

WEDS

Wairarapa Economic Development Strategy

Rautaki Whanaketanga Ohaoaha o Wairarapa

“Striving for
our community
thriving”

SECTION 1: THE STRATEGY

What we
are trying to
achieve

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THE STRATEGY AT A GLANCE

OUR VISION

A thriving community alive with opportunity

'Thrive Wairarapa' An Economic Development Strategy for 2022 - 2030 and beyond.

Tūrangawaewae
our place, our identity

Resilient
*resilient households,
businesses & infrastructure*

Value-added
*improving value
and productivity*

Thrive

Humming
vibrant and exciting

Innovative
*creating new businesses,
building competitive
advantage*

**Environmentally
responsible**
*preserving and restoring
our natural heritage*

OPPORTUNITIES

Growing Comparative Advantage

Fostering enterprise that will underpin the future economy

Sector Development

- Providing support to sectors eager to improve their position

Business Acceleration

- Providing support to businesses looking to scale up

Iwi/Māori Economy

- The Māori economy continues to grow and strengthen through opportunities for collaboration, joint investment and enterprise

Optimise Land Use

- Encouraging the introduction of value-added food and fibre activities and to build water resilient land uses

Advanced Digital & Technology Adoption

- Encouraging technology adoption by local businesses

ENABLERS

Building Resilience

Protecting what we have got and working to make it better

Capable People

- Retaining and attracting productive people
- Building skill levels to national equivalents and above

Robust Businesses

- Building depth and capacity into local businesses
- Enhancing business competence, especially in digital

Sustainable relationships with Iwi

- Sustainable relationships with Iwi across all sectors

Adequate Water

- Ensuring there is sufficient good quality freshwater into the future

Enabling Infrastructure

- Ensuring transport infrastructure develops at pace in line with current plans
- Placing strong emphasis on the enhancement and extension of digital connectivity

IF WE ARE SUCCESSFUL, WE WILL SEE:



Active Iwi/community relationships

- An active Iwi/Māori economy
- A shared sense of direction built on mutual respect
- Opportunities for collaboration on joint initiatives



Enterprise improvement

- More businesses
- Improved employer skills
- Greater use of digital capabilities



Environmental improvement

- Restoration of forests and wetlands
- Improved water quality in lakes and rivers
- Improved soil quality



Prosperity improvement

- Rising household incomes



More jobs, better training

- Rising skill levels
- Jobs to match



Low carbon economy

- Playing our part in creating a new low carbon economy



Wairarapa
Economic Development Strategy

Rautaki Whanaketanga Ohaoha o Wairarapa

STRATEGY DEVELOPMENT ACKNOWLEDGEMENTS AND THANKYOU'S

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WellingtonNZ

Business Wairarapa

Destination Wairarapa

The Wairarapa Regional
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Workshop Participants

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FOREWORD

Since the release of the first Wairarapa Economic Development Strategy (WEDS) in 2017/18, a huge amount of experience has been gained in taking a region-wide approach to economic development. In addition, the environment around economic development has changed. There have been five years of steady growth in the national economy, falling unemployment and low interest rates. There have also been rampant property values, COVID-19 limitations, national controls on immigration and more latterly a significant uptick in inflation. In regional terms the advent and the departure of the Provincial Growth Fund has been a major influence on resource availability for regional projects.



A refresh of the WEDS was timely given the fast-moving context for the Wairarapa. The refresh of this Strategy has been overseen by the WEDS Forum. The Forum is made up of the Mayors and Chief Executives of the three Wairarapa district council's, iwi representatives, industry representatives, WellingtonNZ, and an independent Chair, Adrienne Young-Cooper. The refresh work, undertaken by HenleyHutchings, was funded by WellingtonNZ.

It was important to us that a wide range of people and views fed into the development of the refreshed WEDS for 2022 to 2030. Stakeholder engagement was significant, with 26 in-depth interviews conducted. A survey with 132 responses was undertaken with individuals and interested parties. A multi-stakeholder group met twice for day-long workshops and sifted through the evidence and their own experience to provide advice.

With four years of experience and greater knowledge of the dynamics of the local economy and community, this refresh has adopted some key lessons from the first iteration of the WEDS. In particular: that less is more; leadership and resourcing are important questions to be answered at the start of any programme; Iwi relationships with Rangitāne o Wairarapa and Ngāti Kahungunu o Wairarapa are essential for any successful regional plan; and that work in the economic development space needs to be linked to other initiatives, with thinking beyond the short term.

Partnership and collaboration will be the foundation of success for the WEDS. Wairarapa is a small region with a big heart. It does not have the resources of many other regions. It makes up for that by actively working together with a common purpose and shared energy. From the example of relationships between iwi, councils and community, other partnerships will grow, and the region will flourish. We will seek to build a genuine understanding of our common values around environment, people and enterprise and our future prosperity.

The refreshed WEDS focuses on what is good for the Wairarapa, recognising our strengths and challenges, and builds and leverages off the work that has come before. It focuses on the uniqueness of the Wairarapa region, and our key priorities and opportunities. It is practical and deliverable.

The WEDS is in two parts. The first part sets out what we are trying to achieve, including the vision, key drivers, and areas of success. The second part of the WEDS details the work to be undertaken to ensure the success of this strategy.

The release of the refreshed WEDS comes at a good time. The world is moving into a different phase of the COVID -19 pandemic but is currently faced with economic and political uncertainties. Domestic tourism continues to grow, while the population of the Wairarapa is growing and changing as more people take advantage of the increased flexibility in working arrangements. New technology and industry continue to emerge, change is taking place, and we want to harness this.

