

SHAPING OUR FUTURE:

## ECONOMIC FUTURES TASK FORCE REPORT, NOVEMBER 2012

### LAKES DISTRICT ECONOMIC FUTURES STRATEGY OPTIONS PAPER

#### 1. PREFACE

The economic health of the Queenstown Lakes District is the one of the most significant contributors to the wellbeing of our communities. The economic outcomes set through the Shaping Our Future Economic Future Task Force (EFTF) and informed by the public forums run throughout 2011 support a vision that will allow our district to be successful. One of the encouraging aspects of this process was the interaction and commitment that individual members of the Task Force had for focusing on strategic issues that were seen as critical to the future development of the District as a whole.

I would like to commend the members of the task force - made up of economic, business and financial leaders – who volunteered their time to begin the journey towards a more successful and sustainable community.

Taskforce members: Sarah Bogle, Nick Brown, Lyal Cocks, Martin Hawes, Alistair King and Anthony Mason. Yoji Kimura and Miles Wilson were also members but unable to attend.

Steering group support: David Kennedy and Alastair Porter.

QLDC support: Jonathan Richards

Taskforce facilitator: Dave Roberts.

Vanessa Van Uden

Steering Group chair

#### 2. RECOMMENDATIONS

Subject to the outcomes of stakeholder consultation and public forums:

- That an Economic Futures Agency (EFA) or equivalent be established to develop and deliver a detailed economic strategy in line with the District's Economic Vision.
- That seed funding be secured from relevant stakeholders to develop the establishment of an EFA as identified in this report.

#### 3. ECONOMIC VISION FOR THE DISTRICT

The EFTF undertook a high level analysis (Appendix 2) of the current economic situation in the district and the potential issues facing us. This analysis is appended to this report. Taking these findings and in the context of views expressed at earlier Shaping Our Future public forums, the EFTF has arrived at an economic vision for the district:

***To ensure a diversified, high value, knowledge based, green economy.***

#### 4. ECONOMIC OUTCOMES

To deliver on this Economic Vision a range of preferred outcomes were defined. These are as follows:

- An economic base which is diverse, prosperous and resilient
- A comfortable and affordable lifestyle for all residents
- An uncompromised natural environment
- A focus on sustainable environmental practice
- Engaged, integrated, robust and welcoming communities
- Safe, secure and supportive neighbourhoods
- Accessible high quality health and education services
- Empowered, inclusive communities with transparent local and quasi government decision-making

#### 5. PERFORMANCE INDICATORS

In the taskforce’s opinion the following performance indicators would reflect positive movement towards the outcomes articulated above and hence the vision.

These indicators will be required to:

- a) form part of the aims of a detailed economic strategy;
- b) be regularly monitored to assess economic performance and inform strategy development;
- and
- c) be regularly reviewed and amended where appropriate

This is the initial list of outputs identified by the EFTF, but is not exhaustive as additional performance indicators may be identified through more detailed research by an EFA or equivalent. The performance indicators listed therefore include, but are not limited to, the following:

<b>Commercial performance indicators</b>
Minimal seasonal or monthly variation in the level of economic activity
Real income and standard of living levels exceed the national average
Environmental quality is enhanced (RMA measures?)
Tourism KPI's* are increased and average stay lengths extended
The relative contribution of regional GDP from the non-tourism sectors is increased
A reduced reliance on imports and increased internal circulation of goods, services and money resulting in a greater level of district self-sufficiency
The expanded economic activity base builds on and exhibits distinct points of difference, regionally, nationally and internationally
Expansion into new and growth sectors is facilitated and encouraged. These areas could include the education, innovation, fitness, medical, R&D, and IT sectors. (This is not intended to be an exclusive list but is indicative of the type of sector suited to our communities, environment, infrastructure and vision.)

Economic development does not trade off from reductions in the social or environmental indicators desired by the community

<b>Generic performance indicators</b>
Regional, national and international partnerships are fostered and facilitated
The interrelationship of all these outcomes supports the wider success outcomes already described for the community, the environment and the economy

## 6. THE NEED FOR AN ECONOMIC FUTURES AGENCY

A wide range of options on how the Economic Vision and the defined Economic Outcomes could be achieved were assessed, from maintaining the current status quo, to establishing a large self-contained organisation to manage and deliver all economic development activities. This analysis is appended to this report. Following that discussion, **the EFTF recommend that an Economic Futures Agency (EFA) or equivalent be established to develop and deliver a detailed economic strategy in line with the District’s Economic Vision.**

The EFTF arrived at a number of key purposes for this role and a number of key tasks. These are as follows:

- Purpose 1. Economic intelligence:*
- *knowing what is on the horizon through identification of, and investigation into a wide range of sources; quantitative and qualitative analysis,*
  - *reducing information barriers through collating, summarizing and presenting data using a range of highly accessible methods,*
  - *understanding central government directions (and other relevant agencies) by maintaining an appropriate network of contacts and actively participating in economic debate at a national level where possible.*
- Purpose 2. Researching potential areas of economic development:*
- *commissioning research papers and reviewing published international best practise in the field,*
  - *developing and testing “strawmen”,*
  - *setting priorities, defining standards and measurable short and medium term targets and deliverables,*
  - *matching potential stakeholders to identified investment opportunities*
- Purpose 3. Acting as a catalyst*
- *reducing barriers to entry through providing a ‘one-stop-shop’ for initial information and advice,*
  - *promoting strategic initiatives through encouraging collaboration and providing avenues for consultation and consensus building,*
  - *regularly and proactively transferring information targeted to meet the needs of all stakeholders,*

- *responding promptly to high priority issues, particularly potential opportunities as they arise*

*Purpose 4. Undertaking collective activities that individuals find difficult*

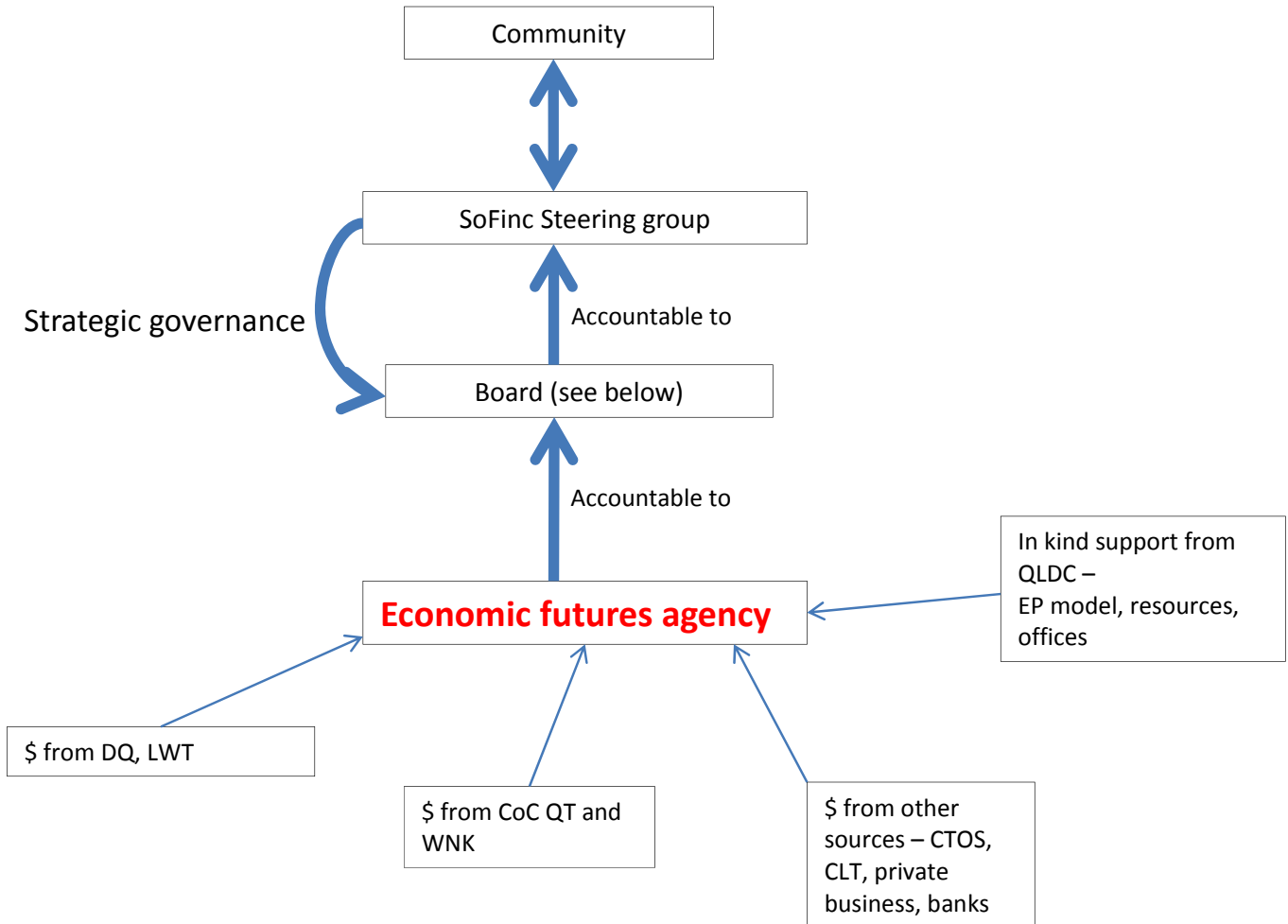
- *Project managing multi-organisation, multi-centre initiatives that require significant resources*
- *Lobbying on behalf of the district in national and international forums*

A range of further, more detailed tasks to deliver these purposes has been identified by the EFTF. These include but are not limited to:

- Further develop an economic strategy in line with Shaping Our Future objectives
- Regularly revisit, review and update this strategy including reviewing the boundaries of the area to be addressed and any required public consultation
- Promote economic self-sufficiency
- Input to strategic infrastructure planning in transport, power, and water; including analysis of the economic benefits (or otherwise)
- Develop and refine the economic profile of the area – co-ordinate update and undertake regular in-depth research and monitoring
- Take ownership of the predictive economic model, and other relevant information sources
- Attract new businesses
- Foster linkages to external resources (e.g. Otago University, SPARC).
- Enable and provide mechanisms for business linkages within the district
- Provide information on access to potential training
- Target delivery of Chamber of Commerce initiatives and engage and involve key stakeholders in the process
- Encourage stakeholders to think about the future economic direction and change
- Liaise and collaborate with adjacent areas
- Fund raising to support the activities of the EFA
- Tracking and reporting on benefits delivered by the EFA

## 7. PROPOSED EFA STRUCTURE, POSSIBLE FUNDING SOURCES AND GOVERNANCE

The EFFT identified the following model for the EFA:



1. Possible make-up of an EFA Board:
  - 1 Representative from Wanaka Chamber of Commerce
  - 1 Representative from Queenstown Chamber of Commerce
  - 1 Representative from Queenstown Lakes District Council
  - 1 Representative from Shaping Our Future inc.
  - 2 Independents, one of which is the Chair
2. EFA ultimately reports to the Steering Group of Shaping Our Future inc.
3. The EFA will work to develop synergistic partnerships with other agencies working within the broad scope of economic futures both locally (eg DQ, LWT, District Events Office etc.) and nationally. Each of the local institutions would retain their autonomy but would be expected to support close communication with the EFA regarding the economic direction of the district
4. Requirements for an EFA Executive Officer (EO):
  - The EFA would initially be staffed by one FTE employee;

- The EO would have the knowledge, experience and standing to be able to develop and execute an economic strategy.
- The role requires the ability to gain access and successfully lobby senior Central Government politicians and Government ministries on behalf of the district to help achieve the vision.
- Should be able to manage the diversity of stakeholder groups in the district as defined by the SoF Steering Group and maintain their active co-operation and support.
- Needs to develop Key Performance Indicators, generate funding, undertake research and build on successful economic future models operating elsewhere (e.g. Taranaki, Wellington, Venture Southland)
- Accountable for developing and managing the activities and resources of the EFA to deliver measurable benefits and progress towards the strategic vision.

# APPENDIX 1: CONTEXT AND PROCESS MATTERS

## 1.1 DRAFT SHAPING OUR FUTURE VISION FOR THE DISTRICT

### **“Spectacular environments, enterprising people, exceptional solutions”**

Individuals and groups committed to finding creative ways to build better lives, for now and for generations to come. A district embracing the concepts of Kaitiakitanga and Manaakitanga.

KAITIAKITANGA means guardianship, care and protection. It includes the management of natural, cultural, and built environment resources for current and future generations.

MANAAKITANGA implies a reciprocal responsibility upon a host, and an invitation to a visitor to experience the best we have to offer. Applying these values reflects our intention to move forward together, based on a shared approach.

### 1.1.1 DRAFT PRIORITIES FOR THE DISTRICT

#### **Preserve and enhance the environment**

Protection of water, air and landscape. Restoration of native and other ecosystems. Maintain and increase accessibility to wild places

#### **Engagement in Governance**

Increase participation, remove barriers, encourage local influence, encourage voices to be heard, comprehensive spatial planning, District Plan to clearly express community vision.

#### **Community Development**

Working together, improve: connectedness, neighbourliness, community spirit, communication. Create facilities to gather, educate & socialise and preserve attractions of living here

#### **Diverse Economy**

Strong local economy, affordability, right use of natural resources, events destination, increasing self sufficiency of economy, economic diversification

#### **Education**

Innovation centres (sports, arts, business), incubators, lifelong learning, niches

#### **Infrastructure / Facilities**

High performance facilities for sports, culture, education, health, care for young and old. sewerage & water and stormwater,

#### **Build Self Sufficiency**

Local energy, local food production, land use, building design. Move away from ‘ship in, ship out’ systems.

#### **Connectivity**

Internet (broadband), transport, public transport, tracks and trails

#### **Tourism**

Build high value, contributing tourism. Create respectful markets, such as through long stay tourism.

### **Town Development**

Community hubs, sensible response to climate change threats and opportunities, locally sourced energy such as micro generation, warm healthy houses, high environmental standards for development.evelopment

### **History**

Value and retain the towns and heritage. Strengthen heritage connections

## **1.2 THE PROCESS**

- 4 public forums were held in both Queenstown and Wanaka on the Economic Future of the district during June – August 2011.
- Over 200 people attended these forums. ‘Drivers of change’, ‘success indicators’ and ‘future success ideas’ were captured (website reference for all these docs). Volunteers to be on the EFTF were called for.
- SG selected the EFTF from volunteers and invitees, with the first meeting convened in June 2012.
- Members of the TF were to have shown leadership in the business, economic or financial sectors and be able to commit to the duration of the TF.
- 9 meetings held.
- The TF draft report was written and reviewed by SG.
- Economic Forums are to be held in QT and WNK to present the report to the public.
- Recommendations are to be voted on.
- Accepted recommendations will be taken to various agencies.

