

Item 2: Economic Diversification Plan update

SESSION TYPE: Briefing

PURPOSE/DESIRED OUTCOME: Briefing on updated draft plan

Councillors are asked to review the updated draft Economic Diversification Plan (attachment A) and draft Economic Diversification Year 1 Action Plan (attachment B), ahead of the Full Council meeting on 1 August (at which endorsement of the plan will be sought).

At the last workshop in April 2024 feedback from councillors was received. Edits have been completed in response to this feedback, and other suggestions from stakeholders, which will be discussed during the briefing.

The briefing will include an overview of the partners and supporters, as outlined on page 2 of attachment A.

The workshop will invite some of those working on relevant projects to present to Councillors. This will help illustrate that actions within the plan are already building momentum.

The action plan is a live and collaborative document, with the latest version of the working document included for reference.

DATE/TIME:

Tuesday, 18 June 2024 at 2.00pm

TIME BREAKDOWN:

Presentation: 20 minutes

Questions: 25 minutes

Prepared by:



Name: Peter Harris

Title: Economic Development Manager

6 June 2024

Reviewed and Authorised by:



Name: Michelle Morss

Title: General Manager, Strategy and Policy

10 June 2024

ATTACHMENTS:

A	Draft Economic Diversification Plan
B	Draft Economic Diversification Year 1 Action Plan
C	Draft Economic Diversification Plan presentation slides

New pathways to a thriving future

Kā ara hou ki te anamata tōnui

**Queenstown Lakes Draft
Economic Diversification Plan**

Mahere Whakawhānui Ohaoha o Queenstown Lakes

Economic Development Plan partners and supporters

Kā hoa me kā kaitautoko o te Mahere Whanaketaka Ohaoha



**Destination
Southern Lakes**



**Research
and Innovation
Queenstown**



TE ATAMIRA



Contents

Kā ihiraki

INTRODUCTION

KUPU WHAKATAKI	4
----------------------	---

SECTION 1: SETTING THE SCENE FOR DIVERSIFICATION

WĀHAKA 1: TE WHAKATAKOTO I TE TĀHUHU MŌ TE WHAKAWHĀNUITAKA	7
--	---

Economic diversification challenges	8
---	---

Economic diversification opportunities	9
--	---

A history of business support	12
-------------------------------------	----

Strategic context	14
-------------------------	----

SECTION 2: COMMUNITY VALUES AND PRINCIPLES

WĀHAKA 2: KĀ UARA ME KĀ MĀTĀPONO O TE HAPORI	17
--	----

Kāi Tahu values in Queenstown Lakes District	18
--	----

Vision, guiding principles and alignment	21
--	----

SECTION 3: DEVELOPING THE ECONOMIC DIVERSIFICATION PLAN

WĀHAKA 3: TE WHAKAWHANAKE I TE MAHERE WHAKAKANORAU ŌHAKA	24
--	----

Economic Diversification Framework	25
--	----

SECTION 4: ECONOMIC DIVERSIFICATION PLAN

WĀHAKA 4: TE MAHERE WHAKANORAU OHAOHA	28
---	----

Plan on a page	29
----------------------	----

Pillar 1: Best-fit businesses have the infrastructure they need	30
--	----

Pillar 2: Our hosting expertise supports diversification	32
--	----

Pillar 3: Growing niche export industries	35
---	----

Key enabler: World of Connections	38
---	----

Foundations for success	40
-------------------------------	----

SECTION 5: APPENDICES

WĀHAKA 5: KĀ ĀPITIHAKA	44
------------------------------	----

Appendix 1: Defining key terms	45
--------------------------------------	----

Appendix 2: Niche industry analysis	47
---	----

Appendix 3: Kāi Tahu context	56
------------------------------------	----

Appendix 4: Process	58
---------------------------	----

Appendix 5: How does this plan align with other plans	61
---	----

Appendix 6: Who was involved in the planning process	62
--	----



“Diversification will give people across generations new ways to build a future here.”

Glyn Lewers
MAYOR
Queenstown Lakes

Introduction

Kupu whakataki

Queenstown, Wānaka, and the surrounding towns have much to be thankful for – impressive natural landscapes, a thriving tourism industry, world-class hospitality, and lifestyles that are the envy of many.

While growth in the visitor economy and local population has created many jobs, it has also seen Queenstown Lakes become the least economically diverse district in Aotearoa¹. This has created a reliance on tourism and population growth to fuel our economy, which in turn restricts career choices and economic resilience.

Despite the dominance of tourism and construction the district has a growing local cohort of entrepreneurs building export businesses. These diversification leaders are forging paths for others and this plan sets out how to support them and those following in their footsteps.

This plan is a sister document to the district's Destination Management Plan, *Travel to a thriving future*, which focuses on regenerative tourism. Many of the projects in this plan leverage off the strengths of tourism and can only be delivered successfully by collaborating with those working to deliver on *Travel to a thriving future*. The two plans combine to form the new Economic Development Strategy for the district.

Overcoming the diversification challenge is far from simple. But, *New pathways to a thriving future* sits alongside a range of plans that seek to address climate and biodiversity, workforce and technology, housing, and spatial planning challenges and opportunities. It aligns with these plans to ensure the needs of the businesses and industries we want to foster are considered from the outset, and to ensure the benefits of diversification extend to our community and te taiao (the environment).

The efforts of local entrepreneurs, and those that support them through a variety of plans and organisations, will combine to achieve the 2040 goal: **to have a resilient and sustainable economy that offers meaningful career and business opportunities.**

The first three sections of this document give an overview of diversification challenges and opportunities, the vision and guiding principles, and development of this plan. Section four outlines the strategic pillars, objectives, and projects, alongside foundations for success.

¹Diversification in Queenstown Lakes, Benje Patterson, April 2020

Why a more diversified economy matters

He aha e hira nei te ōhaka kua whakawhānuihia ake

Finding a job in our district is not a challenge for most, but building a career can be.

Only half our residents say their skills are being fully utilised in their current role², with a similar number unable to see long-term career paths for themselves in the district³. These factors weaken the social fabric of our community.

Economic diversification is essential to the future health of our people, economy, and environment. It will:

1

ALLOW FUTURE GENERATIONS TO BUILD A LIFE HERE

There are some great career options in tourism. But, if we want our rakatahi (youth) to be able to stay or return to the district, we must create more opportunities that excite them, wherever their passions lie.

2

UNLEASH THE TALENTS OF OUR PEOPLE

There are many highly qualified individuals working in underpaid and uninspiring roles because they prioritise lifestyle over salary and job satisfaction. More diverse opportunities will help turn the lifestyle or career choice many currently make into a lifestyle and career option, where people can fully utilise their skills.

3

CREATE MORE LOW-CARBON INCOMES

Many incomes in our district rely on having to host visitors, which puts demands on our environment and infrastructure. A diversified economy will sell more goods and services to customers outside the district, which will help reduce the carbon footprint of the local economy.

² Queenstown Lakes District Council Quality of Life 2023 Report

³ Queenstown Lakes District Council Quality of Life 2023 Report



4

ATTRACT PRODUCTIVE NEWCOMERS

A diverse economy will attract new people who want to actively engage and be part of the community, instead of primarily seeing the district as a holiday or retirement destination.

5

MAKE HOUSING MORE AFFORDABLE THROUGH HIGHER INCOMES

Housing affordability has two variables: the cost of the rent or mortgage, and the household income. For those who take up diversification opportunities that offer higher incomes, this helps make living in the district more affordable.

6

SPREAD THE ECONOMIC RISK

Covid-19 illustrated the severe impact travel restrictions have on a district dominated by tourism. Risks will continue to be present, such as an Alpine Fault rupture, but the local economy and community will recover from such challenges more quickly if we are less reliant on tourism.

7

BOOST THE DISTRICT'S IMPACT REGIONALLY AND NATIONALLY

The district is recognised nationally and internationally for tourism innovation and industry leadership. This strong reputation can be further leveraged to create new opportunities for businesses locally, regionally, and nationally.

The pathway to diversification will not be short or easy. But we are committed to building on the efforts already underway, growing the synergies with the Destination Management Plan, and turning opportunities for all into reality.





Section 1

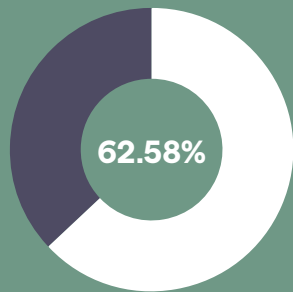
Setting the scene for diversification

Wāhaka 1: Te whakatakoto i te tāhuhu mō te whakawhānuitaka

Economic diversification challenges

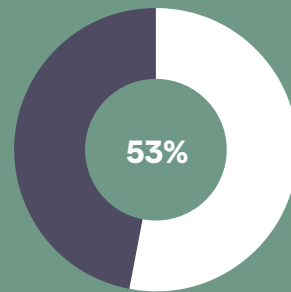
Kā wero whakawhānui ohaoha

The following statistics illustrate some of the challenges for diversification:



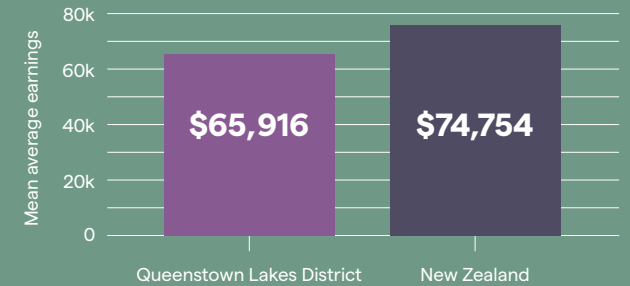
Tourism and construction dominate the Queenstown Lakes economy. Over the last decade, more than 60% of all workers in the district were employed in these industries.

Infometrics.co.nz



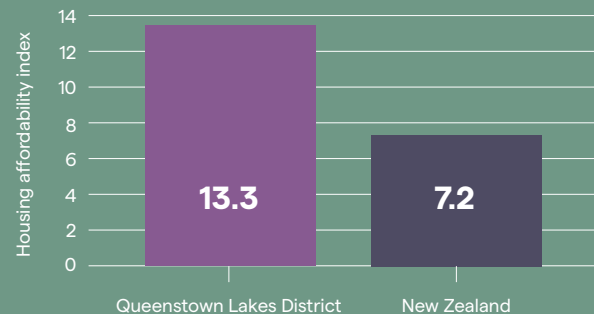
Only 53% of residents say their skills are being utilised to full capacity.

2023 Quality of Life Survey



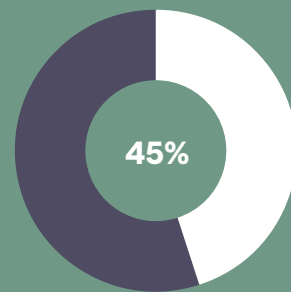
Mean earnings are 12% less than the national average. This can be attributed to lower productivity jobs.

Infometrics.co.nz



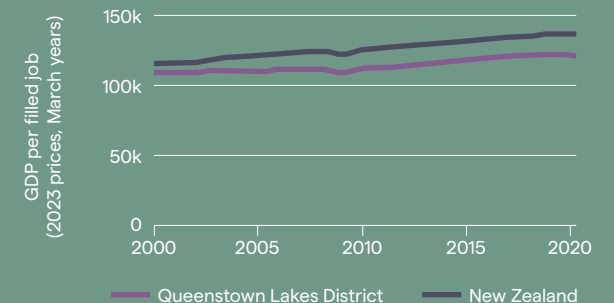
In proportion to incomes, housing in the district is the second least affordable. While diversification may not affect the cost of housing, it can improve incomes and therefore affordability.

Infometrics.co.nz



Only 45% of residents say there is a long-term career path for them in the district.

2023 Quality of Life Survey



Averaged over the last 20 years, productivity per full time job in Queenstown Lakes has been 10% less than the New Zealand average. Lower productivity restricts business margins and pay rates.

Infometrics.co.nz

Economic diversification opportunities

Kā arawātea whakakanorau ohaoha

Queenstown Lakes lacks the advantages that are typical foundations for economic development, such as fertile soils, natural resources, large areas for commercial development, university research and graduates, and proximity to large cities. However, the district has unique advantages that create diversification opportunities.

Harnessing love of place

A deep love of place is common for residents in Queenstown Lakes. It is also shared by many who live elsewhere but retain a strong affinity to the district. It recognises the importance of wellbeing for our people – to thrive, we need to maintain and enhance the mauri (life force) of this place. This affection for, and commitment to the district already fuels many positive outcomes, and there is potential to harness it more deliberately to grow new opportunities.

Building logic of place

The decision to base a diversification business in the district is often driven by the desire of the business owner to live locally – their love of place. While there is no shortage of people who would love to live in Queenstown Lakes, for many this does not add up financially or as a career choice. To foster diversification at scale, professionals, entrepreneurs, and boards of directors must be convinced that growing their business or career in the district is a sound decision.

RELATED READING

Appendix 1: Defining key terms (page 44)

Appendix 2: Niche industry analysis (page 46)



Utilising people's unique talents and perspectives

The district has a unique mix of experienced entrepreneurs, investors, and business leaders who call our district home. Locals over 30 are almost twice as likely to be business owners compared to the national average, and almost 30% more likely to derive income from investments⁴. There is also strong governance experience in the district, with twice as many Institute of Directors members per capita compared to New Zealand as a whole⁵.

Local residents are culturally diverse and well educated. They are 55% more likely to have been born overseas than the average New Zealand resident, and 31% more likely to have a degree or post-graduate qualification⁶. This variety of talented people adds a fresh perspective and offers valuable skills, networks, and resources that can help diversify our economy.

This local perspective sits alongside the cultural and economic values of mana whenua. Kāi Tahu has corporate business interests in the district and there are also strong local Māori-led businesses and Māori business support networks. Diversification efforts should enhance these initiatives and consider mātauranga and te ao Māori (Māori knowledge and worldview) for project planning and delivery.

⁴ Census 2018

⁵ Institute of Directors New Zealand membership 2021

⁶ Census 2018

⁷ Rethinking the value of Tourism - A pilot study, One Picture Group Consortium

⁸ Queenstown Lakes District Council Quality of Life 2023 Report

The pool of talent is not just restricted to residents. A survey of Californian visitors to New Zealand found that one in five were interested in knowing more about studying, investing, migrating or doing business before they travelled here⁷. But unfortunately, on returning home they knew little more about these options. Queenstown Lakes can play a role in turning this interest into value well beyond what a visitor spends while travelling.

Turning commitment to the environment into economic opportunities

In the 2023 Quality of Life Report, 78% of people said they are concerned about climate change⁸, and almost half are taking action to reduce their greenhouse gas emissions. There will be business opportunities that emerge from strong environmental organisations in the district and the Destination Management Plan's keystone project: Carbon Zero by 2030.

Building on creativity

Our district is home to a wide variety of creative people and creativity is embedded in many local businesses – from film to product design and software development. As a core creative industry, film is maturing with multi-episode TV shows being shot locally, infrastructure planned that will see productions spending more time in the district, camera technology being exported from the district, and local filmmakers creating homegrown films.



Drawing on the different strengths of communities

Queenstown Lakes is not one generic economy. There are a variety of communities across the district that each have a different mix of businesses and strengths. Some communities host strong environmental organisations and innovative farming businesses, while others have strong networks of professional services businesses.

Other towns within the Central Otago region, such as Cromwell and Alexandra, are home to a number of people who work in Queenstown Lakes. They also play a key role in keeping the district connected.

There are organisations in each of these locations that focus on supporting their local business community. This creates opportunities to pilot programmes in close-knit communities.

Leveraging our hosting expertise

Tourism has created many strengths that can support diversification. This includes a strong brand, a flow of talented people, and expertise in hosting events and conferences. Tourism operations that expand beyond the district are one form of diversification, with examples of locally based tourism businesses earning most of their income by offering visitor experiences elsewhere.

Niche opportunities are often found adjacent to growing dominant industries. This occurs when suppliers of the dominant industry develop specialisations that enable them to export to the sector elsewhere. One example is businesses that supply technology solutions for the tourism and hospitality industries. Often, those involved have worked in the industry, seen an opportunity for improvement, and used their experience and contacts to test their ideas and build a solution.

The range of events, facilities, and recreational choices – which tourism contributes to – also plays an important role in making the district a desirable place to live.