We also want to be sure that this Strategy works across the community, from business owners through to those who are currently underserved by the system, from the older generation through to young people trying to find their way in the world. This is the region's Strategy, and we hope that it can help us continue to grow and develop.

Implementation of the refreshed WEDS will be overseen by the WEDS Forum, on behalf of the three Wairarapa District Councils, and supported by WellingtonNZ staff based in the region. This arrangement is further detailed in a Memorandum of Understanding, which is available on the WEDS website www.thrivewairarapa.nz.

(From the Mayors and Adrienne)

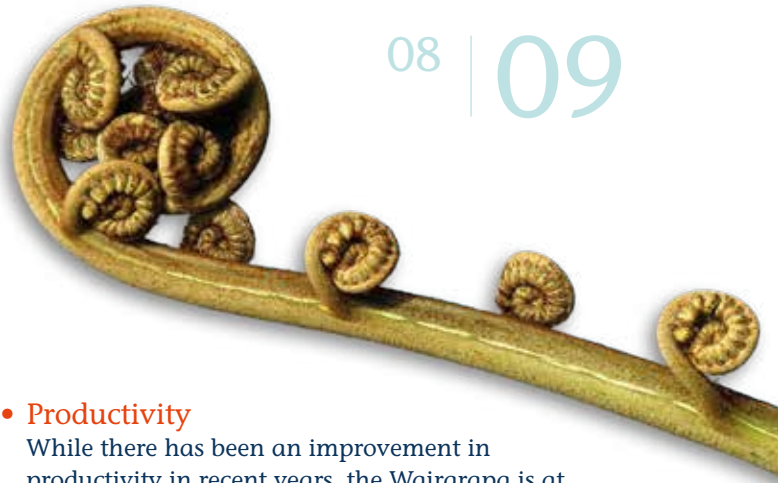


THE STRATEGY

What we are trying to achieve

Context

A close study of the Wairarapa economy and community illustrates a number of key characteristics of the region which help define the direction of the refreshed Wairarapa Economic Development Strategy (WEDS). The most important of these characteristics are listed here —>



• Comparative Advantage

Successful regions generally have two or three areas in which they excel. Examples are Marlborough in wine, Southland in dairying, Waikato in agri-business, Taranaki in energy and Bay of Plenty and Hawke's Bay in horticulture. Wairarapa lacks decisive areas of comparative advantage. There are areas where it has shown promise such as wine, artisan and tourism, and there are opportunities to grow and harness these sectors.

Clusters of comparative advantage can bring economies of scale to an economy, with shared infrastructure and logistics helping create a more cost-effective foundation for enterprises.

• People and skills

There is strong growth in the old and young populations, with the older population bringing cash to the economy. But there is negligible growth in the economically productive age of 18 to 60 years. These are the people who populate the enterprises that drive the economy. Employment growth is behind the national average, and we need to attract more people in the productive age group to the region to sustain a push for robust areas of comparative advantage, to address the required quantity and range of skills.

• Economic trends

After a long period of low growth, there has been steady growth in the last five years in line with the rest of New Zealand. People in the Wairarapa have felt more prosperous than they have for a long time. This has been significantly aided by population growth and people bringing wealth to the region through retirement and remote employment.

These windfall gains are nice to have but need to be supported by a resilient economy. A resilient economy needs sustainable long-term growth of local employment and enterprise, ideally some of which is clustered in areas of comparative advantage.

• Productivity

While there has been an improvement in productivity in recent years, the Wairarapa is at best on the national productivity average. This is the result of many things, but in particular, the small scale of businesses, skill deficits and the lower level of technology enablement of businesses.

Technology enablement is particularly important because it can facilitate the production of small volume and short run products marketed directly to the end user. By cutting out the middleman cost Wairarapa producers can produce bespoke products at a lower cost making them more competitive.

• Urbanisation

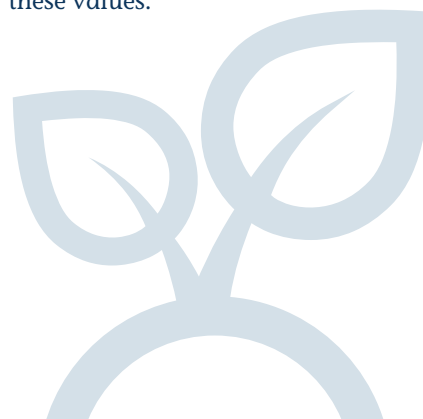
Wairarapa sees itself as a rural region however growth is taking place in urban based businesses and occupations. This is not sufficiently recognised, perhaps even ignored. Most of the faster growing enterprises are not in the agricultural sector. The Wairarapa is becoming, like the rest of New Zealand, increasingly urban.

• Shared sense of direction for the future

The Wairarapa has not so far been able to articulate a shared sense of direction for the future that has resonated widely across the region. This strategy, alongside joined up leadership, is an opportunity to create strong forward momentum for the economy and community.

• Changing Climate

Climate change will impact the Wairarapa significantly. Both mitigation and adaptation responses will be required. Lifestyle values are very high in the Wairarapa, and economic development needs to be considered in a way that does not erode these values.



