



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

Napier Civic Building  
231 Hastings Street  
t +64 6 835 7579  
e [info@napier.govt.nz](mailto:info@napier.govt.nz)  
[www.napier.govt.nz](http://www.napier.govt.nz)

# MĀORI COMMITTEE

## Open Agenda

---

Meeting Date: Friday 26 February 2021

---

Time: 9.00am

---

Venue: Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier

---

Committee Members Ngāti Pārau Hapū Trust – Chad Tareha (In the Chair)  
Mayor Kirsten Wise  
Maraenui & Districts Māori Committee – Adrienne Taputoro  
Maungaharuru-Tangitū Trust – Robbie Paul  
Pukemokimoki Marae – vacant  
Mana Ahuriri Trust – vacant  
Te Taiwhenua o Te Whanganui-a-Orotū - vacant

---

Officer Responsible Director Community Services, Acting Pou Whakarae

---

Administration Governance Team

---

**Next Māori Committee Meeting**  
**Friday 9 April 2021**



# ORDER OF BUSINESS

## Karakia

## Apologies

## Conflicts of interest

## Public forum

## Announcements by the Chairperson

## Announcements by the management

## Confirmation of minutes

That the Minutes of the Māori Committee meeting held on Wednesday, 9 December 2020 be taken as a true and accurate record of the meeting. ....272

## Agenda items

- 1 Draft Memorandum of Understanding with Ngāti Koata .....3

## Reports from Standing Committees

### Reports from Napier People and Places Committee held 4 February 2021

- 1 Implementation of Dual Place-names and Bilingual Signage in Council Parks, Reserves and Facilities.....21

### Reports from Sustainable Napier Committee held 11 February 2021

- 1 Rodney Green Centennial Events Centre - Flood Damage Report.....31
- 2 Awatoto Waste Futures Hub Proposal .....36
- 3 Project update Napier Urban Waterways Investigations.....46
- 4 Report on Napier Water Supply Status End of Q2 2020-2021 .....53
- 5 To provide Council with information on Capital Programme Delivery. ....72

### Reports from Future Napier Committee held 11 February 2021

- 1 Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region. ....78
- 2 Draft District Plan.....262
- 3 Resource Consent Activity Update.....267

## Updates from Partner Entities

Ngāti Pārau Hapū Trust – Chad Tareha

Maraenui and Districts Māori Committee – Adrienne Taputoro

Napier City Council – Mayor Kirsten Wise

Maungaharuru-Tangitū Trust – Robbie Paul

## Update from Council Pou Whakarae

Mōrehu Te Tomo – Acting Pou Whakarae

## General business

Public excluded .....270



# AGENDA ITEMS

## 1. DRAFT MEMORANDUM OF UNDERSTANDING WITH NGĀTI KOATA

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1285530
<i>Reporting Officer/s &amp; Unit:</i>	Rachel Haydon, General Manager, National Aquarium of New Zealand Joseph Woolcott, General Curator

### 1.1 Purpose of Report

The National Aquarium of New Zealand (NANZ) presently holds one male tuatara (*Sphenodon punctatus*).

NANZ is engaging with Ngāti Koata, the iwi who whakapapa to tuatara. This engagement is vital as both an acknowledgement of Ngāti Koata as kaitiaki of this taonga species and also as part of the Department of Conservation (DOC) Wildlife Authorisation Authority permitting process in their application to hold tuatara in captivity.

Through initial conversations with Ngāti Koata, the iwi have proposed a draft Memorandum of Understanding (MOU) with NANZ/NCC and sent through a draft version for consideration. It is acknowledged that as part of these discussions and MOU, Ngāti Koata need to engage with mana whenua, who will act as kaitiaki of this tuatara in NANZ's care.

NANZ seeks advice and support from the Maori Committee to:

- Determine if there any current MoU with Ngāti Koata preceding this one
- Endorse the appropriate Iwi Authorities who will act as kaitiaki of the tuatara held at NANZ
- Seek feedback on the conditions of a MOU with Ngāti Koata

It is expected NANZ will then engage with the appropriate nominated Iwi Authorities to determine next steps and engage with Ngāti Koata.

### Officer's Recommendation

The Māori Committee:

- Endorse the appropriate Iwi Authorities who will act as kaitiaki of tuatara at NANZ.
- Endorse the NANZ General Manager and General Curator to engage with Ngāti Koata and negotiate the terms of the MOU with NANZ (as a facility governed by Napier City Council).



## 1.2 Background Summary

The National Aquarium of New Zealand (NANZ) presently holds one tuatara (*Sphenodon punctatus*). This tuatara, Alfie, is a 35 year old male who came to the National Aquarium from Auckland Zoo in 2002.

Ngāti Koata is the iwi who whakapapa to tuatara. NANZ's engagement with Ngāti Koata is vital as both an acknowledgement of the iwi as kaitiaki of this taonga species and also as part of the Department of Conservation (DOC) Wildlife Authorisation Authority (WAA) permitting process in their application to hold tuatara in captivity. DOC presently has a Memorandum of Understanding (MOU) with Ngāti Koata where no authorisations will be issued in respect of tuatara sourced from Stephens Island until applicants have discussed the proposal with Ngāti Koata.

NANZ's recent WAA application to hold tuatara has been approved by DOC and they are permitted to hold tuatara. However, the relationship with Ngāti Koata will encompass a different kaupapa to just what the DOC WAA conditions outline to hold the species.

Ngāti Koata have proposed their own MOU with NANZ/NCC and sent through a draft version for consideration. It is acknowledged that as part of these discussions and MOU, Ngāti Koata are engaging Ngāti Parau, as mana whenua, to act as kaitiaki of this tuatara in NANZ's care.

NANZ seeks advice and support from the Maori Committee to understand if there are any current MOU with Ngāti Koata preceding this one and to gain a recommendation of who to engage with as Iwi Authorities.

It is expected NANZ will then engage with the appropriate nominated Iwi Authorities to:

- Determine the process of further engagement with Ngāti Koata,
- Seek feedback on the conditions of the draft MOU with Ngāti Koata,
- Host Ngāti Koata at the Aquarium with pohiri and to share Korero Pū Rakau (stories of Tuatara) from Ngāti Koata.

NANZ hopes to showcase Ngāti Koata's Korero Pū Rakau as essential mātauranga about the tuatara (i.e. in enclosure redevelopments, online content, school sessions etc.); build long term relationships with Ngāti Koata and mana whenua as kaitiaki of this species; and build their own understanding of best practice of appropriate engagement with iwi with support from the Māori Committee.

## 1.3 Issues

No Issues

## 1.4 Significance and Engagement

N/A

## 1.5 Implications

### Financial

- There is no 20/21 NANZ budget planned to cover travel of Ngāti Koata representatives to Napier or ongoing annual koha to hold tuatara budgeted for in current NANZ budgets. In order to meet any Ngāti Koata expectations of travel or ongoing annual koha as part of an MOU, this would need to be supported/approved from sources outside current 20/21 NANZ budgets.



## Social & Policy

N/A

## Risk

- If favourable conditions for an MOU between Ngāti Koata, Ngāti Parau as mana whenua and the National Aquarium team cannot be met, the tuatara may have to be returned to Ngāti Koata. This would mean a reduced level of service with the removal of a key native taonga species from the National Aquarium of New Zealand.
- This MOU may set a precedent of MOUs needed, with koha included as a condition, for the keeping of native, taonga species at NANZ. This would need to be accepted as a key operational budget needed by NANZ to support its Levels of Service.

## 1.6 Options

The options available to the Committee are as follows:

- a. Advise on the appropriate Iwi Authorisation who will act as kaitiaki of tuatara at NANZ and give advice and support on the proposed MOU terms and build relationship with Ngāti Koata
- b. Reject the proposed MOU with Ngāti Koata and do not accept role of kaitiaki of the NANZ tuatara.

## 1.7 Development of Preferred Option

It is preferred that the Committee advise on the appropriate Iwi Authorisation who will act as kaitiaki of tuatara at NANZ and give advice and support on the proposed MOU terms and build relationship with Ngāti Koata

This will provide NANZ guidance to determine the process of further engagement with Ngāti Koata; seek feedback on the conditions of the draft MOU with Ngāti Koata to progress this agreement acknowledging any budget implications for NCC; host Ngāti Koata at the Aquarium with pohiri and to share Korero Pū Rakau (stories of Tuatara) from Ngāti Koata.

## 1.3 Attachments

- A DOC Authorisation for NANZ tuatara 78383-CAP [↓](#)
- B Draft MOU from Ngāti Koata for tuatara at NANZ [↓](#)
- C DOC Approval Letter for NANZ tuatara 78383-CAP [↓](#)





Department of Conservation  
*Te Papa Atawhai*

## Wildlife Act Authority for wildlife on non-public conservation land

Authorisation Number: 78383-CAP

**THIS AUTHORITY** is made this 5<sup>th</sup> day of October 2020

### **PARTIES:**

**The Director-General of Conservation and where required the Minister of Conservation** (the Grantor)  
**AND**

**Napier City Council** (the Authority Holder)

### **BACKGROUND:**

- A. The Director-General of Conservation is empowered to issue authorisations under the Wildlife Act 1953.
- B. The Authority Holder wishes to exercise the authorisation issued under the Wildlife Act 1953 subject to the terms and conditions of this Authority.

### **OPERATIVE PARTS**

In exercise of the Grantor's powers the Grantor **AUTHORISES** the Authority Holder under Section 53 (2) of the Wildlife Act 1953, subject to the terms and conditions contained in this Authority and its Schedules.

SIGNED on behalf of the Grantor  
By Jennifer Nelson-Smith  
Operations Manager  
Napier District Office  
acting under delegated authority  
in the presence of:

Witness Signature

Witness Name: Denise Fastier

Witness Occupation: Senior Ranger Biodiversity



Authorisation Number: 78383-CAP

Witness Address: \_\_\_\_\_

A copy of the Instrument of Delegation may be inspected at the Director-General's office at  
18-32 Manners Street, Wellington.



Authorisation Number: 78383-CAP

**SCHEDULE 1**

1.	<b>Authorised activity (including the species, any approved quantities and collection methods).</b> (Schedule 2, clause 2)	<p>a. Activity – to obtain alive Tuatara (<i>Sphenodon punctatus</i>) for the purpose of species preservation</p> <p>b. Quantity – up to a maximum of four individuals</p> <p>c. Method – the wildlife must be obtained by way of transfer as per Schedule 3.12</p>
2.	<b>The Land</b> (Schedule 2, clause 2)	546 Marine Parade Napier South 4110
3.	<b>Personnel authorised to undertake the Authorised Activity</b> (Schedule 2, clause 3)	<p>a. Rachel Haydon</p> <p>b. Joe Woolcott</p> <p>c. Regan McDougall</p> <p>d. Rebekah Cuthbert</p> <p>e. Michelle Stamme</p> <p>f. Herman Barspuul</p> <p>g. Matt Gowan</p> <p>h. Nicole Spiekerman</p> <p>i. Tami Evans</p> <p>j. Monica Nevill-Jackson</p>
4.	<b>Term</b> (Schedule 2, clause 4)	Commencing on and including 5 October 2020 and ending on and including 4 October 2030
5.	<b>Authority Holder's address for notices</b> (Schedule 2, clause 8)	<p>The Authority Holders address in New Zealand is:</p> <p>546 Marine Parade Napier 4110 Fax: (06) 833-7631 Email: <a href="mailto:joe.woolcott@nationalaquarium.co.nz">joe.woolcott@nationalaquarium.co.nz</a></p>
6.	<b>Grantor's address for notices</b>	<p>The Grantor's address for all correspondence is:</p> <p>Level 4 73 Rostrevor Street Hamilton 3240 <a href="mailto:permissionshamilton@doc.govt.nz">permissionshamilton@doc.govt.nz</a></p>



Authorisation Number: 78383-CAP

## SCHEDULE 2

### STANDARD TERMS AND CONDITIONS OF THE AUTHORITY

#### 1. Interpretation

- 1.1 The Authority Holder is responsible for the acts and omissions of its employees, contractors or, agents. The Authority Holder is liable under this Authority for any breach of the terms of the Authority by its employees, contractors or agents as if the breach had been committed by the Authority Holder.
- 1.2 Where obligations bind more than one person, those obligations bind those persons jointly and separately.

#### 2. What is being authorised?

- 2.1 The Authority Holder is only allowed to carry out the Authorised Activity in the Land described in Schedule 1, Item 2.
- 2.2 The Authority Holder must advise the Department of Conservation's local Operations Manager(s) one week prior to carrying out the Authorised Activity in the District, when the Authority Holder intends to carry out the Authorised Activity.
- 2.3 Any arrangements necessary for access over private land or leased land are the responsibility of the Authority Holder. In granting this authorisation the Grantor does not warrant that such access can be obtained.
- 2.4 The Authority Holder and Authorised Personnel must carry a copy of this Authority with them at all times while carrying out the Authorised Activity.
- 2.5 The Authority Holder may publish authorised research results.
- 2.6 The Authority Holder must immediately notify the Grantor of any taxa found which are new to science. In addition, the Authority Holder must lodge holotype specimens and a voucher specimen of any new taxa with a recognised national collection.

#### 3. Who is authorised?

- 3.1 Only the Authority Holder and the Authorised Personnel described in Schedule 1, Item 3 are authorised to carry out the Authorised Activity, unless otherwise agreed in writing by the Grantor.

#### 4. How long is the Authority for - the Term?

- 4.1 This Authority commences and ends on the dates set out in Schedule 1, Item 4.

#### 5. What are the liabilities?

- 5.1 The Authority Holder agrees to exercise the Authority at the Authority Holder's own risk and releases to the full extent permitted by law the Grantor and the Grantor's employees and agents from all claims and demands of any kind and from all liability which may arise in respect of any accident, damage or injury occurring to any person or property arising from the Authority Holder's exercise of the Authorised Activity.



Authorisation Number: 78383-CAP

- 5.2 The Authority Holder must indemnify the Grantor against all claims, actions, losses and expenses of any nature which the Grantor may suffer or incur or for which the Grantor may become liable arising from the Authority Holder's exercise of the Authorised Activity.
- 5.3 This indemnity is to continue after the expiry or termination of this Authority in respect of any acts or omissions occurring or arising before its expiry or termination.
6. **What about compliance with legislation and Grantor's notices and directions?**
- 6.1 The Authority Holder must comply with all statutes, bylaws and regulations, and all notices, directions and requisitions of the Grantor and any competent Authority relating to the conduct of the Authorised Activity. Without limitation, this includes the Conservation Act 1987 and the Acts listed in the First Schedule of that Act and all applicable health and safety legislation and regulation.
7. **When can the Authority be terminated?**
- 7.1 The Grantor may terminate this Authority at any time in respect of the whole or any part of Authorised Activity if:
- (a) the Authority Holder breaches any of the conditions of this Authority; or
  - (b) in the Grantor's opinion, the carrying out of the Authorised Activity causes or is likely to cause any unforeseen or unacceptable effects.
- 7.2 If the Grantor intends to terminate this Authority in whole or in part, the Grantor must give the Authority Holder such prior notice as, in the sole opinion of the Grantor, appears reasonable and necessary in the circumstances.
8. **How are notices sent and when are they received?**
- 8.1 Any notice to be given under this Authority by the Grantor is to be in writing and made by personal delivery, by pre paid post or email to the Authority Holder at the address, fax number or email address specified in Schedule 1, Item 5. Any such notice is to be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
  - (b) in the case of post, on the 3rd working day after posting;
  - (c) in the case of email, on the date receipt of the email is acknowledged by the addressee by return email or otherwise in writing.
- 8.2 If the Authority Holder's details specified in Schedule 1, Item 5 change then the Authority Holder must notify the Grantor within 5 working days of such change.
9. **What about the payment of costs?**
- 9.1 The Authority Holder must pay the standard Department of Conservation charge-out rates for any staff time and mileage required to monitor compliance with this Authority and to investigate any alleged breaches of the terms and conditions of it.



Authorisation Number: 78383-CAP

**10. Are there any Special Conditions?**

- 10.1 Special conditions are specified in Schedule 3. If there is a conflict between this Schedule 2 and the Special Conditions in Schedule 3, the Special Conditions will prevail.

**11. Can the Authority be varied?**

- 11.1 The Authority Holder may apply to the Grantor for variations to this Authority.



Authorisation Number: 78383-CAP

## SCHEDULE 3

### SPECIAL CONDITIONS

1. This Authorisation gives the Authority Holder the right to hold absolutely protected wildlife in accordance with the terms and conditions of the Authorisation, but the wildlife remains the property of the Crown. This includes any dead wildlife, live wildlife, any parts thereof, genetic material and any replicated genetic material.
2. Unless expressly authorised by the Grantor in writing, the Authority Holder must not donate, sell or otherwise transfer to any third party any wildlife, material, including any genetic material, or any material propagated or cloned from such material, collected under this Authority.
3. The Authority Holder consents to any officer of the Grantor inspecting the protected species held under this Authority and the facilities in which it is contained at any reasonable time, including any time after the expiry or termination of this Authority. The Authority Holder must comply with any directions of the officer and provide reasonable assistance to the officer to undertake the inspection. The Grantor may recover costs of inspections from the Authority Holder.
4. If required, in writing, by the Grantor, the Authority Holder shall make such improvements to the enclosure of the protected species as are considered necessary by the Grantor to make it comply with the relevant Husbandry Manual; or, in the absence of that Manual, as the Grantor deems necessary to ensure the welfare of the protected species.
5. The protected species must not be released to the wild.
6. The Authority Holder must maintain and keep annual records detailing:
  - a. the number of individuals of the protected species in the possession of the holder;
  - b. any health issues, deaths, transfers in and out; and
  - c. any other information which the Grantor from time to time may require.
7. The Authority Holder must retain the records referred to under Schedule 3.6 for at least 5 years and is required to submit these records before the Authority can be renewed.
8. The Authority Holder must forward to the Department of Conservation appointed Captive Co-ordinator and the Grantor (if there is no Captive Co-ordinator) by 30 June in each year a copy of the annual records referred to in Schedule 3.6 in the annual report format.
9. The Authority Holder may display the wildlife to the public for species advocacy.
10. If the absolutely protected species are used for advocacy, Authority Holder must submit an annual report electronically to the Grantor at [napier@doc.govt.nz](mailto:napier@doc.govt.nz) and [permissionshamilton@doc.govt.nz](mailto:permissionshamilton@doc.govt.nz) by 30 June each year for the life of this Authorisation. Each report must include:
  - a. the number of advocacy encounters
  - b. the dates of the encounters;



Authorisation Number: 78383-CAP

- c. the nature of the encounters;
  - d. the average number of people present at the encounters;
  - e. any incidents that occurred during the encounters;
  - f. any implications for conservation management;
11. The Authority Holder must notify the Captive Co-ordinator and the Grantor within 24 hours of the death, escape or disappearance of any protected species held under this Authority, with full details of situation, origin, history in captivity, date of death/escape/disappearance.
  12. The Authority Holder must only obtain the protected species by way of transfer via the Grantor's captive management programme for the species.
  13. The Authority Holder must only transfer the protected species where:
    - a. the transfer is directed by the Department of Conservation approved Captive Co-ordinator for the protected species; or
    - b. the transfer is to or from a Department of Conservation facility
  14. For the avoidance of doubt, any method of obtaining or transferring the wildlife not expressed under Schedule 23:13-14 requires a separate authority
  15. The Authority Holder must notify the Captive Co-ordinator of the transfer of the protected species within 7 days of the date of its transfer and provide the Captive Co-ordinator with the name and address of the transferee.
  16. The Authority Holder must immediately inform the Grantor if the Authority Holder no longer wishes to hold the wildlife and will engage solely with the Grantor to arrange rehoming of the protected wildlife and may be responsible for the cost of care while the wildlife are rehomed.
  17. No breeding of the wildlife is allowed under authorised.
  18. The enclosures in which the Authority Holder holds the wildlife, must contain a substrate shallow enough to prevent the wildlife laying eggs.
  19. The Authority Holder may take blood samples from the wildlife for the purpose of health monitoring. All blood samples must be taken by a veterinarian via venipuncture of caudal vein and must not exceed 3 millilitres per sample.
  20. The Authority Holder must adhere to the current Grantor-approved captive management plan (CMP), or programme outline, husbandry manual and advocacy plan for the protected species
  21. The following clauses are deleted from Schedule 2 of this Authority:
    - a. 2.2
    - b. 2.3
    - c. 2.5
    - d. 2.6



Authorisation Number: 78383-CAP

22. A new clause 7.1 (c) is added to Schedule 2, to read as follows:  
"Or for any other reason that the Grantor may decide".





Ngāti Koata Trust  
137 Vickerman St  
PO Box 1659, Nelson 7040  
(03) 548 1639

[INSERT LOGO AND NAME]

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

## **Memorandum of Understanding**

**On**

**Relocation of Ngāti Koata Tuatara**

**Between**

**Ngāti Koata Trust**

**and**

**[ENTER NAME]**

This MOU formalises the relationship between the Ngāti Koata Trust and [ENTER NAME] Ngāti Koata Tuatara and establishes a clear understanding of the ongoing relationship, through the identification of roles and responsibilities. This relationship is based on recognising Ngāti Koata as kaitiaki of its Tuatara and Kelly Tarlton's as offering a safe environment for them. The Tuatara will be on loan for an indefinite period of time.





Ngāti Koata Trust  
137 Vickerman St  
PO Box 1659, Nelson 7040  
(03) 548 1639

[INSERT LOGO AND NAME]

## **A. Background**

### **Ngāti Koata**

Ngāti Koata Trust is mandated by the people of Ngāti Koata to maintain and enhance the mana of the iwi. The rohe of Ngāti Koata includes the land and water east of Anatoto through to Kurupongi, Ngā Kioe, Takapourewa and on to Te Matau, including Rangitoto, the Croiselles, Whangamoā, Whakapuaka, Whakatū, Waimea, Motueka and beyond. Ngāti Koata have been kaitiaki for all resources and taonga within its rohe and is responsible for the use and regulation of those resources and taonga for the benefit of its people. As such, the Board of the Trust (in consultation with their Kaumatua Council) will determine how interactions between requesting parties of the tuatara will occur.

### **National Kiwi Centre**

[Please write in a paragraph about the Centre. ]

## **B. Background**

- [More information required here in terms of how we arrived at this place]
- On September the 8th the Kaumatua council recommend the following.

*'In principle Ngāti Koata support the translocation of Takapourewa Tuatara pending*

- 1. a signed MOU between Ngāti Koata and the receiving parties,*
- 2. confirmation from the Department of Conservation that all enclosures meet the required standards to house these taonga and*
- 3. confirmation from the Captive Manager that a population of Tuatara is confirmed for this request'*

- MOU completed and signed on .....
- Confirmation from the Department of Conservation was received on .....
- Tuatara successfully relocated from [name] to [Enter your name]

## **C. Ngā Matapono/Principles**

The relationship between the parties is based on the following:

- Whakarangatira -Reciprocal respect
- Ngākau pono - Honesty of purpose
- Whakawhitiwhiti kōrero - Open communication





Ngāti Koata Trust  
137 Vickerman St  
PO Box 1659, Nelson 7040  
(03) 548 1639  
Manaaki - Mutual engagement

[INSERT LOGO AND NAME]

**D. Ngāti Koata Trust;**

1. Agrees to loan [Enter name] for [add purposes such as education and advocacy]
2. Acknowledges that [Enter name] will provide the necessary care required to house its taonga
3. Will support [Enter name] by being available and willing to give input and advice on any aspects of the Tuatara.
4. Acknowledges that [Enter name] have support from the local Mana whenua, in this case [Enter name], and deems this relationship to be of the utmost importance in the cultural and spiritual aspects of its Tuatara being translocated.
5. Will support [Enter name] to meet its sustainability aspirations by meeting its supplier criteria for any Ngāti Koata developed Tuatara resources stoked and sold in its physical or online retail store.

