



ECONOMIC DEVELOPMENT  
NEW ZEALAND

# BRIEFING TO INCOMING MINISTERS



## Briefing to Incoming Minister

### 1.0 About Economic Development New Zealand

1.1 “Economic Development New Zealand” is a newly evolved organization which represents individual and corporate economic development practitioners across New Zealand. It’s members include the fourteen regional economic development organisations, corporates such as the Ministry of Business, Innovation and Employment, and individual practitioners both within Council and Council Controlled Organisations who wish to avail themselves of the wrap around support service provided by Economic Development NZ.

1.2 Services offered by Economic Development NZ to our members include advocacy, networking, an annual conference, a jobs board, tools and resources including a monitoring and evaluation framework and a regional, national and international news service.

1.3 Other services currently under development include a raft of professional development opportunities for practitioners and elected representatives, a policy and research service and an annual salary report. To learn more about our [services ...](#)

1.4 Economic Development NZ is currently governed by the CEO’s of New Zealand’s fourteen regional development agencies. A governance review will take place in twelve months’ time that refreshes our governance framework to ensure representation of our wider and increasing membership.

1.5 This submission has been informed by the views of our Board, our rapidly growing membership and delegates who attended the recently held and highly successful Economic Development NZ conference

1.6 The collective economic development ‘know how’ embedded within our membership is unrivalled within this country. Our members are the focus of economic and social development delivery across the regions of NZ, in many instances individual members and agencies boast over 20 , 30 and 40 years of place based economic development experience and can claim an unparalleled understanding of their regional infrastructure needs, innovation eco systems, their businesses, their opportunities for growth, points of difference, analytics and leadership. Our members are the partner of choice for many government departments intent on regional transformation.

1.7 That ‘know how’ has combined to generate a submission designed to challenge the reader’s thinking and encourage consideration of a new and in our view, highly effective, framework for delivering economic outcomes in New Zealand.

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### 2.0 Relationships

2.1 It is the view of our members that the relationship between central government and our numerous place based economic development agencies requires a fundamental shift.



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2.2 Whilst we acknowledge the collective and extensive knowledge within relevant agencies such as the Ministry of Business, Innovation and Employment and Callaghan Innovation, we contend that 'subsidiarity' (putting the resources and capability at the level where you can have the greatest effect) is an absolute prerequisite for the successful delivery of economic development across New Zealand.

2.3 There have been numerous success stories which demonstrate 'subsidiarity' between and across the layers of agencies for example, The Wellington LookSee programme and the Auckland Partnership Programme are just two examples that spring to mind. There could be many more.

2.4 If the premise of subsidiarity is adopted then the door opens to the possibility of true horizontal and vertical alignment of effort, focus and funding.

2.5 New Zealand is a small country, located far from its traditional markets, it has a small economy, with low productivity ratings and its GDP per capita ranks below the OECD average. There are some analytics which see us very close to the top of the OECD table i.e. we have one of the highest tax rates on personal income across the OECD, and we have one of the highest levels of income inequality, ranking ninth, closely sandwiched between Latvia and Estonia.

2.6 These alone are significant challenges for any economy and effective solutions will be very much dependent upon collaboration, alignment and partnership at governance, strategic, funding and implementation levels.

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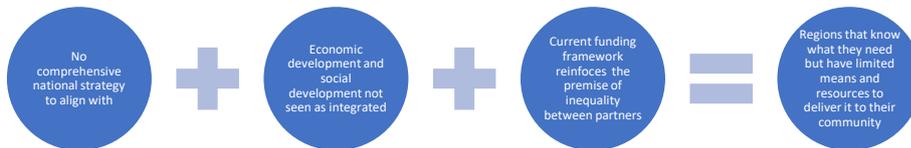
### 3.0 What would that look like?

The new paradigm would depart from the current model in the following ways:

- Co-creation of a ten-year national economic development strategy focused on all aspects of economic development and to include the development of a definition of economic development (strategy reviewable every three years to align with local council community plans);
- Co-creation and alignment of economic and social development strategies at a national level;
- Co-creation by Central and EDA's of regional economic strategies that cascade from the national strategy but are also informed by regional and local differences/needs;
- Aligned strategies that are co-funded in the spirit of real partnership and stimulate quality private sector investment decision making
- A co-developed funding framework that enables a portion of wealth generated in respective regions to stay in the regions;
- A new measurement framework that takes social and economic wellbeing
- Stronger geographical alignment between central government 'regions'
- The appointment of a Minister for Regional Development that acknowledges the integrated nature of Economic and Social Development

3.1 The diagram below reflects the significant of the paradigm shift this represents:

### The current framework:



### The proposed framework:




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### 4.0 A shift in focus:

The contributors to this briefing have asked that the incoming Government consider another shift, this time a shift in focus. We would like to see a shift in focus that recognizes the:

- integrated and important nature of economic and social development and policy
- importance of the principle of ‘subsidiarity’
- importance of measuring and aspiring to prosperity rather than wealth
- inherent difference within our regions and that one size does not fit all
- importance of place
- need for balance and the long view in the competing clamour for land
- need for all regions to be thriving, not just five or six
- need for the local delivery of innovation initiatives
- need for a co-created and aligned set of data by which economic/social development can be measured



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- the importance of regional eco-systems rather than individual companies
- the value of technology in:
  - sharing information and big data,
  - delivering a seamless service to business
  - creating alignment

## **5.0 Conclusion**

New Zealand has significant and unique challenges in creating a prosperous and shared economy. One of the fundamental elements to achieving an inclusive economy is collaboration and alignment in terms of strategy, funding and focus. It is our contention that NZ Inc cannot afford a hierarchical approach to economic development and that a paradigm shift is required. In our view, that shift could best be led and forged by a Minister for Regional Development, Economic Development NZ, Local Government NZ, Infrastructure NZ, MSD, MBIE, Callaghan Innovation and NZTE.

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