



Southland Regional
Development Strategy
TE IWĪ ME ORANGA RAUEMI

Action Plan

2015 - 2025



Contents

Message from the Southland Mayoral Forum	5
Foreword from SoRDS Governance Group	7
Methodology	8
What Does Success Look Like?	10
Building Blocks for Success	14
Action Plan at a Glance	16
First Challenge – Grow Population	18
Attraction	20
Inclusion & Participation	24
Invercargill Rejuvenation	28
Second Challenge – Diversify the Regional Economy	32
Aquaculture	34
Tourism	38
International Students	45
Third Challenge – Strengthen Local Business	50
Ease of Doing Business	52
Innovation	56
Primary Sector Extension	60
Enablers	66
Water	68
Digital	72
Transport	75
Talent and Training	79
Team Member List	83
Organisational Arrangements	84
Glossary of Acronyms	86



Gore District Mayor Tracy Hicks



Southland District Mayor Gary Tong



Invercargill City Mayor Tim Shadbolt



Environment Southland Chairman Nicol Horrell

Message from the Southland Mayoral Forum

Southland has demonstrated in the past that when it pulls together on major projects it is unstoppable. The collective power of the community is very significant.

The comprehensive development of the region and reversing the loss of population from the demographic time bomb facing us is a challenge at another order of magnitude compared to those we have faced previously. As a region we are up for it.

This Action Plan is a cohesive community effort. Nine teams, around 100 people and a strong collaborative spirit have produced this programme. The team that worked on it has been thorough and many opportunities have been evaluated and the most promising highlighted.

We, the Southland Mayoral Forum, initiated this strategy programme two years ago, not necessarily knowing where it would end up. We

“

We need to keep looking forward, focusing on our goal and supporting each other to give the best that we have got.


are now at the end of the beginning. We have a blueprint, but now is the time for action. I am sure we will all show the same resolve in implementation as we have in development.

I want to thank my Forum colleagues, the respective councils and their chief executive officers who have provided exemplary leadership throughout. I want to thank the variety of community organisations and business interests who have actively participated without reward except for the satisfaction of doing something that is clearly going to make a difference.

I would like to thank Tom Campbell and the Governance Group for their astute leadership and oversight of the programme and to Sarah Hannan and Sarah Brown who led the directorate.

Implementation is not going to be without its challenges and for some, change is going to bring discomfort, as we adjust to new ways of doing things. Throughout, we need to keep looking forward, focusing on our goal and supporting each other to give the best that we have got.

Southland has the reputation for punching above its weight, now once more, we have the opportunity to demonstrate that that reputation is justified.


Tracy Hicks

Southland Mayoral Forum Chair

Foreword

SoRDS Governance Group

Southland is built on traditional values. It is slow to change but when it sets its collective mind on a goal it will get there. That is the story of Burt Munro, the Southern Sting, Zero Fees and the SBS Bank, to name a few. It is also the story of SoRDS. What started as an idea has now expanded into an explosion of activity. Over 100 people have served on Action Teams. The Governance Group has concentrated the effort, and the thinking has been broad and expansive producing an impressive product after just a few months.

The difference between SoRDS and anything that has gone before is regional cohesion, the scale of thinking and its practical, business-led nature. The region is gradually pulling itself together to exert the level of energy required to achieve the three main challenges SoRDS has identified – more people, more social and economic diversity and more growth.

Diversification doesn't mean the region will lose its identity or single-minded resolve, but it will rest on a broader base and be more resilient. The traditional values are easily strong enough to be retained despite the change that diversification will bring.

“

We have characterised the three goals of SoRDS as “challenges” because that’s what they are. Southland has never before achieved the population growth we are targeting. It has never tried to grow three major industries at the same time or mount such a comprehensive initiative to help grow local businesses.

With the publication of this Action Plan the real work begins. We have characterised the three goals of SoRDS as “challenges” because that’s what they are. Southland has never before achieved the population growth we are targeting. It has never tried to grow three major industries at the same time or mount such a comprehensive initiative to help grow local businesses.

Success rests on the stage immediately after this Action Plan is published. The programme is built on development in parallel – major projects operating singly, yet tightly bound together –

targeting a level of scale and momentum not before achieved in the region. Is this ambitious? Yes, but so was Burt Munro, going from his Southland backyard shed to the salt flats of Utah in his determined but understated way.

The other key ingredient besides ambition is leadership. The baton now has to be passed from the current SoRDS Governance Group to a new entity that will lead the delivery stage.

Cohesion, scale, energy, ambition and leadership are the qualities that will assure a successful outcome and they have all been built into this programme.



Tom Campbell

**Chairman
SoRDS Governance Group**

Governance Group

Tom Campbell	Tracy Hicks
Trish Boyle	Jeff Grant
Neil McAra	Rob Phillips
Lloyd McCallum	Maria Pera
Gretta Stephens	Penny Nelson





Overview

Methodology

At the point of launch, work on the SoRDS Action Plan will have been going a year. It was built on the Strategy document prepared in 2015 which provided the basic direction which SoRDS has now added to.

The engine room of SoRDS has been the Action Teams. Nine of them have been at work over eight months involving in excess of 100 volunteer team members, many of whom have made substantial contributions to the cause.

The Teams prepared Action Plans which were considered by the SoRDS Governance Group and that material was then condensed into this final regional Action Plan. This Plan has been subject to discussion with potential funders and supporters including central and local government, community funders and private contributors.

Teams attacked their task in different ways. Some 'went broad' and considered a wide range of potential development activities. Others were 'narrower' in their focus and have, as a result, developed more specific recommendations. In all cases the work of the teams has to be seen as a first step and that further investigation, feasibility and piloting will be necessary to turn the ideas into reality.

Some teams undertook extensive research, stakeholder consultation and investigation. Some went outside the region to generate ideas and approaches. A few undertook quite specific

development work such as the Aquaculture Team, while others engaged professional support like the Invercargill Rejuvenation Team which employed the services of an urban designer.

A list of the Team Leaders and Team members is attached at the back of the report.

A further team, led by the Programme Directors, worked on analysis of the team reports. Background information from Venture Southland and other local agencies was added to the mix and ultimately this report emerged.

January 2015	➤	Work on the Strategy document began
November 2015	➤	The Strategy document was launched
January 2016	➤	Work on the Action Plan began and Action Teams were formed
August 2016	➤	Action Teams completed their work
November 2016	➤	The Action Plan was launched
SoRDS	➤	A two year cycle of collaborative planning to take Southland into the future – contemporary, competitive and connected.

Overview

What does success look like?

The October 2015 Strategy document presented the case for change. Despite the strong economic growth in the prior period, there is continuing local concern about the region's social and economic viability and vulnerability.

It is the projected depopulation of the area that most concerns Southlanders. If the regional population remained static for the next 10 years, it would fall to 1.8% of New Zealand's population (currently 2.3%). A static population together with the ageing time bomb means the region would lose ground against the rest of the country with a serious effect on services such as health, business, lifestyle, quality of life and morale.

The recent dairy downturn has also taken its toll, perhaps the most of any region of New Zealand. While the New Zealand economy has ridden through this downturn due to the diversity of the national economy, the same is not true in Southland, which has a narrower economy than the average and reliance on a small number of products such as dairy and aluminium.

Add to these challenges the difficulties most of regional New Zealand experiences:

- > The south to north drift
- > Clustering of population and economic activity around Auckland and other main centres
- > Loss of jobs in traditional agricultural industries.

When trends are working for you
(think Auckland)

You simply ride your luck

When trends are working against you
(think much of regional New Zealand)

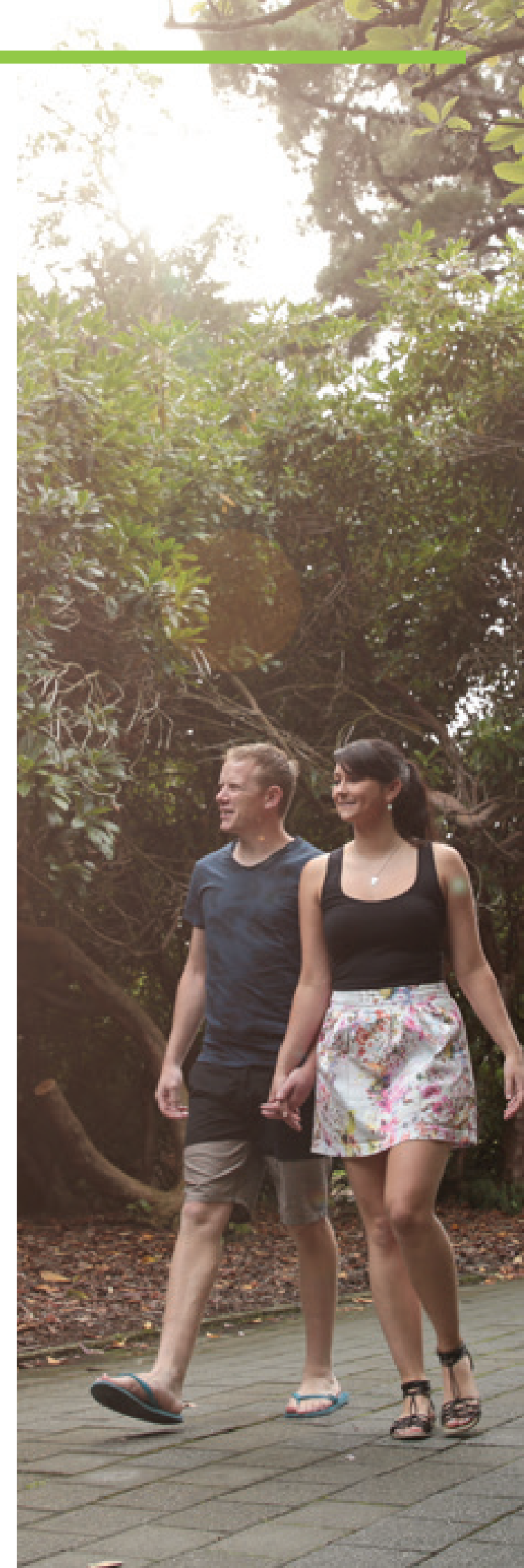
You have to make your luck

That is the challenge facing Southland

A concerted regional development effort is required to counter these so-called "megatrends".

The region has "good bones" in the form of a history of strong economic growth and performance. It also has a vigorous social character epitomised in the various achievements of the region over the years, but it faces two fundamental threats which require a concentrated effort on lifting population and broadening the economic base.

