for food production and processing in the region.

# Partnerships

*There are strong indications that there are parties willing to invest and artisan establishments are springing up from time to time. At the artisan level, much of the basis of a business is “sweat equity”, but for technology-driven added value enterprises, access to investment is essential.*

With strong intent operational frameworks and a systematic investment plan are required. The first step should be a Food and Beverage Acceleration Service which is tasked to liaise with and provide direct support to businesses, enterprises and individuals contemplating new or extended businesses in the food and beverage sector. A role of that service would be to help access investment.

The second step is an investment plan for food and beverage.

These two initiatives should address the uncertainties around water, transport, skills, accommodation and all the enablers of a contemporary economy, and the difficulties experienced by local authorities whose LTPs are highly constrained by the low rating base and tentative around investment in the local economy.

*Investment in such an acceleration service should come from:*

- WREDA – through its business development activity
- GWRC – as part of its sector support activities
- Private sector – existing local enterprises similar to the Priority One structure in Tauranga
- Provincial Growth Fund
- NZTE as part of its capability building programmes
- Callaghan Innovation
- Sustainable Farming Fund and other relevant Central Government funds





# Actions

*Immediate actions:*

1. *Food and Beverage Acceleration Service*

This proposal would be of limited scope to focus on the operational feasibility and resourcing of such a service. It would offer the following services:

- Start-up and scale-up advice
- Connection to funding from agencies such as Callaghan Innovation and NZTE
- Workshops, seminars, tours, visiting speakers and presenters
- A mentoring service
- Investor connection service
- Streamlining of consent processes with local councils
- Connection to Universities (e.g. Massey University food Science), CRIs and Food HQ?
- Other pertinent services

This service may be located at a hub which would require some sort of food innovation leader to support it. It could be developed in association with an organisation like Creative HQ.

2. *Food origin labelling*

Development of a voluntary Wairarapa food mark/labelling programme and a supporting food logo/story. Initially we envisage a simple identifier on product at the initiative of the individual producer. This could gradually evolve as it gained the support of producers. Any food origin label would apply to added-value rather than commodity products because they are purchased by the end user.

3. *Food connections working group*

Establish a working group to build connections with food networks, universities and appropriate CRIS to assess food and beverage development opportunities and their implementation. This group would assess ongoing requirements and arrangements.

*Short term actions:*

*Once action is underway on the Acceleration Service and experience is emerging, a fuller investment plan for the development of the sector should be commissioned which looks across all the key inputs such as technical and science, skills, capital investment and so on:*

1. *Food and Beverage Investment Plan*

This Plan would form the basis for a long-term initiative in the food and beverage sector.

*Medium term actions:*

1. *Wairarapa Food Story Development Plan*

This would build on the Investment Plan and would assess the potential of a future branding initiative.

**Many Wairarapa food-related businesses would like to advance along the volume to value pathway, but often don't know how to or have difficulty getting started. This is both a challenge and an opportunity.**

# Visitors and Tourism

## Opportunity

*Neither the Wairarapa nor Wellington, by national comparisons, are highly rated tourism destinations for internationals and even domestic visitors, though both are growing rapidly. Wairarapa is an attractive place to visit and has a strong lifestyle theming to its destination definition. There is significant growth in Wairarapa tourism, but the rate of spend is below the average for New Zealand. Accordingly, there is plenty of upside, if the right products and experiences can be created.*

The lifeblood of the visitor sector in Wairarapa is Wellingtonians and, more broadly, domestic visitors. It is a great place to spend time. It is a lifestyle destination, rather than a major event or major attraction destination, although it has some notable events. It is the repeat, year-round business from Wellington that is the foundation market on which to build. International traffic is small but increasing and is expected to grow significantly.

The benefit of the visitor sector is that it brings revenue and produces jobs. These jobs are often early career and lower paid, so they attract young people a secondary benefit is the impact on liveability. Visitor patronage boosts attractions, which provide more things for residents to do in the Wairarapa and adds to the general “buzz” of the towns. Visitors make Wairarapa a more desirable place to live.

As a general comment, Wairarapa’s visitor sector is highly seasonal and weekend focused, with many events in the summer months and few outside that period. As a result, accommodation is overbooked at that time and under-booked most of the rest of the time. Better use of capacity is essential to achieve growth.

The situation in Masterton is slightly different with greater pressure throughout the

year. The southern towns tend to be more seasonal, Masterton less so.

The ideal opportunities are those that bring Wellingtonians (and other domestic visitors) back and back throughout the year to spread the load. This would provide sufficient confidence to accommodation and hospitality providers to invest, which would set the Wairarapa off on a virtuous cycle of development. This is not to disparage the significant events in the area, such as Toast Martinborough, Wings over Wairarapa, Golden Shears, the Balloon Festival and cycling and motor sports events. All are important, but all fall in the summer months when the area is full.

The particular focus should be on a small number of attractions that meet the specification of multi-season, multi-day and regular returns, with at least some having a commissionable component. The four best opportunities emerging from our research are:

- *Five Towns Cycle Trail (as part of the regional trails programme)*
- *The Martinborough Dark Sky experience*
- *Hood Aerodrome and the Aviation Centre*
- *The conference market more generally*

None of these easily stand on their own. The association with the value-added food and beverage sector, for example, will be valuable for creating attractive visitor packages. There are also other secondary attractions that could fill a package, and which have the potential for growth such as Stonehenge Aotearoa.





Two significant iwi-based attractions have been identified. They are Wairarapa Moana – the ake – and Castlepoint. As part of current treaty settlements, the lake and much of the foreshore around the lake will return to iwi. This opens up some real opportunities. Planning is advancing on a hāpu-based project at Lake Ferry (the Star Compass Project) comprising associated experiences of an old pa site (Okorewa), an interpretation centre (Whare Taonga) and the use of the lake (Onoke) for ferry excursions by Māori canoe (Waka). There are other developments being contemplated on the west and northern sides of the Wairarapa Moana separately and together with other partners.

The particular attraction of this area is its strong association with mana whenua iwi stories and histories, with the lake representing the eye of the fish and Palliser Bay representing its mouth. There are also sacred sites related to the Polynesian explorer Kupe.

The second opportunity is Castlepoint. There is land near the foreshore, formerly Castlepoint School, that is to be vested in fee simple to Ngāti Kahungunu ki Wairarapa Tāmaki Nui-ā-Rua when it settles. and plans are afoot to develop an environmental and cultural interpretation centre on the site. Other opportunities are also being considered in Pukaha (Mt Bruce) and the Holdsworth areas.

With these attractions gradually adding to the tourism mix in the Wairarapa, the potential is very strong. These developments will also add a strong Māori cultural profile to the region for the benefit of residents and tourists alike.

The opportunity lies not just with the attractions but how they are accessed. At the scale of Wairarapa, it would not be difficult to move much of the sector onto digital technology for information and booking.

Especially for domestic visitors, ease of connection, ease of getting around, no need to wait for service all add up to a premium experience.

*The major factors holding back tourism in the Wairarapa are:*

- the lack of accommodation in peak season
- insufficient conference accommodation
- insufficient all-year round, non-weather dependent attractions
- insufficient commissionable products that travel agents can build into itineraries
- reliability of road transport connections to Wellington (meaning, for example, that it is too risky for cruise ships to include the Wairarapa in day tours)

Other constraints to growth are skills and rail transport. There is currently a lack of hospitality workers in the district, mainly due to under-representation of 20 to 40-year olds in the population profile. This issue is exacerbated by the lack of affordable rental properties. Whilst the road over the Remutaka hill has improved markedly over recent years, the rail link is still unreliable, with infrequent off-peak services. Addressing this would be a big step forward.

The lack of hospitality workers could be somewhat eased by an older demographic becoming involved in the industry in front-of-house roles. This would take a cultural

shift, but with more people in the older demographic it is likely to increase. In order to achieve a step-up in performance, a stronger regional focus is required. WREDA, while partly funded from the Wairarapa's regional rate take, has limited involvement in the local economy.

Destination Wairarapa is funded by the Wairarapa Councils and the private sector. Both WREDA and Destination Wairarapa do an excellent job and work well together illustrated by joint activities around WOW and Wellington on a Plate, but there is scope for a more joined up and comprehensive approach to promoting the region and its attractions. This would enable the Wairarapa to be able to offer a package comprising a wider range of attractions, which would create the opportunity to increase length of stay and average spend.

For example, visitors attending major events may choose to enjoy the city experience and arts and culture offered by Wellington City, and then stay on to enjoy food and wine, cycle trails, wild coastline, Māori culture and a Dark Sky astronomy experience in the Wairarapa. In this type of scenario, Wairarapa tourism is an extension of Wellington tourism and vice versa.

Tourism to the Wairarapa will continue to include a large domestic component, given the proximity to Wellington and Hawke's Bay, but the aim should be for international tourists to comprise a higher percentage of total tourism numbers over time.



# Context

Tourism contributed \$84m to the GDP of the Wairarapa in 2017 (4.5% of total GDP). This is up from \$63m (3.81%) ten years ago. Current performance is comparable to Wellington City (4.7%). At the national level, tourism contributes a slighter higher percentage of total GDP (5.5%).

The Wairarapa’s share of national tourism GDP has remained static since 2000 at around 0.7%, whilst the Wellington region as a whole has declined from 11% to 9.9%.

In 2017, the Wairarapa saw positive growth in tourism GDP of 1.2%, whereas New Zealand as a whole saw a decline of 0.4% and the Wellington region as a whole declined by 2.3%.

Tourism New Zealand continues to promote New Zealand to ‘Free Independent Travellers’, rather than package tours. It is important to recognise, though, that itineraries are often arranged through agents, meaning that it is essential to have commissionable products to offer.

# What does success look like?

- Tourism GDP growth at least matching overall New Zealand performance (as it did in 2017)
- Steady increases in length of stay and average tourism spend
- Wairarapa’s percentage of national tourism GDP rising and the percentage of tourism GDP to total GDP catching up and, over time, exceeding the national average
- A year-round calendar of conferences, events and attractions, supporting year-round occupancy
- A digitally linked up tourism sector that is easy to access for visitors and is user-friendly
- Appropriate accommodation which is sufficient to support a year-round calendar of conferences, events and attractions, and further attract large scale events to the region

# Point of difference

The key point of difference is the “lifestyle” character of the Wairarapa experience. It has historically been defined primarily by its wine production, with a focus on Martinborough.

It is compact, accessible and with a range of good quality experiences (boutique retail, vineyards, walking and cycling, wild coastline).

Wairarapa is developing as a centre of artisan enterprise, based mainly around food and beverage, and that may be its identity into the future. The link between food production and boutique and artisan products will give it a unique identity and ambience.

# Contribution

Indicator	Impact	Comments
Jobs	High	Tourism creates jobs, whether they are primary or secondary employment.
Household income	Medium	The remuneration structure of the industry means that contribution to household income will be modest, although a significant proportion of jobs would likely provide a second household income.
Skills	Medium	As with other parts of New Zealand, many tourism jobs are taken by imports to a region who bring their skills. It is doubtful that sufficient skills or people are available in Wairarapa at present to sustain a growing tourism industry.
Sustainability	Medium	Any new attractions will need to be developed with sustainability in mind. Visitors are looking for environmental engagement and the offering will need to contain this element.
Social and cultural integration	Medium	The development of diverse business activity associated with visitors and requiring a coordinated approach will enhance integration. It will also attract a great mix of people. Development of Māori enterprise will assist cultural integration.
Regional integration	High	Wairarapa will broaden the offering of the whole region.