**E. [Enter name] shall:**

- Acknowledge Ngāti Koata as 'kaitiaki' on all promotional images, posters, brochures, video clips and the like associated with the Tuatara. Copies of these are to be supplied to the Ngāti Koata Trust to use at no cost.
- Not transfer, lend or loan the Tuatara.
- Cover the actual and reasonable costs of three Ngāti Koata people and the Tuatara for their translocation.
- Provide 10 annual family passes to the Ngāti Koata Trust to allocate to their Iwi.
- Keep Ngāti Koata informed of all and any threats, disease etc. that may have ongoing concerns and ill effect to our Tuatara. If the ongoing conversations between the two parties identify that the Tuatara are at severe and long term risk, we will meet to discuss the best alternative arrangements for them.
- Provide an annual report, written in plain English, to Ngāti Koata beginning one year from the translocation.
- Not allow visitors to physically handle our Tuatara.





Ngāti Koata Trust  
137 Vickerman St  
PO Box 1659, Nelson 7040  
(03) 548 1639

[INSERT LOGO AND NAME]

- Negotiate with Ngāti Koata a suitable koha which will support the *Ngāti Koata Tuatara education and advocacy programmes*.
- The koha will be payable as long as Tuatara are on-site at the aquarium
- Assist Ngāti Koata in the commercialisation of its Tuatara resources, if in the future products are developed, by providing a mutually agreed display space and sale of these in their retail shop
- Return to Papa-tū-ā-nuku any Tuatara that may die while in their care with due respect. There will be no taxidermy or harvesting cellular body parts. We acknowledge that at all times it may be necessary to identify the cause of unexpected death, by necropsy. Ngāti Koata would like to be advised of the result.

#### **F. This MOU**

- Maybe amended or expanded by mutual agreement
- Will be reviewed every three years or as determined by the parties.





Ngāti Koata Trust  
137 Vickerman St  
PO Box 1659, Nelson 7040  
(03) 548 1639

[INSERT LOGO AND NAME]

### **G. MOU Signatures**

We who have signed below on behalf of the parties to this MOU will support the MOU according to the agreed principles.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2016

**On behalf of:**

\_\_\_\_\_  
**Signature**  
Ngāti Koata Trust Board

\_\_\_\_\_  
**Print name**

\_\_\_\_\_  
**Signature**  
[Enter name]

\_\_\_\_\_  
**Print name**

**And witnessed by:**

\_\_\_\_\_  
**Signature**  
Ngāti Koata Kaumatua Council

\_\_\_\_\_  
**Print name**

**And witnessed by:**

\_\_\_\_\_  
**Signature**  
[Enter name] Kaumatua

\_\_\_\_\_  
**Print name**





Department of Conservation  
*Te Papa Atawhai*

5 October 2020

Napier City Council  
Private Bag 6010  
Napier 4110

For the attention of: Joe Woolcott

**Re: WILDLIFE ACT AUTHORITY APPLICATION 78383-CAP APPROVAL**

The amended application for a Wildlife Act Authority to obtain alive absolutely protected lizards was declined.

I am pleased to advise, the amended application for a Wildlife Act Authority to obtain alive Tuatara has been approved and I am now able to offer you an authority outlining the terms and conditions of this approval. Please find the authority enclosed.

This document contains all the terms and conditions of your authorisation to undertake the activity and represents the formal approval from the Department for Napier City Council to carry out the activity.

Please read the terms carefully so that you clearly understand your obligations.

No fee is payable for processing this application.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Nelson-Smith'.

Jenny Nelson-Smith  
Operations Manager  
Napier District Office



# REPORTS FROM STANDING COMMITTEES

---

## MĀORI COMMITTEE RECOMMENDATION

That the Māori Committee Recommendations arising from the discussion of the Committee reports be submitted to the Council meeting for consideration.

---

## REPORTS FROM NAPIER PEOPLE AND PLACES COMMITTEE HELD 4 FEBRUARY 2021

### 1. IMPLEMENTATION OF DUAL PLACE-NAMES AND BILINGUAL SIGNAGE IN COUNCIL PARKS, RESERVES AND FACILITIES

---

*Type of Report:* Operational and Procedural

*Legal Reference:* Māori Language Act 2016

*Document ID:* 1268926

*Reporting Officer/s & Unit:* Charles Ropitini, Strategic Maori Advisor

#### 11.1 Purpose of Report

The purpose of this report is to update Council of te reo Māori touchpoints implemented across Napier City Council reserves and facilities in the 2017-2019 Triennium.

The report provides an overview of dual place-names in public parks and reserves, and bilingual signage applied to Council facilities. The report recommends the formal adoption of the national Māori-English Bilingual Signage Guidelines.

The report supports the need for Council to consider a Te Reo Māori Policy for Napier City Council as a framework for continued implementation of bilingualism across Council projects and documents.

#### Committee's recommendation

Councillor Crown / Mayor Wise

---

The Napier People and Places Committee:

- a. Endorse the report as a consolidation of bilingual signage and dual place-names applied to Council projects over the 2017-2019 Triennium.



- b. Approve the Principal Māori Advisor to engage mana whenua to capture stories relating to Māori place-names reinstated to parks and reserves, with an agreed level of cultural intellectual property made available to the public domain.
- c. Approve the adoption of the national 'Māori-English Bilingual Signage – A Guide For Best Practice' as the guide for bilingual signage and dual place-names.
- d. Approve the use of national te reo Māori lexicons for Libraries and Para Kore Zero Waste, with a process developed for accepting national lexicons for future bilingual projects.

---

Carried

## 11.2 Background Summary

Bilingual signage is the representation of texts in two languages; in this case, Māori and English. It includes physical signs, but it can be much wider and includes electronic media, such as the headings within websites and email signatures; and information and publicity material.

An approach to bilingual signage was developed by request of the Māori Committee in September 2018 following a presentation by officer's regarding re-branding and signage renewal of McLean Park.

Acknowledging that Council officers incorporated some te reo Māori within the proposed suite of signage, the Māori Committee identified the opportunity for increased use of te reo Māori across McLean Park. The outcome of the presentation was a request to extend the scope to demonstrate equality of language use in all signage across McLean Park.

In partnership with the Principal Māori Advisor, Council's marketing team applied the national guidelines for Māori-English Bilingual Signage published by Te Puni Kōkiri The Ministry for Māori Development and Te Taura Whiri i te Reo Māori The Māori Language Commission.

The Māori-English Bilingual Signage Guidelines inform all bilingual touchpoints, paving the way for developing further bilingual signage across Council facilities.

Simultaneous to the development of bilingual signage for McLean Park, was the development of signage guidelines for parks and reserves, with a phased signage renewal project commencing in September 2018. The renewal of signage provided a further opportunity for the Māori Committee to realise a long-held aspiration of Te Whanganui-a-Orotū kaumātua to see the reinstatement of Māori place-names as a mechanism for maintaining memory of the past in a highly modified landscape.

Interviews with Te Whanganui-a-Orotū kaumātua in 2007 determined that:

*'Reinstating the original Māori names for significant sites within Te Whanga so that the history could 'be brought back' was a common theme expressed by interviewees. They suggested that some sites could be signposted with the original Māori name, a short whakamārama (explanation) about the*



*history, and more plantings of indigenous species, particularly on wāhi tapu (sacred) sites.<sup>1</sup>*

Bilingual signage and reinstatement of Māori place-names acknowledges te reo Māori as a taonga *treasure* under Article II of the Treaty of Waitangi and recognises the Māori Language Act 1987, which made te reo Māori an official language of Aotearoa New Zealand.

### **1.3 Māori Committee feedback**

The Māori Committee acknowledged the achievements made through implementation of te reo Māori across Council facilities. The Māori Committee congratulated those involved with implementation of te reo Māori.

Questions were asked of the process for engaging mana whenua to capture the stories of Māori placenames being reinstated to public parks and reserves.

In response to questions it was clarified that a timeframe has not been agreed with mana whenua, and that a process needs to be developed about how stories and cultural intellectual property would be captured and presented.

The Māori Committee recommendations to Council were passed by Mr Chad Tareha and seconded by Mayor Wise.

### **1.4 Bilingual signage projects**

Bilingual signage is incorporated into existing renewal projects, with all new signage in Council facilities to include te reo Māori. National bilingual signage guidelines inform Council's Signage Guidelines.

#### **McLean Park**

With the exception of the name 'McLean Park', which is protected by an Act of Parliament, the park now has a bilingual set of signage.

Officers were keen to understand how best to meet the challenge set by the Māori Committee to demonstrate equality of language use at McLean Park. In working through the options for presenting bilingual signage, officers were able to simplify the use of English to allow for the inclusion of te reo Māori, with the positive outcome of a cleaner, more direct, and less cluttered set of signage.

While the use of te reo Māori is predominantly directional language, McLean Park is now fully bilingual, with English and Māori alternating in a way that both languages are presented side-by-side.

---

<sup>1</sup> Ataria, J. et al: He Moemoea mō Te Whanganui-a-Orotū: A Vision Plan and Health Assessment for the Napier Estuary retrieved from <http://www.maramatanga.co.nz/sites/default/files/Research%20Report%20-%20Napier%20Estuary.pdf>





### **Napier Libraries**

The need to move the central library to MTG Tai Ahuriri following seismic assessment of the library building provided an opportunity to extend the existing bilingual signage of MTG Tai Ahuriri into the space occupied by the library.

The language used within the library signage follows a national glossary of library terminology set by Te Rōpū Whakahau The National Association for Māori Engaged in Libraries, Culture, Knowledge, Information, Communication and Systems Technology in Aotearoa New Zealand.

### **Waste Minimisation Project**

Council's waste minimisation projects have delivered 75,000 bilingual recycling crates to Napier households. The language used across the suite of recycling crates follows a national glossary of waste terminology set by Para Kore Zero Waste. Deference to a nationally accepted glossary allows for consistency of te reo Māori use relating to Para Kore Zero Waste, and supports educating and advocating for waste reduction and use of te reo Māori.

The crates follow national guidelines for bilingual signage with placement of Māori above the English.





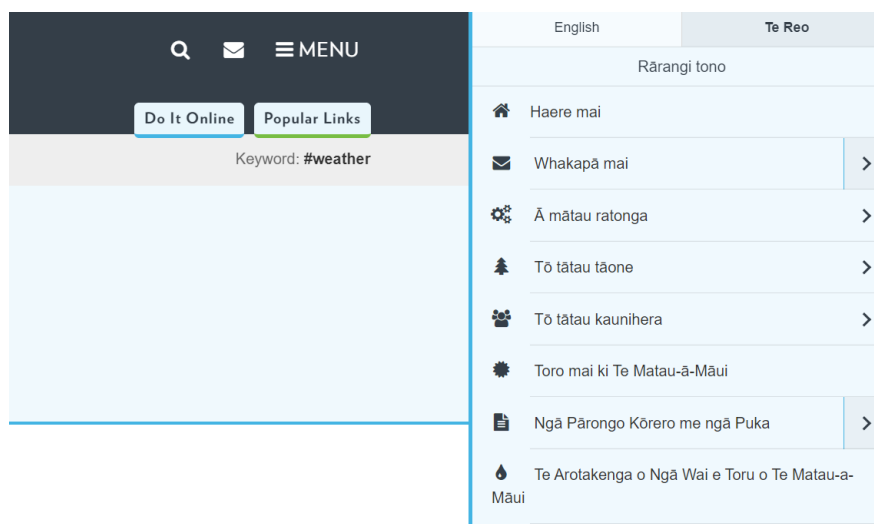
### Napier City Council Customer Service Centre

The temporary Customer Services Centre at Dunvegan House, Hastings Street, has internal bilingual directional signage, following national guidelines with te reo Māori above the English.

### Napier City Council Website

A Napier City Council led project for inclusion of te reo Māori in local government websites for Hawke's Bay has seen the implementation of bilingual headings and webpage greetings.

Each website allows for the choice of te reo Māori and English. This project was in partnership with Jeremy Tātēre McLeod, Director Te Reo Māori, Ngāti Kahungunu Iwi Inc.





## 1.5 Dual place-names for parks and reserves

Consideration for dual place-naming for Council parks and reserves stems from a review of Council's signage guidelines and renewal of signage across Council parks and reserves commencing in September 2018.

Dual place-naming for parks and reserves is not a bilingual approach to translating English names, but reinstates the existing Māori name alongside its English name, respecting that the implementation of dual place-naming does not remove existing English names.

In cases where there is a Māori name only, there is no change to the signage.

National Māori-English Bilingual Signage Guidelines underpin Council's Signage Guidelines for implementation of dual place-names in parks and reserves, with the Māori name to the left and the English name to the right; or, with the Māori name above and the English name below.

### Te Taha Westshore Beach Reserve

Te Taha Westshore Beach Reserve is the first Council reserve to lead dual place-naming. Te Taha is listed on historical maps and is identified within Council's 'Sites of Significance to Māori Report' with a reference from Heitia Hiha:

*"This is an area where fish processing used to occur. It is the name of the shingle spit enclosing Te Whanganui-a-Orotū and northern side of Ahuriri heads."*



Dual place-names that have been implemented to date are:

- Marewa - Marewa Park
- Onekawa - Roberts Terrace Reserve
- Te Whanga - Aspiring Drive Reserve
- Tūhinapō - Centennial Gardens
- Karetoki Whare - Sturm's Gully

## 11.6 Issues

Key issues relating to the implementation of bilingual signage and dual place-names are:



1. Need for a Te Reo Māori Policy
2. Process for unknown or unclear place-names
3. Process for inclusion of cultural intellectual property relating to place-names i.e. 'their stories'.

### **Te Reo Māori Policy**

Bilingual implementation to date has been action orientated without a Te Reo Māori Policy in place. However, as bilingual projects become more complex, there is a need for a policy to guide officers' decision making in language use, and process for sign-off by the Māori Committee.

### **Place-name Clarity and Confirmation**

In the case of dual place-names there is a need to engage the Māori Committee and mana whenua for confirmation of unknown, unclear or misspelt place-names. In cases where early maps exist, the spelling of Māori place-names is not always correct, and a process is required with resourcing to enable correct place-names to be attached to their respective locations.

### **Cultural Intellectual Property**

The implementation of dual place-names has not seen the inclusion of their associated stories; however, it is a recommendation that an agreed level of cultural intellectual property is available to the public. Inclusion and promotion of cultural intellectual property is important to uplifting knowledge, understanding and appreciation of Māori place-names and their relevance to the area.

## **11.7 Significance and Engagement**

The Māori Language Act 2016 affirms the Māori language as:

- The indigenous language of Aotearoa New Zealand
- A taonga of iwi and Māori
- A language valued by the nation
- An official language of Aotearoa New Zealand.

Council acknowledges its role in supporting and revitalising te reo Māori in line with the principles of the Māori Language Act 2016.

Adoption of national Māori-English Bilingual Guidelines informs best practice placement of the two languages side-by-side, however does not inform types of language to be used, nor do they inform processes for engagement with Māori.

In line with guidance from the Māori Language Act 2016, mana whenua and Māori should be consulted on matters relating to the Māori language, including the promotion of the use of the language. This guidance further supports the need for Council to have a Te Reo Māori Policy in place.

## **11.8 Implications**

### **Financial**

There is no cost to formally adopting the national Māori-English Bilingual Signage Guidelines.

Financial contribution to implementation of bilingual signage and dual place-names is included in existing signage renewal projects, without the need for additional budget.



From time-to-time it is expected that Council will need to resource hui and/or wānanga where a place-name requires further clarification and engagement with mana whenua and the Māori Committee.

There is no separate budget for te reo Māori initiatives outside of bilingual signage and dual place-names. Projects and initiatives requiring te reo Māori are required to factor translation services into their project costings.

### **Social & Policy**

National Māori-English Bilingual Signage Guidelines provide an approach for how to use te reo Māori in the best way when developing public signage. However, they do not inform use of te reo outside of signage, nor do these guidelines inform iwi dialectal preferences or local lexicons.

Therefore, alongside adoption of the national Māori-English Bilingual Signage Guidelines, a Te Reo Māori Policy is required to formalise processes of engagement and sign-off with the Māori Committee.

To ensure consistency across the region, and nationally, the development of a Te Reo Māori Policy should be inclusive of guidelines and nationally accepted glossaries:

- Māori-English Bilingual Signage – A Guide For Best Practice.
- Te Rōpū Whakahau The National Association for Māori Engaged in Libraries, Culture, Knowledge, Information, Communication and Systems Technology in Aotearoa New Zealand.
- Para Kore Zero Waste.

### **Risk**

While there is an appreciation for national identification of particular language use, such as Para Kore Zero Waste, the adoption of national te reo Māori lexicons may raise issues with local dialectal norms.

For dual place-names there is a risk that the names may be perceived as direct translations of their existing English names. Telling the stories of the place-names is critical to understanding and accepting reinstatement of Māori place-names by the general public and all residents of Ahuriri-Napier.

## **11.9 Options**

The options available to Council are as follows:

- a. Bilingual Signage and Dual Place-names
  - i. Option One – Approve the adoption of the national 'Māori-English Bilingual Signage – A Guide For Best Practice' as the guide for bilingual signage and dual place-names.
  - ii. Option Two – Decline the adoption of the national 'Māori-English Bilingual Signage – A Guide For Best Practice' and direct the Principal Māori Advisor to consider other options for presentation of bilingual signage.
- b. National Lexicons
  - i. Option One – Approve the use of national te reo Māori lexicons for Libraries and Para Kore Zero Waste.



- ii. Option Two – Decline the use of national te reo Māori lexicons for Libraries and Para Kore Zero Waste and direct the Principal Māori Advisor to consider local alternatives to national lexicons.
- iii. Option Three – Approve option one with the inclusion of a clear process for assessing national lexicons within a Te Reo Māori Policy.

#### 11.10 Development of Preferred Option

**Bilingual Signage and Dual Place-names – Option One** Approve the adoption of the national 'Māori-English Bilingual Signage – A Guide For Best Practice' as the guide for bilingual signage and dual place-names.

The recommendation acknowledges that this guide is developed by Te Taura Whiri i Te Reo Māori, The Māori Language Commission, and sets a national standard for appropriate display for Māori and English languages side-by-side. As a best practice guide informed by international norms, it would be difficult to create a localised version that holds differences to the national guide.

**National Lexicons – Option Three** Approve option one: Approve the adoption of the national 'Māori-English Bilingual Signage – A Guide For Best Practice' as the guide for bilingual signage and dual place-names with the inclusion of a clear process for assessing national lexicons within a Te Reo Māori Policy.

The recommendation acknowledges the need for a process to assess and accept national lexicons and suggests that this is included in the development of a Te Reo Māori Policy. The recommendation also supports the adoption of national lexicons for Para Kore Zero Waste and Libraries as consistent national language use for these two areas.

#### At the Meeting

The council officer spoke to the report noting:

- This project is in line with article two of the Treaty of Waitangi.
- The development of a council Te Reo Māori Policy is being led by the Acting Pou Whakarae. This policy will direct how engagement with mana whenua should occur in order to implement dual place-names, and also how to incorporate words from local dialects which are not included in the national te reo Māori lexicons.
- Council officers have not yet discussed how to tell the stories of the place-names in Ahuriri-Napier with the Māori Committee, but that is a next step.
- There was no negative feedback from the community to recent council projects which included written te reo Māori.
- Once officers have a complete list of dual place-names they will consult with mana whenua. This will take an as yet undetermined length of time.
- The project will be adequately resourced.



- Education with external developers about the use of te reo Māori in street names, and how to engage with mana whenua to establish what names are appropriate, is being considered.

### **1.3 Attachments**

Nil



## REPORTS FROM SUSTAINABLE NAPIER COMMITTEE HELD 11 FEBRUARY 2021

### 1. RODNEY GREEN CENTENNIAL EVENTS CENTRE - FLOOD DAMAGE REPORT

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1273098
Reporting Officer/s & Unit:	Andrew Clibborn, Building Asset Management Lead Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds

#### 1.1 Purpose of Report

To update Council on the remedial work required on the Rodney Green Centennial Events Centre (RGCEC) following the flooding that occurred on the 9<sup>th</sup> November 2020. This includes detail on what is and what is not covered by insurance, and the options and costs for remedial work.

To inform Council on seismic and lighting work that could be undertaken while the Centre is closed.

To propose that Council develops a policy for earthquake (EQ) risk acceptance and/or amelioration for buildings owned or occupied by Council.

#### Committee's recommendation

Councillors Simpson / McGrath

The Sustainable Napier Committee:

- Endorse the proposal to develop a policy for earthquake (EQ) risk acceptance and or amelioration for buildings owned or occupied by Council.
- Approve funding for new lighting in Rodney Green Centennial Events Centre from the Sportsground Asset Renewal Fund.
- Acknowledge that the flooding related remedial work is covered by insurance and funding is not required from Council.

Carried

#### 1.2 Background Summary

On 9 November 2020 Napier experienced what has been assessed as a one in 250-year rainfall event in the McLean Park area. Floodwater entered the RGCEC to depths of up



to 300mm at lowest floor levels inundating the wooden sports flooring to a depth of approximately 100mm.

Council's insurance Loss Adjuster was on site with Council Officers on 11 November 2020.

The floodwaters were considered to be contaminated due to the likely presence of wastewater coming from inundated domestic sewerage systems.

Resulting damage includes warping of the timber sports flooring, uplifting and bubbling of vinyl flooring in some areas, wall lining damage and plant and machinery damage. The RGCEC also experienced roof leaks in various locations.

Initial post flood invasive investigations revealed the presence of mould on concealed building elements of the flooring and wall linings.

At the time of writing further removal of wall linings is underway to determine the full extent of damage.

### **1.3 Issues**

The sports hall is closed pending full assessment of damage extent, removal of affected material, agreement with insurers as to what should be replaced and procurement of materials and contractors to remedy the damage.

The feedback from consultation with sports associations is that the flooring is unsafe to play on.

An assessment undertaken by a flooring specialist is that the timber floor should be replaced due to having been inundated with contaminated water leading to mould growth and uncertainty about potential long term issues such as rusting timber fixings.

Whilst the facility is closed it has been suggested that there is an opportunity to undertake additional works which have previously been investigated. These include:

- Upgrade old lighting
- Seismic and Structural improvements

#### Lighting

The existing lighting is noisy and inefficient and has been the subject of discussion for some years. This work is not currently specifically programmed however \$40,000 is tagged in the Sportsground renewals budget for infrastructure upgrades and could be used for this purpose.

#### Seismic and Structural

Consultants WSP Opus were commissioned to conduct an assessment of the existing roof supporting structure to investigate the possibility of additional loads applied to trusses such as decorations and sound and lighting fixtures for events. The subsequent report dated February 2019 concluded that no additional loads are permitted. This restriction has not affected the utilisation of the facility.

The WSP Opus truss assessment contained recommendations and options for improving the seismic resilience and load bearing capacity of the building's trusses.

The building currently has an earthquake rating of 58% NBS (New Building Standard).

Other McLean Park buildings Earthquake ratings are:

- Harris Stand 52%
- Chapman Stand & Pavilion 62%



- Graeme Lowe Stand 50%

Council has no formally adopted policy on minimum requirements for earthquake rating for Council buildings. The Building Act considers a building to be Earthquake-prone if it has an EQ rating of less than 34%. On this basis there is little justification to undertake this work within such a constrained timeframe.

#### Other potential additional work

Correspondence from elected members has suggested that work unrelated to flood damage repairs be undertaken as remedial works are underway. These include alteration to swinging doors, upgrade of fire exit doors, alteration of loading zone doors and a large mural.

These works would not be covered by insurance and are not presently budgeted for. There is no resource currently available to allocate this potential additional work. Should Council wish to develop these options it is recommended that they be considered a separate package of work and be resourced and budgeted for separately from the immediate work required to restore the building to functional status.

### **1.4 Significance and Engagement**

There has been no engagement with user groups as part of this project because of the urgent nature of the work required.

### **1.5 Implications**

#### **Financial**

##### Flood damage

Repairs are insured.

There is presently no budget specifically set aside for renewal or upgrade the internal lighting or improving the seismic resilience of the building.

##### Lighting

The rough order of cost estimate to upgrade lighting is in the range of \$30,000 to \$50,000 depending on selected performance required. This could be funded through Sportsgrounds Infrastructure Asset Renewal.

##### Seismic and structural

The rough order of cost estimate to make the improvements recommended by WSP Opus is in the range of \$70,000 to \$80,000 however there is no specific resultant EQ rating. Further work would be required to clarify Council's position/policy on desired EQ rating and therefore the extent of work required to achieve this.