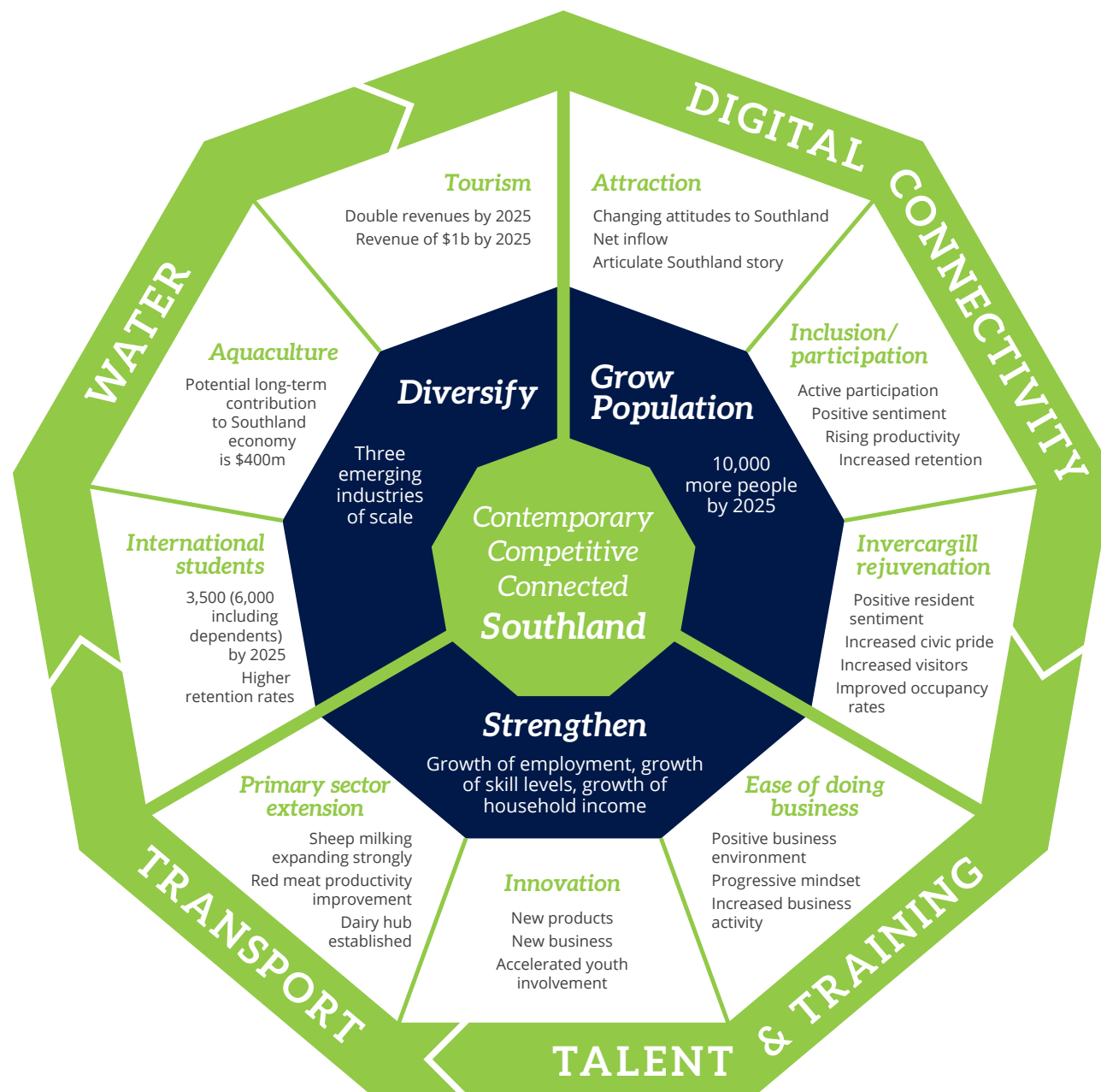
The 2015 Strategy concluded that regional development is something that a region must do and lead for itself. It must find its own direction and the "sweet spot" that makes the regional economy go. It must also strengthen its social fabric and that is an important dimension in this Action Plan. It could be described as an "inside-out" strategy involving a build of the social and economic capability and capacity of the region, using local leadership but drawing on national resources where required.



What is vital to the Strategy is that Southland harnesses the full capability of the region for development. A genuinely regional response is required.

It is the intention that there is active measurement of the success SoRDS achieves in its progress towards its goals. The Action Plan is the beginning of a cycle of action designed to produce tangible measureable results.

The proposed measures for each project are summarised in the chart below (the white section). It should be read out from the centre. At the centre is the vision of Southland – contemporary, competitive and connected. Next out are the three Challenges – Grow Population, Diversify the Regional Economy, Strengthen Local Business. Next out are the projects, each with a number of success statements. Finally, at the outside are the enablers. The Action Plan at each level is contained in this document.



Building Blocks for Success

We have developed evaluation criteria to assess the strengths and weaknesses of each of the projects at their current stage of development.

Think of strengths as the factors that will support success for a project, and weaknesses as the factors that, without attention, may detract from or even obstruct success. The building blocks are designed to help those

taking each project forward to focus on the areas that require more work and attention to achieve success. The same set of building blocks is used for each project for ease of comparison:

Creating the building blocks and moving them into place is the implementation task.

These building blocks are not exhaustive. A 'regulatory' building block was used on a number of occasions where regulatory considerations were important to a project. At times the building blocks were interpreted slightly differently. For example, 'market considerations' sometimes referred literally to the market for a product, while in other situations the market was considered to be the people of Southland. Where interpretations of this nature are used it is generally specified in the text.

Leadership and ambition

Arguably the most important. No ambition, no achievement.

Capital and funding availability

Viable projects attract capital, but finding funding for proof-of-concept is another matter.

Connectedness

Technology, transport, logistics.

Natural and cultural assets

These are the background assets that provide the value behind team action plans, e.g. the landscape, culture and ecology of the region drive tourism.

Market considerations

There is no business without a market. "Market-centric" thinking is vital.

Labour capability and availability

Southland is labour constrained at virtually all levels.

Knowledge

Availability of, or access to, industry knowledge and technical IP.



Action Plan

at a Glance

Three challenges

Nine projects

Forty actions

Grow population 10,000 more people by 2025

Attraction

Southland Story development - Market insights data - Grow Southland

Inclusion/participation

Welcoming Communities - Welcome Centre - Cultural Diversity in the Workplace - Regional Partnership Agreement - Intergenerational Gore

Invercargill rejuvenation

Concept Development - Project Development - Facilitation Vehicle - Inner City Living

Diversify the regional economy

Aquaculture

Scientific survey - Forum for the Future - Regional Reference Group - Further Investigation - Regulatory Framework

Tourism

Integrated Leadership - Milford Opportunities Project - Destination Strategy - Marketing Plan - Events Strategy - Product Development - Infrastructure Programme

International students

Southern Education Alliance - Schools Pilot - Inner City Accommodation - Student Internships

Strengthen local business

Ease of doing business

Establish Current Baseline - Introduce Specific Improvements - Spatial Plan

Innovation

Pilot for Innovation Programme

Primary sector extension

Sheep + Beef Productivity - Dairy Beef - Sheep Milking - Dairy Hub - Rural Development Hub

plus...

Enablers

Water

Water and Land Strategy

Digital connectivity

Digital Enhancement Plan

Transport

Revised Regional Land Transport Plan

Talent & training

Skill Formation and Support Plan



First Challenge

Grow Population



First Challenge - Grow Population

Attraction

Opportunity

Southland has a story to tell, in fact, it has many stories to tell around distinctive and attractive themes. The opportunity is to position Southland in the minds of New Zealanders, and also internationally, on the basis of people, product and experiences. There is a strong correlation between a region's image, its economic strength and perceived liveability.

The opportunity is to articulate the essence of the region and tell the story across all key sectors: visit, live and work, study, invest and do business.

Attraction is not just an advertising campaign but a myriad of actions and programmes with a common thread that communicate common messages leading to an overall sense of curiosity and interest in the region.

Warren
"These brakes, they're completely inadequate."
 Burt Munro
"I'm planning on going, not stopping."

Contribution

The contribution of this project to the SoRDS key success measures has been assessed at this point in anticipation of more in-depth analysis in the future:

- > The contribution is indirect but high on all criteria.

Success

The success statement for attraction with the strongest resonance is:

"When there is strong alignment between Southlanders' views of themselves and their region, and the external view of them and their region, then attraction will take place."

Other success statements:

- > The target of 10,000 more people by 2025 is achieved.
- > There are discernible changes in perceptions (in the right direction).
- > Outsiders and Southlanders consistently describe Southland in positive terms.
- > Southland has a clear and positive position in all attraction markets.
- > There is increased perceived liveability in the region.

Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction.

The building blocks adequate to support attraction are:

- > **Natural and cultural assets** – the strength of these assets in Southland is a major attractor – both natural and cultural.
- > **Labour** – this building block is not particularly relevant to attraction.
- > **Knowledge** – there is specialised knowledge in the area of attraction and this needs to be tapped into both nationally and locally. This is well recognised by those promoting this project.

- > **Market** – the external market of people who could come to Southland to live or visit is probably neutral about the region, with some positive and other negative perceptions. Further work is required on understanding the various markets better so that attraction activity can be targeted.

The building blocks for attraction that require further attention are:

- > **Connection** – technology will be a major channel for communication and requires development.
- > **Leadership and Ambition** – while there are those who want to see growth in Southland, there are others who are at best ambivalent both around the value of destination attraction and the execution of it. A level of consensus is required.
- > **Capital and funding** – an attraction programme is diverse. There will be some "big ticket" items and other items that will form part of a broader programme and budget. Attraction will require funding on a sustained basis and it can be difficult to fund.

Risks, Challenges And Solutions

- > **Too many opinions** – the design of an attraction programme is a very specialised exercise, but because of its public nature it is subject to a great deal of comment by all manner of people. A disciplined process of development is required.
- > **Not enough money to do the job** – this is a common problem with these types of activities. Investment levels need to be carefully assessed.
- > **Sustainability** – attraction needs to be considered in the long term.



> Actions

IMMEDIATE PRIORITIES

> Southland Story Development

Develop a Southland Story in the context of the New Zealand Story. The story would contain the essential features that would drive attraction and develop the brand framework, tools, collateral and resources to bring the Southland Story to life and for different sectors to use it. This would involve a series of workshops, stakeholder interviews, and visual depictions to test the generic story. A second stage would apply the story to sectors – tourism, migrants, students – to ensure there is resonance across all important sectors.

(Contributing parties: MBIE, TNZ, AirNZ, Chamber, NZTE, VS, Ngai Tahu)

> Market Insights Data

Undertake research with key stakeholders to capture and test key themes that make Southland a great place to live, visit, study and do business. This would involve around 50 face-to-face interviews aligned with the Southland Story development process.

(Contributing parties: VS, AirNZ, MBIE)

MEDIUM-TERM PRIORITIES

> Grow Southland

Preparation of a labour market assessment looking forward 10 years to understand the immigration requirement related to the various sectors of the regional economy. This would also take account of the SoRDS initiatives.

(Contributing organisations: local authorities, VS, MBIE, Chamber)

Leadership

The leadership of this project-area needs to be closely tied to all the other projects and to the governance of the whole programme, it cannot become an end in itself.

Investment

There are four potential investor types:

- > **Industry** – industry investment may come through specific project areas such as tourism.
- > **Government** – resources may also be available through Government related to particular projects – economic and social.
- > **Community funders** – if a significant portion of cash is to be used for attraction, it is likely to need a contribution from community funders.
- > **Local Government** – will be a key contributor to attraction funds.





First Challenge - Grow Population

Inclusion and Participation

Opportunity

The opportunity is to build the capability and skills of the region's people and labour force to support economic and social development. It provides the means through which to attract and retain people recognising all the factors, including social and cultural, that impact on attraction and retention besides economic factors like jobs. The opportunity is also to achieve a cultural shift towards greater acceptance of cultural diversity, equality of participation, integration into the workforce and better empathy and connection.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** high (but difficult to measure)
- > **GDP:** indirect
- > **Jobs:** indirect
- > **Household income:** indirect

Success

The success statement for inclusion and participation with the strongest resonance at this point is:

"A large portion of new migrants – whether domestic or international – older people and youth have a strong sense of being Southlanders and included into the regional community and culture."

Other success statements:

- > Increased rate of population retention.
- > Active participation in the economy and social milieu.
- > Positive cultural sentiment.
- > Rising productivity from diverse skills.
- > Integrated community (both receiving community and entering population).
- > Greater diversity and dimension in the community expressed in all manner of lifestyle and community activity.

Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction:

The building blocks adequate to support inclusion and participation are:

- > **Capital and funding** – funding, especially from national sources, appears to be available for the types of services envisaged, which is good because it can be difficult to find in the regions.
- > **Natural and human assets** – there is a very real advantage for Southland in that it is not a large population and the danger of inadvertently forming immigrant ghettos or producing other unfavourable outcomes is lower.
- > **Labour** – there are the skills available to provide the services required.
- > **Market** – if the market is defined as employers seeking immigrant labour, then the market is strong because the need is strong.

The building blocks for inclusion and participation that require further attention are:

- > **Leadership and Ambition** – inclusion is an area that requires leadership and role modelling and at present there is a level of ambivalence on this issue.
- > **Knowledge** – social inclusion is a tricky area and good practice could be described as emerging rather than mature across the country. There will be a need to build expertise and knowledge and Southland is well-set to be able to do this.
- > **Connection** – there is a need for greater engagement with immigrants. A cultural shift is required to get the best value from immigration. Greater cohesion between service providers will need to be achieved.

Risks, Challenges And Solutions

- > **Scale** – there is always a danger that the effort required to achieve inclusion is underestimated. A comprehensive programme of action is required.
- > **Formal and informal interventions** – the challenges are not just in organisations and institutions, but also in the attitudes of ordinary people. Intervention at all levels will be required.
- > **Long-term** – as with many of the enablers, this is not a quick-fix and will require a concerted programme of action over an extended time. Sustainability needs to be built into the programme.
- > **Public policy changes** – There is the possibility that public policy changes may take place and adaption will be required.

Antarctic Angel

"Good luck, mate. Show 'em Kiwis can fly too, eh?"

Burt Munro

"Right. I'll bring you back the Statue of Liberty!"



