

Diversifying the Queenstown Lakes District economy

What is Economic Diversification?

Economic diversification is the process of shifting an economy away from a single income source toward multiple sources from a growing range of sectors and markets.¹

The Queenstown Lakes District Council Economic Development Unit (EDU) is leading the district-wide strategy to encourage positive economic growth and development in a range of sectors, with a focus on developing low-carbon, non-extractive industries and regenerative initiatives that will ultimately create high-value jobs for locals.

Economic diversification will take time – we can't expect to create new industries overnight, so it is important to have a broad range of initiatives underway. Our work in economic diversification will integrate with wider QLDC sustainable development plans, such as the Spatial Plan, the Destination Management Plan, the work undertaken by the volunteer Regenerative Recovery Advisory Group (RRAG) and the Beyond 2050 Vision aspirations developed by the community.

¹ United Nations Framework Convention on Climate Change



Why Economic Diversification?

IMPROVE RESILIENCE

The Queenstown Lakes District is well-known for its largely singular economy and we recognise that we are vulnerable to economic and geo-political events outside of our control. Diversification will offer 'economic insurance' to reduce the impact of future shocks.

BUILD BACK BETTER

There are many leaders in the district who are committed to fostering new opportunities that align with Vision 2050 values. We will encourage businesses that take a regenerative approach, reduce emissions and help improve community wellbeing.

CONTRIBUTE NATIONALLY

The district contributes almost 10% of tourism GDP. Its iconic brand has the potential to create additional value as a 'shopfront' for a range of other export sectors. Connecting locals with international business experience to NZ exporters will also help our national economy flourish.

Our strengths

- > We all share a deep 'love of place' here in the Queenstown Lakes District. It's what motivates people to want to see change
- > We have a pool of internationally-connected talent in the district
- > There is a commitment to diversification from Local and Central Government via the Spatial Plan. There's an opportunity to create synergies between the Diversification Plan and the Destination Management Plan
- > Our lifestyle benefits offer the chance to be 'where talent wants to live'

The challenges

- > Things won't change immediately: Economic diversification takes time and significant resources. We need to be patient, while working hard and smart at the same time
- > Central Government partnership is needed
- > Our small scale can restrict the career options for some ambitious professionals
- > Lack of institutions that generate a flow of IP and talent

Doing nothing is not an option

We all want our children to be able to grow up here and feel like they can keep living here with viable and competitive career paths available to them.

Our goal is for the district to become a place renowned not only for its natural beauty and tourism but for its world-leading innovation and enterprise. We are committed to supporting innovation, sharing and building international capability and creating scale.

We recognise that tourism remains our biggest industry – tourism contributes almost 10% to the country's GDP. This work seeks to complement tourism while supporting the community's aspirations for an economy less reliant on one industry.