VISION

A vision seeks to capture and galvanise the spirit that will lead the Wairarapa forward. The vision for the refreshed WEDS is:

“Thrive Wairarapa”

Striving for our community thriving

Tūrangawaewae

A sense of place, identity, connection and belonging

Humming

Vibrant and exciting, attractive to visitors and business

Resilient

Adapt in the face of adversity: resilient households, businesses, infrastructure

Innovative

Enabling new ideas, problem-solving, building comparative advantage

Value-added

Improving value and productivity

Environmentally Responsible

Promote restoration, preservation, land-use optimisation and water resilience





KEY DRIVERS

As part of the engagement and consultation that supported the development of this strategy, some key drivers that the strategy needs to give effect to, which reflect the vision, were identified. These drivers are:

- **Lifestyle and Wellbeing**

Lifestyle is very important to people in the Wairarapa. While opinions differ on what defines the “Wairarapa” lifestyle, the question has to be asked at every turn: “How is what we are doing contributing to the wellbeing of people in the Wairarapa”.

- **Environment**

The environment is important to the people of the Wairarapa. Proximity to the natural environment is a key reason why many people live and work in the region. The Wairarapa also has lots of businesses that rely on the environment, geography, and climate of the area for their success.

Environmental themes are woven through several of the focus areas, particularly the land use and business focus areas. Responding to this theme involves bearing in mind environmental considerations and including them as a consideration in land use development and the types of businesses that are supported.

- **De-carbonisation**

In this day and age, it is impossible to prepare a credible economic development strategy without reference to the carbon transition we are facing as a nation and a global community.

The approach taken in the WEDS is to encourage a diverse range of steps which together can add up to something more substantial. The principle of carbon transition needs to lie behind everything we do so that we are creating a future-proofed economy.

INDICATORS OF SUCCESS

If we are moving in the right direction, and delivering the results that we want, we will see the following indicators of success across the work programme.



- **Active Iwi/community relationships**

an active Iwi/Māori economy, a shared sense of direction built on mutual respect, opportunities for collaboration on joint initiatives



- **Enterprise improvement**

more businesses, improved employer skills, greater use of digital capabilities



- **Environmental improvement**

restoration of forests and wetlands, improved water quality in lakes and rivers; improved soil quality



- **Prosperity improvement**

rising average household incomes



- **More jobs; better training**

rising skill levels; jobs to match



- **Low carbon economy**

playing our part in creating a new low carbon economy



The WEDS Matrix

The WEDS Matrix translates the vision and key drivers into an action plan. The matrix is made up of a number of elements that build towards the whole.

Opportunities and Enablers

There are two ways to help the Wairarapa achieve its vision to thrive: **opportunities**, which focuses on growing comparative advantage, and **enablers**, which focuses on building resilience.

For this Strategy we have five **opportunities** and five **enablers**, as set out in the table below.

Primary areas of focus

The opportunities and enablers sit under a primary area of focus. While these primary areas of focus allow us to group together complementary workstreams, workstreams are likely to cut across more than one focus area. For example, we would expect workstreams grouped under “Iwi Focus” to feature in the other four enablers. The primary areas of focus are explained further below.

The “**PEOPLE FOCUS**” has foundation activities which include building skills, attracting, training and retaining people. The opportunity it supports is the growth and development of sectors like tourism, construction, and primary industries, to take best advantage of those capable people. Sector development is vital to growing comparative advantage.

“**BUSINESS FOCUS**” recognises that businesses are the basic building blocks of economic development. Capable and efficient businesses spawn robust economic activity. This brings the WEDS right down to the level of people in business or sectors.

PRIMARY FOCUS AREAS

	PEOPLE FOCUS	BUSINESS FOCUS	IWI FOCUS	LAND USE FOCUS	DIGITAL/TECH FOCUS
OPPORTUNITIES	Sector Development	Business Acceleration	Iwi/ Māori Economy	Optimise Land Use	Advanced Digital & Technology Adoption
ENABLERS	Capable People	Robust Businesses	Sustainable relationships with Iwi	Adequate Water	Enabling Infrastructure

“**IWI FOCUS**” will be built on relationships with Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa. Future opportunities may include the development of Māori Economic Development Strategies to guide Wairarapa Māori economic development, with opportunities to link with the broader regional WEDS programme.

“**LAND USE FOCUS**” is important for developing land-based comparative advantage like horticulture, but for that to be successful it needs to be built on reliable and adequate water in a climate change environment. This focus area also supports land-use optimisation, water resilience and preservation activities.

“**DIGITAL/TECHNOLOGY FOCUS**” addresses a number of key matters. This focus must be built on a satisfactory digital network. Digital communication requires a digital culture. Businesses with strong digital capability often see benefits in efficiency, flexibility, and innovation. Digital connectivity and literacy help to overcome the small size and isolation of businesses in the Wairarapa.

WEDS Matrix – Overview of Programme

The WEDS Matrix provides an overview of the total WEDS programme, describing the outcome and activities for each of the opportunities and enablers.



ENABLERS - BUILDING RESILIENCE

We have identified five enablers to build resilience through this strategy. Each of these enablers are described in terms of an outcome and have one or two activities to take forward.

- I. **Capable people** - a contemporary Wairarapa needs capable people. For the Wairarapa community and economy the most productive area for building capability is in vocational skills. They are the practical skills that build an economy, and they are in clear demand.
- II. **Robust businesses** - The Wairarapa is a region of small businesses that could use additional support to ensure that they are good employers and business managers. There are over 6,000 businesses across the region, and a high proportion are self-employed, or small business that do not employ any staff. To progress the economy, greater resilience and robustness is required in these businesses, along with supporting new enterprise, growth opportunities and innovation.
- III. **Iwi Relationships** - Treaty Settlements continue to build the capacity and capability of Iwi and Māori owned businesses. Iwi relationships and Iwi representation continuing on the WEDS Forum helps with building linkages with the wider regional WEDS programme and identifying further opportunities as they arise.
- IV. **Adequate water** - Changing climate and increasing commercial and residential demand will have significant impacts for the Wairarapa, particularly around the availability of reliable freshwater. The provision of a resilient water supply will require both public and private sector responses. The public sector needs to get planning provisions right. It also needs to deal with regulatory issues such as water allocation to ensure there is sufficient water to go around and that it is being used productively. The private sector needs to invest in water capture/storage and efficient use.



