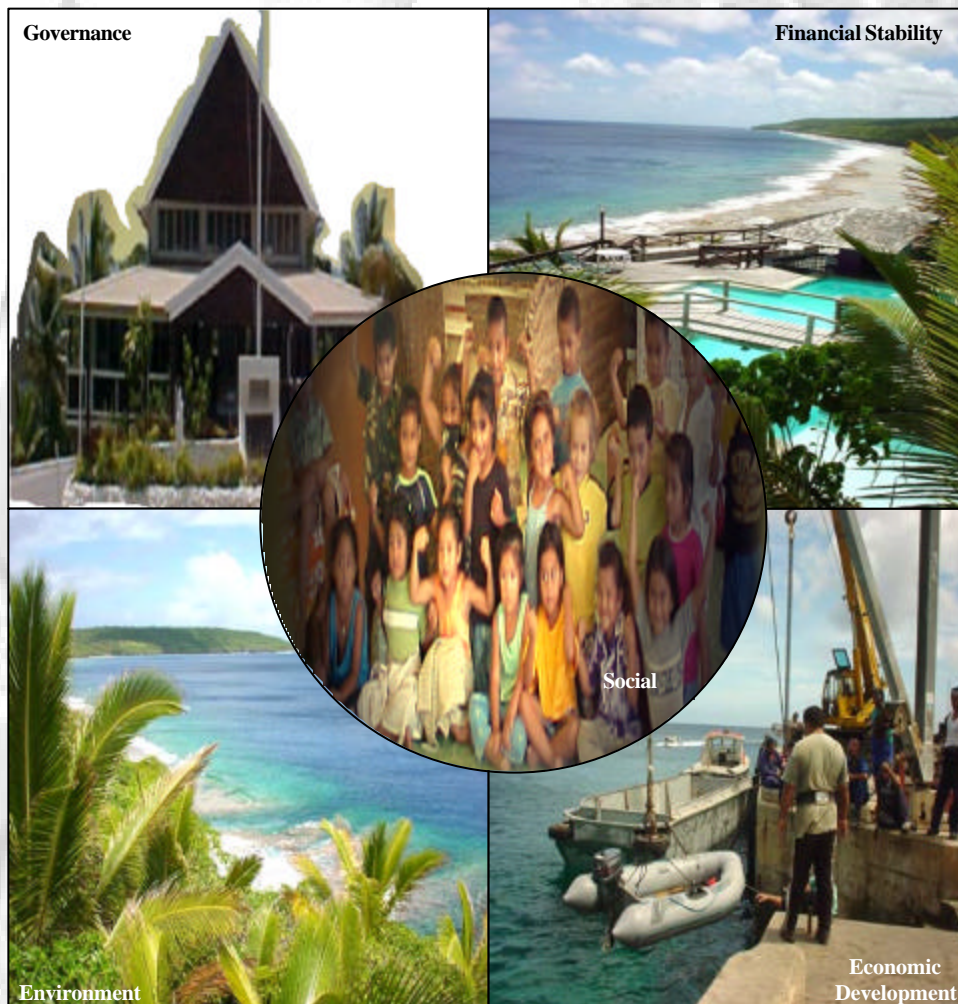




Halavaka ke he Monuina



Niue Integrated Strategic Plan – 2003 - 2008

Niue Ke Monuina – A Prosperous Niue

COUNTRY PROFILE

Geography

Niue is a single coral island of 259 square kilometers in the South Pacific Ocean at latitude 19 south and longitude 169 west. Niue has an Exclusive Economic Zone of 293,988 sq km. It is the largest raised coral island in the world and is known for its unspoilt environment and pristine coastal waters.

People, culture and tradition

Niueans are of Polynesian descent and are said to be amongst the friendliest people in the world. They speak Niuean, which has close links to other Polynesian languages. Culture, tradition, spirituality and social values play an integral part in the unique Niuean culture.

Population

In March 2002 the population was 1707. This compares with 20,145 residents of New Zealand who claimed to be of Niuean descent in the 2001 Census. The declining population has created difficulties in maintaining adequate public services but more importantly threatens the existence of Niue's cultural heritage and sovereignty.

The Government

Since 1974 Niue has been self-governing in free association with New Zealand. Under this constitutional arrangement New Zealand is responsible for defense and external affairs as well as providing necessary economic and administrative assistance. General elections are held once every three years for the 20 members of the Legislative Assembly. Since 2001 Niue has full diplomatic representation in New Zealand.