Creating lifetime value from visitors

The economic value of tourism goes beyond what visitors spend while they are in the district. Some continue to buy New Zealand products after arriving home, and for others their visit is just the first step toward a longer-term relationship with the country when they return as a student, migrant, or investor. While these additional benefits occur now, there is potential to amplify the lifetime value of visitors.

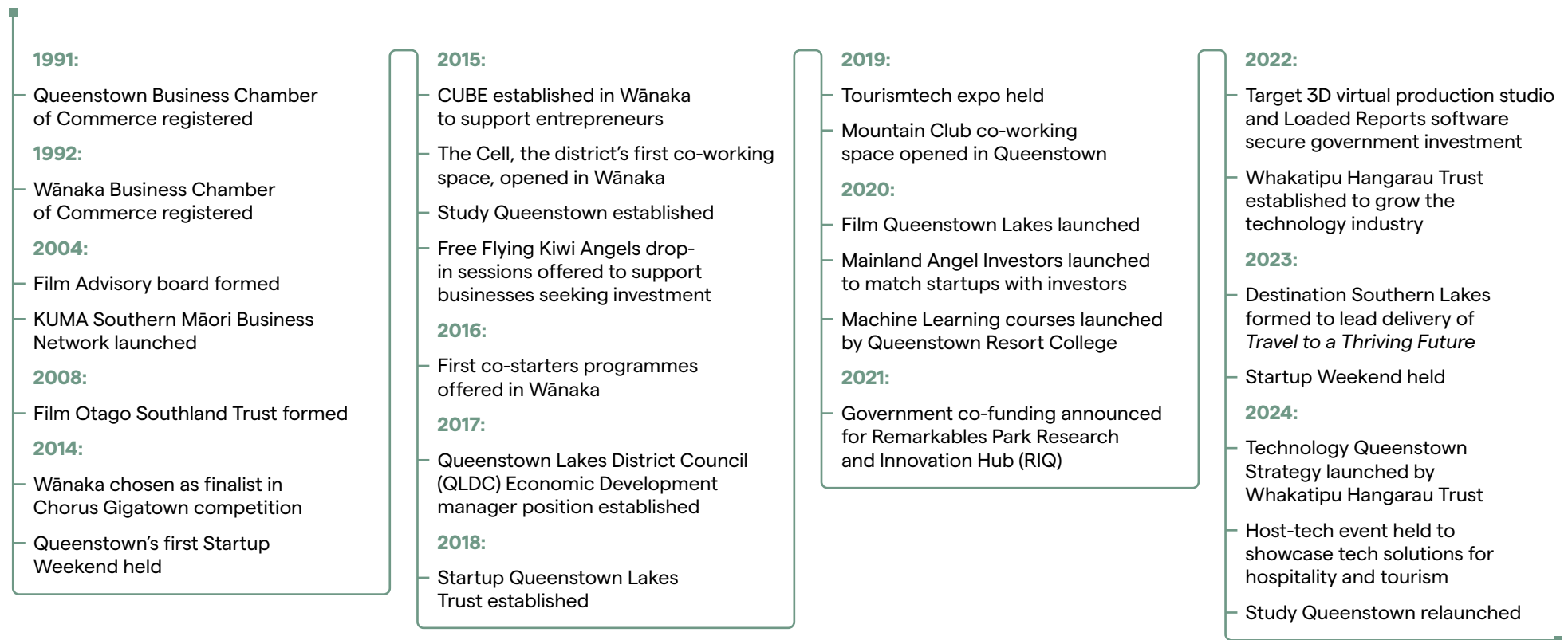
The future of Queenstown Lakes is a bright one, but these diversification challenges and opportunities must be addressed collaboratively. This plan supports the district's journey toward a shared resource, focus, and inspiration that improves economic wellbeing, while providing higher-value opportunities for future generations.

A history of business support

He hītori o te tautoko pakihi

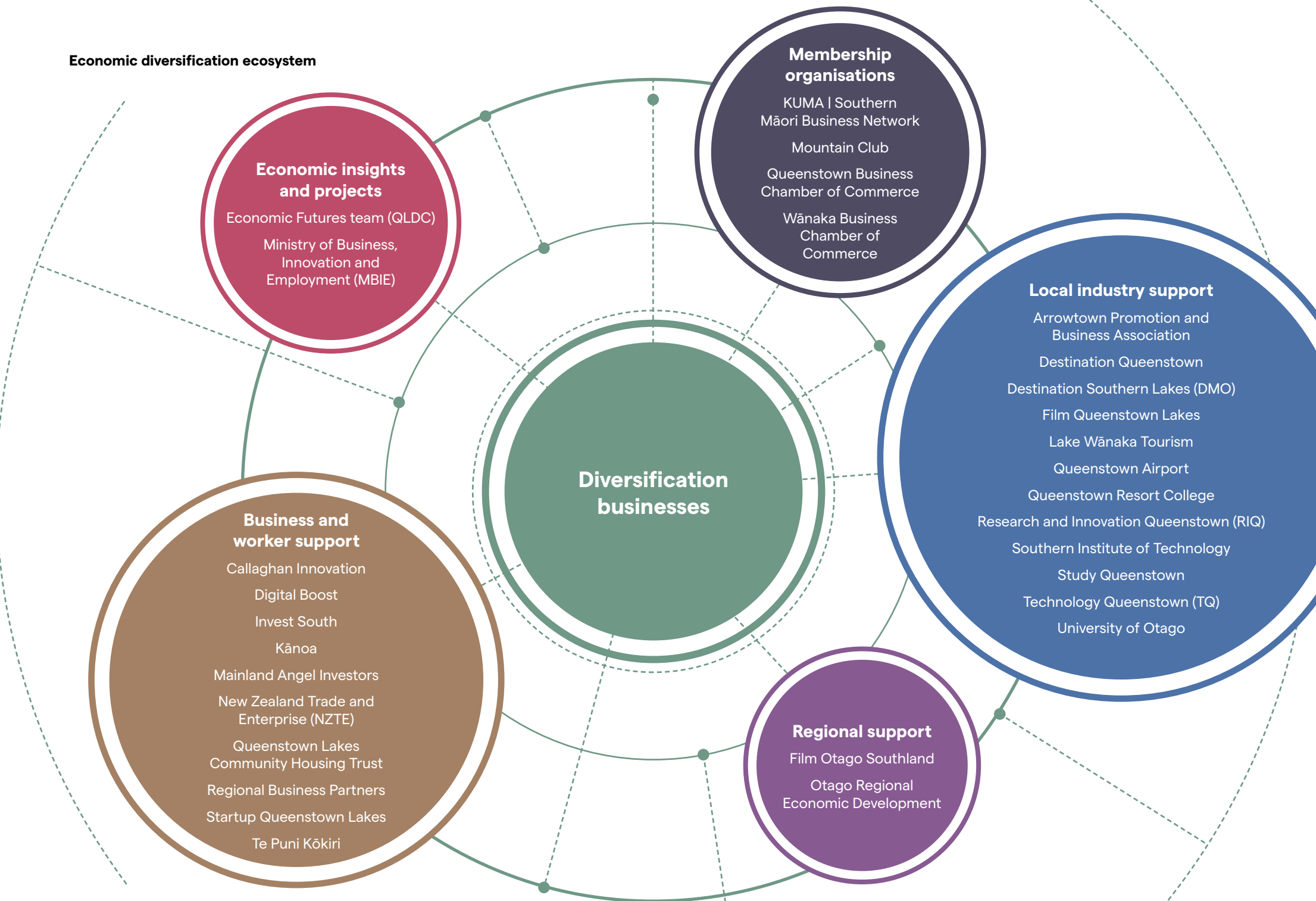
We are building off a strong history of local business and industry support, with a number of entrepreneurs who have created businesses outside the dominant industries of the district.

Others with a passion to create a more diverse economy have committed their time and expertise to deliver a wide range of projects, as illustrated below.



Alongside these local initiatives, New Zealand Trade and Enterprise and Callaghan Innovation client managers have supported exporters, investors and innovators across the district.

Economic diversification ecosystem



Strategic context

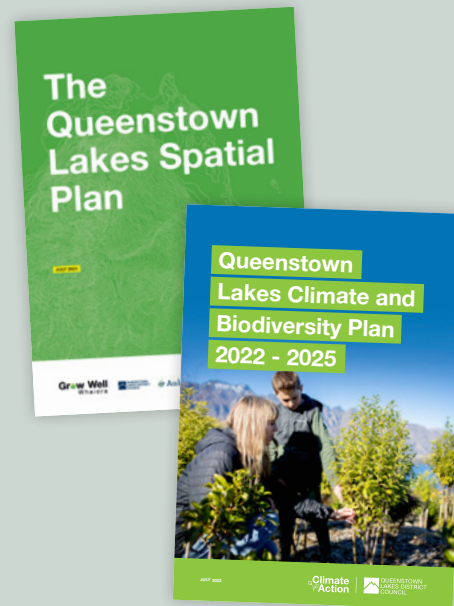
Horopaki rautaki

The Destination Management Plan and Economic Diversification Plan are outputs of the district's Spatial Plan. Combined with the Climate and Biodiversity Plan, they support achieving the goals of the Vision Beyond 2050.

COMMUNITY VISION FOR 2050 AND BEYOND

<p>Thriving people Whakapuāwai Hapori</p>	<p>Living Te Ao Māori Whakatinana i te ao Māori</p>
<p>Deafening dawn chorus Waraki</p>	<p>Zero carbon communities Parakore hapori</p>
<p>Opportunities for all He āhaka taurikura</p>	<p>Breathtaking creativity Whakaohooho Auahataka</p>
<p>Disaster-defying resilience He Hapori Aumanga</p>	<p>Pride in sharing our places Kia noho tahi tātou katoa</p>

DISTRICT-WIDE SPATIAL PLAN AND CLIMATE AND BIODIVERSITY PLAN



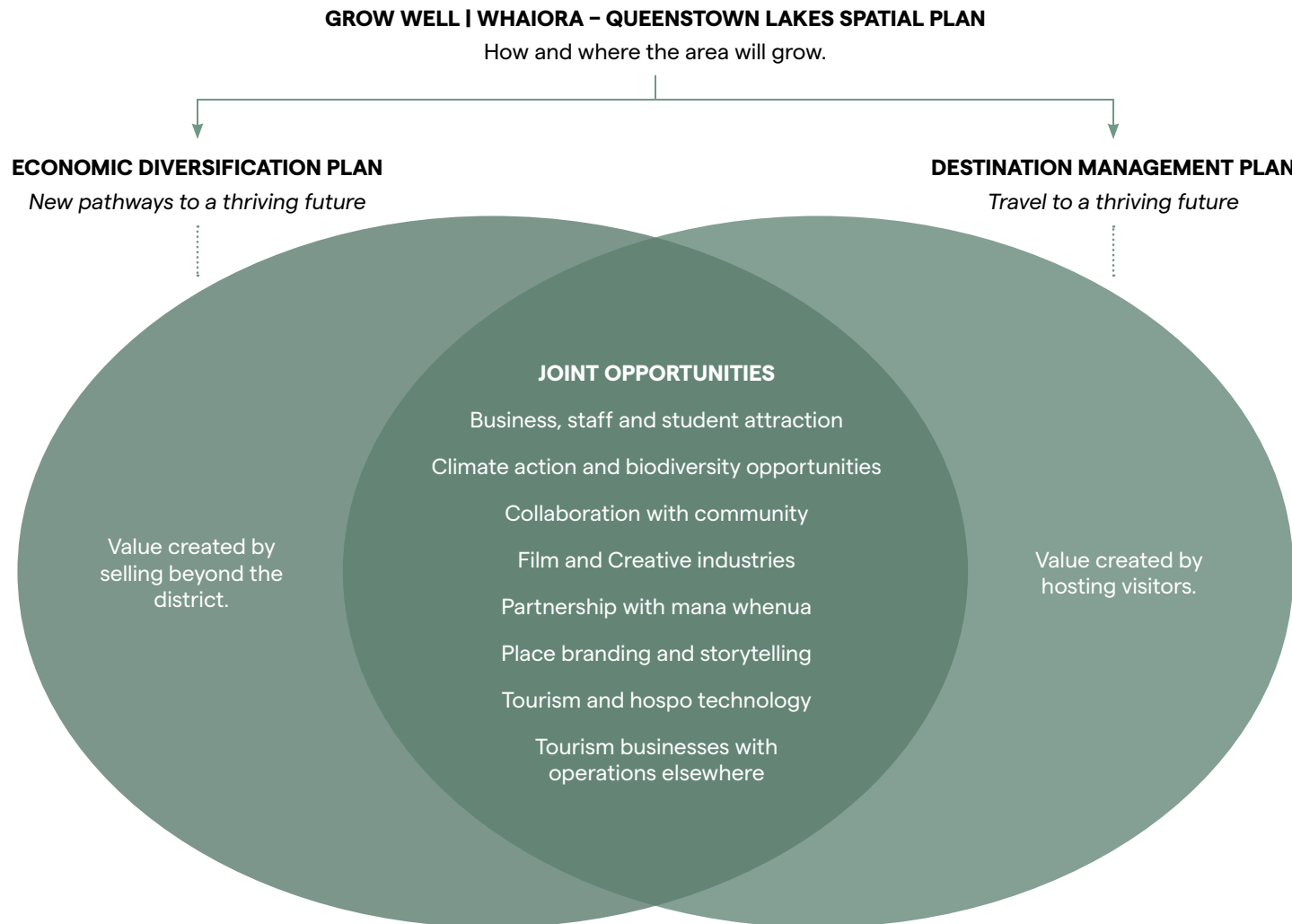
ECONOMIC DEVELOPMENT STRATEGY



ECONOMIC DEVELOPMENT STRATEGY

RAUTAKI WHANAKETAKA OHAOHA

The Economic Diversification Plan and Destination Management Plan will leverage off each other to form the new Economic Development Strategy for the district.







Section 2

Community values and principles

Wāhaka 2: Kā uara me kā mātāpono o te hapori

Kāi Tahu values in Queenstown Lakes District

Kā uara o Kāi Tahu ki Te Rohe o Queenstown Lakes

The Economic Diversification Plan flows directly from the Grow Well Whaiora Spatial Plan, which proposes a vision and framework of how and where this district will grow until 2050. The Spatial Plan seeks to make Kāi Tahu more visible and reflect Kāi Tahu values. It does this by protecting and celebrating cultural values, including sites and areas of wāhi tupuna, and by restoring Kāi Tahu narratives, including within urban areas.

Whakatipu-Wai-Māori, Wānaka and Hāwea are iconic lakes of cultural and statutory significance to Kāi Tahu. The lakes feature in the Waitaha iwi oral tradition and stories of that people's first occupation within Te Wai Pounamu. A number of pā (strongholds), kāika (settlements), nohoaka (camp sites), trails, and villages surrounded the lakes where more than one hundred generations lived. Tapu (sacred) waters have sustained many ecosystems important to Kāi Tahu.

All elements of the natural environment possess a mauri, a life force, and all forms of life are related. The mauri of whenua and wai taoka, lands and waterbodies, represent the essence that binds the physical and spiritual elements of all things together, generating and upholding all life. Mauri is therefore a critical element of the spiritual relationship of Kāi Tahu Whānui with the whenua, waterbodies and resources of the region. Kāi Tahu understand climate change through this paradigm of connectedness and relationship with the environment.

The tupuna (ancestors) had considerable knowledge of whakapapa, the traditional trails, tauraka waka, places for gathering kai and other taoka, and tīkaka for the proper and sustainable utilisation of resources of the area. All of these values remain important to Kāi Tahu today.

RELATED READING

For a more thorough description of the context for Kāi Tahu and significant communities, settlements, and sites across the Queenstown Lakes District, please see:

Appendix 3:
Kāi Tahu context (page 56)



KĀI TAHU VALUES FRAMEWORK

TE AKA O KĀ UARA O KĀI TAHU

The Kāi Tahu values framework informs the decision-making of the Grow Well Whaiora Partnership, the direction of the Spatial Plan, Destination Management Plan, and Economic Diversification Plan. The values and how they are applied to the Economic Diversification Plan are outlined in the following table:

Value	Description	Application
Whanaukataka	Family and community focused	Ensuring consideration of the social implications of decisions to enable community and whānau connections and growth.
Manaakitaka	Hospitality	Demonstrating behaviour that acknowledges others, through the expression of aroha, hospitality, generosity, and mutual respect.
Rakatirataka	Leadership	Ensuring the treaty partnership is recognised to enable mana whenua leadership in decision making processes.
Haere whakamua	Future focused	Adopting a forward looking orientation with future generations in mind.
Tikaka	Appropriate action	Ensuring consideration of the appropriateness of decisions that will have a bearing on social, economic, environmental, and cultural outcomes.
Kaitiakitaka	Stewardship	Enabling the inherited responsibility of mana whenua to support and protect people, the environment, knowledge, culture, language and resources on behalf of future generations.
Mauri	Life force	Recognising the life force in all lands, waters, and the natural environment that stems from time immemorial, requiring a high duty of care for kaitiaki (and others) to maintain an intact and healthy mauri, ensuring that what is gifted from the Atua is not neglected.

