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**Regional and rural communities
have unrealised opportunities**

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Deloitte
Access **Economics**



Our report considers:
Regions of Opportunity

It takes a **cities and regions** focus,
by examining four industries, and
how growth of those industries
would play out differently across
five regions of New Zealand

How we assessed the economic benefits of increasing exports and effective e-connectivity across our regions



- Over-reliance on a handful of urban economies leaves us vulnerable to economic shocks
- Export-driven growth is highly important for New Zealand
- Our industries today are now fully reliant on connected technologies.
- How can our regions build a pathway to prosperity?
- What role do exports and e-connectivity play within this picture?

Industries of focus



Tourism



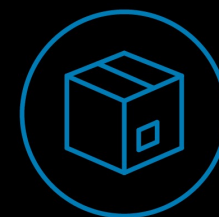
Agribusiness



**Food
processing**



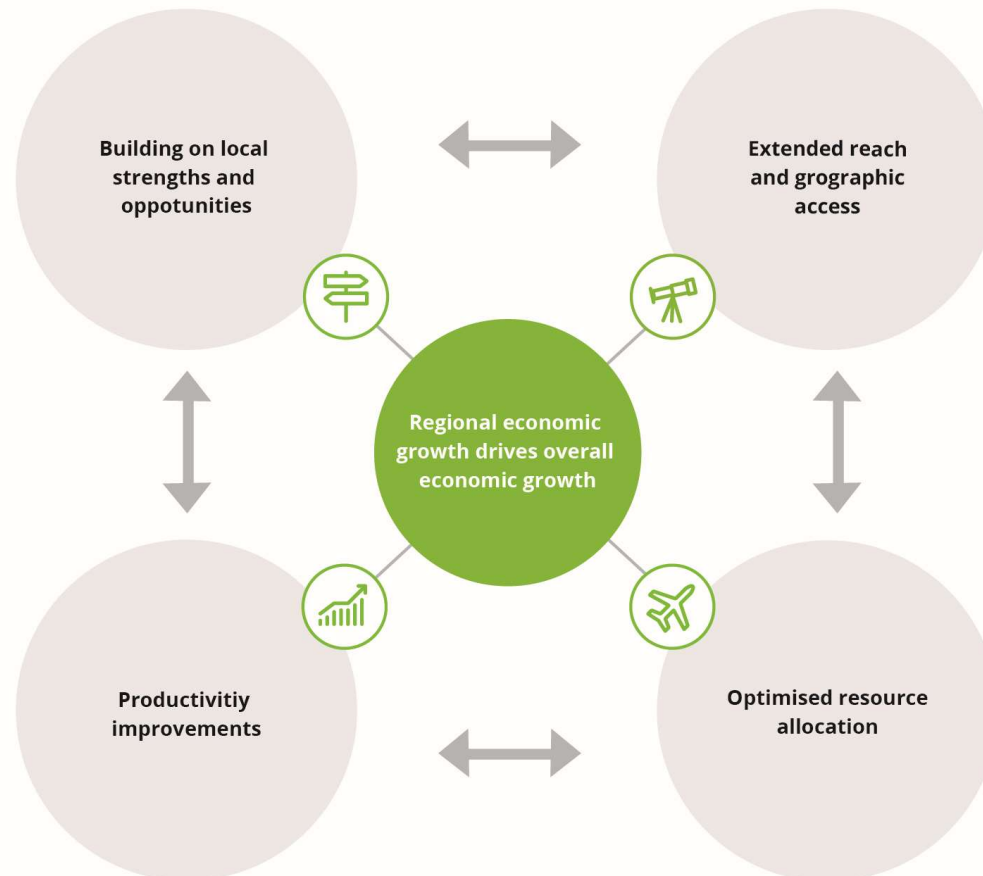
**International
education**



**Advanced
manufacturing**

The power of e-connectivity transforming our industries and regions today

What is the relationship between e-connectivity and regional economic development



Effective e-connectivity is a central pillar to growth

Economic benefits: Increasing exports and effective internet access 2019 to 2040

Wellington



Key

-  The additional **GDP** in the economy over 2019 – 2040 from our regions of focus growing at the national export growth target until the target date compared to the 'base case', in 2018 dollars.
-  The additional **FTE** jobs created by 2040 from our regions of focus growing at the national export growth target until the target date compared to the 'base case'.

Source: Deloitte Access Economics

Economic benefits: Increasing exports and effective internet access 2019 to 2040 Waikato



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How e-connectivity will transform the business of agriculture

Potential benefits: Digital technologies applied to stages of Agriculture Management

STAGE 1

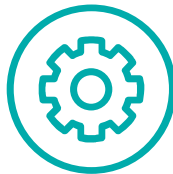


Planning

Data collection and decision support to make better choices about what, when and where to produce

Activities include: Data analytics, Field prescriptions and Fertility planning

STAGE 2



Production

Monitoring the growth cycle, managing inputs, and optimizing the product's health and harvest

Activities include: Real-time sensing, Algorithmic diagnosis and Automated harvesting

STAGE 3



Market Co-ordination

Creating access to new customers and channels, differentiating products, and shaping consumer preferences

Activities include: Online sales, Targeted advertising and Optimizing distribution

Potential economic benefits as a result of rural broadband connectivity in agriculture:

- \$47 billion to \$65 billion per year in rural USA
- Up to 50% lower water usage
- Up to 80% reduction in chemical usage
- 2 second to trace a food product's journey



Building a platform for success across all of our regions

- As New Zealand transitions to a lower carbon economy, how can we ensure that we maintain our comparative advantages?
- How can we ensure we create a positive business environment within and across all our regions?
- What digital advances will present both unique challenges and benefits for our regions? How can each region take advantage of these disruptive opportunities?
- How can we ensure there is sufficient funding to adopt technologies? How can we build on our regional differences to have the ability to respond to external shocks?

Deloitte Access Economics



We are based in **eight offices**:

- Six offices across Australia
- Two offices in New Zealand (Wellington and Auckland)



Our team consists of:

- **22** Partners (1 in NZ)
- Over **170** Economists (**10** in NZ).

Our highly qualified economists and practitioners have a strong reputation for objectivity and integrity.



We offer a **full suite of economic services**, including:

- Competition and regulatory economics
- Cost-benefit analysis
- Economic impact analysis
- Government policy and strategy
- Industry/market policy & strategy
- Macro analysis
- Business cases