Leadership

High levels of energy and the stance of community leaders in supporting and even championing this programme will be vital for its success. The Inclusion and Participation Team identified that inclusion needs to move beyond the superficial and this will only come with strong role modelling.

In addition, the Team identified the need for the right person to lead the Settlement Centre Project.

Investment

There are four potential investor types:

- > **Industry** – the workplace is going to be a crucial area where inclusion needs to take place. Employers will need to undertake activity in parallel with the centralised regional programme outlined in this project.
- > **Government** – the resources to get this programme underway largely reside in Government and operate nationally.
- > **Community funders and NGOs** – community-based organisations have an important role to play in creating an inclusive community both in the investment of funds and effort.
- > **Local Government** – as with central government, local government will need to make contributions to this programme to ensure its success.

> Actions

IMMEDIATE PRIORITIES

> Welcoming Communities

Introduce the Welcoming Communities programme through MBIE (as one of its five programmes nationally).

(Contributing parties: local authorities and MBIE)

> Welcome Centre

Prepare a business plan for a Welcome Centre to be located in central Invercargill and enable operationalisation of the Centre. The business plan would assist in the scoping and scaling of the project.

(Contributing parties: local authorities and community funders, in the first instance)

> Cultural Diversity in the workplace

Prepare a programme of education and awareness for businesses in Southland for the purpose of encouraging cultural integration in the workplace. This would be linked to Welcoming Communities programme and would build on the Southland Story. It would comprise workshops with businesses and collateral.

(Contributing parties: local authorities, Chamber, SIT, MBIE)

> Regional Partnership Agreement

This involves formalisation of a working relationship (e.g. MOU) between the region and Immigration NZ to facilitate solutions to key issues.

(Contributing parties: local authorities, VS, INZ)

MEDIUM-TERM PRIORITIES

> Intergenerational Gore

An inclusion and participation pilot with an emphasis on the aged is contemplated for Gore. This would involve the preparation of a Master Plan for creating an age-friendly community in Gore based on the concept developed for Levin in Horowhenua. This Master Plan would form the basis of a feasibility investigation prior to the introduction of an age-friendly community hub that would develop and prototype services and facilities for older people in the Gore community. The Master Plan would comprise a detailed description of the concept, background, research, financial feasibility of a proposed age-friendly community hub and publication of a detailed report.

(Contributing parties: MSD, GDC, NGOs such as education and social support agencies (CAB), Office for Seniors)

> Policy and regulatory changes

A number of central government policy changes would assist this project. These would be discussed within the parameters of the Regional Agreement with INZ:

- Longer period of post study work visa for students outside Auckland – currently one year, preferred two years.
- Increased immigration points for outside Auckland – currently 30, preferred 50 to have an impact.
- Require institutions that wish to attract international students to have to deliver to the SAC funded domestic students as well.
- Advocating against INZ using EER categories for prioritising inclusion in pilots.
- Lowering living cost amount that must be accessible and traceable in a bank account to \$10,000 for selected locations including Southland – currently \$15,000 for all of NZ and this amount, while necessary in Auckland, is excessive for many areas outside of Auckland, especially South Island and regional areas.



First Challenge - Grow Population

Invercargill Rejuvenation

Opportunity

The inner city of Invercargill does not provide sufficient of the modern essentials of urban lifestyle to attract and retain population in the numbers required for the success of SoRDS and the region. While there are “good bones” in the city, it lacks a central focus, with many buildings in a poor state and insufficient lifestyle infrastructure. The opportunity is to skip a generation and create a compact, contemporary, vibrant regional city.

Narrative

The city is easy to live in for those who have grown up there or have been there for a long time. They have networks of relationships and much social life is conducted in private homes.

For those new to the city and young people it offers them few touch points – places to meet, communal areas or social spaces. Greater social interaction will also support growth of social and business enterprise.

There are five transformational projects which if developed roughly in parallel will achieve the rejuvenation required. They will provide the focus and confidence in the inner city for other businesses to thrive. They are:

- > **Art Gallery** – an iconic art gallery in the central city housing all the local collections in public hands, plus the i-site and the DOC Information Centre.
- > **Motorcycle Mecca** – this is a private venture with a site already identified and opened in November 2016.

- > **Cambridge Retail Precinct** – this is a boutique retail precinct to be located between Tay and Esk Streets and including a covered ‘mall’ area.
- > **Museum** – an upgraded museum located in Queens Park telling the Southland Story and specialising in natural history.
- > **Hotel** – this is a hotel proposal to service higher end tourism and national events hosted in the city.

A concept spatial plan for the inner city has been prepared by the Action Team and in a series of workshops between the SoRDS Action Team and representatives from the staff and councillors of the Invercargill City Council. These workshops were led by an independent urban designer.

Besides this collaborative activity, individual parties have worked on their proposals, for example, the Southland Museum and Art Gallery Trust have worked through the respective roles of the Museum and Art Gallery.

The recommendations in this Action Plan are considered to be well-supported.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** high
- > **GDP:** low
- > **Jobs:** low
- > **Household income:** low

The contribution of the inner city to the region is essentially social cohesion and lifestyle rather than economic.

Success

The success statement for Invercargill rejuvenation with the strongest resonance at this point is:

“That the state of the inner city is no longer cited as a reason people don’t want to come to, or live in, Invercargill or Southland.”

Other success statements:

- > That the city is seen to have a “beating heart”.
- > That resident sentiment is improved.
- > That people come to live and visit.
- > That the inner city feels more prosperous.
- > That civic pride is stronger.
- > That commercial occupancy is improved.
- > That residential occupancy in the inner city is improved.

Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction:

The building blocks to support inner city development are:

- > **Capital and funding** – limited capital is available from ICC and community funders because of competition for it from other projects.
- > **Natural and Cultural Assets** – there are valuable cultural assets in the city such as the Museum and the Art Gallery and these have transformative potential.
- > **Labour** – there are people in the region with the necessary skills to mount this project. Specialised capability can be hired in.

- › **Knowledge** – urban renewal specialist is available to the region and is already being deployed.

The building blocks for Invercargill rejuvenation that require further attention are:

- › **Leadership and ambition** – a high level of ambition and intent is required for such a complex project and this is still emerging.
- › **Market** – the market for a project like this is the people of Invercargill. Their support and enthusiasm is required. There appears to be a strong desire for improvement.
- › **Connection** – some of the development is predicated on contemporary technology and inter-connectedness. The quality and availability of this in the region is still uncertain.

Risks, Challenges And Solutions

- › **Lack of cooperation from land owners** – liaison with land owners is being treated as a priority.
- › **Serious disagreements around the concept for the inner city** – this is being worked on in a collaborative manner and is advancing well.
- › **Contribution from tourism** – some of the projects in the inner city are predicated on increased tourist flows. This is being worked on with the Tourism Action Team.
- › **One of the projects does not proceed** – this would be a shame but not necessarily fatal for the whole project.
- › **Lack of capital** – this could arise as a result of multiple projects proceeding roughly in parallel. This matter needs to be looked at, but capital sources differ from project to project.

- › **Ensuring synergies** – there are potential locational synergies which ideally should be captured such as the co-location of the i-site with the Art Gallery.

Leadership

This project is both a whole and a series of sub-projects. Each of these sub-projects is significant in its own right, for example, the Art Gallery. This project overall, will succeed with the engagement of a range of parties. Critical to its success is the Invercargill City Council. Other important players are the ILT, CTOS, arts and museum interests and so forth. It is envisaged that the ICC will lead the planning and permissioning elements of the project, which is its core business. A joint venture will likely be formed to aid development in the Cambridge retail precinct and hospitality area. Other projects, such as the hotel, would be the responsibility of the funding parties, in that case ILT.

Investment

There are four potential investor types:

- › **Current land owners** – they may wish to invest further in the area or make way for someone else.
- › **Community funders** – the hotel is an ILT project; CTOS and ILT are likely investors in the arts and museum.
- › **Iwi** – Ngai Tahu is a potential investor in the inner city although specific involvement has not been defined.
- › **Invercargill City Council** – there will be a requirement to invest in public works, street works and amenities.

› Actions

IMMEDIATE PRIORITIES

› Concept development

The concept is well developed but requires finalisation and formal agreement by the parties. There are two core actions in this area:

- **High level** – this is largely completed, but will require further iteration.
- **Project-specific** – there are five transformational projects each requiring the development of a concept, operational detail and a funding plan.

› Project development

A project development programme will be required for each of the major projects:

- **Art Gallery** – a consolidated Art Gallery containing all the local collections has been agreed.
(Contributing parties: CTOS, ILT, ICC, MCH)
- **Hotel** – a hotel is proposed.
(Contributing parties: ILT)
- **Motorcycle Mecca**
(Contributing parties: private interests)

› Facilitation vehicle

This involves the formation of a joint venture to undertake the development of the retail precinct in the central city.
(Contributing parties: ICC, private interests)

MEDIUM-TERM PRIORITIES

› Inner city living

Inner city living is seen as an essential part of bringing vibrancy to the city centre. It has historically not been economically viable to build or create inner city living in Invercargill. With the greatly increased demand for flat-type accommodation, this has changed. A feasibility study will be undertaken to assess this.

(Contributing parties: local authorities, CTOS)

› Project development

A project development programme will be required for each of the major projects:

- **Museum** – the museum is likely to retain its location in Queens Park with upgrading of its premises and close links to related assets such as the Kakaporium and other natural life exhibitions.
(Contributing parties: CTOS, ILT, local authorities)
- **Retail precinct**
(Contributing parties: land owners, ICC)



Second Challenge

Diversify the Regional Economy



Second Challenge - Diversify the Regional Economy

Aquaculture

Opportunity

Aquaculture is the single greatest opportunity to create a new comparative advantage for Southland on an international scale. There is potential for Southland aquaculture to become an internationally significant industry (in terms of scale and quality) in the south. The climatic and water conditions are right for delivering a sustainable and efficient means of producing quality protein for the world.

International development and technology of marine farms is advancing rapidly with third generation technology now available. This

output is a high value product and counters the regional dependence on commodities.

The focus of aquaculture in the first instance will be on finfish but that may change over time to include other species and land-based systems.

Narrative

Aquaculture is a high value, high capital investment industry which operates in a sensitive environment. Aquaculture is labour intensive. It will require a range of diverse and skilled roles and is non-seasonal. It is also a very low emitter of greenhouse gases.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population** medium
- > **GDP** high
- > **Jobs** high
- > **Household income** high

This project scores very highly on key criteria which makes it a great fit for Southland.

Success

The success statement for aquaculture with the strongest resonance at this point is:

“Defining a concept, a modus operandi and plot a course for aquaculture development that meets the high standards required by all stakeholders.”

Other long term success statements:

- > Connect with the community.
- > Growing economic diversity.
- > Potential long-term contribution to the Southland economy:
 - \$400m revenue
 - Up to 550 FTE
 - Up to 17 hectares of penned water space
 - 25,000 tonnes of product per annum

Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction.

The building blocks adequate to support aquaculture are:

- > **Leadership and ambition** – there is strong local support in the community and amongst key stakeholders such as Ngai Tahu and a close collaborative relationship with central government. There is also a national dialogue on the matter linked to the Government’s Business Growth Agenda.
- > **Capital and funding** – the project is sufficiently robust to attract its own capital.
- > **Natural and cultural assets** – strong natural assets, strong alignment with the fishing culture of Southland, provided environmental challenges are met to sustain those assets.
- > **Market** – the international market for premium aquaculture product is strong and under-supplied.
- > **Labour** – has the capacity to attract labour and at various levels from senior management and technical to manual.

The building blocks for aquaculture that require further attention are:

- > **Knowledge** – a high level of specialist knowledge will be required from an early stage. Preliminary research is underway and being funded by MPI and SoRDS. More detailed scientific research needs to be gathered to understand the potential water space to undertake marine farming. This project will require a lot of upfront technical investment.
- > **Technology and innovation** – utilising technology and innovation developments to increase the economic, social and environmental potential of aquaculture.

- > **Connection** – there are issues of remoteness.
- > **Regulation** – there are significant potential regulatory roadblocks that will require central government involvement and intervention followed by regional council implementation and monitoring.

Risks, Challenges And Solutions

- > **Environmental** – leading edge environmental practice will be required together with a culture of environmental stewardship exhibiting best environmental and social practice.
- > **Regulatory** – even with leading edge environmental practice, navigating the regulatory environment will require substantial effort and central government involvement. A change to the Regional Coastal Plan may be required.
- > **Social impact** – there are potential impacts on communities, current businesses and cultural practices and it will be important to work closely with communities.
- > **Commercial competition** – there is likely to be strong competition for this space should aquaculture proceed and an allocation mechanism will be required.