*These projects are potentially the catalyst to take Wairarapa from a day trip visitor location for Wellingtonians, to a national destination drawing on domestic and international visitors.*

*The linkage between this focus area and food and beverage in all its aspects is tight and there are strong arguments for joint and connected action between them.*

# Essential Building Blocks

*Are there, and will there be, sufficient pre-conditions to support the type of development envisaged?*

- *Skills* – the visitor and tourism industry provides an outlet for under-employed young people. Training will be required to bring these people into service.
- *Knowledge* – because the region does not have a history of larger tourism operations, there is a limited amount of local knowledge. New local operators are likely to require support from outside organisations.
- *Leadership* – with regard to the currently identified projects, there is strong evidence of leadership and ambition.
- *Market* – the growth of free independent travellers and expansion of the Wellington market indicate that there is a market if the region has the experiences.
- *Connection* – transport and digital connections will continue to be a problem. As projects emerge, it will be important to pinpoint barriers to their success and remedy them.

# Partnerships

A combination of private and council money goes towards the funding of Destination Wairarapa. Considerable success has been achieved by the organisation and if progress is less spectacular than hoped for, the reason for this appears to lie more in market constraints, such as accommodation, transport, consenting processes and other barriers to progress, rather than a lack of capability or appropriate promotion.

## *Iwi partnerships*

Opportunities for partnerships with the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-ā-Rua and Rangitane o Wairarapa Tamaki nui a Rua post settlement governance entities may emerge from future mana whenua planning processes

What has changed recently is that there are several strong and substantial tourism development opportunities which have been outlined in this section. Of those, arguably the Five Towns Cycle Trail is the strongest, but it is also the most complex requiring a high level of investment over an extended time.

A fully worked development plan is required for each of the Five Towns Trail, the Dark Sky Reserve, the Hood Aerodrome and the Aviation Centre, and the Wairarapa Moana and Castlepoint developments. Appropriate governance needs to be established around each of these projects and staged development plans will be necessary, covering areas of immediate focus within the project, but also dependencies such as transport and accommodation. It is noted that South Wairarapa District Council has allocated grants of \$3,000 towards the Dark Sky project and has budgeted \$50,000p.a. for five years in its LTP to provide additional infrastructure for visitors.

# Actions

## Immediate actions:

### 1. Destination Strategy

A destination strategy for the Wairarapa should be prepared, linking to a destination strategy for the wider Wellington region. This will provide a contextual framework which proposed actions and promotional activities can be assessed against, to ensure that the Wairarapa is firmly locked into regional marketing plans.

### 2. Accommodation plan

A tourism accommodation plan is essential to identify gaps/opportunities and assess the feasibility of attracting new accommodation providers to the area.

### 3. Five Towns Cycle Trail

Secure funding and construct the Five Towns Cycle Trail.

### 4. Food Tourism Event

There is a strong theme throughout this plan about the tight integration of food, tourism and technology. ‘Wairarapa on a plate’ - a possible artisan winter food event alongside Toast Martinborough – should be developed.

### 5. Wairarapa Moana and Castlepoint Iwi developments

A feasibility plan on both of these projects is required at an early stage to establish a long-term plan and an investment pathway. Both are long term projects.

## Short term actions:

### 1. Staged Development Plan

Preparation of similar staged development and investment plans for the Hood Aerodrome and the Aviation Centre and Dark Skies should be undertaken. Both are strong concepts and “tick the boxes” for Wairarapa and regional tourism.

### 2. Māori Tourism Strategy for the region

Preparation of a development plan for a Māori tourism generally. This would sit beside the specific plans for Wairarapa Moana and Castlepoint.

# Knowledge-intensive Industries

## Opportunity

*As with most other parts of New Zealand, Wairarapa, though historically a rural economy, is rapidly becoming an urban community in a rural setting. An increasing percentage of the population is involved in non-farming employment and a growing portion of GDP is generated from non-farming activity. This will continue and is a world-wide trend.*

Rural industry will always be important to Wairarapa, but so will more urban-based sectors, and proximity to Wellington will have a major influence on what those urban industries might be. The fastest growing, but by no means the largest in Wairarapa is science, technology and professional services. We use this category (from StatsNZ) as a proxy for contemporary knowledge-based industries. Some of these activities service the farming sector, but others trade outside Wairarapa, in fact, in some cases outside New Zealand.

The portability of knowledge-industry related skills means that location is less and less a barrier to employment of these skills, and businesses based in urban or rural Wairarapa could service clients anywhere in New Zealand or the world.

For this third leg of the economic development treble, this plan focuses not on strong signals from traditional industries well through their maturity cycle, but rather on the weaker signals from the emerging industries of the future. Knowledge-based industries are providing those signals.

Wairarapa, with its proximity to Wellington, has a high probability and facility to develop knowledge-based industry. A future Wairarapa, in economic terms, will begin to look more like Wellington, but with its particular rural character. As the connection with Wellington strengthens, and Wellingtonians settle in the district for lifestyle reasons, this trend will gather momentum.



# Context

The economic term for knowledge-based industries is ‘knowledge-intensive industries’.

Knowledge-intensive industries are those in which the generation and exploitation of knowledge play the predominant part in the creation of wealth. These sectors represent an increasing share of the New Zealand economy's output and employment and will most likely be the key source of the future productivity growth.

An industry is defined as knowledge-intensive if it meets two criteria: at least 25 per cent of the workforce is qualified to degree level and at least 30 per cent of the workforce is in professional, managerial and scientific and technical occupations. Knowledge-intensive industries now comprise 24.9% of the national economy and rising.

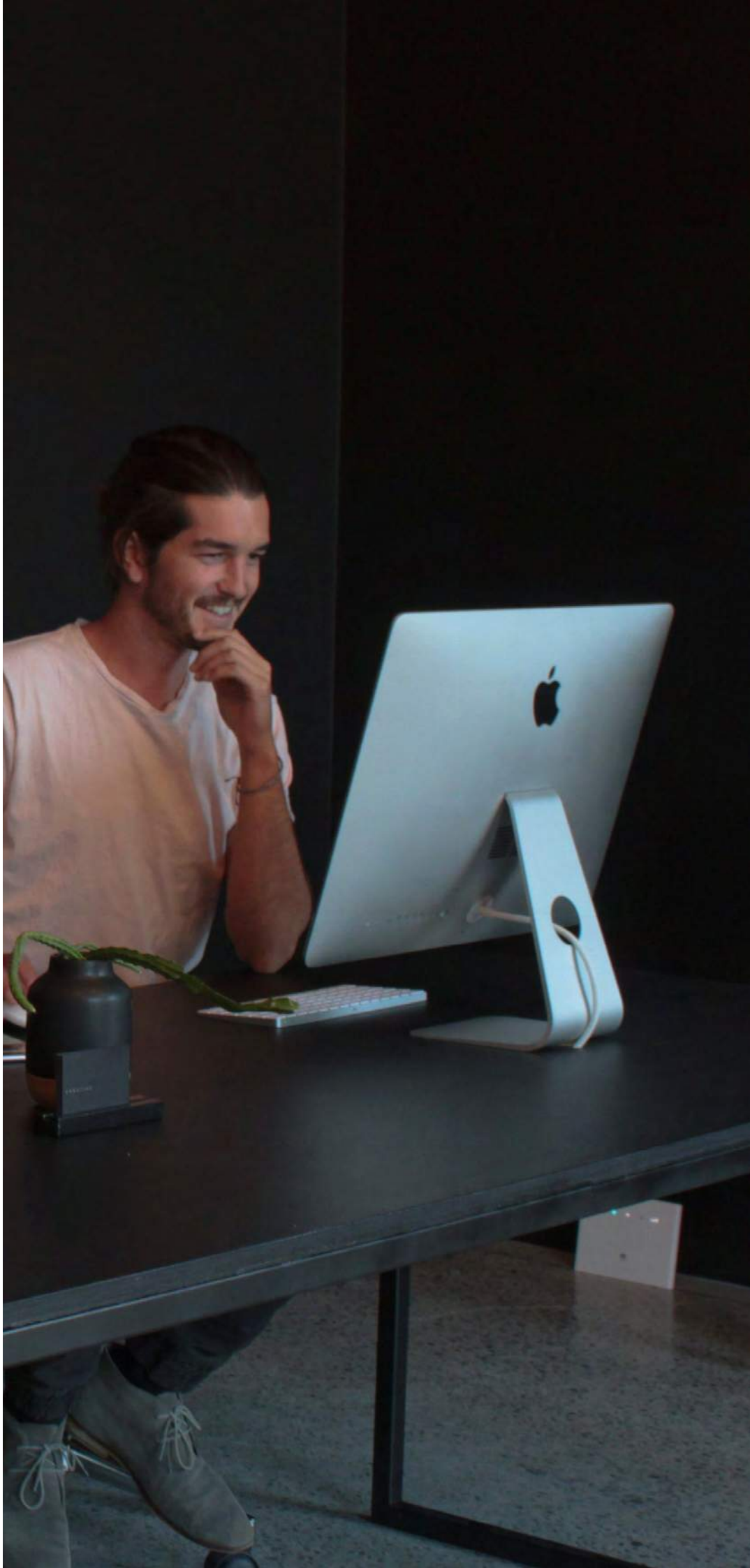
The professional, scientific and technical services portion of the New Zealand knowledge-intensive industry sector grew by 5.1% over the year to March 2017. This is a growth rate well above that for the general economy (which grew by 3.6% over the same period) and is to be expected as New Zealand moves towards a knowledge-based economy.

The percentage of knowledge-intensive industries services in the Wairarapa is 18.6%. While this is below the national average, Wairarapa has traditionally been a rural economy where these services can be expected to be weak. The distribution of these services across the Wairarapa indicates a degree of concentration on Masterton, which, at 22.5%, is below the national average of 24.9%, but growing (Carterton is 12.7%, South Wairarapa 14.2%).

The knowledge-intensive industry sector offers a relatively small number of jobs and is currently growing slowly. During 2017, there were 4,675 jobs in the Wairarapa knowledge-intensive industries. At 24% of total employment, this was lower than in Wellington (45%) and in New Zealand (31%). This is not surprising, given the rural nature of the district.

*The average growth in employment in knowledge-intensive industries over the period 2007-17 was 1.2%p.a. compared with a change of 1.4% in Wellington and 1.5% in New Zealand.*

This sector is likely to be populated currently by very small businesses and contractors working long hours and contracting in support services. This pattern is likely to change in coming years as businesses are forced by volume of work to expand their platform of operation. At present the data doesn't count for those contributions (GDP or employment) from people who are living in Wairarapa but commute to work in Wellington City. Their contribution will be reflected in the Wellington City profile. As they move their activity to Wairarapa, which is likely, the statistics will change.



Whilst the increase in employment in the knowledge-intensive industry sector has been relatively low, these types of jobs are highly productive and generate high levels of GDP per capita. Trends in overall GDP for the Wairarapa therefore tell a different story.

Professional, Scientific and Technical Services are becoming an increasingly important part of the Wairarapa economy. They experienced the strongest GDP growth in the Wairarapa of any sector between 2007 and 2017 at \$39m. Over the same period, traditional agriculture sectors have experienced negative growth – agriculture, forestry and fishing at minus \$15m.

The detailed composition of this proxy sector of Professional, Scientific and Technical Services in the Wairarapa is not easily extracted from statistics (which are national categories), but indications are it is made up broadly of the following:

- **Rural professionals**  
Farm advisors, technical rural advisors and scientists.
- **IT specialists**  
Specialists either servicing other industries – large or small – or small businesses creating or marketing IT products. It is not clear whether these people are extensions of larger corporate entities, or whether they are independents.
- **Service contractors**  
These are people contracting to larger organisations in the technical field. Many provide services to Government organisations in Wellington.
- **Media and creative**  
These are independent professionals, often towards the end of their careers, providing specialist services to a selection of long term clients.

