

# ECONOMIC DEVELOPMENT STRATEGY

2019-2024

# TABLE OF CONTENTS

FOREWORD	P3
ECONOMIC DEVELOPMENT - OUR ROLE	P4
CENTRAL OTAGO - A WORLD OF DIFFERENCE	P5
A BIT ABOUT US - THE CENTRAL OTAGO DISTRICT	P6
WHAT ARE OUR DISTRICT'S CHALLENGES?	P8
OUR VISION	P12
ACHIEVING OUR VISION	P14
WHAT DOES SUCCESS LOOK LIKE?	P16
FOUR PILLARS OF ECONOMIC DEVELOPMENT	P17
• CRITICAL ENABLERS	P18
• DISTINCTIVE PLACES	P22
• SMART ADAPTION	P26
• A PRODUCTIVE AND PROGRESSIVE ENVIRONMENT	P32
ACHIEVEMENTS AND LEARNINGS - OVER THE LAST FIVE YEARS	P34
ACTION PLAN AND MONITORING	P35

Interspersed through the strategy's four pillars section you will find five Central Otago regional identity partner profiles, chosen to illustrate with current real life examples how Central Otago businesses support the strategy's objectives and vision for our district. These case studies show how Central Otago businesses 'walk the talk'; what living the Central Otago values looks like in practice for a business.

Read other partner profiles and find out how a business or community group passionate about this place can become a proud partner by visiting: [www.aworldofdifference.co.nz/our-partners](http://www.aworldofdifference.co.nz/our-partners)





## FOREWORD

Economic Development encapsulates so much of what we do to support the wellbeing of the district.

Central Otago is a beautiful, proud and thriving district with a strong regional identity that is brimming with opportunities.

Central Otago is a place of dynamic business, creative innovative talent and where locals and visitors can experience our distinctive place - a world of difference.

Whether gains in economic performance are achieved through baseline productivity improvements or through sector-based innovation, Central Otago is well positioned to drive steep change in the region's economy into the future.

However, there are local challenges that will need to be met including changes to water allocation, management and storage, with flow-on effects to supporting industries, access to seasonal labour and the provision of affordable housing as the region enters a period of unprecedented growth.

On a more global level, the need to respond to the challenge of climate change, the move to a zero-carbon economy and a commitment to put far greater emphasis on environmental sustainability and the wellbeing of all communities are also challenges that need to be faced.

While some of these challenges aren't peculiar to Central Otago, the responses should be particular to Central Otago if the region is to adapt and thrive in the face of change.

It is important to recognise that the Council cannot control everything in this area, but we can focus on what we can control, influence or have an interest in, to ensure ongoing improvements in our economy are made possible.

# ECONOMIC DEVELOPMENT – OUR ROLE

Economic development, in its broadest terms, is about the standard of living of our people. It is essential to the wellbeing of our community and underpins all our social and cultural aspirations– from jobs, so our young people don't have to move away, to a good cup of coffee when you're cycling the Rail Trail and need a break, to thriving local communities with growing populations, good schools, and the talent needed to make up the local drama society and rugby team.

From a council perspective, economic development can be defined as actions that positively influence economic growth and improve the economic, social environmental and cultural well-being of a community by providing jobs, sufficient income levels, and the resources required to achieve a healthy standard of living and quality of life.

There are a number of international, national and regional variables at play that will influence how much effect a council can realistically have on economic development, however we can contribute to the economic development of the Central Otago district in several ways. This contribution includes providing good quality infrastructure and regulatory services, actively promoting business and industry development, and attracting people to the district.

While there are limits to what council alone can control or even influence, Council is concerned with the full range of issues which affect the wellbeing of the district and its communities (see diagram below).

## CONTROL

**Core business, statutory responsibilities, service provision. Council facilities and services, buildings and other assets.**

Direct decision-making and action is possible (and necessary).

## INFLUENCE

**Areas of partial or shared responsibility or influence.**

Advocacy, lobbying, education and communication are possible. Actions may be possible in collaboration with other organisations/ levels of government.

## INTEREST

**Wide range of issues of importance to the community.**

Awareness/understanding is important. Possible educative, advocacy, lobbying of role.

This Economic Development Strategy identifies the four areas or 'pillars' where we can best influence economic growth over the next five years.

### CRITICAL ENABLERS

– that ensure the district can grow and prosper

### DISTINCTIVE PLACES

– by bringing together and supporting a vibrant mix of activities

### SMART ADAPTATION

– future focused and flexible behaviour and practices

### A PRODUCTIVE AND PROGRESSIVE ENVIRONMENT

– provision of the right infrastructure to ensure sustainable growth and equity across the district

The strategy sets out our goals under each of the four pillars. The expectation is that if these goals are met, there will be an improved household income for Central Otago, more people living and working locally in higher skilled jobs, improved GDP growth and a well-balanced business and population demographic.

# OUR STRATEGY AT A GLANCE

The 2018-2023 Economic Development Strategy is built across four levels.

The first level is the vision: Central Otago is a place of dynamic business, creative innovative talent and where locals and visitors can experience our distinctive place - A world of difference.

The second level captures the pillars required to achieve this vision. These pillars recognise the role that enablers, places, adaptation and experiences will play in realising a positive economic future for the district.

The third level lists the objectives for each work stream, which are complemented at the fourth level by outcome statements. These statements help us understand the strategy is working.

## VISION

Central Otago is a place of dynamic business, creative innovative talent and where locals and visitors can experience our distinctive place - a world of difference.

## PILLARS

Critical Enablers

Distinctive Places

Smart Adaptation

A productive and progressive environment

## OBJECTIVES

Improving connectivity and infrastructure

Being business friendly

Developing affordable, accessible and attractive places

Protect and enhance the landscape and environment

Supporting diversity of age, skills and activities

Fostering a smart, progressive and collaborative district

Increasing prosperity and wellbeing across the district

Supporting the visitor economy in alignment with the Tourism Strategy

## OUTCOME

Improved resilience and access

Improved process efficiency, customer outcomes and a highly informed business community

Better experiences for locals and visitors, reduced loss of talent

Upholding A World of Difference values

Increased knowledge and efficiencies through smart/responsive district approach. Enable leadership to provide the confidence to achieve investment.

Increased youth participation, highly skilled workforce and vibrant service sector activity

Growth in jobs, wages and business with appropriate labour and land resource

High value tourism growth



## A BIT ABOUT US - THE CENTRAL OTAGO DISTRICT

***He aha te mea nui o te ao. He tāngata, he tāngata, he tāngata. What is the most important thing in the world? It is people, it is people, it is people.***

Central Otago is asset rich when it comes to the resources required to build a thriving economy and it all begins with our strong, proud, quietly determined and innovative people. We are a cohesive community who value our connections with each other and the rest of the world.

Ngāi Tahu are the Māori people of the southern islands of New Zealand – Te Waipounamu – the Greenstone Isle – holding the rangatiratanga or tribal authority to more than 80 per cent of the South Island including Central Otago.

As a council we respect their right as tangata whenua and are committed to being mindful of their cultural identity – customs, arts, language, artefacts and preserving their historic rights to their 'lands and estates, forests, fisheries and other properties' as outlined in the Treaty of Waitangi, New Zealand's founding document.

The community of Central Otago consists of a variety of small towns that offer a wide range of services. It is a popular holiday destination, and the population swells over the summer months.

For the year ended 30 June 2017 the population of Central Otago grew by 1,800 people, or 9.7%, to 20,300.

Central Otago has become a fashionable place to live and visit, and many people are moving to the district for work and business opportunities.

Growth is also influenced by increasing demand in the Queenstown Lakes area and the relative affordability of property.

The district's population growth is forecast to continue for the next 30 years.

Central Otago is New Zealand's most inland region, located in the southern half of the South Island. It covers an area of 9969 km<sup>2</sup> and has one of the lowest population densities in New Zealand.

This, together with the landscape, climate and unique soils gives Central Otago its particular character attracting amongst other things visitors from around the globe and international film producers.

Central Otago has wide expanses of productive land under which lie valuable mineral deposits and a "continental" type climate well suited to many forms of primary sector production.

From the harshest climates comes the finest produce. Superfine merino wool, New Zealand's finest pinot noir wines, apricots, cherries, apples and more.

Though the driest part of New Zealand, the district is a major producer of hydro-electricity from the Clyde and Roxburgh dams on the Clutha Mata-au river.

The Manuherikia tributary and the Lindis River and tributaries are also important sources of water for irrigation purposes.

Central Otago offers a unique blend of commerce and lifestyle to value-added industries looking to establish or relocate. The regional infrastructure offers significant capacity for the expansion of commercial enterprise.

