



Manawatū-Whanganui Economic Action Plan

ACCELERATE▶25
MANAWATŪ-WHANGANUI

Prosperous. Strong. Vibrant.



**FOR OUR PEOPLE
FOR OUR MOKOPUNA
FOR NEW ZEALAND**

ACCELERATE▶25

Increasing job opportunities and quality of life in the Manawatū-Whanganui region by connecting people, business, Iwi and our environment.

Kia maha ake ngā tūmomo mahi, kia pai hoki te noho o te tangata i te rohe o Manawatū-Whanganui mā te tūhono tangata, mā te tūhono pakihi, mā te tūhono iwi me tō tātou taiao.

For a stronger and more prosperous Manawatū-Whanganui by 2025
– for our people, for our mokopuna and for New Zealand.

Kia kaha ake, kia whaihua hoki te rohe o Manawatū-Whanganui a mua mai o te tau 2025 mō tātou, mō ā tātou mokopuna, mō Aotearoa hoki.

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The Lead Team. From left to right: Pahia Turia, Michael Eden, Grant Smith, Tim Myers, Malcolm Inglis, Mavis Mullins, Di Grennell, Bruce Gordon, Michael McCartney, Sir Mason Durie.

FOREWORD

Kei ngā maunga whakahi, kei ngā wai tuku kiri, kei ngā iwi o te rohe whānui, tēnā koutou katoa.

The publication of this Action Plan marks a significant milestone for the Manawatū-Whanganui region. Never before have we found ourselves in a place like we are in right now. This Action Plan marks a clear pathway for us to follow, defining the specific activities that we need to undertake to achieve a new level of prosperity across our great region.

Within this plan is one clear message: *we must work together*. Our opportunities are strengthened considerably when iwi, businesses, and central and local government cooperate and are backed by our region's public. Furthermore, the districts within the region will benefit greatly when working to achieve these actions together. Opportunities like Mānuka honey, will benefit greatly from regional interconnectivity and a collective focus. A fragmented, competitive or half-hearted approach is simply not enough.

The earlier 'Growth Study' enabled us to take an in-depth look at the economic development opportunities in our region. We have now further tested these opportunities with stakeholders, business leaders and iwi and with local, regional and central government. The 'what' and 'why' questions were answered in the Growth Study. This Action Plan goes a long way to answering the 'how' and 'when' questions. Our task now is to make it happen.

We couldn't be in a stronger position. We have a plan. We have commitments. In some cases we even have formal

and financial sign-off from all levels of government – local, regional and central – and we have the active engagement of businesses and tangata whenua from our region. In other words, what we now have is a well-shaped and action-focused package designed specifically for our region, ready for implementation.

All that remains now is to do it!

We are a resourceful and resource-rich region, full of promise and hardworking, determined people. We want to take this region to its next stage of performance and deliver the potential of what we have to offer to the nation and the world – 'for our people, for our mokopuna and for New Zealand'.

The Lead Team is ready to take this programme forward. To be successful, what we need is all those who have been involved so far, and many more, to run with us.

The Lead Team wishes to sincerely thank the many (several hundred) people who have given their time in Action Teams to contribute to this Action Plan and to the local and central government agencies of the area and the commitment they have made to this programme.

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Michael McCartney
Lead Team Facilitator
CE Horizons Regional Council

Ko te pae tawhiti, whāia kia tata, ko te pae tata, whakamaua kia tīna.
Seek out the distant horizons, while cherishing those on the near horizon.

Te Pae Tata (the near horizon) focuses on realising potential through building upon the current and desired economic activities possible within the Manawatū-Whanganui region.

EXECUTIVE SUMMARY

What is this Action Plan?

This Action Plan is the practical ‘road map’ to accelerate social and economic growth in the region through to 2025.

The 2015 Growth Study, the source document for this Action Plan, identified eight opportunities and three enablers. Over the last eight months these opportunities and enablers have been investigated in depth with stakeholders, refined and further developed. It has been determined that the Hill Country Sheep and Beef Farming Processing opportunity be combined into ‘Land Use Optimisation’ opportunity. The Business Process Outsourcing opportunity has also been split into two halves – one focussed on Contact Centres, and the other on Food HQ. Furthermore, the Māori land enabler has since become the ‘Realising Māori Potential’ opportunity. ‘Skills and Talent’ and ‘Digital Connectivity’ have also been added to the programme as enablers.

Action Recommendations

Project Teams were formed for each opportunity. Each Project Team comprised a mix of business leaders, local authority staff, iwi and community members. Their task was to convert the opportunities into an action programme. The actions have been set out in each opportunity and enabler at three levels: Immediate Priorities (green), Medium-Term Priorities (amber) and Future Prospects (blue). The timetable and the organisations or agencies who could take these actions forward are listed with each action.

This Plan

This is the Plan of the Lead Team – a team of regional leaders appointed by the regional mayors. The development work was undertaken on behalf of the Lead Team by Programme Directors engaged by Horizons Regional Council for the purpose.

Overview of the Recommended Actions

Tourism and Visitor Services – an exciting prospect as a result of the natural and cultural assets of the Tongariro-Whanganui area and the national growth of international tourism. It requires simultaneous development of destination, market, commissionable product and infrastructure – it’s an ‘all or nothing’ opportunity.

Land Use Optimisation – the gains from fine tuning farm productivity can be significant when small improvements per farm multiply out to large regional impacts. The challenge is advancing practice further towards precision and ‘intelligent’ farming by speeding up the adoption of emerging knowledge and technical innovation.

Mānuka Honey – every region needs its ‘hot’ opportunity and Mānuka honey is that for Manawatū-Whanganui. The problem is managing rampant growth rather than trying to exhort it. The actions centre on resolving the problems of a ‘gold rush’ – poor practice, undeveloped regulation, skill shortfalls and uncertainty of information.

Poultry Meat Production – this is a big commercial opportunity. Success centres on establishing a new and sustainable Asian market. This opportunity is on the ‘threshold of progress’, however, more work is required to determine the exact nature of the next steps.

Quality Care and Lifestyle for Older People – the proposed solution is innovative, by and large using technologies currently available around the world to enable older people to remain within supportive communities and have ready access to support. This remains more an idea than an action. The trick will be bringing it together into a prototype, and the town of Levin is willing to be the ‘pilot town’ for the future.

Business Process Outsourcing: Contact Centres – this is primarily an urban opportunity and targets an under-utilised labour resource in our provincial towns and cities. The formula is simple – presentation of an attractive package in what is a highly competitive market.

Business Process Outsourcing: Food HQ – this is a way of accessing advanced technical and scientific IP to add value to the products of the region. Food HQ is the vehicle. To build its capacity and capability it needs to attract revenues from multi-national food company research to the region. Local opportunities can then spin off this asset.

Fresh Vegetables – there is a huge asset of fertile horticultural land, but there is low grower confidence to expand new export markets. Sour past experiences from fickle markets indicate the need for a robust collective marketing and logistics effort for the industry to achieve its potential.

Realising Māori Potential – this is a region of high Māori population, growing enterprise and active iwi. Māori want to participate in regional growth as partners, facilitators, investors and business people. The Action Plan addresses the fundamentals required to achieve this goal.

Enablers – Action recommendations have also been prepared for the enablers: Growing Business, Skills and Talent, Distribution and Transport and Digital Connectivity.

Overview of Conclusions

Besides the detailed actions outlined in the Action Plan, there are a number of other conclusions arrived at by the Lead Team. They are:

- **Regional identity** – this region encompasses a large part of central New Zealand and is the natural geographic centre of it. The future importance of this region to New Zealand and its international identity will be a likely outcome of this Action Plan.
- **Marketing** – the importance of adequate market accessibility and penetration is a feature of many opportunities – Fresh Vegetables, Poultry Meat Production, Tourism and Visitor Services, Food HQ and Contact Centres. Raising the regional marketing capability and profile is critical for success.

- **Natural and cultural assets** – there are substantial regional assets which offer continuing potential, new angles and opportunities.
- **Leadership** – strong, committed and aligned leadership within each opportunity and across the whole programme is vital.
- **Knowledge** – access to contemporary knowledge and digital connection are particularly critical for Mānuka Honey, Quality Care and Lifestyle for Older People and several other opportunities.

For this Action Plan to be successful, sound organisational structures or institutional arrangements are vital. To this end, this Action Plan identifies a set of principles and makes reference to potential operational frameworks that could be used to support the next steps in the economic development programme.

Key



APPROACH

Building this Action Plan has involved a “deep dive” into the opportunities identified in the Growth Study, including commissioning specialised work to help realise the potential of Māori.¹ Each action area has had a team working on it, with in-depth investigation aiding their work. The result is not only an Action Plan, but also the active involvement of stakeholders and the harnessing of their commitment to the identified directions.

The following features characterise the approach applied to the development of this Action Plan:

1. Action Teams

Each opportunity had an Action Team comprising stakeholders drawn from the government, business and general communities – with specific knowledge and, most often, “skin in the game”. Some teams met as regularly as 10 times; others, just a few times. Some teams broke into sub-groups or developed a ‘core’ and a ‘large team’ approach. The Teams were vital for providing focus and a mandate for the recommended approach.²

2. Workshops

Workshops were used for generating detail and stakeholder ownership in opportunity areas. A workshop on Land Use Optimisation was attended by 60 people, and two day-long tourism workshops had in excess of 40 people in attendance. Other workshops were more specific in their focus with a selected group of stakeholders possessing specific subject knowledge. For example, five workshops were held with between 10 and 20 hill country farmers to discuss productivity.

3. Workbooks and Research

Some teams used workbooks with background information to stimulate discussion, derive feedback and capture detail from stakeholders. Specific research was commissioned – including a study commissioned by MPI exploring options for engagement with and between hill country farmers.³ An economic analysis of the likely upside effect of the proposed actions on GDP, wages and employment within five of the opportunities, was carried out by NZIER.⁴ In one case, the research involved someone from offshore.⁵ In other instances Accelerate25 profited from the input of recognised experts in their discipline.

4. Individual Interviews

The Programme Directors undertook extensive discussions with stakeholders on an individual basis, often more than once. As many as 40 interviews were undertaken relating to a single opportunity (Realising Māori Potential).

5. Lead Team

The Lead Team, that has directed this Action Plan process, received regular reports from the Programme Directors and provided feedback and guidance throughout this process.

6. Māori

The ‘Realising Māori Potential’ opportunity was, and will be, developed in two parts. The first part, Te Pae Tata (the near horizon), focuses on realising Māori potential by building on the economic activities of Māori within the Manawatū-Whanganui region. To do this, stakeholder engagement work identified Māori-related activities that could be part of the other eight opportunities identified in this Action Plan. This engagement process also provided a base for the second part of this opportunity. This has focused and will focus on the development of Te Pae Tawhiti (the distant horizon). It is, in effect, the wider Māori economic development strategy for Manawatū-Whanganui. This will be a separate, but concurrent strategy to the Action Plan. Both Te Pae Tata and Te Pae Tawhiti are being formulated by and with Māori, under the direction of a Māori Economic Strategy Group.⁶ Te Pae Tawhiti will be available before the end of 2016. It will then be progressed with the support of the Accelerate25 Lead Team and local and central government.

7. Local and Central Government

The local government mayors met regularly throughout the period during which this Action Plan was developing. They received regular updates and provided feedback on Accelerate25. Central government representatives were also involved at every step of the way. The official coordinating person for central government – Di Grennell – connected with representatives from MBIE, MPI, DOC, LINZ, NZTE, NZTA, MSD and others. Special meetings were held with officials from the region’s EDAs.

8. Iteration and Iteration Again

The approach the Lead Team adopted was to work the ideas over and over again, gradually transforming them into tangible actions and then building up the resource base around those actions to make them viable, resourced, time-bound, attributed and well-defined. As a result, in each opportunity there are actions (green) which are largely decided and resourced (and generally more immediate). There are also actions which are intended, but still require finalisation or are dependent on the completion of the ‘green’ actions first (amber). There are also ‘future focused’ actions that give direction further out (blue).

BUILDING BLOCKS FOR SUCCESS

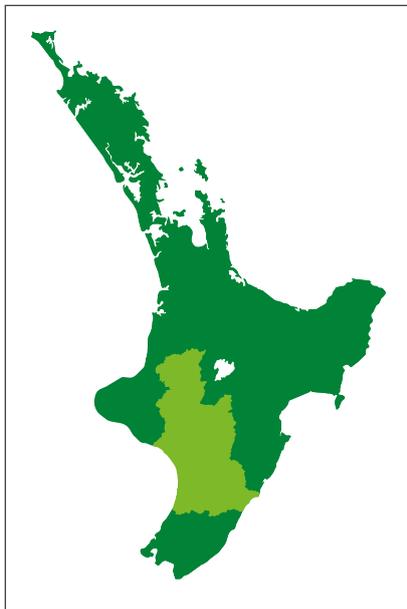
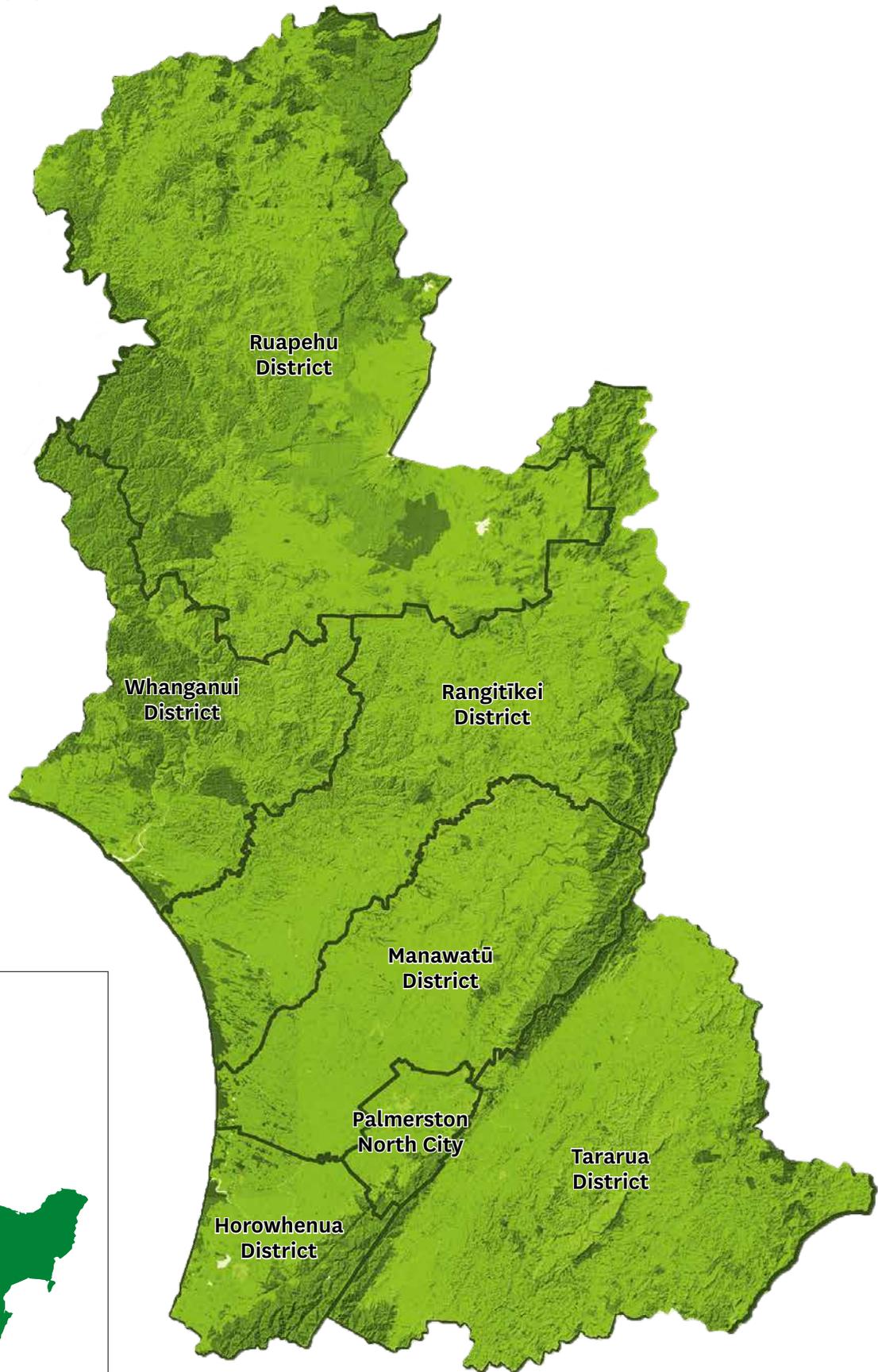
To establish priorities for active intervention, this Action Plan assesses each of the opportunities against seven building blocks that have emerged through Accelerate25 as key criteria in progressing development in the region. In broad terms, the more building blocks in place in any one opportunity, the greater the chance of success.