#### **Social & Policy**

There is no adopted policy on minimum EQ rating for NCC owned buildings.

A building is considered Earthquake-prone if it has an EQ rating of less than 34%.  
(Reference legislation: *Building Act 2004 - Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005*)



## **Risk**

### EQ Rating

There will be no immediate increase in safety risk if the seismic or lighting improvements are not made. (Inherent risks remain.)

### Lighting

There is a risk of continued complaints about noisy and failing lights if they are not replaced.

## **1.6 Options**

The options available to Council are as follows:

- a. Replace flood damaged building elements to the extent required as determined by investigations underway only. (insurance funded)
- b. Replace lighting in addition to flood repairs.
- c. Improve EQ rating in addition to flood repairs.
- d. Replace lighting and improve EQ rating in addition to flood repairs.

## **1.7 Development of Preferred Option**

The preferred option is b. Replace the lighting in addition to the flood repairs.

This would involve consultation with appropriately qualified and experienced lighting designers and suppliers to determine the most appropriate lighting solution that would fit within the available budget.

## **At the Meeting**

Council officers spoke to the report noting:

- The flood repairs in the events centre will replace like for like.
- The repair work should be completed by the end of 2021.
- Additional projects could be carried out alongside the flood repairs whilst the facility is closed, such as replacing the lighting which is noisy and inefficient and seismic and structural improvements.
- The Council has no formally adopted policy on minimum requirements for earthquake rating for Council buildings.

In response to questions from the Committee it was clarified:

- A Council policy for earthquake risk acceptance and/or amelioration for buildings owned or occupied by Council is an important piece of work, but needs to be prioritised against other priority work.
- Any new lighting will need to accommodate the current load capacity of the RGCEC.
- Doing earthquake strengthening of the RGCEC now whilst the facility is closed may save some money but it will not save time.



## **1.8 Attachments**

Nil



## 2. AWATOTO WASTE FUTURES HUB PROPOSAL

---

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	1268502
Reporting Officer/s & Unit:	Cameron Burton, Manager Environmental Solutions

### 2.1 Purpose of Report

This paper is to communicate the Joint Waste Futures Committee endorsement in principle of the initiative to locate a Waste Futures hub at Awatoto.

Officers now seek an endorsement from Sustainable Napier Committee and Council to commence planning for a Waste Futures Hub based at Awatoto (or such other site deemed suitable), for the purposes of waste processing, resource recovery, waste minimisation and diversion and community engagement.

Before committing resources to conceptualise the initiative for later approval, this paper seeks endorsement in principle of the development of such a facility in this area.

### Committee's recommendation

Councillor Wright / Mayor Wise

---

The Sustainable Napier Committee:

- a. Receive the Joint Waste Futures Committee's endorsement of this initiative.
- b. Endorse in principle, the approach of investigating opportunities and the development of a cross-boundary cost-benefit analysis as part of a Business Case for a bespoke Waste Futures Hub.
- c. Approve the commissioning of a business case to investigate the viability of a new diversion station/centre including site recommendations, funding opportunities and ownership structures subject to joint funding being received from the Hastings District Council.

---

Carried

### 2.2 Background Summary

The nature and dynamic of waste management and minimisation is changing globally, and at a local scale Council need to provide opportunities to encourage, inform and educate our communities about better ways of minimising waste being sent to landfill.

The Redclyffe Transfer Station is beyond end-of-life, and constant maintenance is required to 'patch up' parts of the site to minimise the safety hazards that are present, due to ground instability and degradation of the waste upon which it is built. A new option needs to be found urgently, which has led to officers assessing other suitable parcels of



land, which may enable a new site to be purpose-built, starting with underutilised Council land as a starting point.

The vision is not to simply replicate the current Transfer Station to a new site, but rather start with a visionary approach to cross-boundary waste minimisation, including incredible waste diversion opportunities. To do this, collaborative public-private partnerships will need to be forged and interest is already being received.

Three sites have been identified as follows:

- Rework current site at 193 Springfield Road;
- A former cleanfill/landfill dumpsite at 45-55 Springfield Road;
- A part of Lagoon Farm on Long Road North;
- Part of a 50 hectare Council-owned block of land on Waitangi Road, adjacent the Wastewater Treatment Plant.

Initial assessments have found reasons why the first three options are not viable from environmental, cultural, location or land stability issues. The fourth is the proposed site at the time of writing.

This vision is to provide our community with a significantly improved level of service, which could very easily provide the following, at the proposed site:

- The installation of an optical mechanical recyclables sorting machine (MRF);
- Diversion, collection and processing of soft plastics and #5 plastics;
- Soft plastic manufacturing site e.g., plastic fence posts and railings;
- Commercial worm farming operation to divert and make putrescible material into a valuable resource;
- The benefit of the proposed site is that the following are already successful operations immediately adjacent to the site:
  - Diversion of cardboard to a fibre recycler;
  - Diversion of tyres, to a processor;
  - Diversion of greenwaste to a compost facility;
  - Collection of any leachate/waste fluids from the site to an appropriate treatment facility;
- Opportunities for community groups to utilise recovered products, e.g., timber to a 'Men's Shed', furniture to a community charity, other useful equipment to a repurposing shop etc;
- Safe purpose-built collection area for household hazardous substances;
- Waste transfer to landfill.

An aerial photo of the proposed site to establish this initiative is shown below and recent photographs are attached:





There has already been interest voiced by several organisations in relation to this opportunity, including a large scale worm farming operation and a soft plastics repurposing operation, both of which would be interested in a public-private partnership at this currently proposed site.

## 2.3 Issues

Several issues are still required to be addressed, but prior to a full proposal being investigated further, and due to interest being shown by external parties to support and partner with Council in this type of facility, it is timely to ascertain the level of support that Committee gives to this proposal, in principle.

Foreseeable issues with this potential site are: flooding, tsunami risk, adjacent waterway, additional distance to landfill, reverse sensitivity, amendments required to District Plan zoning.

General foreseeable issues are: funding to be sought through LTP process, potential partnership with HDC and potential central Government funding opportunities including Waste Levy investment.

Constraints with the currently preferred site are that some of the site may be required to expand the current wastewater treatment facility, but this is not confirmed at this stage.

Timeframes around this proposal are hoped to have the full facility operational within 5 years, if endorsed by Committee. With that said, there is currently significant interest from organisations to commence establishment in Napier much more expeditiously. If the proposed Business Case was positive, and this was developed to design stage, then it is possible that commercial arrangements could be made to initiate external investment by these parties and as agreed by Council, to be operative much sooner than that 5 year period.



## **2.4 Significance and Engagement**

The significance of this proposal aligns with the outcomes of the WMMP, but has widespread benefits and significance beyond our boundaries to enable those customers from the Cape Coast, Havelock North, Clive and Whakatu to utilise the facility.

The benefits, accessibility, capacity and capability of a bespoke facility of this nature will be widespread and could involve all manner of numerous community organisations.

Consultation with Iwi and neighbours, as well as individual service providers will be necessary (and in some instances has already commenced).

The engagement of a consultant to facilitate the Business Case and feasibility study will be necessary to ascertain the significance and assist with engagement.

## **2.5 Implications**

### **Financial**

The investigation of this initiative will be funded from available operational budget in 2020/21 financial year.

The cost of establishing a purpose-built facility such as that proposed, will be in the millions of dollars.

It will be possible to stage development to manage investment over time. Council funding would need to be considered in the 2024 LTP process.

It is envisaged that this initiative would attract significant waste levy funding, which would be essential to this initiative progressing.

The investigation will explore such external funding mechanisms in order to determine feasibility.

The implications of not retreating from Redclyffe mean that there are increasing costs to continually and temporarily repair road surfaces, buildings, pit structures, and infrastructure. Without significant investment, the facility cannot be kept safe as a public-facing facility.

The business case, if endorsed by Council, will need to be funded by current operational budgets as funding allows, unless alternative sources of funding can be secured in the meantime, which could delay some progress.

### **Social & Policy**

Changes in the way people interact with and create waste means that there need to be increased availability to divert waste, otherwise the environmental implications are long-term and significant.

There are examples of successful social enterprise through waste diversion, and this has the potential to empower groups of our community to benefit from a waste diversion system, including camaraderie, friendship building and the benefit of hobbies etc.

Social responsibility of doing what's right is fundamentally an important outcome of this proposal.

Waste policy, amendments to waste-related Acts, a significant upcoming increase in levies and fees for dumping waste mean that unless opportunities to divert waste are put in place, the likelihood of increased fly-tipping and illegal dumping are likely being another burden on the ratepayer to remove. Providing an incentive and a structured



method of sorting and removing divertable waste will reduce costs for members of the public.

### **Risk**

- There is a risk that the necessary funding may not be available.
- There may not be cross-boundary support for this facility.
- The proposed site may not be as suitable as initially thought, taking into account Wastewater Treatment Plant expansion, storage or additional treatment outside of the current area.
- The business case may not stack-up, for this facility or this site.
- Redclyffe Transfer Station may become damaged beyond economic repair, or become inoperable and we have no resilience once that is the case.

## **2.6 Options**

The options available to Council are as follows:

- a. Enable Council officers to continue to investigate this proposal and commence engagement of a consultant to facilitate a Business Case as described.
- b. Divert officer's attention from this in the meantime, and propose another option.

## **2.7 Development of Preferred Option**

Option a. (above) has been determined as the preferred option to “endorse in principle, the approach of investigating opportunities and the development of a cross-boundary cost-benefit analysis as part of a Business Case for a bespoke Waste Futures Hub at Awatoto”, has been developed to ensure that Committee is comfortable and supports this approach, so that Officer's time is not spent investigating something that is unwanted or unsupported.

### **At the Meeting**

The Council officer spoke to the report alongside Michael Quintern, founder of MyNOKE, who delivered a presentation to Council noting:

- Residents could take their waste material to a Waste Futures Hub instead of the landfill. Charity groups could work onsite to redirect recyclable waste, for example timber or fabric.
- MyNOKE could be a potential partner with Council for this project. They use earthworms to compost organic waste such as night soil, algae and weed from waterways, wooden cutlery and compostable packaging.
- Earthworms reduce waste by 80%, whereas normal composting reduces waste by 20%.
- A worm farm can be rotated around a piece of land and crops can be rotated on the same land making use of the rich nutrients which will be produced by the worm farm.

In response to questions the following points were clarified:

- Currently approximately \$93,000 per year is being spent on capital renewals at Redclyffe. It is not sustainable in its current state. To bring it up to a



sustainable standard a lot more would need to be spent on the site and this would not attract funding from the Waste Minimisation Fund. The business case will include Redclyffe's current maintenance and operating costs so Council will be able to weigh this up against the cost of a new facility.

- A new facility could attract funding from the Central Government's Waste Minimisation Fund. Also development could be staged to stay within budget.
- A new facility could be built on the current site, but the size is limiting and there are land stability issues as it is on an old landfill.
- Cost to transfer waste from the proposed new site to the landfill would be higher than from Redclyffe as Awatoto is further away.
- Although the business case has not been costed yet, it is believed there is sufficient budget available to begin the business case and it could be straddled over two financial years to spread the cost out.
- Council officers will consider the ability to have the Wastewater Treatment Plant and the new facility on the same site as they work through the business case process.
- The acquisition of waste for the worm farm and charges for its collection can be a flexible model. At other MyNOKE sites there are some businesses who bring the waste to the site, but also worm farm workers can collect the waste from the producer's site.
- The Council Officer's and MyNOKE presentation has been given to the joint Waste Futures Committee and there were Hastings District Councillors at that meeting. They were receptive to the idea.
- A business case would address the communities opinion of building a Waste Futures hub and where the best site for it would be, along with what the economic outcomes of such a facility would be. The business case process can also be halted at any point if necessary.
- The process of converting organic waste to compost using earthworms is not smelly. The Redclyffe Transfer Station has not had any odour complaints and the proposed operation would be tidier operation than that.

**ACTION:** A report from Council Officers to be presented at the next Sustainable Committee meeting on the current operation and maintenance costs of Redclyffe Transfer Station.

## 2.8 Attachments

- A Joint Waste Futures Committee formal endorsement
- B View of proposed site from North (WWP)
- C View of proposed site from Southeast
- D View of proposed Southwest



## For Action

---

**MEMO TO:** Atkins, Angela - Waste Planning Manager

**COPY TO:**

**DATE:** 14 December 2020

**MEETING:** Joint Waste Futures Project Steering Committee Meeting of 4/12/2020

---

Please note for your action / information the following decision arising from the meeting named above:

**TITLE** Napier City Council - Awatoto Waste Futures Hub Proposal  
**FILE REF** 20/1054  
**AGENDA ITEM NO.** 10

Councillor Brosnan/Councillor Siers

- A) That the Joint Waste Futures Project Steering Committee receives the report of the Waste Planning Manager titled Napier City Council - Awatoto Waste Futures Hub Proposal dated 4 December 2020.
- B) That the Committee endorse in principal, the approach of investigating opportunities and the development of a cross-boundary cost-benefit analysis as part of a Business Case for a bespoke Waste Futures Hub at Awatoto.

CARRIED

---

**SPECIFIC ACTIONS REQUIRED:**



**View of proposed site from North (WWTP)**





**View of proposed site from Southeast**





**View of proposed site from Southwest**





### 3. PROJECT UPDATE NAPIER URBAN WATERWAYS INVESTIGATIONS

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1283593
<i>Reporting Officer/s &amp; Unit:</i>	Cameron Burton, Manager Environmental Solutions

#### 3.1 Purpose of Report

The purpose of this paper is to summarise to the Sustainable Napier Committee the purpose of, and results to date of the Napier Urban Waters Investigations project.

#### Committee's recommendation

Councillors Brosnan / Simpson

The Sustainable Napier Committee:

- a. Note the goals of the Napier Urban Waters Investigations, and the implications of the project's current results.
- b. Note the essential nature of the Napier Urban Waters Investigations in allowing Council to make informed decisions on the best practicable option for improving the quality of fresh water discharging to Te Whanganui-a-Orotū (Ahuriri Estuary).

Carried

#### 3.2 Background Summary

The Ahuriri Estuary and Coastal Edge Masterplan allocated funding to a series of projects dedicated to prevention of further degradation of Te Whanganui-a-Orotū. Under Project 1, which suggests the development of a wetland fringing the estuary for treatment of urban waterways, a stormwater study was listed. This stormwater study (or more appropriately waterway study) allocated \$100,000 per annum for three consecutive years to investigate the true quality of the Napier's surface water above and beyond the monitoring requirements from stormwater resource consents. This study was stipulated in the Masterplan to occur prior to implementing treatment wetlands, as neither HBRC nor NCC held enough data to justify a treatment wetland would be the best option for effective urban waterway treatment.

Due to the nature of the project and the shared jurisdiction of many of the major waterways in Napier (e.g. Old Tūtaekurī Riverbed (Georges Drive), County, Plantation, and Pūrimu), HBRC proposed to match the funding, bringing the joint project to \$200,000 per annum for three years.

The overall goal of the joint project is to build a foundational understanding of the current state of the major waterways discharging to Te Whanganui-a-Orotū (Ahuriri Estuary), built by regular data collection over multiple weather types, seasons, and over a number of years. This will allow confidence in deciding the best option(s) for waterway quality improvement, whether that is a treatment wetland or other options.



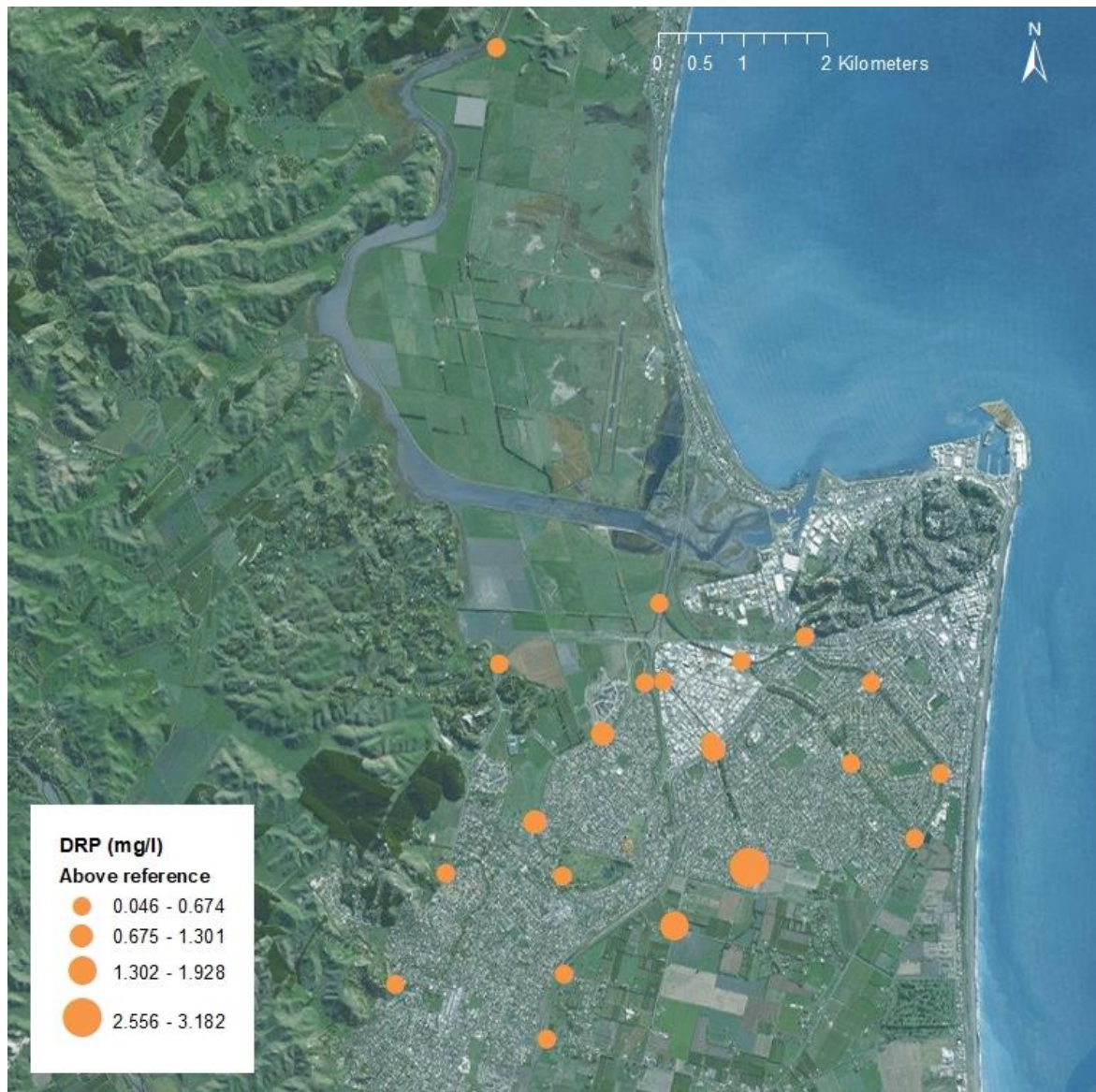
At this stage, the project is purely data collection. The first year of the waterway project involved prescheduled monthly water samples across 25+ carefully selected sites in the city to capture waterway quality in different land use zones of the city, being rural, residential, commercial, and industrial. Now into the early stages of the second year, water quality monitoring has been reduced to 20 sites every 6 weeks. Sediment sampling is undertaken once per annum, and ecological assessment twice per annum. Visual observations are undertaken by Environmental Solutions officers on a weekly roster.

Data is collated in house, though presentation of the data in an interactive ArcGIS format is currently being undertaken by Coast & Catchment Ltd. Examples of this format is as follows, representing 10 months of surface water quality data:



**Above:** Average Dissolved Zinc levels at monitored sites





**Above:** Average Dissolved Reactive Phosphorous levels at monitored sites





**Above:** Average Dissolved Copper levels at monitored sites

### 3.3 Issues

Issues identified from the monitoring to date include:

- Universally excessive phosphorus concentrations in water (up to 400x the guideline value for species protection);
- Ammonia concentrations in water;
- Nitrate in water;
- Instances of very high Chlorophyll *a* in water;
- Low water flow;
- Channelisation & lack of riparian margins;
- Water clarity;
- Faecal coliform concentrations, and a lack of pattern to these concentrations;
- Pest plants – both around the waterways and in the water (e.g. *Lagarosiphon*);
- Zinc (in sediment)
- One or two instances of excessive mercury in sediment; and
- Highly invasive tubeworm increasing in size in the County waterway by Prebensen Drive.



The data gathered which has found these issues (and that to be gathered in the future) will inform capital projects to treat and enhance these waterways (tributaries of Te Whanganui-a-Orotū) to ensure the correct methods of treatment are installed in the correct places, while concurrent work (already underway) occurs to 'turn off the pollution'.

### **3.4 Significance and Engagement**

Not only will this project inform both NCC, HBRC and the community of the long term trends and behaviour of the urban waterways feeding to Te Whanganui-a-Orotū (Ahuriri Estuary), but this knowledge will stem other action, such as;

- Place greater importance on, and encourage the improvement of the waterway ecosystems themselves rather than just their discharge into Te Whanganui-a-Orotū (Ahuriri Estuary);
- Investigation of appropriate in-situ trials of water quality improvement devices;
- Informed rehabilitation approaches for key areas of concern (such as County Waterway at Harold Holt Rd);
- Pinpointing pollution hotspots, where management and enforcement action can be prioritised;
- Investigation of the cultural significance of all waterways;
- Investigation of appropriate streambank sections to plant in native riparian species;
- Public communication of the true state of the waterways, and of action planned to rehabilitate these waterways;

...and more.

### **3.5 Implications**

#### **Financial**

This project largely follows those urban waterways which are conditionally authorised to discharge stormwater and drainage water into Te Whanganui-a-Orotū (Ahuriri Estuary), beside State Highway 2, via the Westshore Tidal Gates. The associated resource consent is jointly held by NCC and HBRC and therefore both Council's hold responsibility for its level of compliance against those conditions, however this project being an NCC initiative and with all work carried out by NCC staff is over-and-above any compliance criteria required by this consent.

Financially, any non-compliance with the resource consent could result in enforcement action being taken by HBRC's regulatory wing, resulting in potential fines or prosecution (up to \$600,000 per event).

This project is funded by confirmed funds associated with the Ahuriri Estuary and Coastal Edge Masterplan, and HBRC have decided to match NCC's funding for this for the three-year length of this investigatory project.

#### **Social & Policy**

This project and its findings are the vital first step in the sustainable improvement of the socially and ecologically important, yet delicate Te Whanganui-a-Orotū (Ahuriri Estuary).

Continued degradation of Te Whanganui-a-Orotū (Ahuriri Estuary) could result in the system reaching an ecological point of no return.

This project aligns with the motives of, and pre-empt the implementation of the regional TANK plan change, in attempting to gain a sound awareness of the behaviour of Napier's waterways in order to make informed and targeted surface water improvements.



## **Risk**

Continued degradation of Te Whanganui-a-Orotū (Ahuriri Estuary) could result in the system reaching an ecological point of no return. With the majority of the discharges into Te Whanganui-a-Orotū (Ahuriri Estuary) within Napier City Council's jurisdiction, there is an urgent need to implement chemical or physical waterway treatment, as well as management changes affecting surface water. It is imperative that the waterways are properly understood prior to, and in order to avoid the unnecessary risk of implementing a treatment option which may not be appropriate.

The associated risk of implementing an inappropriate (type, position or methodology) surface water treatment option prior to understanding the nature of the feeding urban waterways is daunting.

## **3.6 Options**

This report is provided for information only.