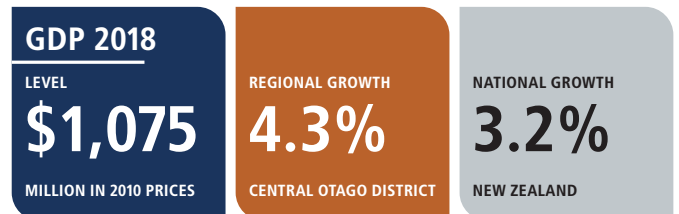
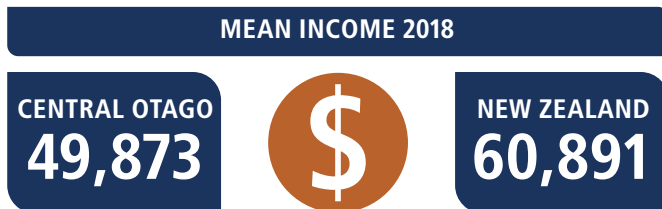
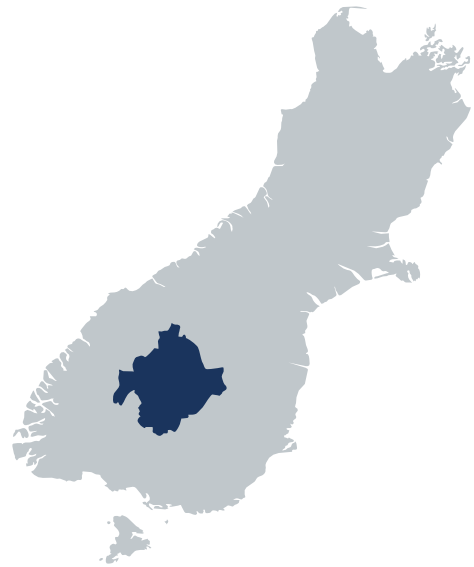
Farming, horticulture and viticulture are our main economic drivers and industries related to construction,

hydroelectricity, real estate and light manufacturing are well on the rise.

With the continued improvement of modern telecommunications with the roll out of the ultra-fast broadband initiative, barriers to establishing any type of business are decreasing. Because of these improvements, the ability of our economy to diversify increases.

The district has an excellent network of roads and easy access to the international airports at Queenstown and Dunedin.

Improved air services from Queenstown and Dunedin are enabling providers to service national and international clients while opting for the Central Otago lifestyle. Almost a quarter of Central Otago workers are self-employed, which is significantly higher than the national average.

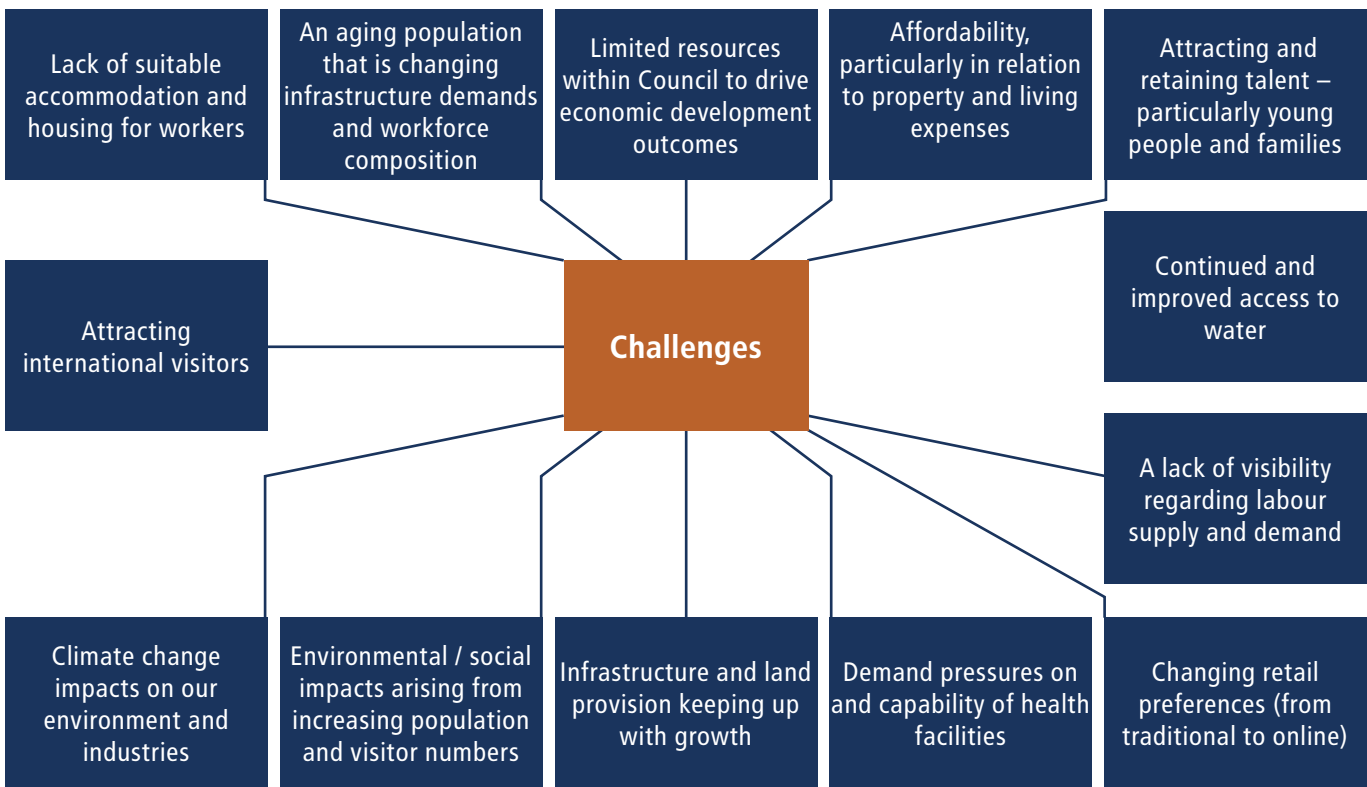




# WHAT ARE OUR DISTRICT'S CHALLENGES?

While the district is in a very positive position, there are many challenges that need to be considered in the context of this and wider strategies.

These challenges include:



## Sector Growth, Seasonality and Labour Supply

Seasonal labour is an ongoing challenge for Central Otago businesses. The seasonal nature of many key economic activities is one factor behind the district's tight labour market and is a major challenge for business and the community.

Farming, horticulture, viticulture and wine making, and tourism are all highly seasonal activities in Central Otago. Seasonality impacts on the financial viability of businesses, many of which have to earn enough over their relevant "season" to sustain them through the year.



Sector growth within the horticulture and viticulture sector in the next four to five years will see increased pressure in terms of labour supply.

There are plans for a 56% increase (465 hectares) of new cherry plantings in the next four to five years with feasibility studies under way to develop a further 495 hectares of cherries. There will be new grape plantings of 284 hectares, a 14% increase over the next four to five years bringing the total Central Otago vineyard estate to 2275 hectares. There is also the possibility of a further 100 hectares of development.

Attracting seasonal workers is becoming increasingly difficult due to some of the following reasons:

- Seasonal work not seen as a career – this relates especially to the tourism sector.
- Lack of suitable accommodation.
- The reduced affordability of the district.
- Seasonal workers have special challenges in meeting bank lending requirements to buy a home.
- The new trend for workers to investigate all options online and be selective in their locations as opposed to simply turning up to an area and looking for work.
- Backpackers becoming more fickle and have a greater propensity to move from employer to employer, seeking higher wages.
- Variation in seasons which bring on crops earlier or later than expected.

We have a low-wage economy and a highly seasonal unskilled workforce, our best and brightest are leaving the district and we can't compete with wages in neighbouring areas.

### Population Growth

Central Otago has experienced a decade of exceptional population growth. Between the 2001 and 2013 censuses the resident population grew by 25.4% from 14,750 to 18,500. Statistics NZ 2017 population estimates put the current district population at 20,300.

According to Statistics New Zealand, population growth is forecast to continue for the next 30 years. Central Otago has become a fashionable place to live and visit, and many people are moving to the district for work and business opportunities.

Growth is also seen to be influenced by increasing demand in the Queenstown Lakes area and the relative affordability of property.

The influence of demand from the Queenstown Lakes area is reflected in terms of the geographic spread of population growth in Central Otago. The fastest rate of growth has been experienced in the Cromwell Ward,

where the population has increased between the 2001 and 2013 censuses by 73%. The Alexandra and Earnsclough-Manuherikia Wards, which include Alexandra, Clyde, Omakau and Ophir, grew 15%.

The Cromwell area is projected to continue to experience the highest population growth, followed by the Alexandra, and Earnsclough-Manuherikia areas. The population is forecast to remain static in the Maniototo area and decline very slightly in the Teviot area. The dwelling and rating unit growth is still positive in Maniototo and Teviot.