Those building blocks are:

1. **Market and demand.** An opportunity is only an opportunity if there is a market. New or expanded products and services need to be market-led.
2. **Natural and Cultural Assets.** The assets of the people and the place, range from soil and climate to culture. They define what the region can offer. The Central North Island is a huge natural and cultural asset offering more potential than is currently apparent.
3. **Knowledge.** Access to contemporary knowledge, technology, information and innovation is vital. The research and university capabilities in the region are a conduit for knowledge generation and sharing.
4. **Labour capacity.** Utilisation and capability are required. There is under-utilised labour in pockets throughout the region, particularly in rural and remote areas. There are also deficits in skills and training.
5. **Connections.** Efficient enablers such as Transport and Digital Connectivity are critical. The limitations of the current digital network are well-known yet inadequately addressed in many cases. A future-focused understanding of transport and logistics-network needs is also vital for the region's future.
6. **Leadership and ambition.** A region has to want development and prosperity and to be prepared to go out and get them. Leadership is required based on a combination of central, regional and local government, Māori and business.
7. **Capital.** A region needs to be able to bring projects and businesses to an investment-ready point and thereby attract capital – from both within and from outside the region. Capital follows enterprise, not the reverse. The region needs the capability to lead enterprise to attract capital.



MAP OF THE REGION



ABOUT THE OPPORTUNITIES

The 2015 Growth Study described a region with impressive assets and potential, and while prosperous and progressive, the Study identified many areas where significant gains can be made when compared against the status quo.

Halfway between a strategy and a work-plan

This Action Plan is not an economic development strategy. It is a cluster of opportunities and the concrete steps which, if pursued together, will boost the prosperity of the region. It is halfway between a strategy and a work-plan – enough detail to guide and enough vision and direction to lead.

In for the long game

The same applies to the actions. Some are immediate actions (green) which will have an early impact on growth. Others are for early implementation but involve further base work, proving or feasibility confirmation (amber). Others still, are just great ideas needing to be nurtured over the medium to long-term (blue).

This underscores the value of the Action Plan as a multiyear programme requiring on-going support and leadership.

With this in mind – there is also scope to add new opportunities as some move through to fruition – thereby leaving room for resources and focus to move to new areas of attention. By this means, the momentum currently driving Accelerate25 will be sustained – not allowed to wither simply because the current batch of opportunities have been delivered.

The region of the future

This programme of actions has the potential to drive regional distinctiveness and common purpose. Manawatū-Whanganui is a significant agricultural area and a centre for research and development. The opportunity is to build on these assets and create new ones. There is an emerging picture of the region of the future.

Being centrally located and with 700,000 people living within two hours' drive radius of Palmerston North, the region has the potential for much greater integration – akin to a multiple hubs and spokes model, with 'spokes' – long and short – into surrounding areas.

The agricultural and logistics hub is largely the Manawatū, the tourism hub could be Ruapehu/Whanganui, the ageing and lifestyle hub could be Levin and Whanganui. In this way, leadership is shared.

The potential is for a super-region reaching out beyond its boundaries into the Wairarapa, Hawke's Bay and Taranaki – tied together through strong leadership and a central New Zealand locational focus.

Each sub-region works for itself and for the collective. There is something for all sub-regions within the greater region. Each opportunity will not only stimulate activity within its own areas of influence, it will also have an influence which flows through into other areas. The opportunities can be viewed separately, but they must also be viewed collectively.

The potential is for a super-region reaching out beyond its boundaries into the Wairarapa, Hawke's Bay and Taranaki – tied together through strong leadership and a central New Zealand locational focus.

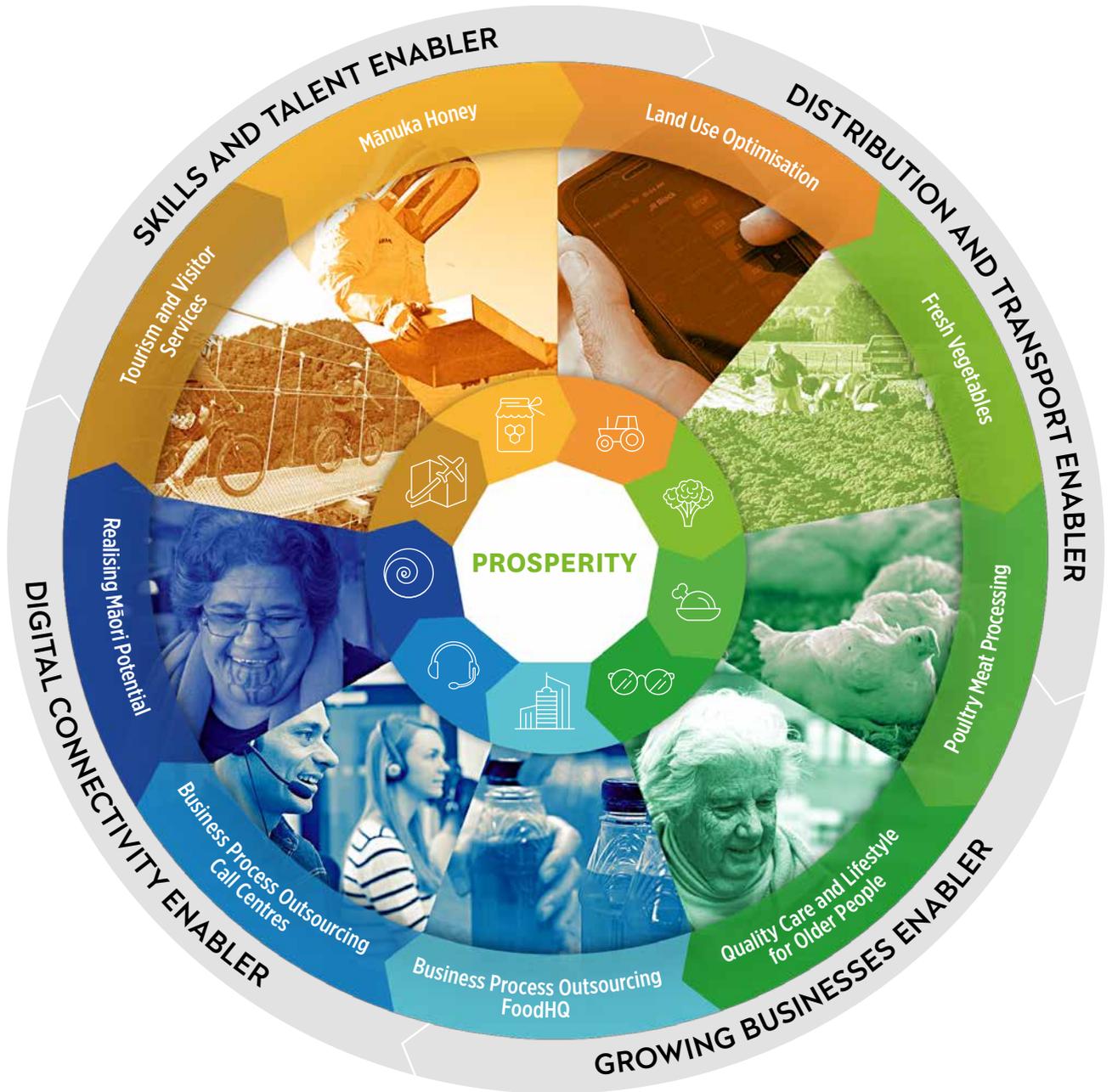
This involves viewing the region through a somewhat different lens to that of the past. Its future is not just as a large hinterland dotted with a few towns and fewer cities. It is a region where every part of it has a contribution to give and benefits to receive. It is a tight, integrated, productive unit, making a tangible and resounding impact on the New Zealand economy.

From conception to implementation

To do this, the region needs to demonstrate capacity to move from conception to implementation – idea to action. If there has been a failing in the past, that's it. The region requires strong integrated leadership, a strong vision of its future and an ambition to achieve it.

SUCCESS

For a stronger and more prosperous Manawatū-Whanganui by 2025:
for our people; for our mokopuna; for New Zealand.



OPPORTUNITIES

Success will come, and only come, from action. Despite the huge effort to get to this point, there is still much to do. Our belief is that action will stimulate confidence and confidence will attract people into further active participation. In this way a virtuous cycle of action and achievement will become established and the opportunities will be realised.



TOURISM AND VISITOR SERVICES

Opportunity

The potential of tourism in the Tongariro Whanganui sub-region is impressive. The natural and cultural assets of this area – including alpine and navigable river landscapes – lend themselves to a unique combination of experiences, not able to be replicated anywhere else in the country. These experiences are of high international and domestic interest. The area is within easy striking distance of the Auckland international gateway and an easy step from other attractions such as those in Rotorua and Taupō.

► The opportunity is:

Unlock the tourism potential within and around the Tongariro and Whanganui National Parks.

Expand the offering of nature, adventure and outdoor sports, activities and experiences – particularly canoeing, biking, skiing and trekking.

Provide a distinctive experience through connection with spiritual and cultural values and the relationship between this land and tangata whenua.

Get better value from the products and services already available in the area, and to use these better to sustain and generate new employment opportunities.

Enhanced tourism growth in the Tongariro Whanganui sub-region (above “business-as-usual” in 2015) as envisaged here, will lead to an increase in Manawatū-Whanganui GDP by 2025 of around \$66 million and a household spending increase of \$32 million. This is a substantial prize.

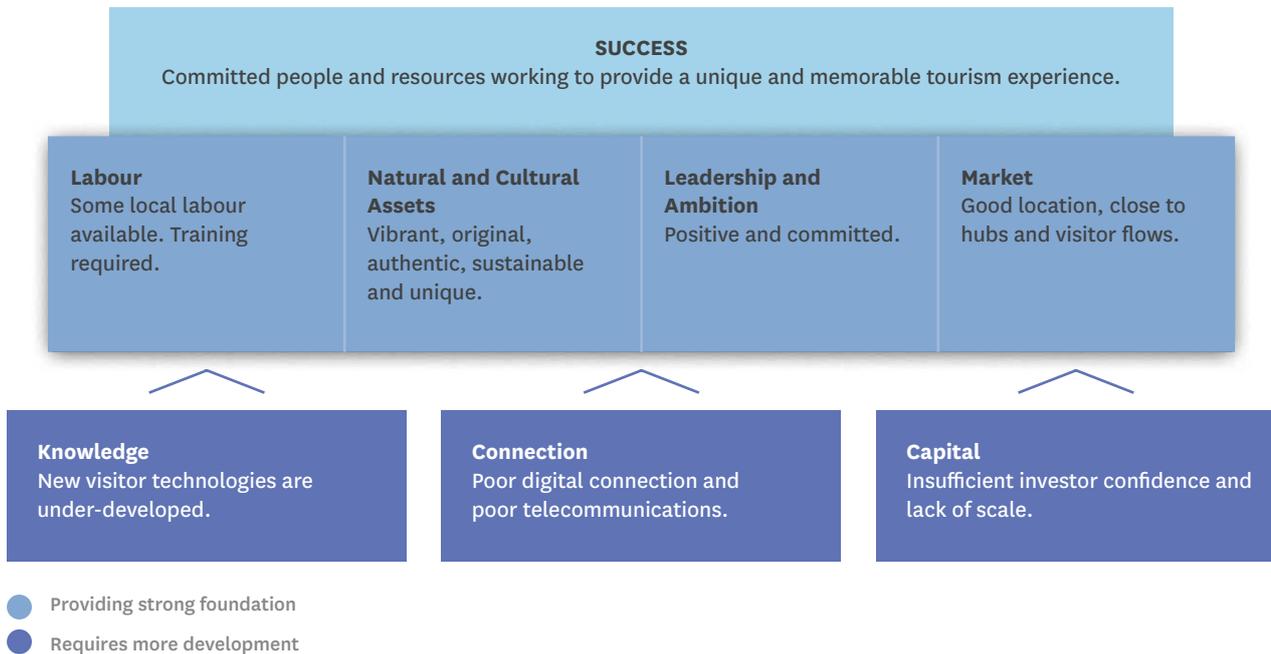
Tourism scores well across the building blocks for success. The asset is unique. Local leadership from the Ruapehu District Council and other stakeholders is strong but requires consolidation. There is a potential local workforce. On the other hand, market connections and ‘destination definition’ require strengthening. There are shortfalls in local industry knowledge, capital and digital infrastructure. These factors, and tourism’s significant contribution to regional GDP and employment, make it a strong opportunity with scale and excellent prospects.

Enhanced tourism growth in the Ruapehu sub-region (above “business-as-usual” in 2015) will lead to an increase in Manawatū-Whanganui GDP by 2025 of around \$66 million and a household spending increase of \$32 million.





The building blocks for success



The region boasts a growing array of trekking, mountain-biking and other quality outdoor recreation experiences. This Action Plan recommends incrementally unfolding more experiences that add dimension and variety to existing experiences, which support the growth of tourism SME businesses in the area.

Nothing short of an integrated experience with strong, consistent messaging, highly active marketing and relevant product development will cut the mustard. The scenario of the future is not rampant development, but managed expansion (and consolidation) of infrastructure and services to support tourism and visitor growth.

The emphasis would be on the quality of the experience and the protection of the asset – both physical and cultural. More visitors staying longer because of the diversity of the offering will produce more employment opportunities. Neighbouring areas like Whanganui, Rangitikei and Palmerston North will share in these benefits and build related products and services.

Iwi have indicated they favour this direction of travel, however, they are not yet in a position to give full support as they are focused on treaty negotiations related to the future management of the Tongariro National Park. Boutique and cultural tourism are particular economic opportunities for Māori in the region, including in the area adjacent to the Whanganui River and city.

► Challenges

Perception. The assets, activities and experiences outside of the Tongariro Alpine Crossing area are not well enough known or differentiated.

Funding. The scale of required development cannot be funded only by the small rating base of the Ruapehu, Whanganui and Rangitikei District Councils. DOC also has constraints.

Iwi. The completion of treaty settlement negotiations will provide more certainty for iwi about the role they will play in future decision-making.

Infrastructure and accommodation. Establishing fit-for-purpose accommodation and utility services, before pressure points become evident, will ensure the flow of potential visitors is not unnecessarily constrained.

Regulation, use and environmental pressure. Management agencies need to allow for the full use and enjoyment of the area, while at the same time protecting the quality of the assets which make it attractive.

Product. A broader suite of tourism products and services is required – particularly those able to be monetised.

Alternatives. Wet weather activities will make the region more attractive year-round.



Leadership and Investment

This opportunity requires a systematic, not a piecemeal approach, to development. Support is required from a wide range of agencies and entities with scale. It also needs a range of public and private investors. Strong multi-agency and totally committed and collaborative leadership arrangements are required. Anything less runs the risk of undershooting the opportunity and becoming overwhelmed by the challenges.

The fundamental challenge is to counter the level of market reticence that continues to frustrate development – too often innovative business ideas never make the ‘starter’s gate’.



INVESTMENT

Business. More significant private investors are needed. A total plan is required to attract more investors by giving them confidence in the future.

Central Government. There is recognition of the latent tourism opportunities in the region. Investment and support from central government, particularly through DOC, with feasibility and foundation investigations are required.

Local Government. Ruapehu District Council, in particular, has committed funds to the future of tourism. This is a strong statement of commitment but it needs to be sustained and grown in collaboration with other potential funders.

Māori. Iwi are potential providers and investors in this sector, particularly where this investment responds to the needs of Māori communities.





ACTIONS

IMMEDIATE PRIORITIES

Destination, marketing and value proposition

- Extend the market assessment already undertaken by Visit Ruapehu (2016/17). *Contributing parties*: Ruapehu District Council/Visit Ruapehu, MBIE.
- Prepare a 'Destination, Marketing and Value Proposition' to better define the destination (2016/17). *Contributing parties*: Ruapehu District Council/Visit Ruapehu, Whanganui District Council/Visit Whanganui, DOC, MBIE.
- Apply the results of the "Destination, Marketing and Value Proposition" work carried out in 2016/17 to fill product, service and asset gaps (2017/18 and beyond). *Contributing parties*: Ruapehu District Council/Visit Ruapehu, Whanganui District Council/Visit Whanganui and other affected RTOs, MBIE – by way of application to the 'Tourism Growth Partnership Fund', 'National Cycle-way Fund Extension', 'Non-commercial Tourism Facilities and Infrastructure Fund' and/or for consideration as part of the 2016 'Regional Development Initiative' budget appropriation.
- Prepare and apply a coordinated marketing approach with a focus on both domestic and international visitors (2017/18). *Contributing parties*: Ruapehu District Council/Visit Ruapehu, Whanganui District Council/Visit Whanganui and other affected Regional Tourism Organisations, Tourism New Zealand.
- Further develop the Visit Ruapehu website and communication tools to better inform the market and to assist to present commissionable product to the market – particularly to international wholesalers (2016/17). *Contributing parties*: Ruapehu District Council/Visit Ruapehu.

Tongariro Alpine Crossing

- Prepare a shared vision for the future of the Tongariro Alpine Crossing (2016/17). *Contributing parties*: DOC, Ngāti Tūwharetoa, Visit Ruapehu/Ruapehu District Council.
- Apply the decisions made as part of the shared 'visioning' exercise to the future management of the Tongariro Alpine Crossing (2017/18). *Contributing parties*: DOC, Ngāti Tūwharetoa, Ruapehu District Council/Visit Ruapehu.

