



WANGANUI STRATEGY FOR ECONOMIC DEVELOPMENT

2012

Wanganui - A Prosperous Community

Prosperity is the state of flourishing, thriving, success, or good fortune.

Prosperity often encompasses wealth but also includes others factors which are independent of wealth to varying degrees, such as happiness and health

Originator: Allan MacGibbon, Economic
Development Manager

Contact person for queries: Allan MacGibbon, Economic
Development Manager

Approved by: Council

Date approved: 7 March 2012

Date by which a review should be carried out: 2015

Trim number: D-206176

TABLE OF CONTENTS

THE OUTCOME	4		
THE OVERARCHING PHILOSOPHIES	4	TABLE 3 - GDP per Employee – 2010	17
BACKGROUND	5	TABLE 5 - Unemployment – Average to June 2010	18
The Problems	5	TABLE 6 - Population Growth	19
The Positives	6	TABLE 7 - % Employed in High Skilled Jobs	10
A Question of Viability	6	TABLE 9 - Population by 5-Year Age Group	21
THE SOLUTION	8	TABLE 10 - Working and Population	22
THE STRATEGY	8	TABLE 11 - Qualifications	23
		TABLE 12 - Personal Income	24
		TABLE 13 – GDP Distribution	25
		TABLE 14 – Agriculture	26
		TABLE 15 – Land Use - Hectares	27
THE GOALS	9	ANNEX A	28
Goal 1 There are effective economic development partnerships	9	Economic and Demographic Data	28
Goal 2 Wanganui is a preferred location for business and visitors	10	A1 Population	28
		A 2 Education	28
Goal 3 Wanganui's primary production, processing and	11	A 3 Income	29
Manufacturing potential is realised	11	A 4 Employment – National Comparisons	29
Goal 4 There is easy access to markets	12	A 5 Housing	30
Goal 5 Wanganui is a premier lifestyle option	12	A 6 Business and economy	31
		A 7 Infrastructure	33
		A 8 Cultural vitality	33
DRIVING THE STRATEGY	13	ANNEX B	34
Community Partnerships	13	Primary Sector Analysis	34
Economic Development Strategy Steering Group	13		
Monitoring and Measuring Success	13		
DATA TABLES AND ECONOMIC/DEMOGRAPHIC DATA	14		
TABLE 1 GDP Growth	15		
TABLE 2 - Employment Growth	16		

.../4

WANGANUI ECONOMIC DEVELOPMENT STRATEGY

THE OUTCOME

Wanganui - A Prosperous Community

Prosperity is the state of flourishing, thriving, success, or good fortune. Prosperity often encompasses wealth but also includes others factors which are independent of wealth to varying degrees, such as happiness and health.

THE OVERARCHING GOAL

Sustainable economic prosperity for the people of Wanganui

THE OVERARCHING PHILOSOPHIES

In developing this strategy there were a number of overarching philosophies embraced, they are:

- There is a focus on people and community
- There is equality in respect to accessibility to wealth
- There is a balance between the Council and the private sector
- The council should be a facilitator rather than doer
- The primary focus should be to find the “doers”, support them and leverage off them
- There is a focus on creating an environment that welcomes and supports innovation and change
- A stronger economy will give people the opportunity to succeed
- Success is for the individual to determine

Strategic Alignment – Family Friendly Wanganui

Wanganui's Family-Friendly was adopted by the Council in 2011. The Strategy is a collective vision of the community, and serves as a guide to shape the future of the District.

One of the aims of a Family-Friendly Wanganui is to halt the population decline, and aim to attract families to Wanganui than targeting individuals.

In the strategy it positions Wanganui as a place looking to the future with potential. The Family-Friendly Strategy creates a community that will flourish both economically and socially because entrepreneurs and innovators will want to set up business and contribute to a green, hi tech, high wage economy, and where we are perceived as a progressive place by the nation and locals are proud to call Wanganui home.

The guiding principle set out in the Family-Friendly Strategy is one of a working partnership with the community. Achieving the outcomes and strategies in the strategy will require the participation of many businesses, organisations and associations and it is hoped that every business in Wanganui will have a copy of the Family-Friendly Strategy.

The Family-Friendly Wanganui Strategy contains outcomes and strategies to ensure that the foundation for long term prosperity is in place.

The following outcomes set out the direction of the Family-Friendly Wanganui Strategy with links to the Wanganui Economic Development Strategy:

1. Economic prosperity
2. Community partnerships
3. A safe and healthy community

Wanganui Economic Development Strategy 2012

4. Active and culturally rich
5. Environmental sustainability

BACKGROUND

Wanganui is in trouble.....

The Problems

Our statistics relating to our socio economic situation are poor. When compared with districts of similar structure Wanganui is generally trailing in all areas and has done so for some time;

- 42,639 people live in Wanganui District. A decrease of 630, or 1.5 percent, since 2001. (Census 2006) That means Wanganui ranks 64th out of 72 TA's.
- Only 35.2% of people aged 15 years and over have a post-school qualification, the figure for New Zealand as a whole is 39.9%.
- 33.5% of people aged 15 years and over have no formal qualifications, compared with 25.0% for New Zealand as a whole.
- For people aged 15 years and over, the median income (half earn more and half less, than this amount) our district is \$19,800. This compares with a median of \$24,400 for all of New Zealand.
- 50.6% of people aged 15 years and over in Wanganui District have an annual income of \$20,000 or less, compared with 43.2% of people for New Zealand as a whole.
- In Wanganui District, only 10.9% of people aged 15 years and over have an annual income of more than \$50,000, compared with 18.0% of people throughout New Zealand.
- Output in the primary sector declined by 5.3% in 2010 compared with a decline of 2.4% in the sector nationally (Stats NZ).

But there are positives.....

The Positives

Over the last three years, despite the impacts of the Global Economic Crisis, Wanganui business, more particularly in the industrial manufacturing and processing sector, headway has been made

- Our GDP growth of 1.8% between 2009 and 2010 ranks at 15th out of 72 TA's – But overall, in terms of production – we went backwards, as did NZ
- Wanganui's GDP growth of 1.7% in the year to March 2010 ranked it number 24 among the 72 territorial authorities
- The forestry and logging industry was the fastest growing industry in Wanganui in the year to March 2010 with output expanding by 33.9%
- We have a reasonably diverse economy – rating 5 out of 72 - Wanganui had a Tress index of 72.3 in 2010 which ranks it number 5 among all 72 territorial authorities ranked from most to least diverse (*the NZ economy is not overly diverse >50*)

In order to determine where Wanganui is in terms of economic development, key indicators for Wanganui have been compared with nearby centres and other centres similar in terms of their provincial nature, population size or primary based economies, to determine how well we are performing against these others centres and against the national average.

These comparisons are set out in Tables 1 to 14 and in the Data summary at [ANNEX A](#)

A report on the primary sector specifically is attached at [ANNEX B](#)

A Question of Viability

Given the negatives and the generally flat growth it could easily be concluded that the district's long-term viability is questionable.

Services and Infrastructure As an example the services delivered by the Wanganui District Council are becoming increasingly less affordable with an ever increasing gap between the cost of delivery and the level of acceptance of those costs.

Couple this with an increasing expectation that services should be of the highest quality and affordable, and the fact that affordability is impacted by the degree to which the load is shared, the problem is easily highlighted.

There are not enough people who can afford to pay for the level of services required to provide for the growth necessary to reverse our economic trends.

The lack of quality and affordable infrastructure impacts on the ability of the district to provide high quality services for growth to be achieved, particularly in the business and commercial sector for both new and existing businesses.

Jobs and Pay There are not enough jobs. Essentially there needs to be more jobs across a wider range of skill sets paying higher levels of remuneration than is the case currently.

For people to improve their lot they need the ability to determine for themselves what they want to do. Low income, due to unemployment or poor remuneration levels, reduces this ability and tends to force individuals into a particular category due to the primary focus being on the necessities of life as opposed to being free to look beyond this to increasing personal knowledge and skills.

.../7

Individual Business Growth An aspect to the general lack of sustained growth within the business sector, particularly in the industrial/manufacturing sector, is the lack of individual business growth.

While local businesses have fared well during the Global Financial Crisis (GFC), in terms of survival, there has been a general inability to grow, due in part to the impacts of the GFC but also due in part to the ability, or desire, of business to innovate and seek new opportunities to expand.

Our People Generally our people are disadvantaged due to our lower incomes and poorer educational attainment compared to the national average. Our demographic profile indicates that we are an aging community with a lack of middle income earners, a reflection of our business sector - high on unskilled and semi skilled workers and low on skilled and highly skilled jobs.

We do need more people however we also need our existing residents to have more disposable income.

Essentially Wanganui has a low wage economy impacted by a reasonably large seasonal workforce.

More jobs aren't necessarily the key however higher paid jobs and less seasonality is part of the solution. As is new business coupled with higher education standards and better training.

A high-value economy where residents have the capacity to live life as they wish and businesses prosper in their chosen fields is the desired situation.

It is this that will assist us to make Wanganui - A Prosperous Community

THE SOLUTION

Generally there is not one thing that will change the environment but rather a range of things.

As a start point there are aspects of our economy that need to be better understood. Why is it that we do have successful businesses yet our demographics are amongst the lowest in NZ?

Perhaps the issue is that we need more of these types of businesses or strategies to assist these businesses to grow.

Perhaps we need to take a more “Whole of Community” approach and get a wider more inclusive level of involvement in areas of concern, such as education completion rates and attendance, training, youth participation, community empowerment and beautification.

Areas such as perceptions need to be addressed, internally and externally.

The key is not having one agency involved in the delivery of the various solutions required to make the difference.....

THE STRATEGY

While the Wanganui District Council was responsible for the development of this strategy its implementation is something it cannot do alone. The Council role therefore is one of facilitation rather than intervention.

The key is gaining community wide collaboration and cooperation. To that end the strategy is founded on three aspects

- A collaborative approach to drive the strategy’s execution.
- Five Goals addressing all sectors of the community.

- A flexible set of tasks - drawn up from community input.