The scale of enablement required for water resilience is considerable. Given the regulatory reforms currently underway, particularly the progression of the Three Waters reforms through Parliament, any work in this space will need to be considered alongside the impacts of these changes. Greater Wellington Regional Council are refreshing the Wairarapa Water Resilience Strategy, and developing an implementation plan, which will guide the work in this space. The WEDS programme will reflect this implementation plan, with opportunities explored for targeted support.

- V. **Enabling infrastructure** - The Wairarapa faces a number of infrastructure challenges. Some are already being actively managed, particularly in the transport area where the Greater Wellington Regional Council and the Regional Land Transport Committee are active on rail and road upgrades.

Digital technology is crucial to the success of the Wairarapa because of its small size. Technology capability will make the Wairarapa more competitive in the modern economy. Local business with good digital connectivity makes this possible. While the level of connectivity is improving, there are still reported to be many black spots and system under-performance. Advocacy is required to ensure that the agencies responsible do what must be done, not just today but into the future too.

OPPORTUNITIES - BUILDING COMPARATIVE ADVANTAGE

There are five opportunities to build comparative advantage through this Strategy. As with the enablers, they are described in terms of an outcome.

I. Sector Development

Opportunities most often grow from within sectors. Strong sector leadership is often associated with successful businesses and vice versa. In the Wairarapa, sectors such as tourism and construction have shown themselves to be energetic in operating as a sector. For example, Destination Wairarapa was one of the first Regional Tourism Organisations in New Zealand to produce a Destination Management Plan, which has now been adopted by all three Wairarapa Councils. This will enable cohesive partnership with WEDS activity to cultivate opportunities in the plan.

This opportunity involves encouraging sectors to make plans and implement them. Early contenders are construction (already advanced), primary (already advanced but lacking integration), health, technology, and the wine sector. However, any sectors looking for support will be considered. We will also look to identify emerging sectors for support.

II. Business Acceleration

There are a number of local businesses who could use additional support, funding and capability to start-up, scale-up or grow innovative ideas with regional benefit. WEDS will act as an enabler and connector of opportunities alongside regional partners such as Business Wairarapa.

III. Iwi/Māori economy

Local Iwi in the Wairarapa are focusing on a number of areas already identified in the WEDS. Initiatives are emerging in primary sector, energy, and tourism, and other areas. In the future, iwi will be working towards the development of Māori Economic Development Strategies to guide their economic development priorities and aspirations.

IV. Optimised Land Use

Land uses change for many reasons, often because of changing market forces, consumer demand and changing agricultural practices. Environment is a major consideration in land use change. Regulations and climate change prospects are currently strong change agents in land use, and will continue to be into the future. The opportunity is for new or extended land uses optimised for high value, such as horticulture. In fact, horticulture initiatives were strongly supported by the stakeholders spoken to as part of the refresh of the WEDS. There is also an opportunity to support existing land use, recognising the place for existing land use in the region.

There is a strong link with water availability because reliable water is invariably a key ingredient to such development. It can also be used to incentivise optimal use of land.

V. Advanced Digital and Technology Adoption

The focus of this opportunity is on enhancing the digital capability of Wairarapa businesses, the workforce, and the community more generally. Success for a small region in a very big world is the ability to be “asymmetrical”, that is, able to respond quickly to markets with more bespoke products and able to adapt to market shifts and changes.

Digital capability is a major, though not the only factor in asymmetrical business. However, it is well established internationally that digital competence and adoption is closely associated with business success. Recent survey work done at a National and regional level in response to COVID-19 identified that digital capability and upskilling was the number one concern for New Zealand businesses.



ACTION PLAN

How we are going to do it

Focus areas

This section details the programmes and initiatives to deliver the outcomes we are seeking, grouped by focus area.

People focus area

BUILDING RESILIENCE: CAPABLE PEOPLE

There is almost a perfect storm in the skills and recruitment field resulting in acute shortages of labour at all skill levels right across the Wairarapa economy. There are strenuous efforts being made to remedy this situation and urgent support is required.

Situation

- The progress of key growth sectors is impeded by a lack of labour.
- A large proportion of young people who have schooled in the Wairarapa leave the region for tertiary education, including vocational training.
- The Wairarapa has a lower population in the productive age groups (16-55 years old) than similar regions in New Zealand.
- With the large number of self-employed or very small businesses there are a lack of capacity and capability amongst employers to bring through young staff.
- Attitudes to employment and training are changing.
- Levels of technology skills are low but rising.

Recommended activities

- **Support delivery of the 2022 Wairarapa Workforce Development Plan**

WEDS will support and enable the **Regional Skills Leadership Group (RSLG)** to implement the refreshed workforce plan, where the goal is to grow the Wairarapa workforce by 2000 people by 2030.