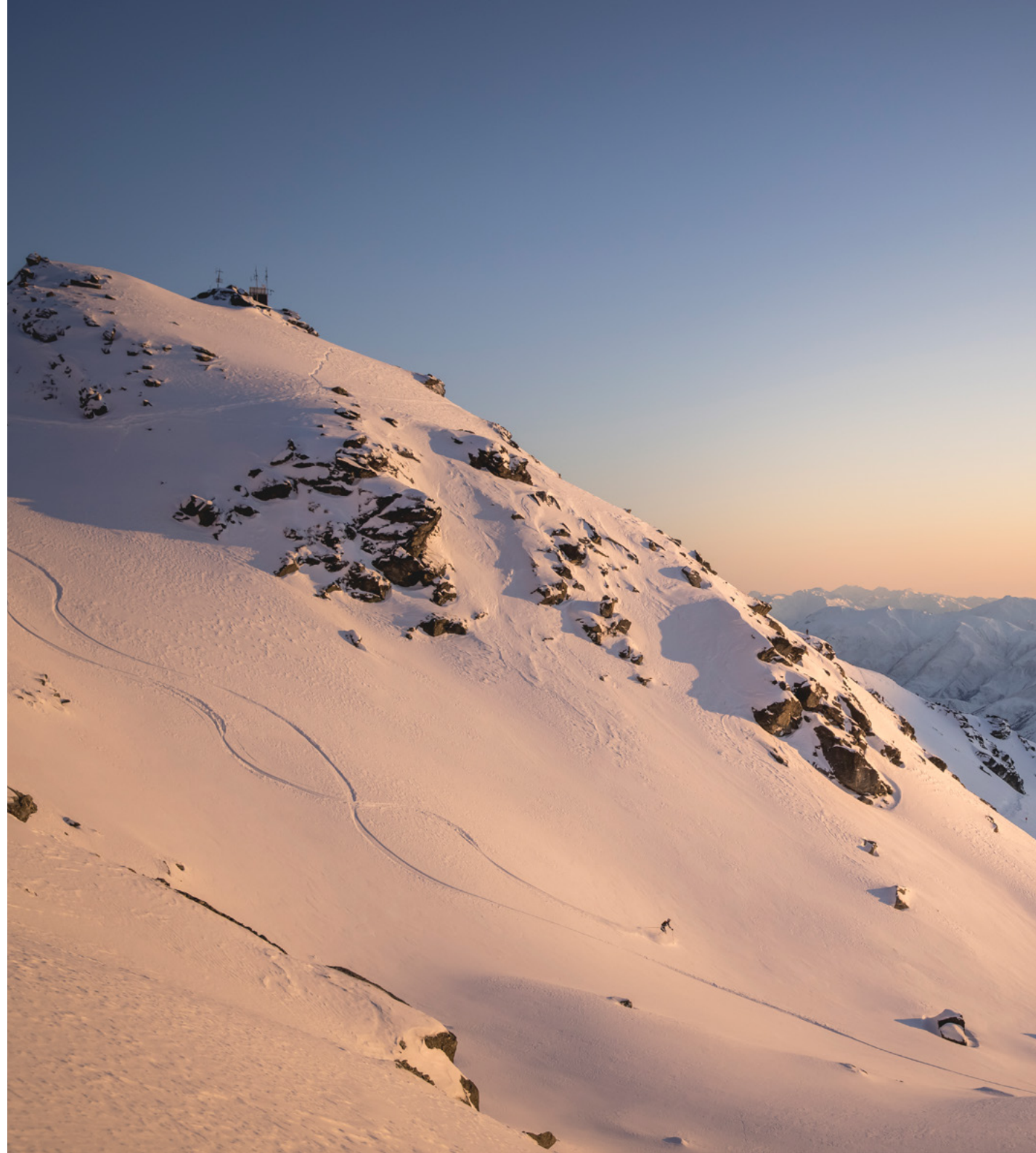
KĀI TAHU OUTCOMES

MĀNAWA KĀI TAHU

The contemporary presence of Kāi Tahu in the Queenstown Lakes centres on wise use, restoration and protection of the natural environment, incorporation of design elements into the physical environment that reflect mātauraka and Kāi Tahu associations, and an active role for Kāi Tahu in development opportunities.

The outcomes (manawa or aspirations) for this plan are:

- › Kāi Tahu whānau can afford to live and work in the district.
- › Economic opportunities provide for Kāi Tahu including through social procurement practice.
- › Mātauranga and Kāi Tahu policy guide development.



Vision, guiding principles and alignment

Te matawhānui, kā mātāpono ārahi me te whakahākaitaka

The vision and guiding principles are a set of agreed-upon behaviours and approaches that are embedded within the plan, its governance and implementation. They help to guide economic diversification decision-making to ensure a consistent and coherent approach.

They were shaped by Kāi Tahu values and feedback from local communities, businesses, and the Economic Diversification Advisory Groups to reflect the wisdom, views and aspirations of the wider community for what the local economy can become.

RELATED READING

To learn more about how this plan was developed with Queenstown Lakes communities, please see:

Appendix 4:
Process (page 58)



VISION
MATAWHĀNUI

“New pathways to a thriving future”

Residents enjoy a wide variety of fulfilling career and income opportunities that allow them, their whānau, community, and environment to flourish. Our diverse economy supports and is supported by a regenerative tourism industry.



GUIDING PRINCIPLES

KĀ MĀTĀPONO ĀRAHI

Inclusion and equity

As well as working for the benefits of productivity growth to be shared, we work to ensure the career and business opportunities that will come from a more diverse economy are accessible. Young people and those wishing to change industries should have the opportunity to build the necessary skills and forge a new future in the district.

Recognising interconnectedness

We foster synergies between people, organisations, industries, and communities to make the most of the resources we have. We acknowledge the interdependence of the whenua and everything in it, with our communities at the centre. We recognise our future is interconnected with neighbouring districts, regions and the nation, and where possible our work creates benefits beyond our borders.

Enabling regeneration

We support activities and organisations that are working toward regeneration to support a just transition. We encourage others to take this approach and create the conditions for a regenerative approach to diversification.

Building trust to foster collaboration

We recognise whanaungataka (kinship, connection) as the essential glue that binds people together. We encourage face-to-face connections and joining the dots between people, organisations and projects within the district and beyond.

Open to change

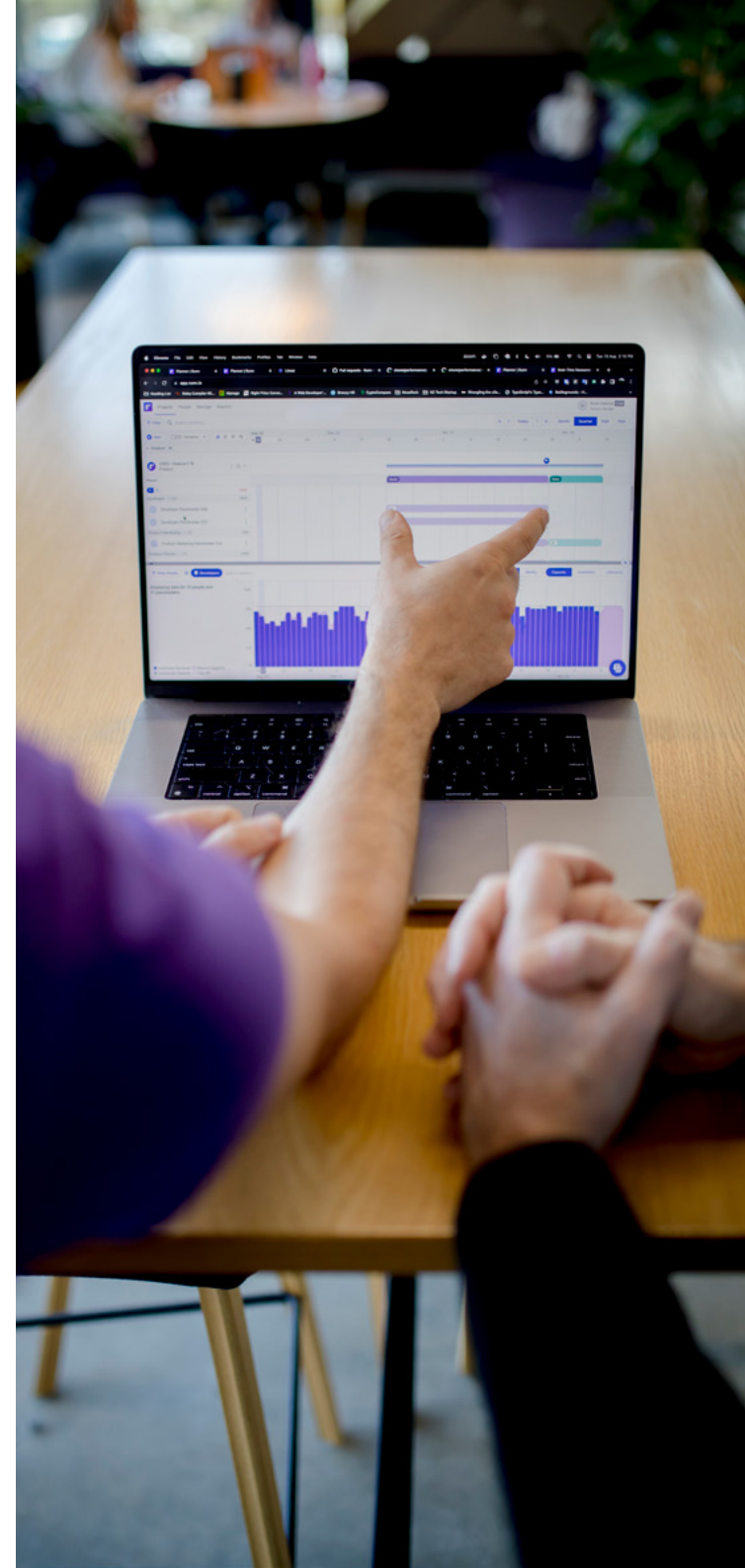
Ka mua, ka muri; we look backwards to learn from the past and plan with prudence for the future. This plan cannot fully capture all the existing opportunities and there will be unanticipated surprises. We will remain open to new people, ideas and investments that contribute to our vision.

Building on insights

We seek out trends, expertise and research that can inform our decisions, and strive to measure the impact of our work.

WONDERING ABOUT THE DIALECT?

The southern Ngāi Tahu dialect replaces 'ng' with 'k'. For example, 'Ngāi Tahu' is written and pronounced 'Kāi Tahu'. The 'k' is generally used through the Economic Diversification Plan.



Section 3

Developing the Economic Diversification Plan

Wāhaka 3: Te Whakawhanake i te Mahere Whakakanorau Ōhaka

Economic Diversification Framework

Te Aka Whakakanorau Ohaoha

A framework was developed to help illustrate what sort of businesses the community needs to foster. This included the conditions these businesses need in order to thrive, how they can be supported, and the boundaries within which the work should operate.

The framework identified two key groups that diversification efforts should encourage and support:

Best-fit businesses

Best-fit businesses are those that most closely align with what the community wants to see from a more diverse economy.

Best-fit businesses will be striving to;

- › Offer high-value, meaningful work, and pathways for locals to upskill and join their organisation.
- › Operate in a low-impact, low-emissions, and regenerative way.
- › Sell beyond the district, to a domestic or export market.
- › Intend to grow a local team.
- › Have low or no dependence on visitor spend.
- › Create high-margin, distinctive goods and/or services.

High-contributing individuals

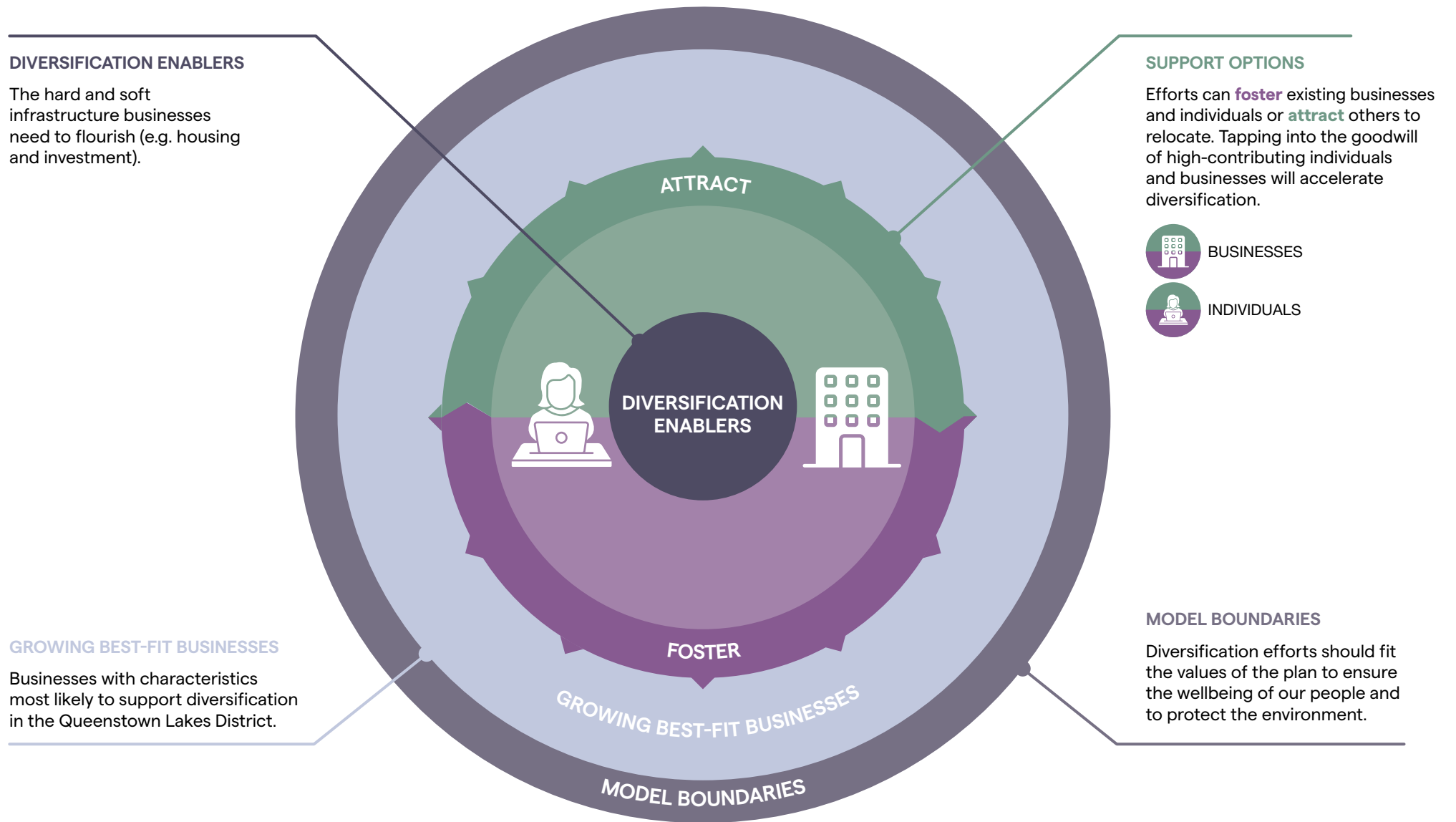
Queenstown Lakes attracts a number of high-net-worth individuals, with some using the district as a holiday or retirement destination, while others are actively involved in the community. High-contributing individuals do not necessarily have a high-net-worth but are willing to share their experience and contacts to help foster a healthier economy. They may be involved with governance of businesses or support organisations, and/or invest in best-fit businesses.

The district already benefits from high-contributing individuals, and they should be celebrated. Others need to be encouraged to consider how their expertise can help to build a stronger and more connected community.