The key is addressing each of the goals and the associated tasks as a community and concurrently and continually reviewing progress. It is therefore important that the goals and tasks are seen as a start point and not the end.

Each of the tasks resulted from input over some 25 meetings and are the actions attendees saw as necessary to make the changes necessary to get the Wanganui economy moving.

It is fair to say that during the process of developing the strategy a good deal of information was dealt with and a wide range of opinion presented. Suffice to say that there was not one single thing identified as the key, no silver bullet, that will turn the economy around therefore the need to consider this a start is paramount.

Early in the strategy’s implementation there is a need to complete further research to identify the key inhibitors to growth, particularly given that on one hand we have successful businesses and on the other our demographics are poor. There is a conflict here that requires better understanding as it is evident that there are solutions available to us that exist already.

As the world is a changing place we must be prepared to change our focus to counter or take advantage of those changes. As our existing businesses are doing this on an almost daily basis we need to improve our chances of learning from each other. We also need to secure and grow our existing businesses.

Clusters A cornerstone of the strategy is the establishment of clusters. The aim here is to maximise our latent capability and share that across the various business and community sectors to everyone's advantage.

The term economies of agglomeration are used in urban economics to describe the benefits that firms obtain when locating near each other ('agglomerating'). This concept relates to the idea of economies of scale and network effects. Simply put, as more firms in related industries cluster together, costs of production may decline significantly (firms have competing multiple suppliers, greater specialisation and division of labour result). Even when multiple firms in the same sector (competitors) cluster, there may be advantages because that cluster attracts more suppliers and customers than a single firm could alone. Cities form and grow to exploit economies of agglomeration.

In Wanganui we are at a point where we cannot afford to lose any latent capacity, we already have local businesses seeking technical and management assistance from outside the district. Should that trend continue the opportunity to re assess being based in Wanganui arises.

THE GOALS

Goal 1 There are effective economic development partnerships

1.1 Establish and strengthen stakeholder networks

- 1.1.1 Establish an ED Strategy Working Group to overview the strategy's implementation
- 1.1.2 Establish community partnerships to ensure cross sector consistency in delivering key Wanganui messages
- 1.1.3 Utilise existing and create new networks to identify issues, solutions and opportunities
- 1.1.4 Establish a Wanganui Investors Group
- 1.1.5 Council facilitates groups within the Community to talk and work together

- 1.1.6 Identify and facilitate effective collaborative business clusters

1.2 Further develop a broad approach to economic development

- 1.2.1 Gain a more comprehensive understanding of the districts economic drivers and the inhibitors to growth
- 1.2.2 Ensure Wanganui has an effective Economic Development Unit
- 1.2.3 Develop a Council Business Friendly Policy
- 1.2.4 Promote Central Govt. ED funding opportunities
- 1.2.5 Actively seek business opportunities for Wanganui Businesses
- 1.2.6 Develop and implement a district lobby strategy

1.3 Play an active role in the Mayor's Task Force for Jobs

- 1.3.1 Better understand MTFJ initiative

1.4 Establish closer economic links within the our neighbouring Regions.

- 1.4.1 Develop a regionally (Manawatu/Taranaki) inclusive ED working group
- 1.4.2 Partner with Massey University and other Manawatu based research establishments (research & commercialization) – Bio-Commerce, Food tech, CRIs.
- 1.4.3 Connect with Taranaki and Manawatu ED entities.

1.5 Develop effective economic development partnerships with Iwi

- 1.5.1 Develop a collaborative Economic Development agreement with local iwi and Maori agencies involved in ED
- 1.5.2 Partner with Whanganui Maori Regional Tourism Organisation to advance Maori tourism and the sector
- 1.5.3 Investigate and undertake research with Whanganui River communities to advance their economic base
- 1.5.4 Share knowledge of economic development through networking of neighbouring iwi boundaries e.g. Ngaa Rauru and Ngati Apa.

.../10

1.6 Work together to develop and attract a highly skilled workforce

- 1.6.1 Develop an understanding of local employment market to match supply and demand
- 1.6.2 Ensure there is an effective Youth Transition service functioning in Wanganui
- 1.6.3 Ensure collaboration between training providers to get Wanganui youth into work locally and nationally.
- 1.6.4 Continue council investment Training

Goal 2 Wanganui is a preferred location for business and visitors

2.1 Ensure business security for existing local businesses

- 2.1.1 Identify new opportunities and 'enable' them to add value (grow our own and attract entrepreneurs!)

2.2 Attract new businesses and entrepreneurs, grow existing businesses

- 2.2.1 Develop and implement new business attraction strategy
- 2.2.2 Foster a 'can do' / Grow Wanganui attitude within Council to ensure there is an outward desire by council staff to facilitate development
- 2.2.3 Establish a fast track team for steering business through our services and regulations
- 2.2.4 Identify incentives to attract new businesses.
- 2.2.5 Clearly identify the retail flow between Palmerston North and Wanganui
- 2.2.6 Retain and attract national retailers back into the city
- 2.2.7 Promote Wanganui's Industrial heart
- 2.2.8 Facilitate worker-owned, green-focused businesses through the creation of District Green Initiatives
- 2.2.9 Investigate wind farming opportunities
- 2.2.10 Pursue the establishment of pilot training school at Wanganui airport

- 2.2.11 Investigate feasibility of sea based/land based aquaculture industry for Wanganui

2.3 Address business infrastructure requirements

- 2.3.1 Complete assessment of current infrastructure provision against requirements
- 2.3.2 Address stormwater flooding issues in Heads Road.
- 2.3.3 Develop and Wanganui District Energy plan to clearly identify current and future demand
- 2.3.4 Review industrial land requirements to ensure sufficient and appropriately located land is available

2.4 Ensure Council's Regulatory Processes are User-Friendly

- 2.4.1 Engage with the community, including business and industry, in the review of Council Regulatory processes and improvements to services

2.5 Tell Wanganui's success stories nationally and internationally

- 2.5.1 Develop a Strategic Marketing and Communication Strategy including branding

2.6 Former Wanganui residents return home

- 2.6.1 Develop a strategy to attract former Wanganui residents back to Wanganui
- 2.6.2 Continue to promote Wanganui through the SWAP programme
- 2.6.3 Create and implement a plan to increase the presence of Wanganui in international trade and investment
- 2.6.4 Launch a Wanganui Ambassador program for senior executives to promote Wanganui in their business abroad.

.../11

2.7 Develop niche markets

2.7.1 Work through Cluster Groups to identify Wanganui products and match same to niche markets

2.7.2 Investigate a Green Industry Hub

2.8 Develop and implement initiatives to attract visitors

2.8.1 Implement the Visitor Strategy 2009

2.8.2 Develop and implement an events strategy

2.8.3 Improve the districts outward presentation

2.8.4 Undertake tourism infrastructure and capability audit and identify product and service gaps.

2.8.5 Attract investors to establish a premium class accommodation facility.

2.8.6 Strengthen Te Kahui Tupua initiative

2.9 Identify and facilitate effective collaborative business clusters

2.9.1 Research to identify who is doing what and the contribution they make – then identify opportunity for sharing expertise, economies of scale – industry profiles.

Goal 3 Wanganui's primary production, processing and Manufacturing potential is realised

3.1 Support and develop our rural sector

3.1.1 Complete the Rural Research project with Ag Research

3.1.2 Identify farming opportunities in Wanganui and promote as a place for Farming on web nationally and internationally

3.1.3 Identify land to: protect for agriculture/horticulture; undeveloped land

3.1.4 Identify what the current off work seasons are and the labour sets within that and create opportunities to capitalise on the

labour pool. Through the Recognised Seasonal Employer Policy

3.1.5 Explore opportunities for the creation of a Wanganui Farm brand.

3.1.6 Investigate succession planning in rural sector to cater for changed demographics

3.1.7 Develop a programme of business/lectures/ innovation and business diversity.

3.1.8 Explore opportunities around rural based "home" industries, such as Honey

3.2 Retain and grow our processing and manufacturing industries

3.2.1 Assist Wanganui to better connect with government supply and contract opportunities to the sector (GETS)

3.2.2 Explore opportunities to assist local processing and manufacturing and inter connect with high value markets.

3.2.3 Clearly identify the role of primary industry in Wanganui economy and highlight it.

3.3 Harness local innovation and entrepreneurship

3.3.1 Form a Wanganui Business Innovation and Excellence Group

3.3.2 Nurture and enhance the establishment and growth of entrepreneurial ventures such as Agri-tourism opportunities in the District.

3.3.3 Encourage existing business to grow including R & D and attracting new money – finding work of measuring key drivers – identifying key drivers.

Goal 4 There is easy access to markets

- 4.1 Ensure Ultrafast broadband at home and at work, across the district**
- 4.1.1** Expand the Broadband digital telecommunications infrastructure in Wanganui to include all areas of the district
- 4.1.2** Take advantage of social-media opportunities to enhance economic participation
- 4.1.3** Up-skill Business sector on how to take advantage of ultra-fast broadband to improve their economic performance
- 4.2 Enhance our transportation networks to facilitate industry and business growth**
- 4.2.1** Assess how well the transportation system is serving the needs of the District and its visitors
- 4.2.2** Identify and address roading constraints to development including the Heads Road/Imlay Place roundabout.
- 4.2.3** Develop the Urban Roding Strategy
- 4.2.4** Implement the Rural Roding Strategy to identify volume and road use
- 4.2.5** Further develop Wanganui airport as a hub for transport
- 4.2.6** Determine the future role of Port Wanganui
- 4.2.7** Develop collaborative links with the Port of Taranaki
- 4.2.8** Provide workers bus transport between Palmerston North/Marton/Wanganui

Goal 5 Wanganui is a premier lifestyle option

- 5.1 Develop and rejuvenate Wanganui's urban and rural neighbourhoods**
- 5.1.1** Facilitate suburban based interest groups to work to improve suburban renewal
- 5.1.2** Promote communal gardening between communities and sub communities
- 5.1.3** Develop unique identities within Wanganui suburbs
- 5.1.4** Investigate the options for development of the rivermouth, river banks and walk/cycleways
- 5.1.5** Consolidate sport and recreation facilities (Implement Parks & Open Strategy) within the city
- 5.2 Develop a Pride in Wanganui Campaign and programme**
- 5.2.1** Develop a Pride in Wanganui Campaign:
- 5.2.2** Guide the appearance of the City - encourage pride in tidy appearance of the city
- 5.3 Grow Wanganui as a centre of art, culture and design**
- 5.3.1** Implement the Wanganui District Public Art Strategy
- 5.3.2** Build the online cultural market place to promote Wanganui's cultural entrepreneurs using the Glass Group as an example
- 5.3.3** Continue to support the Glass School and INTRANZ
- 5.3.4** Undertake a map of the District and Region's cultural industries and its impact to economic development.
- 5.3.5** Partner with Whanganui UCOL to advance the development of UCOL on the Wanganui site

DRIVING THE STRATEGY

Community Partnership

A new model of community partnerships is proposed. This aligns with Council strategy to create community partnership. This community partnership will be formed as an entity to ensure that there is unity of purpose and consistency in marketing and promoting Wanganui both locally and nationally. This entity will have an overall role of ensuring a connection exists between all the stakeholders involved in promoting and/or marketing products and services in Wanganui and from this group an Economic Development Strategy Steering Group is to be formed.