- It is critical to change perceptions of people about Wairarapa is from a place that people leave to learn, to a place where people increasingly stay for employment and learning.
- There is a desire to push the Wairarapa as a “Destination Employment Region” with an emphasis on vocational skills and with stronger emphasis on sectors important to Wairarapa’s present and future.
- This is an ambitious shift in perceptions, and a significant effort would be required to turn around these perceptions.

• Leverage Workforce Opportunities

- Harnessing results of the Government’s Reform of Vocational Education, Te Pūkenga, to maximise opportunities for learners and ensuring course offerings and skillsets are aligned with Wairarapa workforce and business needs.
- Enabling workforce sector groups to identify industry-specific needs and act on them.
- Creating programmes of ‘taster’ experiences to help young people navigate their options
- Supporting and upskilling employers toward building progressive workplaces with positive culture that helps attract and retain talent.

• Student/Industry Connection Hub

- WEDS and the RSLG to support Te Pūkenga in scoping a hybrid physical/digital connection hub between students, industry, and regional employers to improve learning offerings, apprenticeship and work experience opportunities, and understand future needs/challenges of the local workforce.
- WEDS to support the scoping of a ‘Gap Year’ style programme to promote vocational training and upskilling/earning opportunities for school leavers and young people entering the workforce.

• Align with workforce plan objectives:

- Having increased the number of young people (18 – 25-year-olds) in employment.
- Maintaining or decreasing our unemployment and NEET¹ rates.
- Increasing the number of young people (18 – 25-year-olds) participating in training.
- Upskilling vocational employees to meet (and ideally exceed) the national average.
- Improved collaboration and communication between training providers and industry bodies, with programmes that consider Iwi aspirations and outcomes for Māori.
- Expanded offerings for learners in both traditional and ‘learn while earning’ situations.

¹ Not in Education, Employment, or Training

GROWING COMPARATIVE ADVANTAGE: SECTOR DEVELOPMENT



The productivity and performance of people will be enhanced by strong businesses and sector groups. The point of intervention for opportunities in the “people focus” area is sector development.



Situation

- Most sectors in the Wairarapa are small.
- There is limited support to the businesses within sectors and the load of leading the sector often falls on a small number of people.
- Sectors with a strong sector identity and viable sector leadership tend to prosper.
- There are several sectors that are highly active, notably the tourism sector which has recently completed a Destination Management Plan and a Māori Tourism Strategy.
- Other sectors with this self-starting mindset include construction and to an extent the primary sector, health, wellbeing and social assistance and the digital sector. There is also a Māori business group that is active.
- There is a history across New Zealand and in the Wairarapa of sectors pushing for hub developments such as a food and beverage, an agri-business hub, or a technology hub. To be successful they need to be built on the sound foundation of a sector plan and committed leadership.

Recommended activities

• Support for the Tourism Sector

- This sector already has a plan and is now moving to the implementation phase.
- Activity should not only take account of tourism and visitors, but also the attraction of people to live and work in the region, and those wishing to relocate new and existing businesses to complement the sector (including accommodation and services).
- This sector is given priority not only because it is well-advanced but because of its potential to be a pathfinder for other sectors.

• Support sectors to develop sector plans.

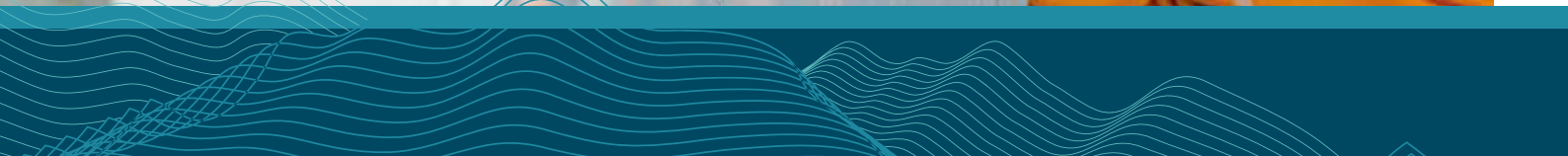
- This would involve identifying the most willing and ready sectors and those with sufficient scale to impact the economy.
- A format for sector development planning would be valuable.



Business focus area

BUILDING RESILIENCE: ROBUST BUSINESSES

The most basic building block of a regional economy is the businesses that conduct the day-to-day economic transactions of the region. The stronger the businesses, the stronger the regional economy and community. The Wairarapa is a region of small business because of its small size. That can be an asset in terms of agility and flexibility and a handicap in terms of lack of scale.



GROWING COMPARATIVE ADVANTAGE: BUSINESS ACCELERATION

There may only be a handful of businesses in the Wairarapa with the potential to scale up their operation and either form the basis of or enhance the evolving area of comparative advantage. These businesses are strategically important to the Wairarapa, and attention should be given to them.

Situation

There are a number of organisations and entities that can help with scale-up such as:

- Creative HQ - this is a Wellington-based incubator which operates nationally and online. Its focus is bringing forward cohorts of start-ups.
- WellingtonNZ employs a team of dedicated Business Growth Managers who support local employers to upskill, innovate and grow. This includes a dedicated Māori business development team. This service connects businesses with the expertise and resources they need to adapt and grow.
- Callaghan Innovation - this is an R&D based incubator and source of grant-funding for innovation.
- 3 Mile - looking at ways of strengthening this shared space concept.

The difficulty is that support services often operate on a commercial model, or are city-centric, which makes it difficult for small Wairarapa businesses to take advantage of their services. WEDS will identify solutions to enable business support in a way which is accessible and sustainable for Wairarapa.

Recommended activities

- **Develop scaling services for promising Wairarapa businesses**

- This service is so specific it may be that arrangements are on a case-by-case basis.
- It is vital if this is the case that promising businesses do not fall through the cracks.