Local infrastructure

- Upgrade water, wastewater and related tourism infrastructure to a standard which meets growth expectations (2016/17). *Contributing parties*: Ruapehu and Whanganui District Councils by way of application to MBIE's 'Regional mid-sized Tourism Facilities Grant Fund'.

Manawatū Gorge Cycle Trail

- Develop a business case for constructing the Manawatū Gorge Cycle Trail (2016/17). *Contributing parties*: Horizons Regional Council, MBIE.
- Construct the trail (2017/19). *Contributing parties*: local authorities.

Mountains to Sea Cycle Trail

- Complete the design and regulatory requirements for the construction of a mountain bike and walk trail from the Tūroa car-park to Ohakune (2016/17). *Contributing parties*: DOC, Ruapehu District Council, NZTA, Ngāti Rangī.
- Construct the Trail between Tūroa carpark to Ohakune (2016/17). *Contributing parties*: MBIE, DOC, Ruapehu District Council, NZTA, Ngāti Rangī.⁸
- Complete the sections of the Trail from Horopito to National Park (2016/17 and 2017/18). *Contributing parties*: Ruapehu District Council – by way of application to the 'MBIE National Cycle-way Fund Extension'.⁹
- Upgrade the Whanganui river road (SH4) and build the offroad section of this Trail (2016/17). *Contributing parties*: NZTA, MBIE, Whanganui District Council.

Commissionable Products and Services

- Expand the range of commissionable products in the area (such as tourism packages) (2017/18). *Contributing parties*: Ruapehu and Whanganui District councils by way of an application to MBIE's 'Tourism Growth Partnership Fund', DOC.



MEDIUM-TERM PRIORITIES

Accommodation

- Review the range and adequacy of tourism accommodation choices in the area (2017-18).
Contributing parties: Ruapehu and Whanganui District Councils – applications can be made to the Government’s ‘Tourism Growth Partnership Fund’ and/or for consideration as part of the ‘Regional Growth Initiative’ appropriation.

Gateways to National Parks

- Investigate the feasibility of establishing “Gateways” to provide identity, access points and interpretation services for visitors (2017/18). *Contributing parties: DOC, iwi, District Councils.*

Extend the use and enjoyment of the Conservation Estate

- Scope improvements and options for increasing the range of tracks, huts and other services and facilities in the Tongariro and Whanganui National Parks (2017/18). *Contributing parties: DOC, iwi, Visit Ruapehu, other agencies.¹⁰*
- Design and upgrade agreed tracks, huts and other services and facilities in the Tongariro and Whanganui National Parks (2018/19). *Contributing parties: DOC, iwi, Visit Ruapehu and other agencies.*

FUTURE PROSPECTS

World Heritage Park

- Develop a marketing campaign around the parallel volcanic features of the Hawaii/Tongariro World Heritage Parks to leverage joint tourism. *Contributing parties: DOC, US Embassy, Visit Ruapehu, Tourism New Zealand.*

Army Museum

- Establish a pre-European conflict ‘NZ Warrior’ experience at Waiouru. Explore the future plans of the Waiouru Defence Area for the possible development of a publicly available outdoor army experience. *Contributing parties: Ruapehu District Council, NZ Army Museum, Visit Ruapehu.*

Whakapapa Village

- Investigate the merit of creating an optimal spatial footprint and community development plan for Whakapapa Village and thereby help the Village play an expanded role in delivering cultural, heritage, transport and gateway functions. *Contributing parties: DOC, Ruapehu District Council, Ngāti Tūwharetoa.*

LAND USE OPTIMISATION

Opportunity

Manawatū-Whanganui is a strong pastoral region with extensive sheep and beef farming – alongside dairy, arable farming and other productive uses.

The 120 regional farming leaders involved in the action planning process have added their weight to the drive for action to unleash the potential of this land for increased productivity, profitability and sustainability.

Critical to unleashing this potential is the encouragement of precision and ‘intelligent’ (as in the extended use of technology and data) farming techniques leading to more effective mixed and optimal land uses that are appropriate to the capacity of that land.

► The opportunity is:

Small changes that ‘multiply out’ to major gains.

This arises from the sheer scale of the region’s hill country farming (1.2 million hectares – 55% of the region’s total land area). Significant advances have already been made by the region’s farmers, demonstrating that with a concerted effort, further progress will be made.¹¹

The region’s great soils. The region has 18% of New Zealand’s class 1 soils – despite comprising only 8% of New Zealand’s land area. In addition, 14% of New Zealand’s class 2 soils are in the region. On-going success requires the application of sustainable land management practices and access to water for irrigation and to improve soil versatility.

Innovation and practice improvement. The close proximity of the expertise in Massey University – as well as that in other research and enabling institutions like Food HQ – provides the region with ‘first mover’ opportunities in commodity and value-added products.

Optimum use of dairy within environmental constraints.

Dairying is already a major contributor to the regional economy. Despite its recent down cycle, it’s a mature land use in the region, with advanced supply chain arrangements for processing and a stable regulatory environment. Comparative farmer performance indicates significant value is still ‘left in the paddock’.

Shift the performance ‘bell curve’. Research of red meat productivity indicates an extra \$76.8 million could be generated per annum in export earnings.¹² Research undertaken by NZIER¹³ suggests that if the above goal was indeed to be achieved, then the additional contribution to GDP (over and above status quo) from the region’s red meat sector, would be as much as \$384.8 million by 2025.

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When the building blocks of success, as illustrated in the diagram (over page) are considered, farming is in a strong position. The capacity of the natural environment (within environmental limits) is strong. Capital is not a major issue. The market is always a consideration, but the critical areas requiring most attention are leadership, knowledge transfer and knowledge application. Cracking open these three ‘nuts’ is the key to success. Nationally-led programmes can only go so far. Regional leadership is vital. Finding it and harnessing it, for the benefit of the region, is the challenge. There are also some labour issues, but they are at the margins in a sector which is becoming increasingly mechanised and digitised.



The building blocks for success



The future pastoral farming story is one of optimisation and diversification. Typical (not exceptional) farmers of the future will prize good advice, measure, plan and communicate with peers, make and review decisions and display an openness to new ideas. They will be profit-focused, confident and will value their time. They will adopt a 'team approach' with their partners, spouses and advisors. They will build resilience and sustainability into their farming businesses. Many of these prized characteristics need more development.

There is a new cohort of young farmers coming through who are thirsty for knowledge, however, a lack of succession planning is holding them back. The gate needs to be left open for the new crew. In addition, there are some infrastructure issues, e.g. the absence of high speed broadband, which need to be addressed.

The region needs to think more clearly of itself as a 'team' with a shared community of interest – this will assist immeasurably. Everyone needs to pull in the same direction including farmers, processors, local government, MPI, researchers and developers (particularly Massey University) and other stakeholders.

A redoubled effort to share information and help farmers compare themselves through benchmarking is important. A new generation of discussion groups based around sharing precision farming practices and 'intelligent' farming – with a focus on defining and achieving a clear vision of what the 'future farmer' looks like – is vital.

The future farming story is wider than pastoral. Other groups such as Tararua and Whanganui's Economic Development Agencies have exercised leadership in identifying the optimal location for the high margin/low volume specialist crops and fruits and other products which could be grown in the region. Wider integration of these products into land use options would add 'resilience through diversity' to farming enterprises and communities. The 'market-back' principle is a precursor to success in this domain.

Two other opportunities are subject to application of the same 'market back' principle. The first relates to expansion of the area growing grain and related arable crops in the Rangitikei area. The second relates to developing a better understanding of the market conditions, farmer interest, optimum volume and optimum location for suitably-scaled regional processing facilities for goat and sheep milk. These opportunities deserve further attention.

The focus of current dairy farm-focused programmes is toward 'farming to limits' and reducing input costs by adopting grass-based, low-input farming systems. A dairy-sector Primary Growth Partnership (PGP) programme covers these and other growth-generating dairy-focused dimensions. These programmes may not be enough to achieve the desired production increases in the desired timeframe. The region would profit from more attention from industry-good agencies.

Within the Land Use Optimisation opportunity, there are specific Māori advantages that can be summarised as:

- The Māori asset base is growing – with a focus on fish, farm and forestry. Economies of scale are likely to provide a competitive edge for iwi-based enterprise.
- Māori have now developed global ‘indigenous-based’ relationships – with integrated supply chain logistics to support them. There is growing market interest in products with this provenance.
- Māori have an intergenerational perspective on their resource use – it’s not a bad thing to leave some resources locked up and it is vital that an environmentally sustainable approach is applied when and if resources are used and developed.
- Māori have a history of collaborating with those with expertise to help unlock potential – they are open to searching out more of this.

Māori are also interested in the opportunities presented by aggregating land blocks. This includes considering buying back land and withdrawing from those lease farms able to operate as one land block, at scale. Māori also have an interest in establishing ‘joint-venture land blocks’ across the region or country. Additionally, it would be advantageous to apply expert skills in a highly integrated way, particularly where current land is either fragmented, or the capability of the land owners is not currently sufficient.

Māori also have an interest in being involved in sheep dairy in different parts of the region. They note the advantage in being a first mover in an industry that is just starting to gain traction in New Zealand and around the world.¹⁴

Further collaboration with the red meat processing sector could present opportunities for Māori in the region with additional employment opportunities – possibly by means of joint ventures and the creation of a ‘one farm’ approach as part of an integrated supply chain. This approach has been trialled by Māori in the Bay of Plenty by pursuing the Tūhono Whenua – Red Meat Coalition – an approach which lends itself to inclusion in Te Pae Tawhiti.

► Challenges

Access to good information. Getting the right information to farmers in the right form, at the right time and through the channels which work for them, requires focused attention.

Skills and training. Amongst the information needs identified by farming leaders, was a priority call for better access to advice and training about core aspects of farm management.¹⁵

Comparative performance. There is the need to take good benchmarking information and use it to help shift the bell curve of meat and dairy production so that more of the area’s farmers are achieving the production and profitability targets currently achieved by the top 25% of farmers.

Web-based data and discussion groups. Information sharing is unlikely to happen on its own. The development of systems to enable farmers to have easier access to information via user-friendly websites is one answer. Access to information via discussion groups is another.

Succession planning. Information about farm ownership ‘succession-planning’ at a faster pace, allowing more highly motivated and younger farmers to play a stronger role in driving farm management, is required.

Digital connectivity. The absence of digital connectivity compounds the information access challenge faced by farmers – particularly in the hill country of the region. This is seen as not only inhibiting effective farm management, but also contributing to rural isolation and adding to the difficulties faced in attempting to recruit good farm staff.

Adding value. Another area to further explore is the value-add benefits which may be achieved from certified ‘sustainable production’ systems and/or other system changes which reflect the unique images and provenance of the region.

Environmental sustainability. Many parties have concerns about the flow-on effects of land use intensification. For Māori, these are strongly linked to their cultural responsibility to take action in response to environmental degradation.

Māori land. While Māori land ownership presents some particular challenges, most issues are held in common with other farmers.¹⁶

Water. Water is a limiting factor for production increases in many agricultural enterprises.



Leadership and investment

The challenges faced by this sector require focused leadership. A new pan-agency lead or focus group (perhaps called the ‘Manawatū-Whanganui Agricultural Development Group’) made up of leaders from all affected agencies could be formed. The co-leaders of this group could include Federated Farmers, MPI and Horizons Regional Council. Other agencies with a strong supportive role to play include: Iwi land-focused trusts, Beef + Lamb NZ, Red Meat Profit Partnership, Territorial Local Authorities and the EDAs of the region, rural advisors, banks and accountants and fertiliser providers.

The key investment need is toward systems to enable more rapid sharing of information to and between farmers.



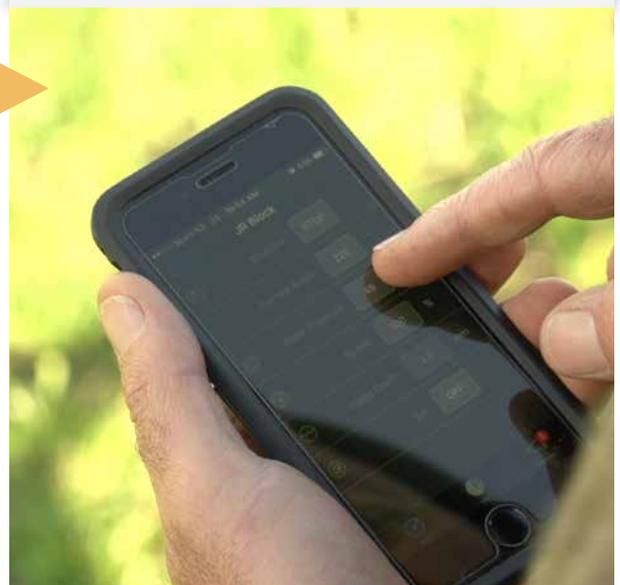
INVESTMENT

Business. There is opportunity for more on-farm investment from third-parties and for closer integration between different parts of the product supply chain, e.g. hill country farmers linked to finishing country farmers, linked to product processors, etc.

Central Government. There is an on-going strong role to play in establishing regulatory frameworks and securing trade access. Research and skill development programmes also remain critical for farmers.

Local Government. The critical subject for discussion between farmers and local government is about the cost and quality of the road network connecting farms to product and service suppliers, and to those purchasing farm products.

Māori. A strong interest has been expressed in being actively involved in growing land-based assets and in adopting an integrated and scaled-up approach to capitalising on land-based opportunities.





ACTIONS

IMMEDIATE PRIORITIES

Information sharing to support land use decision making

- Develop a pilot information sharing portal to assist farmer decisions about investment in prosperity-generating land use options (2016/17). *Contributing parties: MPI and Horizons Regional Council.*
- Establish a pilot benchmark approach to assist farmers to compare their performance in a range of localities throughout the region (2016/17 and beyond). *Contributing parties: MPI, Beef + Lamb NZ.*
- Design and test the effectiveness of the transfer of knowledge and information between members of a small number of new style farmer discussion groups (2016/17 and beyond). *Contributing parties: MPI, Beef + Lamb NZ, Federated Farmers and selected sheep and beef farmers drawn from a geographic spread throughout the Manawatū-Whanganui region.*

Stock water reticulation

- Commission an economic evaluation of stock-water reticulation on a nationally representative case study range of eleven farms – of which four are in the Manawatū-Whanganui Region (2016 – already underway). *Contributing parties: MPI, Beef + Lamb NZ.¹⁷*

- Undertake a pre-feasibility study on a potential Tutaenui community irrigation and stock water scheme (2016 – already underway). *Contributing parties: Rangitikei District Council, MPI, local farmers.*

Water availability

- Document the availability of water supply resources in the region, farmer demand for additional water and/or areas where water resource information is not well understood (2016/17). *Contributing parties: Horizons Regional Council, MPI.¹⁸*

High margin/low volume specialist and innovative crops and products

- Prepare project briefs for particular pilot projects, e.g. goat and sheep milk processing (2016). *Contributing parties: MPI, interested land owners.*
- Invite interested parties to make applications (under existing contestable funding arrangements) for support to implement briefs prepared for particular pilot projects (2017/18). *Contributing parties: MPI, interested land owners.¹⁹*

MEDIUM-TERM PRIORITIES

Farm succession planning

- Build on work developed by the Institute of Directors to provide farmers with more information and case study examples of successful succession planning (2016/17). *Contributing parties: Federated Farmers, MPI.²⁰*

Irrigation

- Research the feasibility or undertake pre-feasibility design work on potential community irrigation schemes (2017/18). *Contributing parties: MPI (via the 'Accelerated*

Irrigation Fund'), Horizons Regional Council, district councils and groups of like-minded farmers.²¹

Shifting the bell curve of dairy farm production

- Consider the potential applicability to the region of examples developed in Northland (and others developed by DairyNZ as part of the Dairy PGP and elsewhere) to assist the Manawatū-Whanganui region. *Contributing parties: Federated Farmers, Dairy NZ.*

FUTURE PRIORITIES

Provenance-aligned, 'regionally sourced', value-added food production and branding

- Further explore the case for developing branding/quality control systems to better reflect the sustainability credentials and 'traceability' image which may be associated with selected products from the region. *Contributing parties: Primary sector leaders, EDAs.*



MĀNUKA HONEY

Opportunity

Mānuka honey is one of those opportunities that comes along every now and then and breaks traditional moulds. Almost overnight, an under-used resource – Classes 6 and 7 hill country lands – becomes a valuable and productive resource. With very little substitution of other uses – perhaps with the exception of a little area of extensive hill country sheep and beef production – Mānuka honey represents a new and large upside opportunity.

► The opportunity is:

Diversity and resilience. Adds profitability, sustainability and resilience (via farm enterprise diversity) to hill country sheep and beef farming.

Employment where it is needed. Provides additional employment opportunities.

Foundation to achieve economies of scale. Optimises the benefits which may be secured for the region at every step in the Mānuka honey supply chain – including establishing joint ventures between land owners and others.

Sought after commodity. Helps to meet international market demand for a sought-after medicinal and consumable product.

Current honey production from the region is worth about \$15 million. Horizons Regional Council estimates there are 100,000 hectares of land in the region suited to Mānuka planting and harvesting for honey production. An optimistic scenario suggests 40,000 additional hectares of this may be planted in the region by 2025.