The knowledge-based sector “bleeds” into others, as more and more businesses and large organisations become digitally enabled. For example, high growth services like healthcare and social assistance are increasingly reliant on technical services, as are value-added industries in the food and related manufacturing area. The sector also bleeds into finance and investment services.



# The Wellington Halo

It is anticipated that the future of Wellington is an economy highly specialised around quaternary services. Wellington is a concentrated economy and its future involves a tight focus on these services and national leadership of them.

The Wellington economy has experienced strong growth in quaternary services. In fact, the collectivity of these services, at 48% of the Wellington economy, has become a defining characteristic of the Wellington economy and a core foundation of its future.

The opportunity in the Wairarapa is to benefit from the “halo” and add lifestyle and liveability dimensions that some people are looking for, particularly those who are advancing through the life-cycle. The quaternary sector is no longer just a set of services, but a career experience package. Wairarapa has the opportunity to respond to this.

The growth potential in this area is difficult to quantify, but qualitative data indicates significant potential and this will gradually translate into hard metrics.

## What does success look like?

- Continuing growth at or near double digit rates for the next 10 years becoming a significant industry in the region.
- The Wairarapa community embraces a view of itself as an increasingly digitally enabled area and that this emerges as a point of difference.

## Point of difference

The idea of Wairarapa as a unique area close to Wellington with a higher quality and slower pace of life is a key point of difference, as is its compactness and accessibility. Knowledge-intensive industries potentially add to that point of difference. If it becomes possible to increase the penetration of digital enablement into Wairarapa business at a faster rate than average for regional New Zealand, then Wairarapa has the potential for higher levels of achievement across all its sectors – food and tourism particularly.

Knowledge-intensive businesses can service clients remotely, better connecting Wairarapa to the country and the world.

Those populating this sector are in the higher (though not necessarily top) net worth categories. It appears the attraction of the Wairarapa for these people is lifestyle and proximity to a main centre when that is required. For them, features such as the quality of health care and wellness services, education for their children and quality of the natural environment all score highly.

In this respect, Wairarapa is comparable to and in competition with places such as Central Otago, Nelson and areas in the Auckland periphery, such as Clevedon.

# Contribution

How will these arrangements contribute to economic growth in the district? A high-level assessment is made here of this contribution.

Indicator	Impact	Comments
Jobs	High	There are early signs of the potential for significant growth in employment. Currently many knowledge workers are bringing their own jobs, thereby boosting the economy.
Household income	Medium	Employees in knowledge-intensive industries generally have higher income levels. The overall impact is ranked as medium rather than high, as new activity takes some time to impact on averages.
Skills	High	Knowledge workers bring needed skills to the region.
Sustainability	—	No particular impact except there are few emissions from knowledge industries.
Social and cultural integration	Medium	Knowledge industry skills are potentially a staircase for young people to achieve, even traditional non-achievers.
Regional integration	High	The Wellington and Wairarapa knowledge industries are likely to be closely integrated.



# Essential Building Blocks

Are there, and will there be, sufficient pre-conditions to support the type of development envisaged?

- *Skills* – while knowledge workers will bring skills, there will also be the requirement for skills development in the region.
- *Leadership* – this is a disparate industry at the moment, with many small enterprises largely operating in isolation. There is a need for them to more strongly integrate and create a regional cluster.
- *Connections* – adequate digital connectivity is vital and urgent.

# Partnership

The key characteristic of this sector is that it has emerged almost imperceptibly. It's the 'accidental sector'. In many cases, operators have transported their business, and therefore their job, to the Wairarapa from elsewhere. As a result, there is little or no deliberate local support or investment in the sector.

The type of hub around which to develop a cluster for the knowledge-intensive industries in the Wairarapa is the recently established "3Mile" co-working space in Carterton. This particular initiative is relatively recent and the only one. Expansion of this type of model would likely produce good results.

This service exists on the "smell of an oily rag", generating its own commercial revenues with additional assistance through WREDA. It is small and "hungry". 3Mile delivers capability building programmes and organises networking events. This type of service can potentially offer both public and private services.

With limited resources available, it is difficult to go past a successful, though formative, operation like 3Mile hub and building further business development services around it, rather than trying to create something new from scratch is preferred. This would have to be fully canvassed with the owners.

## An expanded programme for this type of facility could include:

- Attraction activity to technology-related businesses - given that many knowledge-intensive businesses migrate from other parts of the country, including Wellington, there is a strong argument for attraction activities, both in those markets and within Wairarapa.
- Cluster development activity with knowledge-intensive businesses in Wairarapa.

- Offering satellite working for Datacom, Dimension Data, Xero and TradeMe staff currently living in the Wairarapa? (This may only be for one to two days a week in the first instance.) The intention would be to encourage connections which may then spawn new businesses.
- Enabling Wairarapa students to study existing creative/technology courses remotely through a satellite at 3 Mile (courses could be a mix of virtual from 3Mile and face to face at the provider's main site).
- Creating linkages between schools/tertiary/business. Wairarapa knowledge-intensive business heroes could have active ongoing engagement with schools to inspire the next generation to choose a knowledge related career path.

Sources of investment for this activity may prove difficult. There is likely to be a scale problem in that the sector is just too small at present for any significant contribution of resources from them. On the other hand, it's likely that many of the operators will be highly enthusiastic about the opportunity and be willing to look at collaborative activity.

The linkage between this and the other sector focus areas is important. Knowledge-intensive capacity is going to be vital to the success of all industries in Wairarapa and particularly added-value food and beverage and tourism. In a situation of limited resources, the tighter these sectors can be drawn together the better.

# Actions

## Immediate action:

1. *Knowledge-intensive cluster*  
Development of a local knowledge-intensive industry cluster around a facility like 3Mile. This may also include a satellite incubator of Creative HQ focused on knowledge-intensive industries.
2. *Collaborative development plan*  
Preparation by a partnership of 3Mile and WREDA/Creative HQ of a "ways and means" assessment of directions for development of the knowledge-intensive sector.
3. *Tech hub*  
Development of a proposal for a Wairarapa-based tech hub as a focal point for developing tech capability in Wairarapa businesses and organisations. This could emerge from the cluster proposal above. There are a number of these types of hubs developing around the country. A review of the hub approach and its appropriateness to Wairarapa should be undertaken.





# Infrastructure

For the core industry sectors of added-value food and beverage, knowledge economy (technology) and visitor industry (tourism) to thrive, there are two fundamental infrastructure supports required: access to reliable freshwater and improved transport in and out of the region (by rail and air).

## Water

### Opportunity

*The recent history of the water debate in Wairarapa has become emotive and disjointed. It has focused around Water Wairarapa, so that the question of freshwater reliability for the community and the economy has been hijacked by the opponents of irrigation for pastoral farming.*

To put this into context, water storage is practised by virtually all communities in New Zealand for domestic and industry supply, and this use attracts little or no adverse attention. It is seen as an essential service.

In contrast, water storage for rural supply – for irrigation and stock water - attracts a high level of criticism from environmental interests. Water storage in rural New Zealand has become associated with dairy farming which is, in turn, implicated in environmental degradation.

A greater and more reliable supply of freshwater, especially in the hot summer months, is required not only to support the current economy, but to make possible the economy of the future envisioned in this plan – an economy focused on value, not simply volume, and which supports rural businesses and their communities, including schools, pre-schools, health and other services.

More water is required at critical times, which could arise from an appropriate level of community storage, better water use efficiency, treatment and use of grey water, dispersed collection and storage of water, such as through domestic water tanks, and so on. An optimum and integrated view of water is required.

There is no place for redundant views of irrigation and pastoral farming in the vision for Wairarapa. Climate change is not only going to exacerbate already evident summer water shortages, but the need to reduce greenhouse gas emissions is going to move agriculture from a heavy reliance on pastoral farming to much more diversified and specialised land uses. This is already happening in Wairarapa. Diversified agriculture is just as dependent on fresh water as pastoral; in fact, it generally will require greater water reliability, particularly where it involves sensitive high-value crops, but it will be used in the context of precision agriculture.

The demand for freshwater in the summer season will not just come from added-value agriculture, but also tourism and gradual population increases, as the Wairarapa is currently experiencing. At present, the visitor sector squeezes many of its attractions into that same three-month summer window.

Tourists, consumers and residents want water in the lakes and rivers, and in the tap. Each of the councils in their LTPs is considering further water storage for domestic purposes, and the thinking is integrated with other uses and users.



Greater water use efficiency and attempts to push visitors into shoulder seasons will help spread the load, but the need for reliable water supply in those months will continue to increase. The opportunity is to address these issues in an integrated manner now while there is time, to avoid being forced into urgent action when time is compressed. Put another way, water users requiring additional water to develop or expand their enterprises, such as farmers contemplating diversified and specialised cropping, are going to hesitate if water supply remains unreliable.

Water reliability will create options and possibilities not currently available, maybe not currently known. Freshwater reliability during the summer months will either be an accelerator or handbrake on economic development. There is no in-between.

## Context

The question of freshwater reliability is essentially one of economic resilience. It is a story of gradual loss of water availability during a period where the focus is on economic growth and increased value to the economy:

- Water demand, even if no further development takes place, will increase by 15% by mid-century and 30% by the end of the century, simply due to climate change. Higher summer temperatures and less frequent weather events in that period will result in increasing water loss from evapo-transpiration with limited replacement.
- Place on top of that the extra demand for water from the revised minimum river flows arising from the recent Whaitua determinations, and supply issues are further exacerbated.
- Without any storage, the irrigated area is likely to gradually diminish, leaving very limited room for growth of additional crops requiring water. It is anticipated that the irrigated area would reduce from 9,400ha today to 8,700ha by the end of the century. Water will also be less reliable. More water will be required on a smaller area to counter increased rates of evapo-transpiration.
- Without storage, the amenity values that contribute to lifestyle and visitors will be less available. These include the use of the storage lake for water sports, as a pleasant place to cycle round, and the flow through of water to Henley Lake and other similar attractions to avoid them drying up in summer.
- Water reliability is generally good in early summer, but shortages hit hard in January–March. This is also the high period for visitors, events and seasonal population increases.

- Most specialised crops, such as apples, seeds and vegetables, require reliable and regular water in this same period.
- With reliable water over 25 years, an additional:
  - 1,500 ha in apple production locally could generate an extra 1,600 jobs and \$98m annually
  - 6,000 ha in sheep or dairy locally could generate an extra 860 jobs and \$59m annually
  - 3,600 ha in outdoor vegetable production locally could generate an extra 1,500 jobs and \$94m annuallyThese land uses have modest environmental impacts compared to pastoral farming as we know it.
- Every \$20m increase in GDP attributable to irrigated land production would mean a 5.9% GDP increase in the primary sector, as opposed to Wairarapa’s current primary sector downward trend which has resulted in a 7% drop over the last ten years.
- Increased primary production will result in value-added commercial opportunities for handling and processing plants in Wairarapa. For example, a sheep milk processing factory in Southland employs 70 staff. An apple handling and storage facility in Bay of Plenty employs 64 permanent and 540 seasonal staff.
- With the anticipated increase of tree planting and the advent of higher summer temperatures, the risk of forest fire is greater. A lake provides an immediate and easily accessed source of water for monsoon buckets as part of a rural fire response.
- Stored water could also be put back into the river during the summer months to maintain river flows and support tourism and amenity values.