Not all high-contributing individuals will be full-time residents. There are many people who live in the district part-time, or live elsewhere, but have a deep love of place and are willing to help. Similarly, what they offer will not only benefit our district; if people have expertise in an industry that doesn't exist in the district, we can help connect them to other regional and national networks.

THIS BEST-FIT BUSINESSES DEFINITION WILL BE USED TO GUIDE PRIORITISATION AND WHICH NEW OPPORTUNITIES SHOULD BE SUPPORTED.

Economic diversification framework overview







Section 4

Economic Diversification Plan

Wāhaka 4: Te Mahere Whakanorau Ohaoha

Plan on a page

He mahere kei te whārangi

NEW PATHWAYS TO A THRIVING FUTURE

Goal	A resilient and sustainable economy offering a diverse range of career and income opportunities by 2040		
Strategic pillars	PILLAR 1: Best-fit businesses have the infrastructure they need	PILLAR 2: Our hosting expertise supports diversification	PILLAR 3: Grow niche export industries
Objectives	<ul style="list-style-type: none"> › The housing and infrastructure needs of best-fit businesses are met › A strong pool of skilled staff is available › Businesses have the capability and resources to launch, innovate and grow 	<ul style="list-style-type: none"> › Exportable tourism and hospitality products and services grow › The value of creative industries rises › Training and education options increase 	<ul style="list-style-type: none"> › The potential for niche opportunities is understood › Businesses within the niche grow › New businesses are attracted because of the strength of the niche
Projects	<p>1.1: Future-Focussed Infrastructure</p> <p>1.2: Build Diverse Skills</p> <p>1.3: Innovate and Grow</p>	<p>2.1: Lifetime Value of the Visitor</p> <p>2.2: Exportable Tourism</p> <p>2.3: Film and Creative Industries</p> <p>2.4: Learn Queenstown Lakes</p>	<p>3.1: Technology</p> <p>3.2: Outdoor Products</p> <p>3.3: Environmental Enterprise</p> <p>3.4: Food and Beverage</p>
Key enabler	World of Connections – globally connected, locally collaborative		
Foundations for success	Set the systems in place to realise the vision		
	<p>Objectives</p> <ul style="list-style-type: none"> › Establish prioritisation, reporting, and accountability › Work alongside Māori to support diversification › Align brand and marketing activities with diversification and regenerative tourism goals › Secure resources and build capacity to enable plan delivery 	<p>Projects</p> <p>F.1: Collaboration and Oversight</p> <p>F.2: Support Māori Economic Diversification</p> <p>F.3: Update Queenstown Lakes Brand and Marketing Strategies</p> <p>F.4: Resources and Capacity</p>	

PILLAR 1

Best-fit businesses have the infrastructure they need

Whakarite kei ngā pakihitino hākaitē tūāhanga e hiahia ana rātou

Currently there are hard and soft infrastructure needs for businesses that constrain their ability to grow or move here. These include commercial facilities, energy supply, suitable housing, and limited access to skilled staff, local investors and supplier networks.

Improving availability of required infrastructure is an essential step in moving away from being reliant on entrepreneurs' love of place to building compelling logic of place. This will convince boards and investors to base businesses in the district. The pace at which these enablers improve will be a key factor in the speed and scale that diversification can occur.

OBJECTIVES

- › The housing and infrastructure needs of best-fit businesses are met
- › A strong pool of skilled staff is available
- › Businesses have the capability and resources to launch, innovate and grow

PILLAR 1 PROJECTS

Project 1.1: Future-Focussed Infrastructure

Project 1.2: Build Diverse Skills

Project 1.3: Innovate and Grow

PILLAR 1: ENSURE BEST-FIT BUSINESSES HAVE THE INFRASTRUCTURE THEY NEED

PROJECT 1.1: FUTURE-FOCUSSED INFRASTRUCTURE

OBJECTIVE:

The housing and infrastructure needs of best-fit businesses are met.

DESCRIPTION:

Ensure the needs of best-fit businesses are understood and prioritised.

ACTIVITIES:

1. Gain an understanding of the infrastructure expectations for best-fit businesses and factor these into long-term spatial planning.
2. Advocate for housing, transport and climate resilience investments that meet the needs of a diverse workforce.
3. Encourage provision, uptake, and expansion of infrastructure, including commercial real estate, shared workspaces and digital connectivity that meets the needs of niche industries.
4. Continue to work with community groups, energy retailers, generators, distributors, and transmission providers to coordinate the delivery of sufficient energy capacity and resilience in an affordable way.

PROJECT 1.2: BUILD DIVERSE SKILLS

OBJECTIVE:

A strong pool of skilled staff is available.

DESCRIPTION:

Increase awareness of opportunities to train for, and work in a diverse range of industries.

ACTIVITIES:

1. Develop and promote training opportunities that boost the capability of the existing workforce.
2. Promote training and early career options that enable diversification opportunities for rakatahi, local students and regional graduates.
3. Work with industry and HR professionals to promote professional opportunities within Queenstown Lakes.

PROJECT 1.3: INNOVATE AND GROW

OBJECTIVE:

Businesses have the capability and resources to launch, innovate and grow.

DESCRIPTION:

Build local intellectual property (IP) and assist best-fit businesses to successfully launch, grow and deliver economic and social outcomes for the district.

ACTIVITIES:

1. Adopt a key account management approach of quarterly engagement with key businesses in each of the identified niche industries.
2. Foster collaboration between organisations and across industries to optimise the effectiveness of business and industry support.
3. Help founders validate their solutions and successfully launch businesses to markets beyond the district.
4. Support businesses to become investment-ready and grow the existing network of investors, locally and regionally, who are willing to invest and help scale up businesses.
5. Support businesses to adopt ways of working that create regenerative outcomes.
6. Attract academic and commercial research and development to help overcome barriers and validate opportunities. Build a culture of early adoption for emerging technologies.

PILLAR 2

Our hosting expertise supports diversification

Kei te tautoko tō mātou mōhiotaka manaaki i te whakawhānuitaka

The appeal of the district as a place to visit supports industries such as tourism, hospitality, film and education.

The growth in these industries has honed our ability to host people from around the world, and this strength offers opportunities to diversify. These include tourism businesses expanding beyond the district, companies developing exportable tech solutions for hospitality, and the potential to attract events and training opportunities that support niche industries.

The ongoing innovation within the tourism sector, reinforced by strong leadership, is set to pave the way for new opportunities.

OBJECTIVES

- › The economic value of tourists beyond their in-country spend is enhanced
- › Exportable tourism and hospitality products and services grow
- › The value of creative industries rises
- › Training and education options increase

PILLAR 2 PROJECTS

Project 2.1: Lifetime Value of the Visitor

Project 2.2: Exportable Tourism

Project 2.3: Film and Creative Industries

Project 2.4: Learn Queenstown Lakes

PILLAR 2: OUR HOSTING EXPERTISE SUPPORTS DIVERSIFICATION

PROJECT 2.1: LIFETIME VALUE OF THE VISITOR

OBJECTIVE:

The economic value of tourists beyond their in-country spend is enhanced.

DESCRIPTION:

Visitors have more opportunities to buy New Zealand products once they return home. Those interested in a longer-term relationship with New Zealand have the information they require to do so.

ACTIVITIES:

1. Highlight the existing visitor awareness of, and interest in, other opportunities to engage with New Zealand beyond tourism experiences.
2. Learn from wine and other export industries currently making post-visit sales to tourists and share these lessons with exporters.
3. Further develop marketing and distribution channels that connect visitors and exporters, to leverage off the brand loyalty people have for Queenstown Lakes and New Zealand
4. Promote long-term relationship opportunities (e.g. investment, study, skilled migration) through targeted campaigns to visitors.

PROJECT 2.2: EXPORTABLE TOURISM

OBJECTIVE:

Exportable tourism and hospitality products and services grow.

DESCRIPTION:

Encourage the export of tourism experiences and technology solutions.

ACTIVITIES:

1. Support local tourism operators interested in offering their experience and/or related products beyond the district.
2. Foster tech companies that provide solutions for tourism and hospitality by supporting existing companies and attracting other tech companies supplying these industries.
3. Promote uptake of technology to tourism and hospitality businesses to build a reputation of the district being a testbed for new solutions.

PROJECT 2.3: FILM AND CREATIVE INDUSTRIES

OBJECTIVE:

The value of creative industries rises.

DESCRIPTION:

Film productions and other creative industry opportunities grow across the district, with local capability and content being promoted.

ACTIVITIES:

1. Promote and grow the capabilities of the local film industry, including workforce and infrastructure development projects.
2. Maintain a film-friendly environment through fit-for-purpose policies, processes and regulations.
3. Encourage and support the creation of more local content and IP that leverages the district's strengths.
4. Support creative businesses and groups that meet the best-fit business criteria.

PILLAR 2: OUR HOSTING EXPERTISE SUPPORTS DIVERSIFICATION

PROJECT 2.4: LEARN QUEENSTOWN LAKES

OBJECTIVE:

Training and education options increase.

DESCRIPTION:

Develop and expand training to increase the number of graduates and opportunities for best-fit businesses to upskill their staff.

ACTIVITIES:

1. Support new and existing education and training providers to increase training relevant to diversification.
2. Host professional development events on topics relevant to niche businesses identified in this plan.
3. Encourage training providers to explore options to create revenue streams that do not rely on students being hosted in the district.



PILLAR 3

Grow niche export industries

*Whakatipu i ngā ahumahi
whāiti hoko whakawaho*

To create diversification at scale there is a need to identify potential niche industries that could build critical mass, while offering career options and new business opportunities.

Niches often grow from the strengths of the place and passions of the people. For our district these include the passion for outdoor adventures, food, the environment, and the power of technology.

At present, the existing niche industries are small and there is no guarantee all will scale up – there needs to be enough business leaders in the industry eager to grow their business and some common ground they are willing to collaborate on.

OBJECTIVES

- › The potential for niche opportunities is understood
- › Businesses within the niche grow
- › New businesses are attracted because of the strength of the niche

PILLAR 3 PROJECTS

Project 3.1: Technology

Project 3.2: Outdoor Economy

Project 3.3: Environmental Enterprise

Project 3.4: Food and Beverage

PILLAR 3: GROW NICHE EXPORT INDUSTRIES

PROJECT 3.1: TECHNOLOGY

OBJECTIVES:

Businesses within the niche grow.

New businesses are attracted because of the strength of the niche.

DESCRIPTION:

Support strategic initiatives to grow the technology industry and foster collaboration among the organisations that will play a role in delivery.

ACTIVITIES:

1. Support the development of a Technology Queenstown portal and other resources to help attract, retain, and grow tech companies.
2. Encourage a balanced portfolio of tech startups, scale-ups, established local businesses, and businesses new to the district, alongside the support services they require, such as education.

PROJECT 3.2: OUTDOOR ECONOMY

OBJECTIVES:

Businesses within the niche grow.

New businesses are attracted because of the strength of the niche.

DESCRIPTION:

Leverage off the passion for the outdoors by scaling up businesses that create outdoor products and services.

ACTIVITIES:

1. Explore the expertise and capabilities that currently exist within this niche and facilitate key business leader collaboration.
2. Promote the district's capability to support design and prototyping to national and international outdoor brands.

PROJECT 3.3: ENVIRONMENTAL ENTERPRISE

OBJECTIVE:

The potential for niche opportunities is understood.

DESCRIPTION:

Support local experts and within the conservation, biodiversity, carbon reduction and renewable energy sectors to create sustainable income streams.

ACTIVITIES:

1. Create an environmental enterprise network so opportunities to create income streams independent of public funding are maximised
2. Support groups to create sustainable business models.
3. Encourage businesses and organisations within environmental sectors to base activities, research, and staff in the district.

PILLAR 3: GROW NICHE EXPORT INDUSTRIES

PROJECT 3.4: FOOD AND BEVERAGE

OBJECTIVES:

The potential for niche opportunities is understood.

DESCRIPTION:

Understand the scale and potential to grow a food and beverage niche industry.

ACTIVITIES:

1. Explore the expertise and capabilities that exist within this niche and the potential to create an export niche.
2. Identify the barriers to growth for this niche and what support is needed to overcome these.



KEY ENABLER

World of Connections *He Ao Tūhonohono*

Globally connected, locally collaborative

Queenstown Lakes has a concentration of people with extensive business, governance, and investment experience that is unmatched across New Zealand. This talent pool includes long-term locals, newcomers, and visitors interested in finding reasons to spend more time here. Many are both hyper-local and hyper-global – they have a deep passion for the district, and have strong international experience, expertise and networks.

The varied talents of our people combined with their passion for the district is our diversification superpower.

While many people find local networks and ways to contribute now, there are opportunities for this to be more coordinated. World of Connections will help unleash the underutilised talents of locals, newcomers, and visitors alike. It will support and enable people to become high-contributing by offering opportunities to use their talents in ways that make our district, and our nation, a better place. Being more globally connected and locally collaborative will support and enable all diversification projects.

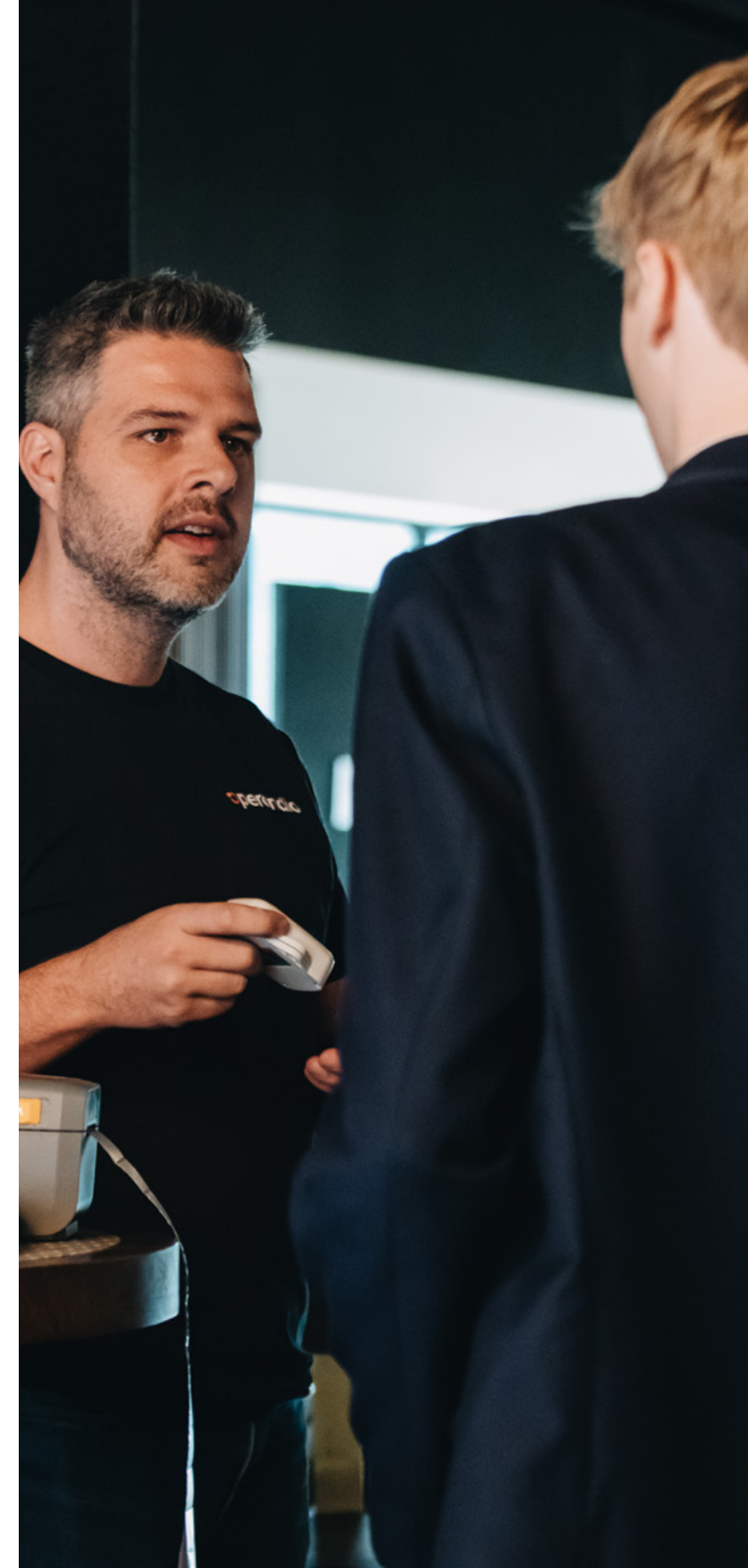


Connecting people with diverse talents more deliberately will result in benefits such as mentoring for young people and start-up founders. Contacts and insights will be available to entrepreneurs focussed on exporting, while also matching businesses seeking investment with suitable investors. World of Connections will inspire those building their careers by helping them to see a future for themselves in the district. These benefits will also help attract and retain key staff as they are able to connect with a network of their peers.