Leadership

The large scale of upfront investment required to meet the regulatory and stakeholder requirements will mean that any management vehicle will need to be well resourced and well led. It is envisaged this will only be possible as a public/private partnership which could comprise a joint venture between private interests and local and central government.

The scale of the prize warrants this sort of treatment.

Investment

There are four potential investor types:

- > **Industry** – will be a significant investor, but is unlikely to commit until some of the regulatory hurdles are cleared.
- > **Government** – will need to be an active investor in dealing with the regulatory hurdles including establishing appropriate regulation for the future.
- > **Iwi** – Ngai Tahu is potentially a long-term investor in aquaculture because of its related investments in this industry.
- > **Local Government** – is already involved through SoRDS. It is not envisaged as a major investor long term.

IMMEDIATE PRIORITIES

> Scientific survey

The first stage of this is complete and will inform advice to BGA Ministers. This has identified three potentially viable areas for finfish aquaculture which are now being considered.

(Contributing parties: MPI, SoRDS, Ngai Tahu, DOC, MfE)

> Forum for the Future

To succeed there has to be a national and regional social licence to undertake this activity. As a first step a forum involving an expert international facilitator is envisaged.

> Regional Reference Group

A reference group will be formed to bring together interested parties and to assist with the oversight of the developmental phase of the project. Terms of Reference would be developed for the group.

FUTURE PRIORITIES

> Regulatory Framework

The current legislation around aquaculture is complex. The work under priority actions will provide critical information to assess the suitability of the current framework for realising Southland's aquaculture vision. This will require central government involvement and intervention as well as regional council implementation.

(Contributing parties: ES, MPI, MfE, DOC, Ngai Tahu)

> Actions

IMMEDIATE / MEDIUM-TERM PRIORITIES

> Further investigation

A significant amount of scientific and social research and engagement is required. This would take several forms:

- **Further scientific investigation**
Extensive and detailed survey of three potential sites will be required to determine exact tonnage and environmental and cultural suitability.

(Contributing parties: industry, MPI, ES, MfE, DOC, Ngai Tahu)

- **Values and constraints assessment**
Comprehensive assessment and evaluation will be required of the variety of values (including landscape assessments) and possible resource management constraints at or surrounding the sites identified in the further investigation.

(Contributing parties: industry, MPI, ES, MfE, DOC, Ngai Tahu)

- **Social, cultural and community engagement programme**
Opportunity for development and engagement with local communities and interest groups will be required.

(Contributing parties: industry, Ngai Tahu, SDC, ES, MPI)



Second Challenge -
Diversify the Regional Economy

Tourism

Opportunity

Southland has valuable and unique tourism natural and cultural assets. The opportunity is one of greater scale and distinctiveness in its tourism offering. The region has the potential to be a major tourism attraction area in New Zealand. It has been experiencing robust growth in some parts of the region such as Fiordland and particularly Milford Sound, but over much of the rest of the region visitor-spend sits below the national average and relies heavily on domestic tourism (over 80%). It is well suited to the growing FIT category. Market-led world class tourism experiences aligned to market positioning, focusing on international visitors must be developed to deliver greater economic value for the region.

Narrative

The predominant entry point to Southland for international tourists is through Queenstown (and to a lesser extent Christchurch). The most valuable asset of Southland is, arguably, its natural environment. Its value in a world pressing hard upon its natural resources and landscapes is difficult to over-estimate. Southland possesses a wild and natural landscape, flora and fauna (including Kiwi, Kakapo, Kea, Penguins and Dolphins), yet the tourism offering is currently fragmented and

variable. Milford Sound is a powerhouse, which attracts a sizeable proportion of all overseas visitors to New Zealand, but is largely an extension of Queenstown which has been developing largely in isolation from the rest of Southland. There is significant opportunity to extract greater economic value from the tourists that visit Milford Sound each year. It is estimated that Milford alone could see a significant increase in the number of visitors from the current level of 650,000 per year to 1.5 million in 10 years. Stewart Island and the Catlins are well underdone. Besides the need for extensive tourism infrastructure development, including commissionable product, the region needs several 'big tourism ideas' that unite the whole offering and have national and international distinctiveness. It is an opportunity waiting for leadership and drive.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** high
- > **GDP:** high
- > **Jobs:** high
- > **Household income:** medium

In other words, the potential contribution is very high. In addition, well presented, tourism in Southland is a "sticky" industry which cannot "drift north" and has the potential, positioned correctly, to provide an absolutely unique regional offering.

Success

The success statement for tourism with the strongest resonance at this point is:

"The equity in Southland tourism grows daily in a world of diminishing natural landscapes and environments. Success will be commercialising this opportunity whilst protecting the asset upon which it rests."

Other success statements:

- > Visitor spend increased from \$530m to \$1b by 2025.
- > Southland has a distinctive and sustainable market positioning.
- > Southland is delivering a memorable visitor experience.
- > Tourism has scale and is built to a high level of capability.
- > Vibrant rural towns.
- > Greater diversification and resilience in the economy.
- > Significant contribution to population.
- > Domestic tourism contributing to overall shifts in negative perceptions of Southland.
- > High investor confidence in tourism in Southland.





Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction:

The building blocks that are adequate to support tourism are:

- › **Natural and cultural assets** – these are highly valuable, but there is opportunity to deliver greater value from the assets that we do have, particularly Fiordland and Rakiura National Parks.
- › **Market** – detailed research has yet to be done on the scale of market required to achieve significant growth but there are strong positive signs, largely through the Queenstown pipeline.

The building blocks for tourism that require further attention are:

- › **Leadership and ambition** – there is significant ambition for the the Milford Sound area and the potential of the whole of Southland is growing in prominence. This still needs to be translated into a whole regional view.
- › **Capital and funding** – there is national funding available, but more regional funding will be required.
- › **Labour** – it is doubtful whether there is the depth of labour force in the region at present, but it could be attracted with the right developments. Training will be required.

- › **Knowledge** – it is doubtful that there is sufficient experience and knowledge right across the region to achieve the success envisaged. This will have to be remedied.
- › **Connection** – digital connection in remote areas is often poor; road and signage conditions may be a problem in some areas in the event of extra traffic flows, especially from a safety point of view.

Risks, Challenges And Solutions

- › **Continuing fragmentation** – parts of the region will continue to be isolated from others.
- › **Lack of private sector connection** – development of this project requires a strong private sector involvement at all levels.

- › **Community backlash** – there will be a need to prepare the region for a larger number of tourists moving through along their roads and in their towns and cities.
- › **DOC estate** – an easing of the strictures on development of the DOC estate is required. This will require some sort of measure to ensure that environmental considerations remain paramount. The upcoming review of the Fiordland National Park Plan is the opportunity to do this.
- › **Lack of distinctiveness** – Southland is near the bottom of the preferred destinations in New Zealand (except Milford). The natural asset has the pulling power. It is the presentation that is missing.



Leadership

The scale of increase in tourism contemplated requires a major project leadership capability. It is envisaged this is only possible as a public/private partnership which could comprise a joint venture between private interests and local and central government. This needs to be put together very carefully to ensure success.

At the “ground level” there is the need for local and central government investment in infrastructure, services and even products and this will require some form of public management.

Investment

There are four potential investor types:

- › **Tourism industry** – will be a significant investor, and requires an amenable environment in which to invest.
- › **Government** – may contribute to key tools such as Destination and Marketing Strategies and specific products/projects. This would help immensely.
- › **Iwi, Community funders** – Ngai Tahu is potentially a long-term investor in tourism because of the Māori-related projects such as those in Bluff that it may support. The local community funders also have a contribution to make on specific projects such as a hotel or public provision attractions such as an Art Gallery.
- › **Local Government** – is already a major investor and that must continue at a minimum at current levels.

› Actions

IMMEDIATE PRIORITIES

› Integrated Leadership

Tourism in the region is fragmented. A single, well-resourced tourism management entity is required with the governance and management skills and capacity to lead the regional industry forward on the scale required.

(Contributing parties: all parties to the tourism industry, public and private)

› Milford Opportunities Project

Over the last two years extensive work has gone into a Milford Opportunities Project involving the key players in the local industry including tourism operators, Southland District Council and DOC. This project is ready to get underway but requires a commitment of resources to make it happen. Already well advanced is an in-depth assessment of the range of needs to meet growing demand including infrastructure, forward estimates of tourism volumes and prospects for the ‘Queenstown pipeline’, estimates of the cost of development projects such as parking and accommodation.

(Contributing parties: DOC, Milford Development Authority, Southland District Council, NZTA, MBIE)

› Destination Strategy

There is urgent need for a fully worked Destination Strategy (as evidenced in other regions) that positions and defines the Southland destination and which ultimately drives all promotion (tourism and attraction). The strategy would include detailed analysis of the current and anticipated market

for the whole of Southland (national and international), development of the Southland tourism story, identification of products to meet demand and analysis of the infrastructure required to support an expanded industry.

(Contributing parties: Industry, local government, MBIE, NZTE, VS, AirNZ)

› Regional Marketing Plan

In the context of the Destination Strategy a marketing strategy is prepared for both domestic and international visitors.

(Contributing parties: Industry, local government, MBIE, VS)

› Regional Events Strategy

Develop, implement and coordinate destination events that would populate an annual calendar, particularly targeting the shoulder season.

(Contributing parties: local government, AirNZ, VS, industry)

› Infrastructure programmes

- **Curio Bay** – Wastewater and Water Enhancement Project
- **Catlins** – sealing of road into the Catlins - funded by NZTA and SDC (starts 2017).
- **Infrastructure planning** – assessing the impact of greater dispersal of visitors off conventional routes as well as spilling from Queenstown into Northern Southland and Fiordland.

(Contributing parties: local authorities, NZTA)

MEDIUM-TERM PRIORITIES

Product development

Preparation of a Regional Product Development Investment Plan over 1-10 years is required. Complementary with it is development of a Regional Infrastructure Investment Plan focusing on provision of infrastructure, facilities and amenities. There is a priority list of products that require attention. They include in priority order:

- **Bluff Oyster World** – a feasibility study is required (working with Awarua runanga) for what is regarded as a strong regional opportunity. The feasibility study would build the concept in detail, work up a business plan and engage stakeholders.

(Contributing parties: Awarua Research and Development, MBIE)

- **Curio Bay Tumu Toka Natural Heritage Centre** – this project is well advanced with local and national funding streams. Further funding is required for infrastructure (toilets and parking).

(Contributing parties: MBIE, SDC, DOC, South Catlins Charitable Trust)

- **Conservation HQ** – considerable work has been done on the idea of a ‘world class’ interactive wildlife conservation centre in Te Anau which would be a major tourist attraction and an operating conservation facility. This project, together with the Oyster world, could well be candidates for the “big tourism ideas” the region needs.

(Contributing parties: DOC, SDC, MBIE, industry, Ngai Tahu)

FUTURE PRIORITIES

Stewart Island Heritage Centre

– concept already developed; development funding required.

(Contributing parties: DOC, MBIE, TPK)

Stewart Island Dark Skies Sanctuary

– feasibility required.

Experience Mandeville

– extension into trade-ready product; feasibility required.

Anderson Park

– living museum reflecting pioneer heritage values (feasibility already funded).

(Contributing parties: VS, ICC, MCH)



Second Challenge - Diversify the Regional Economy

International Students

Opportunity

Southland is recognised as a pioneer of excellent initiatives in international education and has established a platform for future success. This opportunity involves a substantial increase in the number of international students and their families living and studying in Southland. This represents a spread of demographics, but with a clear focus on attracting working age population with young families to complete post-graduate qualifications and take up employment in Southland. Such a population would bring activity, energy and vitality to the region which would enhance lifestyle and liveability for everyone.

Narrative

International students have made a steady and growing contribution to the Southland economy and community over many years. SIT has experienced international student growth of 26% in 2016, taking it to 1,000 EFTs, predominantly completing post-graduate and business programmes. The proposal is to increase the numbers significantly over the next decade aimed at bolstering population and the workforce.

The proposed level of increase maintained over a period of time will result in impacts such as cultural integration, accommodation and service



provision. These downstream consequences have to be planned for and dealt with, including the challenges of keeping graduates in the region after they have completed their studies.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** high
- > **GDP:** medium
- > **Jobs:** medium
- > **Household income:** medium

Success

The success statement for international students with the strongest resonance is:

"A student population comprising a multi-generational demographic that settles easily into the region and adds to social vibrancy and economic growth."