The following chart summarises overall land area trends (% change in hectares farmed) for various farming activities both with and without a water scheme (source BakerAg):

	Stage1 with water	Short-term without water	Mid-century with water	Mid-century without water
Dairy	7%	1%	6%	1%
Dairy Support	3%	2%	-2%	2%
Sheep and Beef	-22%	-9%	-38%	-9%
Finishing Arable	17%	8%	12%	8%
Vit/Hort	86%	37%	446%	37%
Other	12%	-1%	57%	-1%
Lifestyle	19%	19%	65%	19%

This chart illustrates that:

- Dairy and dairy support will experience minimal growth in land area. When the future impact of greenhouse gas emissions regulations is taken into account, this land use will likely fall somewhat.
- Sheep and beef undergo significant land area declines - close to half - and this may be even more with greenhouse gas regulations.
- Finishing arable crops increase in land area moderately.
- Viticulture and horticulture proportionately increase significantly in land area. As they start from a low base, the change in land area involved is relatively modest.
- ‘Other’ land uses increase with water storage, but only slightly decline without water.
- Lifestyle proportionately increases significantly in land area, but because it starts from a low base, the change in land area is relatively modest.

This change in the emphasis of land use associated with irrigated water will significantly reduce nitrogen contamination of waterways which is one of the key concerns of those opposed to current proposals. Further, the Regional Plan and implementation of the Whaitua committee’s recommendations provides a robust framework to manage waterways. The framework will limit land use change that results in higher nitrogen outputs and require that nitrogen outputs from land use are reduced over time, especially in identified environmental ‘hot spots’.

## Partnership

There are potentially many parties to sustainable water use. They include existing land users using water and those who do not use or have access to water. Farming sector groups have an interest through their members. The local councils have a direct interest in water for urban and rural use. The regional council clearly has an interest as does Central Government. The final resolution will involve partnerships between all these parties.

## Actions

A great deal has been invested on feasibility and research work around water storage and distribution options. Much less work has been done on an integrated view of water for the whole region.

With recent new information about the severity of climate change forecasts and recommendations from the Whaitua committee process, further work is being undertaken with the new focus outlined in this plan.

### Immediate Actions:

1. **Water Resilience Strategy**  
This involves the preparation of a document which assesses all water requirements – domestic, industrial and agricultural in the context of the vision for Wairarapa. This strategy would identify an optimal position which would likely include storage, efficiency, Whaitua considerations and identify an optimal public/private investment plan involving farmer, industry, council and Central Government investment.

This strategy should be funded by all the parties with an interest: the regional council, local councils, farmer shareholders, potential users and Central Government



# Transport (Rail)

## Opportunity

*The mountain range between Wairarapa and Wellington is both an asset and a liability. Wairarapa's future is in value-add industries that will draw on the technology and science capability available in Wellington and on the skills of the Wellington workforce. The more mobile these skills and capabilities are, the more they will benefit Wairarapa.*

Wairarapa could also gain from improvements to other national connections - the link to Palmerston North is important and stronger in the north of the region, as is the link through to Hawke's Bay and even Auckland (by air). But it is the Wellington connection that is defining.

Upgrades on the Remutaka Hill road in recent years have improved access, but sheer distance and the "dog-leg" location in relation to road and rail arterials means that Wairarapa will always have a locational disadvantage. The key lifeline to Wellington is the rail service which has, for some years, been performing well below optimum and this has been a drag on the emergence of the Wairarapa economy.

The current limited rail service is primarily a commuter service with three peak trips each way a day, which is designed to bring workers to the capital and take them home at night. It is there to boost the Wellington economy, rather than Wairarapa's economy. This economic development strategy is about further developing Wairarapa as a destination in its own right, with its own destination identity, and it requires a rail connection to match.

At present, a mature connection is only possible by motor vehicle because the rail link has a stilted timetable, long travel times and severe reliability problems (punctuality of 77.8% in 2016 compared to 97.2% punctuality on the Kapiti line). In addition, the low level of comfort on the current service due to over-crowding and air-conditioning problems means it falls well short of what is required. Commuters choosing to drive into Wellington City due to the unreliable rail service then add to the congestion and parking issues of the capital city and increase wear and tear on the Remutaka hill road.

At present, off-peak (including weekends) demand is low and while this may in part be a result of the limited service, there isn't the capacity in the Wairarapa economy to support an immediate significant increase in use. This is, however, a classic case of chicken and egg – it is necessary to invest now to stimulate the growth, which will build capacity over time.



A mature connection with Wellington will see people moving between the capital and Wairarapa at all times of the day, not just as part of an in/out tidal flow, and as the economy grows, so will the "traffic". These people will be attending jobs and education and providing services. They will be office workers, skilled tradespeople, tourists and day visitors.

A better link to Wellington would accelerate the development of Wellington-connected businesses in Wairarapa and encourage Wellington-based professionals looking for lifestyle experiences to relocate to Wairarapa, while still connected with Wellington. In tourism terms, an improved connection would enhance the visitor experience for Wellingtonians and make Wairarapa a more routine and regular visit than it is at the moment.

An upgraded rail connection will also make rail a more attractive option for freight and reduce the number of logging and other trucks going over the Remutaka hill road. This will improve safety and reduce both congestion and wear and tear.

*As the preparation of this strategy and plan was completed, the Government announced significant investment in rail in and for the Wairarapa. This has been an excellent first step.*

## Context

The use of rail to Wairarapa is growing and is high by national averages. Current patronage growth estimates are based on 2% a year through to 2035. This is believed to be well under the likely growth rate, as growth has been well above that level in recent years: 7% (2015); 5% (2016); 4-5% estimated (2017). A forecasting review is currently in hand.

*The benefits to Wellington of the line are:*

- It delivers people right into the CBD, saving on road space, which is at a premium on the Western Hutt Road and motorway, especially the section from Petone to the city.
- It reduces road congestion, particularly close to and within the city.
- It reduces the demand for inner city parking.
- There are obvious environmental benefits from reduced traffic.
- The farebox contribution on the Wairarapa line is much higher than other parts of the country such as Auckland, so there is a stronger user-pays ethos, saving regional council subsidies.
- The workforce delivered everyday benefits the Wellington economy.

An overly stringent user-pays approach, which appears to have curtailed necessary investment in the line, does not recognise these regional benefits and limits thinking about its potential in economic development terms.



The key challenges for the rail line lie in several areas:

- *Track maintenance* – the poor state of the tracks means that there are speed restrictions, such that new, faster rolling stock would still be hampered.
- *Rolling stock* – the current rolling stock requires an upgrade, and this is planned.
- *Timetable* – the current timetable is too restrictive. This could be improved with current rolling stock numbers, but additional loops and double-tracking is required.

## What does success look like?

- An all-day timetable, allowing free movement across the day
- A reduced travel time
- Rates of punctuality comparable to other services around Wellington and New Zealand
- A diverse range of passengers from city workers to tourists and day visitors
- Counter-cyclical patronage, not just the Wellington tidal patronage
- Links to key attractions such as the Five Towns Cycle Trail and local events such as Toast Martinborough
- Strong Wairarapa identity theming, such as visuals, packages and promotions for visitors, giving it a strong excursion ambience

## Partnership

Investors in the rail system are essentially in the public sector. GWRC has responsibility for the service and trains, while KiwiRail (that is, “Government”) has responsibility for the tracks. A further contributor is NZTA as part of the Regional Land Transport Plan.

This means that key investment decisions are subject to national and regional priorities, and historically Wairarapa services have not been prioritised.

It is clear that some “jump start” investment is required to take the rail service onto a path to maturity as outlined in this document. That investment is primarily in track maintenance and upgrades. GWRC has increased the priority of the Wairarapa line and significant business cases have been prepared and submitted to central government for funding to assist with much needed maintenance on the lines to improve reliability of the service. GWRC and the three Wairarapa Councils are awaiting the outcome of these funding applications.

In the meantime, while these business cases and investigations complete, actions that get the best out of existing arrangements need to be expedited.

## Actions

The key problem appears to be lack of a consensus on the nature of the problem and the potential. This plan aims to provide clear direction on the requirement.

The heart of the problem is the state of the track and fixing it is a six to nine-year programme of works. The sooner this commences the better.

### Immediate Action:

1. *Additional commuter capacity*
  - Addition of another carriage at peak times to take it up to nine
  - Adjustments at stations to cope with longer trains (where required)
2. *Completion of business cases currently underway:*
  - For the track upgrade
  - For the locomotive upgrade

### Short term Action:

1. *Track Upgrade and Timetabling*

Assuming the track upgrade is agreed, the long-term timetabling for it needs to be built around not only estimates of commuter demand, but also tourism demand, particularly that associated with the Five Towns Cycle Trail. Specific attention needs to be given to the weekend timetable from a tourism perspective.
2. *Diesel Electric Motor Unit (locomotive) business case*

A business case is also being prepared on the introduction of long distance trains. It is likely that these would significantly improve the speed of the service, assuming that the track upgrade sections are done. Preparations need to be undertaken for quick action once this business case is complete. In spite of these plans being in place it will still be 3-5 years for any actual improvement for commuters.

# Transport (Air)

## Opportunity

A robust and resilient transport infrastructure for the Wairarapa needs to include development of an airlink at Hood Aerodrome, in order to support regional economic development and unlock growth potential for the region. The importance of an airlink is multi-dimensional and encompasses the areas of business development, tourism growth, and regional resilience.

## Context

There has been consistent and ongoing conversations within the business and wider community around the need for an airlink at Hood Aerodrome. This would be especially beneficial in the development of the key industry sectors by enabling easier and more efficient access to key Auckland and international markets.

Investment in upgrading the runway is required, both widening and lengthening. Masterton District Council is currently working through the costings of this for aircraft up to 30-40 seats.

Further to the runway upgrades, investment will be required from Central Government to ensure the ongoing viability of the service, given the levels of landing fees takes.

## What does success look like?

- An upgraded airport infrastructure including the runway
- An air passenger service is reinstated on an ongoing basis

## Partnership

Partnership with Central Government will be required.

NZ Airports Association has recently launched a Fly Local NZ campaign. This proposes a local/national partnership solution:

- Small airports would continue to fund operating costs, mainly from airport charges.
- Infrastructure would be maintained to an agreed standard from a new national fund.
- The fund would also underwrite fit-for-purpose air services to affected communities where required.

## Actions

### Short term

#### 1. Development Plan

Prepare a Hood Aerodrome development plan including a business case for the infrastructure upgrades at Hood Aerodrome

#### 2. Fly local

Support the Fly Local campaign







# People

A region that can offer high skilled jobs can generally offer a higher standard of living to its residents. It also has a better chance of retaining its residents and attracting new skills.

## Knowledge and Skills

### Opportunity

*As the national regional economies move from industries based on raw materials or basic manufacturing, they rely more and more on the knowledge and skills of the population. Skills therefore need to be front and centre in this Strategy and Action Plan.*

Wairarapa has skill deficits across many of the key skill areas. That said, there is, as a result, huge potential for improvement.

Without a solid foundation of skills, many of the plans outlined in this document will not achieve their potential. This Strategy and Action Plan does not address the full range of education and training that is or should be available to people in Wairarapa. Instead, it focuses mainly on those skills related to the economic development focus areas.

The key to lifting skills is to invest when people are in employment. This is particularly true for the “semi-skilled” and “unskilled” categories. Arguably, there is adequate pre-entry training and trades training, and there is growth nationally in apprentice numbers across many trades. But these are not necessarily providing the right skills in the right form at the right time that businesses and employees require, and which respond to those at that lower skill end of the spectrum. In addition, there is an evident and parallel trend to more people skipping pre-entry training and going straight from school to work because they need the income as living costs increase, particularly housing.

It would seem that a dual approach is required of support and encouragement for ‘pre-entry’ apprenticeships, but also skill development delivered through on-the-job training and support for those who are already working.

The opportunity is to intervene with training options that can be combined with employment and that this training is treated as part of the employee’s general development. This should be eligible for a level of public funding – in effect, a public private partnership between Government and employers.