## **1.3 ECONOMIC FUTURES TASK FORCE TERMS OF REFERENCE**

### **Members:**

Aim for a balance of experience and new faces from a range of industries that can work in a group, having the greater good at heart and providing a balanced representation across the district. There will be an initial umbrella group of approximately 10 and then more people invited to drive sector groups reporting (say initially quarterly then 6 monthly) to this group.

### **Goals:**

1. To lead the Shaping our Future (SOF) process around Economic Futures consultation and actions to take the district to its 21<sup>st</sup> Century vision and conduct the further investigations indicated for the SoF priorities
2. To prepare a draft Lakes District Economic Strategy Options and Recommendations paper for community consultation
3. To consider the establishment of and a governance structure for an Economic Futures Agency EFA (or alternative) that would implement the above goals in the long term



## **Deliverables:**

Preparation of a draft Lakes District Economic Futures Strategy Options paper. This paper may include, but is not limited to recommendations related to:

- a Review these terms of reference and report back to the steering group
- b SWOT analysis of District Economy (utilize Economic Model and review of existing structures and governance)
- c Establishing an Economic Profile for the district - Review the current make up of the district's economy (collate and verify data) and tap into the Predictive Economic Modelling undertaken by the Council
  - Identify where money is leaking out of the district, why it is and how much
- d Identify key existing and potential sectors that could benefit from Economic Futures action.
  - Prioritise task force groups on the SoF Priorities related to economic futures
  - Defining suitable measures of success
- e Recommend the best institutional arrangements to promote the above goals; establishing relevance, role, structure, governance and funding models.

## **Considerations:**

- 1 Assess the Lakes District's competitive advantages, Regional, National, Australasian, Global
- 2 How best to leverage competitive advantage
- 3 Funding sources for EFA/Funding for EF initiatives
- 4 How best to work with and support existing sectors
- 5 How to act as a catalyst to attract new investments/sectors to Lakes District.
- 6 How to work with Central and Local government and governance bodies.

## **Scope / Jurisdiction Economic Future Task Force – (EFTF):**

- EFTF reports to SOF Steering Group
- Clarification of the terms of reference to be referred to the SOF Steering Group.
- Public comments or press releases made only after discussion and approval of SOF Steering Group

## **Task Force Group Facilitation:**

Professional facilitation is provided by Dave Roberts. Steering Group members David Kennedy and Alastair Porter will attend the initial meeting(s)

## **Governance:**

Using Shaping Our Future's model of consensus decision making, the task force will seek to make its decisions and recommendations based on the consensus of its participants.

Should the Economic Futures Task Force group wish to appoint more Task Force members, groups or sub-committees, they are to be discussed with the SOF Steering Group.

## APPENDIX 2: ANALYSIS

### 2.1 QUEENSTOWN LAKES DISTRICT ECONOMIC OVERVIEW

This high level summary of the current economic situation in the Queenstown Lakes District was prepared for the Economic Futures Task Force in October 2012.

#### Population:

The 2011 growth projections indicate that the average total population of the District in 2011 is 46,612 (28,440 residents and 18,172 visitors) and this is projected to increase to 67,439 (44,093 residents and 23,346 visitors) by 2031.

Wanaka 2011 (averages)	Total population - 14,376	Usually resident - 9,290	Visitors - 5,086
Wakatipu 2011(averages)	Total population - 32,236	Usually resident - 19,150	Visitors - 13,086

Peak times (2011) for the District)	Total Population 89,346	Wakatipu 53,425	Wanaka 35,921
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The average age of the district's population is also projected to rise from just under 36 years old in 2011 to nearly 42 in 2031.

The District contains spectacular scenic locales, landscapes and wilderness areas (also bordering a designated World Heritage Area) which, together with the associated active and passive recreation opportunities, are internationally recognised as a "must see" destination for all types of visitors. As a consequence, approximately 40% of the homes in the District are "holiday" homes which are not occupied permanently – this compares with around 11% nationally. In addition, the area is the preferred location for retirees and semi-retirees from the southern part of the South Island who seek and change in lifestyle.

Population growth, of itself, also generates strong growth in the demand for, and supply of, government services together with a burgeoning demand for health, education, community and other social services. In fact pre-school business units have grown from 9 in 2000 to 15 in 2010 as a result of the recent growth in population.

#### Business Sectors:

The principal sectors of the district economy (as measured by jobs estimates from Statistics New Zealand) were:

- Tourism. Around 45% of the jobs (about 7,100) in the Queenstown Lakes District are tourism related, including accommodation, cafes, bars, restaurants, transport services, attractions and activities. Job numbers peaked in the 2007 year and fell through to 2010 before climbing 10% to a new peak in the year ended 30 June 2011;
- Retailing (excluding tourism related retailing). This is the next largest sector of the district economy, having around 2,000 jobs or 12% of all jobs in the district. However retailing has only added 85 jobs since 2007;
- Construction. Most recent figures (2011 year) show construction had around 1,600 jobs or 10% of all jobs in the district. However jobs in the construction sector are running around 25% below their 2008 year peak of 2,150 and job numbers continue to fall.