This planting has the capacity to generate additional Mānuka honey production, above business as usual, with a value of \$58 million, by 2025.²² A more conservative scenario suggests 20,000 hectares would be planted, generating a value to the region of close to \$28 million above business as usual by 2025. Around 90 new beekeeper and related jobs would be created as part of the optimistic scenario.

To use our schedule of building blocks for success – the challenges faced by the Mānuka honey sector are not primarily market or demand, natural asset or capital-related. The key risk areas are knowledge, leadership and labour. With regard to knowledge, landowners don't know what they don't know. There is the danger of ill-considered investment, teaming up with dealers who don't provide a fair return on asset, missing clear-cut opportunities, unanswered questions about when to invest in cultivars, and so forth. The industry is moving faster than the extension of knowledge.



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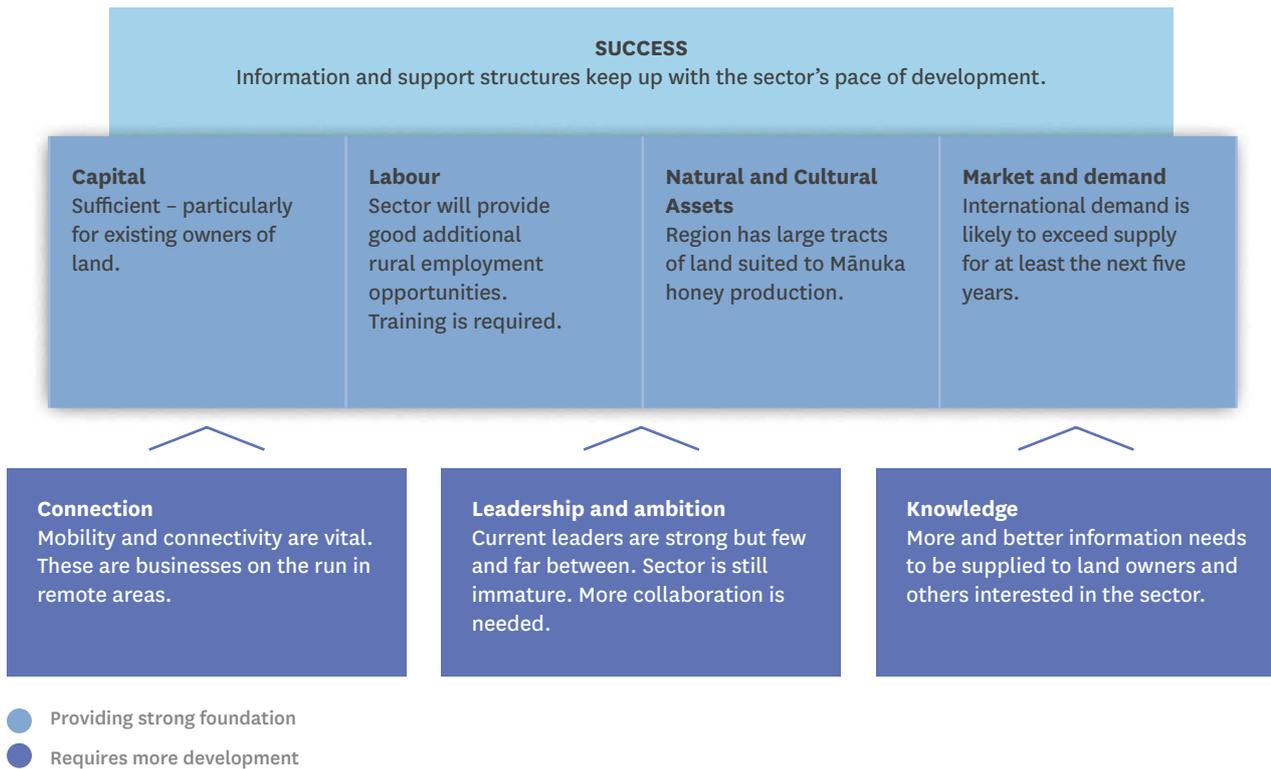
Much of the leadership required is at a national level, but regional leadership is also important. While the industry will attract labour, at present it is being constrained by skilled labour shortages.

The building blocks for success

About 135,000 of New Zealand's 700,000 hives are located in the Manawatū-Whanganui region. A high percentage of the region's wild Mānuka is already harvested for honey production, although there may be areas which could be more optimally stocked with hives.²³

The Mānuka Research Partnership (NZ) Limited's Primary Growth Partnership programme, funded by the sector and MPI, is making good progress on the core task of identifying cultivar species suited to particular locations. Under ideal conditions, carefully selected and adjacently located cultivar species may be able to provide Mānuka nectar suited to Mānuka honey production for an 8-12 week season every year.²⁴

Success would be every land user who has land suited to Mānuka honey production having immediate access to the reliable information needed to enable them to fully consider the merits of this land use option.²⁵ Success would be continued growth in New Zealand's share of the international honey market and the continued receipt of premium prices for New Zealand-sourced honey products – including



the further processing of raw honey into health products and nutraceuticals within the region. Success would also be securing multiple entry points and employment opportunities for persons with an interest in the Mānuka honey sector.

Māori from across the region are already working together as a group in this sector. They recognise how Mānuka honey commercialisation contains relevance because of:

- Long-term Māori land ownership.
- Skill development opportunities.
- General ease of integration into Māori farming.
- The opportunity provided by Mānuka to be a good use of land-locked Māori land.

► Challenges

The challenges of Mānuka honey are those of growth, rather than a lack of growth.²⁶ They are centred on the need to avoid the poor practices that may have previously damaged other sectors of this type. These relate to the reputation of the industry, lack of product standards, boom/bust practices, false starts and poor decision-making.

Regulatory standard to define Mānuka honey. The absence of an agreed definition of what constitutes Mānuka honey creates difficulties in confirming the integrity of products being sold

as 'Mānuka honey'. No robust definition currently exists for mono-floral Mānuka honey when sold as a food. Mānuka honey is a sensitive issue in a number of importing countries, due to concerns about authenticity and truth in labelling.

Mānuka honey domain name. There is limited security around the unique domain name, brand and everything associated with the provenance of New Zealand-sourced Mānuka. Without this protection, other countries may undermine New Zealand's market advantage. In response, Mānuka NZ Ltd is currently pursuing brand protection measures.

Access to good information about the costs and benefits of planting Mānuka for honey production. Land owners do not have sufficient information to fully judge the costs and benefits of being part of the Mānuka honey production supply chain. This is making some land owners risk-averse and is slowing the pace of growth of the sector. There is also a land owner view that Mānuka is a weed and that the Mānuka honey sector is a 'here today and gone tomorrow' industry. The climate change and sustainable land use/erosion control benefits of Mānuka planting and/or the benefits from the managed reversion of land to wild Mānuka may also not be fully understood and consistently supported. This is a national, as well as a regional, issue.

Collaborative relationships. Land owners, beekeepers, honey extractors and honey exporters do not always have a relationship between each other which is fair and equitable.



There are also instances of theft of Mānuka nectar and hives. Collaboration would provide strength to the industry.

Skills and training. There is a shortage of persons with the skills and training to meet Mānuka honey supply-chain needs.

Sector status. The sector may currently be described as 'immature'. Consolidation is likely to occur over the next few years as larger players more strongly exert their influence. Under this longer-term scenario, local employment and growth opportunities may best be secured with the establishment of joint venture approaches.

Leadership and investment

In the longer-term, the recently established 'Apiculture NZ Ltd' national organisation is likely to further develop its capacity to assess and resolve the challenges faced by the sector regionally. This could include providing a base for on-going research and for gaining access to a commodity levy mechanism to fund necessary work, including additional research. In the meantime, a Manawatū-Whanganui 'Hub Group' of Apiculture NZ could be established, with the Mānuka Honey Project Team continuing its leadership, until then.

Co-leaders of this sector opportunity would likely include: MPI, Iwi, Horizons Regional Council, Tararua District Council, Whanganui District Council, Rangitikei District Council and Ruapehu District Council, leading regional apiarists such as the Tweeddales from Taihape and researchers from Massey University. Other agencies to consider involving, include: MBIE, DOC, Māori Land Incorporations and Māori Trusts, Mānuka Research Partners NZ Ltd and Mānuka Farming NZ Ltd.

At the heart of success for the sector will be collaboration between Mānuka honey farmers, beekeepers, extractors/processors, wholesalers and honey marketers.

All parties have a role and likely particular interest in sector investment.



INVESTMENT

Business. Current hill country farmers are well placed to enter the sector because they will not incur the capital cost of acquiring land. They can also lease their land to third parties for Mānuka planting. In addition, there may be a particular opportunity to establish a large and centralised processing and wholesale marketing centre, possibly in Taihape or Whanganui.

Central Government. Will be called upon to provide on-going assistance with market access, to develop a regulatory standard defining what constitutes Mānuka honey and provide further support for research – in the manner of that already provided as part of the current PGP programme.

Local Government. Horizons Regional Council has a role to play in providing land owners with information about some of the benefits of Mānuka honey production and in promoting understanding about how its other environment, non-regulatory and regulatory programmes may link with the Mānuka honey sector, e.g. those related to erosion and climate change management.

Māori. For Māori, Mānuka honey is seen as a good co-product from existing land use. Several trusts have sought support to investigate the possibility of deriving income from their land in this way.





ACTIONS

IMMEDIATE PRIORITIES

Mānuka honey – regulatory standard

- Continue with the research required to develop a draft regulatory standard defining what constitutes Mānuka honey and promulgate that standard (2016 – for release early in 2017). *Contributing party: MPI.*

Land suitable for use for Mānuka plants

- Collate existing information about the extent of in situ Mānuka plants and the extent of land with suitability (economic and environmental) for Mānuka planting. Make this information available on a suitable website (2016/17). *Contributing parties: Horizons Regional Council, MPI.*

Sustainability benefits of Mānuka planting

- Process applications for grants from existing contestable funding sources for further use of Mānuka planting to assist with erosion management or climate control (2016 and beyond). *Contributing parties: MPI, Horizons Regional Council.*²⁷

Other current Government Mānuka honey commitments

- Work with the sector on the ‘Industry Agreement for Biosecurity Readiness and Response’, support the High Performance Mānuka Plantations PGP programme,²⁸ support the Apiculture Surveillance Programme, support industry-led projects using the Sustainable Farming Fund, support the planting of Mānuka for erosion control and/or carbon sequestration under the Afforestation Grants Scheme and the Erosion Control Funding Programme, and generally work with science providers to improve knowledge of Mānuka’s qualities as a commercial species and for use as a plantation crop suitable for sustainable management of steep or eroding land (2016 and beyond). *Contributing parties: MPI, MBIE.*

Regional Plan – treatment of land management for Mānuka planting

- Examine the extent to which the Horizons One Plan (RMA regulatory regional plan) provides for Mānuka planting and examine the need for a change to this Plan if this need is confirmed (2016/17). *Contributing party: Horizons Regional Council.*

MEDIUM-TERM PRIORITIES

Commodity levy, branding and further research

- Consider developing and implementing a case for a commodity levy to support further research and advocacy (2017 and beyond). *Contributing parties: Apiculture NZ, MPI and others.*

Collaborative approaches to Mānuka honey production

- Consider contributing to discussions amongst like-minded land owners about opportunities for collaborative catchment approaches to honey production (2017 and beyond). *Contributing parties: Horizons Regional Council, interested land owners.*

FUTURE PRIORITIES

Centralised Mānuka honey processing:

- Consider the merit of assisting the establishment of centralised processing, retailing and a honey tourism centre (2017 and beyond). *Contributing parties: Mānuka honey businesses, local EDAs, NZTE, MBIE.*



POULTRY MEAT PRODUCTION

Opportunity

The poultry meat production opportunity has the potential to become a significant player in the region in what is, and will continue to be, a high growth industry. In so doing, poultry meat production will add further depth to the region's rural economy. The opportunity is to leverage off domestic growth and existing efficient industry capability and develop an emerging export market for high quality poultry meat production, taking advantage of all the associations with New Zealand as a clean and disease-free environment.

► The opportunity is:

Volume. An additional 100,000 chickens per day production by 2020 would equal a 25% increase in NZ production.

Employment. An increased workforce, especially in production, despite growing automation.

Export. Establishing a foothold in competitive export markets.

Sustainability. Diminishing environmental pressure.

Spill-over business. Building greater critical mass in related rural industries, e.g. transport and grain production.

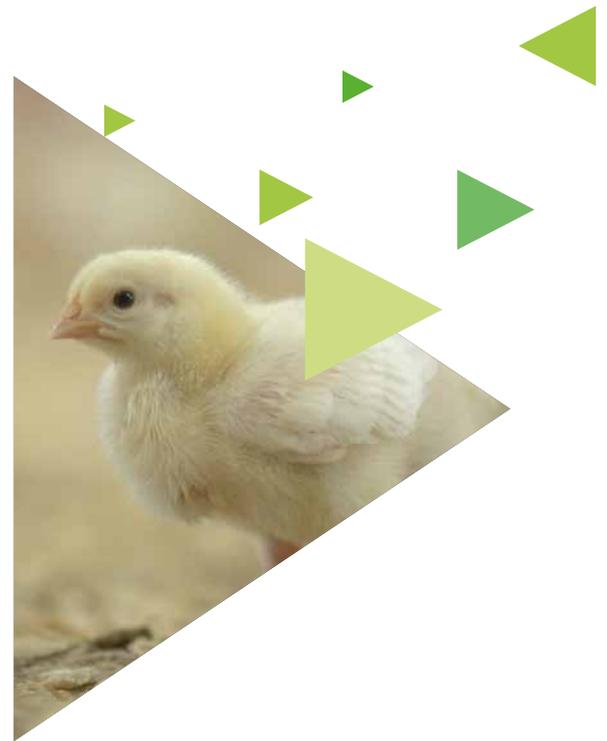
Iwi. Downstream investment opportunities for local iwi.

Capital. Attract significant new capital to the region.

Research. Encourage R&D capacity (e.g. Food HQ) to add value to the product.

Poultry meat in New Zealand now makes up over 50% of domestic meat consumption compared to sheep (8%), beef (20%) and pork (23%).²⁹ Poultry meat is also a staple for an emerging wealthy middle-class in Asia. This market is sensitive about food safety and integrity. While international competition is tough, New Zealand's unique disease-free status makes products like chicken meat attractive in other countries which are forced to resort to extensive pharmaceutical treatments.

In considering the building blocks for success, it is the 'market and demand' building block that is the key challenge. Predicated on the potential of export growth, poultry meat is a strongly cost-driven market and difficult to break into. Despite that, other building blocks are strong – there is active local leadership, capital and knowledge are considered reasonably easy to attract and labour is considered a challenging but not an unmanageable issue.



The building blocks for success

There is a high level of confidence and competence in the chicken meat industry in New Zealand. It is experiencing strong domestic growth and consumer interest. This reflects patterns occurring internationally.

This opportunity is such that an experienced team of commercial operators and regional stakeholders came together as part of Accelerate25 to explore whether a large production and processing operation in the region, with a strong focus on developing premium product to Asian customers, was viable. The team:

- Noted recent developments in chilled meat access to China and other parts of Asia.
- Noted this is a strongly commercial venture requiring support to get market assumptions validated and a market partner engaged.
- Noted feasibility work would take about six months and once validated, a company could be formed, capital secured and development commenced.
- Noted this could be progressed in a series of go/stop phases through feasibility assessment to final design.
- Enlisted an expert advisor, who highlighted the importance of carefully testing assumptions about the premium margins expected for New Zealand produce



and the need to better understand the different demands of different parts of the Asian market. The advisor also highlighted the value of initially establishing a strong base in the domestic market.

With this advice in mind, the team has developed a strawman for a major investment of a 100,000 per-day bird production and processing operation. The team noted the potential next steps as:

1. **Identify market partners:** This could come from current NZTE and Food HQ poultry and food company connections in Asia and the Middle East.
2. **Contract market researchers:** This could be conducted with current NZTE or MFAT staff if they have the capability and time.
3. **Work with potential partners in the market:** This would involve the development of scenarios and relationships with potential market partners.
4. **Summarise findings and review/adapt scenarios:** This would require formation of a project team to progress to the next step of a full feasibility study.

► Challenges

Market access. Access to some key Asian markets (e.g. China) for poultry meat is currently closed. Market access generally needs a reciprocal access agreement.

Environmental issues. Large-scale intensive chicken meat production facilities need to be located well away from urban environments, with excellent waste management facilities.

Initial funding. Finding initial funding of up to \$250k for a comprehensive study, or between \$50k and \$100k to search out and define the needs of a potential market partner. Formation of a vehicle to enable this feasibility work is also required.

Market partners. Finding the right market partners and establishing a satisfactory risk-share arrangement is fundamental.



Leadership and Investment

This is a strongly commercial opportunity which will likely require early public sector support to get over the initial feasibility ‘hump’. An association with a local economic development agency is considered a possibility. Other partners would be required for logistics and regional and local council planning. Iwi, together with private sector investment partners, would be desirable.



INVESTMENT

Business. The scale of investment is estimated at \$100-150 million. Just marshalling investors is a major task.

Central Government. There are significant trade implications for an operation of this scale together with a need to protect ‘Brand NZ’.