Other success statements:

- > 3,500 additional students by 2025 which could mean up to 6,000 people, taking account of families and dependants.
- > Retention of graduates into meaningful employment in the region.
- > Increased vibrancy and cultural diversity.

Building Blocks

This section provides an assessment by the governance Group on each of the building blocks outlined in the introduction:

The building blocks that are adequate to support international students are:

- > **Leadership and Ambition** – there is support for this project across the board and strong leadership from SIT.
- > **Natural and Cultural Assets** – the region already has a strong history of supporting international students and provides a good learning and experiential environment.
- > **Labour** – SIT is well geared up for an increase in student volumes, at least from a teaching perspective.

- > **Market** – there is a strong market.
- > **Connection** – SIT is well connected in all senses.

The building blocks for international students that require further attention are:

- > **Capital and funding** – while a level of funding is available it is unlikely to be sufficient to do the job.
- > **Knowledge** – the key area of concern is retention arising from barriers to employment and business being ready to embrace cultural diversity in the workplace.

Risks, Challenges And Solutions

- > **Lack of accommodation** – work is required on the supply of adjacent living accommodation for the increased numbers of students, particularly after their first six months at SIT.
- > **Unforeseen policy changes** – it is always difficult to predict policy changes with immigration being a major political issue at present.
- > **Community backlash** – increased immigration into the city and region will have impacts although the overall percentage of the population will remain low. SoRDS strategies are in place to deal with this problem.
- > **Lack of capital** – this is possible regarding accommodation provision given the number of projects requiring capital injection.

Leadership

With the scale of increase in students contemplated this is probably not a project that SIT can do alone. Thought is required on a regional vehicle to support SIT, in the manner of the Zero Fees initiative of a few years ago.

Investment

There are four potential investor types:

- > **Government** – Education New Zealand is looking to support international education initiatives. It is conceivable TEC may contribute. SIT will likely be a significant investor out of its current reserves.

- > **Community funders** – CTOS and ILT are possible investors.
- > **Iwi** – Ngai Tahu is potentially a long-term investor in education.
- > **Local Government** – there may be ancillary areas where local government can assist such as “ease of doing business”.

> Actions

IMMEDIATE PRIORITIES

> Southern Education Alliance – Southland Regional International Education Alliance

This is an initiative to provide a collective regional response to the opportunities in international education. The Southern Education Alliance now requires formalisation and confirmation of Education NZ partnership funding.

(Contributing parties: ENZ, SIT, VS, TEC and local schools)

> Student internships

This internship scheme is rolling out now. Building awareness of success stories in the business community will be important.

(Contributing parties: Chamber, SIT, TEC)

MEDIUM-TERM PRIORITIES

> Schools Pilot

This would be undertaken with a cluster of schools to support international student growth. A funding application to community funders for schools pilot would be undertaken.

(Contributing parties: CTOS, VS, ENZ, MBIE)

> Policy and regulatory changes

A number of central government policy changes would assist this project. These would be discussed within the parameters of the Regional Agreement with INZ:

- Longer period of post-study work visa for students outside Auckland – currently one year, preferred two years.
- Increased immigration points for outside Auckland – currently 30, preferred 50 to have an impact.
- Require institutions that wish to attract international students to have to deliver to the SAC-funded domestic students as well.
- Advocating against INZ using EER categories for prioritising inclusion in pilots.
- Lowering living cost amount that must be accessible and traceable in a bank account to \$10,000 for selected locations including Southland – currently \$15,000 for all of NZ and this amount, while necessary in Auckland is excessive for many areas outside of Auckland, especially South Island and regional areas.

FUTURE PRIORITIES

> Inner city student accommodation

Further student accommodation is required to house the student numbers contemplated in this project.

(Contributing parties: SIT, community funders, local authorities)





Third Challenge

Strengthen Local Business

Third Challenge - Strengthen Local Business

Ease of Doing Business

Opportunity

There are barriers to doing business in Southland that cannot be changed such as distance from markets and climatic factors. Some of these barriers are real and need to be worked around, others are the result of human perceptions. Removing these “human” dimensions from the equation is important, whether it be perceptions, organisational structures and processes or attitudes. This project seeks to address those barriers over which the people of Southland can exert at least some control. Greater ease of doing business in the region could have a strong uplift effect on the reputation of the region and its economy.

Narrative

Nearly every region of New Zealand would claim it has a commitment to easing the barriers to business, but there are few real successes. There has to be a message for Southland in this point. It’s not easy. A strong and sustained commitment is required, but if won then a significant comparative advantage may be achieved.

The common affliction in other areas of New Zealand is not taking these types of barriers seriously enough with insufficient commitment to their removal or modification.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** low
- > **GDP:** low
- > **Jobs:** medium
- > **Household income:** medium

Success

The success statement for ease of doing business with the strongest resonance at this point is:

“Southland is the easiest place in New Zealand to do business.”

Other success statements:

- > **A progressive mind-set** – it would overcome many of the barriers.
- > **A positive business environment** - new business could be attracted simply because of the “tone” of business in the region.
- > **Increased business activity** – activity breeds more activity.

Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction.

The building blocks that are adequate to support ease of doing business are:

- > **Capital and funding** – very limited capital or funding is required to make this project work.
- > **Market** – in the sense that the business community is the market, then the market appears more than ready for change.
- > **Connections** – ease of doing business needs to be a network and partnership activity – tied into the business and regulatory culture of the region. There is active pursuit of this in organisations such as the Chamber of Commerce.
- > **Labour** – labour is not a major factor in this project.

The building blocks that require further attention are:

- > **Natural and cultural assets** – there is not a sufficiently strong culture of breaking down the barriers. The project is perhaps too abstract for some and the potential gains need to be made obvious.
- > **Knowledge** – some barriers can be broken down through the better use of technology and better organisation design. This knowledge is not yet readily available in the region.
- > **Leadership and ambition** – parties have got to want to do this. Such a culture is, arguably, not yet strong enough in the region.





Risks, Challenges And Solutions

- › **Defensiveness** – inevitably a project like this is an implied criticism of existing mindsets and procedures. Finding ways of breaking down defensive attitudes and demonstrating the big picture need to be found.
- › **Complexity** – the source of complexity and bureaucracy is not just in the region. It is also sourced from central government. Any project in this area will require strong national connections and support.
- › **Long term** – many barriers are not a quick-fix. They will require committed action over a long period to gradually make the reforms that are required. Involvement of the private sector will be crucial.

Leadership

In the first instance leadership needs to come from the public sector, although it should not contemplate it alone because the benefits largely accrue to the private sector. Joint public and private leadership is the ultimate position, but early leadership is likely to come from local government.

Investment

There are four potential investor types. It should be noted that investment of reputation is as important as investment of funds:

- › **Industry** – this sector needs to involve itself and commit time and energy. Too often the sector is quick to accuse but not to assist with solutions.
- › **Government** – many regulatory requirements stem from central government such as in building and construction. Government will need to invest time in assisting the local effort.
- › **Iwi** – Ngai Tahu has, at times, proven itself to be a mediator and enabler in these types of situations. They have an important role to play in this project, particularly given the status they have under the Resource Management Act.
- › **Local Government** – a full commitment from all arms of local government is required and it will require active investment in projects of work to make the necessary changes.

› Actions

IMMEDIATE PRIORITIES

› Establish current baseline

This is a project in local government, involving the private sector, to benchmark current performance, identify the scope of current practice where change can be made and establish a process through which improvements can be measured. As part of these improvements a facilitation and mediation service is proposed to help applicants work with regulatory agencies on challenging issues.

(Contributing parties: local authorities, Chamber)

FUTURE PRIORITIES

› Introduce specific improvements

A number of specific improvements are contemplated and include:

- Establishment of a best practice portal and standardisation of processes across the region.
- Standardisation of processing fees.
- Consolidation of regional incentives funding.

› Spatial plan

Development of a spatial plan for Southland that would provide a blueprint for how the region might develop in the future. The spatial plan, once developed would influence the relevant statutory planning documents such as the regional policy statement, regional and district plans, regional land transport plan and infrastructure strategies. The ultimate goal is to produce one combined RMA planning document to provide a consistent approach to development across the region.

(Contributing parties: local authorities, Chamber, sector groups, NZTA)





Third Challenge - Strengthen Local Business

Innovation

Opportunity

There are gains for Southland, particularly in driving diversification, in new or more developed industries. Innovation, extension of existing products and practices, and improvisation are vital. In addition, there are gains to be made by getting more out of existing industries – rural and urban – from incremental process improvement.

Narrative

The future of Southland is less in identifying the “silver bullet” development idea and more in the smart enhancement of industry practices and product development which would make the Southland product more competitive.

This requires an innovation mindset and an innovation culture in as many Southland businesses as possible. The vision of the innovation team is to transform the innovation culture in Southland, to change thinking and approaches across the entire community and build an innovation eco-system which supports and promotes innovation opportunities.

The key to this cultural transformation will be Design Thinking, a customer focused methodology not exclusive to designers, but there will need to be a further extensive range of approaches, processes and collaborations lifting community capacity, extending competitive advantage, targeting growth in existing industries and attracting new industry. This involves building a business community that is agile and resilient.

The opportunity is to create a comparative advantage in the adoption of innovative practice and application of it to all industries (urban and rural), even traditional industries, and large and small enterprises alike.

Mike
“I said, what happened to the tread?”

Burt Munro
“Well, I cut it off. That’s what happened to the tread, I cut it off with a carving knife, otherwise it won’t be a high-speed tyre, would it?”

Other success statements:

- > Increased perceived liveability in the region.
- > Tangible achievements in business and social enterprise.
- > Accelerated youth involvement in enterprise.
- > New products.
- > New businesses/enterprises.
- > Critical mass of innovation activity.
- > Participation in and measurable success from courses.
- > Innovation-related events.

Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction.

The building blocks that are adequate to support innovation are:

- > **Leadership and ambition** – there is good evidence of widespread interest in innovation, but the challenge is translating that into a willingness to act on that interest.
- > **Natural and cultural assets** – the right attitudes exist in the right places to support innovation.
- > **Labour** – there is perceived to be flexibility in the workforce.
- > **Market** – there is a business market for innovation as identified in the past by the Chamber of Commerce.
- > **Connection** – digital assets will be important, especially in the urban areas. While largely in place in urban areas, the rural areas are a bit different.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** medium
- > **GDP:** medium
- > **Job:** medium
- > **Household income:** medium

Success

The success statement for innovation with the strongest resonance at this point is:

“An innovation culture is widely evident in Southland business and social enterprise.”

The building blocks that require further attention are:

- › **Capital and funding** – access to capital and funding is a complex matter. It requires generating some funding out of business, but funding for a centralised programme requires leadership capability.
- › **Knowledge** – there is specialist knowledge required that will probably need to be brought in from the outside.

Risks, Challenges And Solutions

- › **Priority** – some businesses will be eager to adopt practices while others will be slow. The focus needs to be not just on a few heroes, but on the rank and file so that the region’s capability grows together.
- › **Lack of investment** – once concrete business ideas are available then funding becomes a challenge. Further work is required on where enabling capital might come from.

Leadership

Innovation requires a certain sort of leadership which is a combination of “inspiration” and “perspiration” – thought and good old-fashioned hard work. The key to success will be the formation of an innovation and entrepreneurial hub which has security of funding and leadership and from which the drive for innovation can be sourced.

Investment

There are four potential investor types:

- › **Industry** – industry investment is essential. Often SMEs have limited investment capability. It may involve connecting investors with SMEs such as through Invest South and other potential investors.
- › **Government** – support for an innovation and entrepreneurial hub will be required. There are also programmes such as through NZTE and Callaghan for individual companies.
- › **Community funders, benefactors and iwi** – these types of funders will be necessary to help fund the core hub activity or elements of it related to their interest.
- › **Local Government** – local government is involved in innovation in other parts of the country, but it is always difficult for it to fund when there is pressure on its rates take.



› Actions

IMMEDIATE PRIORITIES

› Pilot for Innovation Programme

This involves the development of a physical hub with a co-working space. In the short term it requires an individual versed in Design Thinking undertaking a set-up programme. This will include workshops, an Innovation Guidance Group and relationship building across the region to create a community of advocates and early adopters. This would involve multiple funders, potentially corporate sponsors and a cross-agency approach.