The opportunity is to create some sort of Skills Action Service that targets growing sectors with skill packages designed for that sector. The Skills Action Service would operate as a broker to training organisations and providers to ensure that it is targeted in the areas that have benefit for all parties, including the economy of Wairarapa.

What skills should be the focus? The market, the employer and the employee will determine this, but to prepare young people for the next stage of employment and the changing nature of work, there should be particular emphasis in two areas (developed in the Taranaki Economic Development Strategy – Tapuae Roa):



- STEAMID – Science, technology, engineering, arts/design, mathematics, innovation and digital
- The Eight Emerging Technologies – robots, internet of things, drones, blockchain, artificial intelligence, 3D printing, augmented reality and voice recognition.

Continued action is also required to reduce the number of NEETs, which are high compared to national averages. The existing YETE (Youth in, Education, Training and Employment) scheme needs to be continued and expanded and will require additional funding support.

## Context

There are a number of facts about skills in the Wairarapa economy

- In the “highly-skilled” category the proportions in Wairarapa are below both the Wellington and national averages. The same is true, though to a lesser degree in the “skilled” category.
- In the “semi-skilled” and “low-skilled” categories Wairarapa is correspondingly ahead of the Wellington and national averages.
- Wairarapa is somewhat skewed to lower skilled and paid occupations, although that gap is narrowing.
- Employment in knowledge-intensive industries is low in Wairarapa compared to Wellington and New Zealand, but growth is taking place.
- One statistic that is counter to the trend outlined here is the significant number of people in the “manager” category. This implies that there are people who can give leadership to enterprises. It is a resource that should be supported.
- There is a steady growth in the proportion of professionals, which is also a key resource in economic development.
- Anecdotal evidence is that there has been a big increase in scientific, professional and technical workers. Statistics indicate that more than two thirds of these are self-employed. From 2000-2017 the percentage growth of ICT professionals in Masterton was similar to Wellington.
- Taratahi Agricultural College and UCOL are the only major skills development facilities in the region. UCOL specialises in nursing, hairdressing and beauty; for all other industry areas, it is necessary to travel to Wellington, Palmerston North or beyond.

There are some mitigating factors to the skills shortage that apply to much of regional New Zealand:

- Loss of young people to tertiary education in main centres
- Loss of skilled people out of the economy through ageing
- Limited availability of jobs in the higher education/income brackets

Despite these factors, the skill deficit requires attention.

While it is tough to compare Wairarapa with Wellington as Wellington is the highest skilled economy in New Zealand, the comparison with the national average is fair. If Wairarapa is to at least have a contemporary economy, it needs to be at the national average. If it wants to lead in areas such as technology and adding-value, then it has to surpass the national average.

For young people who have lost enjoyment of learning, or never had it, then the STEAMID and Eight Emerging Technologies have an attraction and excitement that might capture some back to learning.

There are far too many young people who are either unemployed and not in education or training. Masterton continues to have one of the highest rates of NEET in the country.

For the purposes of this economic development strategy NEETs represent not just a failure of the economy to provide them with the requisite training and job, but as an unutilised resource in a region that is already short of young people across many of its sectors and enterprises.

## What does success look like?

- Increased knowledge and skills, particularly in the focus areas related to the priorities in this plan
- Improved interest and participation in knowledge and skills associated with STEAMID and the Eight Emerging Technologies
- Reduced numbers in the NEET category
- Overall reduction in unemployment

## Partnership

It is envisaged that a Skills Action Service be set up. This would be a small entity drawing on existing providers in or adjacent to Wairarapa. It would have tight connections with industry training organisations and independent training providers and other institutions. The training would be funded through Tertiary Education Commission, employers and possibly the employees themselves.

It is not envisaged that the local authorities of Wairarapa would need to provide funding but local leadership is required to get movement in this important area.

There are obvious linkages. The focus of this portion of the report is on skills relevant to the economic development focus areas.



# Actions

## Immediate actions:

1. *YETE*

Support YETE to obtain long term funding so that they can have increased capabilities to perform (among others) the following functions:

- skills mapping
- skills action service
- skills working group

2. *Skills Working Group*

- Establish a working group to build connections with universities, polytechs and other public and private training providers to assess requirements and training opportunities and their implementation.
- It is envisaged this could involve a local presence, as proposed in the knowledge-intensive industries section. Wairarapa students could study existing courses remotely through satellite sites (complete online modules, do self-directed study, and attend lectures online). They could then go into the centre of Wellington or Palmerston North from time to time for face to face tutorials.

3. *School Technology Curriculum*

Continued collaboration between business and secondary schools to ensure that their curriculum choices support the development of the capabilities required to grow the knowledge-intensive sector.

4. *Taratahi*

Support collaboration between farmers, schools, business and other groups, and Taratahi.

## Short term action:

1. *Skills Action Service*

Trial the service in the Wairarapa over a five year period, with a specific focus on improving the skills statistics and supporting the economic development plan. Scope a model for a Skills Action Service which would act as a broker between funders and providers for building on-the-job training opportunities. Negotiate its funding formula with TEC, providers and employers.

## Medium term action:

1. *Establishment of tertiary satellite site*

Encourage Weltec or another tertiary organisation to set up a satellite site in the Wairarapa specialising in Createch (digital/IT/film/AR/VR). Satellites enable Wellington hub and teaching staff/links to business to be leveraged. Further explore the opportunities discussed in the Smart Development Wairarapa report.

Skills need to be front and centre in this Strategy and Action Plan.



# Housing Opportunity

There are two distinct issues in the area of housing for the Wairarapa region.

The first is increased demand for housing, off the back of increasing population growth rates and a strengthening national economy, in combination with historically relatively affordable housing in the region (in a national context).

The second is an ongoing shortage of social and affordable housing, and rental accommodation (both social and private).

Substantial work has been done in recent years to increase the housing supply, with the Wairarapa Combined District Plan working to address the future needs of housing and development for the region. The success of this work can be seen in the record numbers of building consents being issued across the region.

The shortage of affordable and social housing, both for rent and private ownership, remains a serious issue, which needs to be addressed.

Consideration should also be given to opportunities in Papakainga Māori housing associated with marae or Māori settlement locations.

## Context

*The housing challenge in Wairarapa comprises the following issues:*

- Insufficient availability of social and affordable housing
- Insufficient supply of affordable rental properties (social and private)
- Inadequate supply of seasonal workers' accommodation
- Strong and continued demand for new housing
- Limited Papakainga housing

The future needs of housing and development are considered every 10 years through the preparation of the Wairarapa Combined District Plan, which takes into account future housing demands and sets aside land for development. This plan is due to be reviewed over the coming 2-3 years with the new plan to be adopted in 2021. This updated plan will include consideration of the rapid growth that the region is experiencing and the required demand for housing that this is creating, with close consideration paid to the infrastructural and community facility requirements around this (roading, access to facilities like cycle trails etc.). The plan will also include amenities, such as schools, green spaces and retail/hospitality areas and supporting transport and 3 waters infrastructure.

## What does success look like?

- Availability of new housing keeping pace with demand
- Sufficient supply of social and affordable housing for private ownership
- Adequate supply of affordable rental properties (social and private)
- Adequate supply of seasonal workers' accommodation

## Partnership

Partnership with employers, housing providers (such as rest homes) and Masterton Trust Lands Trust.





# Actions

## Immediate actions:

1. *Wairarapa Housing Plan*

The purpose of this plan would be to establish the housing requirements for each of the three districts; South Wairarapa, Carterton and Masterton (as these will likely be distinct), and formulate a strategy for addressing the needs of each region. This will be focussed on social and affordable housing, rental, and temporary accommodation requirements.

2. *Urban Development Authority (UDA) Feasibility Study*

Establish a working group to consider the usefulness of the UDA, or similar model, in parts of Wairarapa. This would form part of wider work on a regional UDA, being considered as part of the Wellington Regional Investment Plan.

The purpose of a UDA in the context of the Wairarapa would be to encourage the improvement of homes in the more depressed areas of the region and encourage the development of infill or multi-unit homes to address housing shortages.

3. *Continue to improve consenting processes*

Substantial work has been done by the Councils' Building and Planning Teams to improve the ease of obtaining consents, and also to encourage innovation and high quality outcomes in the housing sector, leading to a positive, 'can-do' and proactive culture within our building consents teams. We would like to see this continue with an ongoing focus on these outcomes for the region as a whole, so that we can ensure that this innovative culture is fostered and continues to develop across the region.

## Medium term action:

1. *Papakāinga Housing*

Consideration of this form of housing in appropriate parts of the Wairarapa and in association with iwi should be considered. This would require an initial think-piece to develop the idea followed by a feasibility study.

# Business Development

## Opportunity

Wairarapa is a region of small businesses, in many cases, very small businesses. Much of the activity of this development plan will need to be undertaken by businesses that don't yet exist. There is a need to build the people capability to develop and sustain businesses and then scale them up.

## Context

*The business development challenge in Wairarapa has many faces. The highest area of growth of business is in the secondary and quaternary sectors. Here are a number of pertinent considerations:*

- Tertiary business accounts for 34.3% of the economy, while quaternary accounts for 18.6%. It is in these sectors where growth potential lies.
- 21.7% of people in Wairarapa are self-employed, compared to 16.4% in New Zealand and 15.0% in the Wellington region as a whole. This is the area where business development is the most potent.
- Productivity levels in Wairarapa are somewhat below Wellington and New Zealand. Many factors will be at work, but business efficiency and the percentage of knowledge-based industries are two of the active ingredients in productivity.
- Growth in the number of business units in Wairarapa is very different from the New Zealand and Wellington pictures. In the year to March 2017 there was growth of 2.1% for New Zealand and 1.8% for Wellington, but Wairarapa experienced a rate of -0.1%. There is a need to grow new businesses in the knowledge economy which will drive growth.
- Adequate supply of seasonal workers' accommodation.

## What does success look like?

- Establishment and extension of small businesses in the key focus areas
- Gradual improvements in business productivity
- The scaling up of businesses to undertake significant economic activity



# Partnership

The Wairarapa local authorities have very limited resources to provide these types of support. Business skills represent a vital hurdle for the private sector to jump in order to get the payback to the economy. The difficulty that small businesses face is lack of resources to expand. Business development needs to be a national and regional priority as well as a local priority. There are obvious linkages between this focus area and skills and the key sectors, especially the knowledge-intensive economy. There could be an argument for treating the most compatible of them together.

# Actions

## Short term actions:

### 1. Business development strategy

An overall business development strategy is required to address the challenges of business growth and leadership in the region. Considerations in such a strategy include:

- Incubators focused on key sectors (particularly added value FandB and knowledge-intensive)
- Access to advice on start-up, business management and scaling up
- Linkages to RandD capability in universities and CRIs
- Supporting access to sources of funding
- Identification of businesses with clear development potential

### 2. Staged Development Plan

Rolling out of the strategy would be a staged development plan and an investment plan for small business generally, but especially for those in the key sectors. The plan would be developed in association with Callaghan and other Central Government funding organisations.

### 3. Digital enablement

Preparation of a staged development plan for digitisation in key industries such as tourism, food and beverage and agriculture. Education and training activity for small businesses on digital enablement and scaling up through its use

### 4. Connections working group

Establishment of a working group to build connections with universities and appropriate CRIs to assess economic enablement development opportunities and their implementation. As proposed for skills development, we envisage this could involve a local presence, which we have not yet detailed.



# Environment

The natural environment is one of the region's key assets, which needs to be protected and fostered for future generations. Environmental sustainability is therefore an essential requirement of all of the actions in this plan and has been identified as a key outcome indicator.