As well as connecting individuals, it is essential that the variety of local organisations supporting diversification work together. While fostering connections among individuals, World of Connections will also support organisations to collaborate on diversification and destination management projects.

ACTIVITIES:

- › Encourage cross-organisation collaboration to ensure people interested in contributing locally are welcomed into a connected network.
- › Develop systems to promote the variety of ways people can support local businesses and organisations for mutual benefit (e.g. funding, insights, and contacts).
- › Develop processes to ensure organisations that meet high contributing individuals can easily connect these individuals with those who will benefit from their expertise.
- › Develop cross-cultural understanding – as business cultures are shared, all have opportunities to learn from and gain respect for te ao Māori.
- › Share the expertise of those who live in and move through our district with businesses elsewhere. It is inevitable that the experience of some high-contributing individuals won't be relevant to local industries but will be invaluable to a business elsewhere in New Zealand.
- › Promote the opportunity for private and public sector organisations (e.g. venture capital firms, NZ Trade and Enterprise) to build a local base so they can connect directly with international businesspeople and investors that live in and visit the district.



FOUNDATIONS FOR SUCCESS

Set the systems in place to realise the vision

Whakatūria kā pūnaha hei whakatinana i te moemoeā

This pillar addresses foundational work to enable the other three strategic pillars. There will be future diversification opportunities and challenges that can't be anticipated in this plan, but with the overarching approach in place the community will be able to respond proactively.

Agreed values and strong operational foundations also cultivate a sense of shared responsibility. This reduces the reliance on one organisation or individual, promotes a collective approach, and builds trust locally and nationally.

With multiple organisations involved in diversification, there is a risk that each has its own agenda and advocates for resources separately. These foundations for success will help define roles, encourage synergies, and work towards having one voice within and beyond the district.

OBJECTIVES

- › Establish prioritisation, reporting, and accountability
- › Work alongside Māori to support diversification
- › Align brand and marketing activities with diversification and regenerative tourism goals
- › Secure resources and build capacity to enable plan delivery

FOUNDATIONAL PROJECTS

Project F.1: Collaboration and Oversight

Project F.2: Support Māori Economic Diversification

Project F.3: Update Queenstown Lakes Brand and Marketing Strategies

Project F.4: Resources and Capacity

FOUNDATIONAL PROJECT F.1: COLLABORATION AND OVERSIGHT

OBJECTIVE:

Establish prioritisation, reporting, and accountability.

DESCRIPTION:

Progress implementation of the plan.

ACTIVITIES:

1. Continue to develop and expand partnerships with key diversification organisations, with clearly defined roles, responsibilities, and accountability.
2. Develop scope and terms of reference for the creation of an independent Queenstown Lakes Economic Diversification Reference Group.
3. Create a three-year action plan to progress projects that are already underway and prioritisation of new projects.
4. Define key metrics to monitor progress alongside the development of a reporting cycle.

FOUNDATIONAL PROJECT F.2: SUPPORT MĀORI ECONOMIC DIVERSIFICATION

OBJECTIVE:

Work alongside Māori to support diversification.

DESCRIPTION:

Develop frameworks and ways to support best-fit Māori businesses.

ACTIVITIES:

1. Resolve how Kāi Tahu values and outcomes can be woven into existing and new projects.
2. Explore how the procurement processes of large organisations could better support Kāi Tahu and Māori-owned business aspirations.
3. Support KUMA, the pan-iwi Southern Māori Business Network.

FOUNDATIONAL PROJECT F.3: UPDATE QUEENSTOWN LAKES BRAND AND MARKETING STRATEGIES

OBJECTIVE:

Align brand and marketing activities with diversification and regenerative tourism goals.

DESCRIPTION:

Adapt and update brand strategy and marketing plans to align with the intention and outcomes of the diversification and regenerative tourism plans.

ACTIVITIES:

1. Build an understanding of entrepreneur and key staff interests, behaviours and values to inform marketing activity.
2. Align brand strategy to regenerative tourism and economic diversification.

FOUNDATIONS FOR SUCCESS: SET THE SYSTEMS IN PLACE TO REALISE THE VISION

FOUNDATIONAL PROJECT F.4: RESOURCES AND CAPACITY

OBJECTIVE:

Secure resources and build capacity to enable plan delivery.

DESCRIPTION:

Ensure QLDC's Economic Futures team has capacity to support implementation of the Economic Diversification Plan.

ACTIVITIES:

1. Identify the capability and capacity needed to coordinate delivery of the plan.
2. Seek sufficient resources to ensure delivery of the plan is well-coordinated and has a range of funding sources.
3. Identify potential projects that support delivery of local and national strategies and make the case for co-investment.
4. Explore the potential to create longer-term funding streams, including options for a social enterprise that could generate returns to support diversification.





Credit: One Lane Bridge – Great Southern Television



Section 5

Appendices

Wāhaka 5: Kā āpitihaka

APPENDIX 1: DEFINING KEY TERMS

Āpitihaka 1: Te tautuhi kuputaka matua

This section defines key terms that are important for understanding how the plan works:

- › Destination management
- › Economic sustainability
- › Gross domestic product
- › Lifetime value of the visitor
- › Niche industry
- › Outdoor products
- › Productivity
- › Regenerative tourism

DESTINATION MANAGEMENT

Destination management brings together different partners to achieve the common goal of developing a well-managed, sustainable visitor destination. It is an ongoing process that requires destinations to plan for the future and consider the social, economic, cultural and environmental risks and opportunities. The Destination Management Plan for Queenstown Lakes District can be viewed at www.queenstownnz.co.nz/regenerative-tourism-2030/.

ECONOMIC SUSTAINABILITY

Economic sustainability is a broad set of decision-making principles and business practices aimed at achieving economic growth without employing harmful environmental trade-offs. Practices can focus on reducing the depletion of the natural environment or finding ways to reduce waste, limit carbon emissions, and utilise solar energy. Sustainable development creates systems that consume natural resources slowly enough that future generations can also use those resources.

GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) is the total monetary or market value of all goods and services produced in a specific time period. As a macroeconomic indicator of economic production, GDP is not a measure of overall wellbeing, or a comprehensive measure of material wellbeing. However, GDP can be used as an indicator of the size and value of different industries and locations. GDP per worker (full time equivalent) is used to calculate the productivity of industries.

LIFETIME VALUE OF THE VISITOR

Traditionally the economic value of a visitor is measured by their spend while they are in the area. The lifetime value of the visitor research suggests there is potential to deliberately build relationships with visitors while they are here that would create long-term value far beyond their holiday spend. This could be visitors buying more New Zealand products on their return home, or contributing in other ways such as studying, migrating, investing or doing business.

NICHE INDUSTRY

A niche industry is one where a number of businesses specialise in a particular area of expertise or market. By building deep experience in one area, this creates a strategic advantage and the potential for higher margins and export opportunities.

Cluster development is one approach to how niche industries can grow. It aims to build 'coopetition', where businesses that might appear to compete can cooperate to solve common problems.

OUTDOOR ECONOMY

The outdoor economy refers to products and services allied to outdoor recreation and businesses. Currently, the district hosts outdoor brands testing new equipment, athletes using the district as a training base, and provides work for photographers and videographers creating promotional materials.

There are examples of these activities and expertise sparking local design, prototyping, marketing and small-scale manufacturing opportunities, as well as creating exportable intellectual property (IP).

PRODUCTIVITY

Productivity is not a measure of how hard people work but of the economic value added by each employee. This is influenced by industry cost structures, availability of technology, and the size of the business. Higher productivity offers employers margin they can reinvest into their people, or capital reinvestment, e.g. into technology that streamlines business processes.

REGENERATIVE TOURISM

Regenerative tourism has a net-positive impact on the environment, society, culture, and the economy, aiming to create a more just, vibrant, and sustainable world. While sustainable tourism seeks to reduce travel's potential harms, regenerative tourism takes a wider view, avoiding extractive economic models. It recognises that the visitor economy is part of an interconnected system. Therefore, regenerative tourism gives back more than it takes and helps improve wellbeing.



APPENDIX 2: NICHE INDUSTRY ANALYSIS

Āpiti haka 2: Te tātaritaka ahumahi aronga whāiti

MAPPING CONCENTRATION AND GROWTH

To help identify new niche industries that could support diversification, an analysis of economic data was carried out.

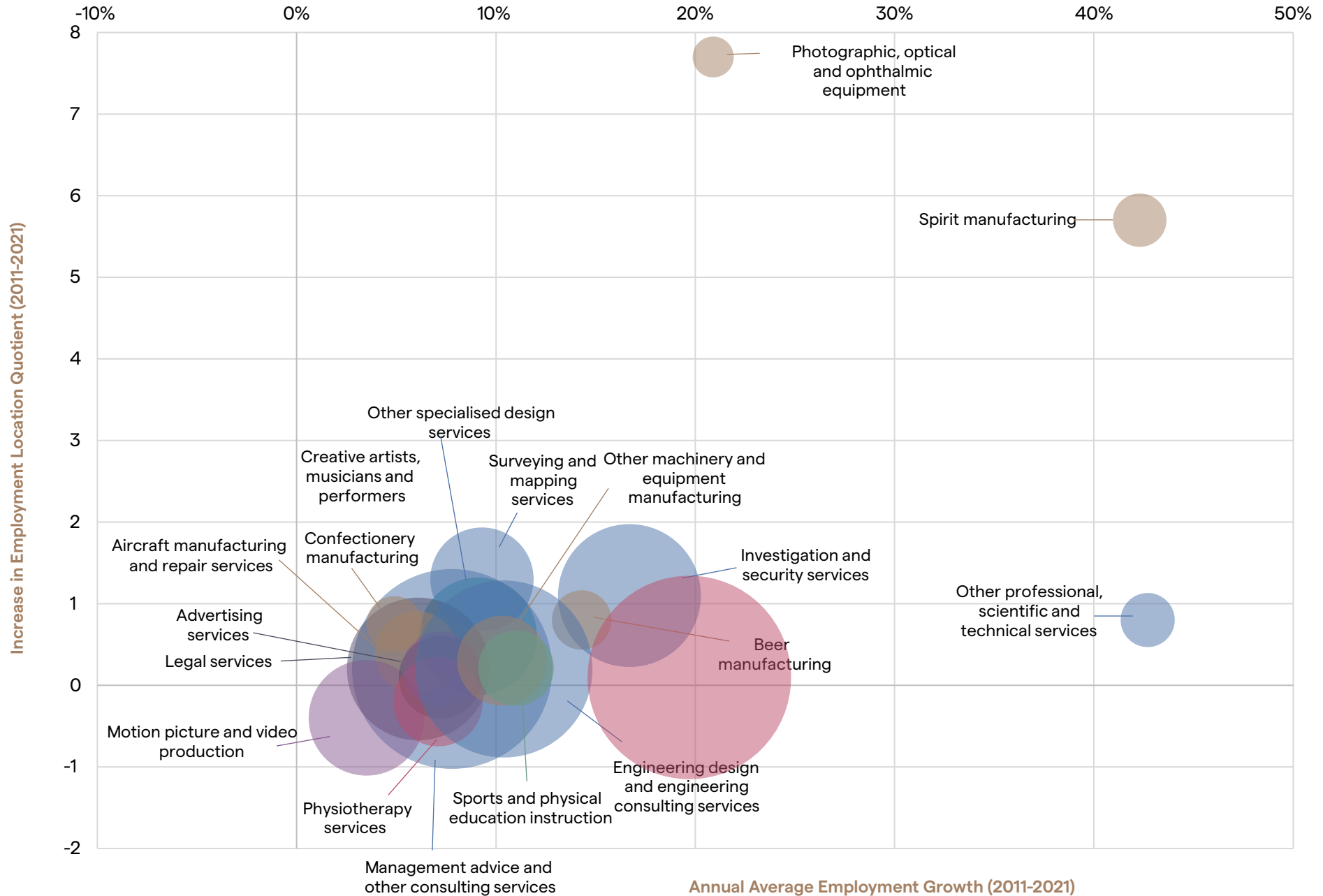
While some niche industries emerge in unexpected places, many evolve alongside dominant industries. Businesses that supply solutions to the dominant industry build expertise that they can sell nationally and internationally. Local examples of this include software for the hospitality and tourism industries and specialist outdoor camera equipment.

To assess current and emerging strengths in the district, data was measured across many industries. Industries that were more concentrated than the national average (employment location quotient) and where employment had grown (average employment growth) were identified.

The graph on the following page shows potential high-performing niches, based on changes in concentration relative to value and employment growth. Direct tourism, construction and public sector-related subsectors were not included, as these industries are firmly established in the district and not the focus for identifying new niche industries.



Concentration and growth of niche industries



Source: MartinJenkins analysis of Infometrics data

The results suggested several niches with good potential:

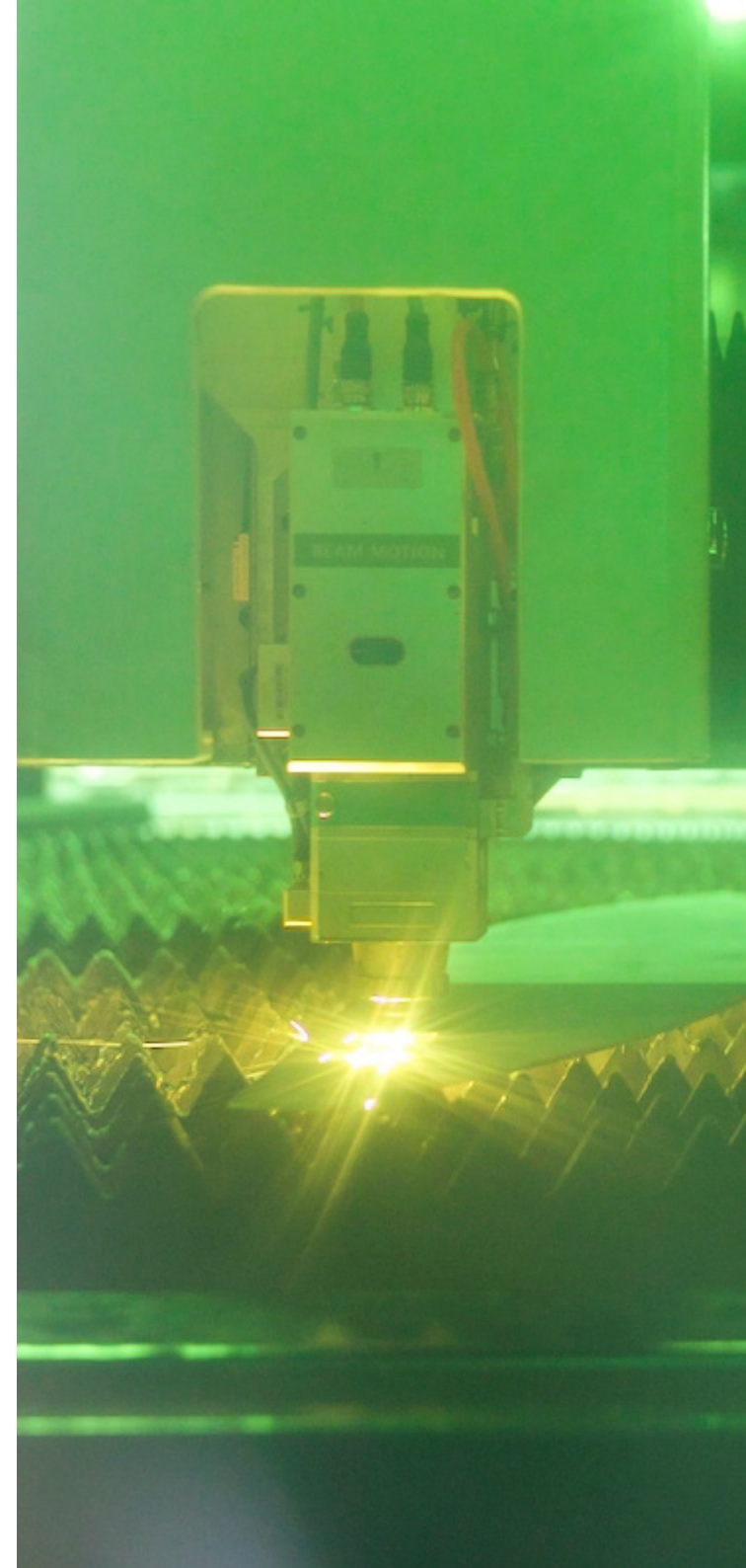
- › Professional and technical services: including investigation and security services, specialised design services, surveying and mapping services, engineering design and consulting, management advice and consulting, legal services, and advertising services. Overall, this sector has been a strong (estimated) export performer.
- › Specialist equipment manufacturing: including photographic, optical and ophthalmic equipment manufacturing, aircraft manufacturing and repair, and other machinery and equipment manufacturing. Machinery and equipment have had strong export performance.
- › Film and screen: including motion picture and video production, and creative artists and performers. Information media has been a strong export performer.
- › Food and beverage: including spirit and beer manufacturing, and confectionery manufacturing; the wine industry is concentrated in the area but has not been growing. Beverage products have had strong export performance.
- › Health: including physiotherapy services and potentially other allied health services.
- › Education: including sports and physical recreation instruction; vocational and higher vocational education subsectors have not been growing.

