



KAIKŌURA DISTRICT COUNCIL

STATEMENT OF PROPOSAL

ECONOMIC DEVELOPMENT STRATEGY AND 5-YEAR ACTION PLAN

This Statement of Proposal is prepared in accordance with the decision-making and consultation requirements of the Local Government Act 2002 (“LGA”), including sections 76–83.

1. Introduction

Kaikōura District Council ("Council") is consulting on a proposed Economic Development Strategy that sets a long-term vision for the district's economic future. The strategy seeks to support a resilient, diverse, and regenerative economy that strengthens community wellbeing, protects and enhances the natural environment, supports local businesses and employment, and creates opportunities for current and future generations. The strategy provides a framework to guide economic development decision-making, partnerships, advocacy, and investment over the coming decades.

The strategy is built around four interconnected priorities: Housing and Community Wellbeing; A Diverse, Year-Round Economy; A Resilient Economy; and Connected, Liveable and Environmentally Rich Places. Together, these priorities seek to support economic diversification, workforce attraction and retention, environmental stewardship, community resilience, and improved quality of life across the district.

Between March and April 2026, Council undertook community engagement on an earlier draft of the strategy. Feedback was generally supportive of the overall direction but identified a need for clearer implementation arrangements, governance, accountability, and practical actions to support delivery. In response, Council officers refined the strategy and prepared a supporting Five-Year Action Plan and an Implementation and Implications Statement to provide greater clarity around implementation responsibilities, monitoring, sequencing, and delivery pathways.

While the strategic direction remains broadly unchanged, the addition of the Five-Year Action Plan (with lead and supporting roles clarified), Implementation and Implications Statement, monitoring framework, and expanded implementation pathways constitute a significant refinement of the overall proposal. Council therefore considers it appropriate to undertake a Special Consultative Procedure before making a final decision.

The purpose of this consultation is to seek feedback on the proposed Economic Development Strategy, supporting implementation documents, and the overall framework for achieving Kaikōura's long-term economic development aspirations.

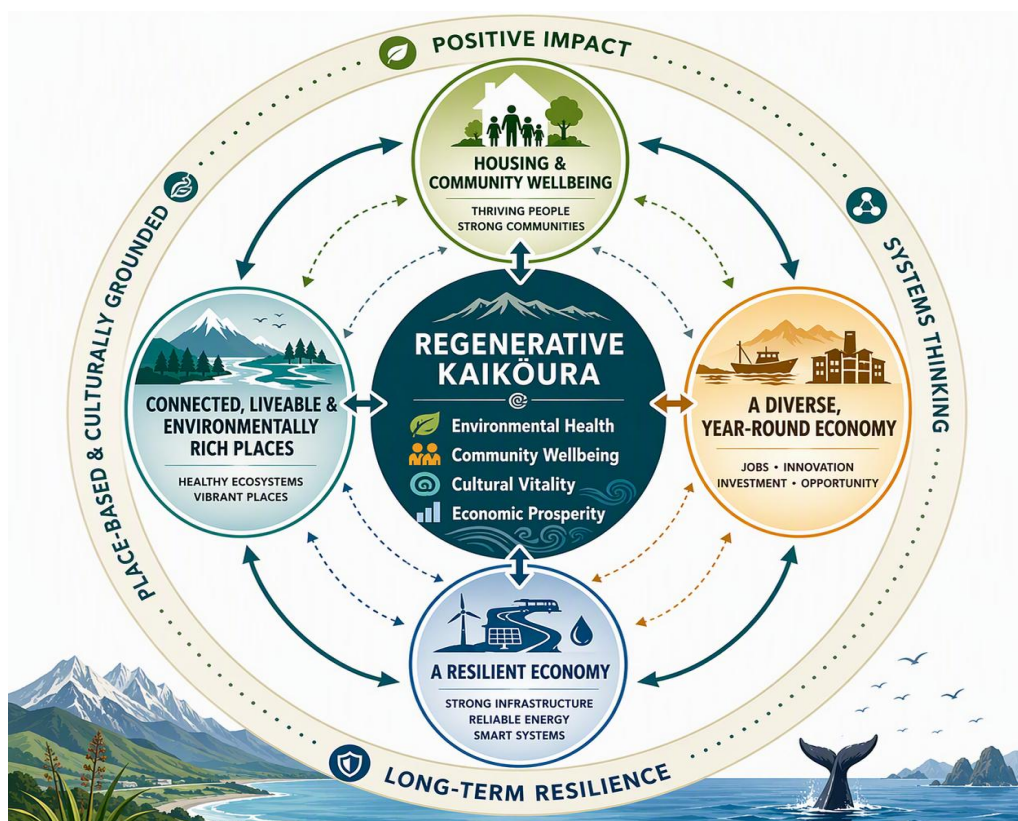
2. What Council is Proposing

Council is seeking feedback on:

- The Draft Economic Development Strategy.
- The Draft Five-Year Action Plan (2026-2031).
- The role Council and partner organisations should play in supporting economic development.