Local Government. There are potential regulatory issues to be resolved – an ease of doing business mindset will be required.

Māori. For Iwi, this would be a largely commercial investment, as Māori have no particular historical involvement in this industry. There are potential downstream opportunities, such as grain production.



ACTIONS

IMMEDIATE PRIORITIES

Information sharing to support land use, market focus and partnership

- Undertake a market opportunity assessment, consolidating the work already undertaken by the Project Team. Formalise an entity to undertake this work. (2016/17). *Contributing parties: Members of the original Project Team, a local EDA, NZTE, MPI.*

MEDIUM-TERM PRIORITIES

Recruitment of a market partner and development of a complete feasibility study

- Assuming the above assessment generates positive results, complete a poultry meat export feasibility study with a particular focus on exploring capital raising options, scale and processing location options, market entry and trade matters and the structure of the likely final business entity. *Contributing parties: Members of the original Project Team, EDA, NZTE, MPI.*



QUALITY CARE AND LIFESTYLE FOR OLDER PEOPLE

Opportunity

This opportunity is a multi-faceted developmental project to address the growing aged population, and to create an opportunity for the town of Levin and potentially for other towns in the region. It does not involve extension of existing local industries, as might be the case in areas of agriculture, but instead it involves a basic rethinking of how services are delivered to older people in a community setting. It addresses the quality and cost of ageing and how to make it more accessible for New Zealand, for the local community and the individuals involved. It is an idea that has been germinating internationally for some years, especially in Western European countries. Effectively, Horowhenua is putting itself forward to pioneer these developments and from that, to gain first-mover advantage.

► The opportunity is:

Quality of life. To improve the quality of life of older people by ensuring they participate in relevant communities.

Transformation. To transform Levin (and Horowhenua) into an inclusive lifestyle centre specialising in innovation for living, while embracing an increasing population of ageing residents from within and outside the region.

Improve household income. In so doing, boosting household incomes and employment in and around the town.

Create a prototype. To develop a pilot location from which to prototype the concept and roll it out across other parts of the region (e.g. Whanganui and Palmerston North).

Initial success for the programme will be in the building of community-based models (prototypes) of care and their introduction into the day-to-day living context of an average-sized rural town – Levin. This, or parts of it, could later be extended into the mainstream community throughout the region and beyond.

Ageing in contemporary society provides a challenge and an opportunity. The challenge is the growing pressure on a younger generation of taxpayers to meet the health and welfare costs of a rapidly ageing population. The opportunity, besides providing a better experience for those ageing, is that services for older people represent a significant business development prospect for a town or community like Levin.



This is a 'quality of life' opportunity and that's its primary attraction. It involves integrating older people into communities so they can continue as net contributors to the immediate and wider community, in whatever forms that might take, well beyond retirement age. Their physical and mental capacity is maintained through the use of design and technology to adapt their living environment – the house, shopping areas, and social spaces – to changes in their capacity as they age. By close engagement with a 'normal' community, older people can maintain meaning in their lives and a positive outlook through contribution to the community around them.

In this way, the public cost of their care is minimised as it is turned from largely 'a cash draw from Government' to one more characterised by greater cooperative support in a community setting and the use of emerging technologies.

The ageing story of Levin is not solely about ageing. It is about building an inclusive community for all ages on many dimensions – house and shelter, information and communication, sustenance and nutrition, mobility and accessibility, personal growth and fulfilment, health and wellbeing and social and cultural. It involves an option for older people in the mainstream inter-generational community, rather than in purpose-built institutions.

The indicators of success could include: higher disposable income, profitable local businesses, meaningful cost savings for Government, increased life expectancy and increased regional happiness. For older people it could mean extended

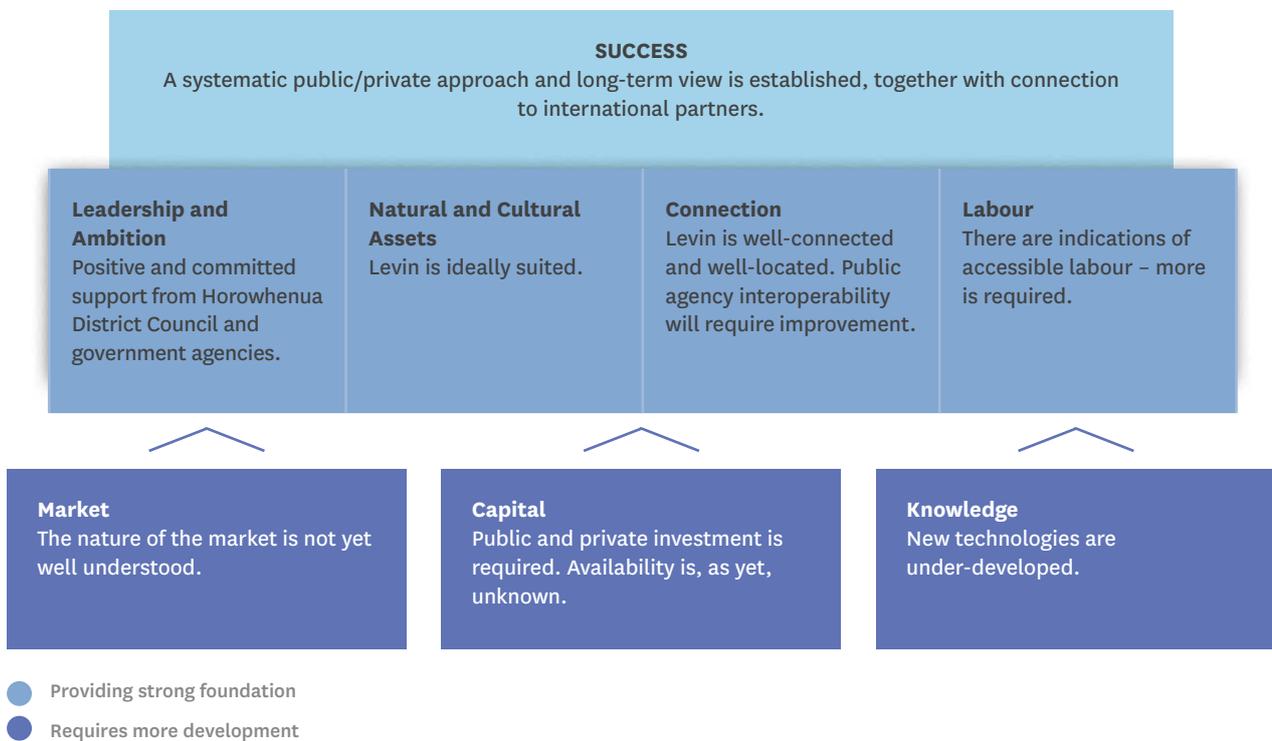


professional services, better services and facilities and greater accessibility to services.

While this opportunity does not lend itself to the analysis applied to others, the building blocks of success tell their own story. Strong leadership is available through the Horowhenua District Council. Support from related agencies is also strong. Initial support from private sector innovators is positive and many of the technologies required are

either already available or close to being available. There is strong investment into new technologies by multinational companies who recognise the growing need, and those spoken to like the idea of developing and refining new technologies in a 'live environment'. The key to success will be evolving a public/private partnership that shares as much of the cost as possible with the private sector.

The building blocks for success



Challenges

Conservatism. This idea is ahead of its time and will require clear articulation to gain support.

Fragmented approach to aged care. There are complex personal and competitive pressures in this field. Greater emphasis on integration will be required.

On-going local government mandate. The idea rests heavily on local government leadership.

Lack of digital connection. This is as much about smart homes and connectivity to medical and aged care support as it is about coverage or speed of the internet.

Leadership and Investment

The leadership for this opportunity is presently coming from the Horowhenua District Council. To succeed, many stakeholders are vital: the Ministry of Health, the District Health Board, the Ministry of Social Development and the aged care industry. 'In principle' support will not be enough.

This is clearly a public and private enterprise exercise, as both sectors will benefit. It must have a strong commercial dimension and it must be designed in a way that attracts companies operating in the innovation and lifestyles spaces to take this opportunity, and to use this 'shop-window', to display their wares. It must also have a willing community – Levin provides that.

It would likely be best led by a multi-party governance structure, perhaps a trust or a limited partnership, with public and private members.

This project will move through many phases. At present it is at an 'ideas creation and conception' phase. It will then move to a feasibility phase where the viability of ideas can be tested for their operability. From there it will move to a 'planning and delivery' phase.

The investment spectrum will change through each of these phases. Although, particularly in the early stages, there will be a significant public investment need, commercial providers must be in the picture from the start so that the long-term interest can be built into the solutions. The first investment is to develop a robust Master Plan to guide subsequent action.

If the Master Plan is supported, a further early investment would be in the creation of an 'Innovation Hub' – perhaps guided by a 'Living Innovation Trust'. This would be the centre-point of the programme. It would involve commercial and public partners acting as an overall body to project-manage the programme. The hub would be the milieu from which the project would emerge. The initial funders could be the Horowhenua District Council, central government, innovators, universities and commercial investors.

For the local Whānau Ora providers, this opportunity could provide a model that supports development of cross-generational Papakāinga housing and family units – living together to benefit from the many opportunities that arise from living inter-generationally as whānau. The model could be developed in a way which provides for access to such housing. Māori also have an interest in investing in retirement and kaumātua homes – in a way which aligns with kaupapa Māori.

In parallel to this, the Horowhenua District Council would develop a spatial plan – with this, in turn, being incorporated into its District Plan.



INVESTMENT

Business. The attraction of commercial money will enable Levin to be the 'pilot town' for the future.

Central Government. The attraction for public investors will be potential care costs averted, transferred or substituted.

Local Government. This represents a genuine opportunity to raise household incomes and build a local business capability.

Māori. There are a lot of synergies for Māori in terms of values and current care models.





ACTIONS

IMMEDIATE PRIORITIES

Create a Master Plan

- Collaborate to develop a 10 year 'Master Plan' model exploring the suitability of Levin as a location to invest and test new technologies, spatial planning, skills, facilities, shared funding (public, private individual financial contributors) (2016-18). *Contributing parties: MoH, Horowhenua District Council, MSD, MBIE innovation companies (local and international).*

MEDIUM-TERM PRIORITIES

Innovation hub

- Following confirmation of the viability of the Master Plan and noting the need to further develop the physical, cultural, service and support infrastructure required to implement the proposed new model, the next stage is development of an 'Innovation Hub'. This would be a centrally located 'workshop' for prototyping and developing operational models (2018 – 2020). *Contributing parties: Commercial partners, technology companies, MSD, MBIE, MoH, Horowhenua District Council, social and community housing providers.*

Delivery

- Developing and delivering projects to apply the prototypes developed by the innovation hub to transform Levin and other suitable towns and cities into affordable and enjoyable places for meeting the quality care and lifestyle needs of aged individuals (2020 and beyond). *Contributing parties: Commercial partners, technology companies, MSD, MBIE, MoH, Horowhenua District Council.*



BUSINESS PROCESS OUTSOURCING: CALL CENTRES

Opportunity

Many of the opportunities identified in this Action Plan rest on natural resources. This opportunity is founded on extended use of human resources. It is also largely urban-based, although it could provide employment for rural people who are prepared to travel.

The foundation is already in place for the contact centre industry in the region – with a number of contact centres of various sizes already operating successfully. The main advantages of the region for this type of activity are the lower costs and the more stable workforce when compared to other regions.³⁰

A concerted effort, with a clearly defined and regionally-unique value proposition, will enable this initial success to be built upon. What will come out of this opportunity will be directly proportional to the effort put in. It is a diversification opportunity which fills employment gaps in the regional economy.

The clearly defined value proposition associated with the region's contact centres now needs to be further sold throughout Australasia and to other target countries through a robust business development project.

▶ The opportunity is:

Growth. Double the size of the contact centre industry in the Manawatū-Whanganui region.³¹

Earnings. Attract international operations and grow the volume of overseas earnings contributed to the New Zealand and regional economies.

Spill-over. Leverage spill-over business benefits in training and skill development and in digital and software developments.

Centre of excellence. Develop and add value to the current 'Manawatū Contact Centre Cluster' as an internationally recognised sector 'Centre of Excellence' and as the priority location for new contact centre investment.

Jobs. Secure new jobs, especially for secondary income, for a large base of families in the region.

A central New Zealand attraction campaign is underway. Wellington, Manawatū and Hawke's Bay economic development agencies and NZTE are working together well on this. A work plan is in place for this year. This includes



promotion at Australasian and European conventions in 2016 with a strong 'lead generation' focus.

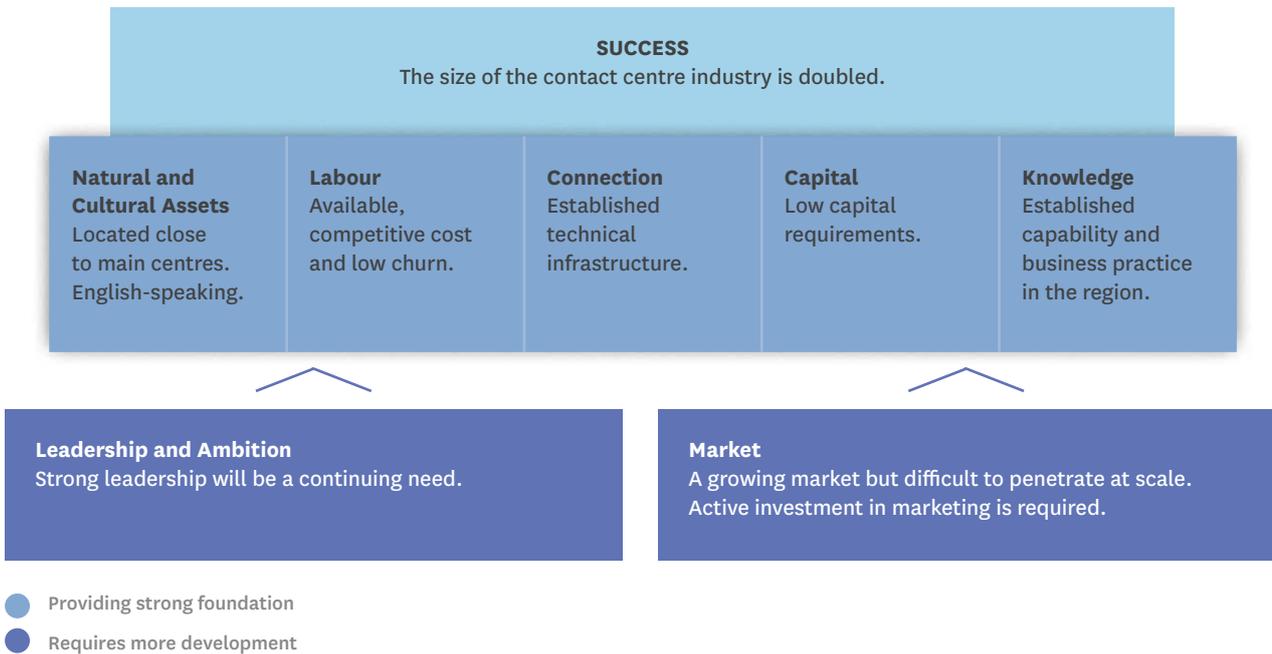
New collateral is being developed to promote the Central New Zealand concept. It is clear from industry trends that contact centres work best in areas with lower overheads than those experienced in larger cities – particularly when this is accompanied with offers of an available and stable workforce – hence the ideal strategic growth areas for these are in provincial New Zealand.

The Project Team who explored this opportunity suggested the region will need to have a robust talent development programme in place to continually grow the numbers and quality of the contact centre talent pool, with the longer-term objective of creating a 'Centre of Excellence'.

Considering the building blocks of success, penetration of the market is the key challenge. Most other building blocks are strongly positive. The fact is, this is a highly competitive industry because of the low cost of entry. Building comparative advantage is difficult. The advantages of the region lie in long-term service and security of operation, low staff churn and the build-up of skills.



The building blocks for success

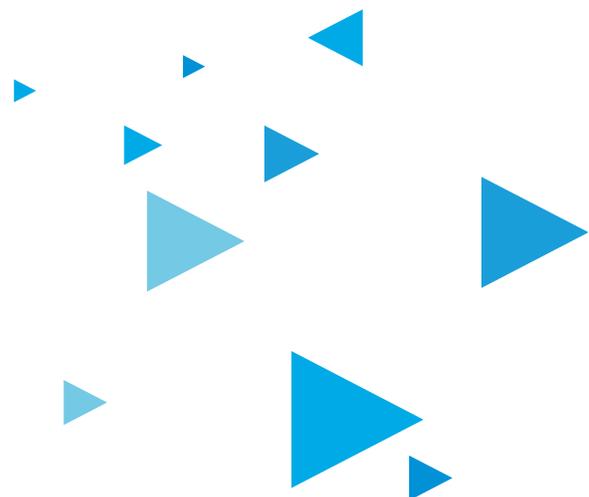


► Challenges

Competition from other NZ regions. Achieving a critical mass will make the region more competitive. This will require consistent effort and investment in marketing and incentives.

Limits to labour availability. For immediate demand, labour is available. Industry training providers like UCOL and Massey University could help build longer-term capacity once immediately available labour is absorbed.

