



# Clutha District Economic Development Strategy 2015



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## INTRODUCTION

The Clutha District is set to face some significant challenges in the future. We need to be aware of the risks to the local economy and businesses, and the opportunities our challenges will bring.

Future sustainability and growth for our district means putting economic development at the centre of our actions and decisions.

Council sees promoting growth as a priority and believes there are opportunities out there to promote the district's potential as an attractive place to live, work and invest.

It's a simple choice really; we can focus on generating growth in our district or allow it to decline.

This strategy has been prepared on this basis, and the following key areas of focus aim to help promote economic growth in the district:

**Business** - building capacity, displaying best practice standards, competing nationally and becoming leaders in their fields. New investment, businesses relocating and starting up that will feed off the success of existing businesses.

**Living and Working** - people and businesses outside the district seeing the benefits of living in the district. Strong connections within communities and continual growth and development of leaders in those communities.

**Workforce** - a stable skilled workforce that will be continually learning. A workforce that fits the right skills for the jobs that allows businesses to grow. Businesses that are aware of the impacts and opportunities presented by the ageing workforce.

**Infrastructure** - Council understanding the needs of economic growth when investing in infrastructure and in the creation of policy.

**Natural Resources** - our district developing an understanding of how to optimize our resources for greater value creation and to ensure sustainability.

The strategy will help direct a coordinated, integrated set of actions and programmes to work towards our economic goals and promote growth for the Clutha District.



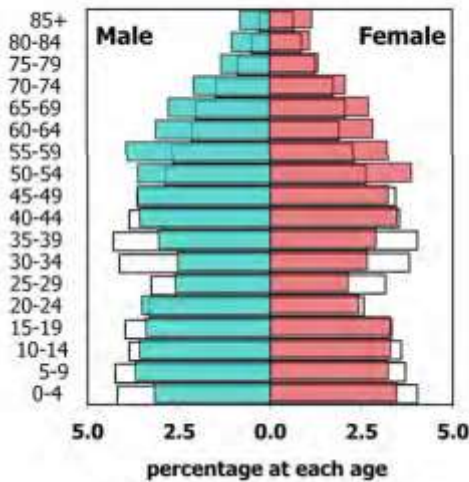
# OUR ECONOMY

## Population

### Key Highlights

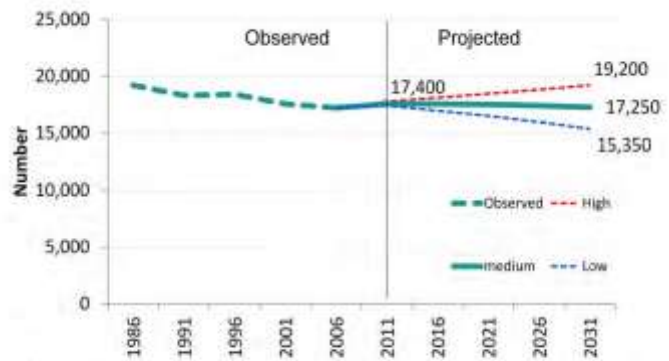
- Population density is low which ensures plenty of land.
- Low density and small settlements spread services thinly across the district.
- The district's population is ageing numerically and structurally.
- The district's population decline is generated by population ageing.
- The median age in the district as of 2013 was 41.5 years versus 38 years for New Zealand.

Clutha DC 2013 (17,300)  
(1996 Unshaded)



65+ years: 16.4% (1996 = 11.7%)    65+ years: 15.4% (1996 = 13.2%)

Clutha District Projected Population



Source: Statistics New Zealand, Subnational Population Projections: 2006(base)-2031 (October 2012 update)  
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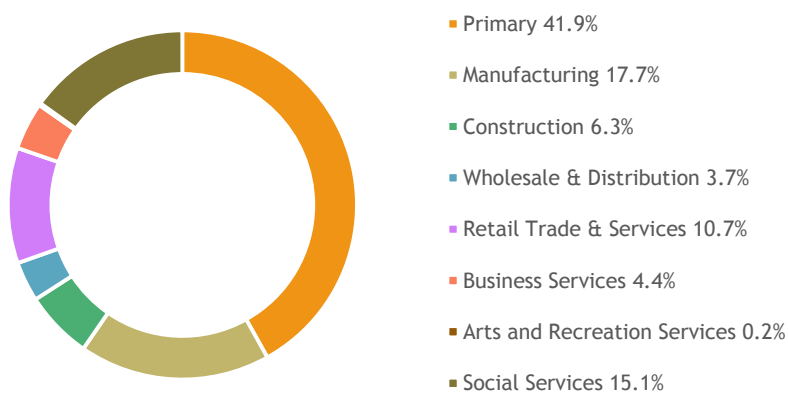


## Workforce

### Key Highlights

- Low unemployment rate of 3.5 percent in 2013 versus 7.1 percent for New Zealand.
- Median personal income of \$29,900 in 2013
- Majority of population employed identified managers as their occupation (26.4%) followed by labourers (23.3%).
- Over the last 10 years the fastest growing industries by employment have been in the public services.