- Business services (legal and accounting, management, financial intermediation and other consulting services). Currently around 1,000 jobs (7% of all jobs in the district) in the Queenstown Lakes economy, about 10% below its 2010 peak.
- Education. Jobs in the education sector have grown consistently over the last five years and faster than any other sizeable sector in the Queenstown Lakes economy. There were around 700 jobs in the education sector in the 2011 year, up 46% from 475 jobs in 2007.

In aggregate, these five sectors account for around 78% of all jobs in the district economy, about the same proportion they comprised five years earlier. The most significant “shifts” in the sector share of jobs over this period have been the decline in construction jobs (400) and the rises in tourism (430) and education jobs (220).

Tourism is the major source of the District’s employment, GDP and businesses. Recent economic and population growth in the District has largely been driven by major increases in domestic and international tourism. This growth drives associated economic activity for example in the construction and retail sectors.

Analysis suggests that below average business unit sizes in the District are related to residents setting up their own businesses to cater for tourism-related activities. Furthermore, the iconic landscape has been instrumental in underpinning growth in the commercial film, video and television sub-sectors over recent years.

### **Employment Structure:**

The Queenstown Lakes District economy contained around 15,920 jobs as at 30 June 2011 (Statistics New Zealand estimate). This is around 0.8% of jobs estimated nationally (vs. 0.6% of the New Zealand population).

Work and Income have confirmed an updated list of occupations for which they are unable to refer suitably qualified New Zealand Citizen or Resident workers as at 1 October 2010.

- Hospitality Workers
- Tour Guides
- Food Preparation Assistants
- Cleaners and Laundry Workers
- Sales Assistants (including Supermarkets)
- Receptionists

It can be inferred that the reasons for the lack of resident candidates for these roles include low wages and high cost of living. This situation has existed for some years now and has had a number of knock on impacts including:

- High employee turnover (and therefore inflated cost of doing business).
- Increased cultural diversity within the district as individuals from poorer regions of world see this as an opportunity to move to NZ.
- An assumption by many employers that staff will be temporary and therefore a lack of attention to employment rights, staff development and career progression (leading to increased turnover etc.).

Wages in the district are more often on a par with those in Invercargill and Dunedin despite the cost of living being comparable to the more expensive parts of Auckland.

### Cost of Living:

The cost of renting a 3 bedroom property in the district typically ranges between \$400 and \$600 per week (Auckland is similar, Invercargill \$200 to \$300 per week, Dunedin \$250 to \$350 per week). Basic supermarket shopping is roughly 25% more expensive in Queenstown than it is in Wellington CBD (personal comparison shopping).

Purchasing property in the main population centres is beyond the reach of most single people and many couples who have not moved to the district with a nest egg already earned elsewhere.

### Housing:

In 2010 the district had 12,397 existing dwellings (1,127 rural and 11,270 urban). The majority of urban dwellings were in Queenstown (c. 5,000) and Wanaka (c. 2,900).

Total residential dwelling capacity for the district in 2010 was 24,735 (9,290 rural and 15,445 urban). Only 38% of households in private occupied dwellings own the dwelling compared to 54.5% in NZ as a whole (NZ stats 2006)

Much of the rental housing stock is old and poorly maintained. Discussing this problem with rental agents results in anecdotal evidence of absentee landlords who prefer to reduce the rent than make repairs and who view the property as a 'landbank' investment that is also providing them with some cash.

Given the alpine conditions of the district's environment, the lack of quality housing may be a significant contributing factor to the transitory nature of the population.

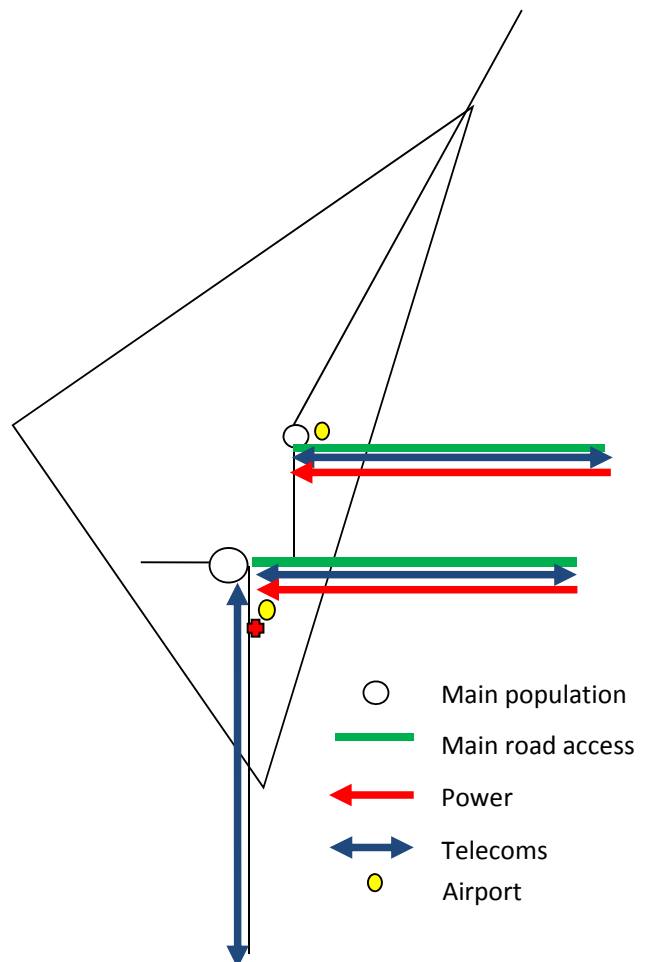
### Health:

The district has one hospital and several medical centres. These can provide most of the emergency care requirements of the district. Most investigative procedures, operations and long term palliative care cannot be provided within the district and residents have to travel to Invercargill or Dunedin and even, in some instances, to Christchurch or Wellington.

The district's resident population is likely to be above averagely healthy (although perhaps subject to more accidents) as a result of many being attracted to the area because of the many opportunities for outdoor activity and extreme sports. In addition, the district is well supplied with sports, leisure and fitness facilities suitable for and accessible to all ages and abilities.

### Education:

The district has a range of pre-school, primary and secondary education facilities, both state run and private. Projections of school places required (especially for primary education) have recently been exceeded by demand in Queenstown. Planning for new schools is currently underway.



Further education is available in the district through SIT and Otago Polytechnic as well as Queenstown Resort College and a range of English Language schools. These establishments provide vocational and management training centred around the tourism and agricultural sectors currently operating in the region.

### **Infrastructure:**

The district's infrastructure is generally adequate for the standing population. However it does struggle to cope with the influx of visitors during peak periods, both summer and winter.

The district has above average internet and cell phone access (NZ stats 2006).

The district's infrastructure capability has weak resilience in a number of areas due to the remote location, largely surrounded by mountains:

- Electricity supply enters each of the main centres through a single route;
- Wanaka has only a single telecoms route;
- Queenstown is approached from the south via a single lane bridge not suitable for heavy goods vehicles;
- The main access route between Wanaka and Queenstown is not suitable for heavy goods vehicles;
- The district's primary airport is restricted in both volume and size of planes due to its suburban location.

### **Implications of Growth:**

The economic and population growth in the District (experienced to date and projected) highlights a number of associated constraints including:

- A large demand on publicly-provided infrastructural services
- Rapidly escalating demand for social services
- Vulnerability in the economic base resulting from high dependence on one sector
- Vulnerability to the Global Economic Crisis
- Relatively low labour productivity (associated with the tourism sector)

Importantly, to date, growth has been largely SME driven and evolutionary, with no strategic focus of how to harness the collective synergies of the SME's to generate agglomeration economies, or how to target particular sectors which can capitalise on the resources the region has to offer and leverage growth opportunities.

## 2.2 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

<p><b>Strengths</b></p> <p>Spectacular physical environment/Desirability of Place (20)</p> <p>Above average level of “Human Capital” (skill sets; connectedness) (6)</p> <p>Proximity to Eastern Australian cities &amp; Auckland &amp; Wellington (4)</p> <p>Internationally and nationally recognised brands (3)</p> <p>Stakeholder groups committed to the region (2)</p> <p>Good resort amenities/tourism infrastructure (still gaps though) (2)</p> <p>Good air access (2)</p> <p>Ability to attract people (2)</p> <p>Safety</p> <p>Wide range of tourism experiences on offer</p> <p>Attractive temperate climate with marked seasonality</p> <p>Proximity to World heritage park</p> <p>Lack of competition from other tourism districts</p> <p>Year round tourist destination</p> <p>Preferred conference destination</p> <p>Significant amount of zoned land available in the Wanaka Ward</p>	<p><b>Weaknesses</b></p> <p>Narrow economic focus (tourism)(15)</p> <p>International distance – isolated (7)</p> <p>High cost of living relative to wage (7)</p> <p>Narrow skill base (4)</p> <p>means vulnerability to tourism disrupt</p> <p>Antiquated/applicable funding model (4)</p> <p>Small ratepayer base compared with level of infrastructure (4)</p> <p>Lack of cohesive town centre plans and identity??</p> <p>Complex District Plan with high compliance and transaction costs (1)</p> <p>Transient workforce &lt;-&gt; could be a strength also [Incoherent] response to event</p> <p>Tendency to plan within areas rather than district wide</p> <p>Airport - QT vulnerable. Wanaka?</p> <p>Lack of cultural diversity</p>
<p><b>Opportunities</b></p> <p>Economic diversification (18)</p> <p>Expanding Asian linkages (8)</p> <p>Sustainability, environmentally friendly business opportunities tied to brand (8)</p> <p>Excellent regional access</p> <p>Innovators - innovative ideas for investment (4)</p> <p>Further development building on spectacular location and views (2)</p> <p>Seasonally counter-cyclical to Northern (1) English speaking</p> <p>Hemisphere (moderated by South America)</p> <p>TLA collaboration</p> <p>Space</p> <p>ChCh earthquake</p>	<p><b>Threats</b></p> <p>Statutory constraints (9)</p> <p>Peak oil (9)</p> <p>Natural disaster (6)</p> <p>Biosecurity breaches (5)</p> <p>Transport (road network) vulnerability (4)</p> <p>Loss of NZ brand identity - 100% clean green/safety (4)</p> <p>Constraints resulting from adherence arbitrary TLA boundaries? (1)</p> <p>International currency fluctuations adversely impact comparative advantage (1)</p> <p>Litigation (1)</p> <p>Pandemic (1)</p> <p>Global economy (1)</p> <p>Negative impacts resulting from local government reform</p>