This unforeseen growth has inflated house prices in the district and placed pressure on housing supply for permanent residents, as well as limiting the supply of short term accommodation for seasonal workers.

### Aging Population

The district has a significantly higher proportion of older residents compared to the rest of New Zealand. Projected change in the district's population indicate the proportion of people aged 65+ will increase from the present 21% to over 30% by 2028 to become the dominant demographic.

The challenge is to facilitate, in a timely manner, the developments necessary to enable adequate housing and support services for our elderly population.

The reduction in the number of people aged between 15 and 64 years of age in our community is likely to result in shortages of staff for the workforce.

Innovative, streamlined work processes, targeted work programmes, and increasing use of technology will continue to be implemented to help limit the impact of a reduced workforce and labour shortages.

However, at some stage, new initiatives will be required to attract youth, develop local capability and retain it. This strategy includes some initial actions to support this need.

### Subdivision Demand

Central Otago district has experienced consistent subdivision growth over the last 15 years. The District is currently experiencing another unprecedented urban growth peak.

There is currently no remaining urban-zoned land available for development in Clyde, and very little in Cromwell and Alexandra. The lack of available land in Cromwell, Clyde and Alexandra is impacting on property prices. This is resulting in increased demand in Omakau, Roxburgh and communities in the Maniototo where property prices are more affordable.

This has resulted in a number of private plan changes being implemented. The outcome of this is that forecasting of growth areas and the subsequent infrastructure impacts is difficult.

## Affordability

Affordability has become a real focal point for the district. While there are many upsides to strong economic performance driven by growth in demand, the downside for Central Otago is the effect that this is having on affordability.

It is worth recognising the ripple effect that parts of Central Otago are experiencing as a result of the strong property prices in the Queenstown Lakes district. Notably, Cromwell is playing a critical role in providing many services to the Queenstown Lakes district and many people are commuting between these two areas for work. Through this relationship and as part of a wider uplift in property prices, Cromwell is experiencing property price growth that is driving an emerging affordability challenge for the district.

The core components of affordability in a broad sense are the cost of property to buy or rent and the common costs of living (food, services and education). Affordability pressures become most evident when income levels do not keep up with these costs. In an economic sense, this has a raft of potentially negative impacts, such as:

- Reducing the ability to attract and retain skilled workers in the district
- Reduced inflow of seasonal workers
- Reduced support of local businesses
- Slowing of residential growth
- Reduced disposable income circulating in the local economy
- Increased pressure on social services.

The mean annual earnings in Central Otago in 2016 was \$47,728 which is 19% less than the New Zealand average of \$58,851.

## Attracting international visitors

The value of tourism in Central Otago has grown in recent years, with expenditure rising from \$145 million in 2012 to \$181 million in 2016 (growth of 24% over the four-year period). However, the region's visitor economy has grown at a rate lower than the national average (+37%) and at a rate lower than neighbouring regions such as Queenstown (+70%), Wanaka (+63%), and Dunedin (+28%). This stems in large part from Central Otago's reliance on the domestic market - which accounts for almost 72% of total tourism expenditure in the region - and its comparative weakness in the more rapidly growing international market segment.

A lack of transport, digital and social connectivity is having negative impacts on our economy, our community and our ability to attract visitors to our remote areas.

Central Otago's small number of overnight international visitors - estimated at around 35,000 in 2016 - has however insulated the region from many of the challenges faced

by other regions and pressure to scale up rapidly to meet demand (e.g. with the development of more commercial accommodation and more public infrastructure and amenities). For Central Otago, this has given time and perspective to consider whether growing volume is the best way to increase tourism's value to the region.

With ongoing growth in inbound tourism forecast at a national level, there is undoubtedly potential by focusing on value rather than volume to grow the contribution tourism makes to Central Otago's economy and, in doing so, to provide greater social, economic and environmental benefit while balancing impacts.

## Climate Change

Central Otago District Council has commissioned a report of climate change impacts on the Central Otago district. This was prepared by Bodeker Scientific, and is titled "The Past, Present, and Future Climate of Central Otago: Implications for the District". The potential impacts of these climate changes for the district of relevance to economic development include:

- Higher temperatures may allow for different crop types to be grown, and it is likely that crops could be sown earlier in the growing season and will reach maturity faster. This may affect crops such as cherries, where labour may need to be obtained earlier to adapt to changed picking seasons
- Increased heat stress from heatwaves, with impacts for human health, particularly for vulnerable age groups (the very young and the very old), and for stock
- Increased demand for potable water as temperatures rise
- Increased temperatures heightening the risk associated with wild-fire, particularly for forested areas
- Higher intensity extreme rainfall events may lead to increased likelihood of landslides and flooding, impacting on district access and connectivity
- Changes in the characteristics of snowfall and snowmelt will have implications for the management and capacity of hydroelectric and irrigation dams
- Indirect effects from climate change pressures outside of the district - for example, sea level rise in Dunedin (and elsewhere) may increase demand for housing in Central Otago.

## Infrastructure Resilience

Resilient infrastructure is a key enabler for economic activity.

Natural events in New Zealand in the past decade have focused our attention on the importance of planning for natural events.

This includes managing and mitigating the impacts of climate change. This predicts more frequent intense rainfall and snow events in Central Otago in the future. Central

Otago has a history of flooding, snow, and landslides affecting roads.

Water, electricity and communications services and assets have been affected in the past by flooding. Landslides are largely limited to rural areas, and do not affect urban infrastructure. Landslides in rural areas are confined to low volume roads, and do not affect critical infrastructure.

Council's response to addressing resilience is covered within the CODC Infrastructure Strategy.

### Irrigation

Water is sometimes described as the "white gold" of Central Otago. In many ways water is our most valuable resource.

Continued and improved access to water will affect our future prosperity and quality of life.

A report by BERL Economics commissioned by the Central Otago Council in 2009 found that commercial water uses contributed at least 16.6% of the district GDP and over 15% of employment in 2007.

Irrigators in the Central Otago face several challenges:

- Existing infrastructure is old, needs significant investment, and limits the amount of land that can be fully irrigated.
- Most of water used for irrigation purposes in Central Otago is currently authorised by deemed permits (historical water permits) and will expire in 2021 and need to be replaced with new RMA consents.
- New RMA consents require a higher level of efficiency in conveyance and use and need to address minimum flow issues.

- The National Policy Statement for Fresh Water Management (NPS) and the Otago Regional Council Regional Plan: Water (Plan Change 6A) policy requirements for higher standards need to be adhered to for freshwater management which will require changes to on-farm irrigation practices.

### Adaptability to Change

Central Otago is a district in flux. Changes are underway due to increasing development and population growth which present a challenge to the values that make the region such a unique and valued place to live. Further, central government has strongly signaled its desire to transition to a zero-carbon economy, stating:

- The Government is committed to New Zealand becoming a world leader in climate change action
- It plans to introduce a new Zero Carbon Bill that will set a new emissions reduction target by 2050
- It also plans to establish an independent Climate Change Commission.

The impacts this will have on Central Otago are not yet fully understood but could be significant on the agricultural sector, with flow-on effects across subsidiary industries.

These changes present a range of challenges but also an opportunity to create an Adaptation Plan - a district wide approach to better understand the challenges and opportunities facing the district, and how they might best be approached both by the public and private sectors.





# OUR VISION

Central Otago is a place of dynamic business, creative innovative talent and where locals and visitors can experience our distinctive place - a world of difference.

## ACHIEVING OUR VISION

The purpose of this document is to help the Central Otago community focus on issues that impact on our economic and social well-being, and to suggest some of the actions we can take over the next five years to address them.

The Central Otago District 10 Year Plan 2018-28 signals the importance of establishing a productive economy for the community which will aid in the economic growth of the district, and contains a high level Community Outcome that seeks to create a thriving economy that will be attractive to business and residents alike.

Success in achieving our vision will come from how much Central Otago chooses to encapsulate and embrace our World of Difference regional identity brand and values. Success will also come from our ability to work together in collaboration with our community, Ngai Tahu, and our key partners, both in industry and in government.

### Regional Identity and Economic Development – Living the brand

The Central Otago A World of Difference brand identity articulates a set of values that characterise its people and place: Values that provide a platform for businesses to benchmark, take strategic positions, and develop cultures within their firms that encourage their people to strive for premium status.

## CENTRAL OTAGO A WORLD OF DIFFERENCE BRAND VALUES



The Central Otago Regional Identity and its values inspire and encourage us to:

- ***be leading edge in our fields;***
- ***be inventive, innovative and visionary in development ideas;***
- ***export our way of life via our products;***
- ***desire quality over quantity;***
- ***develop enterprise that has a benign effect on our environment; and***
- ***create the right infrastructure in a non-invasive way through a destination management approach – considering the impact on our communities unique environment.***

The brand values provide links to how we in Central Otago think, act, value and respect each other and our diversity. They also note that we will respect our surroundings, our environment and make decisions with future generations in mind. Respect for this region prompts sustainable solutions over short term profitability.