The draft Diversification Framework

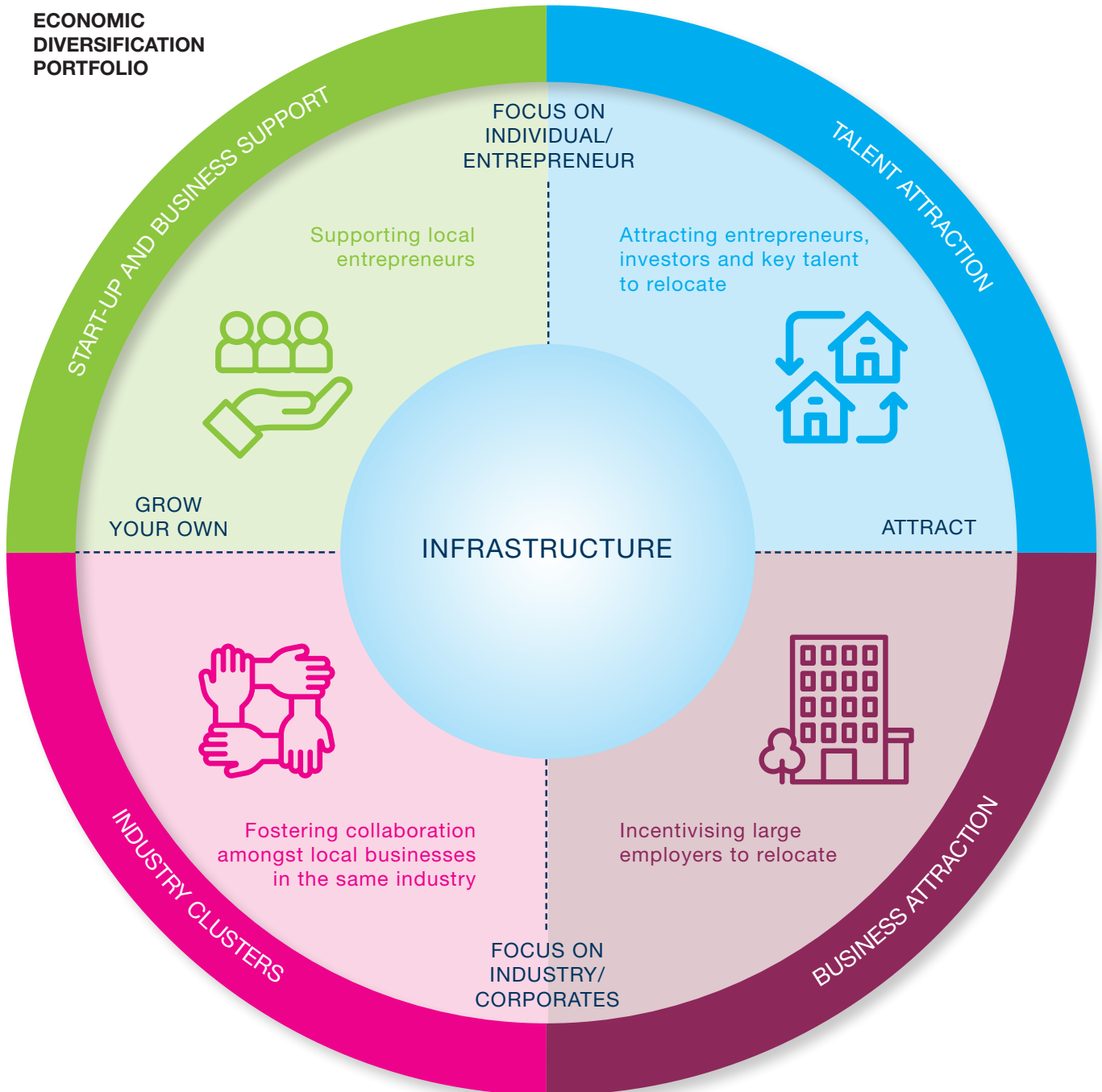
There is no one project that will create a diversified economy. There needs to be a range of efforts that fosters what we have, while attracting new opportunities.

The draft Diversification Framework explains how start-ups and existing businesses relate with and connect to larger

industries and corporates within the local economic diversification ecosystem. It is designed to align current and future projects driven by local business leaders and entrepreneurs. The framework will eventually form part of a district-wide Diversification Plan, which may be used to seek funding partnerships with Central Government.

The role of the EDU is to maintain an overview of the 'portfolio' of the various diversification projects, while maximising synergies, encouraging collaboration locally and nationally and demonstrating a well-thought-out approach for securing the required resources. The draft framework and eventual plan address this and will eventually become a living document, being flexible enough to adapt and respond to change.

**ECONOMIC
DIVERSIFICATION
PORTFOLIO**



The 'portfolio' approach looks at four different segments in which people and industry sectors operate. Some businesses and entrepreneurs may sit across more than one of the segments.

The left-hand side of the diagram focuses on supporting the people and existing businesses that already operate in the district. The right-hand side looks at attracting the kind of individuals and businesses that we want to establish a base here.

The EDU's intention is to spread our efforts across all areas. Our role is to:

- > Connect clusters of similar businesses to collaborate and work together so they might be able to become an export industry in a particular niche
- > Support innovation to help people scale up their ideas to achieve greater impact
- > Enable an international capability: Connecting international specialists with people nationally so they can take their projects to the world

- > Help people create scale by seeking opportunities to access capital
- > Encourage smart specialisations to develop (such as film, tech, education) and support cross-industry collaboration

Over the past 12 months we have been actively helping the private sector develop their own diversification plans, as well as seeking partnership opportunities with government agencies, including NZTE and MBIE.

Our job is to help facilitate and connect entrepreneurs, business leaders and industry specialists with each other to create new opportunities – including ventures we don't even know about yet.

Next steps

This is still very much a work-in-progress and the Diversification Framework and eventual Diversification Plan will ultimately be a living document. We will continue to work closely with the private sector to help businesses advance their own diversification projects, while working alongside Government agencies to amplify what we do here. Like the district Spatial Plan, the Diversification Plan will be developed in partnership with Central Government.

FOR MORE INFORMATION, PLEASE CONTACT:

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