Economic Development Strategy Steering Group

This group is to oversee the implementation of the strategy, the various action plans, and to provide input on the amendment and modification of those action plans.

The Steering Group will consist of representatives of the key agencies identified, as having a direct role in completing the actions identified in the strategy's action plan. The group's role is to monitor progress and provide guidance and coordination of the various agency alliances undertaking direct actions to implement the strategy. The Council's Economic Development Unit will provide direct support to the group and the various sub groups.

Monitoring and Measuring Success

The need to monitor results to see that the strategy implementation is on track, focused and current is vital.

A reporting process for the Strategy's implementation and effectiveness will be developed by the Steering Group however a key aspect is that the Economic Development Unit will be responsible for furnishing reports to Council and the community.

Progress While targets were considered the overall thrust should be in improving the districts demographics and economic performance across the board. As to how the implementation of the various strategies and completing of actions are having a direct impact on demographic and economy results is something that will require research and this aspect will need to be addressed in the early stages of the strategy's life.

The fact that an action cannot be proved to have had a benefit should not in itself be reason to discontinue efforts in a range of areas, particularly in collaborative and cooperative areas as the benefits are worth having and are sometimes intangible.

Data Tables and Economic/Demographic Data

Tables 1-15 set out Wanganui's position against a group of like districts. Those Districts are:

- New Plymouth
- Timaru
- Manawatu
- Palmerston North
- Wanganui
- Gisborne
- Whakatane
- Whangarei
- Hastings
- Marlborough

TABLE 1 GDP Growth

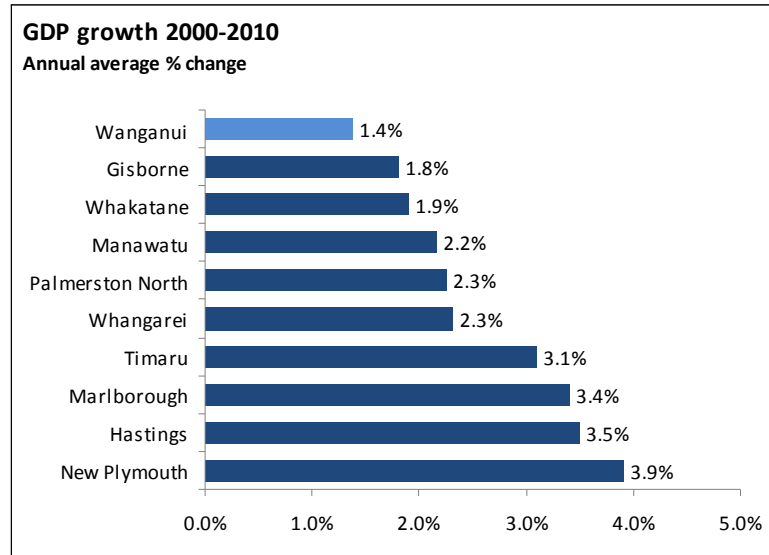
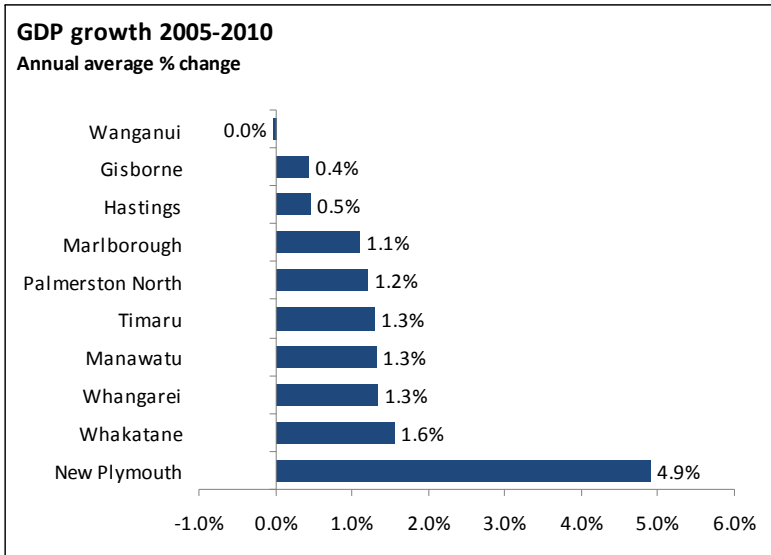
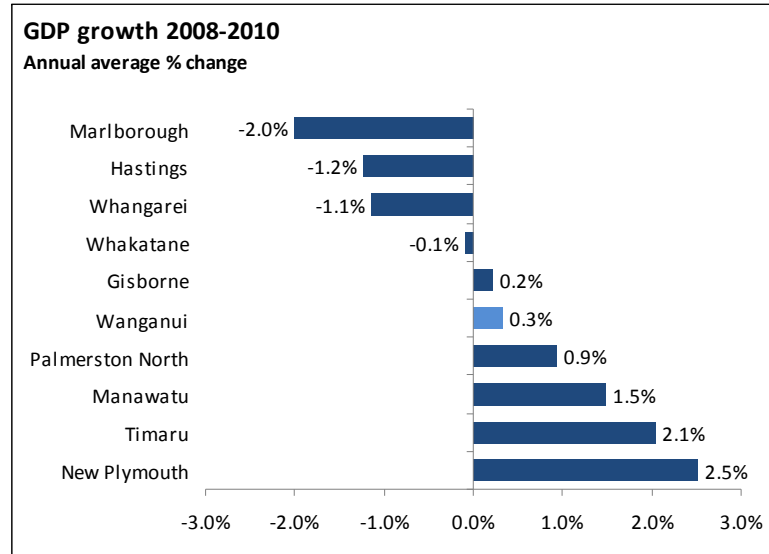
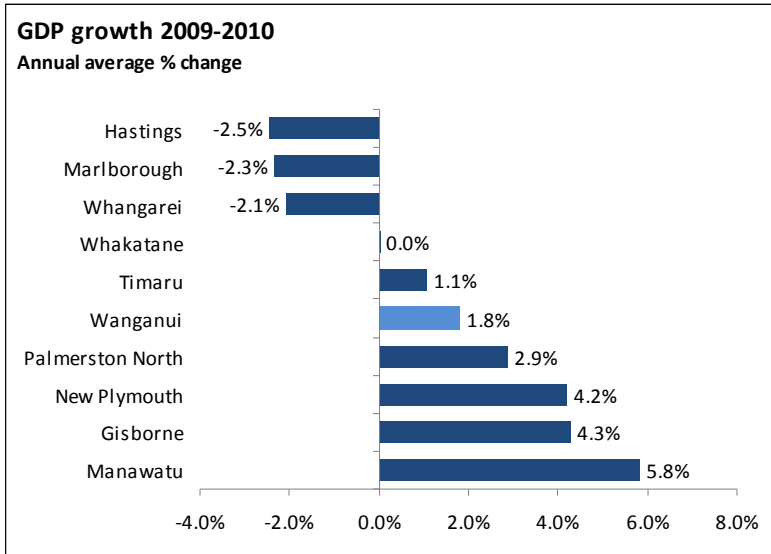