Economy

In 2002 GDP was \$14.2m, which equates to \$7,470 per capita. The Government is the major employer in Niue.

New Zealand provides almost 50% of the GDP through budget support programmes. Until recently Telecommunication facilities were the next major source of income. International Business Company registrations are next in importance but these are to be reviewed in light of current international pressure.

Most trading is done with New Zealand however there is a large trade imbalance with imports of approximately \$4m in 2002 compared with exports of approximately \$200,000. Export commodities consist mainly of taro, honey and small quantities of coconut, handicrafts and vanilla.

Infrastructure

All residents have access to good housing, electricity and water. A twice weekly flight is provided by Polynesian Airlines on a Boeing 737 aircraft. Niue is serviced by a supply ship once every three weeks, international telephone system, internet services, radio and television services are also available.

Future Direction

Government is committed to building the population and diversifying and increasing the revenue base. There is a need to reduce dependency on aid and move towards a stronger private sector with a wider revenue base. Tourism, vanilla and fisheries have been identified as industries where Niue has a comparative advantage so are targeted as key initiatives.

This document provides the foundation to develop Niue into a prosperous society for all who will choose to call it home.

FOREWORD

Ko Niue ko e motu foaki mai he Atua, ko e ha tautolu a Iki ma e tau tagata Niue. Ko tautolu ka feaki mai a Niue mo e leveki ke lata mo e tau atuhau tupuhake.

When you are faced with major challenges it is important to stop, take stock of your current position and then to plan how you move forward.

Population and finance are major challenges currently facing this country that need this type of approach.

There are serious concerns that if our population drops much lower then the very things that make us a nation, such as our spiritualism, language, heritage and social values will be threatened.

The recent loss of a major source of income has highlighted our precarious financial position. It has led to large budget cuts and there are not enough funds to maintain our buildings, heavy plant and roads, nor provide investment funds to help develop our economy.

These challenges are not new, but they are becoming more urgent. Past solutions have not worked so it is time for a fresh approach.

The aim of this plan, Halavaka ke he Monuina, is to address these challenges in a new way and to ensure that we still have a 'Prosperous Niue' in 5 years time, for those who are committed to the Niue lifestyle by choice.

We will do this by directing additional funding to be used specifically for promoting industry and employment and for doing the urgent, necessary maintenance on our assets.

Vanilla, fishing and tourism are targeted for special attention as it is seen that they have the potential to create employment and contribute cash. However, it is stressed that they will not be promoted at the expense of traditional [subsistence] crops or fishing and we will continue to look for other cash crops.

They will also not be promoted at the cost of our environment. Instead, we will use our 'clean green' image to promote them through initiatives such as organic farming and eco tourism.

The Government cannot create a 'Prosperous Niue' on its own. It will require a big effort from everyone; elected members, government employees, the private sector, civil society, the public and our investment partners.

To do this it is important that we are all aiming for the same goal.

This plan outlines that goal and sets out a way of getting there. I commend it to you and ask that you play your part in ensuring that we make it a reality.

Kia moui olaola a Niue. Kia tumau a Niue.
Kia fakamonuina mai he Atua a Niue Fekai.

Hon. Young Vivian
Premier

VISION

NIUE KE MONUINA - A PROSPEROUS NIUE

VISION STATEMENT

Niue will continue to be a Sovereign Nation in free association with New Zealand.

Its unique culture, based on spiritualism, language, heritage and social values, will thrive and be celebrated.

Her people will continue to enjoy a high standard of living with a unique island lifestyle and a stable and responsible government.

Niue will be recognised internationally for its unspoilt and unique environment, particularly its pristine coastal waters. It will protect that environment through sustainable environmental practices such as a managed fishery and organic farming.

While government will continue to be the major employer, there will also be a vibrant private sector offering employment and investment opportunities to both locals and those wishing to make Niue their home. Vanilla production and a thriving fishing industry will be major contributors to the economy.

There will be a flourishing tourism industry based largely on the attractions that the unique environment has to offer. The industry will be serviced by regular airline services to New Zealand and other Pacific Island Countries.

The revenue base for the government will have expanded so that there are sufficient funds available to finance necessary infrastructure maintenance and replacement, provide seed capital to encourage private industry and investment as well as continue to provide essential government services. Government will continue to be debt free.

As a result of these initiatives Niue's population will be stable and possibly show a net increase. Government will continue to enjoy cordial international relations particularly with New Zealand, Australia, her Pacific neighbours and valued investment partners. It will also continue to enjoy and participate in regional and international fora.