Key Clutha District Employment by FTE percentage  
2013

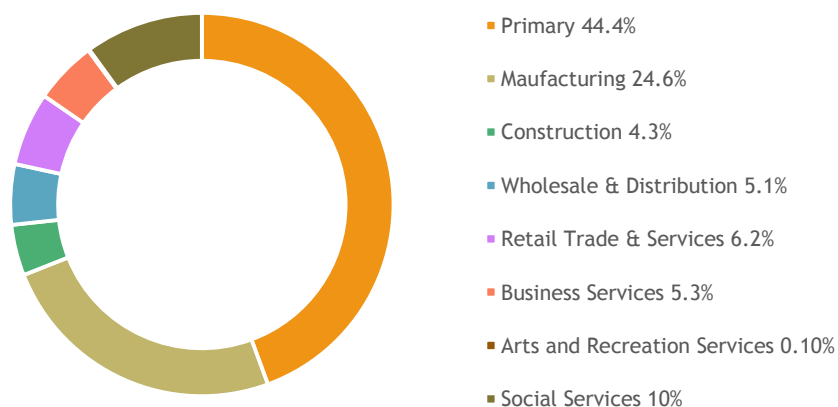


## Industry

### Key Highlights

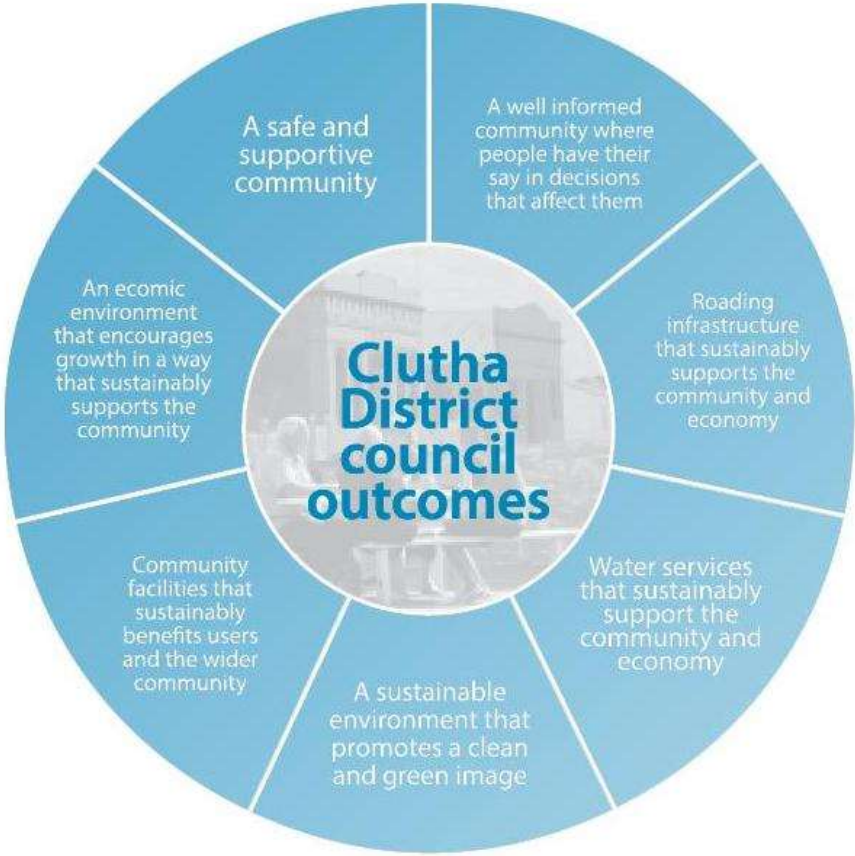
- Primary production sector accounts for nearly half of all economic activity in the district.
- Over the last 10 years the district has outperformed both the Otago region and New Zealand in terms of GDP per capita and labour productivity.

Key Clutha District Industry Sectors by GDP 2013





## GUIDING PRINCIPLES



Council is guided by a set of outcomes that are overarching goals it will work towards for the communities of the Clutha District. Its economic outcome is as follows:

**“An economic environment that encourages growth in a way that sustainably supports the community”**

## **Council's Role**

Council recognises that promoting growth must be done in a sustainable way.

This strategy has been developed on the basis that Council supports initiatives to encourage investment in our district, subject generally to any initiative being at worst rates neutral.

When specific rates funding is required for any initiative or action that is not rates neutral, Council will approve it individually or through the annual planning process.

Council recognises in the area of economic development that it has a part to play, but that partnerships with the local business community, along with local, regional and national organisations are vital.