TABLE 2 - Employment Growth

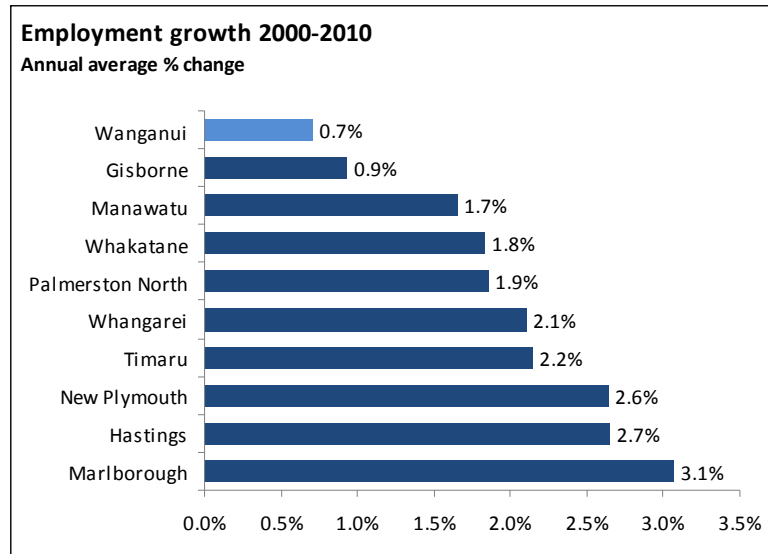
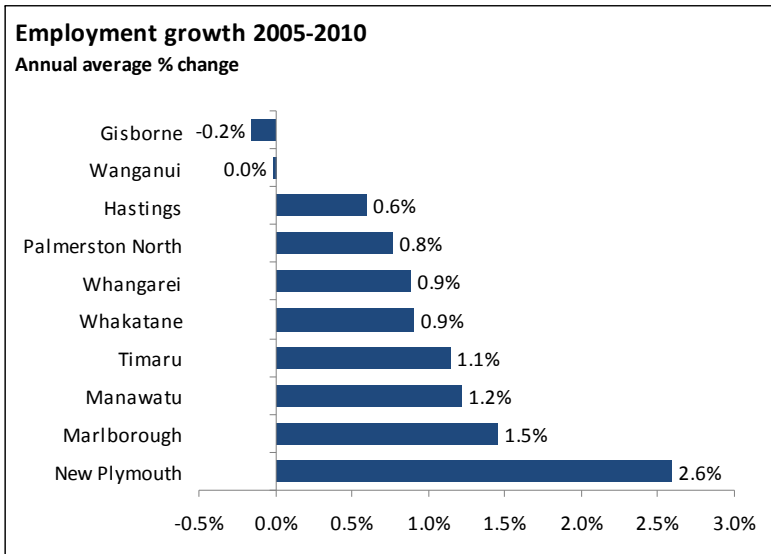
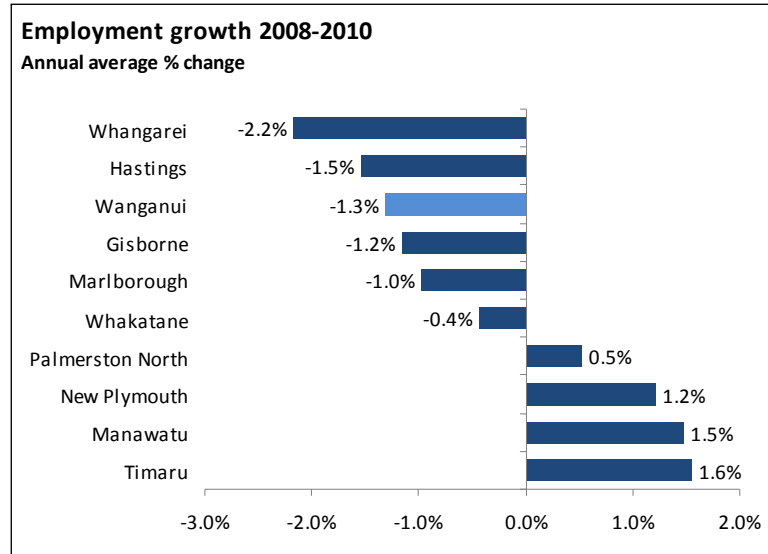
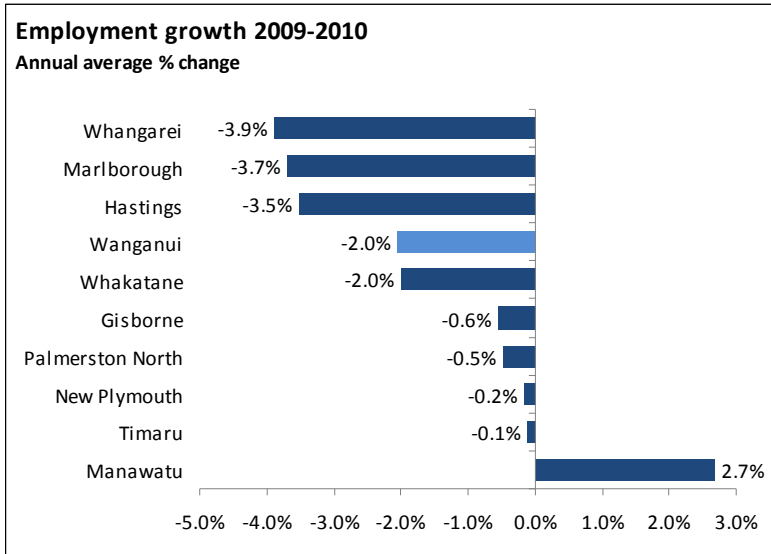