(Contributing parties: local authorities, community funders, benefactors and NZTE/MBIE, Ngai Tahu, VS)





Third Challenge - Strengthen Local Business

Primary Sector Extension

Opportunity

This project is primarily concerned with agriculture which is a well-developed industry in Southland. Agriculture operates across a relatively narrow range of land uses compared to some other parts of New Zealand, but with those that are represented in Southland they comprise the backbone of the regional economy. There are no obvious large-scale agricultural activities that are not established in Southland and should be. The real opportunity

is for greater diversification of land uses within the capability and climate of the region. Improvements in on-farm performance and productivity also have the potential to produce large gains made up of lots of small increments.

Other opportunities exist in the region for value-added processing, but this is regarded as a more complex area and one with national implications. It has not been dealt with in-depth in this section.

Narrative

The often said truism is that what grows best in Southland is grass. The narrow season and climatic pressures make crops of various sorts more difficult to grow. Despite that there is an array of activity, some extensive such as grain cropping and some less extensive such as berry fruits and vegetables.

This Action Team focused on the two themes of diversification and productivity. It looked at areas where diversification could be fostered and singled out dairy beef and sheep milking in this regard. Organics was investigated and while supported it was recognised that there is a lot to do to get organic production of any sort to a meaningful level. Timber was also investigated and it was concluded that the current industry

had development opportunities, largely related to greater wood volumes, in hand.

With regard to productivity the Team examined the potential in hill country sheep and beef and concluded that there were opportunities to “draw down” the resources available from national organisations such as Beef+Lamb NZ and the Red Meat Profit Partnership and make them work as hard as possible in the region.

In terms of support for these and other opportunities the Team supported the Southern dairy hub and also explored the idea of some form of additional rural development hub to foster smaller or new developments, but has not had the time and resources to take it to a level of contemplating feasibility work on it.

Contribution

The contribution of this project to the SoRDS key success measures has been roughly assessed at this point in anticipation of more in-depth analysis in the future:

- > **Population:** low
- > **GDP:** medium
- > **Jobs:** low
- > **Household income:** low

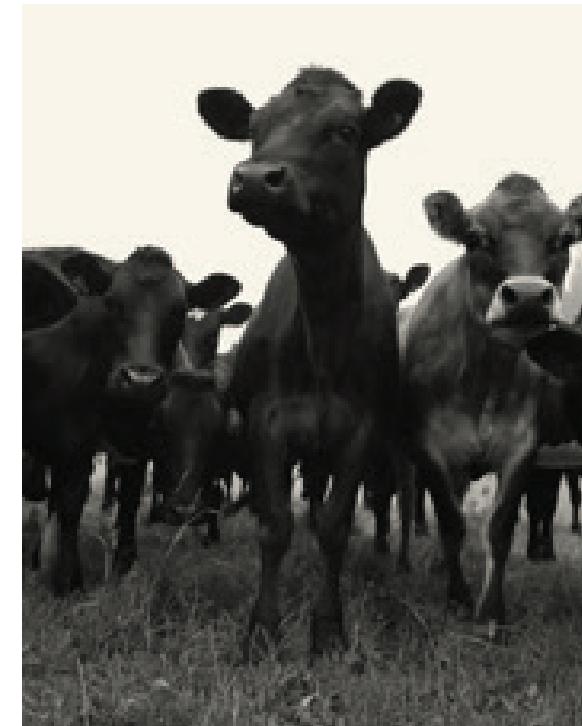
Success

The success statement for primary sector extension with the strongest resonance at this point is:

“The real success will come from strong regional initiatives supported by national resources stamped out over a large number of farm types and farmers.”

Other success statements:

- > **Dairy beef** – this is a real opportunity requiring leadership between farmers and processors.
- > **Sheep milk** – small beginnings, but great potential. The scale is still to be quantified.
- > **Organic** – small. Feasibility of this activity at any meaningful economic scale as yet unknown.
- > **Sheep and beef productivity improvement** – challenging.
- > **Rural development hub** – idea at a very undeveloped stage.



Building Blocks

This section provides an assessment by the Governance Group on each of the building blocks outlined in the introduction:

The building blocks for primary sector extension that are adequate to support primary sector extension are:

- > **Capital and funding** – the availability of capital is generally related to market demand, especially in primary product as distinct from value-added product.
- > **Natural and cultural assets** – “Southland can grow grass very well!” There are challenges related to products that hit up against climatic limitations.
- > **Labour** – labour supply is an ongoing issue. The supply is currently meeting need, but only just and that position could deteriorate particularly if the flow of immigrants abates for any reason.

- > **Market** – market considerations are vital to new opportunities like sheep milking, although indications are that the market is strong. In established industries such as dairy the market position is known and the future market is constantly analysed. There is capability to assess markets.

The building blocks that require further attention are:

- > **Leadership and ambition** – this is assessed to be low at this stage. There is a lot of national activity in this space and it is not yet clear how a regional initiative will add substantial value. Leadership and ambition are crucial to success in this area.
- > **Knowledge** - uptake of knowledge in some areas is required, including productivity and specialist areas such as sheep milking and organic.
- > **Connection** – digital connection is seen as a major impediment to further progress, especially in the productivity and innovation areas because digital connection is a conduit of information of growing importance.

Risks, Challenges And Solutions

- > **Environmental** – the major industries are all hitting up against environmental limits and work on the water enabler programme in SoRDS is vital to identifying and extending legitimate environmental headroom.
- > **Scale** – some of the new opportunities in the region are currently at a small scale and require a great deal of development work to get them to be significant revenue producers.



> Actions

IMMEDIATE PRIORITIES

> Sheep milking

Undertake an investigation of the current position and potential of sheep milking in the region and national initiatives including the proposed PGP, taking into account existing initiatives. Assess what might be required to expand the industry into the future.

(Contributing parties: Farmers, processors, MPI and sector groups)

> Dairy Beef

Form an action group to work with meat companies to implement a comprehensive programme that produces significant quantities of dairy beef.

(Contributing parties: meat companies, Action Group, MPI and sector groups)

> Southern Dairy Hub

A proposal for a dairy hub, a joint venture between AgResearch, DairyNZ and the Southern Dairy Development Trust, has been in development for some time. Designed to advance the dairy sector for on-site science and innovation, a property has been purchased for a demonstration farm, a hub offering space and facilities for education and enabling agricultural organisations to co-locate and a research facility and the proposition is now to proceed.

(Contributing parties: AgResearch, DairyNZ, Southern Dairy Development Trust and MBIE)

MEDIUM-TERM PRIORITIES

> Sheep and Beef Productivity

Develop a regional collaboration programme between RMPP, Beef+Lamb NZ and MPI to focus on hill country sheep and beef productivity growth.

(Contributing parties: RMPP, Beef+Lamb NZ, meat companies, MPI and sector groups)

FUTURE PRIORITIES

> Rural Development Hub concept paper

There is a further opportunity to extend this concept to agriculture development either associated with or separate from the dairy hub. The emphasis would be on establishing new industries or accelerating small industries into a growth mode.

A concept proposal is required to crystallise the idea so that the parties can review it and see if this is something that can be advanced. It is likely a level of intervention outside of the rural industry might be required to get such a proposal rolling.

(Potential contributing parties: National and local sector groups, processing companies, SIT and MPI)

- > **Leadership** – there is evidence of insufficient connection between the parties across the industry, in particular between the farmers and processors. Collaborative engagement is urgently required.

Leadership

The Team had difficulty establishing where leadership should come from and work is continuing on this matter. The processors are important leaders and resources are available from national sector bodies which are active in the region. The scale of upfront effort required can only be achieved through collaborative activity and that might be not just within sectors but between them. This area requires further attention.

Investment

There are four potential investor types:

- > **Industry** – will be the significant investor and there are established channels, however, market failure will continue until the opportunities are clearly identified and quantified and this is a priority.
- > **Government** – will need to be an active partner and investor in overcoming market failure factors in key industry developments. This is an area where a combination of local and national initiative could achieve a great deal.
- > **Iwi** – Ngai Tahu has not so far indicated a direct interest in agriculture in the region, although its wider interest in irrigation could be relevant to such opportunities in Northern Southland.
- > **Local Government** – the involvement of local and regional government through water management is crucial to productivity improvement.



Enablers

Enablers are cross-cutting activities that “enable” many of the projects outlined in this Action Plan. Action on enablers is as important as on the projects. In most cases they are handled by particular regional agencies on behalf of the region.

This section defines priorities and direction.



Enablers

Water

Opportunity

Water is arguably Southland's greatest natural asset. Water on land is its lifeblood. The temperate climate produces the fertility which is the basis of the region's economy and feeds agriculture, tourism and all the amenity benefits the regional community values highly.

The supply of water is not limitless and maintenance of its quality is vital to its role in the economy and for the liveability of the region. This "enabler" deals with the protection and best use of this asset.

There is a strong interest in the region to optimise water use amongst land users, sector groups and local authorities. Whilst there are national requirements through the National Policy Statement (NPS) on Fresh Water Management, the region is looking to take its own initiatives to manage its water resource and especially gradually introduce good management practice.

Current Issues

The challenge is best use and maintenance of quality. There are issues that have become significant in recent years:

- › Good management of wastewater from towns and runoff of stormwater.
- › Management of deteriorating water quality in some rivers, streams, aquifers and lagoons diminishing their amenity and recreational use.
- › Pressure from land use intensification, mainly dairy, and wintering practices.
- › Need for acceleration of Good Management Practice by land users.
- › Concerns in some areas of the region about water availability in dry months as climate change takes place.
- › Customary use of water for mahinga kai.

Narrative

In 2010 Environment Southland introduced its Water and Land 2020 & Beyond project and vision to maintain and improve Southland's freshwater quality. It was a response to concerns that there are signs that rivers and coastal environments are becoming compromised, groundwater is under pressure and drinking water standards have been breached in some places.

Whilst there are national and regional regulatory strategies to manage water quality, they are a small part of what is required to protect the water resource for the region. In addition, Environment Southland has been working on a plan to encourage a regional approach to water management that involves active collaboration with land users and sector groups. This is called the "People, Water and Land Strategy" and is designed to accelerate water quality improvement by taking advantage of the positive motivation of communities, farmers and the local authorities to get Good Management Practice in place as quickly as possible. It proposes the pooling of farmer, sector group, local authority and Environment Southland resources to achieve this end.

Also of consideration, though at a more advanced stage, are the impacts of climate change on agriculture in the region. The impact is likely to be uneven as a result of increasing climate variability. A further consideration is the contribution of farm animals to GHG emissions and the gains that can be achieved through improved productivity.

Success

While there are general guidelines to success, detailed targets and outcomes are to be developed as part of the programme. In the short term the following success statement will apply:

"A strategic programme of action that identifies and follows a clear pathway to the sustainable use of water resources for all rural and urban enterprises and uses in Southland."

This programme is about establishing an agreed and well-supported programme of action with clear goals and timeframes and agreed as possible to achieve by all parties.

> Actions

IMMEDIATE PRIORITIES

This collaborative approach to water management is currently being negotiated and is expected to come into operation in early 2017. Details of the design are being worked on.

The key actions are:

> Good Management Practice

Formalisation of good management practice including targets and outcomes sought by the programme.

(Contributing parties: ES, MfE, MPI, sector groups, local government, Federated Farmers, Fish and Game)

> Tool Development

There is a range of tools that is required for this programme. They are as varied as science tools (e.g. physiographic zones, water quality testing and monitoring), planning tools (e.g. Farm Environment Plans, Overseer, Farmax) and operational tools (e.g. riparian management, stock exclusion). These tools need to be rapidly developed in an operational sense and made available to land users as widely as possible.

(Contributing parties: ES, rural consultants, sector groups, local authorities)

> Water Futures

This involves collaborative action by the parties to the People, Water and Land strategy programme to the point of co-ordinated facilitation of good practice adoption through joint work programmes. It involves the formation of teams between

Environment Southland and sector groups, engagement with farmer collectives such as catchment groups and other forms of collaborative action.

(Contributing parties: ES, sector groups, MPI, local authorities)

> Irrigation

Water storage is a possibility in some parts of the region to ease summer shortages. Improved utilisation of water is also being considered. Work has been done on the feasibility of irrigation in the dryer northern areas of Southland. Decisions are required on whether this work should proceed. A facilitated process to decide on next steps is required.