## **3.7 Development of Preferred Option**

N/A

## **At the Meeting**

The Council Officer spoke to the report and in answer to questions clarified:

- All Napier urban waterways are monitored, but there are waterways which flow into these which are not monitored.
- One year of monitoring the waterways does not give enough data to act on. Each year's samples can be different because of changes in weather patterns, and changes in pollutants entering the waterways during rainfall. A picture can be built up over time from samples taken.
- Pollution issues can be addressed alongside the investigation project, such as through education campaigns.
- At the end of the three year project an independent consultant will be engaged to look at the sample results and advise on the way forward.
- A lot of zinc is found in samples, this is carried by rainfall. Phosphorus is another pollutant found in samples. When the 1931 Napier earthquake occurred it pushed up a lot of land which had shells in it. These shells are now breaking down leading to phosphorus entering our waterways. Phosphorus is not highly toxic, but encourages growth of algae in waterways in warmer months; treatment for this is being worked on.
- The number of sites being tested have been reduced as there were too many to collect samples within the first flush of a rainfall event. The sites dropped were not adding much detail to the sample results.
- Hawke's Bay Regional Council co-fund the sampling work and we share our results with them.
- Council can only use the funding allocated to this project for monitoring; there is funding available through the 3 waters reform which should enable Council to install some floating treatment wetlands. These could go on the Georges Drive section of the old Tutaekuri bed. This would link well with the cultural values assessment being carried out currently.



- The sampling, analysis and subsequent results of Ahuriri Estuary could be leading the way in knowledge around Estuary's and their care.
- This project is communicated to community groups through Council meetings.

### **3.8 Attachments**

Nil



#### 4. REPORT ON NAPIER WATER SUPPLY STATUS END OF Q2 2020-2021

---

*Type of Report:* Operational

---

*Legal Reference:* Enter Legal Reference

---

*Document ID:* 1282596

---

*Reporting Officer/s & Unit:* Catherine Bayly, Manager Asset Strategy  
Russell Bond, 3 Waters Programme Manager  
Anze Lencek, Water Quality Lead

##### 4.1 Purpose of Report

To inform the Council on:

- The status of Napier Water Supply (NAP001) at the end of second quarter (Q2) of 2020-2021 compliance year.
- Report on Compliance with the Drinking-water Standards for NZ 2005 (Revised 2018) and duties under Health Act 1956 (for period 1 July 2019 to 30 June 2020).

##### Committee's recommendation

Councillor Simpson / Mayor Wise

---

The Sustainable Napier Committee:

- a. Recommend Council endorse:
  - i. The Report on Napier Water Supply Status end of Q2 2020-2021.
  - ii. The Report on Compliance with the Drinking-water Standards for NZ 2005 (Revised 2018) and duties under Health Act 1956 (for period 1 July 2019 to 30 June 2020).

---

Carried

*Councillors McGrath, Simpson, and Tapine left the meeting 11.48am*

*Councillors McGrath, Simpson, and Tapine returned to the meeting 11.50am*

Councillor Mawson / Mayor Wise

---

Meeting adjourned at 12.11pm

---

Carried

##### 4.2 Background Summary

The Havelock North Drinking Water Inquiry Stage 2 report identified six fundamental principles of drinking water safety for New Zealand. Water suppliers need to take the six principles into consideration as part of supplying safe drinking water to their customers. This Report relates mainly to **Principle 5: Suppliers must own the safety of drinking water: Drinking water**



*suppliers must maintain a personal sense of responsibility and dedication to providing consumers with safe water. Knowledgeable, experienced, committed and responsive personnel provide the best assurance of safe drinking water. The personnel, and drinking water supply system, must be able to respond quickly and effectively to adverse monitoring signals. This requires commitment from the highest level of the organisation and accountability by all those with responsibility for drinking water.*

Drinking-water compliance period covers period from July 1 through June 30 next year and consist of four quarters (Q1: Jul-Sep, Q2: Oct-Dec, Q3: Jan-Mar, Q4: Apr-Jun). Reports such as this will be submitted and presented on Sustainable Napier Committee meetings as soon as possible after each compliance quarter to provide insights on recent changes to Napier water supply and quarterly compliance against the Drinking Water Standards for New Zealand (DWSNZ) and the Health Act 1956.

#### **Napier drinking-water supply facts and compliance requirements:**

- Napier drinking-water supply (Napier NAP001) comprises only one zone (Napier NAP001NA) and serves a population of 59,055 (Drinking Water Online register, December 2020; estimate).
- As a drinking-water supplier, NCC must comply with Drinking Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ) and part 2A of the Health Act 1956.
- More details on Napier water supply can be found in Napier Water Safety Plan v4.4 (Doc. ID: 1271452).
- 2019/2020 Compliance Report can be found in InfoSource (Doc. ID: 1266740).

#### **DWSNZ compliance consists of:**

- Treatment Plant / Bores Compliance; includes: Bacterial, Protozoa, Cyanotoxin, Chemical, Radiological and Overall Compliance
  - Distribution Zone(s) Compliance; includes: Bacterial, Chemical and Overall Compliance
- Health Act 1956 part 2A compliance with Duties in the Act consists of below sections of the Act:
- 69S: Duty of suppliers in relation to the provision of drinking water
  - 69U: Duty to take reasonable steps to contribute to protection of source of drinking water
  - 69Z: Duty to prepare and implement a Water Safety Plan (WSP)
  - 69ZD: Duty to keep records and make them available
  - 69ZE: Duty to investigate complaints

All requirements (DWSNZ and Health Act) are being annually assessed by our local Drinking Water Assessor for period July 1 - June 30 and 'Report on Compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2018) and duties under Health Act 1956' is issued.

The main focus of this Report is to present the 3 Waters Team's current understanding of compliance with the DWSNZ only, as this exercise is much more straightforward to undertake compared to assessing Health Act requirements, which might be subject to different DWA interpretation and additional requirements. However, any major non-compliances detected with the Health Act will be included in reports to come. An overview on 69ZE requirement (Duty to investigate complaints) from the Health Act is however included in this Report.

**Note** – Information presented in this Report is NCC 3 Waters Team's best understanding and interpretation of DWSNZ and Health Act requirements and our adherence to those requirements – the DWA might have a different view when undertaking an annual compliance assessment at the end of the compliance year.



### 4.3 Issues

Over the last six months there have been a number of changes underway in both the Water Industry and the Water team. The following points highlight the main issues and events relating to the supply.

#### **A) Summary of any significant events that have occurred and changes to any of the supply elements, WSP and regulatory framework**

- **A1 bore reintroduction.** On 13 October A1 bore has been put back into service due to increased demand. For the first time now, A1 water is being pushed towards Thompson Reservoirs on Bluff Hill and adjacent areas (CBD, Napier South, Marewa). This change in operations contributed to increase of dirty water complaints in above mentioned areas, however in total the numbers are substantially lower compared to previous year.
- **10 & 11 November 2020 Flooding event.** As a precaution A1 and C1 bore were forced off between 10 and 13 November 2020 to reduce any risk of contamination during the flooding event. Source water at all other bores was tested twice a day to detect any possible changes at the abstraction sites. Free available chlorine, combined chlorine and turbidity in the reticulation were monitored on the 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> continuously over three 8 hour shifts at more than 30 locations. Reticulation results showed no signs contamination occurred during the flooding event and the additional protection of the chlorine assisted with this result. This kind of monitoring would not be possible on an unchlorinated supply and Council would not have had any indicators that there was contamination other than illness
- **Sodium Hypochlorite supplier change.** In December 2020 Council has changed the supplier of sodium hypochlorite used for chlorination of the supply. Previously Council used a supplier from Australia which resulted in issues around reduced chlorine concentrations. A purchase agreement (contract) with IXOM is now in place. The hypochlorite supplied by Ixom is NZ made (Mt. Manganui), fresher and hence contains higher chlorine levels. Additional 2000L hypochlorite storage capacity has been secured at the Depot.
- **Water Safety Plan update.** In December 2020 the WSP was updated to version 4.4. Risk tables have been reviewed, seven new actions have been added to the Improvement Plan (some of them are driven by the outcomes of the Implementation Audit's non-compliance inquiry) and an Internal Audit Programme has been established amongst other minor updates.
- **Implementation Audit's non-conformance close-out.** All required evidence was presented to the Drinking Water Assessors (DWAs) on 22 December 2020 in order to close out the existing non-conformance (outcome of September 2020 Implementation Audit). The DWAs accepted all evidence and closed out the non-conformance.
- **Exposure Drafts issued by Taumata Arowai.** At the end of December 2020 Taumata Arowai released next Exposure Drafts documents that highlight the proposed changes to the Drinking Water Standards for New Zealand (<https://www.dia.govt.nz/Taumata-Arowai-Establishment-Unit#Exposure-drafts>):
  - Acceptable Solution for Rural Agricultural Water Supply
  - Operational Compliance Rules



- Standards and Aesthetic Values
- Methodology to determine water supply population

They have split existing Drinking-water Standards for New Zealand into two documents: Standards and Aesthetic Values and Operational Compliance Rules. These Exposure Drafts (if adopted as they are) will have substantial impact on Napier's water compliance and will trigger the need to introduce new and upgrade our existing assets and to introduce additional treatment. Once the new Drinking Water Standards are operational Councils will have a period of 12 months to become compliant. Although a consultation process is scheduled in May 2021, no major changes are expected to the drafts provided.

Some of the major changes outlined below:

- Bore security status is abolished.
- Yearly compliance monitoring period abolished. Daily, Weekly, Monthly and Yearly compliance monitoring periods established for different determinands.
- Increased monitoring requirements for the source water, with some parameters requiring continuous monitoring (pH, turbidity, conductivity, temperature).
- Disinfection of source water to meet bacterial compliance required (chlorine, ozone or UV).
- Log4 requirement for protozoa treatment without a sanitary bore head (e.g. cartridge filtration followed by UV).
- Mandatory residual disinfectant present in reticulation, measured at least twice a day (along with pH) at all reticulation sampling sites. If chlorine used, 0.20 mg/l FAC must be maintained at maximum 8.5 pH value at all times.
- Set chlorination by-products monitoring requirements.
- Regular instrument's calibration and verification requirements.

To comply with the proposed changes, appropriate treatment needs to be put in place at all Napier bores. This calls for a major capital funding, as well as operations capacity review as appropriately skilled and certified operators will be needed to run treatment processes. Time is of critical importance due to extensive upgrade works ahead in order to avoid non-compliance in the near-future. Essentially it appears that Napier will need to provide treatment at all of the existing bore sites which conflicts with the current strategy to move to two new bore fields with treatment plants. A number of Council's bores are getting near to end of life and are located where there is no room to add treatment facilities. The current plan was to replace the bores as part of the new borefield projects. Careful consideration is required to determine the most cost effective way forward whilst achieving compliance.

Taumata Arowai is also changing how water suppliers will have to demonstrate compliance. The duty now falls completely on water suppliers to demonstrate yearly compliance by providing monitoring records and evidence collected through internal auditing process against the new Operational Compliance Rules. Increased auditing requirements will need to be appropriately addressed in regards to human resourcing and training needed.

- **Water Services Bill.** Water Services Bill ([https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL\\_99655/water-services-bill](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_99655/water-services-bill)) is a milestone for drinking water safety. Council has approached external consultants to assist review of possible implications and to provide input to NCC submission document (due 2 March 2021). More information on Bill's impact will be provided to Napier Sustainable Committee once report produced.

At this point, it is our understanding that Taumata Arowai will expect all large water suppliers (supplies over 500 customers) to be fully compliant with the Water Services Bill (and Exposure Drafts) within 12 months following commencement and Taumata Arowai taking



over regulatory space, which is expected to happen in July 2021. Taumata Arowai will have the powers to address non-performance by drinking water supplier and may appoint another operator(s) to act in place of the supplier to perform all or any of the supplier's functions or duties as an operator.

Therefore, the magnitude and the consequences under the new drinking water regulatory space should not be underestimated and full support and commitment from the Council is crucial to appropriately address all challenges in order to achieve compliance within a year following commencement.

## B) Summary of progress against the WSP Improvement Plan

At the end of Q2 (as on 31 December 2020) there were 18 actions to be completed in the WSP v4.4 Improvement Plan.

- None of the actions are overdue
- In Q2 three actions have been completed (Action 1, Action 4 and Action 55)
- Seven actions have been added to the Improvement Plan in Q2 (Actions 61-67) during the WSP review and update to version 4.4.

## C) Update on drinking-water related capital projects

Table below shows a summary of all drinking-water related capital projects entered and managed in Sytle and their progress (see 'Current phase' column, legend below the table), as on 31 December 2020. Where projects differ from the project summary submitted for the Sustainable Napier Committee this can be due to some projects having not started yet. As projects start they are loaded into Sytle and will be reported on in the six weekly committee process. Timeframes will need to be adjusted following review of the LTP.

Current Project State	Project Name	Project Type	Planned Completion Date	Start Date
Pending Final Completion Certificate	Taradale Reservoir	Large	30/09/2021	1/06/2015
In Progress	A1 Pigging Points - 450mm Main	Small	31/12/2021	1/08/2019
In Progress	A1 Pigging Points - 300mm Main	Small	31/12/2021	20/09/2019
Complete	De-Chlorination Water Station 2 - Marine Parade	Large	31/08/2020	21/08/2019
In Progress	Meeanee Bore Treatment Upgrade	Small	31/12/2022	6/09/2019
Deferred or On Hold	Water Ridermain Access Points - Pigging	Small	30/06/2020	7/10/2019
Upgraded	Water Supply Network Hydraulic Model	Large	30/06/2032	7/10/2019
Deferred or On Hold	SCADA Central Control Station	Large	31/03/2021	7/10/2019
In Progress	New water treatment plants design for Borefield No. 1 & 2	Large	15/07/2020	15/07/2019
In Progress	Dedicated Hydrant Water Take Site	Large	5/02/2022	1/11/2018
In Defects	Tironui Reservoir Membrane Roof	Small	27/02/2021	1/07/2019
In Progress	Reservoir Inlets and Outlets Improvements	Large	31/12/2024	1/05/2019



Current Project State	Project Name	Project Type	Planned Completion Date	Start Date
In Progress	Borefield No.1 Rising Main Extensions - Latham Street to Carlyle Street	Large	31/12/2021	16/07/2019
In Progress	Borefield No.1 Rising Main Extensions - Carlyle Street to New Reservoir on Hospital Hill	Large	31/12/2021	16/07/2019
In Progress	Hospital Hill Trunk Falling Main	Large	31/12/2032	16/07/2019
In Progress	Carlyle Street Trunk Main Improvements	Large	31/12/2021	16/07/2019
In Progress	Chaucer Road Pump Station Relocation	Large	30/04/2022	20/01/2020
In progress	SCADA & Telemetry Upgrade	Large	30/06/2022	1/07/2019
	SCADA Remote Site Installations	Large	30/06/2022	7/10/2019
In progress	Tamatea & Parklands DMA	Large	30/06/2028	7/10/2019
In Progress	Te Awa Watermain Extension - Philips-Awatoto Rd	Large	30/06/2032	7/10/2019
Deferred or On Hold	Borefield No.2 Taradale	Large	30/11/2022	2/07/2018
In Progress	Development of Borefield No.1	Large	30/11/2032	2/07/2018
In Progress	Trial Bore: No.1 (Papakura Domain)	Large	30/11/2022	2/07/2018
In Progress	Trial Bore No. 2 Taradale Area	Large	30/11/2022	2/07/2018
In Progress	Borefield No.1 Rising Main (Papakura-Awatoto)	Large	30/11/2022	2/07/2018
In Progress	Taradale Borefield Rising Main Extension - Guppy intersection to New Borefield No.2	Large	30/11/2022	2/07/2018
In Progress	Taradale Reservoir Falling Main Upgrade	Large	30/11/2022	2/07/2018
In Progress	Puketapu Road Trunk Main Upgrade	Large	30/11/2022	2/07/2018
In Progress	Taradale Borefield Rising Main Extension - Church Road (Puketapu Rd to Tironui Dr)	Large	30/11/2022	4/03/2019
In Progress	Taradale Borefield Rising Main Extension	Large	30/11/2022	13/05/2019
	Mission Reservoir - New	Large	31/12/2022	16/07/2019
In Progress	Connect Taradales Reservoir to New Enfield Reservoir	Large	31/12/2022	31/12/2032
In Progress	Enfield Reservoir Replacement	Large	25/07/2024	1/05/2019
In Progress	FW2 Fire Flow Network Upgrades	Large	30/06/2030	4/05/2020

#### D) Summary of reactive maintenance and major operations events

##### Q1:

- Ōtātara reservoir overflow event, from 17 September 4:30pm to 18 September 1.15pm. No damage to the structures or adjacent properties as the overflow discharging directly to storm water network. Faulty float switches identified as root cause when Ōtātara booster set to 'float control'.

##### Q2:

- Apart from the additional monitoring operations triggered by the flooding event in November, no other events recorded.



**E) DWSNZ Treatment Plant / Bores Compliance overview**

To date, **no** transgression has been recorded at Treatment plants / Bores in 2020/2021 compliance year. Compliance per category per quarter and Overall Compliance is presented in the table below.

Bore / Plant name	Bacterial Compliance				Protozoa Compliance				Chemical Compliance				Radiological Compliance				Overall Compliance
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020-2021
A1 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending
C1 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending
T2 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending
T3 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending
T5 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending
T6 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending
T7 Bore	✓	✓			✓	✓			✓	✓			✓	✓			pending

**F) DWSNZ Distribution Zone Compliance overview**

To date, **no** transgression has been recorded within Distribution Zone in 2020/2021 compliance year. Compliance per category per quarter and Overall Compliance is presented in the table below.

Distribution zone name	Bacterial Compliance				Chemical Compliance				Overall Compliance
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020-2021
Napier NAP001NA	✓	✓			✓	✓			pending

**G) Health Act 69ZE – ‘Duty to investigate complaints’ summary figures**

Customers’ Service Requests (SR) are being captured in MagiQ software. Each SR is assigned appropriate category from the list below:

From the water quality and risks perspective, main focus is given to clarity, odour, taste and pressure/flow issues. Numbers of SRs received for each of these categories are presented in the table below.

Service Request category	Q1			Q2			Q3			Q4		
	Jul20	Aug20	Sep20	Oct20	Nov20	Dec20	Jan21	Feb21	Mar21	Apr21	May21	Jun21
Q – Clarity	18	13	38	59	42	56						
Q – Odour	0	0	0	0	0	0						
Q – Taste	3	1	1	0	0	0						
Q – Pressure / Flow	1	5	1	2	2	1						




**H) Production summary figures and water take Resource consent compliance**

Summary of the drinking-water production (abstraction):

Water Production – All Bores	Q1			Q2			Q3			Q4		
	Jul20	Aug20	Sep20	Oct20	Nov20	Dec20	Jan21	Feb21	Mar21	Apr21	May21	Jun21
Production [m3 x1000]	736	724	754	885	796	973						

Summary on the current Resource Consent compliance and conditions:

- NCC has been fully compliant with Resource Consent conditions for 2020/2021. 
- NCC is sharing raw production figures database with HBRC at the end of each month to demonstrate compliance.
- Main Resource Consent conditions:
  - The consent is granted for a period expiring on 31 May 2027.
  - The cumulative rate of take of water (from all wells) shall not exceed 784 L/s.
  - The cumulative maximum 7-day volume take (from all 11 wells) shall not exceed 387,744 m3.
  - See Resource Consent (Doc. ID: 920969) for more details and other conditions.

**I) Report on Compliance with the Drinking-water Standards for NZ 2005 (Revised 2018) and duties under Health Act 1956 (for period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020)**

The Drinking Water Assessor shared the Report with Council on 23 November 2020.

Napier Water Supply has achieved full compliance with Bacterial, Protozoa, Cyanotoxin, Radiological, Chemical and Overall compliance requirements as set in current Drinking-water Standards for New Zealand and met all duties under the Health Act, for the 2019/2020 compliance year period.

**4.4 Significance and Engagement**

N/A

**4.5 Implications****Financial**

N/A

**Social & Policy**

N/A

**Risk**

- a) 1 July 2021 is considered a milestone as on that day Taumata Arowai, Water Services Act and adopted Exposure Drafts will come into force. Water suppliers will be expected to be fully compliant with new legislative requirements within the 12 months from 1<sup>st</sup> July 2021. Taumata Arowai will have the powers to address non-performance (e.g. not meeting compliance) by drinking water supplier and may appoint another operator(s)



to act in place of the supplier to perform all or any of the supplier's functions or duties as an operator.

#### 4.6 Options

The purpose of this report is to present information to Council. Options have not been presented.

#### 4.7 Development of Preferred Option

N/A

#### At the Meeting

The Council Officers spoke to the report and in response to questions it was noted:

- Once the secure bore status is removed Council will not comply with the protozoa regulations. Officers are looking at options to provide treatment and security at the bores. They are also looking at removing the manganese treatment out of the system at the same time which will speed up resolving water clarity issues. This work shouldn't cause a significant change in the budget but this is being looked at through the Long Term Plan process.
- Due to the tight compliance timeframe imposed for the installation of UV filters, Local Government New Zealand has said it will be having further discussions about the implications of the change in requirements on water suppliers. LGNZ believes the new requirements will be unachievable for most without significant investment in infrastructure.
- Council officers are looking for a location in Taradale for a new bore field where any investment in treatment is not going to become redundant.
- Residual disinfectant in the network is still mandatory even with the addition of UV treatment and filters. After 1 July 2021 when the Water Services Act and Exposure Drafts come into force it is possible to apply to Taumata Arowai to go Chlorine free.
- There is a dedicated water-take station project underway which will cover the protection requirements for water for commercial users

**ACTION:** To have the water-take station project on the list of projects at the next Committee meeting.

#### 4.8 Attachments

- A Report on Compliance with the DWSNZ 2005 (Revised 2018) and duties under Health Act 1956; for period 1st July 2019 to 30th June 2020, Napier (NAP001) Drinking Water Supply.





# **Report on Compliance with the Drinking-water Standards for New Zealand 2005 (Revised 2018) and duties under Health Act 1956**

**For Period: 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020**

**Drinking Water Supply:**  
Napier (NAP001)

**Water Supplier:**  
Napier City Council

**Central North Island Drinking Water Assessment Unit**  
Napier Branch  
PO Box 447  
NAPIER 4140

**Report Identifier**  
NapierCityCouncil\_DWSNZ2005/18Compliance\_05102020\_v1

Report Identifier: NapierCityCouncil\_DWSNZ2005/18Compliance\_05102020\_v1  
Function 1 IANZ Compliance Report for Network supplies DWSNZ 2005/18  
Version: MARCH 2020 FINAL

Page 1 of 10



## Index

Terminology	Page 2
Codes	Page 2
Purpose	Page 2
Executive Summary	Page 3
Summary of Ongoing Compliance Requirements	Page 4
Treatment Plant Compliance	Page 5
Distribution Zone Compliance	Page 7
Summary of Audit Activities to Verify DWSNZ Monitoring Data	Page 7
Duties under the Health Act	Page 9
Assessment Report Information	Page 11
Appendix 1 DWO Report	Page 12
<b>Index of Tables:</b>	
Summary of Treatment Plant/Bore Compliance	Table 1a
Summary of Distribution Zone Compliance	Table 1b
Compliance with Duties in the Act	Table 1c
Treatment Plant Criteria 1 Results	Table 2
Protozoa Log Credit Requirement	Table 3
Radiological Compliance	Table 4
Distribution Zone Criteria 6A Results	Table 5

## Terminology

CNIDWAW	Central North Island Drinking Water Assessment Unit
DWA	Drinking Water Assessor
DWSNZ	Drinking Water Standards for New Zealand 2005 (Revised 2018)
DWO	Drinking Water Online
<i>E. coli</i>	<i>Escherichia coli</i>
FAC	Free Available Chlorine
MAV	Maximum Acceptable value
MoH	Ministry of Health
NCC	Napier City Council
The Act	Health Act 1956
WSP	Water Safety Plan

## Codes

### Bores / Treatment Plants:

A1 Awatoto (G02037) (TP03097), C1 Coverdale Park (G00067) (TP00111), T2 Bledisloe Park (G00062) (TP00105), T3 Riverside Park (G00065) (TP00102), T5 Guppy Road (G0064) (TP00103), T6 Guppy Road Reserve (G01151) (TP01961), T7 King Street (G01395) (TP02308)

### Distribution Zones:

Napier City (NAP001NA)

## Purpose

The purpose of this report is to provide NCC with the results from the assessments carried out on their supplies under the following compliance standard and statute:

- The DWSNZ
- Part 2A of the Act.

The assessments are based on the information provided by NCC during the 2019/2020 Annual Survey.