International currency movements. The closer the 'Kiwi' dollar comes to parity with the 'Aussie' dollar, the less competitive the NZ product becomes. Quality becomes important as a differentiator.





Leadership and Investment

Institutional arrangements are already in place. The Lead agency is Vision Manawatū. Co-leaders are the Manawatū Contact Centre Cluster, local councils and NZTE. Other parties include industry training and service providers.



INVESTMENT

Business. Businesses are looking for incentives to come to the region and that may be what makes the difference, especially at the initial attraction stage. The mindset needs to move toward selecting the region because of its competitive advantage as an investment opportunity.

Central Government. Establishment of market development costs are beyond local capacity and require central government support.

Local Government. The capacity to provide incentives and initial marketing support equity is vital.

Māori. There is already iwi interest in this opportunity.





ACTIONS

IMMEDIATE PRIORITIES

Customer 'lead generation'

- Sustain, expand, support and generally contribute to the success of the marketing efforts of the 'Lower North Island Contact Centre Cluster' – with a particular focus toward the Australian and UK markets (2016 and beyond). *Contributing parties: Members of the current 'Lower North Island Contact Centre Cluster', NZTE, EDAs and associated territorial local authorities.*

Grow talent pool

- Allocate 86 training places to beneficiaries for potential inclusion in call centre and administration training programmes and align these programmes to meet sector demand throughout the year (2016 – being implemented now). *Contributing parties: MSD.*

MEDIUM-TERM PRIORITIES

Project execution and expanded reach

- Give further consideration to the employment of a Contact Centre Specialist to help lead project and attraction activity. Development of a pilot facility for use by potential customers and further development of the Lower North Island Contact Centre value proposition – with an emphasis toward quantifying all points of assistance which would help new contact centre businesses to get established (2016/17). *Contributing parties: Members of the current 'Lower North Island Contact Centre Cluster', NZTE, EDAs and associated territorial local authorities.*



BUSINESS PROCESS OUTSOURCING: FOOD HQ

Opportunity

The proposition that New Zealand needs to add (and extract) more value from its agricultural assets and expertise is a mantra frequently expressed, and is much easier to express than to execute. The Food HQ opportunity creates the possibility of developing and applying New Zealand-created IP for the benefit of New Zealand companies. However, New Zealand is a small market which struggles to source sufficient demand and investment to drive the scale of research and science required.

Food HQ, a collaboration of a range of research organisations, considers this is best achieved by operating in both a domestic and international market in parallel, so their first priority is to attract R&D business from multi-national food companies who can see the benefit of outsourcing science and research-based capability. Some of the most important and quantifiable goals within the Food HQ vision are to double its scientists, researchers and students to 4,000 – while attracting significant revenue in international food R&D.

Food HQ wants to be known for world class R&D work. It can see the benefits of using established local capability and capacity as an ‘outsourcer’ offering to international companies. If this capability can then be turned to driving performance across the opportunities identified in this Action Plan, then everyone wins.

► The opportunity is:

Multi-national. Accelerate multi-national food company R&D through Food HQ to \$20 million by 2020.

Investment in R&D. Increase the volume of capital invested into R&D production facilities in the region.

Jobs. Increase the number of new R&D jobs in the region.

Spill-over. Create spill-over into other related industries.

Innovation. Drive a higher level of innovation regionally.

For Accelerate25, Food HQ represents an opportunity and an enabler. As an opportunity it has the potential to generate internationally-sourced revenue, jobs and business opportunities. As an enabler it can contribute to other regional and national businesses with a level of sophistication not currently available.

The challenge is how to get there in what is a very ambitious programme.



Early achievements have already been made. Proliant, an innovation company out of the US has set up in Manawatū and connected itself to Food HQ. What is now required for Food HQ is to use its significant scientific ‘heft’ and skills to grow itself more effectively, and thereby grow businesses and capability in the economy of the region and the nation.

► Challenges

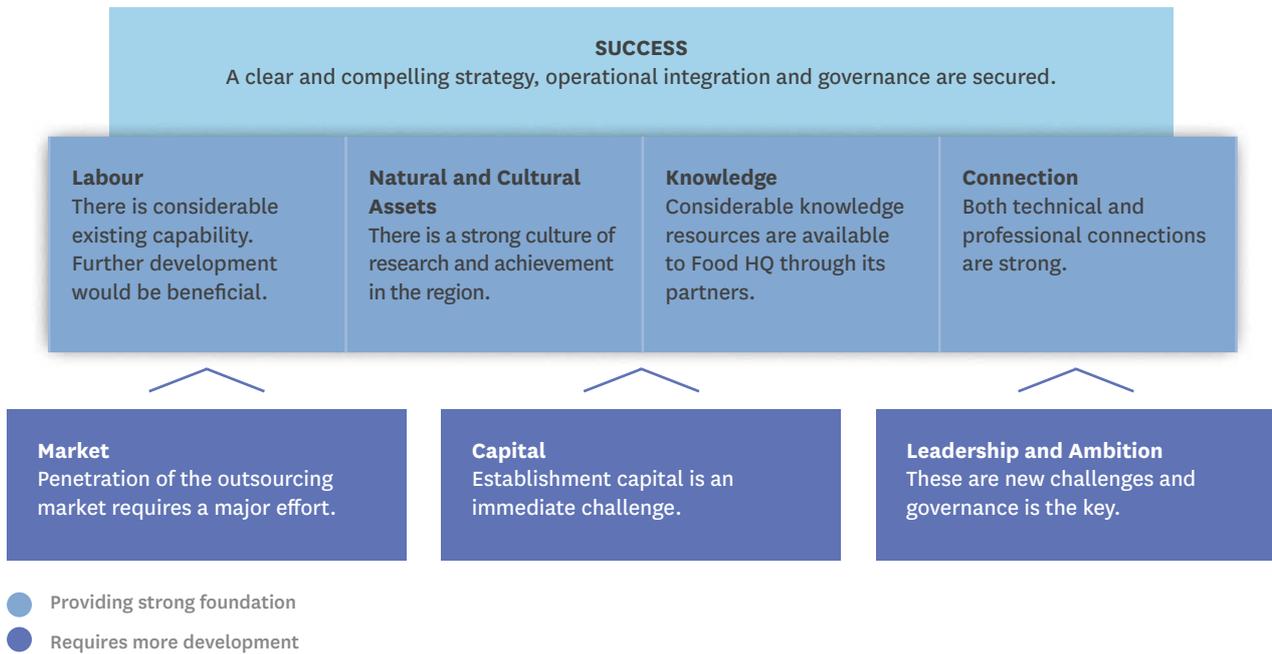
Food HQ offers an excellent regional and national growth opportunity over the medium to long-term. Its founding goals are ambitious and strategically important, but such an expansive ambition faces significant challenges:

Addressing a challenging international market. The Project Team proposes the immediate solution of employing a specialist marketing person connecting direct to multi-nationals.

Partner collaboration. The partners are familiar with the contestable funding environment in NZ which pitches organisations against each other. Collaboration is difficult in this climate.



The building blocks for success



The apparent complexity of New Zealand’s science system.
There is an opportunity to create a convenient and hassle-free single-point-of-entry mechanism for accessing New Zealand’s innovation capability, i.e. to see distinct advantage in using Food HQ as the efficient gateway.

Domestic customers. The lack of scale of New Zealand food companies makes it difficult for Food HQ to operate solely with the domestic market.

Leadership and investment

Food HQ will inevitably be a complex organisation with a varied matrix of relationships – both inward and outward. It requires a solid leadership core with a clear mission – and that is currently emerging. Important national relationships include: NZTE, MBIE, MPI and the Callaghan Foundation. Important regional relationships include: local authorities, Building Clever Companies, and EDAs.

Beyond those relationships are the private sector relationships – both domestic and especially international – which will be the basis of the business of the future.

Expansion of the number of regional, national and international Food HQ clients will require investment of extra ‘brain power’ and funding by all parties.

INVESTMENT

Business. This is the customer sector. Customers need to understand the value proposition and invest their business with Food HQ.

Central Government. Food HQ does not currently have the resources to undertake the massive market penetration action required, alone. Central government assistance is vital.

Local Government. The scale of the ambitions of Food HQ are well beyond the capacity of local government, but facilitating the ease of doing business for Food HQ and its partners is vital.

Māori. Maori are significant food producers with increasing international connections. Indigenous foods are a potential area for R&D.



ACTIONS

IMMEDIATE PRIORITIES

Client exemplar

- Provide co-funding to accelerate the R&D activity of Proliant in New Zealand. (Food HQ is now engaging with Proliant to determine what the next research project is likely to be). (2016 – Implemented). *Contributing parties: Proliant, Food HQ, MBIE.*

Improve market penetration

- Provide co-funding to identify and secure a specialist multi-national company engagement resource. This will allow Food HQ to achieve better market penetration and build connections with multi-national companies and organisations. *Contributing parties: Food HQ, MBIE.*

Leadership and specialist resources

- Further develop the ‘compelling value proposition’ and related information needed to better target and foster the higher levels of partner collaboration and specialist resources required to ensure an on-going pipeline of large scale Food HQ projects (2016/17). *Contributing parties: Food HQ, MBIE.*

Refreshed strategic plan

- Refresh the current Food HQ Strategic Plan with an emphasis toward assessing and drawing from the comparative success of other models, ensuring higher levels of productive and lasting collaboration between partners and other matters required to support development of a new ‘Strategic Plan’ – including details about how the Strategy would be implemented and supported (2016/17). *Contributing parties: MBIE, Programme Director and Board of Food HQ, representatives from Accelerate25.*







FRESH VEGETABLES

Opportunity

“Fresh” is a powerful word when marketing food, closely followed by the word “safe”. These two drivers are ever-more important in markets where fresh and safe are the exception rather than the rule, as is the case in many Asian markets.

New Zealand, because of its location, is challenged in any fresh market, but logistics and technology have revolutionised supply in recent decades.

The potential GDP gains from this opportunity could be significant because of its intensive nature. It would supply eight jobs for every 1% increase in the regional industry’s output.

The region is good at growing vegetables. It has a long history of successful cultivation and has significant areas of high quality class 1 and class 2 soils (over 25,000 hectares and 150,000 hectares respectively).

With a saturated domestic market, the only real further opportunity for vegetable growers in the region is export. International markets are large and growing, and there are opportunities to provide fresh products to them, however, there are significant barriers, particularly for individuals or groups of small operators.

At present, the industry in the region is largely focused on the domestic market. This has driven a farmer mind-set, with notable exceptions, towards producing traditional products rather than testing international markets for new and different products. Despite some consolidation, many growers are supplying individual markets and suffering from the problem of small scale – being ‘picked off’.

The bad experiences that this has produced have resulted in a ‘gun-shy’ regional industry.

Workshops with growers, convened as part of building the case for this opportunity, noted that success will depend on:

- Establishing committed market partners.
- Securing strong supply chain support for vegetable growing.
- Incrementally growing the scale of the opportunity at a pace which matches risk appetite, grower interest and market demand.
- Aligning with associated food products, possibly under a Central New Zealand brand.



▶ The opportunity is:

Productivity. Use the fertile and versatile land of the region more productively.

Confidence and increased job opportunities. Helping growers to prosper – more than they are at present – and providing them with a base of business to feel more confident about employing more staff.

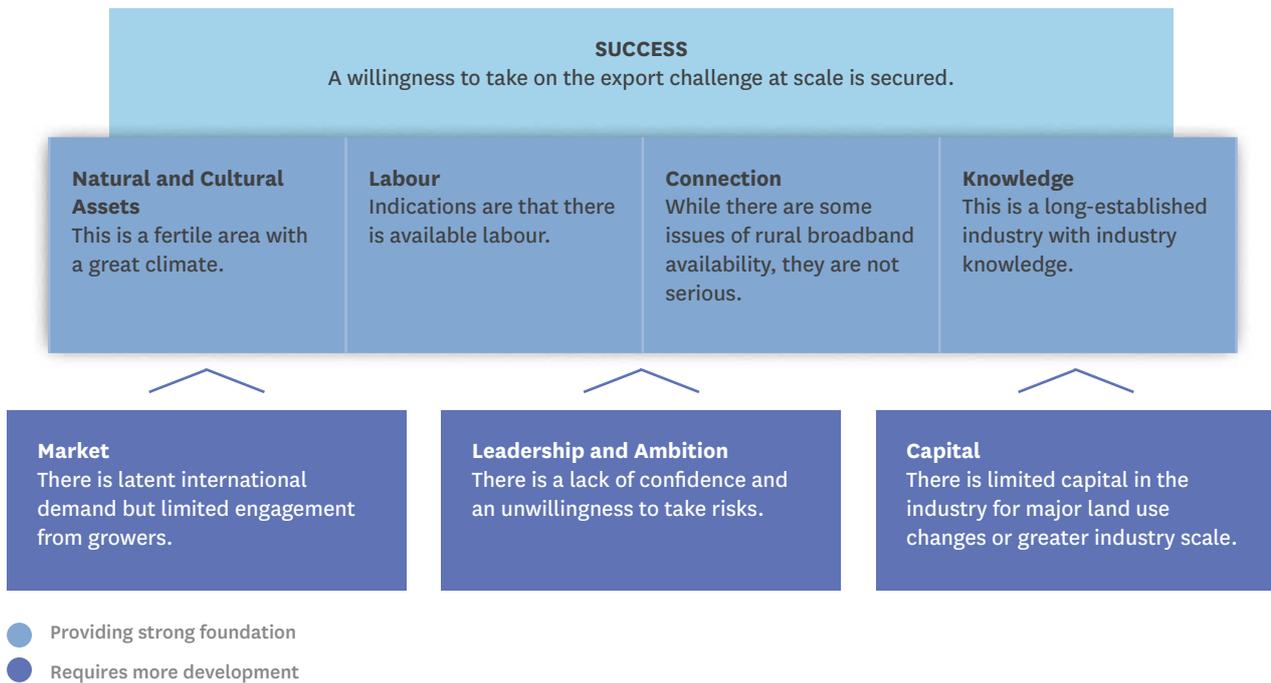
Support and unlock. Supporting training programmes producing trained talent for the emerging industry and further unlocking the potential of Māori land holdings.

Diversification and stabilisation. Providing the catalyst for the agri-economy to diversify and stabilise and for spill-over industries to profit as the horticulture industry flourishes.

To give an indication of the scale of change contemplated, it is envisaged that if this opportunity is fully embraced, fresh vegetable production in the region will double by 2025. This growth of production will, in the main, be exported. Being labour intensive, it will attract new jobs, although production at scale will also attract increased capital investment in mechanisation to keep costs at a minimum.



The building blocks for success



► Challenges

A planned and sequential approach. There is a logical sequence of steps the region, central government and growers should follow to make this opportunity successful. The first step is to build regional grower appetite for exporting. This step is fundamental. Without a higher level of local enthusiasm and support, other proposed actions are unlikely to generate meaningful results.

Market scanning. A market scanning exercise will more clearly identify the export potential of the sector. It is possible that the staples of current regional vegetable production need to change, possibly quite significantly, as a result of market information. This will best succeed if all concerned adopt a fundamental paradigm shift from production to a market-driven way of thinking.

Logistics. The highly perishable nature of fresh vegetables makes exporting very challenging – there is a range of difficult logistics and scale issues to overcome. Investments in the supply chain will be required, although existing channels are well developed at this point.

Export market development. It is recognised that the first important step is to have market partners who commit with resources and potential cross-investment. This will enable the business to be developed as the product ‘earns’ market share through a well planned and executed supply programme.

Certainty of supply. Supply is critical for export partners. The commitment and ability of growers to ‘scale up’ production in accord with a clear development plan (or at least having the clear capacity to do so) will be fundamental to progressing this opportunity.



Leadership and investment

The building blocks diagram (previous page) illustrates the importance of clear and committed leadership. This is not obvious at this point from the industry. Perhaps there is a role here for the Horowhenua District Council’s economic development agency. Obviously, growers should be involved from Horowhenua, Rangitikei and Ohakune, and should include those from the Māori vegetable growers cooperative. Other agencies that will need to support this initiative include: Horizons Regional Council, HortNZ, NZTE/MBIE and Ruapehu and Rangitikei District Councils.

Vegetable growing is a private sector-based initiative. A collaborative approach in partnership with a strong wholesale/market facing exporter, is required.



INVESTMENT

Business. The investment capacity of individual farmers is limited. Whether cooperative or consortium structures would offer more capacity needs to be considered.

Central Government. Market access using NZTE and MFAT is important, but investment in an initial marketing programme is likely to help the local industry over its capital deficit.

Local Government. Horowhenua and Ruapehu District Councils will be critical in providing drive and leadership.

Māori. This is an opportunity for iwi. With incorporations in the area the potential is significant. There are also employment opportunities.