An initial analysis of the broad strengths, weaknesses, opportunities and threats (SWOT) facing the economic future of the district has been prepared by the EFTF (and commented on by the Wanaka and Queenstown Chambers of Commerce). To make sense of the matters raised and to obtain a broad understanding of the relative importance of each point raised, the members of the EFTF scored the issues identified. Those points with higher order numbers (18,19, 20 etc.) marked against them were considered by the majority of members of the EFTF to be of higher importance. It was noted that the need for economic diversification was considered by the EFTF members as being of most significance.

Whilst a valuable tool to understand broad issues, this SWOT exercise should not be considered to be anything more than a very general analysis of issues and a much more thorough level of research would be required. It was realised in the process of preparing this SWOT analysis that what are considered to be strengths, weaknesses, opportunities and threats would vary dependent on what economic sector was considered and also by who was looking into it. As such, should only be treated as broad, high level tool that is of use to identify key themes, but more detailed and in depth analysis (e.g. by sector) would provide a more robust understanding of the issues. The EFTF considered that this would be a matter for an EFA (or equivalent) to pursue as part of on-going research and consultation.

## 2.3 ECONOMIC FUTURES AGENCY – DISCUSSION ON DELIVERY OPTIONS

A number of options for delivery of the Economic Vision were considered. These are listed below along with the key factors discussed for each.

### Option 1: To not create an Economic Futures Agency

- a) Do not create an Economic Futures Agency entity - Council, Chambers of Commerce, DQ, Lake Wanaka tourism etc. to adopt the key aims and objectives identified in the report and incorporate them in their plans/policies

Pros	Cons	Comments
Uses existing parties.	Potential lack of co-ordinated approach.	It would be very difficult for individual bodies/institutions such as DQ, with their own mandate, to objectively undertake the higher level, Lakes District wide, strategic thinking and planning needed. NB
Uses existing funding to redirect existing resources where needed.	Lacks overview.	District is still managing to grow faster than any other region in NZ without so why bother now?
	Lacks capability for a high level of response / delivery without additional resources.	EFA is important if we are to have a diversified economy. MH
	No reason to believe that this approach would deliver anymore or anything different than is done currently – no-one accountable for progress towards strategic vision.	

- b) Use existing external Economic Futures Agency (e.g. Dunedin and Southland)

Pros	Cons	Comments
Builds on existing work.	Funding bodies outside the district.	With this option the primary focus on the Lakes District is lost, as is the necessary level of local accountability and control. NB
Collaboration with other areas.	External bodies may not see Lakes District as a priority over other work.	We lose Lakes focus. In some ways we are in healthy competition with other areas MH
Could replicate good practice.	Could replicate poor practice.	Lack of control and/or influence over quality of deliverables
	District point of difference likely to be diluted.	



c) Address issues by growing existing agencies (e.g. Destination Queenstown etc.)

Pros	Cons	Comments
Builds on existing bodies	May undermine existing agencies work by diluting their focus on specific sectors	Is a piece-meal response to the problem and is un-coordinated. Similar to the comment above, it would be very difficult for individual bodies/institutions such as DQ, with their own mandate, to objectively undertake the higher level, Lakes District wide, strategic thinking and planning needed. NB
Uses existing local knowledge	Potentially lacks expertise beyond their current sector based focus	DQ seems to me to be tourism focussed. We need other industries to have better productivity gains and higher wages. MH
Reflects dominance of tourism in the local economy	Reflects dominance of tourism in the local economy	
Takes advantage of competencies and provides broader development opportunities for existing employees		