TABLE 3 - GDP per Employee – 2010

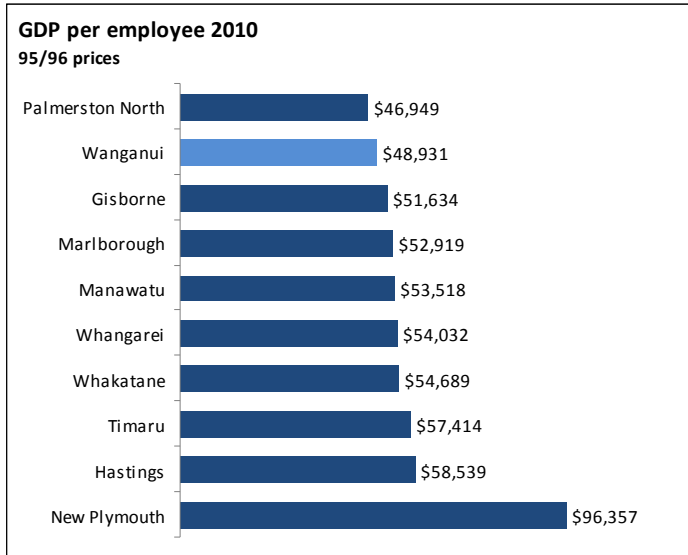


TABLE 4 - Earnings 2010

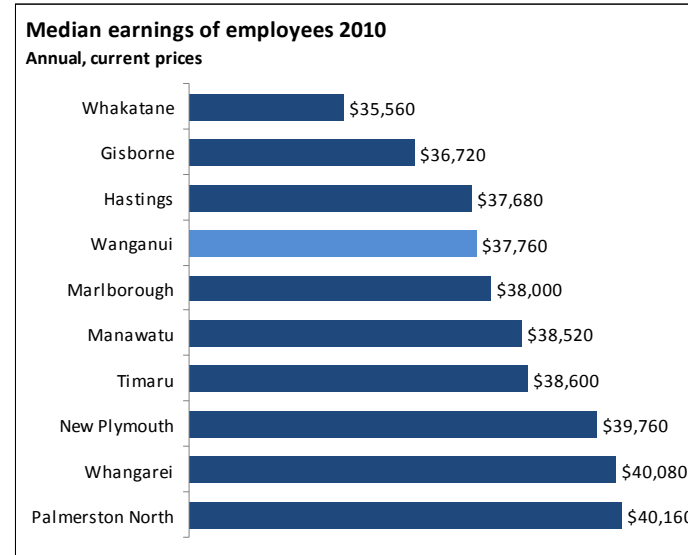


TABLE 5 - Unemployment – Average to June 2010

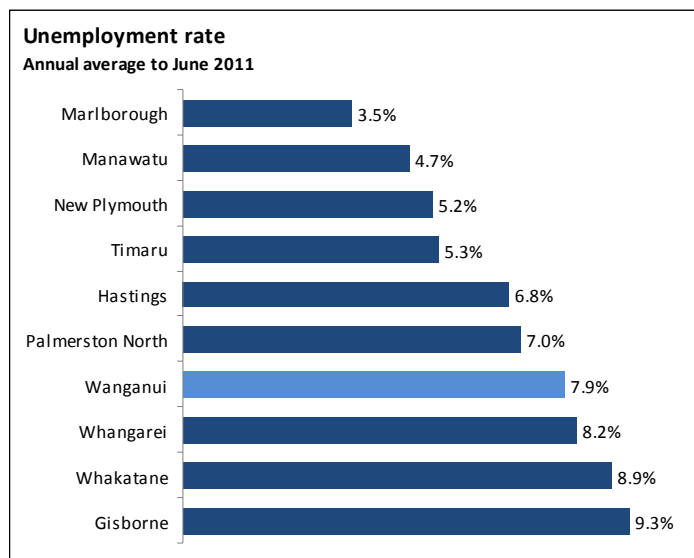


TABLE 6 - Population Growth

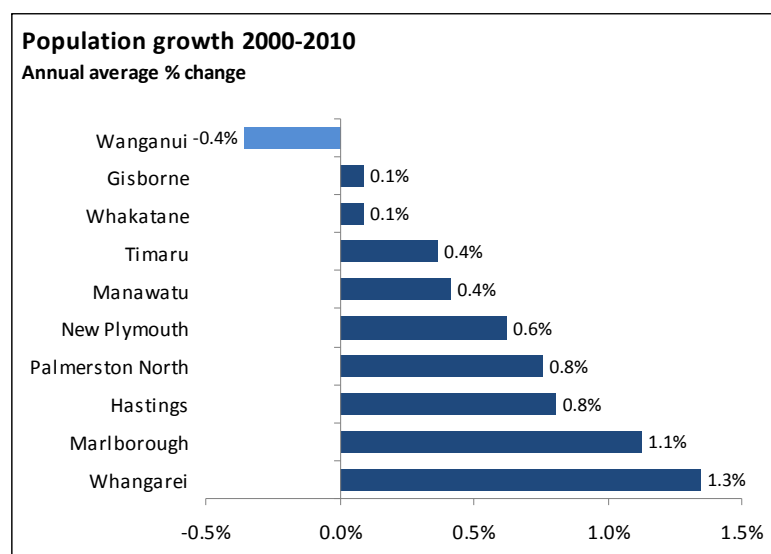
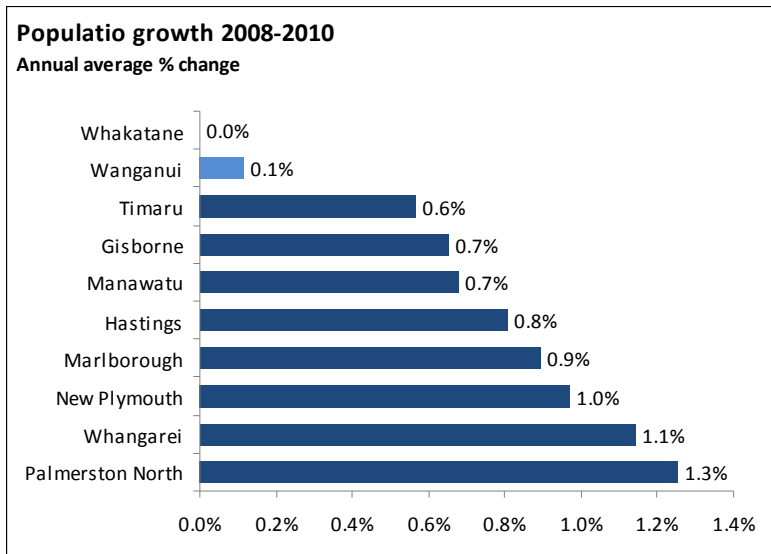
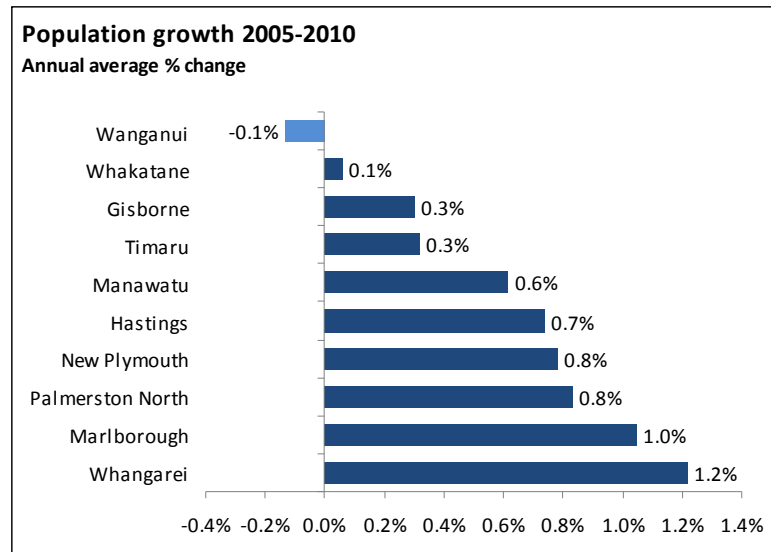
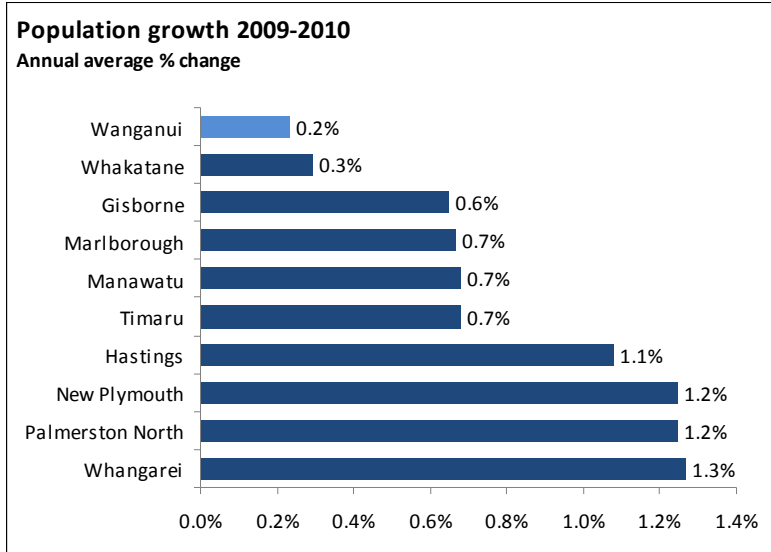


TABLE 7 - % Employed in High Skilled Jobs

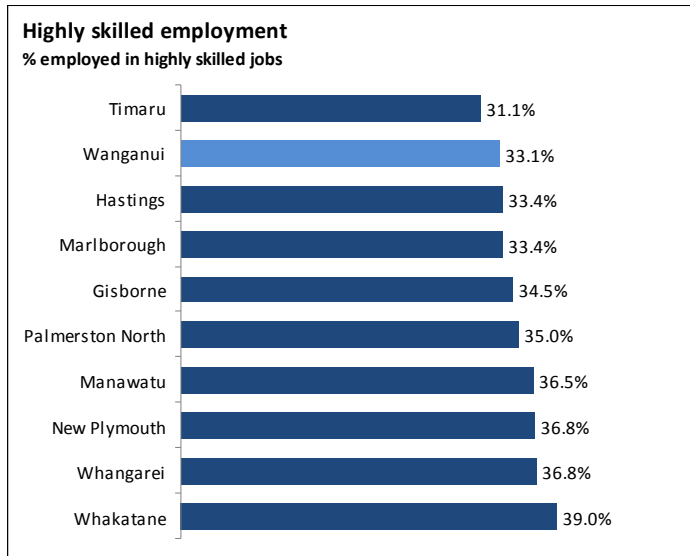


TABLE 8 - % Employed in Knowledge Intensive Industries

Industries with more than 25% of employees with degrees are defined as knowledge intensive

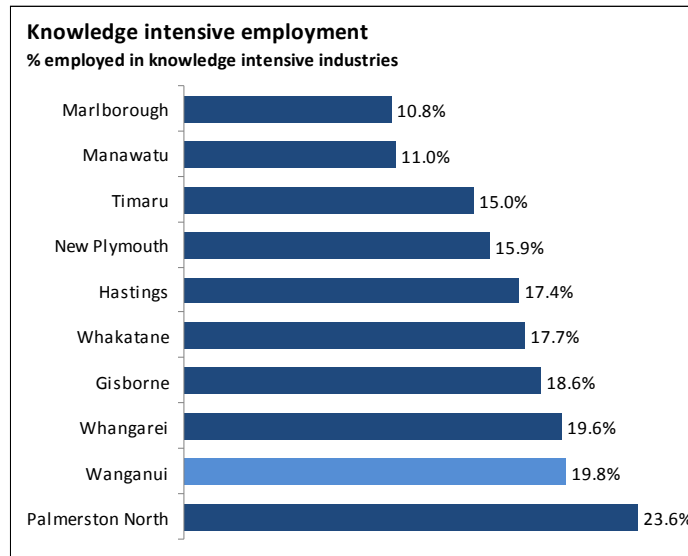


TABLE 9 - Population by 5-Year Age Group

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-79	80+
Comparator districts	6.7%	7.4%	8.2%	7.5%	5.4%	5.1%	6.1%	6.8%	7.5%	7.5%	6.6%	6.2%	4.8%	10.4%	3.6%
Wanganui	6.3%	7.1%	8.2%	7.3%	4.9%	4.5%	5.7%	6.3%	7.4%	7.3%	6.7%	6.2%	4.9%	12.5%	4.8%
Total NZ	6.8%	7.1%	7.6%	7.5%	6.7%	6.0%	6.9%	7.5%	7.8%	7.3%	6.3%	5.8%	4.5%	9.1%	3.2%

Comparator districts:

- Whangarei
- Whakatane
- Gisborne
- Hastings
- New Plymouth
- Manawatu
- Palmerston North
- Marlborough
- Timaru

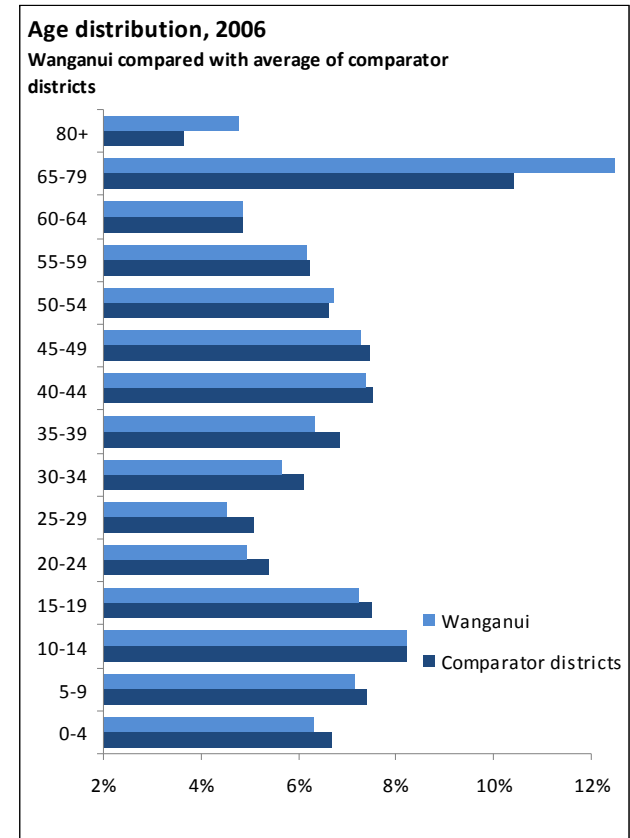
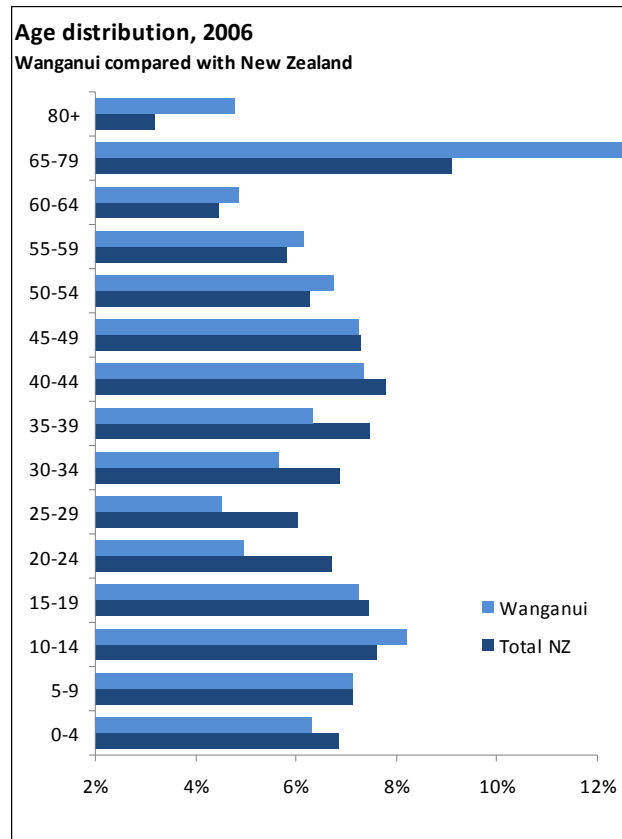