This trend assessment did not highlight areas that have recently emerged or are being developed, such as parts of the technology sector. Sectors that were heavily impacted by Covid-19, such as technical and vocational education, were not considered either.

Further analysis was then carried out for the following industry groups:

- › Advanced manufacturing, design and engineering: incorporating specialised manufacturing and design subsectors.
- › Food and beverage manufacturing: including growing, farming, processing, and manufacturing subsectors.
- › Sectors relevant to environmental services: these were identified by stakeholders and the advisory group.

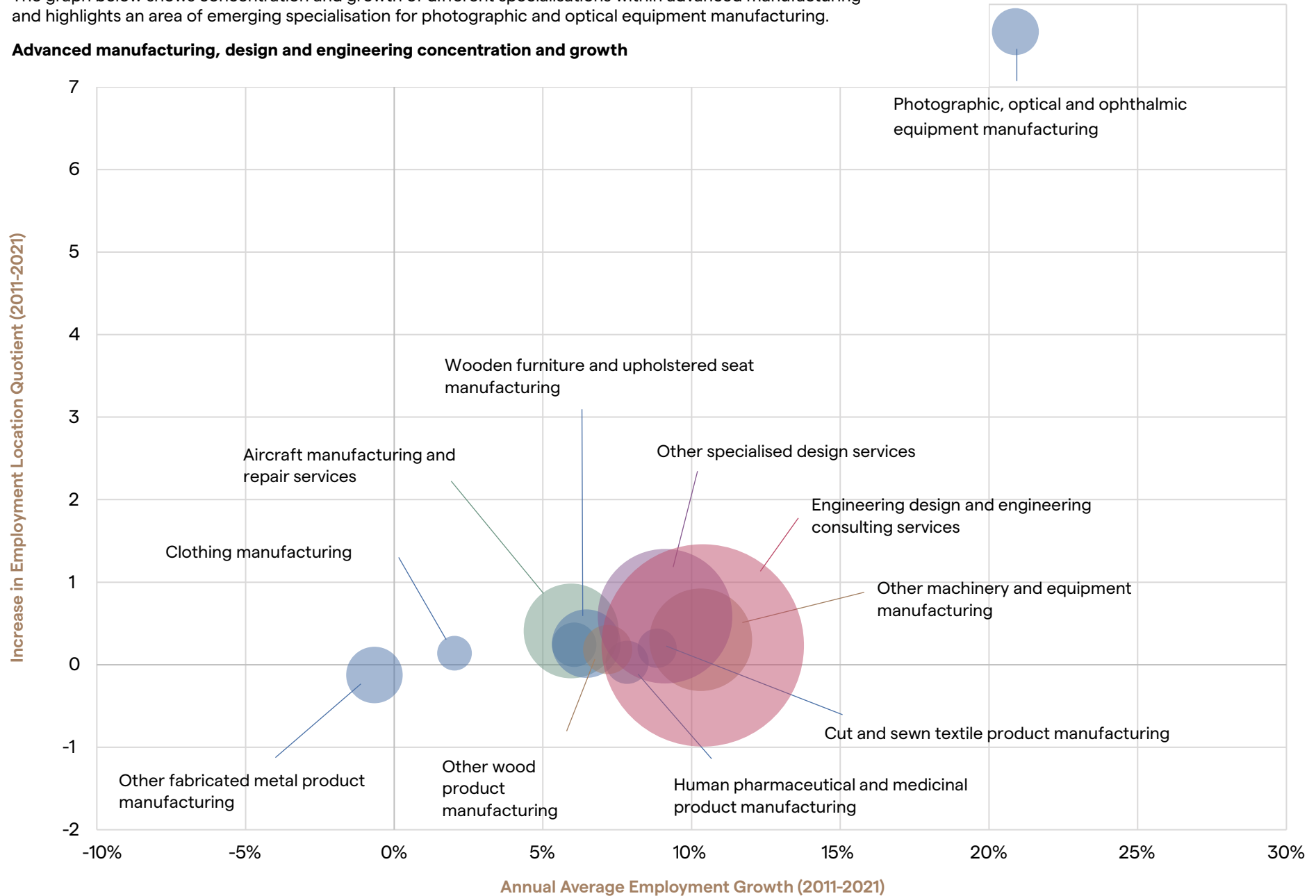
Additional analysis of the technology sector was not undertaken, due to the Technology Queenstown work already underway.



ADVANCED MANUFACTURING, DESIGN AND ENGINEERING

The graph below shows concentration and growth of different specialisations within advanced manufacturing and highlights an area of emerging specialisation for photographic and optical equipment manufacturing.

Advanced manufacturing, design and engineering concentration and growth



Source: MartinJenkins analysis of Infometrics data

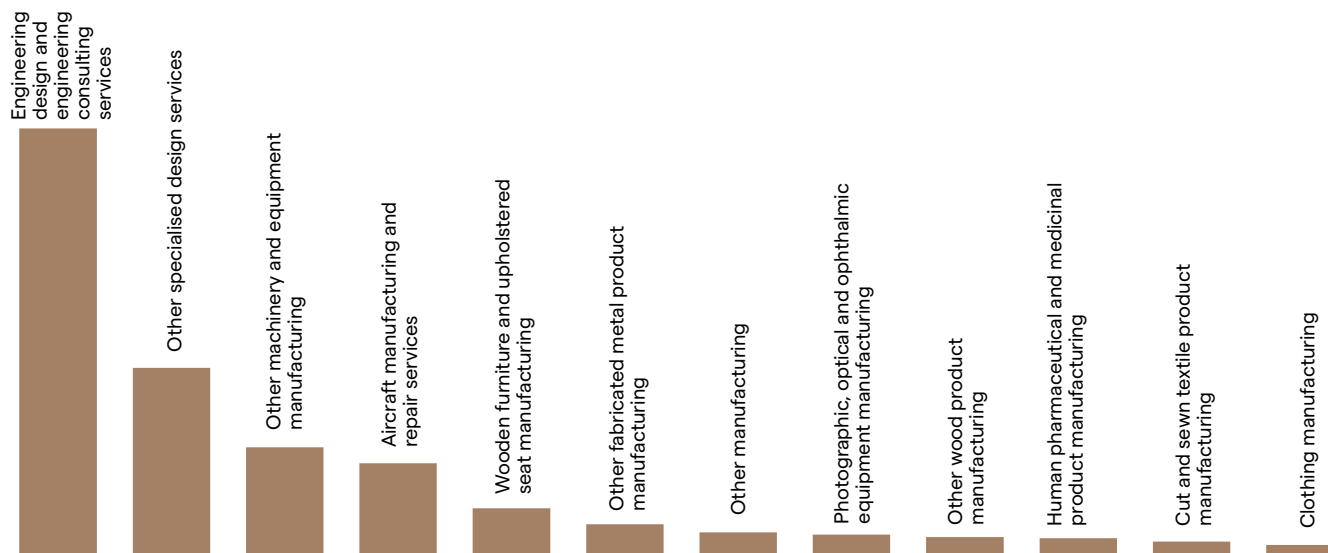
The table below shows that while this sector only accounts for 3.4% of total employment and 3% of GDP, it has grown at a faster rate than the local economy. It also makes a positive contribution to export performance, which has declined for the district overall.

Advanced manufacturing, design and engineering performance

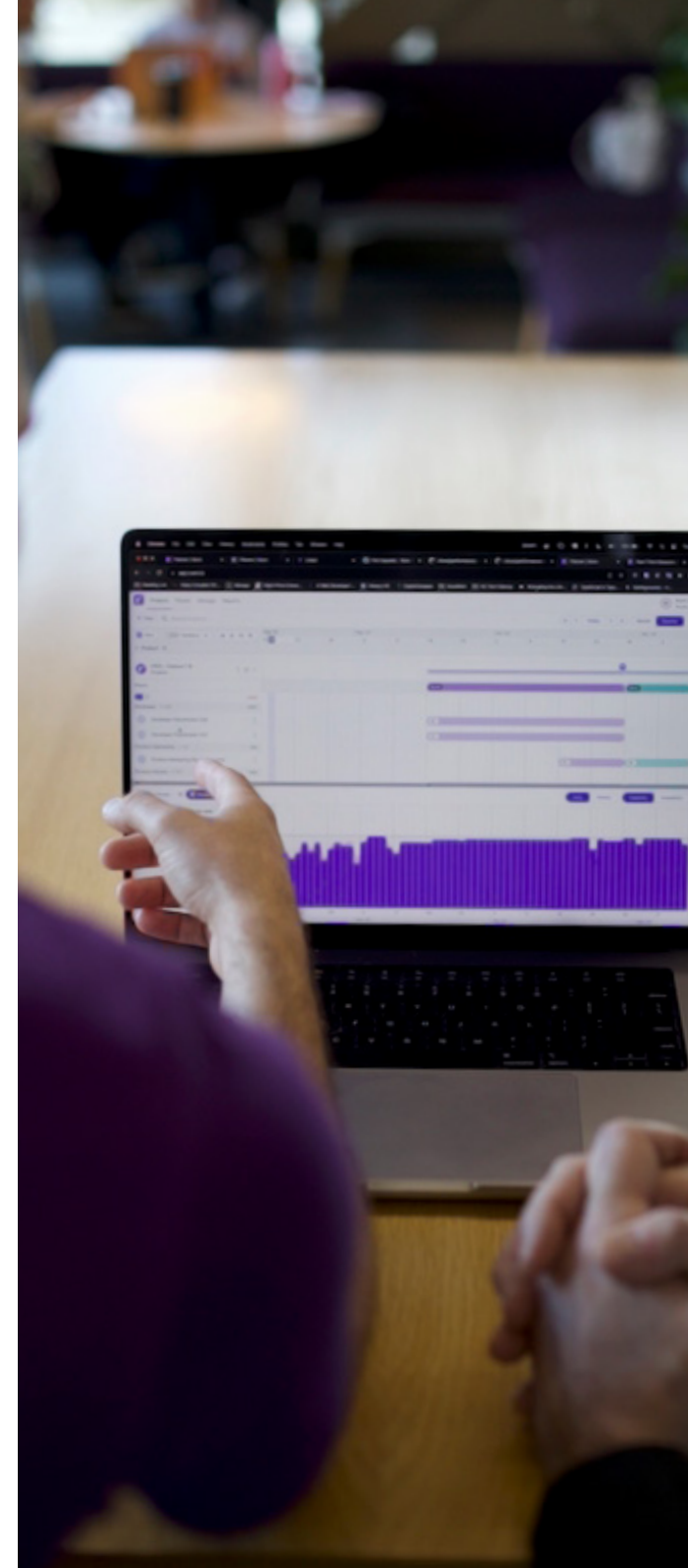
	Advanced manufacturing (Queenstown Lakes)	All industries (Queenstown Lakes)	Advanced manufacturing (NZ)
GDP (2021)	\$98m	\$3.17b	\$20.2b
GDP growth (10 yrs)	9.1%	5.0%	1.7%
Employment (2021)	978 (3.4%)	28,822	152,840
Employment growth (10 yrs)	7.9%	4.4%	1.1%
Exports (2021)	\$14m (4.4%)	\$321m	\$7.9b
Export growth (10 yrs)	1.6%	-10.4%	-2.0%

The graph below shows that there are a variety of employment opportunities that come from the district's advanced manufacturing sector.

Advanced manufacturing, design and engineering employment



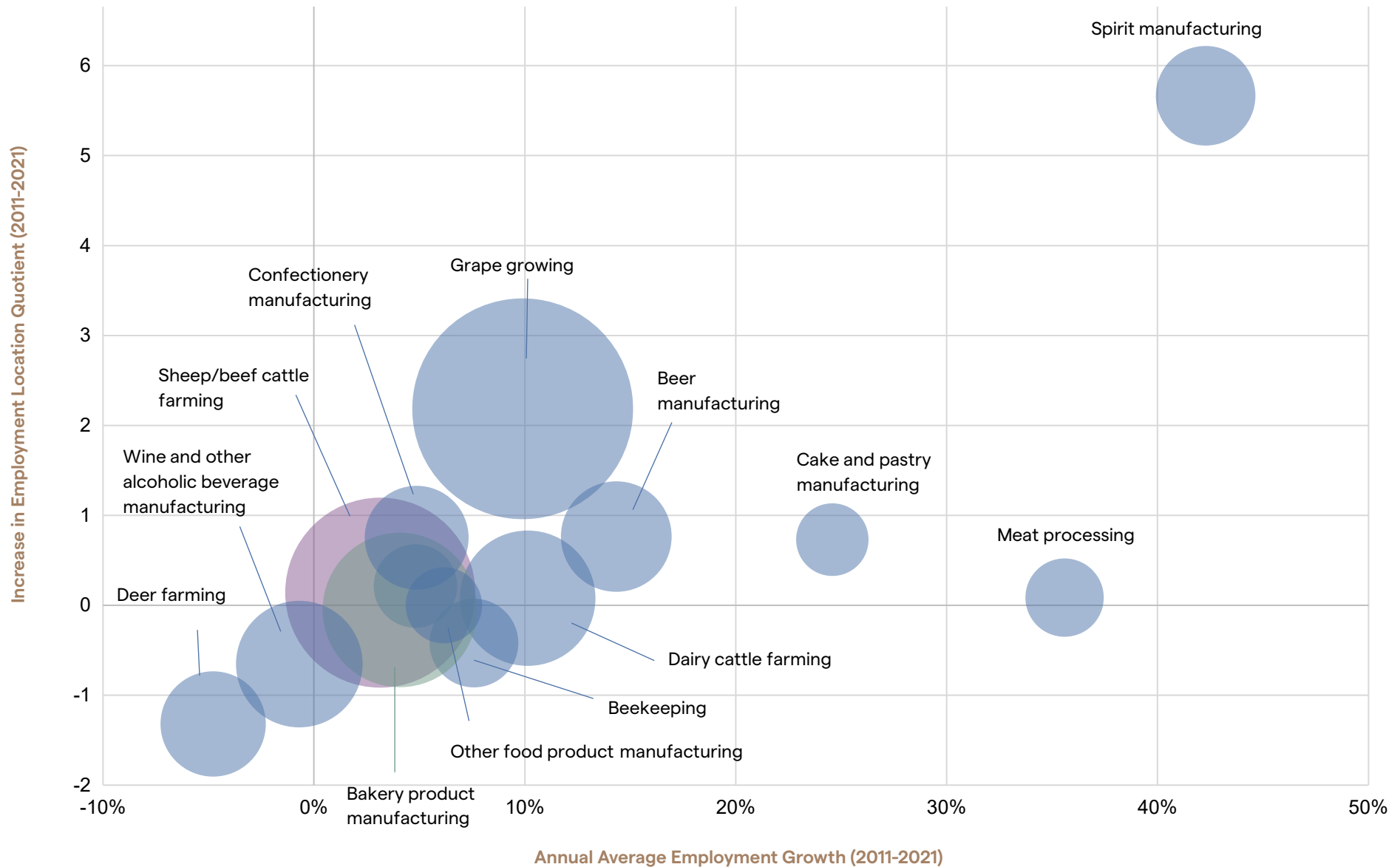
Source: MartinJenkins analysis of Infometrics data



FOOD AND BEVERAGE MANUFACTURING

The graph below shows concentration and growth of different specialisations within food and beverage and highlights specialisations such as grape growing, and spirit and beer manufacturing.