Through 'Central Otago A World Of Difference' values and various council and community plans and strategies, consideration is given to the value and importance of our current natural assets and the importance that biodiversity plays

in this District. For example, our World of Difference values drive us to make a sustainable difference while our District Plan provides for the sustainable management of natural and physical resources while avoiding, remedying or mitigating adverse environmental effects and providing for the well-being of communities. Our community holds our natural environment as a valued commodity and this is also reflected within the fourteen community plans from throughout our district.

The Council role is that of an enabler, directly in terms of the various activities Council actually controls, in areas where it can influence through facilitation, coordination, provision of support services, grants and seed funding, and where it is able to apply interest via advocacy, lobbying and education.

Other Central Otago community and council plans which this Strategy aligns with include the Central Otago District Council Sustainability Strategy 2019-24, the Central Otago Tourism Strategy, Towards Better Heritage Outcomes for Central Otago, the Central Otago Arts Strategy, the Central Otago District Council Infrastructure Strategy, and the various Community Plans.

During the review of the Economic Development Strategy we were mindful of key regional and national strategic directions including the Otago Regional Economic Development Framework that is currently being finalised, Treasury's Living Standard Framework and the New Zealand Governments "Grow NZ for all" statements.'

The Government has signalled a significant change in policy settings towards a focus on greater wellbeing.

The November 2017 Speech from the Throne signalled the current Government's economic development strategy: "This Government is committed to building a strong economy, to being fiscally responsible and to providing certainty... There will be a clear focus on sustainable economic development, supporting regional economies, increasing exports, lifting wages and reducing inequality. This Government ... will encourage the economy to flourish, but not at the expense of damaging our natural resources or people's wellbeing... The economic strategy will focus on how we improve the wellbeing and living standards of all New Zealanders."

**A focus on wellbeing**

The wellbeing focus leverages the Treasury's Living Standards Framework to inform the Government's investment priorities and funding decisions. The Treasury vision of "higher living standards for New Zealanders" is based on the stewardship of four capital stocks. Capital is defined as a store of future value – the resources needed to lift living standards.

**The Four Capitals**

Intergenerational wellbeing relies on the growth, distribution, and sustainability of the Four Capitals. The Capitals are interdependent and work together to support wellbeing. The Crown-Māori relationship is integral to all four capitals. The LSF is being continually developed and the next iteration of the framework will consider the role of culture, including Māori culture, as part of the capitals approach in more detail.

**Natural Capital**

This refers to all aspects of the natural environment needed to support life and human activity. It includes land, soil, water, plants and animals, as well as minerals and energy resources.

**Human Capital**

This encompasses people's skills, knowledge and physical and mental health. These are the things which enable people to participate fully in work, study, recreation and in society more broadly.

**Social Capital**

This describes the norms and values that underpin society. It includes things like trust, the rule of law, cultural identity, and the connections between people and communities.

**Financial / Physical Capital**

This includes things like houses, roads, buildings, hospitals, factories, equipment and vehicles. These are the things which make up the country's physical and financial assets which have a direct role in supporting incomes and material living conditions.

06/18

The five dimensions of higher living standards (that Government can have an impact on, are practical and can be measured) are:

**Sustainability for the future:** human, social and physical/ financial capital as well as natural capital.

**Equity:** not just about income distribution – also about the distribution of everything of value and also whether there are fair processes.

**Equity:** not just about income distribution – also about the distribution of everything of value and also whether there are fair processes.

**Risk:** not just about economic or natural hazard risk - also about risks to social outcomes and people.

Economic growth: not just about lifting people's incomes - also the resources available to spend on community assets, like schools, hospitals, welfare, and roads.

**Economic growth:** not just about lifting people's incomes - also the resources available to spend on community assets, like schools, hospitals, welfare, and roads.

**Social cohesion:** not just about lifting social connectedness - also about the role of things like the rule of law in promoting economic growth, and the fairness of government's processes in promoting equity.

The Treasury has commissioned the development of a Living Standards Dashboard, which will be used to monitor inter-generational wellbeing.

The Government's "Grow NZ for all" agenda, focuses on five key outcomes to increase real household income 40% by 2025.

A more supportive and dynamic business environment

Greater numbers of highly skilled people and innovative firms

A built environment that better supports a well-functioning economy

Greater value sustainably derived from our natural environment

More productive and prosperous sectors, regions and people.

Central Otago is currently participating in the development of an integrated economic development framework for the Otago region.

Overall, the Framework is intended to support focused and productive long-term collaboration between the Otago councils. It will:

- Help us identify and assess the strategic priorities for economic development across Otago
- Provide a basis for the Working Group to identify, assess and prioritise economic development activities and projects which align with the strategic priorities and provide the greatest regional benefits
- Provide a basis for further and ongoing engagement with stakeholders within and beyond the Otago region

# WHAT DOES SUCCESS LOOK LIKE?

## PLACE OF DYNAMIC BUSINESS

Central Otago's aspiration is for an economy that is robust; where sustainable levels of growth are achieved over the full range of current and prospective industry sectors while retaining those values underpinning who we are and why people choose to be here.

An economy that delivers an increasing number of jobs so that the wealth generated provides opportunities for current and future residents of Central Otago. An economy where entrepreneurs and new business entrants see opportunities and existing businesses are strong. An economy that advocates high quality over quantity.

Ensuring there is strength and diversity across business sectors and within sectors will help Central Otago's economy withstand shocks to one sector without disrupting the economy as a whole. Central Otago is driven by its agriculture, horticulture and viticulture industries. A resilient future economy will continue to see these sectors grow and adapt to change as well as encourage growth in other sectors such as tourism, education and science and technology.

A resilient economy will provide employment opportunities that encompass all skill levels. It will support businesses of all sizes, from start-ups and small to medium enterprises through to the largest global corporations. It is an economy that is less vulnerable to, or recovers more quickly from, external shocks.

Resilience also refers to income inequality and the importance of meeting the basic needs of all in society, including the resilience of the most disadvantaged to economic shocks.

## CREATIVE, INNOVATIVE TALENT

Central Otago's harsh climate, its diverse seasons, its wide open spaces, its slow pace of life and the can do attitude of its people lends itself to attracting people from far and wide to live in, do business in or visit Central Otago. To do business here our people must be innovative and creative in the way they run and conduct their businesses.

The nature of work is changing rapidly and many jobs that exist today will be replaced by different types of work in the future.

New jobs are anticipated in research, development, and creative industries and we must be positioned for this.

We have a lot of talented people in Central Otago and we can build on this— innovation breeds innovation. As our traditional industries evolve and new industries emerge, we must create an innovation eco-system that extends our strengths of research, education and development, supports our entrepreneurs and innovators, and attracts new industries.

To do this, we must foster entrepreneurs and enterprises small and large, helping them to compete in local, national and global markets by ensuring the infrastructure and programmes are in place to support their success. We also must develop new ways to gather and share information to grow Central Otago's knowledge sector.

## WHERE VISITORS COME TO EXPERIENCE A WORLD OF DIFFERENCE

This strategy for Central Otago tourism development has as its focus, the delivery of **value rather than volume**: value to visitors, value to our host communities, value to the businesses that invest in the products and services purchased by visitors, and value to our natural environment. These values are explained further below.

### Creating value for host communities in line with their beliefs and aspirations

- Creating social value (facilities, services, amenities, cultural and recreational opportunities)
- Creating economic value (employment, income, imported consumption for other sectors, inward investment, regional wealth to support further investment within the region)

### Generating value for businesses and investors

- Enabling operators to make the best use of their assets and deliver a sound return on their investment
- Growing income and stimulating new business development opportunities across the entire tourism supply chain
- Earning and attracting capital for future investment

### Delivering high value visitor experiences

- Inviting visitors to share in our world of difference and the experiences that express our values
- Creating special moments and memories to share
- Creating a sense of money well spent
- Fostering a desire to return (to live, work or play)

### Respecting and leveraging environmental value

- Engaging visitors in activities that benefit our environment (building understanding and an appreciation for the region's remarkable environment)
- Investing in the infrastructure and capabilities needed to support sustainable environmental practice within the region

It is important that this Economic Development Strategy supports high value tourism growth through partnering with Tourism Central Otago and other key stakeholders to deliver on these values.