## Executive Summary

DWAs are required under section 69ZL of the Act to assess whether a drinking water supplier complies with the DWSNZ and specific sections of the Act. An assessment for the compliance period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 has been undertaken by a DWA from CNIDWAU (Napier Branch).

This report aligns with the information entered in the MoH 'Annual Survey of Drinking water Quality 2019-2020' which will populate the Minister of Health's 'Annual Report on Drinking Water 2019-2020'. The Minister's report will be publicly released during the 2020/2021 year.

The Napier Branch of the CNIDWAU gives deserved recognition to the hard work of the NCC water team, operators and contractors throughout the 2019/2020 year in working towards the delivery of a compliant supply of drinking water to the Napier community.

**NCC achieved full compliance with DWSNZ and the Act for the 2019-2020 compliance year.**

**A copy of the DWO report is attached as Appendix 1.**

### Summary of Treatment Plant/Bore Compliance

Plant Name and DWO code	Bacterial Compliance	Protozoa Compliance	Cyanotoxin Compliance	Chemical Compliance	Radiological Compliance	Overall Compliance
<b>A1</b> (TP03097)	✓	✓	✓	✓	✓	✓
<b>C1</b> (TP00111)	✓	✓	✓	✓	✓	✓
<b>T2</b> (TP00105)	✓	✓	✓	✓	✓	✓
<b>T3</b> (TP00102)	✓	✓	✓	✓	✓	✓
<b>T5</b> (TP00103)	✓	✓	✓	✓	✓	✓
<b>T6</b> (TP01961)	✓	✓	✓	✓	✓	✓
<b>T7</b> (TP02308)	✓	✓	✓	✓	✓	✓

**Table 1a**

### Summary of Distribution Zone Compliance

Distribution zone name and DWO code	Bacterial Compliance	Cyanotoxin Compliance	Chemical Compliance	Overall Compliance
Napier (NAP001NA)	✓	✓	✓	✓

**Table 1b**

### Compliance with Duties in the Act

Section of the Act	Compliance
<b>69S:</b> Duty of suppliers in relation to the provision of drinking water	✓
<b>69U:</b> Duty to take reasonable steps to contribute to protection of source of drinking water	✓
<b>69Y:</b> Duty to monitor drinking water	✓
<b>69Z:</b> Duty to prepare and implement a Water Safety Plan (WSP)	✓
<b>69ZD:</b> Duty to keep records and make them available	✓
<b>69ZE:</b> Duty to investigate complaints	✓
<b>69ZF:</b> Duty to take remedial actions if drinking-water standards are breached	✓

**Table 1c**



## Summary of Ongoing Compliance Requirements

### Napier Treatment Plants/Bores

Full secure status was granted on 1<sup>st</sup> April 2019 for seven of the NCC bores (T2, T3, T5, T6, T7, A1 and C1)

The testing criteria for interim secure bores comes from table 4.4 in DWSNZ:

- For populations of more than 10,000 sampling is daily (NCC has moved to quarterly testing for the secure bores, as per footnote below).

Note: footnote 1 of Table 4.4 of DWSNZ discusses changing of monitoring after 3 months. Any changes to monitoring programme should be confirmed with the DWA.

- Sampling may be reduced to one sample per month provided no *E. coli* detected in the first three months of testing.

For ongoing bore water security and compliance Section 4.4.6 of DWSNZ criteria must be met:

- Section 4.4.2 Bore water must not be directly affected by surface of climatic influences
- Section 4.4.3 Bore head must provide satisfactory protection
- Section 4.4.4 *E. coli* must be absent from bore water.

If *E. coli* is detected in a sample from an interim secure bore, the interim sampling regime must recommence (as per Table 4.4 DWSNZ). If a second positive result for *E. coli* is made during the interim period, the water must return immediately to a non-secure status.

Radiological testing must be completed every 10 years. A test for Radiological determinands for Napier bores: Awatoto (A1), Peddie Street (T2), Riverside Park (T3), Guppy Road (T5), King Street (T7), was completed in May 2018 and will not be due again until 2028. A test for Radiological determinands for Napier bores: Coverdale Park Bore (C1) and Guppy Road reserve Bore (T6) were completed in June 2018 and will not be due again until 2028.

NCC is continuing to chlorinate the water supply under their emergency chlorination setup. Although NCC are not using chlorination for compliance purposes they are commended for their proactive multi-barrier approach to treatment/residual disinfection and the continued capture of trending data.

There have been no transgressions in the distribution system since the introduction of chlorine – suggesting that the risks attached to the distribution system that allow the ingress of potentially pathogenic bacteria are being adequately managed.

### Napier Distribution Zone (NAP001NA)

The Napier distribution zone bacterial compliance uses criterion 6A which is based on *E. coli* monitoring. Ongoing monitoring should comply with Tables 4.3a and 4.3b in DWSNZ:

- Napier – 46 samples per quarter, maximum of 3 days between samples and 7 days of the week used.

### Napier WSP

The Napier WSP was approved in May 2018. An Implementation Audit of the Napier WSP was undertaken in September 2020, the WSP was deemed to be implemented.

An Operator Authorisation assessment was carried out with the NCC in 2018 for FAC analysis. Authorisation was granted and is valid until the 18<sup>th</sup> April 2021, unless there are significant changes to equipment, personnel or analyses undertaken by NCC.

It is taken that the above criteria has been elected by the supplier. Any changes to the elected compliance criteria must be agreed with the DWA.

### DWSNZ elected compliance criteria

The above compliance criteria has been elected by the supplier. Any changes to the elected compliance criteria must be agreed with the DWA as per section 3.1.1 of the DWSNZ.



## Treatment Plant Compliance

The following compliance information is derived from NCC and DWO. Other compliance information is derived from CNIDWAW records.

### Treatment Plant: Bacterial Compliance (Section 4, DWSNZ)

#### Treatment Plant Criterion 1 Results

Bore / Plant name	Number of <i>E. coli</i> (total coliform) samples required	Number of samples collected	Number of <i>E. coli</i> transgressions	Compliance
A1 Awatoto	12	34	0	✓
C1 Coverdale Park	12	28	0	✓
T2 Bledisloe Park	12	23	0	✓
T3 Riverside Park	12	25	0	✓
T5 Guppy Road	12	34	0	✓
T6 Guppy Road Reserve	12	34	0	✓
T7 King Street	12	34	0	✓

**Table 2**

#### Summary of compliance with sampling / analytical / remedial / operational requirements

Compliance was achieved for the following criteria of the DWSNZ:

- Section 4.2.6 Compliance sampling.  
Staff taking samples have been trained in aseptic techniques.  
All samples were tested in a MoH recognised laboratory: Water Testing Hawke's Bay.
- Section 4.2.7 Sampling sites for bacteria compliance of water leaving the treatment plant.  
Sampling points have been agreed upon between the DWA and NCC.
- Section 4.2.8 Sampling frequencies for compliance of water leaving the treatment plant.  
Maximum days between samples: Maximum of 1 day between samples.  
Minimum days of the week used for sampling: Minimum of 7 days of the week used.
- Section 4.2.9 Response to transgression in drinking-water leaving the treatment plant.  
No transgressions recorded for the Napier treatment plants during the 2019 – 2020 compliance year.
- Section 4.2.6.2 in DWSNZ 2019 indicates: for compliance testing, a method that enumerates Total Coliforms and *E. coli* must be used.

NCC was able to demonstrate a Most Probable Number (MPN) method was used to enumerate for both Total Coliforms and *E. coli* along with test results.

### Treatment Plant: Protozoa Compliance (Section 5, DWSNZ)

#### Protozoa Log Credit Requirement

Bore / Plant name	Protozoa Log Credit requirement	Log credit determination
A1 Awatoto	0	Secure Bore
C1 Coverdale Park	0	Secure Bore
T2 Bledisloe Park	0	Secure Bore
T3 Riverside Park	0	Secure Bore
T5 Guppy Road	0	Secure Bore
T6 Guppy Road Reserve	0	Secure Bore
T7 King Street	0	Secure Bore

**Table 3**



### **Summary of Log Credit Assessment**

Secure status was granted for 7 NCC bores during 2019. Secure bore status does not require any log credit assignment, therefore full compliance has been achieved.

### **Treatment Plant: Cyanotoxin Compliance (Section 7, DWSNZ)**

This section is not applicable to groundwater supplies and those supplies not considered at risk (i.e. no management protocol required). Full compliance achieved.

### **Treatment Plant: Chemical Compliance (Section 8, DWSNZ)**

#### **Plumbosolvent**

A Plumbosolvent water warning/public notice was provided to all consumers at the specified frequency during the compliance period – online and through mail – as evidence provided to DWA. Full compliance achieved.

#### **Priority 2 Determinands: Monitoring Results**

No P2 determinands are assigned to the Treatment Plants. No testing is required. Full compliance achieved.

### **Treatment Plant: Radiological Compliance (Section 9, DWSNZ)**

#### **Radiological Compliance**

<b>Bore / Plant name</b>	<b>Date of last sample</b>	<b>Exceedences of MAVs</b>	<b>Compliance</b>
<b>A1</b> Awatoto	May 2018	0	✓
<b>C1</b> Coverdale Park	June 2018	0	✓
<b>T2</b> Bledisloe Park	May 2018	0	✓
<b>T3</b> Riverside Park	May 2018	0	✓
<b>T5</b> Guppy Road	May 2018	0	✓
<b>T6</b> Guppy Road Reserve	June 2018	0	✓
<b>T7</b> King Street	May 2018	0	✓

**Table 4**



## Distribution Zone Compliance

The following compliance information is derived from NCC and DWO. Other compliance information is derived from CNIDWAU records.

### Distribution Zone: Bacterial Compliance (Section 4.3, DWSNZ)

#### Distribution Zone Criteria 6A Results

Distribution zone name	Number of <i>E. coli</i> (total coliform) samples required	Number of samples collected	Number of <i>E. coli</i> transgressions	Compliance
Napier	184	434	0	✓

**Table 5**

#### Summary of compliance with general sampling / analytical / remedial action requirements

Compliance was achieved for the following criteria of the DWSNZ:

- Section 4.3.3 Sampling sites for compliance in the distribution zone  
Sampling points have been agreed upon between the DWA and NCC.
- Section 4.3.4 Sampling frequencies in a distribution zone:  
Correct number of samples for the zone  
Maximum days between samples was compliant  
Minimum days of the week used for sampling was compliant
- Section 4.3.5 (4.2.6) Compliance sampling  
Staff taking samples have been trained in aseptic techniques.  
All samples were tested in a MoH recognised laboratory: Water Testing Hawke's Bay.
- Section 4.3.6 Remedial actions involving criteria 6A  
No transgressions recorded for the Napier supply during the 2019 – 2020 compliance year.

### Distribution Zone: Cyanotoxin Compliance (Section 7, DWSNZ)

No cyanotoxins are assigned to Napier distribution zone. No testing is required. Full compliance achieved.

### Distribution Zone: Chemical Compliance (Section 8, DWSNZ)

No P2 determinands are assigned to Napier distribution zone. No testing is required. Full compliance achieved.

A Plumbosolvent water warning/public notice was provided to all consumers at the specified frequency (using the internet NCC Website and a pamphlet in the rates bill) during the compliance period as reported by NCC.

## Summary of Audit Activities to Verify DWSNZ Monitoring Data

An audit of NCC data and test results for the compliance year was undertaken by the DWA.

Data entered into DWO was reviewed and deemed accurate by NCC.



### Duties under the Act

The duties of the water supplier under the Act have all been met.

**Section 69S** – Duty of suppliers in relation to the provision of drinking water

Met

NCC provided evidence (09/07/2020) that none of their supply was interrupted or restricted for >8 hours for planned or emergency works.

**Section 69U** – Duty to take reasonable steps to contribute to protection of source of drinking water

Met

NCC demonstrated during the September Implementation Audit 2020 (Report: NCC\_WSPImplementationReport\_RB\_30092020\_v1) that this duty was being met.

**Section 69Y** – Duty to monitor drinking water

Met

This decision is based on the weekly reporting from NCC to the DWA of bacterial and other monitored parameters which are specified in the Monitoring Plan.

**Section 69Z** – Duty to prepare and implement water safety plan

Met

NCC has an approved WSP. The WSP was determined to be implemented during the September 2020 DWA Implementation Audit.

**Section 69ZD** – Duty to keep records and make them available

Met

The decision to acknowledge that this duty has been met is based on the ability of NCC to retrieve records and the records supplied to the DWA on a regular basis for bore water and reticulation monitoring.

**Section 69ZE** – Duty to investigate complaints

Met

NCC has a system to record complaints. The process was reviewed during the September 2020 Implementation Audit.

**Section 69ZF** – Duty to take remedial actions if drinking-water standards are breached

Met

### Administration

This decision is based on no remedial actions required.


Information in this report may be provided to the MoH at their request. With the exception of the MoH, this report shall not be reproduced without the approval of the Public Health Unit/CNIDWAW and NCC.

Completed 5<sup>th</sup> October 2020



Reynold Ball  
Drinking Water Assessor  
Central North Island Drinking Water Assessment Unit – Napier Branch

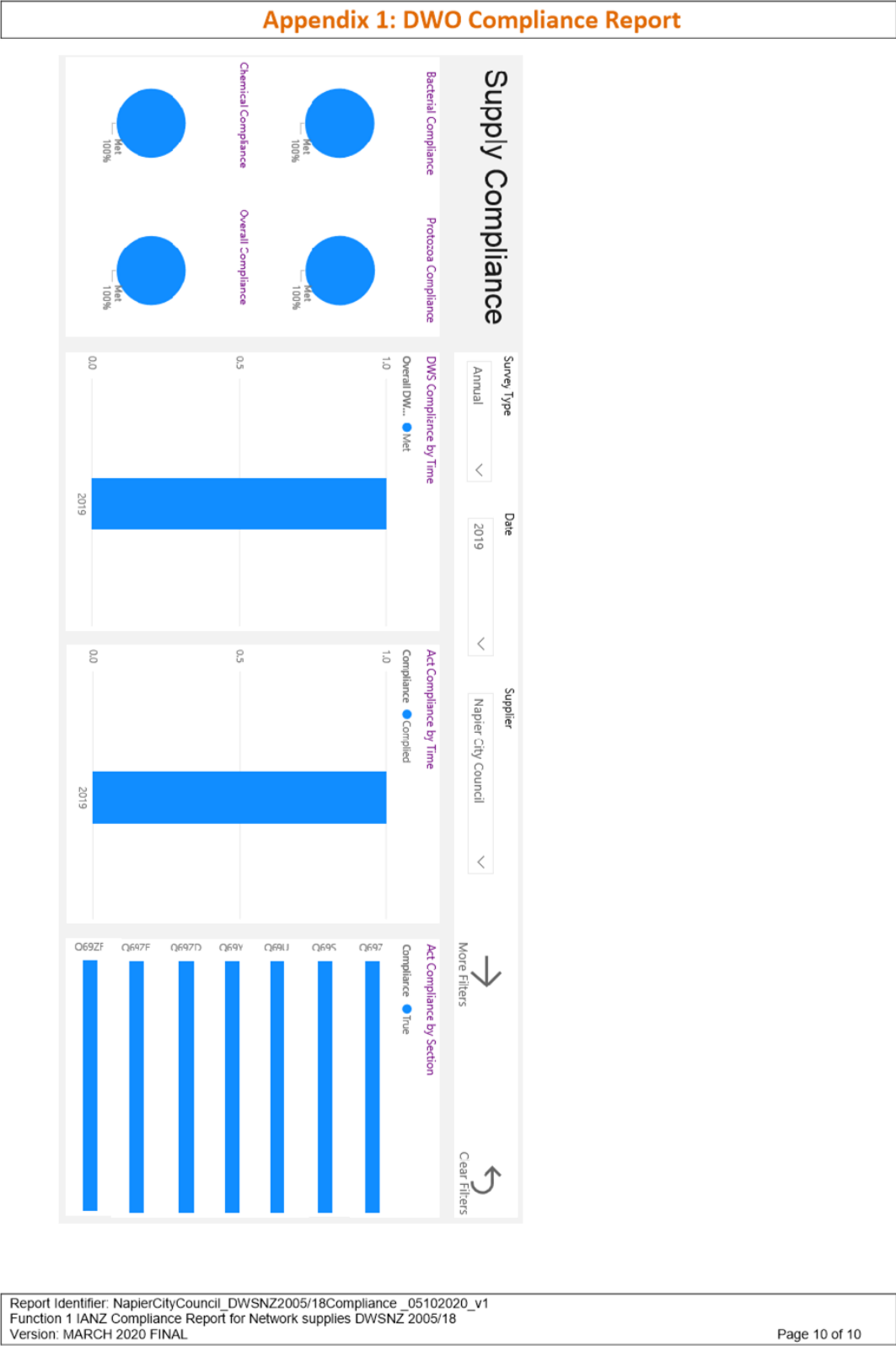


Assessment Report Information	
Report identifier	NapierCityCouncil_DWSNZ2005/18Compliance_05102020_v1
Drinking Water Assessment Unit (Inspection Body)	Central North Island Drinking Water Assessment Unit Napier Branch P O Box 447 Napier 4140 Phone: 06 834 1815
Drinking Water Assessor	Reynold Ball
Assessment Date	July – September 2020
Description of assessment work	Assessment of Compliance with Drinking Water Standards for New Zealand 2005 (Revised 2018) for: <b>Napier Supply</b> (NAP001), <b>Treatment Plant / Bores</b> A1 Awatoto (G02037) (TP03097), C1 Coverdale Park (G00067) (TP00111), T2 Bledisloe Park (G00062) (TP00105), T3 Riverside Park (G00065) (TP00102), T5 Guppy Road (G0064) (TP00103), T6 Guppy Road Reserve (G01151) (TP01961), T7 King Street (G01395) (TP02308) <b>Distribution Zone:</b> Napier City (NAP001NA)
Equipment Used	Drinking Water Online (DWO) (v1.0.20269.2)
Water Supply Owner / Person Responsible	Napier City Council Santha Agas (Team Leader 3 Waters)
Assessment method	Standard assessment as per DWA Function 1 Drinking Water Standards for New Zealand 2005 (Revised 2018)
Documents and Information	Heath Act 1956 Drinking Water Standards for New Zealand 2005 (Revised 2018) Compliance Data on Drinking Water Online CNIDWAU supply files Excel Spreadsheet provided by NCC
Site of Assessment	Central North Island Drinking Water Assessment Unit Napier Branch
Omissions from proposed assessment	Nil
Sub-contracted work	Nil
Document checked by:	Jo Waldon Drinking Water Assessor Date 6 <sup>th</sup> October 2020
Release of report authorised by:	Reynold Ball  Drinking Water Assessor 7 <sup>th</sup> October 2020

The results in this report relate only to the compliance of the above listed treatment plants and distribution zones.

If you do not agree with the findings of this report a written appeal must be lodged with the Technical Manager, **Central North Island Drinking Water Assessment Unit, C/- Toi Te Ora Public Health, PO Box 2120, Tauranga 3140** within 2 months of receipt of this report. The Deputy Technical Manager will arrange for a review to be undertaken using the MoH appeals procedure.







## 5. TO PROVIDE COUNCIL WITH INFORMATION ON CAPITAL PROGRAMME DELIVERY.

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1283770
Reporting Officer/s & Unit:	James Mear, Manager Design and Projects

### 5.1 Purpose of Report

To provide Council with information on Capital Programme Delivery.

#### Committee's recommendation

Councillors Simpson / Crown

The Sustainable Napier Committee:

- a. Note that this report is for information purposes only.

Carried

### 5.2 Background Summary

The successful delivery of projects is an important part of Council Success.

Council projects and programmes of work consist of multiple phases and often span multiple years, starting with the development of strategies and often concluding with construction works. A large portion of projects are not initially capital funded projects however such work may eventually lead to capital projects.

The successful delivery of projects has an important part to play to enable democratic local decision-making which intern promote social, economic, environmental, and cultural well-beings for the Napier community now and for the future.

NCC has implemented an enterprise workflow system called Sycle, used in parallel with financial reporting and document management, to report on project management requirements. Sycle connects community outcomes, strategic goals, strategies and actions with projects; and is also used to manage individual and organisational performance metrics, and strategic and operational risks. Council are seeking to integrate the functionality of Sycle with the Long Term Plan cycle to improve the way in which needs/problems are identified and considered in line with the Long Term Plan and Annual plan processes.

Council's Project Management Framework has been developed within Sycle to provide for the management and reporting of Council Projects. This initiative is still in development phase, with training of council officers on both the project management framework and its use within Sycle required to enable Council wide use of Sycle.

Further uptake and use of Sycle will improve the quality of information within Sycle and the ability to report on project delivery.

This report is consistent with the first iteration of the Project Delivery Progress Report and will be improved over time.



This report gives effect to the Chief Executive Key Performance Indicator (KPI) set under Financial Prudence. Currently defined as a multiyear Initial Target for Capital Expenditure.

- Individual capital projects over \$750K will be achieved within +/-5%
- Any changes outside of +/-5% will be brought to Council for re-approval along with consequent effects
- The total capital budget achieved within +/-5%

In addition, this report is a first step towards achieving the following Chief Executive Key Performance Indicator (KPI):

“A work programme reporting tool is presented to Council that allows priorities to be seen, regular tracking of progress and updates across all key projects and across all Council operations. To be progressively introduced with a view to being completely in place and reporting to Council by 31 January 2021.” This is still a piece of work in development.

### **5.3 Issues**

Project Based reporting is new to Council and Project Management discipline will take time to develop.

Development of project planning is new to concept council and will take time to embed.

### **5.4 Significance and Engagement**

Capital Programme Delivery reporting to the Maori Consultative Committee is planned to start in 2021.

### **5.5 Implications**

#### **Financial**

Project Financial Performance are not intended to be reported on through this report.

#### **Social & Policy**

n/a

#### **Risk**

Project Risks are not intended to be reported on through this report.

### **5.6 Options**

#### **At the Meeting**

In response to questions it was noted:

- There are many more projects in the Project Management Framework which are not shown in the report presented to the Committee. It is possible to provide a summary report of all Council projects at the next Committee meeting.
- The projects that have been included in the report to Committee are high priority, high value, or high risk projects.
- In the Infrastructure Reporting Status Summary if a projects status says it is deferred and with sponsor that is because the project is currently with an external activity manager for action.



- The Marewa Shops Improvements project is on hold due to the latest estimates for work being higher than the available budget. Council Officers are working on a solution to this currently.