ACTIONS

IMMEDIATE PRIORITIES

Pilot market development programme

- Empower a group of leading vegetable growers to engage with potential market partners, wholesalers and other supply chain logistic experts to define a programme of activities – including a market exploration pilot to identify the vegetable products for which there is secure market demand (2016/17). *Contributing parties: Members of a core vegetable growing group, EDAs, NZTE.*

MEDIUM-TERM PRIORITIES

Market study tour

- Assuming grower interest is confirmed as being ‘ready and willing’, develop a business case for export assistance for a market study tour covering target markets for the purpose of developing relationships with potential market partners and to learn more about how to avoid in-market pitfalls (2017/18). *Contributing parties: Core group of leading and innovative growers, EDAs, NZTE.*

Securing an in-market partner

- Consider a business case for business assistance to secure an appropriate exporter and or an in-market partner (2017/18). *Contributing parties: Core group of leading and innovative growers, EDAs, NZTE.*

FUTURE PRIORITIES

Brand and provenance

- Further develop a brand reflecting the provenance of the region and providing a base for expanding the scale and attractiveness of regional-sourced vegetable produce to market partners (2018/19). *Contributing parties: EDA staff, NZTE, and a core group of leading and innovative growers.*





TE PAE TATA: REALISING MĀORI POTENTIAL

Opportunity

The Māori population in the region is 21% compared to the national average of 16%. Māori in Manawatū-Whanganui are a youthful and growing populace (around 50,000 Māori), with high rates of education, but lower qualifications when compared to non-Māori, with around 15,800 Māori employed in the region and 29% of Māori owning their own home.

Within the region there is a wide mixture of Māori enterprise and some notably successful ventures, both by private individuals and especially through Māori incorporations.³² Successful incorporations have worked closely with other partners to leverage their success. Māori want to participate in regional growth and Māori development in diverse ways – as partners, facilitators, investors and as business people.

In short, there are clear examples of what success can look like. Māori are actively pursuing economic development among their people, enterprises and lands. They are doing this from an indigenous perspective, with a distinctive resource base and under unique constraints. Building Māori capability to pursue entrepreneurship, innovation and business is important, alongside an equal focus on land development.

Māori view successful business and economic development as reflecting the integration of social, cultural, economic, environmental and spiritual wellbeing for the purpose of realising human potential and environmental sustainability. Success for Māori encompasses *oranga tangata* (human wellbeing), *oranga whenua* (wellbeing of the land), *oranga wairua* (spiritual wellbeing), and *oranga whānau* (family wellbeing) and endurance between generations.

Māori have many advantages to help secure their business and economic success. The business model resonates strongly with many target markets nationally and globally, and is intrinsically sustainable. The cultural basis to their business gives Māori a unique branding position within sectors where they operate.

Te Pae Tata expects that the Māori world view will be central to Māori businesses. The holistic nature of the business model being used will contribute to Māori competitive advantage within sectors. Māori businesses will be known for building capabilities, sustainable use of the environment, being innovative and adaptive, and being reflective of *te Ao Māori*. Success – as defined in Te Pae Tata – is founded on establishing a critical base for making positive differences to *whānau* wellbeing by securing increased employment and

*Ko te pae tawhiti, whāia kia tata,
ko te pae tata, whakamaua kia tīna.*
Seek out the distant horizons, while
cherishing those on the near horizon.

Dr Whakaari Rangitākuku Metekingi

business opportunities. This base will foster collaboration and generate development that is integrated and enduring.

Māori are already networked across the region and skilled in creating relationships for purposes of mutual benefit. There are multiple collaborations that various Māori entities could build sub-regionally, regionally, nationally and internationally – across Māori and indigenous networks – to advance their business enterprises. Māori can also bring these skills to building business networks with non-Māori for mutual benefit.

Success in particular areas will be confirmation of the business case for the further development of a number of opportunities which do not fall clearly into the opportunities previously identified in this Action Plan. These include:

- **Surf Clams:** The particular attributes of the ‘Wild West’ coast of the Manawatū-Whanganui contribute to the flavour and size of West Coast Surf Clams when compared to other clams produced internationally. Surf Clam harvesting, processing and export is an opportunity for Māori to create sustainable business and employment opportunities. Access to quota has already been secured by Iwi in the region.
- **Glass Eels:** The opportunity associated with Glass Eels involves the farming of New Zealand Short-fin Eels for



export to high value consumers in Japan and China. Māori are currently looking to pursue this opportunity but need to extensively research, further develop and confirm sustainable ways to do this.

- **Māori food, beverage and natural products:** Food consumption trends are moving towards a preference for locally-sourced whole-foods and towards traceability, so that people can identify where their kai is from. Producing Māori food and other natural health products is an opportunity to leverage local knowledge, capability and capacity. Māori have an interest in exploring this further, possibly in association with Food HQ.
- **Harakeke (New Zealand Flax):** There is a growing awareness of how native plants and remedies have positive effects on health and wellbeing. There is also a growing interest by Māori in using traditional knowledge to further commercial opportunities, as well as an adjunct to tourism.

▶ The opportunity is:

Community. Building enterprise on the basis of community is particularly strong in the tourism industry where community and cultural values are compelling.

Partnership. Partnership enterprise is a common and successful model for Māori.

Assets. There are significant land and cultural assets available.

Connections. Connection into existing industries provides support and logistics, which in turn creates opportunities for scale by integrating different land parcels and supply chain elements.

Māori. Building business based upon an integrated development model creates a competitive advantage, as well as having returns to human development and resource sustainability.

This Action Plan connects Māori enterprise into opportunities while also supporting Māori enterprise in its own right where it is feasible and manageable.



The building blocks for success



► Success can be measured by:

Employment. Proportionate increases in employment of Māori at all levels of the workforce across all sectors in the region.

Professional employment roles. Proportionate movement of Māori workforce from labouring to professional disciplines.

More SMEs. Proportionate increases in the establishment of new economic opportunities for Māori SMEs and other Māori entities.

Holistic. Sustainability of the environment is an active part of the brand of Māori business, contributing to its advantage and success.

Tikanga. This influence of tikanga Māori is more closely linked to business branding.

Collaboration. Improved number of collaborations between Māori businesses across regions, and more broadly between iwi and central and local government and the private sector.

Prosperity. Improvement in prosperity for Māori at whānau, hapū and iwi levels, e.g. owner-occupied housing is linked to changes in increased employment and business successes.

New markets and new products. The reach and impact for Māori businesses is measured by the number of Māori-owned product lines within existing or new markets.

► Challenges

Cultural appropriation. Concerns have been identified about cultural misappropriation, loss of control and misuse of Māori culture and cultural icons. To overcome this concern, it is essential that partners in collaborative ventures with Māori understand Māori, and allow Māori to lead the process of determining solutions to issues of cultural appropriation.

Cooperation. The involvement of all iwi and hapū is not necessarily assured. To overcome this challenge, all Māori entities should be able to fully engage in the economic development processes across the region and be able to realise the benefits of cooperation.

Visibility. Māori are sometimes not as visible as they should be in sectors where Māori already work. All actions undertaken under Accelerate25 should seek to include Māori partners.

The special place of marae. While marae have an important role to play as a base for sharing understanding of culture, heritage and world views – including use by tourists and visitors – there are risks associated with their “commercialised” use. Marae trustees will need to be supported in their decision making about marae use with business advice covering both the advantages and



disadvantages of the commercial and non-commercialisation roles they will play.

Capability and capacity. The challenge of realising Māori potential often falls on a few individuals. With the current level of capacity, it will be important to continue to build the capability of people through current programmes and potentially to have these delivered through different models (e.g. whānau ora). Iwi leaders are engaged in treaty settlements, sometimes limiting the time and resources available for economic development.

Raising capital. Raising capital, especially when utilising Māori land, is sometimes challenging – although the desire to own land in perpetuity has the advantage of not being solely focused on capital gain. Proposed reforms of Te Ture Whenua may overcome the barriers of raising capital.

Leadership and investment

Māori in the region have organisational structures and skilled leadership that are both being leveraged to create the momentum for Māori to realise their potential.³⁴

The compelling final step to create vision will come with the launch of Te Pae Tawhiti. Although this will operate in parallel to Accelerate25, it will have the benefit of the established platform of building from Te Pae Tata – that is, the key actions defined here. Te Pae Tawhiti will expect to be given support and resources by central and local government, as well as being supported by Māori in the region.



ACTIONS

IMMEDIATE PRIORITIES

Tourism (boutique)

- Assess and assist to develop specific tourism venture business cases in the Whanganui river area (2016/17). *Contributing parties: TPK, iwi, RTOs, EDAs and district councils.*

Land and water use optimisation

- Investigate ways of utilising Māori freehold land to optimise sustainable natural resource use and development, through the development of business cases that provide for the close cooperation of adjacent landholdings to enhance the viability of a commercial venture, and preparing business cases to attract investment for commercialisation of other non-farm ventures (e.g. tourism and aquaculture ventures). (2016/17). *Contributing parties: Māori land owners, tourism and aquaculture venture leaders, TPK, MPI.*

Mānuka honey

- Support business cases that provide for Māori land owners to optimise their involvement in Mānuka honey ventures (2016/17). *Contributing parties: Māori land owners, TPK, Horizons and MPI.*

Skills, training and work experience

- Provide long-term job seekers with the opportunity to gain work experience in a not-for-profit or business organisation for six months, and, where possible, support the transition of these placements toward sustainable employment (2016/17). *Contributing parties: UCOL, Whanganui District Council, Te Puna Mātauranga o Whanganui and TPK.*
- Support iwi to plan for and apply long-term development programmes which build financial literacy as a critical skill base for whānau. This will help develop SMEs and the governance of iwi enterprise in partnership with industry, local and central government and a selection of secondary schools. The 'Master Māori Academy of Science Programme' will advance Māori capability across science disciplines (2016/17). *Contributing parties: TPK, iwi and others.*

Growing Business

- Continue to promote the Māori Business Facilitation Service as a means of assisting Māori/iwi to build their general capability and business acumen – including advice on accessing financial support/capital for their enterprises (2016/17). *Contributing party: TPK.*
- Provide resources to complete the regional Māori Economic Development Strategy – Te Pae Tawhiti (2016/17). *Contributing party: TPK.*



ENABLERS OVERVIEW

For the purposes of this discussion, the opportunity sections of this Action Plan should be regarded as leadership statements. They specify where the opportunity could be taken, based on their potential and current circumstances. The enablers, on the other hand, are dependencies — the most critical dependencies. Without enablers operating effectively, leadership and delivery of the opportunities will be significantly compromised.

GROWING BUSINESS ENABLER

This enabler recognises that for all the opportunities identified in this Action Plan, the most basic unit – the atom in the molecule – is ‘small business’. Without people willing and able to initiate and undertake business, many of the opportunities identified in this Action Plan would be impossible to achieve.³⁵

Despite all of the current support mechanisms, a number of key requirements remain:

Clear governance. This involves providing access to specialist knowledge and advice within a company.

Demonstrable strategic capability. This involves assisting to provide a strong sense of where a company is going and what it is seeking to achieve – often with the help of good external advice.

Comparative data. This is the vital mechanism for a business owner to compare their performance with other comparable businesses and to learn from the experience.

Knowledge and application of today’s tools. This is the opportunity for businesses to build or refresh their web-based presence and capacity, and to be aware and apply today’s human resources and health and safety and related expectations.

Understanding “market”. This involves focusing on the customer as much as the production.

ACTIONS

IMMEDIATE PRIORITIES

Tourism and other start-up businesses

- Seek additional business engagement with the Regional Business Partner Programme³⁹ and provide them with support to innovate and grow (2016/17 and beyond). *Contributing parties: NZTE, interested businesses, EDAs.*³⁶

Advanced farmer discussion groups

- Design and test the effectiveness of the transfer of knowledge and information between members of a small number of new style farmer discussion groups (2016/17 and beyond). *Contributing parties: MPI, Beef + Lamb NZ, Federated Farmers and selected sheep and beef farmers drawn from a geographic spread throughout the Manawatū-Whanganui region.*

MEDIUM-TERM PRIORITIES

Accelerated support for 25 targeted companies in the region

- Draw upon the current ‘Better by Design’ focus-group work to further develop the idea of including a rolling roster of 25 targeted companies in a customised performance improvement programme with the long-term objective being the establishment of a well-developed and strongly supported approach (2016/17 and beyond). *Contributing parties: NZTE, regional EDAs, the Chamber of Commerce and other interested regional parties.*

SKILLS AND TALENT ENABLER

The region has an enviable record of labour market growth.³⁷ However, upskilling the workforce is a constant requirement and more so with the implementation of the range of opportunities in this Action Plan. This enabler lies at the heart of many of the opportunities. The real challenge is in the delivery. At some point all opportunities that involve a need for significant skills enhancement may need to undertake some form of “skills formation” analysis. This is an industry-driven, public-sector engaged process, associated with defining the skills required for the opportunity sector, relating these to the future opportunities and then making appropriate links to effective training providers.

There are a number of key characteristics required in skills, training and talent development programmes:

Flexibility. Classroom training has limited relevance to evolving sectors, particularly in remote areas such as those in the tourism industry or hill country. Instead, more flexible on-the-job training is required.

Digital. Online training where individuals can pick up instructional programmes or resources will be in higher demand.

Local workforce. A purpose of several of the opportunities such as tourism is to provide employment to local populations in areas where employment is limited. This can often be difficult to achieve because of the incompatibility between skills and requirements.

Multi-tasking. Many emerging industries require people capable of undertaking multiple tasks and able to deal with the changing nature of the work environment.

ACTIONS

IMMEDIATE PRIORITIES

Mānuka honey production

- Work with the apiculture industry to develop an Apiculture Workforce Strategy (2016/17).
Contributing parties: MPI, Apiculture NZ, UCOL/WDC/Te Puna Mātauranga o Whanganui.

Pathways for students to connect from education to employment

- Invite participation in the recently announced Primary Sector Scholarships programme generated from ‘Talent Central’s Pathways’ led by ‘Mayors Taskforce for Jobs’ (2016/17).
Contributing parties: MBIE, MoE, MPI, Mayors Taskforce for Jobs, Manawatū District Council.

Training programmes suited to Quality Care and Lifestyle for Older People

- Work with training providers to tailor training programmes in a way that suits the proposed new ‘Quality Care and Lifestyle’ model (2016/17).
Contributing parties: MSD in conjunction with MoH, Howowhenua District Council and training providers.

MEDIUM-TERM PRIORITIES

Training programmes suited to sheep and beef farming

- Identify gaps, priorities and content for industry training – noting that some of the skills and capability development could be considered under the Tertiary Education Training programme (2017/18). *Contributing parties: MPI, regional farming leaders, primary sector service industry and the Primary Sector ITO.*

DISTRIBUTION AND TRANSPORT ENABLER

The infrastructure of connection between people, goods, services and markets is critical to the realisation of all opportunities. If this runs smoothly and speedily in a region, then advantage accrues as the comparative input costs of production are reduced.

As noted in the Growth Study, the region has a mature transport network but with specific future requirements:

Efficient and well-serviced hubbing. The region needs to have the capacity to efficiently collect, package and redistribute product – and in so doing, reduce costs and increase the speed associated with getting products to market, when compared to other international suppliers.

Scalability of operations. The region needs the capacity to expedite road infrastructure investment decision-making when the contributions to the economy justify this. This includes the potential to take advantage of the interest in ‘rail tourism’ to convey an increased number of tourists to the Tongariro Whanganui area.

Importance of the primary sector. Access to rural areas for the movement of products such as Mānuka honey, but also for the transport of the more traditional primary sector products such as forestry logs and farm products, is vital. In particular, the transport of the inputs and outputs from sheep and beef farming are a cost with impact on the profitability of hill country farms. In other parts of the region, production opportunities are forsaken because the land in question has no access. Providing access to land-locked land – when economically viable, will open new opportunities.

Palmerston North is a major intersection requiring more investment in streamlined transport movement. Palmerston North is at the centre of rail and road networks which go toward all four points of the compass. This intersection of multi modal and large product and traffic volumes must be as well designed and efficient as possible. Inefficiency makes the cost of moving goods and services bigger than it should be and contributes to the safety concerns of everyday users, including school children.

The revitalisation of the Whanganui Port Area will contribute to the economic, environmental and social wellbeing of the City. The driver behind these proposals is the need to identify and secure existing and future uses of the port area – including upgrading Wharf One. Investment will secure the use of this area as a coastal shipping location and will provide a more extensive area for small boat construction, refit services and recreational boat storage. The city has a competitive advantage in providing this type of service. To confirm the value of this development, a feasibility study is required to assess the potential, uses, participants and their requirements, risks, spatial planning, cost estimates, potential business relationships, priorities and stages.