The strategy focuses on four long-term priorities:

1. Housing and Community Wellbeing - ensuring affordable and appropriate housing, healthcare access, and community wellbeing.
2. A Diverse, Year-Round Economy - reducing reliance on seasonal tourism and supporting research, innovation, remote work, primary industries and local enterprise.
3. A Resilient Economy - strengthening renewable energy, food resilience and climate adaptation.
4. Connected, Liveable and Environmentally Rich Places - enhancing walkability, biodiversity, public spaces and quality of life.



Council is not seeking approval for funding, construction, or delivery of any specific project. The strategy identifies a long-term vision, strategic priorities, implementation actions, and potential future opportunities only. Any future projects, business cases, funding decisions, land-use changes, infrastructure investments, or statutory approvals would be subject to separate feasibility assessments and future Council decision-making processes.

3. Background

KDC engaged in a one-month consultation period held between 2 March and 2 April 2026. The March–April engagement period was not undertaken as a Special Consultative Procedure. Rather, it was a feedback gathering phase intended to refine and strengthen the strategy prior to final adoption. Feedback was generally supportive of the strategy's overall direction, with a consistent theme being the need for clearer implementation and practical actions. In response, officers developed a Five-Year Action Plan and Implementation and Implications Statement, which were not part of the original engagement materials and are now proposed for consultation alongside the strategy.

Following a presentation to Council in April where the result of the initial feedback session was discussed, Council officers engaged in conversation with a range of submitters. Along with the initial submissions received, this process has helped produce a more refined and implementable strategy. The main changes compared with the version previously presented are as follows.

Changes after Initial Feedback

The revised Economic Development Strategy retains the original long-term vision for Kaikōura but significantly strengthens the document's clarity, strategic logic and implementation framework. The overall direction remains focused on regenerative development, economic diversification, environmental stewardship and community wellbeing; however, the revised version provides a more comprehensive explanation of how these aspirations overlap and can be translated into practical action.

A key change is the expansion of the regenerative economy framework. Regeneration is no longer presented solely as a set of guiding principles but as the central organising framework for decision-making across housing, healthcare, education, food systems, energy, environmental management, research and economic development. The revised strategy provides a clearer explanation of what a regenerative economy means in the Kaikōura context and explicitly links each of the four strategic pillars back to regenerative principles such as positive outcomes for people and nature, systems thinking, place-based development and long-term resilience.

The strategy also places much stronger emphasis on community wellbeing as an economic outcome. Healthcare and aged care are now recognised as critical economic infrastructure that supports workforce attraction and retention, allows residents to age in place and contributes to long-term community resilience. Additional emphasis has been given to age-friendly communities, age-appropriate housing, accessibility and supporting an aging population. Youth retention has also emerged as a stronger priority, with new focus on education pathways, leadership opportunities, youth networks, recreation spaces, creative and social "third spaces", and workforce development initiatives.

Environmental considerations have been strengthened throughout the strategy. The revised document explicitly states that economic diversification must occur within environmental limits and recognises biodiversity, marine ecosystems, conservation values and natural capital as foundational economic assets. Environmental restoration, conservation activity and ecosystem health are increasingly presented as economic enablers that support employment, research opportunities and Kaikōura's long-term competitive advantage.

The economic development focus has broadened considerably beyond tourism. While tourism remains important, the revised strategy places greater emphasis on research, education, innovation, technology adoption, remote work and knowledge-based industries. The original Marine Research Centre concept has evolved into the proposed Kaikōura Research and Education Centre (KREC), a broader institution intended to support research partnerships, innovation, education pathways, applied science and youth development. Greater recognition has also been given to the productive economy, including farming, fisheries, food production, value-added processing and industry collaboration.

One of the most significant structural changes is the replacement of the former "Energy and Resilient Infrastructure" pillar with a broader "Resilient Economy" pillar. This change expands the concept of resilience beyond infrastructure and energy systems to include economic adaptability, climate resilience, emergency preparedness and local food security. The strategy now recognises plentiful local food production as an important component of community resilience and the district's ability to respond to future disruptions.

The revised strategy also adopts a more cautious and realistic approach to major projects. The Kaikōura Research and Education Centre, Wakatu Quay, South Bay Harbour Development and Airport are now presented more clearly as potential anchor projects rather than committed developments. Their future progression is explicitly linked to feasibility, funding, environmental constraints, governance arrangements, community support and future Council decisions.

Governance, delivery and implementation arrangements have been significantly strengthened. The revised strategy more clearly defines the roles of Council, Enterprise Kaikōura, Destination Kaikōura and other partners, while positioning Council primarily as an enabler, coordinator and advocate rather than the direct delivery agency for most projects.

Finally, the introduction of a detailed five-year action plan represents a major improvement in implementation readiness. The action plan:

- Identifies priority actions for the period 2026-2031.
- Identifies lead organisations and delivery partners.
- Provides indicative timeframes and sequencing.
- Clarifies implementation roles and responsibilities.
- Supports monitoring and reporting of progress.
- Does not create funding commitments or approve specific projects.
- Will be reviewed and updated over time to reflect changing priorities, opportunities, and Council decisions.