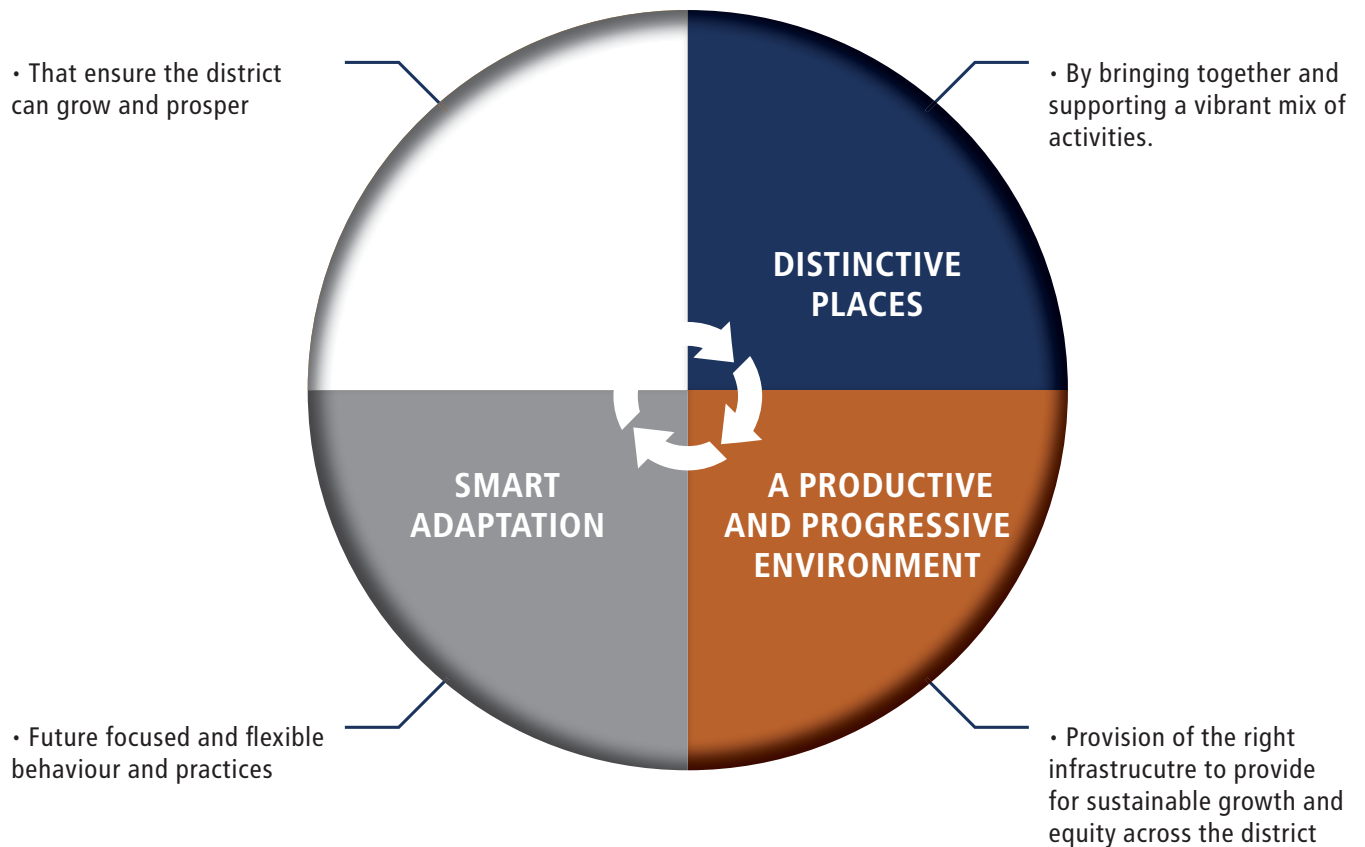
## FOUR PILLARS OF ECONOMIC DEVELOPMENT

As part of the 2018 review of our Economic Development Strategy we have developed four priority areas or 'pillars' of economic development to better reflect the areas where we believe we can best contribute to the development of more vibrant and economically viable communities.

Under each pillar there are specific objectives we aim to achieve over the next five years and a set of high level actions. Where these actions have financial implications for

the Council, they will be subject to more detailed business case development and the planning processes that we undertake when developing Council's Long Term Plans.

The four pillars for this strategy are illustrated in the diagram below.





## CRITICAL ENABLERS – that ensure the district can grow and prosper

Critical enablers refer to those fundamental elements that are necessary to ensure that our district can grow and prosper.

### OUR OBJECTIVE

#### *Improving connectivity and infrastructure*

Infrastructure provides the foundation on which economic activity relies. The strength of the district’s infrastructure has been a huge strength in helping the district economy achieve its current healthy state. Much needs to be done to ensure the district can support ongoing growth while helping to cultivate developments in new industries and protecting our natural resources. CODC has captured much of what is required in its Infrastructure Strategy, so these actions will be described at a high level only. Health infrastructure is something that Council has an interest in but cannot control, so actions in this area will fall squarely in the “Interest” category, as Council strives to stress the importance of improvements in this area with other government bodies.

### OUR PLAN TO ACHIEVE THIS

- Improve the capacity of key roads and bridges to meet industry needs.
- Lobby Central Government to improve health and social service facility standards and capabilities.
- Investigate opportunities to improve amenities (toilets, shade structures etc.) to support tourism activities.
- Expand water and wastewater treatment facilities and capacity to support growth.
- Work with other Otago councils to consider the role of airports across the region and the role they play in economic development.
- Identify opportunities for greater use of Central Otago airfields and associated funding opportunities.

- Improve resilience of infrastructure during storms through the Infrastructure Strategy.
- Investigate and confirm ways to keep communities connected during natural disasters/significant events.
- Continue to improve data connectivity in the district.
- Investigate the possibility of capital type contributions towards major projects within Central Otago.
- That council's infrastructure designs' contribute to a sense of place by supporting, promoting and facilitating healthy behaviours, such as having cycle ways, water bottle refill stations, smokefree signage, and natural or built shade.

### OUR OBJECTIVE

#### *Being Business Friendly*

As a council experiencing growth, we recognise we have a key role to play in ensuring our rules and regulations are facilitating growth.

In its “*Business Friendly Councils*” Report, Local Government New Zealand defined business friendliness as: “*Explicit attempts by local government and their partners (including central government) to reduce the regulatory and non-regulatory barriers, costs, risks, uncertainties in all forms of commercial activity to stimulate and support local business growth, local business retention and the attraction of new business to the local area.*”

This same report outlines the following steps to be a truly business-friendly council:

- build excellent relationships and partnerships – at the heart of a business-friendly council
- context matters – identify local challenges and local business needs

- provide certainty and clarity for business decision-making
- make every interaction with business count
- be proactive and look for opportunities to support businesses
- respond rapidly and flexibly to business after major emergencies.

## **OUR PLAN TO ACHIEVE THIS**

- Ongoing internal monitoring and review of consenting processes and resources to capture improvement opportunities.
- Review customer feedback and guidance materials to identify improvement opportunities to streamline processes.
- Continue support of startup businesses through responding to enquiries and enhancing online materials.
- Continue business education regarding available data to use for planning such as Labour Market surveys, infometrics data, tourism reports.
- Continue Council involvements with delivery of the Regional Business Partner, Callaghan Innovation and Business Mentors New Zealand programmes across the district.
- Ensure District Plan provisions relating to seasonal worker accommodation facilitate the provision by employers of an appropriate range of options.
- In conjunction with other interested central and local government agencies review and update Freedom Camping policies applying to the district.



## CAINMUIR OLIVE OILS

*Supporting our objective of 'being business friendly'.*



### STEPHEN AND ANNA CLARK

Anna Clark used to weep when one of her beloved olive trees blew over in a feisty wind, but she's not quite as soft hearted now! When she relinquished her teaching career and Stephen took redundancy from his chemical engineering job, the couple moved to Bannockburn, living in a shed and caravan while building their house and tending their fledgling grove of Tuscan olive trees.

*"In the first two years, when we were harvesting and pressing olives, we had to move out of the shed and into the caravans. That was interesting with icicles hanging off the awning."*

*"I think what really appeals to me here is the mountains and their proximity. We head up into the hills, cross the road and you're into the mountains. And the climate... I love the climate."*

*"I love the seasons. I love the fog, I love the frost. Sitting inside beside the fire is my favourite time."*

### THE GOOD OIL

#### *Central Otago value: Having Integrity*

Exacting quality without compromise is fundamental to Anna and Stephen's success. As Central Otago's first and largest producer of certified extra-virgin olive oil, they've worked hard to establish a reputation for regional excellence.

