



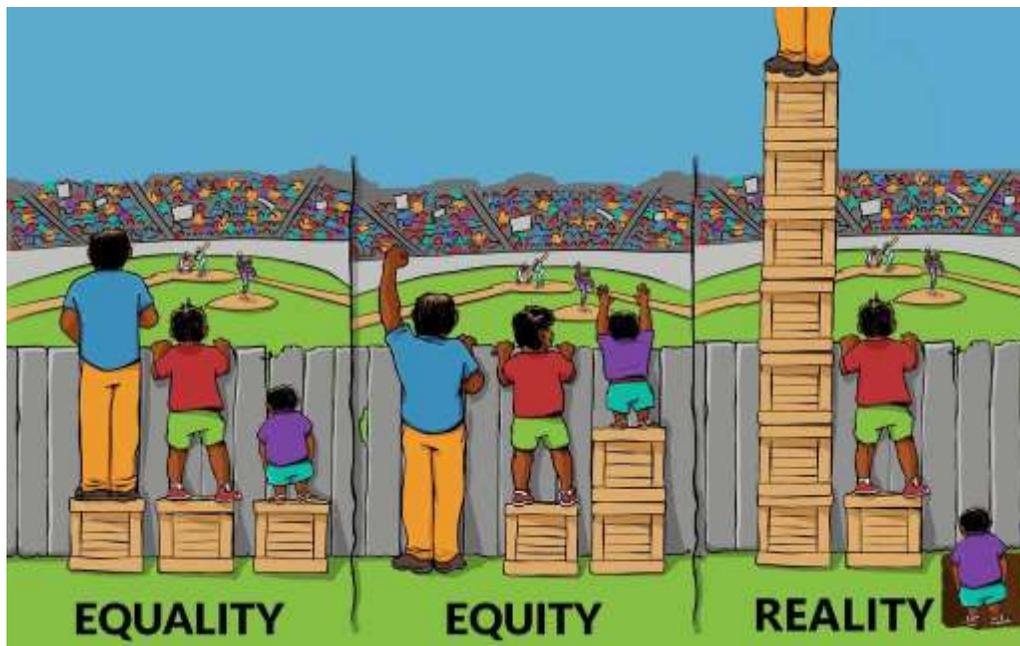
### One giant leap for provincial New Zealand

The new \$1 billion per annum Provincial Growth Fund (PGF) has been officially launched in Gisborne today by Regional Economic Development Minister Shane Jones.

Chair of Economic Development NZ (EDNZ) Dr David Wilson, has applauded the PGF as 'a giant leap forward' for provincial NZ.

You don't have to be a rocket scientist to have seen the increasing gap between the haves and have nots in NZ and in many cases between rural and urban New Zealand.

"Internationally many nations are struggling to find ways to create an environment where the tide rises for all regions. Governments are responding to globalisation and urbanisation, and dealing with the associated pressures on provinces and rural regions. However, by actively focusing on addressing infrastructure deficits and building on regional strengths these trends can be addressed, and – as in New Zealand's case where rural regions are already highly productive – create opportunities to leverage investment and create jobs.



The \$3 billion fund is the largest injection of central government funding into provincial NZ in decades and has the potential, if strategically applied, to generate 'inclusive growth' across the country.

However, a stronger partnership between central government and regional stakeholders is needed.

NZ's regional economic development agencies (RDA's) provide a network of agencies capable of delivering for the PGF. They can provide the catalyst and glue to bring parties together at the regional level to focus and deliver on key projects. They have the local reach, networks, capability and influence to get projects across the line.

Historically what they have lacked, particularly in the provinces, is the scale of resources and associated capacity to make the difference regional stakeholders aspire to.

RDA funding traditionally has come from local councils within their respective regions. Like local government, our RDA's have continually been asked to do more with less, and while this may impose a good discipline to be lean, it currently does not represent what is needed, and is not aligned well enough with central government's strategic objectives. A major component of what is needed for the PGF to be effective is the need to give respective regions some headroom to prioritise and implement projects.

Dr Wilson encourages local government to see the PGF as a regional economic development tool that goes beyond local infrastructure deficits to be utilised to shape the future of their regional economies, leverage investment and create prosperity, inclusive growth and jobs. The continued investment in economic development by local councils is crucial to the future of our regions, so is regional and central government, alongside business, Māori and the community.

We are optimistic that this government has recognised the unique value of RDA's and is keen to support and collaborate with the network to build inclusive growth across NZ.

That optimism has been reinforced by central government's willingness to participate in an EDNZ initiative that aims to create greater alignment and collaboration between regional and central agencies today.

The challenge is how best to align those efforts and resources towards a common agenda which builds inclusive growth.

---

Contact: Dr David Wilson 021763085