Regional Development

Highlights

Labour will:

- Establish a Regional Development Fund and a Minister for Regional Development
- Develop a regional ports and transport strategy
- Support small businesses based in the regions
- Identify opportunities to set up government operations in regional areas
- Guarantee local participation in regional development policy.

Introduction

Labour’s vision is for a thriving regional New Zealand, which is integrated into urban areas where necessary but remains an independent contributor to New Zealand social and economic life.

Regional development is a pressing area of policy concern for Labour. Regions are being left behind despite the best efforts of hard-working individuals and communities because of National’s neglect of the regions, combined with long-term decline of New Zealand’s manufacturing sector. The regions must not become a place for ‘ghost towns’ and individuals with few meaningful prospects.

This policy should be read alongside Labour’s economic, fiscal, and monetary policies, as well as the Rural Affairs policy.

We will use the state to partner with communities in regional development

Labour believes in the power of the State to partner with local businesses, government, and community actor in order to realise regions’ goals, and where appropriate districts (for example Wairarapa, North Canterbury, and Kaikoura). The State is not a neutral actor in regional development. Under the National-led Government, economic choices are being made – money, for example, is going into roads over other assets.

Labour will:

- Adopt a more strategic approach for the government in regional development. We will use the capacities of a smart government – alongside the skills of businesses and
communities – to diversify and upgrade the economies of our regions, districts, and therefore of New Zealand

• Establish a Regional Development Fund:
  o $200 million will be dedicated to this fund over four years towards strategic projects. $150 million will be dedicated to projects with an economic development focus and $50 million for social economic development projects. Independent experts – including from local government, business, and iwi – will make decisions about what is allocated from this fund, applying clear criteria.

• Re-establish a Minister for Regional Development:
  o The Minister will have responsibility for the activities of the Regional Development fund. The Minister will be consulted, where appropriated, where broader decisions are made regarding transport, infrastructure, youth development, the environment, and other areas.

Our regional development policy, the Fund, and the Minister will pay particular attention to sustainability in regional development, the importance of broadband for regional development and the position of Māori in the regions. Regional under-development hurts Māori economically, and may also force Māori to move away from their cultural bases.

Building a regional ports and transport strategy

Labour will:
• Develop a national ports strategy to ensure New Zealand ports work together to deliver collective national benefits and proper government oversight of ports. Where appropriate, representatives from ports will be convened to ensure coordinated action and to prevent ports being played off each other by shipping lines at the expense of workers’ wages and conditions
• Implement the Sea Change plan to boost coastal shipping
• Increase investment in rail and roads to support the ability for producers to get goods to market.

Support for regional small businesses

Labour will:
• Commit to ensuring that its Young Entrepreneur Grants, which provide up to $20,000 grants to young start-up entrepreneurs, are available in the regions as well as in the main centres of New Zealand.

Small grants are necessary for entrepreneurs, especially those from less privileged, in order to make initial investments in creative ideas. These grants are especially valuable to those in rural or regional areas, given that individuals in these areas may not have the same access to capital.
Developing government operations in regional New Zealand

In the past opportunities have been taken to place government operations in regional areas. For example, KiwiBank decided to move operations to Hastings. These moves can boost employment, consumption, and economic growth in an area.

Labour will:

- Continue to look for opportunities to locate government operations in regions where practical and cost-effective, working with local government and the public sector on this task.

Guaranteeing local participation in regional development policy-making

Labour supports the establishment of Community Taskforces where closures and redundancies require communities to rethink the trajectory of economic development in a region. Labour also believes that special effort needs to be made to include regional communities in policy-making, to ensure policy development isn’t just seen as a distant ‘Wellington’ activity. New methods of regional political engagement should be tried, with options including the use of ‘participatory budgeting’ and ‘citizens’ assemblies’ to secure local political participation.