# Trees

## Opportunity

*The region has a significant resource which is well suited to trees that can store carbon, which means that it is also well placed to support the wider New Zealand carbon reduction programmes.*

Wairarapa is one of the larger forestry areas in New Zealand with large tracts of exotic forest and significant farm forest woodlots. Some is on private land, some on Crown and council land. Besides the forestry industry, Wairarapa has a significant processing plant owned by Juken, located between Carterton and Masterton. In short, there is forestry knowledge and experience in the region. Wairarapa has been involved in forestry over a long period and some forests are on their third rotation.

Planting of trees is already an area of significant activity in the Wairarapa, mostly restocking after harvesting. Much of this is being planted by the private sector, but not all of it.

With the advent of the One Billion Trees programme from the Labour-led government, Wairarapa is an obvious candidate to be a major player in this opportunity and contribute to New Zealand's overall environmental goals. There are also positive environmental and economic impacts for the Wairarapa.

*The potential regional benefits of participation in this programme are:*

- Future revenues from wood, processed products and carbon credits
- Employment opportunities at all stages of the lifecycle – planting, pruning, harvesting and processing
- Erosion control, which is already a major activity of the regional council
- Water quality protection through riparian planting and control of run-off

Taking hold of this opportunity is not, however, a simple matter. There are three major potential blockages: land, labour and tree stocks, of which land is the most challenging. To qualify under the Paris Accord, a new forest must be on pasture land. Plantation forest owners own pasture, so does the Crown, but the bulk of it is owned by farmers and iwi. These landowners have to be convinced that planting trees is worthwhile for them.

The entry of agriculture into the Emissions Trading Scheme (ETS) will provide farmers with an incentive to find offsets in forestry and, in the right management environment, revenues can begin to flow 5-6 years after planting, making it a lot more attractive than a 25-year rotation. The ETS will make more marginal land used for sheep and beef potentially more profitable for forest use. This is not an “immediate gratification” strategy.

Labour for planting is in short supply. There are labour shortages across the farming sector in Wairarapa and unless the pool is extended, it could have the effect of depriving other worthy areas of the economy of labour, meaning that at a whole-of-Wairarapa level the economy is no further ahead. One advantage is that

the planting season is counter-cyclical to the picking season for grapes and other crops. Recruitment and training will be required.

Supply of seedlings is also a challenge. Nurseries are able to gear up over 12-24 months, but nurseries will have to have confidence that extra production will be taken up. There are complications in terms of species, particularly if there is a high proportion of natives that are somewhat more difficult to propagate. If industry connections are sought, such as between planting and Mānuka honey, then lead times would be longer, as commercial arrangements would need to be established.

Overall, the opportunity rests heavily on a comprehensive rather than a piecemeal approach. In that respect, the GWRC is developing a proposition for an in-depth investigation of the opportunities and mitigations required and developments in Wairarapa need to be seen in that context.

## Context

On a pro-rata basis, the Wellington region's allocation from the One Billion Trees would be about 1.5 million trees per year for 10 years. That is a lot more than is currently being planted. Estimates for Wairarapa have not been made but are likely to be well over 500,000. This is a big step up. The scale of current activity paints an interesting picture. About 21% of the region's land is regarded as erosion prone. This represents 171,000 hectares. GWRC currently plants about 500 ha a year for the Wellington Region Erosion Control Initiative (WRECI). On that basis it would take 340 years to plant out all erosion-prone land.

Central, Regional and Local Government have an important role to play in this area. They can show leadership by planting trees themselves and in enabling the support infrastructure (including roads and consents). The greatest leverage will come from setting up the investment environment and encouraging private sector investment in tree planting.

At a regional level, the staff of GWRC have been working on proposals around using the One Billion Trees programme to support WRECI. This is an existing programme which can be expanded to a degree, largely within current resources. This might involve a lift of planting from 70,000 a year to 100,000 a year. GWRC is also looking at opportunities associated with riparian planting and afforestation programmes as part of their land management activities.

A proposal for a major scaling up is being prepared but would have to be supported by the GWRC councillors and may involve significant cost. Some of that could be recovered from the Provincial Growth Fund or the One Billion Tree Fund.



# What does success look like?

- An expanded WRECI programme, as Wairarapa has a lot of erosion-prone land and this is an opportunity to stabilise it
- Expanded riparian planting as part of broader water quality initiatives
- Expanded commercial planting such as for Mānuka honey to strengthen a growing industry in the region
- Greater involvement of the private sector in planting

# Partnership

While the opportunity is there, a great deal of effort is required to assess feasibility in order to bring together a successful programme for Wairarapa. It makes no sense for Wairarapa to do this alone, but to ‘coat-tail’ on the work of the regional council as proposed (but not approved).

As a subset of the work for the whole region, there needs to be a slice that is Wairarapa alone. This would mean that the councils of Wairarapa would need to work closely with the regional council on building the local case, identifying the local barriers and solutions to them. There are notable potential linkages. The One Billion Trees programme has close potential links with water and tourism, notably the Five Towns Cycle Trail.

# Actions

## Immediate actions:

1. The Wairarapa councils foreshadow with MBIE and MPI that they are seriously interested in the One Billion Trees programme and are involved in feasibility activity as part of the work of the GWRC
2. The Wairarapa councils appoint a council-initiated working party to engage with GWRC on matters related to the feasibility of increased planting as part of the One Billion Trees scheme
3. As part of this exercise, a Wairarapa “chapter” of the working party report is prepared that can be used for consideration of the local strategy in this area.

## Short term actions:

1. Once the above work is complete, the working party develop a partnership programme with the GWRC to develop this programme.
2. An application is made to government for a specific share of the One Billion Trees fund, including support for services such as labour, training and nurseries.

Wairarapa is one of the larger forestry areas in New Zealand with large tracts of exotic forest and significant farm forest woodlots





# Institutional Arrangements

*Experience around the country is that implementation of regional development strategies requires focused governance and management.*

The Wellington region has the advantage of a region-wide agency – WREDA – with the potential to deliver services across the region. WREDA is looking to refresh its regional delivery following a period of greater focus on Wellington City.

There are some areas that lend themselves to WREDA's skills. They include sector development, particularly tourism and added-value food and beverage, but also knowledge-intensive industries.

In the “people” focus areas of business development and skills there are businesses or institutions who are directly involved. For example, in the skills area there are established providers such as UCOL, Taratahi and private providers. The problem in these areas is the lack of coordinated focus on the challenges and opportunities.

Other focus areas, particularly infrastructure, such as water, rail and housing, are more closely aligned with the business of the local councils and the regional council.

It also needs also to be considered that sectors in the Wairarapa are small and resources are limited. Operating economic development in silos will not take advantage of the synergies and linkages between sectors identified in this report, and the best results generally come from those in the best position to act. This situation lends itself to a split of governance/policy and delivery.

*It is recommended that consideration is given to a structure as follows:*

- Leadership of the whole programme should come from the Wairarapa mayors (including the regional council and iwi) and this should be laid out in the Triennial agreement between the local authorities. This would provide a clear regional focus and avoid silo-ing.
- The Wairarapa Mayors would be supported in strategy and policy by a CE's Management Group. Additional support could be provided by the regional council which has sufficient resources to assist the CEs in some key areas where they have limited resources. For example, between the Wairarapa councils and the regional council a Wairarapa-based programme manager could be appointed for two years to get this programme up and running. Reporting to the CEs and the regional council, this position could be reviewed at the end of that period as to whether it was still required. This person would deal with strategy and policy matters, bring relevant stakeholders together, and help shape projects for implementation (such as writing PGF applications) but would not be directly involved in implementation in any significant way.
- Delivery would be delegated by the CE's Management Group to a number of different parties:
  - Tourism – Destination Wairarapa in association with WREDA, Ngati Kahungunu and Rangitane
  - Food and Beverage – WREDA in association with local industry groupings
  - Knowledge-intensive industries – 3Mile, in association with local providers (and perhaps WREDA)
  - Rail – Greater Wellington Regional Council



- Air travel – local Territorial Authorities
- Water – Community consortium in association with the local councils
- Skills – this requires significant development and there are arguments for WREDA or selected tertiary provider(s)
- Business Development – possibly 3 Mile, but further consideration is required to avoid overloading a small organisation. Support from WREDA and Creative HQ would be desirable.

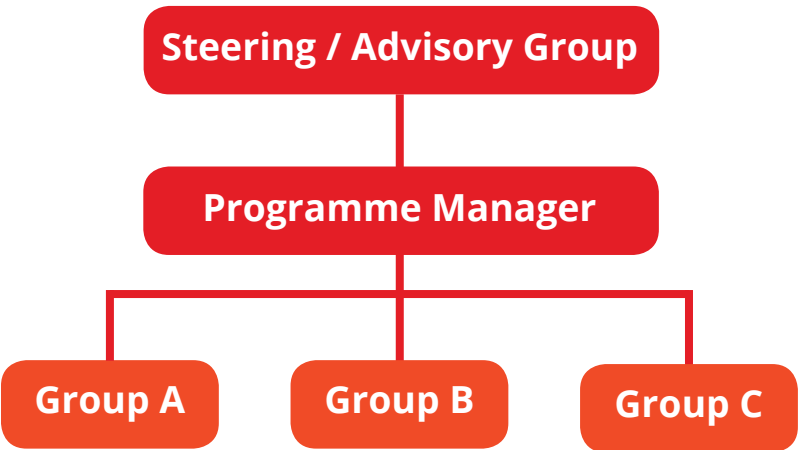
Such an approach would apply a significant level of pressure and responsibility on the councils to oversee and lead the programme, especially in the early stages. This would be especially so if there is a single provider – WREDA – where clear direction to the provider will be essential. The alternative is a local economic development agency, but the feeling from stakeholders is that the cost of such an arrangement would make it unlikely to be viable, especially when one – WREDA – already exists.

Funding into each of the projects would come from multiple sources and some projects may not have a willing funder. Variations on this type of arrangement are emerging in other parts of the country to ensure the leadership and strategy level of operation is tight and coordinated, whilst support for delivery is directed to those most able to provide it.

*The Way Forward*

The Mayors have decided that they like much of the above, but see the need for a specialised Advisory or Steering Group to oversee this Strategy and Action Plan; a Group made up of skilled and talented people with business, commercial, economic development, legal, financial, stakeholder engagement, and governance experience. People that can drive the plan forward, advocate for projects, attract funders, and assist the region and its residents, businesses and stakeholders to successfully deliver the vision and the plan.

The Group will be headed up by an experienced Chair and governance expert that knows our region well. A dedicated Programme Manager will be employed to co-ordinate the projects and actions contained in this plan, to assist the Group and region to prioritise projects and liaise with stakeholders and businesses to ensure the delivery of this plan.



# Conclusion

*This document sets a direction for Wairarapa and once worked through and finally agreed, should be the basis of moving forward. Once adopted this plan sets the framework within which things can happen. The action emerging from this plan is a combination of local and regional, public and private, immediate and long term.*

Once in place a method of evaluation and review needs to be put in place so that the oversight body has a regular flow of information to assist in identifying gaps or problems and making course adjustments or corrections.