STRATEGIC OBJECTIVES

- | | |
|--------------------------------|--|
| 1) Financial Stability | Ensure there are sufficient financial resources to manage and develop the country in a responsible and sustainable manner. |
| 2) Governance | Provide governance that is stable, transparent and accountable. |
| 3) Economic Development | Maximise benefits from Niue's resources in a sustainable manner. |
| 4) Social | Enjoying a lifestyle of a thriving, educated and healthy community that has access to a wide range of quality social infrastructure, services and development opportunities. |
| 5) Environment | Sustainable management of Niue's natural resources for future generations. |

GUIDING PRINCIPLES

- ~~///~~ Sustainable development
- ~~///~~ A strategic focus and alliances with key stakeholders
- ~~///~~ Collaboration, communication and consultation
- ~~///~~ Accountability, responsibility and transparency
- ~~///~~ Cohesive and coordinated implementation of the strategic objectives
- ~~///~~ Action focused and mindful of cultural and spiritual values
- ~~///~~ Relevant to Niue ke Monuina - A Prosperous Niue
- ~~///~~ Constant monitoring and review

STRATEGIC OBJECTIVE

Ensure there are sufficient financial resources to manage and develop the country in a responsible and sustainable manner.

BACKGROUND

Revenue in the 2002/2003 budget was \$15.1m. Despite stringent cost cutting measures this still fell short of meeting recurrent expenditure by \$1.5m. As a result there were no funds available for major asset maintenance and replacement work, capital expenditure or development of new initiatives.

There is little scope to further cut expenditure. An independent review of the 2002/2003 budget strategy supported the current employment levels within government and was unable to identify any major programmes that could be cut without political ramifications.

The government held only \$1.3m in reserves at that time so an urgent additional source of funds is required.

Current dependency on only 2 major sources of funding, New Zealand Aid and International Business Company registrations, is considered to be of high risk to financial stability. The desire and commitment to comply with international movements to counter terrorism, such as anti-money laundering agreements, threatens that stability.

Establishment of a Trust Fund would broaden the revenue base utilising income available from its investment returns.

AIM

To have sufficient funds available on an ongoing basis in order to fund:

- 1) recurrent budget expenditure,
- 2) asset maintenance and replacement programmes,
- 3) capital expenditure programme, and
- 4) new initiatives in support of the strategic objective.

STRATEGIES**Donor Funding**

- 1) Target existing donors funds to areas of high priority
- 2) Secure new donors

External Funding

- 1) Maximise benefits from existing external sources
- 2) Generate new sources of external funds.

Fiscal Policy

Review fiscal and taxation policy with a view to obtaining additional revenue.

Entrepreneurial Activity

Maximise returns from all trading and entrepreneurial activities.

Trust Fund

Establish a Trust Fund.

Sovereign Assets

Maximise returns from sovereign assets such as the domain name, air space Exclusive Economic Zone and other resources.

2 GOVERNANCE

STRATEGIC OBJECTIVE

Provide governance that is stable, transparent and accountable.

BACKGROUND

The Niue Government confirmed its commitment to the good governance principles of “exercise of authority (leadership) and interactions in a manner that is open, transparent, accountable, participatory, consultative and decisive but fair and equitable” when it signed the Biketawa Declaration in 2000.

Implementation of these principles has commenced and includes the review of current legislation most of which dates prior to the 1974 constitutional arrangements.

AIM

To establish and practice good governance principles that will create an environment where all residents are fully informed and are consulted.

STRATEGIES

Constitutional relationship with New Zealand

Reaffirm the current constitutional relationship with New Zealand.

Open Government (Community Involvement in Development)

- 1) Practice of good governance principles of transparency and accountability.
- 2) Establish and maintain a consultative system with all sectors that is monitored to ensure that it is working.

Legislative Review and [General] Reform

- 1) Provide legislation that is modern and reflects the current constitutional status of Niue and responds to the demands of Niue in the 21st Century
- 2) Review the appropriateness of the size and structure of the Legislative Assembly and Public Service.

National Security

Provide all residents with a safe and secure environment.

Village Councils

Continue to support and assist village councils.

Code of Ethics

Develop a Code of Ethics in support of good governance principles.

Corporate Governance

Assist the private sector and non-government organisations to comply with their responsibilities.

STRATEGIC OBJECTIVE

Maximise benefits from Niue's resources in a sustainable manner.

BACKGROUND

Niue has access to a range of quality infrastructure services and has the capacity to maximise returns from its natural resource. To ensure this happens a more strategic approach is being taken to target assistance and support to areas with maximum potential.