Situation

- Small number of substantial businesses to provide sector leadership.
- Small number of people in roles who can offer operational leadership and encourage innovation.
- The Chamber of Commerce (Business Wairarapa), which has a role in business support, is small and without access to stable funding sources.
- Support for business is split between local provision through Business Wairarapa, and regional provision through the Wellington Chamber and WellingtonNZ, an approach which lacks coordination development.
- There is no effective mentor programme available locally.

Recommended activities

- **Support for generic business capability development**
 - WEDS activities to leverage the full suite of business development opportunities available through WellingtonNZ, CreativeHQ and Business Wairarapa to foster development and growth.
 - WEDS activities to identify businesses and business groups with significant regional potential and connect them with acceleration and funding opportunities available through central government and other networks.
 - Communicate, connect, and leverage all region-wide opportunities to ensure maximum local benefit and uptake.

Iwi focus area

BUILDING RESILIENCE: SUSTAINABLE RELATIONSHIPS WITH IWI

There are opportunities to actively align Iwi/Māori economic development initiatives with the overall WEDS programme. Having Iwi representation at the WEDS Forum at a governance level ensures that opportunities can be both identified and agreed.

Situation

- Iwi relationships with local and regional government are strengthening.
- The current WEDS Forum includes iwi representation, with their oversight, advice and input providing significant value.

Recommended Activities

- **Iwi representation**
 - That Iwi continue as representatives on the WEDS Forum to provide oversight and direction on the implementation of the WEDS and its associated Action Plan.
 - That iwi/Post-Settlement Governance Entity representatives continue to be members of the WEDS Forum and common economic development goals can be considered in Iwi/Council Memorandum of Partnership Agreements.



GROWING COMPARATIVE ADVANTAGE: IWI/ MAORI ECONOMY

Situation

- Both Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa have Iwi-wide economic development activities and have formalised investment arms.
- Both Iwi have commercial developments underway.
- Māori tourism is gaining an identity and is a key part of the Wairarapa Tourism Destination and Action Plan.

Recommended activities

- **Development of Māori Economic Development Strategies**
 - Iwi are working towards developing their own economic development strategies that outlines their priorities and aspirations for the Wairarapa.
- **Include Wairarapa Māori business representation in the WEDS Forum.**
- **Māori in Business Network**
 - A Māori in Business Network would provide the operational underpinning for this framework. This could take the form of a formal entity or just a network and could draw on similar initiatives in other parts of the country.
- **Māori Tourism**
 - A Māori Tourism Plan is in development under the auspices of Destination Wairarapa.
- **Māori-owned specialist products and services enterprises**
 - The Māori Economic Development Strategy may identify opportunities around Māori owned specialist products and services enterprises.
- **Whānau at the centre**
 - Whānau and whānau resilience/wellbeing are at the centre of Māori economic development. An important aspect of this is a focus on employment of whānau, capacity and capability building, and increasing and strengthening Māori owned businesses.

An aerial photograph of a large, blue water reservoir. A paved road curves along the edge of the water. In the background, there are rolling hills with sparse vegetation. The sky is clear and blue.

Land use focus area

BUILDING RESILIENCE: ADEQUATE WATER

Water resilience is a subject with a wider significance than the scope of WEDS. It is an area where WEDS has an interest, can potentially play a role, but is one party in a collaborative enterprise.



Situation

- The freshwater challenges involved in climate change in the next few decades are immense. There will be benefits and challenges. In terms of shortfalls in available water, the Wairarapa will be one of the most affected areas in New Zealand.
- Public awareness of the implications of those challenges for the Wairarapa economy and community is low and out of proportion to the likely scale of the impact.
- Water is vital to the Wairarapa economy as most core industries are water users and there is growing urban demand. Insufficient available water will stifle economic growth and will challenge the strongly held value of people in the Wairarapa around lifestyle and environment.
- Agricultural water is already fully allocated in the water deficit period of summer and climate change will further severely constrain water availability, reaching crisis proportions as soon as 2040, if not before.
- There are also pressures on urban water availability and the impending Three Waters arrangement will change the oversight of municipal water supply and disposal.
- Local Iwi have a strong interest in the future of water, and this is built into legislation under Te Mana o te Wai (National Policy Statement for Freshwater Management).
- Prior to the preparation of the Wairarapa Water Resilience Strategy the dimensions of the water resilience challenge were not well understood. Even with the Water Strategy, there are still many very important and as yet unanswered questions. For example, what is the capacity of aquifers, what is the potential of nature based (green solutions) and how will water resilience be funded in a fair and equitable manner?

Recommended activities

- **Give support to the Greater Wellington Regional Council for the implementation of the Wairarapa Water Resilience Strategy and the Committee for practical implementation of the programme of work.**
 - Greater Wellington Regional Council are refreshing the Wairarapa Water Resilience Strategy, and developing an implementation plan, which will guide the work in this space. The WEDS programme will reflect this implementation plan, with opportunities explored for targeted support to the implementation team expected to be established by the Committee.

GROWING COMPARATIVE ADVANTAGE PROGRAMME: OPTIMISE LAND USE

Optimising land use opens up the possibility of the development of comparative advantage in specialised horticulture and arable land uses. This is arguably the strongest opportunity for enhanced comparative advantage in the Wairarapa at present.