## **5.7 Attachments**

A 2021 February Infrastructure Reporting Status Summary











PROJECT NAME	ASSET CATEGORY	PROJECT UPDATE	PROJECT PHASE	% OF PROJECT	ON TRACK	STATUS	REMARKS FOR DELAY OR OTHER STATUS
SCADA & Telemetry Upgrade	3 Waters	The project has been delayed by 12 weeks due to the wider Council as the 4 financial line items do not reflect the complexity of this project and the scope.	Initiate	35%			Change of scope confirmed with sponsor, works ongoing concurrently with development of project planning
National Aquarium of NZ - Chiller Replacement	Aquarium	Walk over with Tech Mechanical 22.12.2020. Colourcraft carrying out some painting early 2021.	Defects	84%			
Conference Centre Odour Mitigera	City Services	Practical completion to be issued.	As-builts	66%			In Contract Maintenance Period
Municipal Theatre BMS Replacement	Community Services	Physical works targeting completion March 21	Construction	69%			March date includes AOM Manuals
Kennedy Park Ablutions Block	Kennedy Park	Complex is open to the public. Working through domestic hot water issue with Contractor	Contract Maintenance Period	89%			Domestic hot water not to standard. Working with contractor to correct
MTG Sprinkler System	MTG	Facility closed (23-12-2020) by rec to CE, Scope now covers full rehanging of sprinkler system	Construction	30%			Closure of building required due to H&S Risks. Staged opening of services is planned as various parts of the building are made safe.
Ocean Spa Upgrades (Sauna and Steam Room)	Parade Pools	Working towards 90% procurement. Aiming to tender in the first quarter of 2021	Procurement	62%			Sauna & Steam room estimated costs Circa \$250,000
Parklands 6 & 7	Parklands	Stage 6 practical completion issued 8 October 2020, Stage 7 practical completion targeting January 2021	Construction	71%			Covid variation - pending
Parklands Area 3 Stages 8, 9, 10	Parklands	Design completion late January - pending utilises input. Stage 12 earthworks consent targeting December. Tendering March, construction starting April and completion of works March 2022	Design	55%			Minor delay due to review of Chorus agreement
Park Island HBRU Site	Reserves	In Defects. Project manager to review grassing in January 2021	Defects	99%			In Contract Maintenance Period, this period of time may extend
Roberts Terrace Playground Renewals	Reserves	10% concept design completed. New project manager appointed	Design	47%			
Te Awa Playground / Urban Growth	Reserves	Contract awarded. Construction scheduled February 2021. New Project Manager appointed	Construction	63%			
Westshore Playground Renewal	Reserves	Stage 2 of Westshore Playground area improvements. Budget for Westshore in 2022/23 Financial Year - Planning and Engagement late 2021.	Initiate	0%			
Westshore Reserve & Playground Pathway (Shovel Ready Project)	Reserves	Awaiting consultation feedback. Construction targeting February 2021	Design	34%			
Whakareia Ave Coastal	Reserves	Construction rescheduled till Feb 2022 due to hwi engagement and the penguin nesting period.	Consultation	42%			The project timeline has been eferd to allow appropriate timing and sequencing of re engagement with hwi, penguin breeding season ( June - Feb ) and Construction stage Tendering. Construction now planned February 2022
Bluff Hill Safety Fence	Reserves	Contract Maintenance Period	Contract Maintenance Period	73%			
Planting around Drains	Reserves	Raised in December's Sustainable Meeting		0%			
Regional Park	Reserves	Raised in December's Sustainable Meeting	LTP	0%			
HBRU Game Field	Sportsgrounds	Game field lighting contract to be tendered	Construction	38%			Procurement plan for lighting contract in development subject to appropriate budget availability.
Ahuni Masterplan scope projects for stormwater study and improvements	Storm Water	Completed month 12 & first year of monitoring. Awaiting meeting with Asset	Sampling	33%			
Pandora Catchment Stormwater Quality System(Study only project)	Storm Water	Sediment core collection planned mid November 2020	Plan & Execute	44%			
Cross Country Drain Pathway	Transportation	Physical works 88% completed, aiming to issue practical completion early 2021	Construction	66%			
Elision St to Marine Parade walking & Cycling Improvements	Transportation	After consultation with Te Awa school the layout has been revised and include in the design. 30% consultation circulated for comments. Targeting construction period June-December 2021.	Design	20%			Consultation with residents and adjoining schools ongoing. Additional design required for the Te Awa school area.
Erlisen / Kenny Rd intersection Upgrade	Transportation	Contract awarded to Higgins Contractors. Construction January -September 2021	Construction	57%			
Marewa Shops improvements	Transportation	Cost to complete exceeding available budget. Project Manager working with sponsor to confirm way forward. Budget increase required to deliver current scope. Project estimate \$1.9M, budget \$1.1	Design	56%			Cost to complete exceeding available budget. Project Manager working with sponsor to confirm way forward. Budget increase required to deliver current scope. Project estimate \$1.9M, budget \$1.1
Marine Parade - Raised Crossing	Transportation	Currently out for tender. Tender review February 2021 with construction late February 2021.	Tender	64%			Awaiting Aco kerb delivery
Meeanee Quay Traffic Calming	Transportation	Residents and business have received the final design and communication outlining	Tender	60%			Pending Engineering Approval
Rorahi Road Corridor Improvements	Transportation	Project deferred. With Sponsor. Improvement works, including realignment and widening to improve user safety and journey time reliability.	Programme	29%			With Sponsor - to confirm new timeframes
Puketitiri Road Upgrade	Transportation	Puketitiri Road - Rorahi Rd to Quarry Ridge Construction 11 January 2021 to July 2021.	Initiate	0%			
Thames/Pandora Roundabout Improvements	Transportation	Collaboration with NCC and NZTA in place for community engagement.	Construction	65%			
Tironui Drive Pathway	Transportation	Pathway has been reinstated for use over Christmas. Last 20% of physical works being completed in January 2021.	Construction	56%			Partly funded by Rotary Club \$230,000 - Budget \$430,000
Tom Parker Ave Traffic Calming	Transportation	Currently out for tender. Targeting construction February - April 2021	Tender	60%			
Westshore to Ahuni Walking & Cycling Connectivity	Transportation	Rescope design approved. Working towards 60% design and engineers estimate. Tender targeting January with construction in March 2021.	Design	57%			
York Ave/Auckland Rd Intersection	Transportation	Lighting design for the intersection is completed and working towards 90% design for project. Tender January 2021. Construction March - June 2021.	Design	58%			
Airport Sewer Pump Station Renewal	Waste Water	Pending EA approval January. Tendering March with construction April 2021.	Design	76%			Schedule impacted due to the delay in stakeholder review comments received which has also impacted the lead time of materials.
Lagoon Farm Diversion	Waste Water	Raised in December's Sustainable Meeting	LTP	0%			
Latham Street Rising Main Valve Renewal	Waste Water	New project manager assigned to project in December. Project plan being updated to reflect new P&I and timing of project. Materials procurement is causing some challenges, and this may impact construction start date.	Plan & Execute	50%			
Pandora Industrial Wastewater Main - Rehabilitation	Waste Water	Investigative works are looking at rehabilitation options for this pipeline to provide a cost effective solution.	Initiate	0%			
Trade Waste Bylaw	Waste Water	Raised in December's Sustainable Meeting	DIA	0%			
WWTP Outfall Repair	Waste Water	700m fibreglass clamp installation underway	Construction	66%			Challenging weather conditions caused onsite delays, works to be completed in new year when boat available. Change of scope to repair to 700m leak required resulting in time delay. Cost estimate to completion \$1,200,000 with the original budget \$400,000.
WWTP Outfall Replacement	Waste Water	Briefing phase	Initiate	56%			
A1 Pipping Points 300mm	Water Supply	Physical works will be undertaken when A1 is shut down to have low flow - winter 2021	Depot	65%			
A1 Pipping Points 450mm	Water Supply	Physical works will be undertaken when A1 is shut down to have low flow - winter 2021	Depot	62%			
Chlorine Free Review	Water Supply	Raised in December's Sustainable Meeting	Initiate	0%			
Enfield Reservoir Replacement	Water Supply	Offers of Service are being sort for Geotechnical and Environmental assessments to inform the purchase process. Purchase of land commented	Initiate	31%			
FW2 Fire Flow Network Upgrades	Water Supply	Site walkovers completed. Meeting held to determine the depot priority with respect to resources. Forward ordering of material to be placed early 2021	Planning	56%			
Meeanee Bore Treatment Upgrade	Water Supply	EA approval achieved. Retendering for civil contractors due to feedback from invited tenders.	Tender	73%			Retendering due to no tender submissions. Retendering for Civil Contractor
Tamatea & Parklands DMA	Water Supply	Communication strategy requires changes to reflect changes to the public announcements. Targeting completion March 2021	Construction	61%			Revised schedule of works, targeting March completion.
Trial Bore No 1 Exploratory and Production Bore	Water Supply	Permeant fence installed. Defects period due to be issued early January once asbuilts received.	Construction	71%			Project completed. Bore secured and land in use.



## REPORTS FROM FUTURE NAPIER COMMITTEE HELD 11 FEBRUARY 2021

### 1. REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION.

Type of Report:	Information
Legal Reference:	Local Government Act 2002
Document ID:	1278534
Reporting Officer/s & Unit:	Bill Roberts, Economic Development Manager Richard Munneke, Director City Strategy

#### 1.1 Purpose of Report

The *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* report (**Attachment A**) summarises the findings and recommendations of a review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development.

#### Key Findings

The Giblin Group review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development (the "Review") finds the following:

- There are no major gaps in the types of services/activities being delivered and current services/activities are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government.
- The services/activities being delivered are, however, often sub-scale (e.g. often less than 1 FTE to deliver significant programmes of work or activities). This will be limiting the potential value of business, industry and sector development investment for Hawke's Bay. This value relates to the ability to:
  - Most effectively leveraging the resources of others (e.g. Central Government funding/involvement and private sector funding/involvement). Regions need to be well organised and focused in order to maximise the opportunities available through Central Government funding support (which will continue to have a large role to play in a COVID-recovery environment), and to partner with the private sector in different ways;
  - Work with speed and agility to fully understand the nature of issues, constraints and opportunities presenting for Hawke's Bay in order to design and implement appropriate interventions where there is a clear role for government; and
  - Bring mandate, mana and resources to the table to focus on areas of critical priority for Hawke's Bay.
- The real potential value of economic development investment in Hawke's Bay is a greater ability to meet the overarching outcome of the Matariki Strategy and Action Plan "Every whānau and every household is actively engaged in and benefiting from



growing a thriving Hawke's Bay economy". This requires a focus on existing business (and assisting them to overcome challenges and create greater value through doing things differently and better over time); a focus on creating new platforms for growth for Hawke's Bay (either by growing new activity in the region or by encouraging new activity to the region); and tying these things together, the investments and efforts need to support a thriving business environment (e.g. infrastructure, rules and regulations).

- The Return on Investment (RoI) from effective business, industry and sector development support can be high. For example:
  - Work to support the Hawke's Bay horticulture and viticulture sector with critical COVID-related seasonal labour issues will help to protect around \$715m of regional economic activity in apples and pears alone. This sector directly supports 2,579 permanent local workers and, indirectly, a further 5,751 permanent local workers in the eco-system of services that supports the industry;
  - Economic development work relating to the horticulture potential in Wairoa suggests that a proportionately minor strategic government role in different areas could help support additional expenditure to the local Wairoa economy of around \$82 million over a 10year period and the employment of an additional 197 FTEs over the same period.
  - Encouraging a new business to locate in Hawke's Bay could lead to 100s of new jobs and resulting economic activity. Depending on the nature of the activity this could, in time, help to stimulate a range of value-add services (and well-paying jobs) needed to support this activity.
  - For relatively small investments, effective regional branding, marketing and promotion can play a key role in attracting visitors, talent, investors and businesses to the region. Tourists in Hawke's Bay spent over \$45 million in August 2020 (the highest regional spend in the country), and while not all visitors will have been encouraged to visit by the work of Hawke's Bay Tourism Ltd (HBTL) this still suggests an effective RoI on the \$1.5m in annual funding for HBTL. Visitors to Hawke's Bay also support local retail and hospitality and help to create vibrant city centres and regional amenities that locals enjoy and which play a critical role in wider people and talent attraction.
- There are also opportunities to better align and structure some activities and services e.g. business capability support being provided by Hastings District Council (HDC) should ideally be provided via agencies with core expertise in this area e.g. Business Hawke's Bay (BHB)/a regional Economic Development Agency (EDA), and/or Hawke's Bay Chamber of Commerce. This would promote regional coherence and access for business.
- Some regions and Economic Development Agencies (EDAs) have greater access to funds to support feasibility/business case development. Hawke's Bay currently lacks a regional pool of funds that can be used to investigate economic development opportunities that are aligned with the region's strengths/opportunities/strategy. This means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.



- Destination management and marketing is led by Hawke's Bay Tourism Ltd (HBTL) and while there is some cross-over in activities (largely in the events space) there appears to be good coordination between Councils and HBTL.
- Business capability-related support is largely provided through the Regional Business Partner (RBP) Programme (although HDC does do a bit of this as well).
- Cluster and sector work with industry coalitions is largely led by BHB.
- There are some good examples of collaboration relating to investment attraction e.g. NZ Institute for Skills and Technology and Jetstar, but activity related to investment and talent attraction has been largely ad hoc (notwithstanding a desire to back existing strategies with funding for implementation).
- Matariki is the main focal point for regional economic development work but there is concern among stakeholders that Matariki is not delivering on its promise and that governance could be improved.

### **The Case for Change**

The Review finds that there is a case for change. Analysis, interviews and conversations undertaken for the Review, and the survey of stakeholders conducted between 2-15 September 2020, indicate the following key issues:

- Most stakeholders and those involved in delivery and funding are looking for greater clarity over roles and functions.
- Businesses are looking for greater clarity over the activities and services available to support business activity.
- There is concern that there are unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. This is feeding a perception in the business community that the economic development system is fragmented and not particularly transparent.
- There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region is not as responsiveness to community needs as it could be and punching below its weight externally.
- BHB financial sustainability is clearly an issue.
- A high proportion of stakeholders feel that funding for economic development activities and services should be increased.
- HBTL appears to be doing a successful job and is supported by its main stakeholders. Change would come with costs that could outweigh benefits (that could potentially be achieved through non-structural changes). At this point there doesn't appear to be a strong case for change (at least institutionally).
- Funding for tourism relative to other sectors has been a theme of the feedback, with many viewing this as unbalanced. But tourism directly supports local retail and hospitality (and helps to create vibrant city centres and regional amenities that locals enjoy and play a role in people and talent attraction). This means it's not as simple



as saying one sector vs the others. Ideally, we would be supporting a range of key sectors of importance/opportunity (taking into account the appropriate role of govt).

- Business Hawke's Bay's financial sustainability has been highlighted as an issue in the Giblin Group report. On 17th December 2020, Business Hawke's Bay initiated formal consultation on a proposal to wind up the organisation based on its ongoing viability to meet its commitments (over and above the Contract for Service). Decisions to be made by the Business Hawke's Bay board are expected late January 2021. (refer Attachment B – Letter from BHB Chair to Councils). The five Hawke's Bay Councils have reiterated their commitment to the Chairperson to work with Business Hawke's Bay to keep the Business Hubs open and the potential assignment to one of the five councils. To support Business Hawke's Bay's process the councils will develop and agree a transition plan with Business Hawke's Bay for any such eventuality.

#### Committee's recommendation

#### Mayor Wise / Councillor Crown

---

#### The Future Napier Committee:

- a. Receive the Giblin Group report titled Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region dated December 2020.
- b. Notes the report is for **information purposes only**. No decision relating to the recommendations set out in this report are required by Council/Committee.
- c. Consider the recommended options to form a new entity to lead (non-tourism) economic development activities. This new entity would focus on business development and support; innovation and industry development; skills building, attraction and retention initiatives; investment promotion and attraction; economic development strategy development; and strategy/action plan programme management.
- d. Support the second stage of the review process and a more detailed investigation of the recommendations set out in the Giblin Group report Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region dated December 2020. We note that the additional funding for the second stage is planned within the HBLASS (shared services cost centre)
- e. Support engagement with Treaty Partners and other regional stakeholders on the opportunity to create an enduring economic development delivery platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.
- f. Support the opportunity to embed a partnership with Māori in the new EDA model. The model would allow for discussions on the level of engagement with Māori business and, potentially, a joint resourcing approach with Hawke's Bay Māori/iwi/hāpu fora or organisations.
- g. Support the five Council's commitment to keeping the Hawke's Bay Business Hub open.

---

Carried



## 1.2 Background Summary

In July 2020 the five Hawke's Bay Councils commissioned from Giblin Group a Local Government Act (2002) s17A review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development. The specific activities and services that were in scope of this review were:

- Business development activities, such as business information and referral services and business capability support;
- Skills building, attraction and retention initiatives;
- Innovation, commercialisation and R&D support;
- Investment promotion and attraction;
- Destination marketing and management and events;
- Sector development initiatives and cluster facilitation;
- Economic development and economic wellbeing strategy development, intelligence and monitoring.
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

The Review was commissioned following a request from Business Hawke's Bay for additional funding and subsequent desire to review the cost effectiveness of Council arrangements for delivering business, industry and sector development activities and services and to consider any opportunities to improve regional coherence of this sub-set of economic development investments.

Hawke's Bay Councils were seeking an assessment of:

- a) The role of local government in economic development and economic wellbeing in the region, based on an analysis of:
  - Challenges and opportunities facing the Hawke's Bay economy;
  - Rationales for local government activities in economic development and economic wellbeing;
  - The landscape in which various actors and mechanisms play a role in the regional economic development system;
  - Legislative and central government expectations.
- b) Economic development and economic wellbeing activities, identifying strengths, weaknesses and any relevant gaps in the activities, based on:
  - The Councils' objectives, priorities and performance targets;
  - Identifying any overlaps/duplication and/or gaps across Councils' and key organisation's activities;
  - The role non-Council parties play in the regional economic development system;
  - An assessment of the efficiency of current arrangements and the benefits of the activities versus costs;
  - An assessment of the overall effectiveness of the current delivery models of the five Councils and key delivery organisations, including governance arrangements, funding arrangements and current economic development and economic wellbeing reporting and accountability mechanisms.
- c) Options for future economic development and economic wellbeing delivery arrangements, based on clear criteria, and recommendations for any changes in functions, form and funding.



The Giblin Group report *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* summarises the findings and recommendations of this Review.

### 1.3 Issues

#### Current Investment in Activities and Services

In terms of the investment Hawke's Bay ratepayers are making in business, industry and sector development the Review finds:

- In total HB Councils are investing just over \$10m in business support and industry development related services and activities.
- Just under half of this is directed to the i-Sites and the Napier Convention Centre and Toi I. *[Note – these have been included given their roles in regard to visitor attraction/promotion and/or events].*
- Funding for Hawke's Bay Tourism Ltd makes up 15.7% of the funding.
- Funding for Business Hawke's Bay makes up 3.3% of funding.
- Funding for specific Council ED teams (salaries + funding for discretionary activities/projects) makes up around 13% of funding.
- At an aggregate level (nominal) funding has remained about the same over the last five years. This means in real terms funding has fallen.
- There has been some change to funding at a more detailed level e.g. HBRC used to have an Economic Development Manager; HDC has been shifting funding from the ED budget to its Strategic Projects team.
- There is a clear path dependence with current ED funding. The region has built infrastructure that requires visitor support e.g. even setting aside i-Sites, ToiToi and NCC, we have Splash Planet, Aquarium, The Faraday Centre etc, and funding has followed this need.

#### Effectiveness and Efficiency

In terms of effectiveness and impact the Review finds:

##### Councils:

- Performance measures and any related KPIs or targets are organisation specific with varying levels of detail. They are often project based. These are, for the most part, being met. The activities/services are being delivered efficiently (on the basis of FTE resources).
- There is no explicit relationship to Matariki or broader regional objectives except through general collaboration performance measures (where they exist). There is an opportunity to tighten this.
- More broadly the region does not have a clear 'impact framework' to articulate the 'intervention logic' between activities delivered and the desired outcomes for the region over the short, medium and longer-term. A framework like this could better inform distributed (individual, team/org) work programmes that contribute to regional outcomes and provide greater clarity on respective roles and responsibilities (e.g. leadership and/or close collaboration where needed).

##### Business Hawke's Bay (BHB)

- BHB is meeting the KPIs set out in the Contract for Service (CfS) and has delivered outputs efficiently but it has a large work programme (relative to FTEs/funding



available) that goes beyond the CfS areas of focus. This has been a strategic decision (to use reserves to create programmes where a need has been identified). Given limited FTEs this will be constraining the ability to delivery priorities as effectively as possible.

- Business Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use. The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services this is important. The Business Hub, however, runs at an overall loss and additional funding is required to support repairs and maintenance and CAPEX.
- BHB ongoing viability to meet its commitments (over and above the Contract for Service) is under currently review, with decisions to be made by the BHB board on whether to wind up the organisation late January 2021. (please refer **Attachment B** – Letter from BHB Chair to Councils)

### **Hawke's Bay Tourism Ltd**

- HBTL is meeting the KPIs set out in the funding agreement with HBRC. Central Government considers HBTL an effective RTO. It appears to be delivering outputs efficiently.
- HBTL's members appear to be satisfied with HBTL's contribution toward the growth of the industry and in representing the region at a national and international level. The area where members think there is an opportunity to do more is in "coordinating business opportunities for its members". This includes education, business events and workshops focussed on the specific issues of SME tourism businesses.

## **1.4 Significance and Engagement**

N/A

## **1.5 Implications**

### **Financial**

N/A

### **Social & Policy**

N/A

### **Risk**

N/A

## **1.6 Options**

Section 17A of the LGA requires consideration of the following options when considering delivery improvements (note a 17A review is not limited to these options):

- (a) Responsibility for governance, funding, and delivery is exercised by the local authority;
- (b) Responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by –



- (i) a council-controlled organisation of the local authority; or
  - (ii) a council-controlled organisation in which the local authority is one of several shareholders; or
  - (iii) another local authority; or
  - (iv) another person or agency.
- (c) Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv).

The Giblin Group report considers seven (7) options given the Hawke's Bay context and the Review analysis (i.e. the range of issues, challenges and opportunities that were identified). These are:

1. **The Status Quo.**
2. **Enhanced Status Quo v1:** Improved funding for BHB.
3. **Enhanced Status Quo v2:** Improved funding for BHB + BHB takes on RBP contract (with HB Council support and
4. Central Govt agreement via formal procurement process).
5. **Transferring business support services to a Council or across Councils.**
6. **Leveraging other providers:** A variation of Option 4. Responsibility for (non-tourism) business and industry development and support activities/services would sit with a Council or Councils but these activities/services would be contracted to other providers in the region (e.g., industry groups, iwi organisations) to deliver.
7. **Extended regional model of delivery for non-tourism economic development activities (EDA CCO):** BHB would become Council Controlled Organisation (CCO). No change to HBTL.
8. **Combined Regional Economic and Tourism Agency:** BHB and HBTL would be folded into a new combined Regional EDA/RTO for Hawke's Bay.

**Note:**

**This report to Council/Committees does not seek any decisions on the recommended options set out in the Giblin Group report *Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region* at this time.**

When the next stage of the review process is completed and the Chief Executives have considered, a further and final report will be brought to Council to seek support and decisions to formally seek community consultation on the options and preferred recommendations. This is expected mid 2021)

Attached is a copy of the major advantages and disadvantages of each of the considered options. (**Attachment C**)

## **1.7 Development of Preferred Option**

### **Next Steps**

The Chief Executives have commissioned Giblin Group to develop the next stage of the review process to develop a detailed plan, which will be co-designed with Matariki Partners and other regional stakeholders, to:

- Further define the entity design that best meets the objectives of Matariki partners and other key stakeholders;
- Help clarify and set the transition time frame;



- Identify the key areas/components that will need to be supported and/or will undergo transition;
- Identify the key tasks in each area, including appropriate checkpoints and milestones;
- Identify relevant risks and risk levels;
- Be used to support a request to Central Government for transitional funding support.

The next stage of the review process would begin February 2021 of which the estimated cost is \$40,000 (GST exclusive). This cost would be managed via the HBLASS Shared Services Cost Centre and shared by Councils in accordance with the annual budget plan on the following basis:

○ Wairoa District Council (11%)	\$4,400
○ Napier City Council (26%)	\$10,400
○ Hastings District Council (26%)	\$10,400
○ Central Hawke's Bay District Council (11%)	\$4,400
○ Hawke's Bay Regional Council (26%)	\$10,400

After the next stage of the review is completed and the Chief Executives have considered, then a final report will be brought to Council to seek support and decisions to formally seek community consultation on the options and preferred recommendation. This is expected mid 2021.

The table below captures the key steps in the next stage of the review process.

The Chief Executives have commissioned Giblin Group to develop the next stage of the review process to develop a transition plan, which will be co-designed with Matariki Partners, to:

- Further define the entity design that best meets the objectives of Matariki partners and other key stakeholders;
- Help clarify and set the transition time frame;
- Identify the key areas/components that will need to be supported and/or will undergo transition;
- Identify the key tasks in each area, including appropriate checkpoints and milestones;
- Identify relevant risks and risk levels;
- Be used to support a request to Central Government for transitional funding support.

The table below captures the key steps in the proposed transition planning.