*"We won't compromise on quality to produce quantity. If trees have frosted fruit on them, we don't pick them. Frosting taints the oil and it wouldn't be extra virgin. We've always had our oil tested—both chemically and sensory—to prove that it is extra virgin olive oil."*

*"When we set up the plant room we consulted with the Council's Environmental Officer to ensure that right from the outset we complied with the Health Act requirements. We are able to look back and feel good about it, and sleep well at night."*

### FORGING A FUTURE

#### *Central Otago value: Making a Difference*

Anna and Stephen are pioneers of olive oil production in Central Otago, courageously setting inspirational new directions.

*"When we first got here we decided we were going to be independent...we just wanted to be our own bosses. We wanted to make the best oil we possibly could and control the process. So, we got an olive press...the first commercial press in Central Otago. It was a bit of a gamble because nobody knew whether the olives would produce oil."*

*"In the first year we only had about 3kgs of olives of our own. It was a lot of fun getting other olives growers to commission the press ...we were fortunate that some*

---

*supportive growers were happy giving olives to get the press running. We even went to Roxburgh and picked olives from a little cottage there...we traced every olive tree around the district."*

## **A HARMONIOUS, ENDURING LEGACY**

### ***Central Otago value: Protecting Our Rich Heritage***

The Clarks celebrate the local flora, respecting the land's heritage and future. Poppies, wild flowers and mosses are allowed to flourish between the trees. They ramble the dry, sun-scorched banks picking wild thyme that is cleaned and dried before being pressed with the last, ripest olives picked for the season —infusing it with the distinctive wild thyme earthiness that murmurs 'Central Otago'.

In realising their dreams, Anna and Stephen are creating an enduring legacy.

*"Our oldest trees are up to 18 years old, so they are very young. They are old enough to be physiologically mature but compared to the age they can grow to, they've hardly been in preschool yet. It would be lovely to think that, in a 1000 years' time, a wife is grizzling because she has to pick the olives."*





## **DISTINCTIVE PLACES** – *by bringing together and supporting a vibrant mix of activities*

### **BUILDING A FUTURE LEGACY**

There's a fragile balance between old and new. Sensitive development of communities and their endeavours is crucial to maintaining the region's distinctiveness. You have to import the lessons from elsewhere to avoid delinquent development. The world is desperate to slow down in every way and Central Otago has this offer in spades. It requires educated skills and specialist knowledge to nurture these respective futures. In food, hospitality, education, design, agribusiness – learning how to sell less for more is the key learning in securing a future legacy.

### **OUR OBJECTIVE**

#### *Developing affordable, accessible and attractive places*

Our distinctive places attract people, business and activity and this all contributes to a vibrant economy. But a place needs to be more than just attractive to prosper, it needs to be affordable and accessible for all to bring together a rich mix of interest and activities, while keeping our sense of who we are intact.

This is a significant challenge for Central Otago as pressures grow in affordability, catering for an aging population and a retail sector in transition (away from face to face buying).

### **OUR PLAN TO ACHIEVE THIS**

- Support the release of land to support a range of opportunities for developers and renters/homebuyers through the District Plan.
- Work with other districts to identify and encourage use of innovative housing models that may be beneficial to CODC. Examples include the affordable ownership programme, "Secure Home" and the Shared Home Equity Product (SHEP) being investigated in Queenstown Lakes.
- Continue town centre development planning in Clyde
- Retain green spaces around new developments

- Review and update town centre planning for Cromwell. This includes taking a wider focus that better informs the future form and function of the whole town as part of a master planning process.

### **OUR OBJECTIVE**

#### *Protect and enhance the landscape and environment*

Central Otago's unique heritage, culture and environment are the lifeblood of the district. These elements play a huge role in providing the cherished way of life for locals and the strong attraction for visitors.

A number of current and developing strategies intersect in this area. With this in mind, this strategy aims to empower these inter-related activities while strengthening the significance of these things through promotion and coordination.

### **OUR PLAN TO ACHIEVE THIS**

- Develop an adaptation plan, looking at how the challenges of change can create opportunities for the future, while maintaining the things that make Central Otago special.
- Work with Otago Regional Council on water management, including adequate monitoring to understand impacts and management of weeds/algae.
- Continue involvement in water management discussions.
- Continue to foster closer relations and improved communication channels with local iwi.
- Continue community-led development.
- Working with other heritage organisations and funding agencies to invest in heritage projects.
- Continue work with Community Boards to enhance community facilities, such as halls.

- Support the Central Otago Tourism Strategy initiative to develop more eco-tourism offerings to develop a wider appreciation of natural assets and the eco-systems they operate in.



*Ensuring our region's natural resources are celebrated, respected and protected*



---

## 45 SOUTH

*Supporting our objective of 'Protecting and enhancing the landscape and environment'*

---



45 South exclusively grows and exports cherries, producing its own and managing other cherry orchards. Each season it harvests 300 hectares—80% percent is exported, mostly to China.

*"Because of the quality of what we grow in Central Otago, we're recognised as having the world's best cherries, that high-end luxury piece of fruit."*

### TIM JONES

CEO Tim Jones has always been interested in growing stuff.

While his Scots College classmates headed to university, Wellington-born Tim took a cadetship on a Horowhenua orchard. He studied for a horticultural diploma and then

managed an orchard before travelling overseas.

Returning home in 1994, there was a bit to get to grips with.

*"We came to Clyde for a while because Ngaire's parents had a crib there. So, we started knocking on a few doors... that's when I knocked on the front door of Molyneux (later 45 South). Within 12 months I was manager of its peach and nectarine orchard, so quite a steep learning curve."*

*"The first year we moved here was the last time we had a decent snow on the ground I reckon. Living in Clyde with two feet of snow and I wondered what I'd struck... particularly when all the leaking taps in the house started freezing overnight."*

### A TASTE OF CENTRAL OTAGO

*Central Otago value: Making a Sustainable Difference*

In Central Otago, young soils, clean water and the freshest air are matched by frosty winters and hot summer days with cool nights that gift intense flavour. Understanding and protecting this unique environment is an important part of doing things right.

*"Sustainability, the environment, these are really key things. We like to think we are leaders amongst the community and in the industry through innovation."*

*"There are many people in other parts of the world who have got nothing like our pristine environment. And what we do is try and sell a lot of these Central Otago values in the form of a cherry, and be able to communicate that to people rather than just put some fruit in a box."*



---

## CALCULATED INNOVATION

### *Central Otago value: Adding Value*

There are people who think it's too risky only growing cherries.

Yet, 45 South has harnessed the best international science to develop innovative growing systems adapted to local elements and land. Growing at different altitudes and producing different cherry varieties has spread risk and enhanced economic viability.

From orchard to plate, delivering high-value Asian customers with fresh, luscious fruit is critical. State-of-the-art pack-house technology plays a part, as does being ready for action.

*"You can't decide you're not going to pick today. When the fruit is ready, you pick it. What we pick today, we pack today. We put it on a truck tonight and fly it out of Christchurch Airport tomorrow morning, and get it to the market as quick as we can. And that's our story, it's about freshness."*

## NURTURING FOR SUCCESS

### *Central Otago value: Respecting Others*

Nurturing both the fruit and great relationships forges success. It's about respect for workers, for buyers, for everyone in the process.

*"It's all about the people out there in the orchard who make it happen, who put the effort in to grow the best fruit."*

*"We're also actively involved in selling and we know who the customers are in Asia. We go and visit them and sit down and have dinner with their families. And when they come to us, they come and have dinner with us."*

*"With fruit it is all about the relationships. So, the year when it's really tough, there is still someone there to buy your fruit and help you through. And the year when it's really good, we all share."*





## SMART ADAPTION – *Future focused and flexible behaviour and practices*

### OUR OBJECTIVE

#### *Supporting diversity of age, skills and activities*

In his book, *Growing Apart – Regional Prosperity in New Zealand*, Shamubeel Eaqub, an experienced New Zealand economist reflects on a number of key issues and opportunities for Central Otago.

The first is the movement of young people out of the provinces to cities or other countries: “Young people from the provinces are much more likely to leave (especially for overseas) than those in the cities”. Next is the ageing population: “The number of people over 65 per cent is growing by more than 4 percent as baby boomers move out of work and into retirement”. Eaqub endorses attracting youth to offset this shift, mainly through immigration.

Another useful point Eaqub makes is the emergence of a creative class made up of highly skilled people who share information rapidly to develop and deliver services and grow economies. “A highly skilled job is more than a job, it is at the heart of a modern economy”.

These excerpts echo the sentiment of the CODC community contributions during the strategy development workshops. Many suggestions focused on the need to attract and retain youth, improve education to build local capability and support growth in the services sector.

If CODC can find ways to support the formation of creative professional communities, the impact on natural resources can be reduced and this success in itself can serve to attract more people to the area. The district already has an impressive 24% of people working for themselves and there are great opportunities to combine the attraction of the Central Otago lifestyle with a creative, connected and innovative career.