TABLE 10 - Working and Population

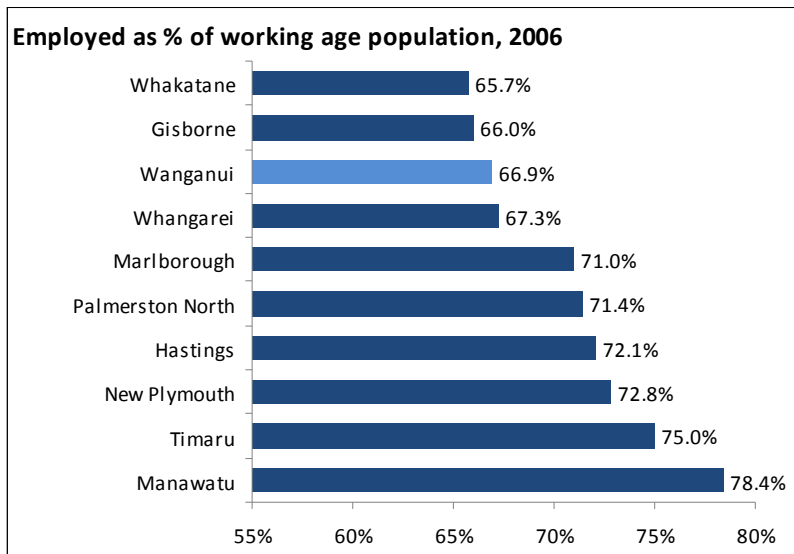
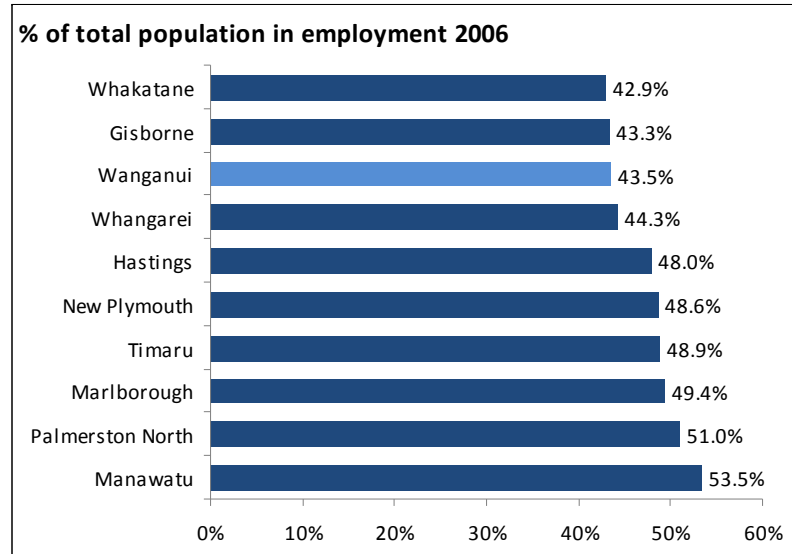
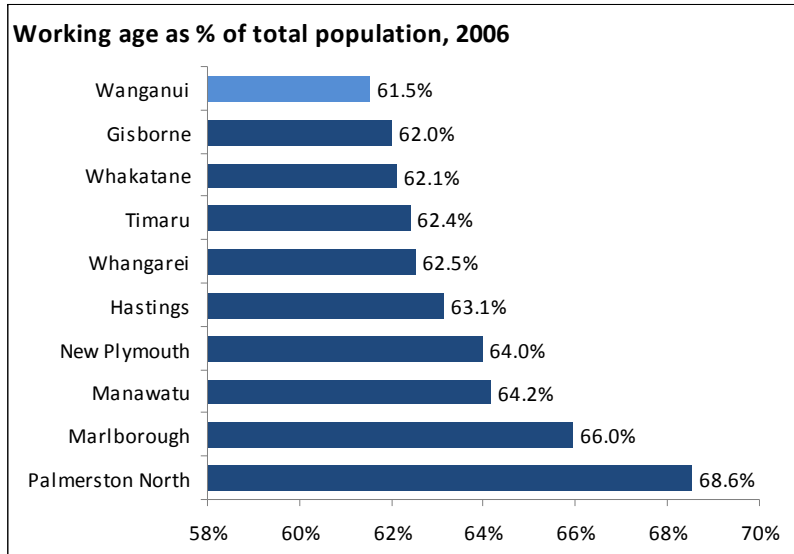


TABLE 11 - Qualifications

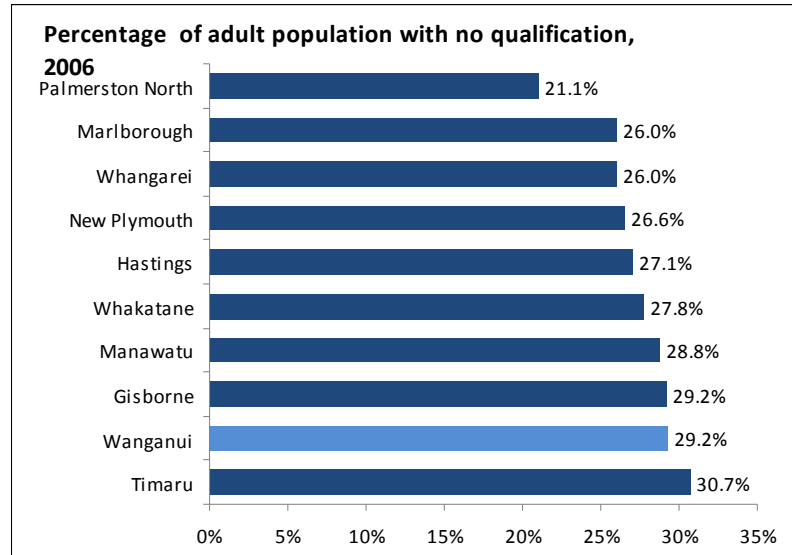
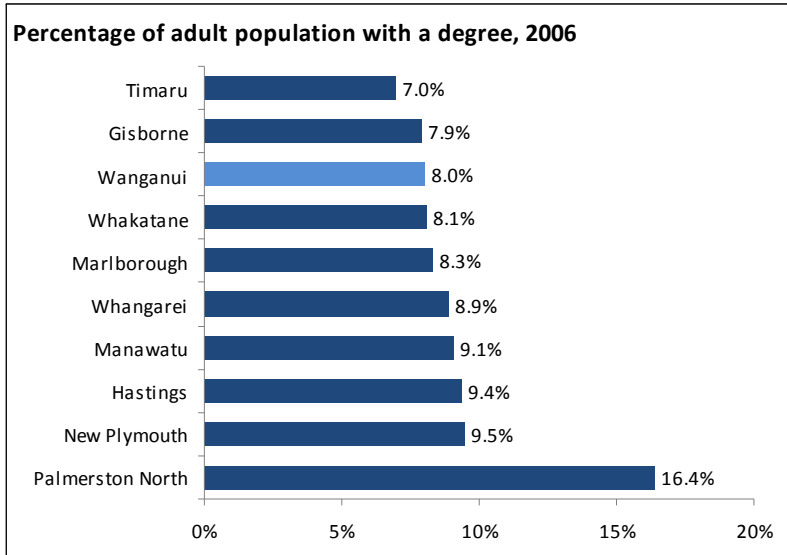