Key steps in transition planning	Comment
1. Set the time frame	<ul style="list-style-type: none"> <li>• When does it start, how long will it take, when does it finish etc?</li> </ul>
2. Describe the starting state	<ul style="list-style-type: none"> <li>• Where are we now?</li> </ul>
3. Describe the target state	<ul style="list-style-type: none"> <li>• Where do we want to be?</li> </ul>
4. Describe the areas that need to be supported and/or will undergo transition	<ul style="list-style-type: none"> <li>• E.g. Co-design with Matariki Partners and other stakeholders; engagement; transitional work programme; structure and legal form; governance and accountability; communication</li> </ul>
5. List the tasks in each area	<ul style="list-style-type: none"> <li>• Identify the high-level transition tasks for each area/component of the transition to a new entity.</li> </ul>



Key steps in transition planning	Comment
6. Identify the risks and risk levels	<ul style="list-style-type: none"> <li>This ensures there is adequate focus on the areas that need careful attention and mitigation</li> </ul>
7. Add checkpoints and milestones	<ul style="list-style-type: none"> <li>This helps to provide measurable targets and status checks through the process</li> </ul>
8. Implementation	<ul style="list-style-type: none"> <li>Which will involve:               <ul style="list-style-type: none"> <li>Clear ownership and resourcing of the tasks</li> <li>Monitoring and reporting</li> <li>A governance mechanism (either utilising an existing structure/s or creating something specific).</li> </ul> </li> </ul>

The table below provides an initial view of the likely areas of focus for the next phase detailed planning.

Key components	Description
1. Co-design and engagement <ul style="list-style-type: none"> <li>a. With Matariki Partners</li> <li>b. With other key stakeholders e.g. business community</li> </ul>	<ul style="list-style-type: none"> <li>Co-design with Matariki Partners and other key stakeholders should form the basis of the planning</li> <li>The opportunity should also be taken to ensure the business community has a voice in the process</li> <li>Engagement with Matariki RDS GG and/or ESG will be an important element</li> </ul>
2. Existing ED activities/services	There will be elements of existing ED activities/services which will need to be supported through a transition process e.g. Business Hub
3. Structure and legal form	This would include the organisational structural and legal considerations in moving from the existing BHB incorporated society structure to a new structure e.g. potentially a trust (as a possible stepping stone to a CCO (if needed))
4. Governance and accountability	This would include issues such as planning for new Board appointments

### At the Meeting

Mr Charteris from the Giblin Group Limited displayed a powerpoint presentation providing an overview of opportunities to improve regional coherence of economic development investments.

The key findings and recommendations noted were:

- No major gaps
- But current services are often sub-scale and not well coordinated



- Hawke's Bay Tourism Limited (HBTL) was an exception and were operating very effectively and efficiently.
- Business Hawke's Bay's (BHB) financial sustainably
- There was a case for change – businesses felt they did not know who was leading and go for different services.
- Main recommendation - work with Treaty Partners and the wider community to develop a new non-tourism regional economic development entity. Opportunity to work with treaty partners and what co-design would meet better the needs of Māori development.
- Proposed form and funding required
- Functions
- Matariki – governance, impact framework, and resourcing – the review was not about Matariki but some things within Matariki could be improved about the structure of entity that helps Matariki do a wider range of functions.

It was noted that Business Hawke's Bay did not have Iwi representation on the Board, however have been invited to provide a representative. The Board would want Councils, Iwi, Crown Partners and experts on the Board.

### **1.8 Attachments**

- A Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region - Giblin Group
- B Letter from Business Hawke's Bay's Board Chair - 17 December 2020
- C Advantages and Disadvantages Options Table





---

## **REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION**

---

**Final Report for Hawke's Bay Councils  
December 2020**

---





## TABLE OF CONTENTS

<b>LIST OF FIGURES.....</b>	<b>5</b>
<b>1.0 EXECUTIVE SUMMARY .....</b>	<b>6</b>
1.1 Economic development activities and services currently being provided .....	6
1.2 Current investment in activities and services .....	8
1.3 Assessment of rationale and fit of activities and services being delivered .....	9
1.4 Effectiveness and efficiency .....	11
1.5 Survey of key stakeholders .....	15
1.6 Case for Change .....	17
<b>2.0 RECOMMENDATIONS.....</b>	<b>19</b>
<b>3.0 INTRODUCTION.....</b>	<b>23</b>
<b>4.0 PURPOSE OF REVIEW .....</b>	<b>24</b>
<b>5.0 SCOPE OF REVIEW.....</b>	<b>25</b>
<b>6.0 APPROACH AND METHODOLOGY.....</b>	<b>26</b>
6.1 Documentation review and early stage analysis.....	26
6.2 Critical analysis .....	27
<b>7.0 ECONOMIC DEVELOPMENT SERVICES &amp; INVESTMENT IN HAWKE’S BAY</b>	<b>28</b>
7.1 Background .....	28
7.2 Activities and services.....	29
7.3 Investment in activities/services .....	32
7.4 Investment in other regions .....	34
7.5 Business Hawke’s Bay Incorporated (BHB) .....	36
7.6 Hawke’s Bay Tourism Limited (HBTL).....	39
7.7 Hawke’s Bay Regional Council (HBRC) .....	42
7.8 Hastings District Council (HDC) .....	45
7.9 Napier City Council (NCC) .....	48
7.10 Central Hawke’s Bay District Council (CHBDC).....	51
7.11 Wairoa District Council (WDC).....	53



<b>8.0 ASSESSMENT OF RATIONALE AND FIT OF ACTIVITIES/SERVICES BEING DELIVERED .....</b>	<b>56</b>
8.1 Key findings.....	56
8.2 Challenges and opportunities facing the Hawke's Bay economy .....	57
8.2 Rationale for local government activities in economic development and economic wellbeing.....	61
8.3 Central government expectations .....	62
<b>9.0 ANALYSIS: EFFECTIVENESS &amp; EFFICIENCY .....</b>	<b>64</b>
9.1 Councils - Key findings.....	64
9.2 Business Hawke's Bay (BHB).....	65
9.3 Hawke's Bay Tourism Ltd (HBTL) .....	72
9.4 Regional Business Partner (RBP) Programme .....	75
9.5 Great Things Grow Here.....	79
<b>10.0 SURVEY OF KEY STAKEHOLDERS.....</b>	<b>82</b>
10.1 High-level survey results .....	82
<b>11.0 CASE FOR CHANGE .....</b>	<b>84</b>
<b>12 FUTURE DELIVERY OF ECONOMIC DEVELOPMENT ACTIVITIES/SERVICES IN HAWKE'S BAY .....</b>	<b>87</b>
12.1 Objectives and criteria .....	87
12.2 Options for delivery .....	89
12.3 The recommended option.....	98
<b>13 ANNEX A: Hawke's Bay Economy and industry Trends .....</b>	<b>105</b>
13.1 Overview of key economic indicators .....	105
<b>14 ANNEX B: ECONOMIC DEVELOPMENT ACTIVITIES AND THE APPROPRIATE ROLE FOR GOVERNMENT .....</b>	<b>115</b>
<b>15 ANNEX C: EFFECTIVENESS &amp; EFFICIENCY ANALYSIS TABLES .....</b>	<b>118</b>
15.1 Business Hawke's Bay (BHB).....	118
15.2 Hawke's Bay Tourism Ltd (HBTL) .....	126
15.3 Central Hawke's Bay District Council (CHBDC).....	128
15.4 Hastings District Council (HDC).....	130



<b>15.5 Hawke's Bay Regional Council (HBRC) .....</b>	<b>132</b>
<b>15.6 Napier City Council (NCC) .....</b>	<b>133</b>
<b>15.4 Wairoa District Council (WDC) .....</b>	<b>136</b>

## LIST OF TABLES

Table 1: Type and description of economic development and economic wellbeing investments .....	25
Table 2: Economic development services by provider .....	31
Table 3: Investment in business support and industry development .....	33
Table 4: FTE resources by provider (estimates only) .....	34
Table 5: Investment in economic development activities and services across NZ .....	36
Table 6: Key elements of Business Hawke's Bay (BHB) .....	37
Table 7: Key elements of Hawke's Bay Tourism Ltd (HBTL) .....	40
Table 8: HBTL economic development activities/services .....	44
Table 9: HDC economic development activities/services .....	46
Table 10: NCC economic development activities/services .....	49
Table 11: CHBDC economic development activities/services .....	52
Table 12: WDC economic development activities/services .....	54
Table 13: Trends that will influence the economic outlook and opportunities for Hawke's Bay .....	60
Table 14: HB Councils/BHB Contract for Service: Schedule One – Service Specifications .....	67
Table 15: RBP – Priority areas, resources, measurement and performance .....	78
Table 16: GTGH Funding Split .....	80
Table 17: Issues and opportunities identified through the Review .....	86
Table 18: Description of main options .....	90
Table 19: Assessment of delivery options .....	93
Table 20: Comments on assessment of delivery options .....	94
Table 21: Indicative estimate of resources required for the EDA CCO model to be successful .....	101
Table 22: Comparison of Hawke's Bay and New Zealand key economic indicators .....	105
Table 23: Industry GDP and share of total .....	108
Table 24: Detailed industry contribution to economic growth .....	110
Table 25: Key statistics for Hawke's Bay population (2018 census) .....	114



Table 26: Explanation of types of economic development /economic wellbeing activities and services .....	115
Table 27: BHB work programme, KPIs, and performance .....	118
Table 28: HBTL – Priority areas, resources, measurement and performance .....	126
Table 29: CHBDC – Priority areas, resources, measurement and performance .....	128
Table 30: HDC – Priority areas, resources, measurement and performance .....	130
Table 31: HBRC – Priority areas, resources, measurement and performance .....	132
Table 32: NCC – Priority areas, resources, measurement and performance .....	133
Table 33: WDC – Priority areas, resources, measurement and performance .....	136

## LIST OF FIGURES

Figure 1: Annual economic development funding by Council .....	33
Figure 2: Estimated investment in economic development activities/services by Council.....	33
Figure 3: How GTGH will achieve its vision .....	80
Figure 4: Annual GDP Growth .....	107
Figure 5: GDP share of total by industry .....	108
Figure 6: Average tourism GDP growth 2001-2019 .....	113



## 1.0 EXECUTIVE SUMMARY

This report summarises the findings and recommendations of a review of Hawke's Bay Council-funded, non-statutory activities that are focussed on business, industry and sector development.

The specific activities and services that were in scope of this review are:

- Business development activities, such as business information and referral services and business capability support;
- Skills building, attraction and retention initiatives;
- Innovation, commercialisation and R&D support;
- Investment promotion and attraction;
- Destination marketing and management and events;
- Sector development initiatives and cluster facilitation;
- Economic development and economic wellbeing strategy development, intelligence and monitoring.
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

This review was commissioned by the 5 Hawke's Bay Councils in August 2020 and stems from a Local Government Act (2002) s17A requirement to review the cost effectiveness of Council arrangements for delivering services on a periodic basis. Hawke's Bay Councils also recognised that there might be opportunities to improve regional coherence of economic development and economic wellbeing investments and wanted a clearer picture of this in order to inform engagement with Hawke's Bay communities through Long Term Plan processes starting again from late 2020.

This Executive Summary captures the key findings for each of the areas of inquiry. Section 2 contains the Review Recommendations.

### 1.1 Economic development activities and services currently being provided

Key findings are:

- There are no major gaps in the types of services/activities being delivered and current services/activities are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government.
- The services/activities being delivered are, however, often sub-scale (e.g. often less than 1 FTE to deliver significant programmes of work or activities). This will be limiting the potential value of economic development investment for Hawke's Bay. This value relates to the ability to:
  - Most effectively leveraging the resources of others (e.g. Central Government funding/involvement and private sector funding/involvement). Regions need to be well-organised and focused in order to maximise the opportunities available through Central Government funding support (which will continue to have a large role to play in a COVID-recovery environment), and to partner with the private sector in different ways;



- Work with speed and agility to fully understand the nature of issues, constraints and opportunities presenting for Hawke's Bay in order to design and implement appropriate interventions where there is a clear role for government; and
- Bring mandate, mana and resources to the table to focus on areas of critical priority for Hawke's Bay.
- The real potential value of economic development investment in Hawke's Bay is a greater ability to meet the overarching outcome of the Matariki Strategy and Action Plan *"Every whānau and every household is actively engaged in and benefiting from growing a thriving Hawke's Bay economy"*. This requires a focus on existing business (and assisting them to overcome challenges and create greater value through doing things differently and better over time); a focus on creating new platforms for growth for Hawke's Bay (either by growing new activity in the region or by encouraging new activity to the region); and tying these things together, the investments and efforts need to support a thriving business environment (e.g. infrastructure, rules and regulations).
- The Return on Investment (RoI) from effective economic development support can be high. For example:
  - Work to support the Hawke's Bay horticulture and viticulture sector with critical COVID-related seasonal labour issues will help to protect around \$715bn of regional economic activity in apples and pears alone. This sector directly supports 2,579 permanent local workers and, indirectly, a further 5,751 permanent local workers in the eco-system of services that supports the industry;
  - Economic development work relating to the horticulture potential in Wairoa suggests that a proportionately minor strategic government role in different areas could help support additional expenditure to the local Wairoa economy of around \$82 million over a 10 year period and the employment of an additional 197 FTEs over the same period.
  - Encouraging a new business to locate in Hawke's Bay could lead to 100s of new jobs and resulting economic activity. Depending on the nature of the activity this could, in time, help to stimulate a range of value-add services (and well-paying jobs) needed to support this activity.
  - For relatively small investments, effective regional branding, marketing and promotion can play a key role in attracting visitors, talent, investors and businesses to the region. Tourists in Hawke's Bay spent over \$45 million in August 2020 (the highest regional spend in the country), and while not all visitors will have been encouraged to visit by the work of Hawke's Bay Tourism Ltd (HBTL) this still suggests an effective RoI on the \$1.5m in annual funding for HBTL. Visitors to Hawke's Bay also support local retail and hospitality and help to create vibrant city centres and regional amenities that locals enjoy and which play a critical role in wider people and talent attraction.
- There are also opportunities to better align and structure some activities and services e.g. business capability support being provided by Hastings District Council (HDC) should ideally be provided via



agencies with core expertise in this area e.g. Business Hawke's Bay (BHB)/a regional Economic Development Agency (EDA), and/or Hawke's Bay Chamber of Commerce. This would promote regional coherence and access for business.

- While there appears to be a gap in the provision of support for exporting and offshore investment this is appropriately provided through NZTE and ExportNZ i.e. local government does not have the expertise and capability to provide significant support in this area beyond sister-city relationships and providing basic exporting information and referring businesses to other providers of support (e.g. NZTE).
- Some regions and Economic Development Agencies (EDAs) have greater access to funds to support feasibility/business case development. Hawke's Bay currently lacks a regional pool of funds that can be used to investigate economic development opportunities that are aligned with the region's strengths/opportunities/strategy. This means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.
- Destination management and marketing is led by Hawke's Bay Tourism Ltd (HBTL) and while there is some cross-over in activities (largely in the events space) there appears to be good coordination between Councils and HBTL.
- Business capability-related support is largely provided through the Regional Business Partner (RBP) Programme (although HDC does do a bit of this as well).
- Cluster and sector work with industry coalitions is largely led by BHB.
- There are some good examples of collaboration relating to investment attraction e.g. NZ Institute for Skills and Technology and Jetstar, but activity related to investment and talent attraction has been largely ad hoc (notwithstanding a desire to back existing strategies with funding for implementation).
- The Matariki Regional Development Strategy (RDS) governance structure and associated meetings are the main focal point for setting regional economic development priorities. There is recognition of Matariki's value for relationships and connecting under one umbrella i.e. a collective of people working together on shared and interdependent objectives and that the strategy and structure are relatively new and evolving. There is, however, concern among stakeholders that Matariki is not delivering on its promise and that governance could be streamlined.

## 1.2 Current investment in activities and services

The key findings are:

- Hawke's Bay Regional Council (HBRC) appears to have the largest specific economic development budget but the HBRC role is more akin to a collection and distribution agency. HBRC collects an economic development rate from Hawke's Bay ratepayers (given it is the only Council with a regional remit), and this is used to fund HBTL (on behalf of the region), and provide a share of the ratepayer funding for BHB. HBRC also provides the funding for the Regional Business Partner (RBP) programme via the contract it holds with Central Government (NZTE and Callaghan Innovation).



- Napier City Council (NCC) is the largest overall funder of activities and services that are in-scope of this review but this includes funding for the Napier i-Site and Napier War Memorial Centre (given their roles in regard to visitor attraction/promotion and/or events). Excluding this funding Napier's investment in economic development activities and services sits around \$714,000 per annum (and well below HDC's investment).
- HDC's investment in economic development activities and services (not including the i-Site and Toi Toi) is around \$1.29m.
- Funding for HBTL makes up 15.7% of the funding.
- Funding for BHB makes up 3.3% of funding.
- Funding for specific Council ED teams (salaries + funding for discretionary activities/projects) makes up around 13% of funding.
- At an aggregate level (nominal) funding has remained about the same over the last five years. This means in real terms funding has fallen.
- There has been some change to funding at a more detailed level e.g. HBRC used to have an Economic Development Manager; HDC has been shifting funding from the ED budget to its Strategic Projects team.
- Just under half of (in-scope) funding is directed to the i-Sites, the Napier War Memorial Centre and Toi Toi. There is a clear path dependence with current economic development funding. Over time the region has built community and visitor infrastructure that is more effectively utilised with external visitor support e.g. even setting aside i-Sites, ToiToi and NCC, the region has Splash Planet, the National Aquarium, The Faraday Centre etc, and funding for destination marketing and management-related activities has followed this existing activity.
- In terms of FTE resources, HBTL has the largest FTE count at around 8.15; BHB has around 6.5; HDC has the largest FTE count of the Councils at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sit in the Business Hub); NCC has around 4.35 (1 Economic Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE.

### 1.3 Assessment of rationale and fit of activities and services being delivered

The key findings are:

- In terms of economic output Hawke's Bay has an export-facing economy. In terms of business units it is more domestic service-based. This means regional businesses will have a wide-spectrum of business support needs e.g. ranging from management capability-related programmes through to assistance in engaging with offshore markets.
- The broad types of economic development activities/services being delivered by the 5 Councils, BHB and HBTL are consistent with identified opportunities and the needs facing the region.



- Analysis of the work programmes and activities/services being provided by the Councils, BHB and HBTL suggests that these are based on clear rationales, with Councils for the most part focused on facilitation, promotion, and information provision.
- The work of BHB and HBTL is appropriately focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); sectoral connection and coordination issues; and specific business capability and support programmes (where they can leverage their knowledge of business/industry needs to develop and provide targeted programmes of support i.e. there is a clearer rationale for EDAs/RTOs to provide this activity than directly by Council).
- From an economic development activity perspective the opportunities presenting for food and fibre and the challenges presenting for tourism, hospitality and retail will require working closely with those sectors. Hawke's Bay existing activities and services (including the important RBP programme) provide a strong platform for this work.
- Business support and capability programmes will continue to be an important component of assistance given a likely need to build greater resilience into business models.
- The changing nature of work, consumption and the rise of the contact-free economy will mean that support for digital capability and digitisation will likely be a critical component of the support provided to our businesses/sectors.
- The rise of remote working also offers Hawke's Bay an opportunity to leverage its lifestyle strengths to attract talent from other parts of the country (and in time offshore).
- The biggest short-term challenge facing the Hawke's Bay economy is related to labour supply (an immediate issue for Hawke's Bay's important horticulture industry) and broader skill shortages. Local government, along with its delivery partners, can play an important role in helping to coordinate and facilitate the planning with industry and Central Government that will be required to resolve these issues.
- Central Government's role in regional economic development and its expectations of local government and regional delivery agents has shifted over time. Central Government wants regions to be "joined-up" and to be clear on regional priorities; it wants regional plans to fit with national sector/industry strategies where they exist and/or are being developed; it wants to utilise regional information that is closer to source to inform policy and programme development; and it says it wants to partner on longer-term objectives where there is a clear role for government to play. All this will require Hawke's Bay to have expertise at the regional level, it will require effective leadership, collaboration and coordination, and a funding and support system that can adapt to the changing needs of Hawke's Bay businesses and sectors and leverage and maximise the support provided through Central Government.



## 1.4 Effectiveness and efficiency

### 1.4.1 Councils

- Council economic development activities/services are being delivered efficiently (on the basis of FTE resources).
- The FTE resources Councils are using to supply economic development activities and services are relatively constrained (see table 4 on page 31), and this will be limiting the potential value of economic development investment for Hawke's Bay (see Section 1.1).
- HDC has the largest FTE resource at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sit in the Business Hub); NCC has around 4.35 (1 Economic Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE (both Economic Development Manager roles).
- Council economic development work programmes are spread across the main domains of economic development activities/services where there is rationale for publicly-funded intervention (either through Councils or delivery agents).
- ED Managers/teams are playing a useful connection and funnelling role to the main providers of services and, within time constraints, are often focused on one or two larger projects at any one time e.g. the FoodHub. They are also the key connections to Matariki RDS at a work programme level and the Think HB group which appears to be playing a useful collaboration role in the investment and talent attraction space.
- Performance measures and any related KPIs or targets (where they exist) are, for the most part, being met. But performance measures/KPIs are organisation specific and have been set at varying levels of detail. Performance measures are often project based, and overall there appears to be a trend toward less specificity over time (at least in reporting any measures publicly through Annual Plans). This may have helped streamline Annual Plans and internal processes but it risks reducing transparency and accountability for the outcomes, objectives and work programmes that have been set by Councils through public consultation.
- There is also no explicit relationship to Matariki RDS or broader regional objectives in Council ED performance measures/KPIs except through general collaboration performance measures (where they exist).
- More broadly the region does not have a clear 'impact framework'<sup>1</sup> to articulate the 'intervention logic' between activities delivered and the desired outcomes for the region over the short, medium and longer-term. A framework like this could better inform distributed (individual

---

<sup>1</sup> A logic or impact model is a representation of the relationships between organisation/program resources, activities and intended outcomes. Typical logic models consist of inputs, activities, outputs, and outcomes.



team/org) work programmes that contribute to regional outcomes and provide greater clarity on respective roles and responsibilities (e.g. leadership and/or close collaboration where needed).

- Ideally, Matariki RDS would be playing a clear role in providing the region, and all the parties that contribute to the region's economic development, with a shared and agreed vision of success, set of outcomes, and prioritised areas of focus (that require collective action) in order to guide individual roles and mobilise resources available. This hierarchy would ideally inform individual work programmes, Service Level Agreements and/or Contracts for Service.

#### 1.4.2 Business Hawke's Bay (BHB)

- BHB is meeting the KPIs set out in the Contract for Service (Cfs) with the 5 Hawke's Bay Councils and has delivered outputs efficiently.
- It has an ambitious work programme (current and intended), however, (relative to FTEs/funding available) that goes beyond the Cfs areas of focus. Given limited FTEs this will be constraining the ability to delivery priorities as effectively as possible.
- The activities themselves are based on solid 'problem definitions' and are aligned with typical EDA activities (particularly the start-up and sector and industry development/collaboration related activities).
- A lot of the (mostly proposed) skills and talent work is strongly related to Hawke's Bay issues/opportunities (a microcosm of national issues with added emphasis given the region's socioeconomic characteristics and the labour intensive nature of horticulture), but this is not funded activity beyond the Service Level Agreement with EIT (which is funded by MSD) for the 'Education to Employment - Vocational Pathways' work.
- BHB has been relatively active in regard to inward investment attraction and sector, cluster and enterprise development-related work given the resources it has had available. Key achievements have included:
  - Partnering with the 'Think Hawke's Bay' group (which appears to have been useful in building a more effective collaborative mechanism for investment and talent attraction), on two business promotional and attraction initiatives (Datacom and the HQ for the new NZ Institute for Skills and Technology), and work on a Regional Talent Attraction Strategy and Action Plan.
  - Work on a Peak Investment event held in 2019 (with NZTE) which led to over \$1m in investment into businesses that BHB helped to get 'pitch ready'.
  - Running of the "Co.starters" programme which continues to be popular, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation.
  - Leading on two key sectoral projects relating to 'IT/Digital/High-value Manufacturing' and the 'Land to Brand Sector Support Programme', which appear to have been most useful in the way they have connected local businesses to each other (which are leading to collaborations) and have connected local businesses to business support and/or potential



partners (e.g. (research institutes, food technologists and consultants, university internship programmes etc).