### OUR PLAN TO ACHIEVE THIS

- Support the joint education marketing initiative currently underway in the district.

- Form a district youth leadership group to identify opportunities and progress key initiatives focused on how to attract, retain and enable youth in the district.
- Continue to support the development of alternate industries through grants and engagement. Previous successes have included the Centre for Space Science Technology being based in Alexandra, as well as continued advancement of night sky tourism and film creation.
- Bring together a group of people working in innovative spaces and ask them to identify what they need to support their business, how to attract others here and what other opportunities they see.
- Work with Central Government to encourage migration of highly skilled individuals to Central Otago.
- Create an attraction campaign aimed at sharing stories of success in new industries in Central Otago and the possibilities for new highly skilled professionals and entrepreneurs who value our regional proposition.
- Work with industry to support the development of training programmes to address shortfalls in capacity.

### OUR OBJECTIVE

#### *Fostering a smart, progressive and collaborative district*

Central Otago District Council accepts that while local government should set, support and drive a vision for economic growth, we also need to foster partnerships with multiple stakeholders in order to achieve positive economic results for our district.

This involves advocating for the district at a regional or central government level and participating in inter-regional initiatives with neighbouring councils. To advocate on behalf of the district and provide good-quality infrastructure, we need to understand the needs and potential of our communities. To do this, we need to maintain quality connections with local businesses and the wider community.

Council also recognises the importance of working alongside Ngai Tahu and is committed to developing, building on and enhancing relationships.

This sentiment of unity and progressive thinking was also noted in the economic development workshops used to develop this strategy. On a number of occasions, participants noted the importance of being truly aspirational and visionary, taking a long-term view, as opposed to continually focusing on today's problems.

This objective contains the word "smart" specifically in relation to the need to adopt "Smart Cities" technologies and practises that ensure the district benefits from the sharing of data, interface of systems and shared capability improvements.

Collaboration is also a strong and enduring theme in local and global economies. The success achieved through partnerships to date is enough to justify the ongoing emphasis on a collective and informed approach to growing the district economy. As noted by Paul Spoonley, one of New Zealand's leading academics and a Fellow of the Royal Society of New Zealand, in his book *"Rebooting the Regions – why low or zero growth doesn't mean end of prosperity"*, local government can play a key role in fostering regional innovation, as shown through this excerpt: *Regional innovation led by local government working in conjunction with Iwi, business, central government and other key stakeholders is clearly capable of delivering economic prosperity.'*

## OUR PLAN TO ACHIEVE THIS

- Ensure continued involvement on the Otago Regional Economic Development working group.
- Liaise with Iwi to identify opportunities for joint ventures or areas where Council can provide support.
- Identify smart cities tools and approaches that can be applied in Central Otago and across Otago.
- Support the development of shared and co-working spaces to support 'incubators' for new service/product development.
- Consider encouraging the amalgamation of community and business groups to better connect ideas and opportunities. Many groups exist today and often it is the same people driving the actions on each. This may be a chance to reduce duplication and preserve energy of these people.
- Bring together an economic development working group that meets once every 6 months. Ensure a range of ages and disciplines attend and consider using key note speakers to attract attendees.
- Create opportunities to capture ideas, share stories and provide ongoing input into strategy enhancement.



## CLOSEBURN STATION

*Supporting our objective of 'fostering a SMART, progressive and collaborative district'*

Comprising 4000 hectares of rugged, buff-coloured landscape, Closeburn Station is heartland Central Otago. Toiling here for over 20 years, owners Tony Clarke and Rebecca Crawford have perfected their ultra-fine merino wool to meet the exacting standards of Konaka, one of Japan's largest suit manufacturing companies.

Since then, Closeburn and Konaka have forged a strong, productive business partnership founded on the importance of family, a passion for excellence and respect for cultural differences.

### INNOVATING AND INSPIRING

#### *Central Otago value: Making A Difference*

Trying new things is a hallmark of the way Tony and Rebecca operate. Different fertilisers, grazing programmes that push the boundaries, innovation and fine-tuning in genetics to align with Konaka specifications and stock selection to achieve an even, 15-micron, ultra-fine wool clip. It's about striving for excellence, staying at the cutting edge—taking up the challenge to do things differently.

*"I don't think of myself as an inspirational person. I'm just doing my own thing. People will look at it and say 'I can take that out of it and I can apply that to what we're doing.' But they're just using some of the ideas we had and that's how it sits with me."*

### GETTING UP CLOSE

#### *Central Otago value: Respecting Others*

Steering a tractor, feeling the stifling heat and sweat of the shearing shed, touching a woolly merino and breathing the pure Central Otago air—Konaka's top sales executives visit Closeburn annually for an authentic, high country experience. It's about getting to know the Clarkes, their special place and what they do.

*"I think we are getting the people who sell the product to understand what we do and they take a bit of ownership of the product because they understand it. They also know us and want to try and look after us, as we look after them when they visit. They take away a special experience and that's what we want them to do. You've got an affinity with them, you understand where they come from."*



### TONY AND REBECCA CLARKE

Closeburn Station has been in the family since 1875 with Tony's grandfather purchasing Closeburn in 1922. Three generations on, Tony, Rebecca and their two children are the keepers of the family's high country legacy.

Today Closeburn is entwined across the oceans with another enduring family business. Japan's third-largest suit making company, Konaka—in the same family for 60 years—uses Closeburn's ultra-fine wool fleece in its elite suit range.

When Konaka representatives visited New Zealand looking for a new fibre to use in their garments, they discovered beautiful fine wool from Closeburn — and Tony's interest in Japanese culture and karate. With a black belt in karate and a dojo classroom on his farm, Tony is passionate about the character-building skills that karate develops in people.

## FROM MERINO WOOL TO FINERY

### *Central Otago value: Adding Value*

The Clarkes have worked hard to produce a premium wool clip that's exclusively supplied to Konaka for their elite fine-wool suit range. While it's a journey that's been both personally and professionally rewarding, the Clarkes say that, ultimately, it's also about giving back to New Zealand.

*"I think the wool and the product we create now is something that's really special. It's a top quality New Zealand raw product processed in the top factories in Japan. You come out with a very, very special product at the end of it. We add value by making the best quality product we possibly can for them to take to the next step. In time, they might come back to New Zealand too and have an outlet here."*





## GERTZ LARDER

*Supporting our objective of 'fostering' a smart progressive and collaborative district.'*



Once sampled, always sought after. Gertz Larder products can be found at fine stores and at the local Cromwell Farmers' and Craft Market — showcased with the best, freshest seasonal produce. A true artisan, Glenda is creator, owner, marketer and stallholder. She's connected at every business step.

Forty years ago Glenda moved to Cromwell from Dunedin. After training in book-keeping, she decided to pursue her love of cooking in local hospitality, gaining knowledge and inspiration. In her spare time, she toyed with flavours, creating heavenly recipes that celebrate local produce. In 2009, an award-winning, speciality range of condiment treats called Gertz Larder was born: Central Otago in a bottle.

*"I slowly slipped into cooking, learning from good chefs the importance of the balance of food and the final impact that flavour can have. My daughter said to me 'Mum, why don't you go to the Cromwell market?' My first thought was 'Who is going to want to eat my food?' My early products were lemon curd, aioli and infused olives. On the first day I sold \$45 worth of product before the market opened—I was so delighted!"*

### COLLABORATIVE COMMUNITY SPIRIT

#### *Central Otago value: Respecting Others*

Collaboration and respect for the hard graft and achievements of others are concepts at the heart of Gertz Larder's business philosophy. Sharing the love gets results for all.

*"We have quite a few jam, chutney and preserve producers at the market. We're working together to help each other. You know, 'where are you getting your jars from?' 'Make sure you get in on that deal'. It's like a family really. It's a community approach and it's the only way a community can grow if you're working together like that. It's all about the sharing. It's a small community and we're in close contact with the growers—five minutes in the car and you're at an orchard. We've all got the same passion about what we're doing and we're all in it for that same reason."*

### HONOURING NATURE'S BOUNTY

#### *Central Otago value: Adding Value*

Gertz Larder pays homage to Central Otago's plentiful produce while gifting an inimitable flavour twist. Glenda's vision is to honour the fruit and share her passion for Central Otago's splendid produce. Cherry, pinot noir, apricot and crab apple—vinegars that capture Central Otago's iconic fruit flavours. There's also the pickled onions suggested by a friend.

*"How could I incorporate pickled onions into local? At the market I got to know our local honey producers. That's how I came up with thyme honey pickled onions, my bestseller. A Christchurch truck driver rang me and said 'Glenda, your pickled onions—I usually pick them up on my way through Cromwell but I can't get them. I want five jars.' I also make a 150th gold rush commemorative pioneer pear sauce, it's a mustardy, goldy colour—so like our gorgeous Central Otago autumn colours."*

## OPENLY SHARING THE JOY

### *Central Otago value: Having Integrity*

Gertz Larder shares the pleasures of Central Otago's delightful flavours in an open, honest and friendly way. Their wonderful creations are produced with the utmost integrity.