This new economic strategy is based on the development of primary products that enjoy a unique and comparative advantage. In particular Niue's clean environmental image offers a marketing advantage that can be used to promote vanilla production and eco tourism.

It is seen that the private sector will play a vital role in development of the new products and support will be provided to them to do so.

ECONOMIC DEVELOPMENT**AIM**

To promote economic development by:

- 1) targeting assistance to areas in the private sector with maximum potential,
- 2) maximising use of Niue's resources in a sustainable manner,
- 3) encouraging foreign direct investment and trade, and
- 4) developing and maintaining key infrastructure.

STRATEGIES**Private Sector**

- 1) Promote, assist and support a vibrant private sector.
- 2) Form and foster partnerships with non-government organisations.

Agriculture

Facilitate agricultural development of products with proven commercial merits, particularly vanilla, through research and product and market development.

Fisheries

Increase the returns from the fisheries resource in a sustainable and responsible manner.

Tourism

Increase tourism in a responsible and sustainable manner taking advantage of our clean, green environment and cultural and social values.

Trade And Marketing

Promote and secure markets for our products.

Investment

Seek and encourage venture capital investment and skills and technology transfer.

INFRASTRUCTURE

AIM

Develop and maintain necessary infrastructure to serve the development needs of all sectors.

STRATEGIES

Transport

Secure reliable airline and shipping services appropriate to our needs and maintain a good road network.

Energy

Provide reliable energy to all residents and complete the EU Wind Turbine project.

Communication

Provide efficient postal, telecommunication, meteorological and broadcasting services and explore and encourage Information Communication Technology (ICT) development.

Land

Increase the area of land under title to facilitate access and use for development.

Water

Provide a quality potable water supply to all residents.

Waste Management

Implement the waste management plan.

Government Capital Assets

Implement the asset maintenance and replacement plan.

STRATEGIC OBJECTIVE

Enjoying a lifestyle in a thriving, educated and healthy community that has access to a wide range of quality social infrastructure, services and development opportunities.

BACKGROUND

Niue faces a development dilemma due to population decline. Social policy in the areas of education, health, social benefits, culture, heritage, language and religion are key factors in retaining the remaining population and attracting overseas based Niueans to return.

Niue's education system follows the New Zealand curriculum. Free and compulsory primary and secondary education is provided with tertiary education accessible through government joint sponsorship programmes and donor funded sponsorship. The country has a highly educated labour force, however manpower shortages are experienced in the trade and professional areas. Niue provides excellent health services and facilities however there has been an increase in non-communicable diseases associated with lifestyle changes.

The social cohesion that the country enjoys is largely attributed to the key role that the church and village community play in society however, due to population decline commitments have increased and are placing undue burdens on all sectors of society.

AIM

To provide social services of a quality that will maintain and enhance the quality of life on the island.

STRATEGIES

Population	Build up and maintain a population at a level that will support and enhance Niue's economic, social and cultural systems.
Education and Training	Provide and maintain quality education services that contribute to the human resource development and skill needs of the country.
Health	Provide quality health services to all residents and promote a healthy lifestyle.
Sports and Recreation	Create an environment for people to enjoy sports and recreation.
Social Welfare	Provide appropriate welfare services and benefits.
Language and Cultural Heritage	Ensure the survival of Niue's sovereign and ethnic identity through its language, customs and traditions, arts and crafts, and history.
Spiritual Values	Promote, support and provide appropriate assistance to the church in responding to the spiritual needs of its members.
Community Development	Provide support and assistance to community groups.
Social Commitments	Raise awareness of problems created by the declining population in meeting community commitments.

STRATEGIC OBJECTIVE

Sustainable management of Niue's natural resources for future generations.

BACKGROUND

As a small isolated land mass Niue has a unique unspoilt environment typified by its pristine water, abundant vegetation and clean air.

These attributes can be used to commercial advantage in marketing the country and its products through organic farming, eco tourism and whale watching.

Valuing the environment in this manner will ensure that it is protected and preserved for future generations.

Niue is an active participant in international environmental initiatives and signatory to international treaties.

AIM

Utilise the abundant natural resources in a way that not only maximises the economic benefit but also ensures that future generations will be able to enjoy them to the full.

STRATEGIES**Management of Resources**

Prepare and implement management plans for the sustainable use and ongoing monitoring of our natural resources.

Global Responsibilities

- 1) Participate in international environment programmes to assist Niue in meeting its global environmental responsibilities.
- 2) Seek international assistance in implementing sound environmental policy.