Food and beverage concentration and growth



Source: MartinJenkins analysis of Infometrics data

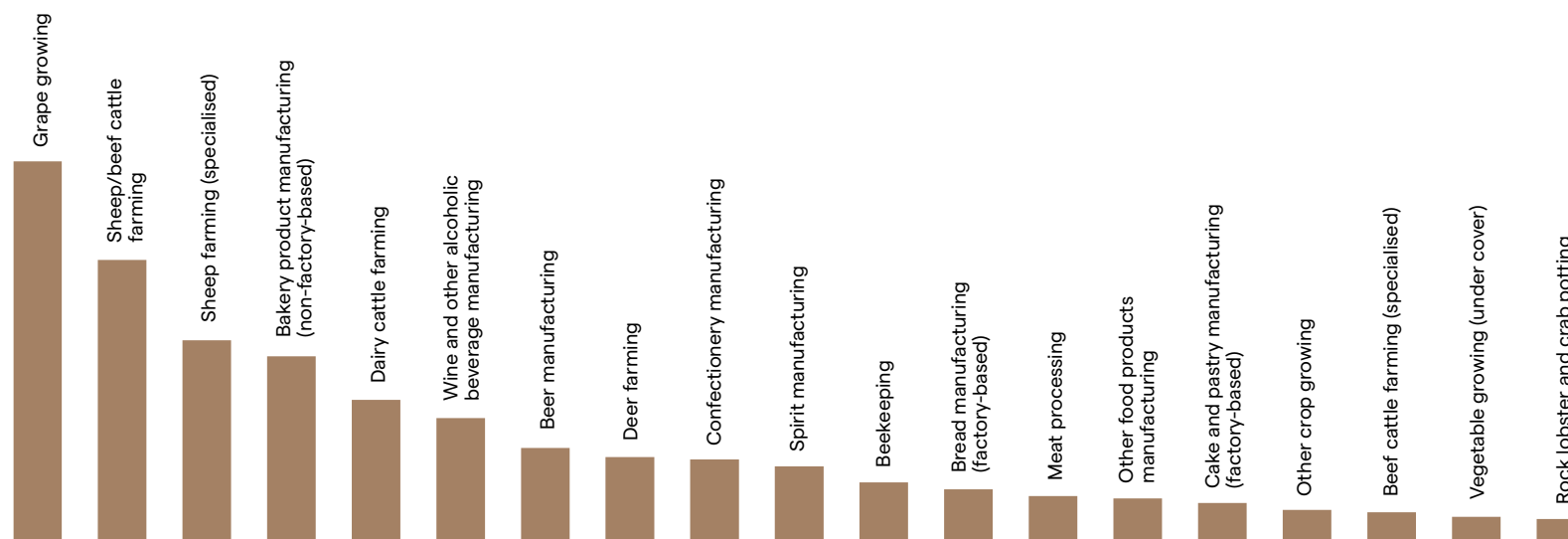
The table below shows that the food and beverage sector makes a good contribution to the district's overall export performance and that employment and GDP have grown more than the local economy as a whole.

Food and beverage performance

	Food and beverage (Queenstown Lakes)	All industries (Queenstown Lakes)	Food and beverage (NZ)
GDP (2021)	\$108m	\$3.17b	\$25.7b
GDP growth (10 yrs)	6.1%	5.0%	4.2%
Employment (2021)	1,154 (4%)	28,822	214,215
Employment growth (10 yrs)	5.1%	4.4%	1.9%
Exports (2021)	\$55m (17%)	\$321m	\$40.2b
Export growth (10 yrs)	-3.0%	-10.4%	3.2%

The graph below highlights the important role that this primary sector plays in providing jobs across the district.

Food and beverage sector employment

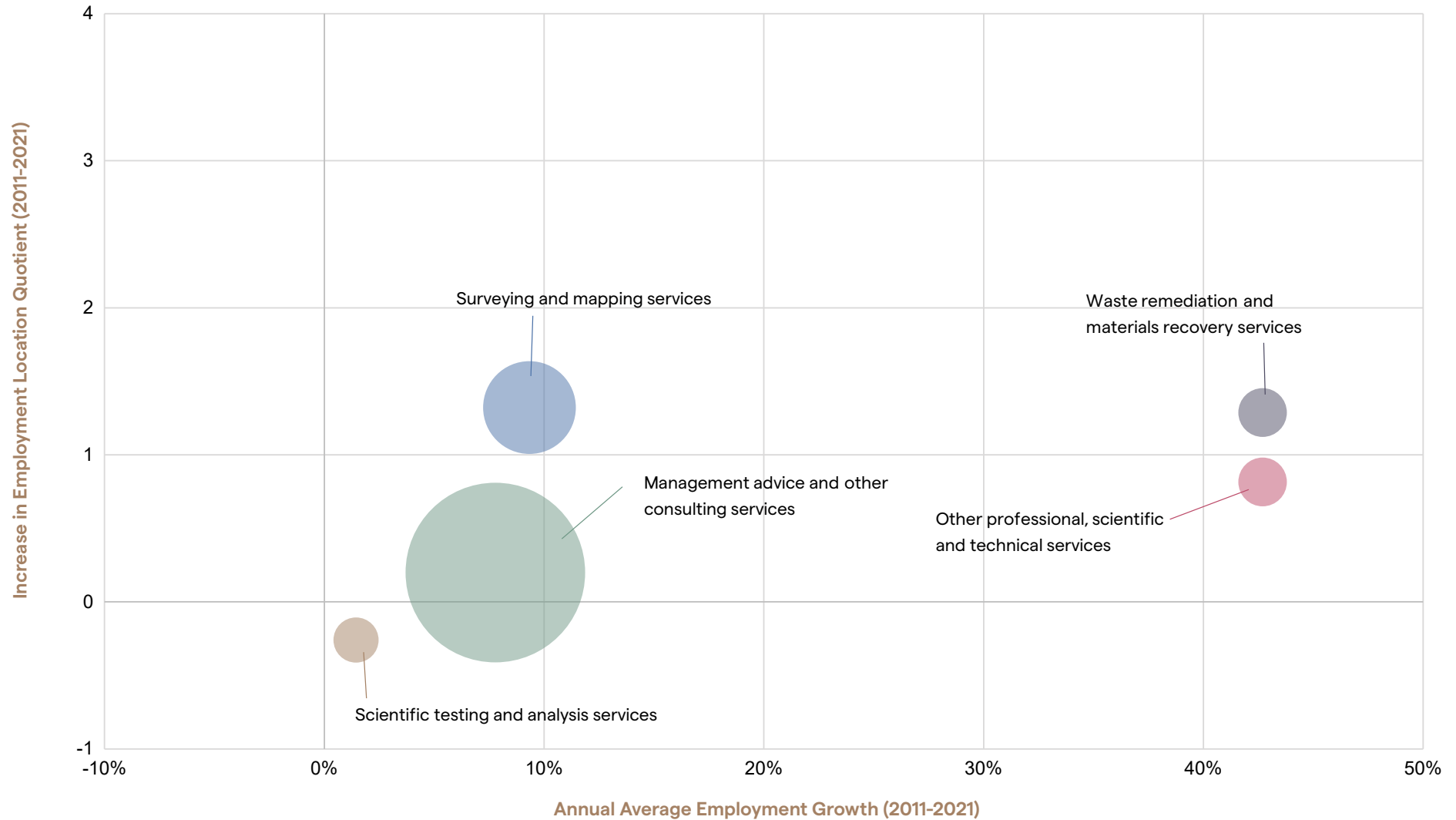


Source: MartinJenkins analysis of Infometrics data

ENVIRONMENTAL SERVICES

The graph below shows concentration and growth in areas related to environmental services and how these activities are specialised.

Environmental services concentration and growth



Source: MartinJenkins analysis of Infometrics data

The table below shows that several of the sectors that contribute to environmental services have been increasing their share of employment and GDP at a rate that was faster than other parts of the local economy.

Environmental services performance

	GDP (2021)	GDP Growth (10 yrs)	Emp (2021)	Emp Growth (10 yr)
<i>Management advice and other consulting services</i>	\$51.1m	9.0%	476	7.8%
<i>Scientific testing and analysis services</i>	\$3.3m	2.8%	30	1.4%
<i>Surveying and mapping services</i>	\$14.1m	10.7%	127	9.3%
<i>Other professional, scientific and technical services</i>	\$3.7m	43.5%	35	42.7%
<i>Waste remediation and materials recovery services</i>	\$9.0m	24.6%	35	42.7%
<i>All industries in Queenstown</i>	\$3.17	5.0%	28,822	4.4%

Source: MartinJenkins analysis of Infometrics data

APPENDIX 3: KĀI TAHU CONTEXT

Āpiti haka 3: Te horopaki o Kāi Tahu

Whakatipu-Wai-Māori, Wānaka and Hāwea are iconic lakes of cultural and statutory significance to Kāi Tahu.

The lakes feature in the Waitaha iwi oral tradition of “Kā Puna Wai Karikari o Rākaihautū”, which tells how the great lakes of Te Wai Pounamu (the South Island) were dug by the tupuna (ancestor) Rākaihautū with his famous kō (Polynesian digging tool). Rākaihautū was the captain of the waka (ocean canoe), Uruao, which brought the Waitaha people to New Zealand on an early discovery expedition. It is Rākaihautū and the Waitaha people who lit the first fires of occupation within Te Wai Pounamu.

Around Lake Wānaka were a number of pā (strongholds), kāika (settlements) and nohoaka (camp sites). The biggest known settlement in the area was a Kāi Tahu pā known as Take Kārara which was located in present day Roys Bay⁹. Other local settlements included Ōrau which was on the banks of the Cardrona River, Toka Karoro towards Beacon Point and Okai Tū situated where the Clutha and Hāwea Rivers meet.

A highly significant site for spiritual and traditional reasons was Manuhaea, located below The Neck, the narrow isthmus between lakes Wānaka and Hāwea. The name “Wānaka” is a South Island variant¹⁰ of the word “wānanga” which refers to ancient schools of learning. In these schools Kāi Tahu tohuka (men of learning) would be taught whakapapa (genealogies) which stretched back to over a hundred generations and karakia (incantations) for innumerable situations. All of this learning they would be required to commit to memory¹¹.

Trails (ara tawhito) in the area included: the Clutha/ Mataau, used to transport pounamu and mahika kai (natural and cultural resources) back to the coast¹²; the Waitaki River, Ōmakō/ Lindis Pass which connected the Waitaki with lakes Wānaka and Hāwea; the Matāura River, noted for its indigenous fishery; and Haast Pass/Tiori Patea. The Mātakitaki River provided an alternative route to the treasured pounamu resources of Te Tai Poutini/the West Coast. The Ōrau (Cardrona River) and the Kawarau were also part of this interconnected network of trails.

At Whakatipu-wai-Māori (Lake Whakatipu) a network of villages lay along the routes to access pounamu at Te Koroka, located beyond the head of the lake. Countless generations transported it back to coastal settlements in Otago and Southland on waka and mōkihi for fashioning into tools, ornaments and weapons. Settlements included the kāika Tāhuna (meaning sandy shore) near present-day Queenstown, Te Kirikiri Pā at present day Frankton; a Kāti Mamoe kāika near the Kawarau Falls called Ōterotu; Tititea Pā and another called Takerehaka at Kingston. Tititea was located on the south side of the Kawarau River, near Ōterotu.

Whakatipu-Wai-Māori is an important source of freshwater, the lake being fed by hukawai (melt waters). These are waters with the highest level of purity and were accorded traditional classifications by Kāi Tahu that recognised this value. These Tapu (sacred) waters sustain many ecosystems important to Kāi Tahu.

⁹ Anderson, 1983

¹⁰ In the south, the ‘ng’ in Māori words is substituted for a ‘k’

¹¹ Ibid

¹² Ngāi Tahu Claims Settlement Act 1998

All elements of the natural environment possess a mauri, a life force, and all forms of life are related. The mauri of whenua and wai taoka, lands and waterbodies, represent the essence that binds the physical and spiritual elements of all things together, generating and upholding all life. Mauri is therefore a critical element of the spiritual relationship of Kāi Tahu Whānui with the whenua, waterbodies and resources of the region. Kāi Tahu understand climate change through this paradigm of connectedness and relationship with the environment.

The tupuna (ancestors) had considerable knowledge of whakapapa, the traditional trails, tauraka waka, places for gathering kai and other taoka, and tīkaka for the proper and sustainable utilisation of resources of the area. All of these values remain important to Kāi Tahu today.

PAPATIPU RŪNANGA

Papatipu Rūnanga are the home of Kāi Tahu identity and the seat of Kāi Tahu traditions. Located predominantly in traditional settlements, Papatipu Rūnanga are coastal and often rural. The vitality of marae communities is often reliant on there being sufficient opportunities and infrastructure for whānau to be able to live close to the marae.

Please refer to page 28 of the Spatial Plan for a map of the Rūnanga whose takiwā extend into Queenstown Lakes. These included Te Rūnanga o Moeraki, Kāti Huirapa Rūnaka ki Puketeraki, Te Rūnanga o Ōtākou, Te Rūnanga o Hokonui, Te Rūnaka o Waihōpai, Te Rūnanga o Awarua and Te Rūnanga o Ōraka Aparima.

WĀHI TŪPUNA

Kāi Tahu has mapped 45 wāhi tūpuna in the proposed Queenstown Lakes District Plan (refer to page 30 of the Spatial Plan for map). Wāhi tūpuna are landscapes and sites that embody the ancestral, spiritual and religious traditions of generations prior to European settlement. They include kāika (settlement sites), mahika kai, ara tawhito (trails), awa (rivers), nohoaka (camp sites) and wāhi tapu (sacred sites) and the major lakes.

The sites and landscapes are highly significant to mana whenua and may be adversely affected by activities such as earthworks, activities that alter landforms, subdivision and urban development, or the introduction of culturally sensitive activities such as cemeteries, crematoriums and landfills.

For Kāi Tahu, the natural environment, and how they engage with it, is a critical component of their identity as a people and in maintaining their culture. The ability to keep alive traditional practices passed down by ancestors, in places traditionally used or occupied by descendants, provides a sense of belonging and continuity.

Restoring, maintaining and enhancing the relationship between Kāi Tahu and their ancestral lands, water and taoka requires the protection of these resources, and the ability of mana whenua to be actively involved in decision-making processes to achieve environmental outcomes that recognise this relationship.

Wāhi tūpuna may have a high degree of naturalness or they may be highly modified sites with strong historical connections – ancestral places which continue to have contemporary significance. It is a matter of national importance under the Resource Management Act to recognise and provide for sites of significance to mana whenua. Identification of wāhi tūpuna sites, and the threats to them, allows areas of interest for Kāi Tahu to be identified, and allows Kāi Tahu to exercise their kaitiaki role in places of importance to them, when development is planned.

The urban areas of Queenstown, Frankton, Wānaka and Hāwea are wāhi tūpuna and despite the fact they are modified, remain of high significance for Kāi Tahu.

APPENDIX 4: PROCESS

Āpitiha 4: Hātepe

This plan has been created with local communities and businesses, for future generations. It has been important to understand what the people of Queenstown Lakes and local businesses want from the economy, which is why the planning process has been designed to be community-driven.