*"You taste it in a bottle when someone makes something with passion. People think 'That lady is passionate about what she does, it must be in that bottle.' That's a huge belief of mine. I like to talk with people to share Central Otago flavours in the hope that their unique qualities are better understood. And the way our seasons treat the fruit—it does have an effect on the flavours.*

*You do try to influence others. Try the pickled onions, there's the honey producer over there. And I love to do that and promote others as much as myself, if I respect their belief and what they're doing."*





## A PRODUCTIVE AND PROGRESSIVE ENVIRONMENT

– provision of the right infrastructure to ensure sustainable growth and equity across the district

### OUR OBJECTIVE

#### *Increasing prosperity equitably across the district*

We need to ensure that despite the changes in our district, we can continue to improve the prosperity and well-being of Central Otago's citizens. This prosperity needs to be shared equitably across our district in keeping with our world of difference values.

### OUR PLAN TO ACHIEVE THIS

- Develop a prosperity plan that includes a programme of activities aimed at lifting the prosperity and wellbeing of Central Otago's citizens. This plan should outline clear targets that benefit the district economy, such as job, wage and business growth, as well as better access to an adequate workforce.

### OUR OBJECTIVE

#### *Supporting the Visitor Economy in alignment with the Tourism Strategy*

Tourism is worth an estimated \$181 million to the Central Otago economy and may support as many as one in eight jobs in the region. Tourism also offers a host of other social and economic benefits, with expenditure by visitors helping to develop and sustain facilities and services that benefit other sectors of Central Otago's economy and communities across the region. Only a small proportion of the money spent by visitors is spent with 'tourism operators': businesses offering accommodation and transport services, tourism activities and attractions. Instead, the bulk of money spent by visitors in Central Otago is spent in shops, petrol stations, cellar doors, cafes, restaurants and other local businesses.

The Central Otago – A World of Difference regional identity and the range of high quality, but small scale, tourism products already available in the region are significant assets. The Central Otago regional identity defines the

unique qualities that characterise us as a place and people – A World of Difference: values that are the basis of the Central Otago regional tourism brand and the promise we make to prospective visitors.

The region also boasts a wide range of accommodation options for visitors, together with world-leading activities and attractions across a variety of interests, including food and wine, cycling, arts, heritage, hunting, fishing, curling and other sports.

**The Central Otago Tourism Strategy 2018 to 2028 outlines a number of measures to cultivate this aspect of the economy. Therefore, the actions listed below are aimed at supporting these efforts from a broader economic development perspective.**

The key targets for this area are to support:

- development of new 4 or 5-star accommodation in the district by 2023
- extension of average visitor stay duration by 10% by 2023.

### OUR PLAN TO ACHIEVE THIS

- Encouraging corporate investment into higher standards of accommodation in line with our regional identity.
- Working with local businesses and community groups to identify and support development of attractions to extend stays in the district.





# WAIPIATA COUNTRY HOTEL AND TUSSOCK LODGE

*Supporting our objective of 'supporting our visitor economy'*



Mark Button and Nikki Meyer, the Waipiata Country Hotel and Tussock Lodge owner/operators, have a clear vision: They want accommodation and dining guests to feel welcome as soon as they step over the threshold. From the visual impact of the buildings' interiors and the friendly staff, through to the locally-sourced food and super comfortable beds.

Mark and Nikki embrace Central Otago's regional identity through exuding the following values:

## **DON'T TINKER WITH HISTORY**

*Central Otago value: Having integrity*

Mark and Nikki believe the integrity of their business is best demonstrated by the openness and honesty of their staff, who all come from the Waipiata township and surrounds.

*"When asked about the area, we have to be honest and not stretch it. If we don't know an answer, we find out. This area is full of heritage buildings and has a 150-year-old history. We don't want to play with that. With regard to any developments we undertake, they are in keeping with that."*

*Our buildings blend in, rather than jump out."*

## **A "YES" POLICY**

*Central Otago value: Making a difference*

Central Otago's environs encourage inspiration and vision. Mark and Nikki are aware of that and the part they play in helping guests get the most from their time in the area.

*"If a guest asks for something, rather than the first reaction being 'No, we can't do that', it's 'Yes, we can' or 'Let me go and see'. We want everyone that comes through to leave a little more enriched than when they arrived. Making a difference also impacts on our logistics. We consciously recycle all our packaging and work on minimising waste."*

## **A GOOD NIGHT'S SLEEP**

*Central Otago value: Adding value*

Is there a better way? This is key to operating a sustainable, growing business – especially when you are an operator on the high-profile Otago Central Rail Trail and especially in an era where social media soon highlights businesses' strengths and weaknesses.

*"I can't overstate the comfort of our beds. The Hobbit movie crew were our first guests and they all commented on the beds. Another 'value add' for us is our extremely popular 'Cook your own barbeque' packs. Each pack contains locally-sourced salmon steak or aged Porterhouse beef, salad greens and freshly made BBQ salads with a very tasty ciabatta bun. We do about 1000 barbeque packs a year. People love them."*



## SOME OF OUR ACHIEVEMENTS OVER THE LAST FIVE YEARS

Since 2014, CODC has made positive progress through a mixture of Council controlled activities, partnerships, facilitation and advocacy. While Council has not been the only driver of these results, the positive outcomes demonstrate the enabling role that CODC can play in creating the right environment for the district to move forward. A snapshot of these achievements is provided below:

### CODC'S ECONOMIC DEVELOPMENT AREA HAS BEEN DIRECTLY INVOLVED IN

- Lobbying and facilitation to improve telecommunications connectivity, notably the UFB2 (Ultra-Fast Broadband 2) and RBI2 (Rural Broadband Initiative 2) rollout schedule and the support of wireless Internet service providers (WISPs) to better connect rural areas
- Strategic planning for future development of Alexandra Airport
- Support for community initiatives around water management, including the work of the Manuherikia Catchment Water Strategy Group
- Continued support of Film Otago Southland
- Continued support of business groups within Central Otago
- Provision of Council support to the Central Otago Labour Market Governance Group
- Promotion of Regional Business Partner Network to provide advice and support to small businesses seeking to grow

### OTHER AREAS OF WHICH CENTRAL OTAGO DISTRICT COUNCIL AND TOURISM CENTRAL OTAGO HAVE SUPPORTED ECONOMIC DEVELOPMENT ARE

- Provision of land and infrastructure

- Collaboration to strengthen industry relationships with international trade partners, such as with Central Otago Premium Fruit.
- Support development of cycle trails and walkways, including the new Roxburgh Gorge and Clutha Gold cycle trails.
- Pursuit and attraction of conferences and events to lift activity and regional exposure.
- Provision of back story of Central Otago's unique proposition.
- Enhancing places to improve the local and visitor experiences, such as the Big Fruit development at Cromwell and the supporting playground development.
- Upgrading of public toilets in Tarras, Cromwell and Roxburgh.

The last economic development strategy has provided CODC with some key learnings. The most critical of these is the need for clarity around CODC's role. In the past we have committed to a wide range of initiatives, including some that we could not control.

This approach did not make the best use of our efforts, nor did it provide the best value for the community.

Today CODC is taking a more integrated approach that focuses on where council can provide the best value across all of its strategies. The council cannot own all the activities that contribute to economic prosperity in the district, but it can play a key enabling role aimed at creating the right environment for this to occur.

With this in mind, council will continue to focus on enabling partnerships to progress the key initiatives.



## ACTION PLAN AND MONITORING

We are committed to a collaborative approach in implementing this Economic Development Strategy. We recognise councils must work alongside private business and public sector organisations to achieve positive economic results for their districts. In fact, our entire community plays an important role in economic development.

In addition to the general community our key delivery partners include (but not exclusively):

- Business leaders and industry organisations
- Central Otago business groups
- Community plan groups
- Immigration New Zealand
- Local schools
- Ministry for Business Innovation and Employment
- Ministry of Economic Development
- Ministry of Foreign Affairs and Trade
- Ministry of Science and Innovation
- Ministry of Social Development
- New Zealand Trade and Enterprise
- Ngai Tahu
- Otago Chamber of Commerce
- Otago Polytech
- Otago Regional Council
- Seasonal Solutions
- Tourism Central Otago

While this Strategy sets out our overarching economic development goals and strategic direction for the next five years, there is a separate Economic Development Action Plan that outlines the specific actions we will undertake during this time. The Action Plan will be reviewed on a monthly basis by our economic development team. The economic development team will report back to the Council on progress made in relation to this Strategy.