# Appendix 1 Wairarapa at a glance

## Economy

Gross Domestic Product

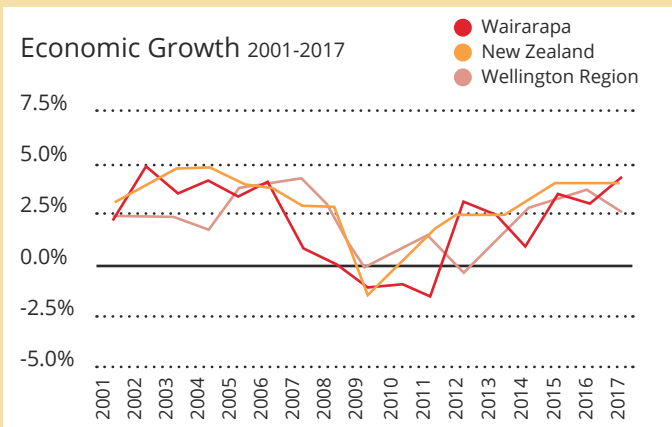
**\$1,871** **6.0%** **0.8%**

MILLION

In 2010 prices of Wellington regional total of national total

Economic Growth Annual Average % Change

	2017	Last 10 Years
Wairarapa	3.8%	1.3%
Wellington Region	2.5%	1.6%
New Zealand	3.6%	2.0%



## Labour Market

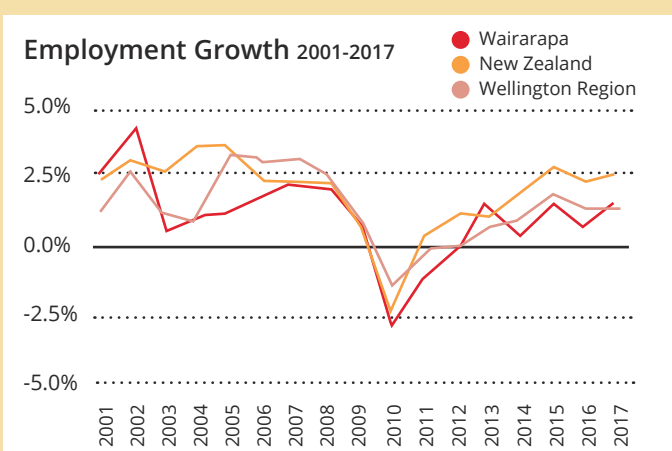
Total Employment

**19,452** **7.0%** **0.8%**

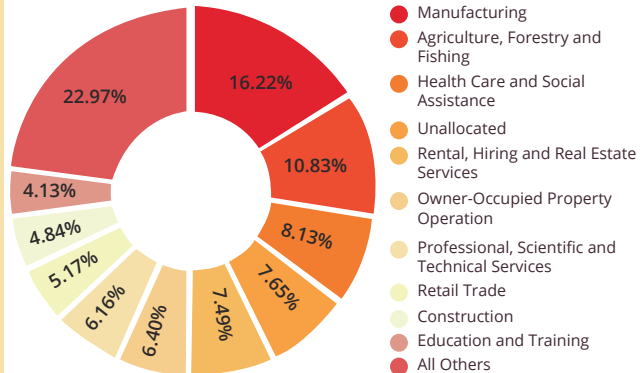
Filled jobs of Wellington regional total of national total

Employment Growth Annual Average % Change

	2017	Last 10 Years
Wairarapa	1.5%	0.4%
Wellington Region	1.3%	0.7%
New Zealand	2.4%	1.2%



Industry Proportion of GDP



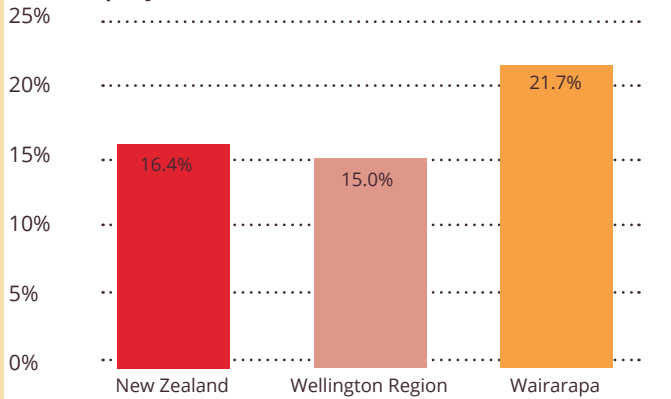
Biggest Contributions to Economic Growth 2007-17(\$M)

Professional, Scientific and Technical Services	\$39
Manufacturing	\$38
Health Care and Social Assistance	\$35
Owner-Occupied Property Operation	\$24
Retail Trade	\$23
All Other Industries	\$59
<b>Total increase in GDP (\$m)</b>	<b>\$218</b>

Industries which created the most jobs 2007-2017

Health Care and Social Assistance	432
Professional, Scientific and Technical Services	348
Accommodation and Food Services	153
Education and Training	149
Arts and Recreation Services	85
All Other Industries	-405

Self-Employment Rate 2017



## Productivity

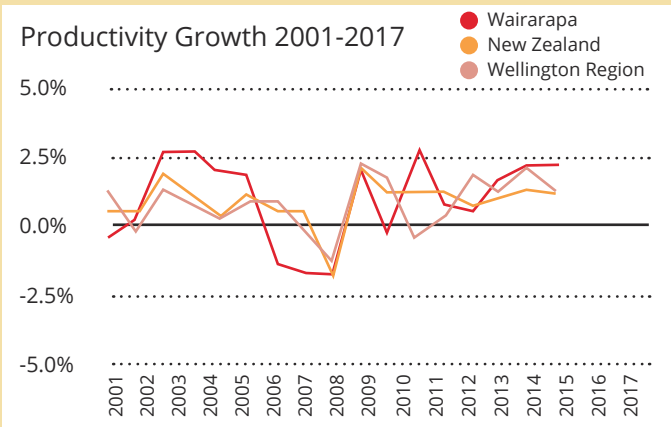
GDP Per Filled Job

**\$96,206** **\$112,563** **\$97,707**

GDP per employee Wellington Region New Zealand

Productivity Growth Annual Average % Change

	2017	Last 10 Years
Wairarapa	2.2%	0.9%
Wellington Region	1.2%	0.9%
New Zealand	1.2%	0.9%



## Population

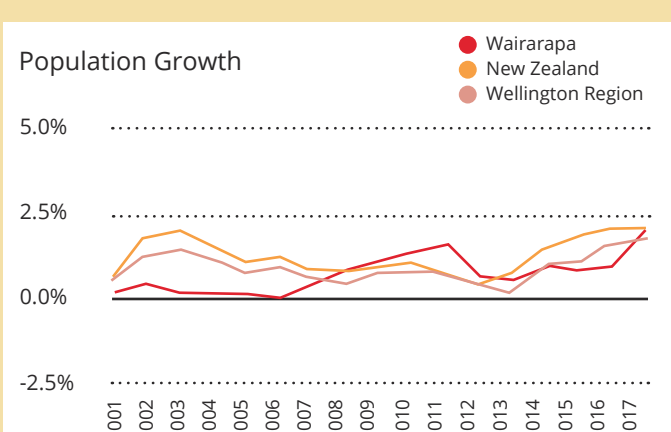
Total Population

**44,500** **8.7%** **0.9%**

Usually resident persons of Wellington regional total of national total

Population Growth Annual Average % Change

	2017	Last 10 Years
Wairarapa	2.0%	1.1%
Wellington Region	1.8%	0.9%
New Zealand	2.1%	1.3%



## Business units

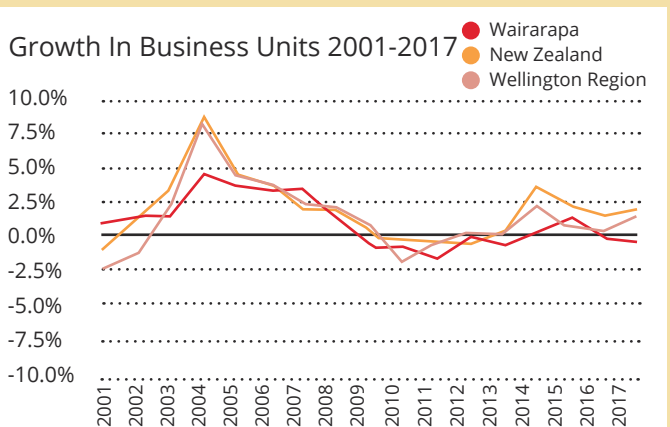
No. of Business Units

**5,883** **10.6%** **1.0%**

Business units of Wellington regional total of national total

Growth in Business Units Annual Average % Change

	2017	Last 10 Years
Wairarapa	-0.1%	0.3%
Wellington Region	1.8%	0.9%
New Zealand	2.1%	1.1%



## Standard of living

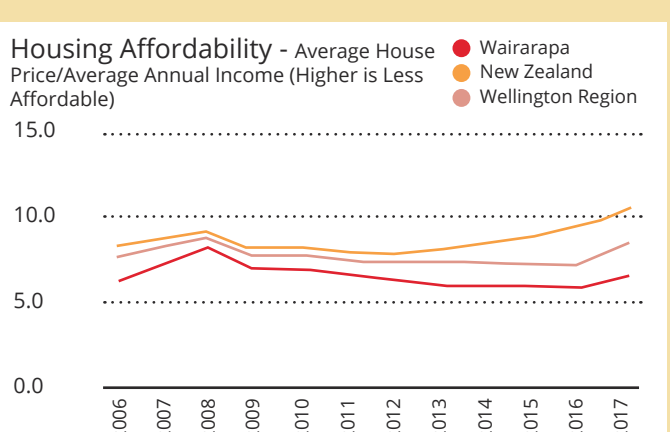
Mean Annual Earnings 2017

**\$46,048** **\$65,642** **\$58,851**

Wairarapa Wellington Region New Zealand

Annual Earnings Growth Annual Average % Change

	2017	Last 10 Years
Wairarapa	1.9%	3.3%
Wellington Region	1.7%	3.1%
New Zealand	1.9%	3.2%





# Appendix 2

## Insights and Perspectives

This section embellishes some of the insights from the economic data above and provides useful additional background. It contains our key observations and then a series of comments from stakeholders.

### Key insights:

- Wairarapa is becoming an increasingly attractive place to live and visit, but the area is straining at the seams.
- The small population generates a low rate take, limiting the ability to make major investments to prepare for anticipated growth.
- Poor transport links, particularly rail, are inhibiting the ability to leverage connections with Wellington City for the benefit of both business and tourism.
- The retention and growth of the primary and manufacturing sectors is under threat from the prospect of limited water supply.
- There is a major shortage of affordable and rental properties across the Wairarapa, which is impacting on the ability to get staff, particularly in the hospitality sector.
- A regional approach is required to address these issues, but fear of losing local control is hampering collective action.

*This section comprises a series of snippets from interviews that illustrate local perspectives:*

### Liveability

- The main attraction for people moving into the Wairarapa is lifestyle/quality of life, whilst not being too far away from Wellington.
- As salaries are lower in the Wairarapa, some people choose to commute to Wellington.
- More and more people are taking advantage of flexible working arrangements and working from home for one or two days a week, rather than commuting.
- Young people tend to move away between the ages of 20 and 35, as there is not much in the area for young people. It is, however, a great place to raise a family, with a wide variety of good schools.
- Baby boomers are downsizing and retiring to the Wairarapa.
- Retail is struggling, apart from where it is tourism related; town centres are being impacted, as retailers move out.

### Visitor Attraction

- It's going pretty well, but Wairarapa has hit a ceiling around accommodation in the peak season.
- Its tourism future is closely tied with Wellington.
- The Five Towns Trail is a strong opportunity and well supported.

- There is a significant opportunity at Hood Aerodrome for an Aviation Centre/ Museum and adventure aviation.
- The Dark Sky project in Martinborough and the Lake Ferry iwi project have real potential.

### Housing

- There are insufficient social and affordable housing options available in the region.
- There is a limited supply of rental (both social and private) and seasonal worker accommodation.

### Employment/Skills

- Hospitality staff are very hard to find as they tend to be younger and don't want to live in the Wairarapa.
- There are shortages of engineers (electrical, instrument, refrigeration, general).
- Specialist management positions (e.g. finance, business analyst) are usually advertised outside of the area.
- It can be difficult to get tradespeople, due to shortages and the amount of construction that is currently underway.