(Contributing parties: local farmers, sector groups, ES, MPI)

> Formation of Joint Operations Project

This involves a joint approach to delivery of Good Management Practice and supporting tools and facilitation by a consortium of sector groups, Environment Southland and MfE.

(Contributing parties: sectors groups, ES, MfE, MPI)

Contributing Parties

- > ES
- > DairyNZ
- > Beef + Lamb NZ
- > ICC
- > SDC
- > GDC
- > Fish and Game New Zealand
- > TAMI
- > MfE
- > MPI
- > DOC





Enablers

Digital

Opportunity

SoRDS's vision of Southland is a modern and contemporary region whilst retaining traditional values. At present the most fundamental infrastructure improvement required to achieve this vision is adequate digital capability. This Action Plan seeks to build a regional digital economy built around key priorities such as tourism and primary sector extension, both of which are becoming increasingly dependent on connectivity. It is also a priority to encourage productivity in small and medium-sized enterprises through an innovation programme and this, in large part, will be driven by digital connection. The opportunity for Southland is to be at the forefront of converting its business enterprises and growing industries onto technology. The ability to quantify the economic gains of network develop would significantly help the arguments for its extension.

Narrative

Digital advancement is at a critical stage with the rural Broadband (RBI2), fibre initiative (UFB2) and mobile coverage (MBSF) out for tender nationally. The rollout of RBI1, while a very welcome investment in Southland, has had limited impact due to fundamental limitations of the technology installed. While a wireless LTE tower may provide coverage to a wide region, it only carries a small volume of data which in reality severely limits the number of households able to receive quality service. This results in widespread problems of data congestion at busy times of day and poor customer experience when too many customers are serviced from a tower which on paper should service a very wide area. Service levels remain below the standards required by rural businesses and communities and the technology does not represent an enduring investment which will keep pace with

increasing data requirements. A significant regional investment of \$10 million made via public-private partnership a decade ago meant that in 2005 Southland was the first region in New Zealand to have ubiquitous broadband coverage via the Woosh network. The region requires the development of a regional strategic telecommunications development plan as part of a national framework, independent assessment of the actual technical performance of internet and mobile services received by Southlanders and the development of a 'whole of community' solution with public investment made in enduring elements of the infrastructure (fibre and towers). Regulatory support should also be given to enable fibre to farms and rural properties via power infrastructure.

The 2015 Southland Digital Strategy provides the framework for the advancement of improved digital connection, content and capability for all Southlanders. Digital connectivity is the single greatest antidote to the one of the region's greatest disadvantages which is the tyranny of distance.

Current Issues

The issues with digital connection are significant (Venture Southland survey 2015):

- › Less than half of people in rural areas have mobile connection at home. Only 34% of people in agriculture can use their mobile phone at home or work.
- › In rural areas only 50% have heard of the rural broadband Initiative.
- › A large portion (39% rural and 21% urban) of people believe their broadband connection is slow and unreliable.

- › 83% of businesses are using their home internet connection to run their business; of these, 32% have a very slow or impossibly slow internet connection.

Black spots exist throughout the region including on parts of main arterial routes such as State Highway One.

Success

The success statement seen by SoRDS in the digital space is:

"Key future industries and the enterprises within them, are digitally connected in a timely manner to enable them to make the required contribution to economic development outlined in the SoRDS Action Plan."

Some of the goals that the region has identified are:

- › Fibre everywhere by 2030.
- › LTE everywhere by 2020.
- › Direct digital access for rural and tourism industry and operators to enable water and land management and enhance tourism product availability and access.
- › Free access to the internet in public places – libraries, community hubs, schools, as soon as possible.
- › All Council services through the region digitised by 2020.

> Actions

IMMEDIATE PRIORITIES

> Task force

That a regional task force is established by SoRDS, supported by Venture Southland, to support the implementation of the 2015 Southland Digital Strategy, implementation of priority areas identified and support a nationally coordinated programme of advocacy with other areas of regional New Zealand experiencing similar challenges. This task force needs to directly represent the affected industries and services and have an action focus. Again, this work is being done by Venture Southland but, in common with other councils and service providers, they have had difficulty establishing the sense of priority required with Government and providers.

(Contributing parties: Venture Southland, MBIE, rural advocacy groups, local authorities, digital providers)

> Survey

That the exact situation of digital enablement is surveyed in Southland so that the extent of the challenge is fully understood, and that this survey is undertaken as a matter of urgency. Venture Southland has been active on this matter but it is still not clear.

(Contributing parties: VS, MBIE, digital providers)

> Digital Enhancement Plan

That a digital enhancement plan is developed by the task force together with government agencies with the possibility of regional co-investment to achieve clear targets of connectivity and adoption.

(Contributing parties: VS, community funders, MBIE, schools, local authorities, digital providers)

> Urgent action

Urgent action is required in Milford where there is very limited connectivity. It is becoming important not only from a logistics point of view but also from traffic management and safety.

(Contributing parties: MDA, SDC, MBIE, VS)



Enablers

Transport

Contributing Parties

- > Mayoral Forum – this issue likely needs high end leadership
- > Local authorities
- > Key industries in the region – industry advocacy will be important
- > MBIE
- > MPI
- > TNZ
- > NZTE
- > Crown Fibre Holdings

Opportunity

There is an imminent review of the Regional Land Transport Plan (RLTP) to be undertaken. This is an ideal opportunity to ensure that the RLTP is fully aligned with SoRDS priorities. SoRDS addresses a wide range of requirements

from the need to provide for rural transport, bulk haulage to the Port, to meet the increasing demands of tourist traffic and to support town and city redesign in Invercargill and Gore, just to mention a few priorities.

Narrative

There are a number of high level considerations that need to be part of the RLTP:

- › Emphasis on connection with other regions through which goods to and from Southland are transported.
- › Stronger emphasis on a tourism-friendly network.
- › Recognition of the need to more widely disperse tourists onto unconventional routes and in shoulder seasons.
- › Recognition of the possibility that some state highways may convert to local roads and therefore a local cost if traffic levels diminish.
- › Maintenance of the quality of access roads from hubs such as Queenstown.

Arguably the area of the roading network requiring the most attention is the Milford road, particularly passage along it in adverse conditions. If there is a significant increase in traffic then the condition of the road may need reconsideration. The management of traffic flows into Milford is also essential.

The RLTP also needs to recognise the growth of alternative modes which will include electric vehicles, electric and manual cycles (particularly tourist-related) and greater volumes of campervans driven by free independent travellers. It also needs to address the transport needs of declining rural communities who are forced to travel to larger centres for social and economic engagement.

While the region has an extensive road network for a small rateable population, with large rural and remote areas requiring access for products and services, the main roads in the network are largely sealed. The last major project of this nature is currently underway in the Catlins. Some of the tourist roads such as in western and south western Southland are at best of an average standard given that they are likely to carry increased tourism traffic. It is doubtful that these parts of the network will meet the requirements of a growing tourism industry. There are questions around the compatibility of tourism and rural heavy traffic on some of these roads.

Besides the network, the question of signage is a major one with greater use of the network by 'foreign' drivers, whether international or domestic. Signage needs to be seen in its broadest context to include roadside signs, information kiosks, i-sites and online information sources such as apps (able to be accessed while travelling). It will also need

to reflect the destination definition that is eventually decided on for Southland (and is part of the tourism section of this Action Plan). This could, for example, involve the development of a stronger brand identity for the Southern Scenic Route and the use of multi-lingual signs.

The future-proofing of the Southern Scenic Route by making it electric vehicle-accessible is a major opportunity and ties closely with the tourism destination planning about to be undertaken. The potential to present the region as a place to engage with the wild and natural environment, whilst not inflicting damage on that environment, is a powerful one.

The tourism traffic to the region is likely to be hubbed out of Queenstown for the foreseeable future and the Queenstown connection will become increasingly important.

There is a more domestically focused tourism theme emerging in Southland reflected in the idea of InverCARGill. While not intended as a brand, but a focus of interest, it reflects the 'wings and wheels' theming throughout the region evidenced by the Transport Museum, the Motorcycle Mecca, the Experience Mandeville air museum, the Teretonga Park raceway and other attractions. With a strong transport theming there is scope to carry this theming into roadside signage and information.

Airport services at Invercargill have been enhanced though the cost and timetabling of network services remains a point of concern for business and community travel as well as tourists. The link to Stewart Island will become more important.





Current Issues

There are two significant infrastructure projects in train (Catlins and Edendale). Apart from those there are no major urgent and immediate infrastructure and engineering tasks to be undertaken, but there are significant opportunities for enhancement in soft infrastructure such as signage, road safety and inter-modal complementarity.

Success

The overall success statement for transport in the region is as follows:

“Southland is seen as offering the past, present and future of transport where opening the region to opportunity will provide enormous rewards.”

Elements of success are:

- › Boosting small and rural communities through connection.
- › Emphasising the Port and inland port access.
- › Building key nodes and connections such as well-connected tourism attractions.
- › Making centres of towns more people and age-friendly.

Contributing Parties

- › Mayoral Forum
- › Regional Transport Committee
- › Local authorities
- › NZTA
- › Tourism industry
- › Southland Sports Car Club and other car clubs in the region

› Actions

IMMEDIATE PRIORITIES

› Regional Land Transport Plan

There is a review due of the Regional Land Transport Plan over the next 6-9 months. This is the opportunity to reconsider the current arrangements in light of the SoRDS programme.

(Contributing parties: local authorities, NZTA, sector groups)

› Signage and information strategy

That a signage strategy is developed in association with NZTA which could be incorporated into the Regional Land Transport Plan. It also needs to be closely associated with the SoRDS Tourism Strategy.

(Contributing parties: local authorities, NZTA, sector groups)

› Visiting Drivers Project

This is a NZTA-driven programme with a number of aspects to it with regional significance:

- a. State highways safety engineering programme.
- b. Local road safety engineering programme.
- c. Education campaign.

This programme will have a national/regional split which is currently in preparation.

› State Highway One

A realignment programme is planned for Edendale by NZTA which will be underway in 2017. There is a sealing programme getting underway in the Catlins (refer Tourism section of this Action Plan).

Enablers

Talent and Training

Opportunity

Southland has a low unemployment rate and a high rate of participation in employment. The demographics of the region mean it is short of people in the working age range. In addition, its population is significantly below the national average in terms of educational attainment which probably reflects the out migration of talent, especially young people.

The economy desperately needs to build, attract and retain talent and the SoRDS programme is directed to achieve this.

The increasing number of international tertiary students provides a potential source of employable people, many of whom are not able

to find work in the region. This will be relieved by the “inclusive communities” project which is part of SoRDS.

The opportunity is to systematically match people in their 20s and 30s with entry level educational attainment, to job opportunities, and then enhance their learning and performance through ongoing strategic training input.

There is not sufficient talent-spotting and support or the attraction of learning leaders into the region. The example is the Southern Sting which began by importing a few senior players from outside the region, then building capability around them. The challenge is applying this way of thinking to business.



Current Issues

- › There is hesitancy amongst some employers to employ people of other cultures (SoRDS is looking to address this deficiency).
- › There isn't a sufficiently strong emphasis on innovation across the economy to attract talented learning leaders (the SoRDS Innovation team is looking to address this problem).
- › On-the-job, 'just in time' training is not currently seen as part of the responsibility of the tertiary training sector, but of individual businesses. SIT is not funded to engage in this type of funding and there is no funding available from TEC to do so.
- › There is often a disconnect between career/ tertiary education and advice, and employment opportunities for school leavers.
- › For adult international students there is a disconnect between what is permissible for study by Immigration NZ approval and will assist migration options, and what is likely to enable employment in Southland. For example, a Masters in Applied Management is more likely to gain approval than a shorter lower level course in agriculture.

Success

The overall success statement for talent and training in the region is as follows:

"That young people begin to see opportunities for advancement in the region."

This would be illustrated by:

- › More young people in this age-group, and especially families, remaining in or returning to the region.
- › Greater flexibility in training packages to respond to employer demand.
- › Policy changes in INZ to enable approval of study into programmes which meet region-specific shortages.

› Actions

IMMEDIATE PRIORITIES

› Skills formation

There is a recognised process of development which involves building a profile of the skills required for key sectors. Skills formation exercises could be done in key development industries such as tourism, aquaculture and fishing, light engineering and robotics and some agriculture activity areas. While TEC funds formal tertiary education, it does not fund.

non-credential education and training where skills are formed by industry where people want skills but not necessarily qualifications. Training is characterised by in-service, on-the-job and just-in-time approaches. It falls on the employer to fund this training. The employers are frequently small to medium enterprises that cannot afford staff to be away from the workplace for training for more than short periods.