Situation

- Gaining greater wealth and more resilience than presently from the land and water assets of the Wairarapa, is a key element of the WEDS.
- This will arise from a greater variety of land uses with an emphasis on higher value and more specialist uses such as various types of horticulture and arable farming systems.
- The question of appropriate land use has also come into focus as a result of trends such as reduced water availability, changing market conditions, population increase and the demand for lifestyle properties.
- An aspect of the land use equation is the development of the Wairarapa Combined District Plan where the local councils have a joined-up approach to planning and land use.
- In addition, spatial planning will gain a higher profile with the advent of the proposed Spatial Planning Act which is part of the suite of Acts designed to replace the Resource Management Act.
- The land use issue has at least three facets:
 - Pasture to other uses – horticulture, arable leading to more intensive use on the valley floor
 - Residential growth – around towns and lifestyle holdings gobbling up agricultural land
 - Pasture to trees – driven by carbon farming
- The drivers are market forces, lifestyle trends and to an extent regulatory (water quality) effects.
- In the longer term a key driver of land use change will be climate change.
- Opportunities in optimising land use:
 - Over a longer period, there has been growth in wine production though that has stalled in recent years.
 - There has been growth in a number of alternative crops such as olives, but like wine, their volumes are small when measured on a national scale.
 - There has also been steady growth in artisan products of various types produced from agricultural diversification.



Recommended activities

- **Develop capacity to facilitate land use change with a land use initiatives identification and support brief.**
 - This would involve the provision of a leadership facilitation capability working in association with stakeholders and the regional council, to encourage serious consideration of the potential of land use change as a basis for expanding comparative advantage in horticulture and arable farming systems.
- Leverage existing capacity through Ministry of Primary Industry's Sustainable Food and Fibre Futures fund, and the Māori agri-business programme.
- **Develop stakeholder innovation hubs when and where appropriate.**
 - It is possible that the facilitation work would build the basis of future development which might then be taken over by development hubs such as a food and fibre hub, but there is much groundwork to be done before such a hub could become a successful reality.
- **Determine food and fibre priorities**
 - Pursue opportunities to grow jobs, value and connections in the food and fibre sector in Wairarapa, contributing to our regional food story while considering climate change impacts



PHOTOS BY JET PRODUCTIONS

Digital/ technology focus area

BUILDING RESILIENCE: ENABLING INFRASTRUCTURE

The problem of ageing or inadequate infrastructure is not unique to the Wairarapa, but the problem with some infrastructure assets in the Wairarapa is becoming acute, such as municipal water. It is particularly acute for the Wairarapa because of the population growth it has experienced in recent years, and which is likely to continue.

There are two areas that have been on the Wairarapa “to do” list for many years, namely road and rail. Air, in the sense of Hood Aerodrome, has also been on the list and was included in the 2018 WEDS following which, it received a significant financial input from the Provincial Growth Fund for the development of ancillary services.

Situation

- The challenges of water, particularly rural water, have been covered in the “Adequate Water” enabler.
- The question of urban water is clouded by the proposed “Three Waters” programme which will detach municipal water management from district councils and transfer it to a wider regional entity. For that reason, consideration of urban water infrastructure is largely beyond the scope of this Strategy.
- Future upgrade programmes for rail, both the rails themselves and rolling stock, are at various stages in a regional process associated with the Regional Land Transport Committee, Waka Kotahi, and Kiwi Rail.
- The prospect of a commercial air service out of the Wairarapa is less an infrastructure issue and more a commercial one. Air New Zealand withdrew

its regional services across the country in the early to mid 2010, and it is unlikely they will be re-established. Other operators have indicated a strong interest in establishing a commercial air service and are monitoring the development of Hood Aerodrome closely.

- A broader consideration of infrastructure might include public buildings, facilities and amenities which are part of district plans and are seen as outside the scope of this Strategy.
- Digital infrastructure is the other major consideration and while there has been steady improvement, development in the Wairarapa has always been a bit behind the cities and is still sub-standard in some rural areas. There is also an argument that it is not future-proofed when the question of emerging technologies is considered. This situation is unacceptable if the Wairarapa sees itself as becoming more digitally sophisticated and relying on digital capability to build robustness into its local businesses.
- Anecdotal evidence of deficits in digital infrastructure abounds, but a definitive analysis of the current situation and future digital infrastructure needs has not been undertaken, as a result of which this matter does not progress.

Recommended activities

- **Undertake a digital infrastructure stocktake within the next two years with digital advocacy as required.**
 - This should have a problem-solving focus and should be linked to the business acceleration goals of this Strategy.
 - The action coming out of this may be advocacy.

GROWING COMPARATIVE ADVANTAGE: ADVANCED DIGITAL AND TECHNOLOGY ADOPTION

The advancement of digital technology will be based on the emergence of a digital technology culture in the Wairarapa. In some respects, this is a generational development as young people move through the age groups and bringing with them increasing levels of digital capability. The Wairarapa needs more focused and active development than the generational incoming tide of digital awareness and practice.

Situation

- Although only anecdotal evidence is available, it appears that the active integration of digital technology into the Wairarapa is slower than the national average.
- There is evidence of local businesses operating in digital media and digital gaming markets, for example, but it is limited.
- There are service companies providing digital support to companies, but these are generally small.
- Being co-located with Wellington, which has a strong digital and technology industry, and sees itself as a leader in the growth of these technologies in New Zealand, then the Wairarapa has the potential to share in that development.
- For example, there is potential for remote working based on Wellington businesses and service

companies supplying not only Wellington businesses, but businesses nation-wide.

- There is also the question of emerging technologies that are going to be crucial to economic development in the future such as 5G and AI.

