

Regional Development: Gisborne

THE ISSUE

Regional New Zealand is being left out of the growing economy. The Gisborne/Hawke's Bay region has the highest unemployment rate in the country. Nearly one in five working age adults in Gisborne region are currently on benefits, at a cost of more than \$80m a year.

At the same time, the Gisborne region is producing huge amounts of wood, most of which are sent overseas as raw logs. Adding value by processing the wood is carried out overseas, whereas it could be done locally creating jobs and wealth for the region.

There is a national shortage of houses. Labour's KiwiBuild plan will help fix this problem and boost construction industry's ability to build houses at affordable prices. Prefabricated manufacture of houses has been proven in Australia and Europe to be an effective way to increase output and bring down costs. We will grow the prefabrication industry throughout New Zealand and we want Gisborne with its natural wood resources to be a part of that.

The opportunity exists to marry Gisborne's need for jobs and wood assets with the country's need for more housing.

LABOUR WILL:

- **Invest up to \$20m to local development of a prefabricated housing factory and associated infrastructure in Gisborne.**

Labour has discussed opportunities for economic development in Gisborne with local government and local businesses. We want to support their vision for more timber processing in Gisborne. A prefabricated housing factory and associated infrastructure – such as upgrades to roads and the port – represent a cost-effective investment to grow Gisborne's economy and make its people better off.

The factory will directly employ dozens of locals in high skill jobs and contribute to additional job creation throughout the Gisborne community. It would complement the existing Wood Engineering Technology plan.

This factory will help meet the growing need for new houses in New Zealand, including supplying some of the houses needed for Labour's KiwiBuild plan. KiwiBuild will construct 100,000 modern, affordable homes over 10 years for sale, at cost, to first homebuyers.

This investment will depend on a sound business case being presented and will match private or local government investment dollar for dollar up to \$20m. These funds will come out of Labour's Regional Development Fund.

This is just one example of how Labour will invest in New Zealand's regions.