TABLE 12 - Personal Income

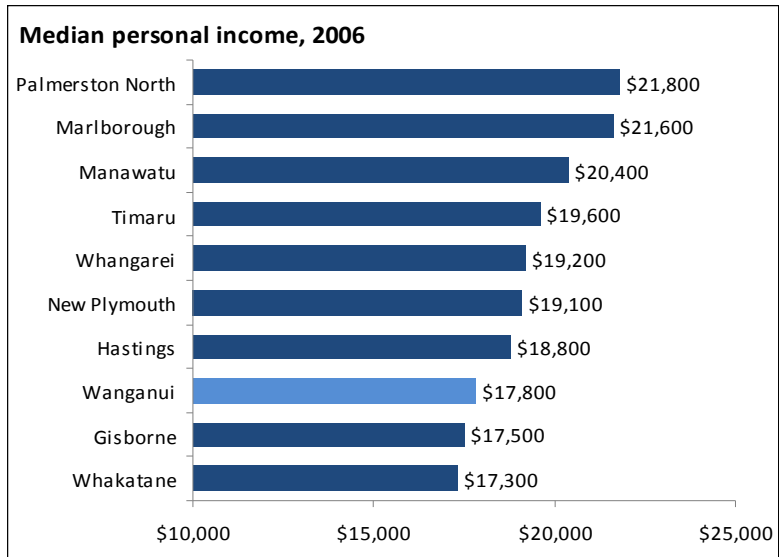


TABLE 13 – GDP Distribution

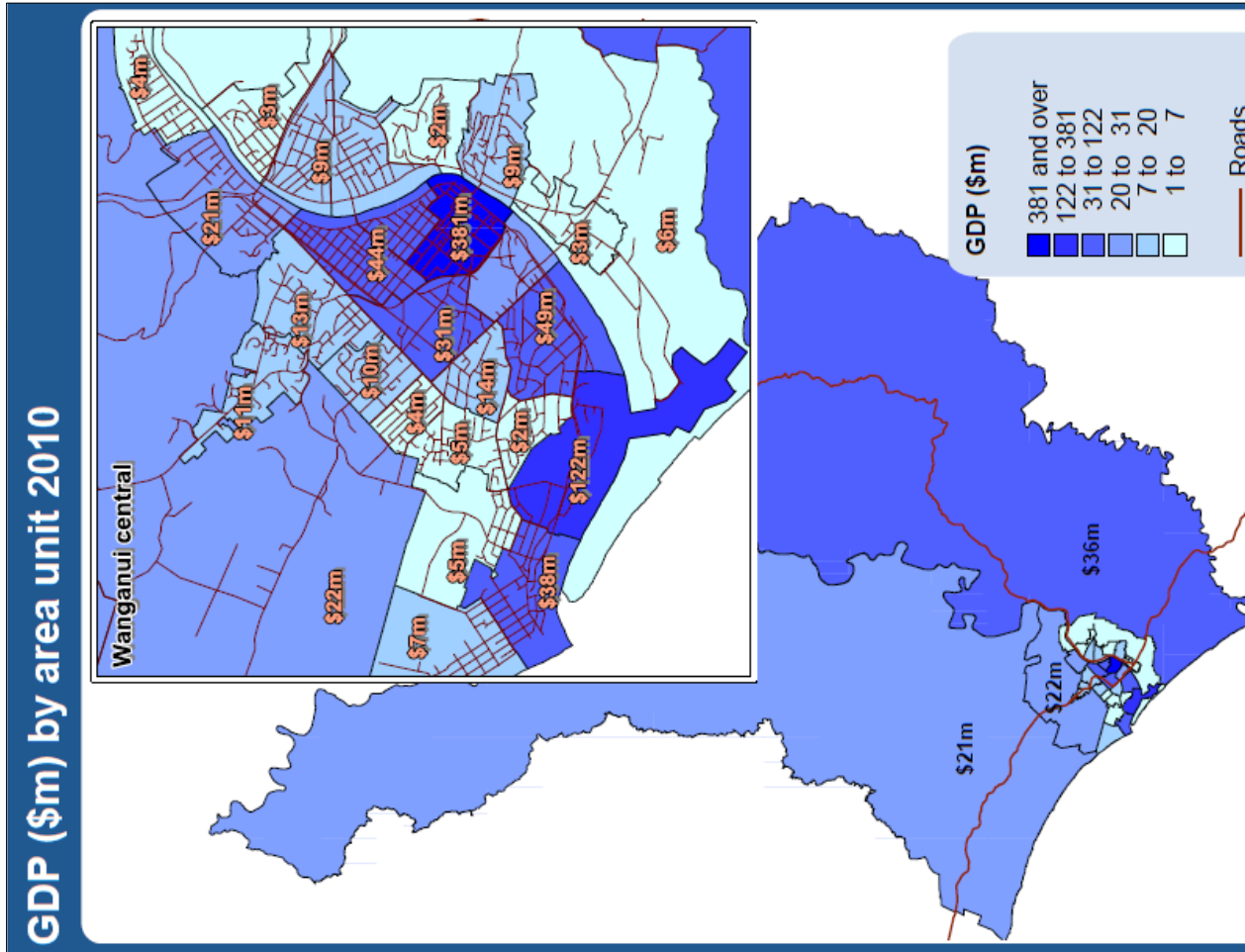


TABLE 14 – Agriculture

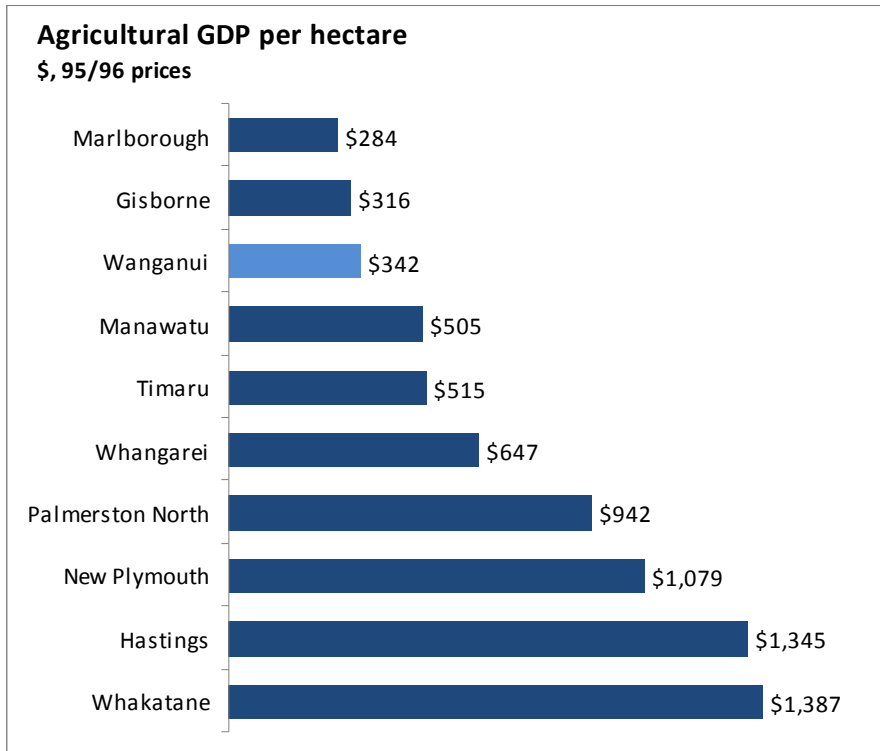


TABLE 15 – Land Use - Hectares

	Wanganui	Gisborne	Manawatu	Hastings	New Plymouth	Palmerston North	Whangarei	Whakatane	Marlborough	Timaru
Grassland - With woody biomass	10,095	26,721	18,273	13,531	4,418	1,675	2,527	8,189	43,023	10,503
Grassland - High producing	29,062	78,845	133,177	175,169	78,629	14,348	132,650	51,987	70,027	112,375
Grassland - Low producing	78,676	302,267	69,063	93,674	27,749	5,316	5,541	25,884	456,399	78,001
Cropland - Annual	1,071	6,781	4,417	5,371	817	321	540	4,065	2,756	25,204
Wetland - Vegetated non forest	36	637	84	478	261	2	787	416	1,804	356
Settlements	2,561	2,714	1,679	2,938	4,140	3,988	3,809	1,797	2,402	2,952
Other	130	4,099	250	1,613	367	118	526	804	47,600	21,092
Natural Forest	84,757	231,769	26,943	139,960	97,296	4,729	84,717	217,903	329,419	5,100
Planted Forest - Pre-1990	13,044	83,247	3,219	48,269	3,151	1,742	29,658	125,093	44,046	9,309
Post 1989 Forest	15,830	93,618	4,281	24,366	2,640	995	7,743	5,851	34,465	5,377
Wetland - Open water	1,798	2,568	1,047	2,341	703	293	721	2,080	6,248	1,893
Cropland - Perennial	215	5,049	154	14,894	300	42	1,384	982	10,297	847
Total Arable	119,119	419,663	225,084	302,640	111,913	21,702	142,642	91,107	582,502	226,930
Total	237,276	838,315	262,587	522,605	220,471	33,570	270,603	445,050	1,048,486	273,009
Agriculture GDP (\$m, 95/96 prices)	41	132	114	407	121	20	92	126	166	117
Output per hectare	342	316	505	1,345	1,079	942	647	1,387	284	515
Rank	8	9	7	2	3	4	5	1	10	6
District	Wanganui	Gisborne	Manawatu	Hastings	New Plymouth	Palmerston North	Whangarei	Whakatane	Marlborough	Timaru

ANNEX A

Economic and Demographic Data

A1 Population

- Wanganui has a declining population (usual resident population as at Census 2006: 42,679. 2001: 43,683; 1996: 45,318 (Statistics NZ)
- Population projections continue the decline.
- Wanganui population is continuing to decline due to several reasons – death numbers of older population, low birth numbers and natural migration.
- Our population is ageing and at 39 years, our median age is 3 years greater than the national average.
- If we reach a target of 5% growth in our population over next five years, this is an extra 2190 residents to Wanganui. This is approximately 730 jobs which means an additional job every two and half days.
- 29% of Wanganui's population is between 15-39 years which is low compared to the main centres. This is a provincial problem and is not peculiar to Wanganui. Statistics indicate that in the main centres the population between 15 to 39 years show Auckland 44%, Wellington 42%, Christchurch 40% and Dunedin 36%.
- The NZDep2006 index of deprivation¹ shows that overall; the residents of Wanganui District are more deprived than the country's population as a whole. Across New Zealand, 50% of the resident population live in deciles 1 to 5 areas (i.e. the less deprived parts of the country) at the time of the 2006 Census. In Wanganui District, just 34% of residents lived in those deciles and 50% lived in deciles 8, 9 & 10.

A 2 Education

- Tertiary qualifications - While Wanganui has a Universal College of Learning (UCOL), Wanganui has low levels of tertiary qualifications with only 9% of the population gaining qualifications compared to populations of New Plymouth at 11%; Palmerston North 18%; Whangarei 10%; and Gisborne 9%; compared to 16% of New Zealand population.²
- Population 15-39 years - 24% of Wanganui's population of this age group have no formal qualifications.
- No formal qualifications - 33% of Wanganui population have no formal qualifications. New Plymouth has a lower population with no formal qualifications at 30%, Palmerston North 23%, Hastings 31%, Whangarei 30%, and Napier 29%. However Gisborne 34% and Timaru 34% have a higher number of its population without no formal qualifications than Wanganui.

¹ Salmond C, Crampton P, Atkinson J, *NZDep 2006 Index of Deprivation*. The NZDep2006 index of deprivation was created from data from the 2006 Census of Population and Dwellings. The index describes the deprivation experienced by groups of people in small areas. Nine deprivation variables were used in the construction of the index, reflecting eight dimensions of deprivation. The variables used were the proportions of people: aged 18-64 receiving a means-tested benefit; living in households with income below an income threshold adjusted for household size; not living in own home; aged less than 65 living in a single-parent family; aged 18-64 unemployed; aged 18-64 without any qualifications; living in households below a bedroom occupancy threshold adjusted for household size; with no access to a telephone; and with no access to a car.

² Evidence in Research & Analysis Paper ED Strategy

A 3 Income

- The average earning of a Wanganui worker is (\$21.38) and median income (\$19,800) is low compared to the other centres and lower than the national average of \$25.09 and \$24,400 respectively.³
- There are many reasons for this low number. It is a mixture of a high number on benefits (e.g. sickness, DPB, unemployment); a high proportion of unskilled workers working in the processing and rural sector, seasonal workers from processing works and a high number of older people on superannuation.
- The largest difference occurs amongst people with personal incomes between \$10,001 and \$20,000 (30% of all Wanganui residents aged 15 years and over compared with 22% nationally).⁴

A 4 Employment – National Comparisons

- Wanganui labour force participation⁵ of 61.1% is lower than the national average of 68.2% but higher than Timaru 58.6% and Gisborne 60.5%.
- At the time of preparing this report 9.5% (January 2010) of Wanganui population is unemployed compared to the national average of 7.3% (June 2009). There is a mixture of reasons why Wanganui's unemployment rate is high. A high benefit rate, insufficient training and skills to meet the market, and workers in the shift and seasonal sectors.