## Option 2: To create an Economic Futures Agency

### *Issue 1 - Scope of Economic Futures Agency: Spatial considerations (i.e. what area would an EFA or equivalent cover)*

a) Separate Economic Futures Agency for Wanaka and Queenstown

Pros	Cons	Comments
Responds to individual area requirements	Lacks co-ordinated response	Creates divisiveness within the region. Hard decisions on resource allocations need to be made, and these need to be made centrally. NB
	Duplication of resources	Funding is easier if it is District wide. Wanaka and Queenstown by city standards are only a moderate commute apart MH

b) Economic Futures Agency focussed on the District

Pros	Cons	Comments
Mirrors Council admin boundary making it easier to focus Council resources Not just council resources LC	Doesn't fully reflect the economic activity in the area (e.g. excludes Cromwell)	I agree here, but at the moment we are stuck with artificial boundaries to local government which bear little relationship to the inter-linkages and inter-dependencies that exist in economic activity with our close neighbours. NB  Disagree. Not a Council thing so can expand to Cromwell or wherever just as the Wanaka Chamber of Commerce has moved into Cromwell in a small way. LC

c) Economic Futures Agency for Otago

Pros	Cons	Comments
Reflects the broader economic linkages in the region	Lacks focus on the economic activity in the Lakes area	Would be dominated by Dunedin, and create urban-rural rifts that we have seen develop elsewhere. NB
	Requires liaison with adjacent authorities	No. Different interests. Different SWOT. MH
	Doesn't mirror Council admin boundary making cross boundary funding more complex.	
	Interference with existing EDU (Dunedin)	

- d) Economic Futures Agency based on the District but extending to include Central Otago (Cromwell and Alexandra) and other areas

Pros	Cons	Comments
Reflects the economic activity and linkages in the area (e.g. includes Cromwell)	Doesn't mirror Council admin boundary making cross boundary funding more complex.	Need to define boundary of interest
	Requires liaison with adjacent authorities	Yes, this is in my view theoretically the best option, but practically it won't work. What is needed is a stepped approach with an EDU in this District which, when successful, possibly expands to encompass a wider sub-region perspective. Anyway, certain issues will of themselves require a sub-regional approach, and a District focussed EDU does not preclude this. NB Agreed LC
		No. Different SWOT. MH

***Issue 2 - Scope of Economic Futures Agency: Autonomy and/or Inclusion of Existing Agencies***

- a) Economic Futures Agency which incorporates Destination Queenstown, Lake Wanaka Tourism and Film Otago

Pros	Cons	Other Comments
Co-ordinated approach	Existing bodies work well and interference may prove a backward step	My comment here is the opposite of what I noted above. DQ and the others have focussed mandates which would be diluted when subsumed by the EDU. Close co-ordination sure, but not incorporation. NB
		Yes. Easier funding. Shows that we are serious about other industries. MH Perhaps medium/long-term goal as economy diversifies and region becomes more co-ordinated. Prove value of EFA first. SB

- b) Keep Destination Queenstown, Lake Wanaka Tourism and Film Otago separate but with a degree of co-ordination

Pros	Cons	Other Comments
Retains autonomy of existing agencies	Less co-ordinated	Yes, agree with this. Good co-ordination (which is essential), does not mean that they all have to be “incorporated” into the one body. NB
		No. They are either all under one umbrella or each will talk about coordination but actually go its own way.
Synergy from maintaining pockets of expertise	Likelihood of special interests and politics developing.	EFA role must not be prima donna for this to work

*Issue 3: Scope of Economic Futures Agency: Co-ordination Role*

- a) Champion Role for single person to co-ordinate delivery through existing agencies and any outside bodies (e.g. Southland and Dunedin Economic Development Units) filling in the gaps that they can't deliver

Pros	Cons	Comments
Compliments and uses existing bodies without interfering	Potential lack of co-ordination	Who do they report to?
		This begs the question of what body or organisation sets the tasks and roles for this person, and to whom this person is accountable. Where does the strategic thinking come from??? This person would be “captured” by one organisation I suspect. NB
Single source of information etc	No capacity to actually deliver anything.	

*Issue 4: Comments on Governance / Ownership matters*

<b>Joint Board: (Incorporating members of from Chambers, Council, Shaping Our Future / EFTF etc.)</b>	<b>Council role only</b>	<b>Chambers role only</b>	<b>Shaping our Future role only</b>
<p>In my view, this is the way to go. A cross section of skill sets on the Board, but with governance experience. Good linkages with other institutions and bodies. Possibly taskforces with delegated functions reporting to the EDU. NB</p>	<p>Captured by one organisation. Difficult to remain independent. Difficult to secure funding. Lack of autonomy means that various stakeholder groups would feel disenfranchised. NB</p>	<p>As with Council role only. NB</p>	<p>Only in the sense of “passing the baton”. NB</p>
<p>Clear strategy and a board that is strong on governance are important.</p>	<p>Agree with NB. MH</p>	<p>Agree with NB. MH</p>	<p>Agree with NB. MH</p>
<p>Diversity of opinions and vested interests – clear ToRs required. Could lead to EFA being seen as tool for “nasty developers” by some community stakeholders.</p>	<p>Agree</p>	<p>Agree</p>	<p>SoF is more representative than other groups – need clarity of ongoing role given governance recommendations made (i.e. EFA ultimately reporting to SoF).</p>