Recommended activities

- **Prepare a Digital Sector Strategy.**
 - It would be focused on development of the digital culture with particular attention being paid to the growth of digitally based enterprises such as gaming companies.
 - It is assumed that subsequent initiatives would emerge from the WEDS.
 - This would include a review of access to emerging technologies and their benefits to Wairarapa.
- **Instigate digital training and capability-building in Wairarapa.**
 - Connect and leverage national and online digital training programmes for business.
 - Expand the digital training offering in schools and communities through Grow WaiTech.
- **Encourage digital culture initiatives.**
 - That WEDS provides encouragement for emerging digital culture initiatives that are already taking place or contemplated.

Action plan summary

FOCUS AREA	INITIATIVES	ACTIONS - FY23	ACTIONS TO FY25
PEOPLE FOCUS			
RESILIENCE (enablers)	Deliver the 2022 Wairarapa Workforce Plan	WEDS to support and enable the Regional Skills Leadership Group (RSLG) to implement the workforce plan, where the goal is to grow the local workforce by 2000 people by 2030.	Workforce groups are sustainably established and fully subscribed. Wairarapa work is embedded in the Wellington RSLG and the new Te Pūkenga framework.
	Harness Te Pūkenga reforms to maximise opportunities for learners and local employers	Support foundation work with UCOL and RSLG as reforms are implemented. Support scoping work for the introduction of a physical industry/ student connection hub at UCOL ('Lighthouse' and 'Gap' proposals)	Form detailed proposal for initial business case and/or presentation to stakeholders for funding of programmes detailed in the Wairarapa Workforce Plan
COMPARATIVE ADVANTAGE (opportunities)	Support for the Tourism Sector	Identify WEDS overlap with the Destination Management Plan and partner with Destination Wairarapa to leverage opportunities with sufficient scale to impact the local economy.	Horizon opportunities include: <ul style="list-style-type: none"> - Dark Skies accreditation - Wairarapa Moana - Five Towns Trail project - Food and Fibre - Agribusiness/technology
BUSINESS FOCUS			
RESILIENCE (enablers)	Business Capability Development	Collaborate with Business Wairarapa and WellingtonNZ to deliver tailored business support activities to equip, encourage & enable local businesses to upskill and grow.	Provide industry connection to WNZ resources and support as a permanent local function.
	Business Acceleration Programme	Identify local initiatives with significant regional potential, and connect them with acceleration, funding or upscale opportunities available through central govt, WNZ or other networks.	Grow WEDS Forum as a platform for identifying, connecting and supporting local initiatives to succeed.
COMPARATIVE ADVANTAGE (opportunities)	Develop scaling services for Wairarapa Businesses	In conjunction with stakeholders, conduct research / needs analysis for current (and future) business growth needs.	Scoping potential includes: <ul style="list-style-type: none"> - New business attraction - Start-up cohort support - Seed funding/venture capital - Employer upskilling - WNZ Tech Sector Strategy

FOCUS AREA	INITIATIVES	
IWI FOCUS		
COMPARATIVE ADVANTAGE (opportunities)	Wairarapa Māori Economic Development Plan/Framework	Iwi are working towards the development of Māori Economic Development Strategies to guide their economic development priorities and aspirations.
	Establish a Māori in Business Network (Including Māori employers)	Network formed and legal entity incorporated. Grow Network to inform regional data and understand group needs/opportunities.
	Māori Tourism Strategy	Destination Wairarapa, with external funding, work with Wairarapa Māori to develop a Māori Tourism Plan for the Wairarapa.

FOCUS AREA	INITIATIVES	ACTIONS - FY23	ACTIONS TO FY25
LAND USE FOCUS			
RESILIENCE (enablers)	Water Resilience	WEDS to support GWRC with delivery of the refreshed Wairarapa Water Resilience Strategy, and assist the Wellington Regional Leadership Committee with implementation of the resulting work programme.	WEDS to support any future Wairarapa Water Entity in an advocacy/regional collaboration role when established.
	Facilitate land-use diversification	WEDS to advocate and facilitate Land-use change opportunities alongside regional councils and stakeholders in horticulture and arable farming.	Leverage and connect to support from MPI-specific programmes and funding streams. Promote success stories and opportunities to wider audiences.
COMPARATIVE ADVANTAGE (opportunities)	Determine Food & Fibre Priorities	Pursue opportunities to grow jobs, value and connections in the Food & Fibre sector in Wairarapa, contributing to our regional food story & identity.	Build on this foundation through developing links with Kapiti and Horowhenua food & fibre projects. Identify emerging opportunities at a regional level to tie in Wairarapa.
DIGITAL / TECHNOLOGY FOCUS			
RESILIENCE (enablers)	Digital Infrastructure	WEDS to advocate for a digital infrastructure stocktake within the next 2 years, and work with service providers and regional council to advocate for problem solving and service improvement.	Use this data to inform a Digital Sector Strategy for Wairarapa. Pay particular attention to high-growth digital enterprises such as gaming, alongside emerging technologies. Tie Wairarapa into WellingtonNZ tech sector strategy.
COMPARATIVE ADVANTAGE (opportunities)	Digital training & capability building	Connect Wairarapa businesses to digital training platforms and upskilling opportunities. Support Grow WaiTech to expand the digital training offering available in schools and local communities	Encourage and support emerging digital culture initiatives already underway or in planning.

“ Striving
for our community
thriving ”

WEDS

Wairarapa
Economic Development Strategy

Rautaki Whanaketanga Ohaoha o Wairarapa

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