Overall, the revised strategy does not fundamentally change Kaikōura's proposed long-term direction from that presented in the original version of the strategy presented to the public. Rather, it strengthens the strategy by providing clearer definitions, stronger environmental guardrails, greater emphasis on health, youth and resilience, broader economic diversification pathways, and a more robust implementation framework.

4. Options Considered

In accordance with sections 76 to 81 of the *Local Government Act 2002*, Council considered a range of reasonably practicable options for advancing economic development in Kaikōura. Feedback received through community engagement helped refine these options and further develop the preferred approach.

Option 1: Continue with Existing Approaches

Under this option, Council would continue to rely on existing plans, strategies, and organisational work programmes without adopting a dedicated Economic Development Strategy.

Advantages

- No additional implementation or governance arrangements required.
- Lowest short-term cost and resource commitment.
- Allows organisations to continue operating independently within their existing mandates.

Disadvantages

- Limited coordination across economic development activities.

- Reduced ability to align housing, workforce, tourism, infrastructure, environmental, and economic priorities.
- Fewer opportunities to leverage partnerships and attract external investment.
- Does not provide a long-term vision for responding to demographic, economic, and environmental challenges.

Council considers this option unlikely to achieve the level of economic diversification, resilience, and long-term community wellbeing sought by the community.

Option 2: Focus Primarily on Tourism Growth

Under this option, economic development efforts would focus principally on increasing visitor numbers and tourism-related activity.

Advantages

- Builds on Kaikōura's strongest existing industry.
- Utilises established infrastructure, expertise, and market recognition.
- Potentially generates increased visitor expenditure in the short term.

Disadvantages

- Increases reliance on a single sector.
- Does not adequately address seasonality risks.
- Provides fewer opportunities for young people and skilled workers seeking non-tourism careers.
- Risks increasing pressure on housing, infrastructure, and environmental assets.
- May reduce economic resilience during future disruptions.

While tourism will remain an important part of Kaikōura's future economy, feedback consistently highlighted the need for broader economic opportunities and greater resilience beyond tourism alone.

Option 3: Regenerative Diversification with a Long-Term Strategy and Five-Year Action Plan (Preferred Option)

Under this option, Council adopts the Economic Development Strategy and accompanying Five-Year Action Plan.

The strategy seeks to diversify the economy while protecting and enhancing the environmental and cultural values that underpin Kaikōura's success. It promotes a balanced approach focused on housing, community wellbeing, economic diversification, resilience, environmental stewardship, research, education, and improved coordination between organisations. The accompanying action plan provides a practical implementation pathway, identifying priority actions, lead organisations, partnerships, and sequencing over the first five years.

Advantages

- Creates a clear long-term direction for economic development.
- Reduces reliance on a single industry.
- Better aligns economic, environmental, social, and cultural outcomes.
- Supports housing, workforce attraction, youth retention, aging well, and community wellbeing.
- Strengthens coordination between Council, Enterprise Kaikōura, Destination Kaikōura, iwi, businesses, and other partners.
- Provides an implementation framework through the Five-Year Action Plan.
- Enhances resilience to future economic, environmental, and demographic challenges.

Disadvantages

- Requires ongoing coordination and commitment from multiple partners.
- Some outcomes may take time to realise.
- Many initiatives remain dependent on future funding, feasibility assessments, and partner participation.

Proposed Approach

Council's proposed approach is Option 3.

Feedback from the initial engagement process demonstrated broad support for the strategy's overall direction while highlighting the need for clearer implementation, governance, accountability, and practical actions. The revised strategy responds to that feedback by strengthening the regenerative development framework, broadening economic diversification opportunities, reinforcing environmental safeguards, clarifying the role of Council and partner organisations, and introducing a Five-Year Action Plan to support delivery. Together, these changes provide the most balanced and sustainable pathway for achieving Kaikōura's long-term economic development aspirations

5. Consultation Process

This proposal is being consulted on in accordance with section 83 of the *Local Government Act 2002*.

The consultation period is proposed to run for one month, followed by hearings and deliberations before final Council adoption. The proposed dates for the next steps are as follows.

A communications programme will be implemented to support the consultation process, including media releases, advertising, social media promotion, website content, and a mail drop. Key activities are outlined below:

- Advertisement submitted to the Kaikōura Star on 11 September 2026, with publication commencing on 18 September 2026, advising that consultation will begin on 21 September 2026.

- Mediaworks radio campaign to go live on 18 September.
- Facebook advertising and dedicated website content published on 21 September 2026 as part of the initial public notice.
- Two stands outside the Council offices and the library with posters informing people about the consultation.

Consultation Process

- Consultation period opens: 21 September 2026
- Consultation period closes: 26 October 2026

Decision-Making Process

- Hearing of submissions: 11 November 2026
- Preliminary report to Council: 18 November 2026
- Council consideration and approval: 25 November 2026.