ACTIONS

IMMEDIATE PRIORITIES

Whanganui River Marine Precinct and Port Area Revitalisation Project

- Generate a 'Master Plan' and a parallel 'Pre-feasibility Study: Whanganui Marine Precinct' (2016/17). *Contributing parties: MBIE will work in partnership with the Whanganui District Council and the Tupoho Whānau Trust.*
- Once the 'Master Plan' and Pre-feasibility Study is satisfactorily concluded, complete a full feasibility study and take any other steps which are required to assist development of this area (2017/18 and beyond). *Contributing parties: MBIE will work in partnership with the Whanganui District Council and the Tupoho Whānau Trust.*

Palmerston North Regional Ring Road

- Prepare business case documents as a precursor to giving further consideration to investment in projects contributing to the efficiency of the Palmerston North Ring Road system, including: Kairanga to Bunnythorpe upgrades, Bunnythorpe bypasses, Ashhurst to Bunnythorpe upgrades, No 1 Line/Rongotea Road to Longburn upgrades and Manawatū River bridge improvements (2016 – 18). *Contributing parties: NZTA, Horizons Regional Council Regional Land Transport Committee.*

Rail tourists

- Undertake a feasibility study to identify the demand for, and marketing opportunities associated with, encouraging more tourism rail access to the Tongariro Whanganui area (2016/17). *Contributing parties: Visit Ruapehu, Kiwi Rail, MBIE.*

MEDIUM-TERM PRIORITIES

Provide for the transport needs of visitors and tourists to the Tongariro Whanganui area and clients of the applied 'Quality Care and Lifestyle for Older People' model

- Give further consideration to the particular transport needs associated with tourism. These may be identified as other details of the Action Plan are developed, and clients of the Quality Care and Lifestyle for Older People model, as detailed in the proposed 'Master Plan', are developed (2017/18 and beyond). *Contributing parties: local government, NZTA.*

Study of airfreight volumes from the area

- Prepare a proposal to explore options for better satisfying the demand to efficiently transport goods by airfreight from the region (2017/18). *Contributing parties: Local authorities from the area.*

Transport hubbing

- Review the adequacy of transport connectivity to the current range of hubbing locations in Palmerston North and the Manawatū District and determine what adjustments may be made to support growth (2016/17). *Contributing parties: NZTA, EDAs, the Regional Land Transport Committee.*

DIGITAL CONNECTIVITY ENabler

The digital network is emergent, however, it continues to languish behind what is required to fully support regional opportunities. The key focus areas for digital services in the region are:

Rural connectivity

Land Use Optimisation, Mānuka Honey

- Cellphone contact is as important as internet contact where operations are taking place in remote areas – such as for the production of Mānuka honey and sheep and beef farming.
- Internet contact is a requirement for hill country farmers to participate in productivity discussion groups where they are sharing performance information, using farm performance enhancing software and using benchmarking data.
- There is also the need for internet-based training packages for farmers.

Quality Care and Lifestyle for Older People

- Technology-driven monitoring products for client safety are fundamental to this opportunity.
- Agency inter-operability to supply seamless and timely services will be strongly enabled by digital capability.
- Social connectivity is also important in this sector, such as that achieved through inter-generational family connection.

Tourism and Visitor Industry Connectivity

- Many of the outdoor experiences essential to the product offering in the greater Tongariro Whanganui region are in remote areas. Adequate connection is essential for safety, and the efficient marketing and servicing of this business.
- Better internet connectivity is likely to encourage more owners of holiday homes in the greater Tongariro Whanganui area to operate their personal businesses while staying or living in their holiday homes.

While the implementation of digital networks is progressing at pace around the country, the particular area of deficiency is in the rural areas. Faster progress in providing better service is vital to achieving the productivity gains that have been identified earlier in this Action Plan.

ACTIONS

IMMEDIATE PRIORITIES

Broadband to rural areas

- Deliver the 'Rural Broadband Initiative' to 98 schools and to a further 12 isolated rural schools in the region as part of the 'Remote Schools Broadband Initiative'. (2016 -Achieved). *Contributing parties: MBIE, local authorities, rural schools.*

Mobile black spot and broadband coverage

- Roll out the 'National Rural Broadband' and 'Mobile Black Spot Coverage Programme' (2016/17 and continuing). *Contributing parties: MBIE and local authorities.*

MEDIUM-TERM PRIORITIES

Local authority leadership

- Confirm the scale of 'enablement' commitment as part of the 'Ultra-Fast Broadband 2' process and consider what more can be done to encourage people to use the new and faster broadband infrastructure and thereby ensure any extra capacity is not wasted (2016/17). *Contributing parties: MBIE, local authorities.*

FUTURE PRIORITIES

Future investment in rural broadband

- Determine how to prioritise investment in the 'Rural Broadband Initiative 2' Programme (2016/17). *Contributing parties: MBIE, local authorities.*

CREATING A BALANCED PORTFOLIO

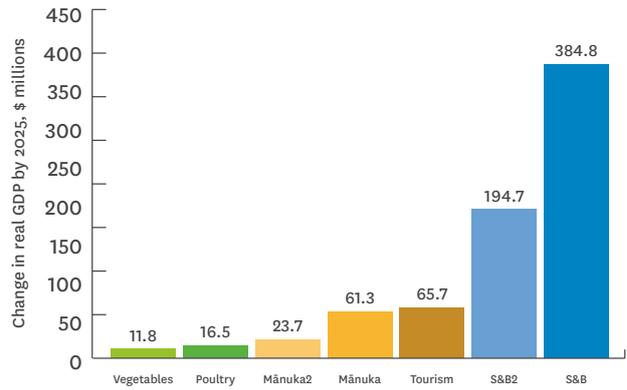
NZIER measured the potential benefits that would arise from development of five of the opportunities. Those benefits include contribution to regional GDP, regional employment and household income.

The five opportunities were Fresh Vegetables, Poultry Meat Production, Mānuka Honey, Tourism and Visitor Services and Sheep and Beef (now part of Land Use Optimisation).

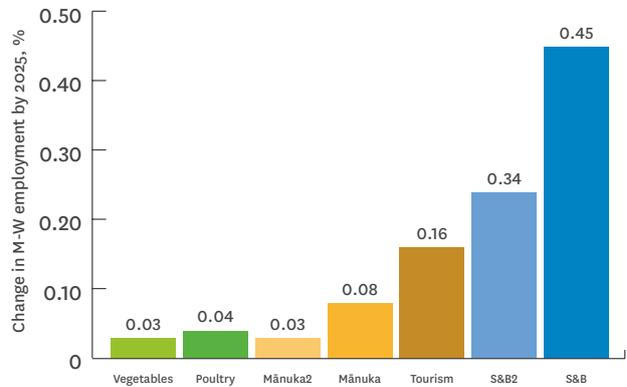
For Mānuka Honey and Sheep and Beef, two calculations have been made – one with more ambitious assumptions and the other, less ambitious.

It can be noted that some opportunities, such as tourism, would contribute more to jobs and household incomes, whereas Sheep and Beef would contribute more to GDP. The Action Plan involves a range of opportunities that make different types of contributions, to create a balanced portfolio of activity.³⁸

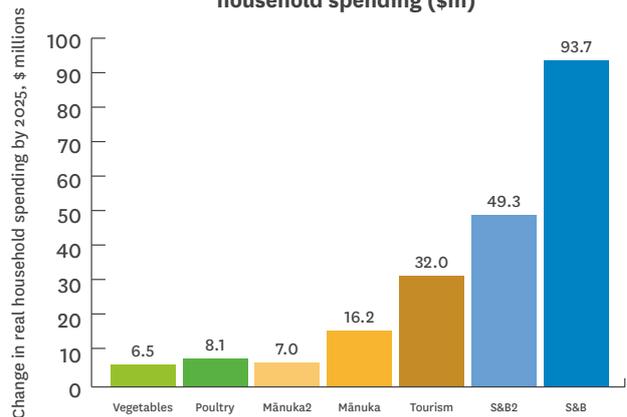
Change in level of Manawatū-Whanganui real GDP (\$m)



Change in number of jobs in Manawatū-Whanganui (%)



Change in Manawatū-Whanganui household spending (\$m)



ORGANISATIONAL ARRANGEMENTS FOR MOVING FORWARD

The strong common themes emerging in almost all the opportunities are 'leadership' and 'market'. For some opportunities, either or both of these are the vital missing ingredient. For others, they are amongst an important cluster of requirements. What is very clear is that this Action Plan will only be implemented and successfully concluded if there is strong, aligned leadership from the sub-region to central government and all parts between.

The Lead Team has considered the ingredients required for successful organisational arrangements in the relevant sections of each of the opportunities. In this section we look at the broader picture, and raise issues and possible directions for the future, without landing on a final structure. That can be done once the Action Plan is in its implementation phase.

Principles

As a first step, we have identified some principles that should lie behind decisions about future organisational arrangements. A guiding principle for the whole Action Plan is a secure public/private connection. A second guiding principle is commercialisation – the ability to turn opportunity into enterprise.

The principles are presented here, in no particular order of priority:

Commercial. While some opportunities have social and community dimensions, all are fundamentally commercial in nature and require the involvement of commercial stakeholders from the outset. Within this principle, a focus on 'market' is the highest priority.

Durable. A number of the opportunities identified in the Action Plan will have a horizon of 10 years or longer. Any institutional arrangements must have the prospect of longevity.

Connection to local, regional and central government and iwi. The public sector connection is important in all opportunities, especially in the early stages of development.

Gravitas. Several of these opportunities need to have scale to truly succeed. Institutional arrangements need to be able to support that scale.

Authority. Any institutional arrangements need to facilitate action and have the power to act, otherwise the Action

Plan will not have the necessary foundation to support the required 'action'. Connections to the region's mayors and the Regional Economic Development (RED) Ministers will be vital.

Momentum. Whatever structure is chosen, it must build and sustain the momentum established as part of the process of developing this Action Plan – for all of the opportunities.

Integrity. Respect for the environment, of culture, of communities and of people is critical.

Structures

In contemplating preferred structural arrangements, the tasks required need to be specified. Clearly, strong governance is vital. A range of facilitation and management tasks will also be required. Integration of the whole operation is another important task. The following organisational elements need to be present:

Programme Leadership. There is a need for a regional coordinating body of some sort to oversee the whole Accelerate25 programme on an on-going basis. This is assumed to be the Lead Team. The Lead Team would need to continue to be the 'meeting place' for leadership from central government, local government, iwi and business.

Agencies. There is a need for agencies to display an active willingness to take responsibility for each opportunity. These agencies could be existing entities or purpose-built for the task. It is possible, though unlikely, that territorial local authorities (TLAs) would be the agencies. Examples of potential agencies could be³⁹:

- Economic Development Agencies (EDAs).
- Trusts.
- Purpose-built entities such as regional hubs.
- Special entities – such as those identified for potential future development in the Land Use Optimisation and Tourism opportunities.

No matter what agency is settled upon, it is vital that it is robust and well-resourced to tackle the challenges involved and that it combines public and private interests.

Integrator. The Lead Team will require support. It is envisaged that Horizons Regional Council could play the role of an integrator, working alongside the Lead Team,

overseeing the transition of opportunities to agency leadership. Horizons Regional Council may also continue to oversee the monitoring and review of agencies to ensure that they deliver on their commitments. In addition, Horizons Regional Council, together with other local government agencies, would work to identify additional opportunities that may emerge as part of the longer-term roll-out of the Accelerate25 programme.

Action Teams. Action Teams have been a means for the preparation of Action Plans. They are not envisaged as having a life in their current form beyond the completion of the Action Plan, although particular members are likely to become involved in an agency structure to take an opportunity forward.

Mayoral Leadership. It is assumed that the highest regional authority would be what is known locally as the “Regional Chiefs”. The Accelerate25 Programme would be part of the Triennial Agreement which drives regional mayoral leadership.

Transition Arrangements. It is likely at the completion of the Action Plan that not many long-term agency arrangements will be in place. Transitional arrangements may be required.

ENDNOTES

1. This has included contributions to work on 'Realising Māori Potential' led by consultant Dr. Jason Mika from GHA, Rotorua.
2. Teams were not used for the enablers. This work was undertaken directly by the Programme Directors with engagement with appropriate stakeholders.
3. 'Hill Country Sheep and Beef Farming – Improving Profitability and Productivity in the Manawatū-Whanganui Region – A Report for MPI with a Focus on Exploring the Potential Role of Farmer Discussion Groups,' HenleyHutchings, 30 April 2016.
4. 'Economic Impact of Manawatū-Whanganui Action Plan Initiatives,' NZIER, report to HenleyHutchings, May 2016.
5. Grant Davidson, international advisor on new models for the delivery of aged care.
6. The Māori Economic Strategy Group comprises Sir Mason Durie, Pahia Turia and Mavis Mullins, with assistance from Te Puni Kōkiri.
7. Contributing parties, as referenced in this Plan, are organisations that are likely to have an important role in implementing an action or actions. Their role is not strictly financial, and could include contribution of time, support or other resources.
8. Subject to meeting funding criteria and regulatory requirements including any variations which may be required to the Tongariro National Park Management Plan.
9. Provision of funding will be subject to meeting funding criteria and regulatory requirements.
10. An example of a track suited to upgrade is that connecting Whakapapa Village and the base of the Tūroa ski-field.
11. These and the other land use-related numbers used in this Action Plan have been provided by Horizons Regional Council.
12. 'The Secrets of Top-Performing Red Meat Farms' – a research report from ANZ, December 2014
13. Ibid. NZIER, 2016.
14. There are currently no Māori producing sheep dairy in the region, however, there are Māori who own sheep and beef farms that have an interest in diversifying if enough sheep dairy volume was produced to make a processing plant viable.
15. This information and other needs particularly relate to: feed budgeting, farm infrastructure, fencing, water availability (for stock and irrigation), optimal fertiliser use, the production potential of specific soils at a farm level scale of detail and the provision of farm employees with a wider range of more advanced skills than those currently available.
16. Māori are already significant producers of sheep and beef, e.g., Atihau-Whanganui Incorporation farms 30,000 hectares (21,847 hectares effective) and leases another 12,000 hectares. Treaty settlements will bring former Landcorp Farms in the Wairarapa into the hands of iwi. It is therefore viewed by the Lead Team as imperative that Māori land owners are actively engaged as part of the Action Plan information transmission 'actions' referenced in this report.
17. With the assistance of MPI, some water resources investigations have already been undertaken in the Rangitikei district. These investigations identified potential for a rural water supply scheme for irrigation and stock water in the Tutaenui (north of Marton), utilising the unused water in the existing Hunterville scheme. While perhaps not as clear-cut, similar opportunities are likely to exist in other areas.
18. Provision of funding will be subject to meeting funding criteria and regulatory requirements.
19. Provision of funding will be subject to meeting funding criteria and regulatory requirements.
20. This will depend on the level of confirmed farmer interest.
21. Subject to satisfaction of Accelerated Irrigation Fund criteria.
22. Ibid. NZIER, 2016.
23. Wild Mānuka honey is that sourced from in situ indigenous or wild Mānuka plants.
24. One of the issues requiring on-going attention is the development of detailed information about the best means to manage Mānuka plants, to maintain long-term flower production as the plant matures.
25. There is a need to recognise that plantation Mānuka is in its relative infancy as a sector and best practice knowledge will continue to evolve.
26. Growth in New Zealand sourced international honey sales has been from about 1% to about 20% of the global market over the last five years. Source: UN Comtrade. For further information see page 121 of the Manawatū-Whanganui Growth Study, 2015.
27. Mānuka plantings are already eligible for funding through the Afforestation Grant Scheme, provided they meet defined funding criteria.
28. The goal of this PGP programme is to grow the New Zealand honey industry to \$1.2 billion by 2028, by increasing the yield, quality, and reliability of supply of medical-grade and other Mānuka honey. The programme aims to shift the industry from wild harvest to science-based farming of Mānuka plantations by combining improved genetics with optimum husbandry practices to enable significant productivity gains.
29. 'OECD-FAO Agricultural Outlook', 2015.
30. The Growth Study (2015) noted the average cost per seat is around 15% lower in New Zealand than Australia. In addition Manawatū-Whanganui is 35-40% lower than Australia. This is achieved because of lower wage and overhead costs. Staff turnover rates are estimated to be 6-10% in Manawatū-Whanganui when compared to the 40-50% rate experienced in Auckland and similar rates in large Australian cities.
31. This is an extra 1200 seats. This will increase the total number of persons employed in the sector to 2400 by 2020.
32. Examples include 'Prepared Foods' located in Palmerston North and the highly successful Atihau Whanganui Incorporation based on farming at a number of locations – mostly in the Whanganui River catchment.
33. There are around 84 Māori authorities employing 330 people in the region, as well as a number of other small, medium and large enterprises.
34. Those who have led the kaupapa of Te Pae Tata and who will take this forward to Te Pae Tawhiti are Sir Mason Durie and Pahia Turia. They are supported by Mavis Mullins with her business expertise and acumen.
35. The SME segment makes up 97% of New Zealand businesses – with a similar percentage in the Manawatū-Whanganui region. New Zealand is a nation of entrepreneurial thinkers with much action coming from small beginnings. Enterprises with fewer than 20 employees have lower survival rates than larger firms, with roughly a quarter of them dying within three years from 2010. A stronger supportive environment for this segment will enable faster innovation and growth for the wider region. New Zealand has 460,000 small-to-medium enterprises (SMEs). Source: 'Ministry of Business, Innovation and Employment's, 2014 Small Business Sector Report.
36. An additional \$8 million was provided to this programme in Budget 2016 for expenditure over the next four years.
37. 5% growth between 2015 and 2016, MBIE.
38. The base year used in the calculations applied by NZIER (2016) to generate these graphs is 2015. The performance of the regional economy at 2015 is displayed as 'o' in these graphs.
39. Agencies will provide a financial base, commercial expertise and a formal structural format that isn't currently offered by the Action Teams.



ACCELERATE▶25
MANAWATŪ-WHANGANUI

Prosperous. Strong. Vibrant.

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