Council also recognises that given our knowledge of what is happening in the district and region we are in the position to help put the right people in touch with each other and broker opportunities.



## BUSINESS DEVELOPMENT

**Economic Goal: To aspire to achieve business excellence (develop an environment that leads to business success)**

### Principle 1: Encourage investment in our district to create businesses and jobs

#### Actions:

- Allow the market to determine the trends.
- Council enables the consenting process.
- Ensure there are purpose built properties for business lease. Council will be open to the possibility of developing commercial properties.
- Council will promote a 'can do' attitude, including a willingness to facilitate and negotiate to attract businesses.
- Look to invest in business parks.
- Develop and implement a 'Live, Work and Invest' promotional tool to help connect with information, support and how Council can help.

### Principle 2: Retain and sustain our existing businesses

#### Actions:

- Support the concept of user pay support services for business development and expansion.
- Through the Clutha District Plan, ensure that there is land available and designated for industrial and residential uses where appropriate. For example, facilitate the development of district hubs such as Milton as an industrial hub, and Balclutha as a service hub.
- Target sector development and support. Identify needs within growing sectors, such as strategic direction for the tourism sector and facilitate the development of quality employer groups in specific sectors.



- Facilitate and support industry hubs / networks / clusters. Encourage industry to work together, for purposes such as to facilitate training and cooperative tendering.
- Facilitate business support services including one on one support, mentoring services, professional development and referrals.
- Support a business expansion and retention programme in order to identify what helps, and hinders business activities in the district.

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### Principle 3: Enhance the economic performance of the primary sector (provide priority support to the primary sector)

#### Actions:

- Facilitate tailored development programmes for the sector that build strength and capacity in areas including health and safety, water management and employment practices.
- Strengthen linkages with and between support organisations for the sector.
- Monitor and participate in partnerships around sector opportunities.
- Monitor policy changes that affect the primary sector in terms of the impact they have on economic performance.

### How we will track progress towards these goals:

#### Indicative measures:

- GDP growth
- GDP per capita growth
- Employment growth
- Labour productivity growth
- Business units growth
- Business size growth
- Business confidence surveys
- Number of businesses exporting
- Visitor nights



## LIVING AND WORKING

**Economic Goal: Create a place where people want to come and work (support infrastructure and initiatives that enhance the district as a great place to live, work, play and invest).**

**Principle 1: Enable urban and rural planning that allows for potential growth of the district**

Actions:

- Identify where the gaps are in housing, commercial property and town aesthetics.
- Council engages in urban design, main street revitalization, and building on the district's unique identities - transformation strategy to create places of significance.
- Community, council and corporates to work together on community projects such as town themes/features and community gardens.
- Council supports and enables the utilization of land for development.
- Investment in housing and commercial development including town centres.

**Principle 2: Foster the development of events, tourism activities and enterprises that will attract people to the district**

Actions:

- Facilitate the promotion of events
- Create a coordinated marketing strategy for the district.
- Develop an Events Strategy for the district to focus on the attraction of residents and visitors.
- Explore ways for council to improve its contribution to the tourism product.
- Support and facilitate group initiatives within communities such as cycle trails, wetlands and community facilities.

### Principle 3: Ensure that the district's towns have the social infrastructure to support and encourage growth (including medical and educational facilities and housing)

#### Actions

- Support service providers to meet the needs of the District in terms of education and health.
- Foster partnerships that facilitate better access to health and education services.
- Future proofing current council community housing stock.
- Connect to opportunities to broaden the range of education options in the District specifically the expansion of tertiary opportunities.
- Be aware of health services offered especially in relation to mental health and alcohol issues.
- Invest in identified shortfalls, including housing development, education and health initiatives (retirement villages).
- Support the social infrastructure to assist a changing workforce (community support groups - newcomer support) Clutha District Settlement Support.

### Principle 4: Grow a pool of talented people that will lead the district - encouraging community leadership

#### Actions

- Engage with communities on local community initiatives.
- Promote the value of volunteering - Volunteer Week, acknowledgment of service - volunteer celebration.
- Support young people into leadership roles (Youth council, leadership forums, Malcam Trust).
- Advocate business involvement in community (support for volunteer services).
- Promote the Kea network (Kea is a global community of Kiwis and friends of NZ that exists to inspire, connect and enable a borderless nation of one million advocates, champions and storytellers for New Zealand) as a means of accessing the talent required.
- Create Community Development Plans.
- Support leadership and mentoring programmes.