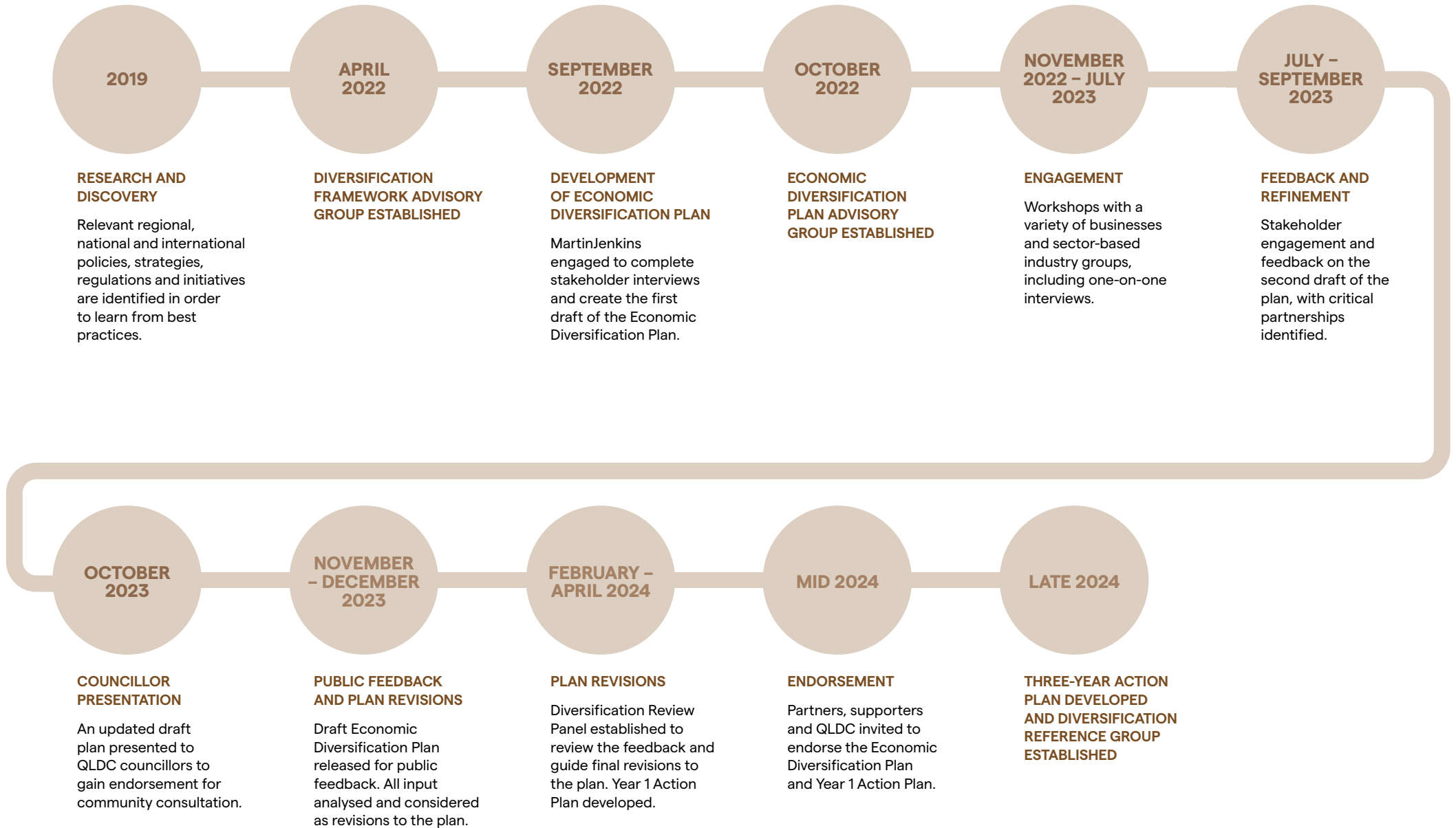
Multiple community leaders have volunteered their time to help guide development of this plan. They include those in the Regenerative Recovery Advisory Group formed during Covid-19, and others who contributed to the framework, plan, and revision of the plan in light of community feedback. Expertise added by these people included a deep understanding of areas such as climate action, economic development, expat networks, infrastructure, investment, Kāi Tahu values, startup support, technology, and tourism.

Formal and informal engagement with partners and supporters has been ongoing throughout, due to the critical importance of this network for endorsement and delivery of the plan. The partners and supporters are listed on page 2.

The process has also included iwi engagement. As this work is an output of the district's Spatial Plan, Kāi Tahu is represented within the governance structure at the highest level. Kāi Tahu feedback has been important, to ensure their oversight and involvement in the development of the plan.



KEY MILESTONES



WHO HAS LED THE PROCESS?

The development of this plan has been guided by advisory groups at different stages of the work programme, alongside QLDC and in conjunction with local community groups, businesses, and domestic and international experts.

HOW WILL THE PROCESS CONTINUE?

This plan will be reviewed and updated every three years. This will enable those involved to benefit from recent learnings, and then revise and improve the plan accordingly. This timing also allows reviews of the plan to be aligned with both the district and regional government's long-term planning and budgeting processes. The positive vision for what economic diversification can become in Queenstown Lakes, and the strategies to get there, rely on the consistent support of passionate communities, businesses, and partners.



APPENDIX 5: HOW DOES THIS PLAN ALIGN WITH OTHER PLANS?

Āpiti haka 5: Ka pēhea tēnei mahere e hono ai ki ētahi atu mahere?

This plan is connected to several national and regional strategies, which have helped set the context for economic diversification planning.

The efforts of the local entrepreneurs, and those that support them through the variety of plans and organisations, will combine to achieve the 2040 goal: a resilient and sustainable economy that offers meaningful career and income opportunities.

Plans or strategies that support or enable the Economic Diversification Plan include:

Vision Beyond 2050: Articulates the district's future, including values, ambitions, and defined outcomes.

Queenstown Lakes Spatial Plan: A vision and framework for how Upper Clutha and Whakatipu communities can grow and prosper. The Destination Management Plan and Economic Diversification Plan are outputs of the Spatial Plan. It enables diversification to be considered when considering future development in the district. The Spatial Plan governance group includes senior iwi, as well as council and government representation (including two Ministers of the Crown).

Travel to a thriving future – Regenerative Tourism Plan: This plan creates a roadmap to regenerative tourism by 2030, creating opportunities for everyone in the region and greater wellbeing for people and the planet. It advocates a long-term plan to diversify the economy, establishing the district as a thriving place to live, work and build a future.

Queenstown Lakes District Climate and Biodiversity Action Plan 2022-25: This plan works to deliver significant reductions in emissions and improved environmental outcomes through biodiversity, mitigation, and adaptation actions. It advocates that diversification encourages businesses that are committed to carbon reduction and biodiversity.

Joint Housing Action Plan: A long-term plan to improve housing provisions and affordability in the district, in partnership with central government, iwi, and Queenstown Lakes Community Housing Trust..

Queenstown Lakes District Creativity and Culture Strategy: This plan will help to create a future where creativity and culture play an important role in enriching the lives of locals and visitors. It will bring people and organisations together to increase capability, foster innovative thinking, and create new exciting economic opportunities.

Queenstown Lakes Welcoming Plan 2024-2027: This plan identifies key actions based on the Welcoming Communities Standard, which provides council and communities with a benchmark for what a welcoming and inclusive district looks like for newcomers.

Ngāi Tahu 2025: Describes the iwi's aspirations to 2025 and beyond, including the natural environment, culture and identity, and organisational development.

Technology Queenstown: Launched as a not-for-profit agency promoting a shared vision to drive diversification of the local economy with a strategic plan to develop the technology industry.

Mahi QL Workforce Strategy and Action Plan: These plans will support the workforce and help communities to thrive together. The priorities include housing, community connection, tourism technology and the future of work.

Three Lakes Trust Cultural Masterplan 2020: Along with the associated Cultural Masterplan, this provides a vision for making cultural life a stronger driver of community wellbeing and economic benefit.

APPENDIX 6: WHO WAS INVOLVED IN THE PLANNING PROCESS?

Āpiti haka 6: Ko wai i uru ki te hātepe whakamahere?

There are many across the district who already contribute to economic diversification, and many others are committed to helping accelerate these efforts in the future.

Testament to this are the numerous people who shared their perspective and valuable insights, including:

- › 27 people participating in one-on-one interviews.
- › Individuals from more than 30 organisations and groups participating in working groups and/or workshops.
- › All those attending advisory group meetings and workshops.

A huge thank you to the individuals and organisations who have generously given their time to support the development of this plan, including:

- › 4 Design
- › Anderson Lloyd
- › Aspiring Law
- › Aukaha
- › B.effect
- › Benje Patterson – Economist
- › Borage and Bee
- › Brand and Butter
- › Business South
- › Central Otago Winegrowers
- › Climate Reference Group (CRG)
- › Destination Queenstown
- › Destination Southern Lakes (DMO)
- › Dunlop Builders
- › EZ Grip
- › Film Queenstown Lakes
- › First Table
- › Flux Capacity
- › FTP Solutions
- › Hgbrands
- › Immortal Camera
- › Invest South
- › Kānoa
- › Kate Smith - Strategist
- › KEA (Kiwi Expats Abroad)
- › KUMA
- › Lake Hāwea Station
- › Lake Wānaka Tourism
- › Leisure Workshop
- › Loaded
- › Mainland Angel Investors
- › Mana Tāhuna
- › Mons Royale
- › Mountain Club
- › MPI
- › Mt Cook Alpine Salmon
- › New Zealand Trade and Enterprise (Investment team)
- › Octana
- › Phytrac
- › Porter Group
- › Pilot
- › Queenstown Business Chamber of Commerce
- › Queenstown Lakes Community Housing Trust
- › Queenstown Resort College
- › Research and Innovation Queenstown (RIQ)
- › Revology
- › Rhyme and Reason
- › Ruby Fresh Wetsuits
- › Saas Elevator
- › Scannable
- › Southern Institute of Technology
- › Southern Lakes Sanctuary
- › Southern Software
- › Startup Queenstown Lakes
- › Three Lakes Cultural Trust
- › Total Brand
- › Wai Innovation
- › WAI Wānaka
- › Whakatipu Hangarau Trust
- › Wānaka Business Chamber of Commerce
- › Wherewolf



Economic Diversification Plan Year 1 Action Plan

Mahere Whakawhānui Ohaoha Hukihuki Te Mahere Mahi Tau 1

PROJECT	ACTIVITY	LEAD	OUTCOMES	TIMING			
---------	----------	------	----------	--------	--	--	--

PILLAR 1: Best-fit businesses have the infrastructure they need				2024		2025	
				Jul-Sep	Sep-Dec	Jan-Mar	Mar-Jun
1.1: Future-Focussed Infrastructure	Research into diversification infrastructure needs	EF	Research completed that outlines the needs of growing or relocating best-fit businesses.				
1.2: Build Diverse Skills	Develop professional development plan	QBC	Deeper understanding of, and easier to access quality professional development options.				
1.3: Innovate and Grow	Startup incubator redesign	SQL	Intensive startup support launched successfully.				
	Key account management	EF	Local best fit businesses are identified, and a key account management plan is in place.				

PILLAR 2: Out hosting expertise supports diversification				2024		2025	
				Jul-Sep	Sep-Dec	Jan-Mar	Mar-Jun
2.3: Film and Creative Industries	Virtual production studio (VPS) launched	RIQ	VPS is operational.				
	Outdoor and adventure filmmaking hub	FQL	The district's reputation and capability as an outdoor/adventure filmmaking hub is enhanced.				

PILLAR 3: Grow niche export industries				2024		2025	
				Jul-Sep	Sep-Dec	Jan-Mar	Mar-Jun
3.1: Technology	Technology Queenstown active	TQ	Strategic plan in place, establishment funding secured, CEO recruited, and agency launched.				
	Host-tech 2025 event held, and support plan developed	EF	Industry support plan in place, and second Host-tech event is cost-neutral.				
3.2: Outdoor Products	Outdoor product support plan developed	EF	Collaboration among businesses grows and new businesses within the niche are supported.				

Enabler and Foundations for Success				2024		2025	
				Jul-Sep	Sep-Dec	Jan-Mar	Mar-Jun
Key enabler: World of Connections	World of Connections pilot underway	EF	World of Connections prototyped with small group of referral organisations.				
F.1: Collaboration and Oversight	Diversification Snapshots 2024 and workshop	EF	Key local and national decision makers attend and net promoter score (NPS) of at least 70 is achieved.				
	Reference group	EF	Group formed, with priorities and measures of success for work plan agreed.				
	3-Year Action Plan	EF	3-year collaborative work plan finalised. completed				
F.2: Support Māori Economic Diversification	Support local best-fit Māori businesses	KUMA /EF	Māori businesses that support diversification are identified and levels of support needed.				
F.3: Update Brand and Marketing Strategies	Community values used to refocus Queenstown place branding	DQ/EF	New place-brand for Queenstown is developed that aligns with regenerative tourism and economic diversification objectives (to be launched 25/'26				
F.4: Resources and Capacity	Capability and capacity stocktake	EF	Review informs 3-year plan and budgets.				

Key: DSL Destination Southern Lakes | EF Economic Futures | FQL Film Queenstown Lakes | QBC Queenstown Business Chamber of Commerce | RIQ Research and Innovation Queenstown | SQL Startup Queenstown Lakes | TQ Technology Queenstown

New pathways to a thriving future

Queenstown Lakes Economic Diversification Plan

Workshop #4 – June 2024

What we want to cover today

- Responses to Councillor feedback
- Organisations that have endorsed the plan
- Sharing projects already underway
- How does this plan fit with other council plans
- Implications for QLDC
- Next steps and questions

Responses to Councillor feedback

Feedback received	Reflected in final version
Suggested construction is included as contributing to the lack of economic diversification.	- Added construction to the statistics that illustrate the lack of economic diversification (page 8).
Suggested the World of Connections project needed to be more inclusive.	- Removed reference to “ <i>high calibre</i> ” and emphasised “ <i>high contributing</i> ”. Added collaboration among organisations rather than just focusing on individuals.
Suggested a stronger local focus on youth.	- The Build Diverse Skills project includes <i>'Promote training and early career options that enable diversification opportunities for rakatahi, local students and regional graduates.'</i> - Young people engaged with the Host-tech event, and tech business visits.
Asked whether World of Connections is aspirational enough.	Tested this project with a range of key stakeholders and most are very positive about the benefit of better connecting those who can add value to our community.

Organisations that have endorsed the plan

Destination
Southern Lakes



Research
and Innovation
Queenstown



TE ATAMIRA



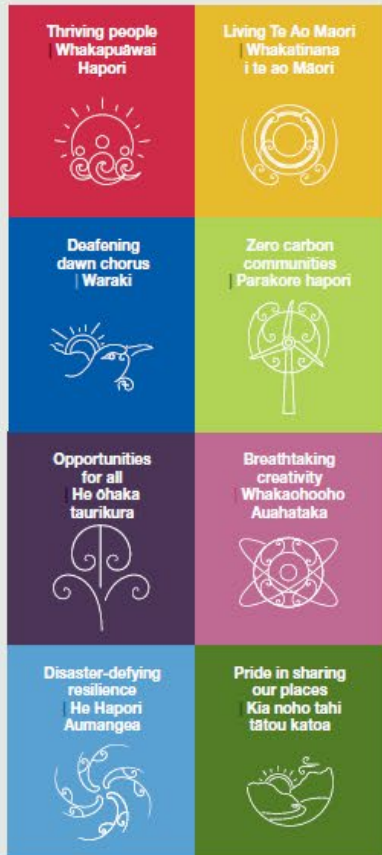
Host-tech 24

An example of a project sparked by the Economic Futures team.

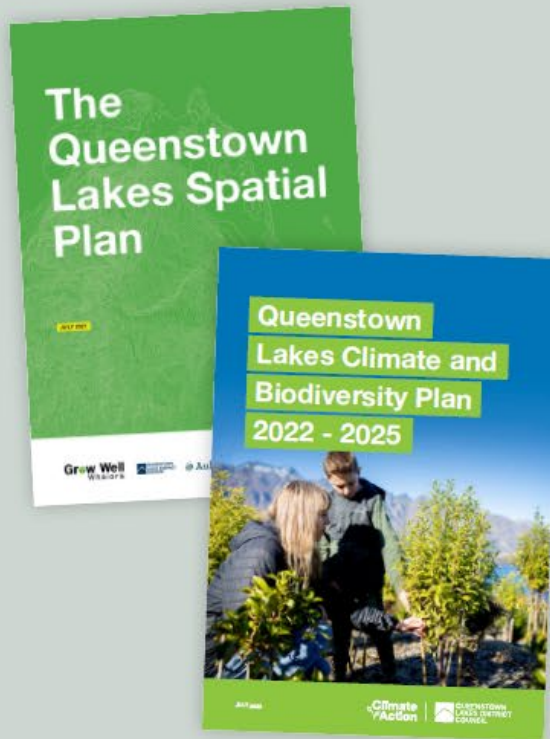


Economic wellbeing will be guided by these plans

COMMUNITY VISION FOR 2050 AND BEYOND



DISTRICT-WIDE SPATIAL PLAN AND CLIMATE AND BIODIVERSITY PLAN



ECONOMIC DEVELOPMENT STRATEGY