Wanganui - Local Unemployment

Figures released from Work and Income Wanganui in March 2010, show that while Wanganui has not reached the numbers seen in the 1990's when 3000 people were on unemployment benefit in Wanganui – numbers have steadily dropped to a low of 615 for the September 2008 quarter and have been on the rise during the recession and peaked in the last quarter of 2009.

The number of people receiving unemployment benefit in Wanganui has dropped over the last quarter by 156 from 1,022 in December 2009 to 866 in March 2010⁶. Work and Income unemployment statistics for Wanganui shows that 3% of the working population between 18-64 is unemployed. This is local data which differs from the Household Labour Force Survey results outlined in Table 1.

³ Statistics NZ 2009/2010

⁴ Census Population & Dwelling Chart 9

⁵ Labour force participation rate: The total % labour force expressed as a percentage of the working-age population.

This definition of labour force participation includes all those aged 15 years and over.

⁶ March 2010 Quarter Unemployment Benefits MSD.

A 5 Housing

Wanganui has affordable housing and inexpensive lifestyle blocks for families compared to neighbouring districts such as New Plymouth and Palmerston North. The following house prices are based on affordability of house to income.

The house-price-to-income multiple is a simplified, yet [internationally recognised](#) measure of housing affordability. It is covered in [Agenda 21, Chapter 7](#) of the [United Nations Framework](#) and it is defined as the ratio between median house price and median annual household income, otherwise known as the median multiple. [The World Bank](#) also says this ratio is "possibly the most important summary measure of housing market performance, indicating not only the degree to which housing is affordable by the population, but also the presence of market distortions".

The following table shows the house-price-to income multiple as at 16 May 2011

	Population (Mar 11)	Median House Price (Apr 11)	Median Household Income (Apr 11)	Median multiple (Apr 11)
National average	4,405,000	\$360,000	\$76,568	4.70
Wanganui	43,400	\$195,000	\$67,238	2.90
Palmerston North	80,300	\$266,000	\$74,875	3.55
New Plymouth	72,300	\$321,000	\$70,541	4.55

(Source Interest Co. N.Z 2011)

- While affordability of houses can be a positive for people moving to Wanganui, it can also become a poverty trap as house values have not increased at the same rate as many other centres.
- Rents in Wanganui District are also considerably lower than those nationally. This is in line with low incomes. The mean weekly rent across all properties in the district at the time of the last Census was \$141 compared with \$225 across the country, and the median weekly rent was \$140 (\$201 nationally).⁷
- The level of home ownership for Wanganui is relatively good at 63% which is equal to the New Zealand average 63%. Wanganui is higher than Palmerston North 60% and Gisborne 57%, but lower than New Plymouth 68%, Timaru 72%, Whangarei 65%, Napier 64% and Hastings 64%.

⁷ Census 2006

A 6 Business and economy

- Economic growth is highly correlated with an abundance of small, entrepreneurial firms.⁸ In a sense, every business, large or small, needs to think of itself as a "new venture" right now. This is a time of unprecedented opportunity to rethink offerings, markets, business processes, and organisational structure—and to improve them to achieve growth. Since 2001 the average increase in business units in Wanganui has been 1.97% per year.
- Wanganui is home to 4,162 business units with many small and medium-sized enterprises (SME's) with growth occurring mainly in the real estate and construction services over the past few years, and it is expected that growth will continue⁹
- The manufacturing industry is the largest employment group for Wanganui (16% or 2,940 employees) and 50% of manufacturing industries are involved with food processing. Other major employment groups are tanning and machinery.
 - As was the case nationally, two industries stood out in the employment of 15-19 year-olds in Wanganui. In 2006, the retail trade employed 29% of this age group with jobs and another 19% were employed in accommodation and food services. Other sizeable employers in the district were manufacturing (10%), construction (9%) and agriculture, forestry and fishing (8%). Manufacturing was the main employer of 20-24 year-olds in the district (18% of those with jobs). Other large employers were the retail trade (16%), construction (13%), accommodation and food services (9%) and agriculture, forestry and fishing (7%).
 - Processing industries contribute 40% of Wanganui's total GDP.¹⁰
 - The 2006 Census showed that Wanganui's top industries were:
 - Manufacturing – 14% of all Wanganui's employed residents compared with 12% across the country.
 - Health care and social assistance – 13% locally and 9% nationally.
 - The retail trade – 12% in Wanganui compared with 10% nationwide.
 - Education and training – 9% versus 8% nationally.
 - Construction – also 9% in Wanganui and 8% across the country.
 - Agriculture, forestry and fishing together employed 7% of all workers both locally and nationally.
 - The accommodation and food services industry also employed the same proportion of workers in Wanganui as nationally, at 6%.
- Wanganui has a low cost business environment compared with the competitive rates for industrial land and industrial rents - dependent upon location. Land and commercial rents 25% to 48% cheaper than Palmerston North, New Plymouth, Wellington and the Hawke's Bay.¹¹
- The Gross Domestic Product (GDP) of Wanganui is positive. The national GDP is \$185.554billion. Wanganui GDP accounts for 0.8% of the national GDP.
- Wanganui GDP per capita of \$34,447 per person compared to Gisborne of \$25,489 per person, Whangarei \$26,797 and a national GDP per capita of \$32,259 is relatively good. This shows that there are some highly productive industries.

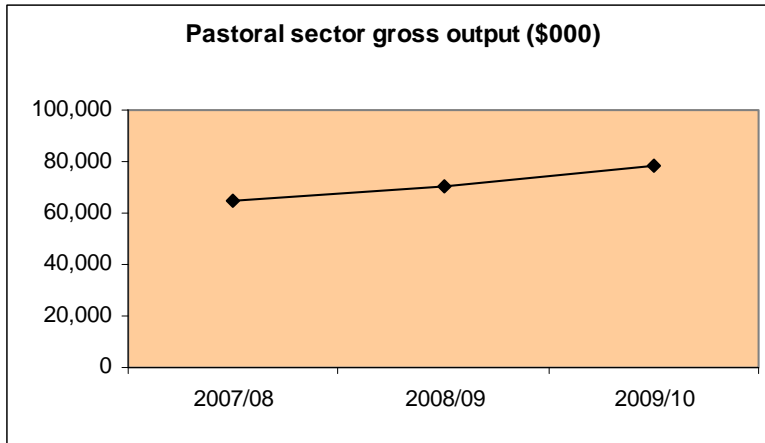
⁸ Harvard Working Paper 10-019, Edward Glaeser & Ors. 2009

⁹ Statistics Business NZ March 2009

¹⁰ Berl Report March 2009

¹¹ Bayleys Industrial Land statistics

- The rural sector in Wanganui gross output at the farm gate for the Wanganui District has been improving. Figures released show gross output for 2008-2009 is \$70,592m, and growth is expected to continue at a rate of 3.5% percent in the next year.¹² As at June 2011, the gross output for 2009/10 is \$78,221million.



- National Perceptions of Wanganui as a place to live, visit and do business is low. In the 2008 National Perceptions of Wanganui survey 71% of people in New Zealand could not identify what industries or employment opportunities they associate with Wanganui.¹³
- The importance of the domestic visitor market, which currently makes up approximately 66% of total visitors to the district, is particularly significant for Wanganui. Most international visitors to Wanganui are visiting friends and relatives (53%) or on holiday (44%). It is expected that visitor numbers will rise with the implementation of the Visitor Strategy of 20,000 nights to 489,000 (4.2%) in 2014 (0.6% per year).

¹² Meat & Wool NZ Economic Service 27 April 2010.

¹³ National Perceptions of Wanganui Research Report April 2009.

A 7 Infrastructure

- The percentage of Wanganui households with internet access is 47.9%.¹⁴
- Wanganui statistics show that 81% of people noted that they had an internet connection at home.¹⁵
- Wanganui is higher than Timaru 42.9% and Gisborne 44.4%, but lower than Napier 54.9%, New Plymouth 55.0%, Palmerston North 59.4%, Hastings 53.2%, Whangarei 51%, and lower than the national percentage of New Zealand households at 58%.
- Wanganui is well located where businesses can transport goods with a 24 market accessibility connecting two major state highways, and a re-furbished airport with direct air service to major markets;
- Wanganui is within two hours of three major New Zealand ports and connects with seven other ports in New Zealand¹⁶.
- Future growth in industrial land is likely to remain with the District's primary production sector;
- The transport, storage and wholesale sector, although a major user of industrial land, is largely dependent on the primary industry section for its expansion;
- The industries most likely to generate growth and a demand for land are those currently located at Heads Road. The area is well suited to the primary manufacturing sector and there is some opportunity for expansion within the area.
- Investment required in infrastructure (stormwater, roading, power) to support industrial growth.

A 8 Cultural vitality

- Wanganui has many creative industries exporting internationally and it is anticipated these will increase as Wanganui is marketed as the place to live and do business.
- The Waitangi Tribunal Whanganui River Claim and Whanganui Land Claim are progressing, with settlement possible in 2010 or 2011 and this will bring economic opportunities for Whanganui Iwi.
- The Wanganui business sector has numerous stakeholders groups that network through business breakfast, seminars, and workshops along with collaborative partnerships. However, there has been a lack of coordination and leadership.

¹⁴ Census 2006

¹⁵ Wanganui District Council Community Outcomes Survey 2011

¹⁶ Port of Wanganui 2009

.../34

ANNEX B

Primary Sector Analysis

This analysis was produced by BERL specifically to identify the impacts on road use arising from the primary sector and the industries that support or add value to the products produced by the primary sector.

Linkage:

1. Analysis of Primary Sectors and their Road Use (Berl Economics Report October 2011)[Report attached](#)