(Contributing parties: TEC, SIT and the appropriate ITOs)

› Agriculture training places

There is strong demand from the rural sector for additional capability on the farm. SIT has applied for 165 EFTS relating to agriculture and horticulture for 2017/18, at levels 3 & 4, and also has Level 2 Agriculture courses and a Level 5 NZ Diploma in Agribusiness Management. This will fill an important gap in rural training provision.

› Youth Futures

Venture Southland is leading this initiative to make it easier for Southland's young people to build careers in the primary sector and associated support industries. The project is led by a Steering Group which includes representatives from the Mayors Task force for Jobs, Federated Farmers, Work and Income, the Ministry of Education, SIT, Dairy NZ and Dairy Women's Network, Richardson Group, Alliance Group and SBHS. The programme's core aim is to provide connection between schools and businesses to provide real career information and opportunities to young people. This includes providing impartial practical real career information to secondary school students across all of Southland, allowing informed career decision making. Businesses also signed an Employer Excellence Charter which includes agreed standards and actions including practical on-site career experience and future employment opportunities.

(Contributing parties: community funders, central government, SIT)

MEDIUM-TERM PRIORITIES

› Regional Tertiary Development Plan

Generate a regional tertiary development plan based on the skills formation package and input from stakeholders with a view to TEC funding into a package of activities. At the moment TEC is moving to regional development planning and recognition of special regional needs works well with this type of thinking.

Contributing Parties

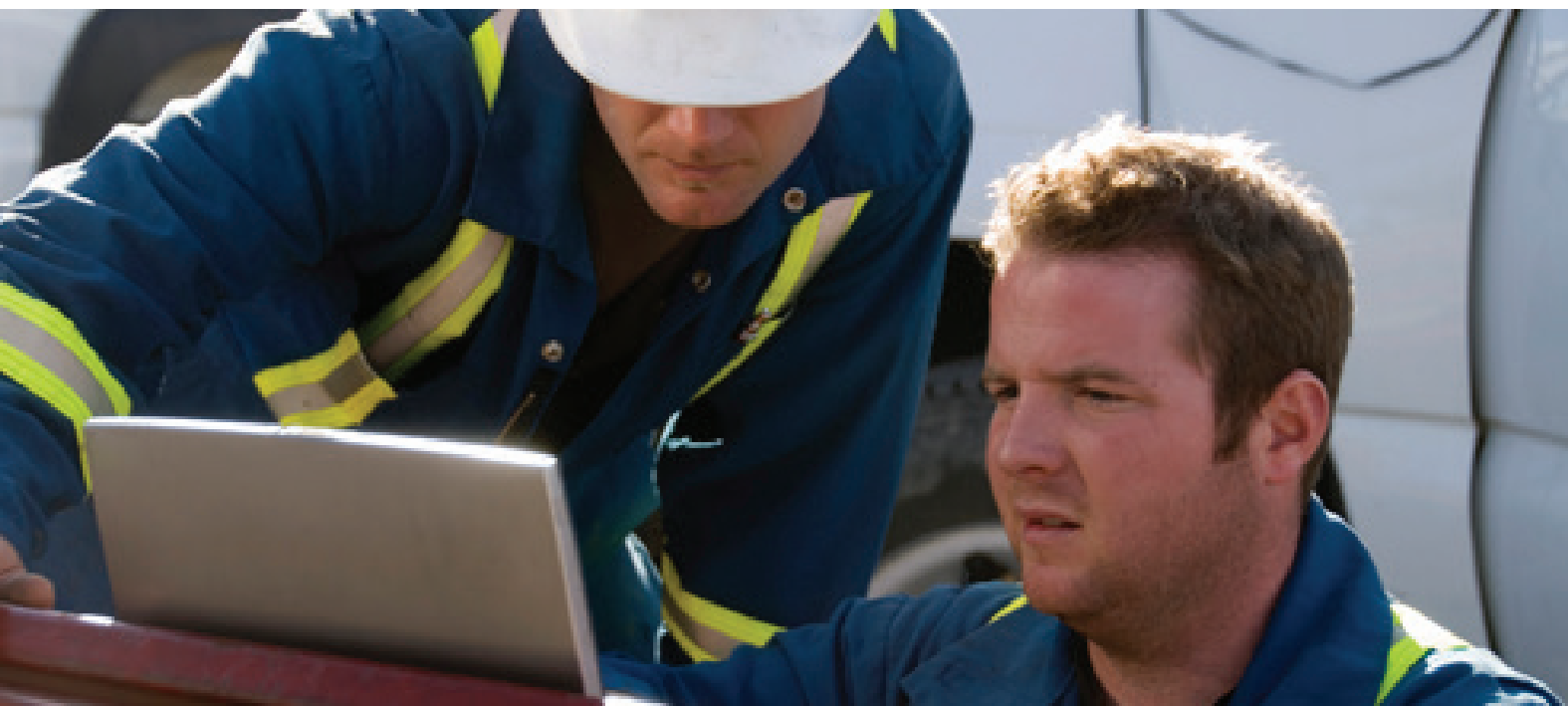
- › SIT
- › Secondary Schools
- › Employers
- › Community funders
- › Chamber
- › TEC
- › MOE
- › ITOs

FUTURE PRIORITIES

› Endowment

Educational endowment is not a major activity in New Zealand but with the strong community funders and people with high net worth in the region, there is the potential for the development of an endowment fund (to provide scholarships) for talented individuals identified in the region, especially those from less wealthy backgrounds. The fund could also supply added financial support to the recruitment of potential learning leaders in key areas of business, enterprise or public service (sport and the arts) to cluster other learners around.

(Contributing parties: community funders, individual donors, SIT, schools)



Team Member List

The following is a list of all those directly involved in SoRDS in the region and from outside (such as Government).

Governance Group

Tom Campbell *(Chair)*
Trish Boyle
Neil McAra
Lloyd McCallum
Gretta Stephens
Tracy Hicks
Jeff Grant
Rob Phillips
Maria Pera
Penny Nelson

Team Membership

› Ease of doing business

Steve Ruru *(Team leader)*
Tim Brown
Norman Elder
Boyd Wilson
Bruce Halligan
Vin Smith
Dean Johnston
Kate Scott
Roger Wilson
Warren Skerrett
Pam Gare

› Inclusive Communities

Anna Stevens *(Team leader)*
Brendon McDermott
Robyn Koehler
Lynley Henderson
Jessie McKenzie
Andrew Leys
Rebecca Amundsen
Renata Davis
Bobbi Brown

› New Industries

Mark O'Connor *(Team leader)*
Jason Franklin
Tommy Foggo
Murray Brown
Peter Heenan
Mark Bain
Rex Chapman
Robin Campbell
Thomas Hildebrand
Ian Pottinger
Ken Swinney

› Innovation

Paul Adams *(Team leader)*
Dean Addie
Aimee Kaio
Nathan Barker
Prue Halstead
Rod Sinclair
Don Faulkner
Derek Manson

› Invercargill Rejuvenation

Joc O'Donnell *(Team leader)*
Scott O'Donnell
Cameron Macintosh
Neil Boniface
John Prendergast
Norman Elder
Jason Smith
Greg Mulvey
Geoff Thompson
Sarah Brown
Sumaria Beaton

› Welcome Southland

Penny Simmonds *(Team leader)*
Jenny Elder
Chami Abeysinghe
Mike Mika
Paul Casson

› Tourism

Chris Ramsay *(Team leader)*
Hannah Whyte
Bobbi Brown
Roger Wilson
Karen Arnold
Emma Carle
Tony Preston

› Attraction

Carla Forbes *(Team leader)*
Mayor Tim Shadbolt
Tony Laker
Tom Sawyer
Joe O'Connell
John Prendergast
Marcus Lush
Warrick Low

› Primary Sector Extension

Peter Gow *(Team leader)*
Vaughan Templeton
Peter Baker
Dave Dodunski
Anna Kempthorne
Robert Auld
Andrew Morrison
Jazz Hewitson
Rosanne Allan
Eric Roy
Lloyd McCallum
Rob Phillips
David Bullmore
Shaun Cawood

Programme Directorate

Sarah Brown
Sarah Hannan
Geoff Henley
Abby Cheeseman

We want to acknowledge the valuable contribution Wayne Evans made to the governance group prior to his untimely passing.



Organisational Arrangements

SoRDS presents a once-in-a-generation opportunity to take the region forward. The national and international context is constantly changing and Southland needs to change in response to it.

Incremental gains, as always, will be important, but will not be enough. Major initiatives to meet the challenges of population increase, diversification and development – the three challenges SoRDS has given itself – are essential. Organisational and institutional arrangements to match the scale and complexity of these challenges are required.

The recommendations made here are not a criticism of what has gone before. After all, Southland has made some great strides in recent years and its status in 2015, before the dairy downturn, as the fourth region for economic growth in New Zealand, is testament to this. But the challenges SoRDS is addressing are major, long-term and require a strong united regional effort on a scale even Southland has not before achieved.

A number of principles have been identified to guide thinking about organisational arrangements:

- › **Whole of Region** – that the focus is on the whole region.
- › **Simplicity** – avoid over-complication; minimise the number of organisations involved so that accountabilities are clear; minimise unproductive transactions.
- › **Public/private** – partnership and collaboration; private involvement provides a sharpness to operations that is valuable and essential for the scale of change and the support of Government.
- › **Clarity of purpose** – there is a clear vision, momentum and agility.
- › **Economic, social, cultural and environmental** – that all dimensions are considered.

- › **Resilience** – enduring structures are established that will stand the test of time and have the capacity to support what is an ambitious programme.
- › **Leadership, authority** – structures that have stature locally and nationally.

The local government chief executives together with the Mayoral Forum have taken responsibility for working through the detailed design and implementation of future organisational arrangements. In-depth consideration, including legal advice, is required to ensure the arrangements are lasting.

The SoRDS Governance Group is very aware that this could involve significant change for those involved in regional development and is confident that the implications of this will be carefully considered by the Mayoral Forum.

The Governance Group is of the view that, whatever the proposed changes are that they should be undertaken as quickly as possible so that the new programme can be pursued with vigour.

Glossary of Acronyms

AirNZ	Air New Zealand	MOE	Ministry of Education
Chamber	Southland Chamber of Commerce	MSD	Ministry of Social Development
CAB	Citizens Advice Bureau	MDA	Milford Development Agency
CTOS	Community Trust of Otago and Southland	MOU	Memorandum of Understanding
DOC	Department of Conservation	NGO	Non-governmental organisation
ES	Environment Southland	NT	Ngai Tahu
ENZ	Education New Zealand	NZTE	New Zealand Trade and Enterprise
FIT	Free Independent Traveller	NZTA	New Zealand Transport Agency
GDC	Gore District Council	OSEA	Otago Southland Employers Association
GDP	Gross Domestic Product	R&D	Research and Development
ICC	Invercargill City Council	RLTP	Regional Land Transport Plan
ILT	Invercargill Licensing Trust	RMPP	Red Meat Profit Partnership
INZ	Immigration New Zealand	SBS	SBS Bank
IP	Intellectual Property	SoRDS	Southland Regional Development Strategy
ITO	Industry Training Organisation	SIT	Southern Institute of Technology
MLT	Mataura Licensing Trust	SDC	Southland District Council
MF	Mayoral Forum	SME	Small and Medium Enterprises
MBIE	Ministry of Business, Innovation and Employment	TAMI	Te Ao Mārama Inc
MfE	Ministry for the Environment	TEC	Tertiary Education Commission
MoH	Ministry of Health	TLA	Territorial Local Authority
MPI	Ministry for Primary Industries	TNZ	Tourism New Zealand
MCA	Ministry of Culture and Heritage	TPK	Te Puni Kokiri
		VS	Venture Southland

“

We are pleased to support the SoRDS initiative to drive Southland forward; a region wide single minded goal to attract 10,000 more people to Southland. The hard work and commitment of community, civic, business and iwi leaders is a real testament to the tenacious Southland spirit.

Sarah Dowie **MP for Invercargill** and Todd Barclay **MP for Clutha-Southland**





Southland Regional
Development Strategy
TE IWĪ ME ORANGA RAUEMI

Contact Us

PROGRAMME DIRECTORATES

- » Sarah Brown \ sarah.brown@sords.co.nz
- » Sarah Hannan \ sarah.hannan@sords.co.nz

www.sords.co.nz 