### Transport

- The road on the south side of the Remutaka hill has been significantly improved. The road on the north side of the Remutaka hill remains poor.
- Roading is poor going westwards (Masterton to Palmerston North)
- The rail track is in poor condition in Carterton and south of Greytown.
- The frequency of the train service to Wellington is a very contentious issue and is a handbrake on development.
- The train is becoming more and more congested, with people standing on the way into Wellington at commuter times. Services are also really limited during the day and at weekends. Some believe the solution lies with some commuter trains having limited stops, and trains during the day stopping at Upper Hutt to link in with the more frequent trains from the Hutt Valley.
- The Wairarapa needs an airlink at Hood Aerodrome for regional economic development and to ensure resilient transport infrastructure.

### Water

- This is a major cause of concern.
- This is not just an issue for dairy farmers. Shortage of water in the summer season is a whole-of-community issue.
- Some manufacturers are concerned that the water supply restrictions proposed by the Regional Council, which would come into effect when river levels drop below a certain level, would result in them not being able to operate for extended periods.
- A key factor in the water debate is reliability of supply.
- Water is needed if the region is to diversify, never mind grow.



### Electricity

- South Wairarapa has power surges, which affect supply.
- When there is a need to undertake maintenance in Featherston, the power needs to be turned off, which is an issue for businesses. This is because there is no alternative power routing.
- There are limitations on the amount of power that current infrastructure can supply to major industry in Carterton.

### Broadband/Internet

- Town centre coverage is generally good and there are private suppliers that can provide improved service outside of the main centres at a cost.
- Two Carterton businesses expressed frustration at the delay in getting broadband and the impact on their businesses.
- If the region is to be home for IT folks, the region should push for the very best.

### Resilience

- There are many earthquake prone buildings in Masterton and on the main street in Carterton, which it is not economic to strengthen.

### Threats

- Climate change is already evident through there being more periods of drought and more intense rainfall events.
- The Wairarapa's wine brand has lost its shine a little over recent years compared to Central Otago.
- The future will inevitably bring automation in industry, removing manual labour. Increases in the minimum wage may accelerate this.
- Amalgamation of vineyards may impact on the ability to do a walking tour of smaller vineyards.

### Ambition

- There is ambivalence in Wairarapa. On the one hand, there are those who are ambitious for the area, on the other hand, there are those who would like a well-kept secret to be well-kept.
- The fear is that development involves volume not value, quantity not quality and that the essence of the Wairarapa will be depleted and slip away.
- The prevailing perception of Wairarapa is as a "poor cousin" to Wellington with limited ambition.
- Lifting the Māori cultural profile of the region and its significant association with Māori creation stories and histories will add value and something extra to perceptions of the region.

*These perspectives, while impressionistic, represent the "lived reality" of many Wairarapa people and so are important considerations in preparing a plan.*

## Appendix 3

### A Narrative for the Future

*This section seeks to build a development narrative that will form the basis of a development plan.*

#### Our Present:

- Economic Growth – Wairarapa is at or slightly above the national average.
- Dispersed – Growth is dispersed across the Wairarapa and is not limited to any one part of it.
- Primary and secondary biased – the local economy is still dominated by primary industry and manufacturing and this will continue for some time to come.
- Manufacturing – makes the largest contribution to growth and this is largely, though not exclusively, primary product related.
- Quaternary growth – though still small, significant levels of growth are evident in the local knowledge-based economy.
- Tourism – while a touch below Wellington and national averages, tourism growth follows national averages in Wairarapa. Higher growth has been evident in the last 12 months or so.
- Productivity - Wairarapa has a labour productivity rate almost on par with the national average, and growth has been the same for over a decade.
- Cost of living – house prices are more affordable than nearby Wellington, and there is strong growth in the number of new dwellings being built. There is however a serious ongoing shortage of social and affordable housing, and rental accommodation (both social and private).
- Population – population growth is steady, above the Wellington average and just below the national average. For a population with a strong ageing profile, this is a satisfactory situation, but may deteriorate. Population growth is overwhelmingly from net migration, not natural increase. The working age group is under-represented, indicating concerns for sustained economic growth.

#### Our Challenges:

- Incomes – the average income per capita in Wairarapa is significantly lower than the Wellington region and national averages.
- Employment – the growth of employment in Wairarapa is slower than in the Wellington region as a whole, and also slower than in New Zealand as a whole. This has been a long-term trend. The industries creating the most jobs are construction, hospitality and technical/professional. Those creating the least jobs include agriculture, forestry and fishing. This is also a long-term trend.
- Lack of scale – Wairarapa is an area of small businesses. While small businesses are immensely valuable, a bias towards them means the economy as a whole lacks scale.
- Self-employed – Self-employed status is a strength of the Wairarapa area and the number of self-employed people is substantially higher than the Wellington region or national averages. However, this high level of self-employed plays into the concern about scale and raises questions about the ability of businesses to scale-up.



- Growth of business units – the number of start-ups in Wairarapa is well down on both the Wellington and national averages. This suggests Wairarapa is not getting its share of the dynamic elements of modern economies.
- Skills – Wairarapa continues to have skill levels below regional and national averages. It is particularly short of skills in the “highly-skilled” and “skilled” categories and over-represented in “semi-skilled” and “low-skilled” categories.
- NEETs – the percentages of young people in the 15-24 age bracket who are not in education, employment or training are above national averages, and particularly high in Masterton.
- Climate change – Wairarapa is starting to feel the grip of climate change. Access to water and climate change resilience is a contemporary, not just a future challenge.
- Connection – Wairarapa remains a bit out of connection. Not only is the train service struggling to meet expectations, but digital connectivity and enablement is slow to take off. Air New Zealand's decision to cease daily flights from Masterton to Auckland have also reduced the region's connection to larger centres. Reinstating this service or something similar could assist in boosting economic development for the region.

#### Conclusions:

- Sound foundation – Wairarapa has a sound economic and social foundation upon which to grow and is demonstrating creditable growth.
- Sources of future growth
  - The volume output of the economy will continue to come from the primary sector and some traditional manufacturing activities, but these sectors will not experience significant employment growth or particularly contribute to household incomes.
  - The visitor and tourism industry will continue to grow its share of the economy.
  - Growth in output and productivity will arise from high value manufacturing (probably agriculture-related) and knowledge economy industries, which are still small.
  - Many of these latter industries will migrate from other centres, as people migrate into the Wairarapa for lifestyle reasons.
- Vulnerability – Wairarapa has some areas of vulnerability, with below average achievement in business and skills development and an over-dependence on traditional industries, some of which will face challenges in the future related to global warming. It has an under-utilised labour resource of young people.
- Lack of scale – too many Wairarapa businesses lack scale, meaning they do not have the resources (or the will) to scale-up from the kitchen table to the corporate market.
- Problem-solving – the dual handbrakes of water and transport need to be addressed.

#### Focus Areas:

A strategy like this should not try to do everything. That would be too expensive and beyond the human resources required to drive it. Instead, effort should be focused, and the desired outcomes achievable.

This plan addresses four areas of focus:

#### 1. Sectors

Three key industry sectors have been chosen, in fact, they chose themselves. The first two, added- value food and beverage, and visitor and tourism are obvious priorities to everyone, although both involve significant challenges. The third sector, the knowledge economy, is an obvious area of growth in the economic trend data. The action areas within each sector are as follows:

- **Added-value food and beverage** – supporting the growth of high value production at two levels:
  - Artisan and small-scale manufactured products
  - High-value export products
- **Visitor and tourism** – substantially increasing the tourism footprint:
  - Additional attractions
  - Stronger Māori/iwi influence in the range of tourism offerings (likely to be longer term)
  - Appropriate accommodation options
- **Knowledge economy** – providing support to encourage this sector to break through and become a major contributor:
  - Incubators and shared spaces
  - Scale-up facilities
  - Linkages between educational and research institutes and business
  - Increased internet speed and UFB connectivity

#### 2. People

There are three areas of people focus that are currently handbrakes on growth, but which are potentially game breakers:

- **Housing** – addressing the shortage of social and affordable housing, and rental accommodation (both social and private).
- **Skills** - a sharp focus on enhancement and modernisation of skills appropriate to the needs of growth sectors in the regional economy:
  - Knowledge economy skills
  - High value manufacturing skills
- **Business development** – increasing the capability and robustness of Wairarapa businesses to expand their capacity in growth sectors:
  - Improving scale-up skills
  - Increasing the average size of enterprise

### 3. Infrastructure

- **Water** – water-security and resilience are fundamental to all aspects of the economy:
  - Farming
  - Industry
  - Domestic supply
- **Transport** – the primary concern is the Wairarapa train service:
  - Commuter services
  - Support for tourism
  - Connection to the Port for industry
- **Air** – the loss of the commercial air service to the region a few years ago was a significant one:
  - An airlink is needed to ensure a resilient transport infrastructure

### 4. Environment

- **Forestry** – tree planting to offset carbon emissions, control erosion and protect water quality; will also have an economic impact:
  - Future revenues from wood, processed products and carbon credits
  - Employment opportunities at all stages of the lifecycle – planting, pruning, harvesting and processing

## Appendix 4

### What's not in the plan and why?

The focus area that is not yet in the plan, but which will be added, is “cultural enterprise”. This is the series of development proposals that will emerge from iwi.

The development of iwi proposals is on a different timeframe to this plan, but work is advancing. We have had initial discussions with both Rangitāne and Ngāti Kahungunu and with the South Wairarapa District Council Māori Standing Committee. Cultural enterprise is closely related to the other three sectors as they - especially tourism - are likely to form a large part of iwi activities. Arrangements are being put in place to develop a Māori tourism Strategy. This work may also consider other aspects of Māori enterprise appropriate to the area.

There are many other areas of endeavour that could have been included. For example, what about a population attraction? People drive economies, so wouldn't a people attraction programme drive economic growth? Population growth is, however, already evident, and with the implementation of this Plan it can be expected to continue. An attraction programme would not add much and would be a distraction.

What about liveability – ensuring that there are sufficient amenities to support quality of life? Isn't it liveability that attracts people? Evidence from the Long-Term Plans of each of the councils is that they are already focused on investing in the placemaking dimension of liveability. This matter is well in hand and does not require attention in this Plan.

Perhaps the most obvious gap is the sectors that most people would associate with the Wairarapa – pastoral farming, winemaking, meat processing, wood processing, Mānuka honey etc. There is comment in the plan about several of these areas, but the focus of economic development is growth; the majority of these industries are mature and there is not a lot to be added through economic development activity. That might not always be the case, because with the advent of the Zero Carbon Act, pastoral industries will need to adapt if they are to support a region like Wairarapa, but the chosen focus areas are those that are judged as the best selections for this moment in time.



# Appendix 5

## Who was involved in the Action

*Added-value food and beverage* – Richard Kershaw, Mark Guscott, Karen Williams, Jaimee Burns, Rob Steele, Craig Leaf-Wright, Pip Goodwin, Anna Nielson.

*Visitor and Tourism* – Bob Tosswill, Stuart Edwards, David Hancock, Anna Nielson, Jenna Snelgrove, Jill Harrison, Lee Mauger.

*Knowledge-intensive* - Arthur Graves, Minty Hunter, Philip Percy, Marie-Claire Andrews, Andy Kerr.

*Iwi workshops* Robin Potangaroa, Marama Tuuta, Hayden Hape, Lee Gray, Tina Te Tau, Tina Nixon, Reuben Tipoki, Masterton Council Iwi Governance forum and South Wairarapa Maori Standing Committee

Other people were involved in their official capacity from local and regional councils – Phoebe Chamberlain, Carolyn McKenzie, Jennie Mitchell, David Jones, Leasa Carlyon, Lance Walker, Samantha Seath.