### How we will track progress towards this goal:

#### Indicative measures:

- Change in rateable properties (assessments)
- Change in commercial/industrial/retail space available
- Change in land available for development
- Number of significant events increase
- Community initiatives supported



## WORKFORCE SKILLS

**Economic Goal: Create a vibrant and diverse workforce with the skills to meet the changing needs of the district (ageing workforce, youth leaving the district, cultural diversity).**

**Principle 1: Build an environment that attracts and retains skilled and talented people in the district**

### Actions

- Allow the labour market to determine the trends and businesses to react on an individual basis.
- Identify the current skill gaps in the labour market and monitor market trends (Labour Market survey).
- Support the development of job and training opportunities including Mayors Taskforce For Jobs and Clutha Country Training and Development Awards.
- Council to invest in attraction and retention of people in the workforce - Live, Work and Invest promotional tool.
- Encourage participation in internship programmes such as those run by Otago Polytechnic and Otago University School of Business.
- Encourage an environment where professional development, on the job training, apprenticeships and earn as you learn programmes are supported and promoted to local employers.



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## Principle 2: Foster strong mutually beneficial relationships between the business and education sector

### Actions:

- Identify proactive businesses willing to work with the education sector - build the relationship from the business end, in similar manner to Gateway that is driven from the school end.
- Support the business and education sector. Share the skill gap knowledge identified and enable the understanding of local career opportunities available in the district.
- Council leads by example in identification of career, internships, graduate programmes and promotion from within.

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## Principle 3: Ensure our businesses understand the impacts and opportunities of an ageing workforce

### Actions

- Identify businesses and sectors at-risk (including SME ownership succession) - how businesses cope with the workforce they have, changes in mindset, changes in processes, upskilling and health and safety implications.
- Support and facilitate sector business development (training, mentoring).
- Identify initiatives and opportunities across the district.

## How we will track progress towards this goal:

- Gap between jobs available and jobs filled
- Labour force participation rates
- Proportion of older people participating in the labour force
- Proportion of youth in education, employment and training



## INFRASTRUCTURE

**Economic Goal: To promote infrastructure and policy that encourages economic growth and development (user-friendly regulatory process and infrastructure that drives economic activity).**

**Principle 1: Ensure that the best possible technology services are available in the Clutha District.**

### Actions

- Council is proactive in encouraging the rollout of RBI by taking a lead role.
- Investigate options and opportunities and actively encourage and facilitate providers to invest in the District (Chorus, Community cell towers).
- Explore opportunities for public/private co-investment in broadband infrastructure.

**Principle 2: To grow and maintain the district and to meet regulatory requirements, a high standard of infrastructure (three waters, roading) is essential.**

### Actions

- Invest to a level to meet regulatory requirements as a minimum standard.
- The level of infrastructure to meet present and future needs will allow the ability to be responsive to growth opportunities.
- Council expenditure on roading will meet agreed levels of service.

### Principle 3: Council will promote policy that encourages economic growth and development.

#### Actions

- Review council's procurement policy to support the local economy i.e. shop local policy.
- Measure performance (monitoring and feedback) - targeted business survey, economic reports (BERL).
- Consider the economic impact for decision-making on policies, include on policy planning and reviews.
- Maintain a business friendly culture within Council, e.g. response times, information and support provided, one on one service (key account managers concept).

#### How we will track progress towards this goal:

- Availability of RBI/UFB in the district
- Building consents
- Resource consents
- Amount of capital expenditure to allow for increased levels of service and growth



## NATURAL RESOURCES

**Economic Goal: To maximize the sustainable productive use of our natural resources (explore the opportunity to add value from our existing and future resources).**

**Principle 1: Ensure that land is available for potential investment opportunities.**

### Actions

- Council decision making process and staff support will allow for flexibility within the District Plan.
- Assess current land availability and potential for use.
- Co-invest/partner on opportunities to support growth (residential/commercial) (support with infrastructure costs).

**Principle 2: Maximize the potential of natural resources (water, air, land, minerals).**

### Actions

- Maintain a key relationship with the Otago Regional Council to maximize the potential use of natural resources (water discharges, closed landfill monitoring).
- Protect the natural environment to aid and promote eco-tourism (Council has a stewardship role).
- Support and enable groups to utilize and/or capitalize on the district's natural resources (e.g. wetlands, cycle ways, irrigation schemes, and eco-tourism).

### How we will track progress towards this goal:

- Resource consent compliance
- Programmes and initiatives that protect natural resources





## DELIVERY OF KEY ACTIONS

These are the areas of focus that will influence the strategy development. From the principles and examples it is then necessary to explore how to deliver the actions identified in the focus areas.

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**Principle 1: Facilitate the delivery of actions that enhance economic growth in the district.**

### Actions

- Identify agencies to support and deliver the economic development strategy actions - EDA and others.

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**Principle 2: Market and communicate the strategic economic actions.**

### Actions

- Identify mechanisms/mediums for communicating the strategy's actions.
- Promote activities.
- Ensure that the EDA has a profile.

## How we will track progress towards this goal:

- Percentage completion of the annual work programme as identified in this strategy and related action plans and contracts.