- Matariki Programme Management activity has been challenging for both BHB and stakeholders given the large degree of 'distributed ownership' of priority actions, a lack of funding for implementation of some areas of Matariki, and key personnel changes. The wide-spread concern that Matariki is not delivering on its promise (see survey results in Annex D), and differing views on how the programme should be governed and managed has also contributed a difficult operating environment.
- Business Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use. The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services this is important. The Business Hub, however, runs at an overall loss and additional funding is required to support repairs and maintenance and CAPEX.

#### **1.4.3 Hawke's Bay Tourism Ltd (HBTL)**

- HBTL is meeting the KPIs set out in the funding agreement with HBRC and appears to be delivering outputs efficiently.
- HBTL's members appear to be satisfied with HBTL's contribution toward the growth of the industry and in representing the region at a national and international level. The area where members think there is an opportunity to do more is in "coordinating business opportunities for its members". This includes education, business events and workshops focussed on the specific issues of SME tourism businesses.
- Responses to questions to the survey undertaken as part of this review indicate that HBTL is generally held in high regard in terms of relevance, quality, and timeliness of activities/services.
- Central Government considers HBTL an effective Regional Tourism Organisation (RTO).
- There are operators in the Hawke's Bay Māori tourism sector that feel HBTL does not represent their interests in the most effective way (there is a (current) role vs expectation mismatch). The HBTL Board and management are aware of these issues are keen to work more closely with the broader Māori tourism sector to address these issues and needs.

#### **1.4.4 Regional Business Partner (RBP) Programme**

- The Hawke's Bay RBP programme is easily meeting its contractual KPIs.
- Central Government consider the programme and team to be high performing and have confidence in delivery. Hawke's Bay is seen as one of the more "hands-off" regions.
- The co-location of this programme/team in the Business Hub is important as the advice/services available through this programme are critical tools in the wider economic development support 'toolkit'. Central Government agencies see the synergies of this playing out in different ways



across the country e.g. the insight derived from being at the coal face and working one-on-one with businesses can be used to design other offerings for business (that isn't available via RBP), and guide other work.

- NZTE/Callaghan note that having the right people and set of skills is critical. They think that HB RBP has had a good focus on this and the team is currently playing to its strengths and weaving in all aspects of support as needed e.g. business mentors etc. KPIs suggest that the team is able to support a greater number of businesses than average and wait times are lower than many other regions.
- While the programme is delivering effectively and efficiently there is a perception it is a bit of a silo even though it is co-located at the Hub. HB RBP acknowledges that they stay closely focussed on contract KPIs/deliverables on purpose (to, appropriately, reduce the risk of resources being diverted to non-core activities). This may be limiting the value of the insight generated from working closely with Hawke's Bay businesses in designing other offerings for business (that isn't available via RBP), and guide longer-term work and engagement with local and central government.

#### 1.4.5 Great Things Grow Here (GTGH)

- There is value in Hawke's Bay having a collective brand and platform that it presents, in particular, to external talent and investors. This is especially important because there is a perception among business that the region, and the support it provides business, is fragmented. If other regions initially present themselves as easier to do business with then Hawke's Bay potentially misses opportunities for early engagement and follow through.
- Ideally Hawke's Bay would have one clear and identifiable 'umbrella' brand that different activities could connect to. GTGH could play this role but there is still some (largely HB business as this has not been tested more widely), confusion about what GTGH is, and what it isn't, and a general lack of understanding of what it is trying to achieve. This led the HB Chamber to recently create the "Be in the Bay" website so that their members had a specific platform to connect to other businesses in the region. There are views that 'Be in the Bay' has, however, muddled the 'brand water', and added to a perception of everyone doing their own thing.
- Whatever platform is chosen to promote the region it has to be backed with broad agreement, commitment and focus. Strong brands need to be developed and maintained. There seems to be general acknowledgment that there is a need for a Search Engine Optimisation (SEO) strategy and an effective marketing strategy and implementation plan if GTGH is going to play a regional platform role.
- Other regional platforms are generally "location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns/runs [www.hawkesbaynz.com](http://www.hawkesbaynz.com). There are technical (SEO) reasons why you want to be careful with changing the focus of landing pages but consideration should be given to allowing connection to different services from [www.hawkesbaynz.com](http://www.hawkesbaynz.com).



- In terms of performance measurement this is focussed on Google analytics including: visits to website and time on the site; social media followers across channels; impressions; google ads. There have been some positive trends but overall these metrics highlight the need for a broader marketing strategy and implementation plan if GTGH is going to meet its objectives.
- The GTGH brand is being used by Councils and BHB (especially through the 'Think HB' work) and a small number of stakeholder interviews in 2019 found GTGH was "a strong brand". There has not been wider, and robust, testing of this so it is hard to make call on the brand's influence and impact in attracting investor/talent attention, and then action (investment and/or people moving in HB).

### 1.5 Survey of key stakeholders

A key aspect of the second stage of the Review was a survey of key stakeholders in order to provide deeper and richer insights into the broad range of issues being considered e.g. rationale and focus; effectiveness and efficiency; opportunities for improving delivery, or new ways of delivering; and any implementation issues.

Key findings and feedback included:

- In terms of rationale and focus a high proportion of respondents thought the economic development activities/services provided by Councils, BHB and HBTL were *based on or somewhat based on* clear and well-evidenced problems and opportunities for the region (80%, 64% and 78% respectively).
- Respondents highlighted a number of emerging trends, issues or opportunities presenting for the region. These included:
  - COVID-19 (strengthening the need to work collectively on targeted recovery activity, be agile and innovative, and to do things differently);
  - Central Government funding and views driving regional economic development;
  - The need to better engage and support Māori business as well as growing opportunities in non-traditional sectors for Hawke's Bay, such as the digital sector;
  - Climate change and broader sustainability drivers (including water quality/availability);
  - Digital connectivity and business agility;
  - Labour related issues, including work readiness and attracting qualified staff across a range of industries;
  - The future of food and adding value along the supply chain;
  - People moving from cities to the regions; and
  - The need to focus on inequality verses growth.
- Overall responses to questions relating to quality, timeliness, and cost/processes of activities/services indicated that there were low levels of satisfaction or limited knowledge in



regard to Matariki REDS; a mostly positive view in regard to Council and BHB activities/services, and a more positive view of HBTL activities/services.

- Respondents were mostly satisfied that current services were supporting the private sector.
- Respondents highlighted a number of issues in regard to possible gaps and/or duplication in/of service provision. These included:
  - GTGH not being supported adequately by the region;
  - A perception of fragmented economic development initiatives across different councils and bodies, and challenges engaging with a common regional approach or strategy;
  - A perception of a lack of collaboration between Councils and BHB;
  - A sense there is little understanding of what Māori development means to Māori;
  - A view that people and organisations aren't resourced to do everything they want to do, nor reach agreement for regional cooperation;
  - A view that there is duplication in business and start-up support services being provided by the HB Chamber and BHB, and confusion with the HB Chamber and BHB both vying to be the voice of business in the region. Some stakeholders also pointed to both agencies venturing into education as an indication of duplication of services;
  - A desire for greater clarity on where each entity plays and does not play;
  - The need for industry/sector groups to be better connected and coordinated to overall regional objectives;
  - A gap in "foresight" expertise (e.g. what will the region look like and need in 2050);
  - A view that Councils were starting to get into business support which was not their core capability; and gaps and duplication regarding investment and talent attraction i.e. no coordinated campaign that leverages the draft strategy;
  - Inadequate delegation to BHB to manage regional pitches; and GTGH and BHB both focussed on investment/talent attraction.
- Respondents thought that role clarity and funding were the biggest barriers to effectiveness. The next most significant group of barriers to effectiveness were information sharing, the way Matariki works, and information on the effectiveness of services.
- More respondents were dissatisfied than satisfied with current funding levels for economic development activities/services. A high proportion felt that funding should be increased.
- Respondents highlighted a number of important issues in regard to delivery arrangements. These included:
  - The need for a cohesive pan-regional approach;
  - The need for an integrated separate entity responsible for economic development and supported by all councils;



- A reduction in duplication of services and common KPI's;
  - Collaboration and cohesiveness, with the right people in the right roles that generated a level of influence and partnership respect required to deliver results;
  - Role clarification and mandate; disciplined and mid to long-term commitment to funding BHB to enable regional development while leaving local government to supply and support infrastructure, services and well-being of the region at large;
  - Clarity around Matariki as a strategy and action plan (not an agency) with a focus on working collaboratively for collective impact; and
  - Streamlining Matariki governance and utilising existing governance forums for more meaningful collaboration and connection.
- Behaviours and the structure of teams and organisation were seen as the things that would most need to change for improvements to be successfully implemented. Appropriate funding was also seen as critical.

### 1.6 Case for Change

The key observation is that there is a strong case for change for non-tourism related activities. The type and degree of change will, however, depend on whether Councils direct their focus on fixing some of the funding and collaboration-related issues, or take the opportunity to help create an enduring platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas/issues.

The key findings include:

- Most stakeholders and those involved in delivery and funding are looking for greater clarity over roles and functions ("what are the lanes", "who's swimming in which direction and where are the overlaps that require collaboration and coordination"), with this being communicated clearly to key stakeholders.
- Businesses are looking for greater clarity over the activities and services available to support business activity.
- There is concern that there are unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. This is feeding a perception in the business community that the economic development system is fragmented and not particularly transparent. Stakeholders seem to understand that economic and social development is impossible without collaboration. It is a team game with multiple players, drivers and perspectives. A culture of trust and sharing is therefore more likely to deliver effective outcomes. There is also acknowledgment that governance and organisational structures can either support or constrain collaboration and there is a view that there's Hawke's Bay has not yet got this right.
- There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region



is not as responsiveness to community needs as it could be and punching below its weight externally.

- BHB financial sustainability is clearly an issue. There is acknowledgement that BHB has delivered with the resources it has had at its disposal and it has, broadly, met KPIs that have set through contracting arrangements. But changes will need to be made to put BHB on a financially sustainable footing.
- More generally a high proportion of stakeholders feel that funding for economic development activities and services should be increased.
- HBTL is supported by its main stakeholders and appears to be doing a successful job in leveraging ratepayer investment into real value for the Hawke's Bay economy. At this point there does not appear to be a strong case for change in regard to HBTL. The issues involving any institutional change are looked at in more detail in Section 10.
- Funding for tourism relative to other sectors has been a theme of the feedback, with many viewing this as unbalanced. But tourism directly supports local retail and hospitality (and helps to create vibrant city centres and regional amenities that locals enjoy and play a role in people and talent attraction). This means it is not as simple as saying one sector versus the others. Ideally, the region would be supporting a range of key sectors of importance/opportunity (taking into account the appropriate role of govt).



## 2.0 RECOMMENDATIONS

This Review recommends that the Hawke's Bay Councils:

1. Consult with their Treaty Partners and the wider community on the **opportunity to create an enduring economic development delivery platform** that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues.
2. Consider consulting on the Review's preferred option to form **a new regional entity to lead (non-tourism) economic development activities**. The recommendation is that this regional entity take the form of a joint Council Controlled Organisation (CCO); a CCO is essentially any company with a majority council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees, unless designated otherwise. More than one council may be represented in a council-controlled organisation. While the terminology 'CCO' appears exclusionary it is actually quite a flexible organisational form and would provide a strong base for partnering with Hawke's Bay Maori and Hawke's Bay business. This new entity would focus on business development and support; innovation and industry development; skills building, attraction and retention initiatives; investment promotion and attraction; economic development strategy development; and strategy/action plan programme management. This option is most able to provide the Hawke's Bay economic development system with the appropriate scale and mandate to guide and direct activity to priority areas/issues; support a culture of sharing, connection and collaboration; and support Hawke's Bay to be greater than the sum of its parts (e.g. by presenting a strong and united voice and vision to external investors, talent and Central Government, and by helping to attracting the resources of others). This option also avoids creating unnecessary transition costs for areas of support that are currently delivering effectively for Hawke's Bay e.g. destination management and marketing. While other options would solve some of the issues that have presented through this review they would not deliver fully on the effectiveness and efficiency outcomes Councils (and stakeholders) are seeking and solve what is currently missing for Hawke's Bay – a well-supported and funded organisation that has the mandate and backing to be the economic development voice for Hawke's Bay.
3. Engage with the Business Hawke's Bay (BHB) Board and Management to **begin a process of transition from the BHB structure to a new CCO structure**. This would involve BHB de-registering as an incorporated society, (potentially) making the BHB name available for the new entity (to leverage the existing brand in the marketplace and to reduce transition costs), and transferring BHB assets to the new CCO. The transition process would also involve the provision of transitional funding for BHB once current contract funding is exhausted (including funding for Matariki Programme Management which ends in December 2020).
4. **Retain the Hawke's Bay Business Hub** as it is playing an important role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. Co-location of support services/agencies: provides an opportunity to present a united voice for business regardless of the underlying structures and mechanisms used to provide support services; offers a clear front door for local businesses and external investors and talent to be directed to the right



area of support; and aids collaboration by reducing the costs of interaction and increasing the opportunity for important ‘water-cooler’ conversations. If the Business Hub structure did not exist in Hawke’s Bay it would be a key recommendation of this Review to consider supporting something of this nature. The Hub is also clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use.

5. **Support the proposed ‘Hub and Spoke model’ through the new Regional Economic Development Agency (EDA) COO** to strengthen business support across the region i.e. currently businesses in Hastings, Central Hawke’s Bay and Wairoa indicate it is harder to access services given the Hub’s location in Ahuriri. This would implement a key Matariki action and an identified regional COVID recovery priority. The FTE resources required have been included in the estimated funding needs (see next recommendation).
6. Consult with their communities on **increasing the funding for non-tourism related economic development activities**. It is estimated that around \$1.6m of additional funding per annum would be required to adequately resource a regional EDA CCO that had the scale and mandate to fulfil objectives. This estimate is based on current BHB activities and the likely areas of focus of a new EDA CCO. The exact areas of focus and resourcing would obviously be for a new independent Board to agree upon based on a clear understanding of Council priorities (which would be communicated through a Statement of Intent and/or Service Level Agreement).
7. Consider, as part of the additional \$1.6m funding per annum for non-tourism related economic development activities, to endow in the new EDA CCO **a pool of funds to be used to investigate economic development opportunities** that are aligned with the region’s strengths/opportunities/strategy. The region currently lacks a shared pool for funds of this nature which means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.
8. Consider the **opportunity to embed a partnership with Māori in the new EDA CCO model**. This would start with the composition of the new independent Board. The model would allow for discussions on the level of engagement with Māori business and, potentially, a joint resourcing approach with Hawke’s Bay Māori/iwi/hāpu for a or organisations. It would also allow a fresh conversation on the appropriate governance model (and levels of governance) needed to support a regional approach (Matariki). Included in the additional resourcing for the EDA CCO is a dedicated FTE focused on Māori business development and support. This role could work with Māori businesses in Hawke’s Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business. This role could be shared with HBTL.
9. Consider **embedding the RBP programme in the new EDA CCO**. This would require Central Government agreement via the formal RBP contract procurement process. Embedding the RBP programme in an organisation providing other economic development support services would allow the insight derived from this ‘coal face’ activity to be used to better design other offerings for business and guide other strategic economic development work. It is possible the formal RBP contract procurement timeline will not match the transition timeline if Councils agree to the



Review recommendations. In this situation HBRC could consider retaining the contract (through the procurement process) with some contractual arrangements formed in time with the new EDA CCO. The position that is currently sub-contracted to the Hawke's Bay Chamber of Commerce should be retained in order to provide a strong link to the Chamber's work and expertise.

10. **Consider investing in the development of a clear 'impact framework' for Matariki** to better articulate the relationship between activities delivered and the desired outcomes for the region over the short, medium and longer-term. This would help improve current measurement and reporting frameworks which are not effective in tracking the relationship between activities, outputs and outcomes i.e. whether ratepayers' money is being used effectively. A framework like this could also provide greater clarity on the respective roles and responsibilities of organisation and teams that contribute to regional economic development efforts.
11. Consider, as part of the engagement with Māori and Central Government agencies, the opportunities to **streamline Matariki governance** (e.g. by utilising other existing governance forums for some of the conversations that support meaningful collaboration and connection), **and increasing the resources to support the Pou working groups**. Estimated FTE resources have been included in the additional resourcing for the EDA CCO. This would help resolve two of the key issues raised by a large number of key stakeholders (the cumbersome and duplicative governance structure, and lack of resources to support effective programme delivery). Matariki's Pou structure is not unlike the previous Government's Business Growth Agenda (BGA), and the BGA had a part (or full)-time programme support person to support each of the six key areas of the Agenda and the relevant lead agency.
12. **Support work to better understand the influence and impact the Great Things Grow Here (GTGH) brand is having in attracting investor/talent attention.** While a small number of stakeholder interviews in 2019 found GTGH was "a strong brand" there has not been wider, and robust, testing of this so it is hard to make call on the Brand's effectiveness. Ideally Hawke's Bay would have one clear and identifiable 'umbrella' brand that it could use externally with this brand being widely adopted by Hawke's Bay business (to support business to business relationships; talent and skills attraction; and business investment attraction). Business uptake of the GTGH brand, however, appears to be low and there is some confusion about what it is and what it isn't, and a general lack of understanding of what it's trying to achieve. Whatever platform is chosen to promote the region it has to be backed with broad agreement, commitment and focus. Strong brands need to be developed and maintained. There seems to be general acknowledgment that there is a need for a Search Engine Optimisation (SEO) strategy and an effective marketing strategy and implementation plan if GTGH is going to play a regional platform role.
13. Support work to **investigate the ability to connect to different business, talent and investor support services from [www.hawkesbaynz.com](http://www.hawkesbaynz.com)**. Many other regional platforms are generally "location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns and runs [www.hawkesbaynz.com](http://www.hawkesbaynz.com), and while it is acknowledged that there are technical SEO reasons for proceeding carefully with changes to successful landing pages (in this case in telling the Hawke's Bay tourism story) consideration should be given to allowing connection to other services so that



external investors and talent are able to quickly find the information and support they might need via a typical 'front door'.

14. Consider a **separate review of the region's venue and community facilities** to explore opportunities to improve regional coherence of development and funding given the significant role they play in the visitor economy and the way this influences broader ratepayer funding for regional economic development.



### 3.0 INTRODUCTION

Local authorities have a critical role to play in supporting the economic development and economic wellbeing of their area. They have a range of levers at their disposal which can support, or indeed inhibit, economic development that is consistent with broader wellbeing objectives. Local authorities are also uniquely placed, via politically accountable leadership, to bring stakeholders together from across a range of sectors and interests to collaborate on shared regional challenges and opportunities<sup>2</sup>.

According to the New Zealand Productivity Commission (NZPC) New Zealand's local government activities are centred on regulating land use, choosing and funding a set of local amenities, and investing in essential infrastructure for transport and the three waters (drinking water, wastewater and stormwater), with the overall objective of enhancing community wellbeing<sup>3</sup>. But this quite strict reading (and contested by some through the NZPC Inquiry into local government funding and financing) of local government activities misses the richness of the local government role in economic development.

The key roles local authorities play include:

- **Leadership and coordination** - using their community leadership role and planning powers to set out a clear framework for local development. This helps to provide certainty for business and investment, overcome coordination failures, and manage externalities and competing interests;
- **Support for local people and businesses** through – regeneration; business support and employment programmes; working with, and providing a link to, nationally-led programmes; investor and people attraction programmes; and providing a range of high quality services that directly support residents' wellbeing outcomes and business investment confidence.
- Supporting growth and development through **ensuring a responsive supply of land** that supports business needs (both land-based and industrial) and the demand for housing;
- Directly and indirectly influencing investment decisions and broader wellbeing outcomes (e.g. environmental) **via the use of statutory powers, particularly through the resource management and planning system**, which are key determinants of businesses ability and confidence to invest;
- **Supporting, and investing in, local infrastructure** - transport and water investment, in particular, are key enablers of growth and economic wellbeing outcomes; and
- **Ownership of land, key infrastructure assets and other investments** to enable, support and leverage private sector development.

---

<sup>2</sup> UK Department of Business, Innovation and Skills. (2010). Local growth: realising every place's potential (White Paper). London: Department of Business, Innovation and Skills. See: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32076/cm7961-local-growth-white-paper.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32076/cm7961-local-growth-white-paper.pdf)

<sup>3</sup> New Zealand Productivity Commission (2019). Local government funding and financing (Inquiry Report). See: [https://www.productivity.govt.nz/assets/Documents/a40d80048d/Final-report\\_Local-government-funding-and-financing.pdf](https://www.productivity.govt.nz/assets/Documents/a40d80048d/Final-report_Local-government-funding-and-financing.pdf)



Hawke's Bay Councils recognise that they play a range of important statutory and non-statutory roles that support economic development and economic wellbeing of the Hawke's Bay region. They also recognise that there is a broader system of delivery partners, agencies and agents (involving Māori, business, civil society, and Central Government) that provide regional economic development and economic wellbeing services for the region.

It was within this broader context and understanding that Hawke's Bay Councils sought a review of the important, but non-statutory, activities that are focussed on business, industry and sector development i.e. it was not the intention of the scope of this review to capture the full role local authorities play in supporting economic development and economic wellbeing.

Activities and services that were in scope of this review were:

- Business development activities, such as business information and referral services and business capability support
- Skills building, attraction and retention initiatives
- Innovation, commercialisation and R&D support
- Investment promotion and attraction
- Destination marketing and management and events
- Sector development initiatives and cluster facilitation
- Economic development and economic wellbeing strategy development, intelligence and monitoring
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

#### 4.0 PURPOSE OF REVIEW

Hawke's Bay Councils were seeking an assessment of:

a) The role of local government in economic development and economic wellbeing in the region, based on an analysis of:

- Challenges and opportunities facing the Hawke's Bay economy;
- Rationales for local government activities in economic development and economic wellbeing;
- The landscape in which various actors and mechanisms play a role in the regional economic development system;
- Legislative and central government expectations.

b) Economic development and economic wellbeing activities, identifying strengths, weaknesses and any relevant gaps in the activities, based on:

- The Councils' objectives, priorities and performance targets;



- Identifying any overlaps/duplication and/or gaps across Councils' and key organisation's activities;
- The role non-Council parties play in the regional economic development system;
- An assessment of the efficiency of current arrangements and the benefits of the activities versus costs;
- An assessment of the overall effectiveness of the current delivery models of the five Councils and key delivery organisations, including governance arrangements, funding arrangements and current economic development and economic wellbeing reporting and accountability mechanisms.

c) Options for future economic development and economic wellbeing delivery arrangements, based on clear criteria, and recommendations for any changes in functions, form and funding.

This review stems from a Local Government Act (2002) s17A requirement to review the cost effectiveness of Council arrangements for delivering services on a periodic basis. There is also a recognition that there may be opportunities to improve regional coherence of economic development and economic wellbeing investments.

## 5.0 SCOPE OF REVIEW

The Review was focused on the non-statutory and ratepayer-funded activities that cover:

1. The delivery of **direct economic development and economic wellbeing services and activities** in the Hawke's Bay region; and
2. **Regional economic development and economic wellbeing implementation support** as delivered by Business Hawke's Bay Incorporated (BHB), Hawke's Bay Tourism Limited (HBTL), Hawke's Bay Regional Council (HBRC), Wairoa District Council (WDC), Central Hawke's Bay District Council (CHBC), Hastings District Council (HDC), and Napier City Council (NCC).

Table 1 below provides detail on the services and activities that are in scope of the review.

**Table 1: Type and description of economic development and economic wellbeing investments**

Type of economic development and economic wellbeing services and activities	Description of in-scope activities, services and/or interventions
1. Direct economic development and economic wellbeing services and activities	<ul style="list-style-type: none"> <li>• Business development activities, such as business information and referral services, business capability support</li> <li>• Skills building, attraction and retention initiatives</li> <li>• Innovation, commercialisation and R&amp;D support</li> <li>• Investment promotion and attraction</li> <li>• Destination marketing and management and events</li> <li>• Sector development initiatives and cluster facilitation</li> <li>• Economic development and economic wellbeing strategy development, intelligence and monitoring</li> </ul>



2. Regional economic development and economic wellbeing implementation support	<ul style="list-style-type: none"> <li>Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy)</li> </ul>
--	--

Councils recognise that there are a range of delivery partners and agencies that provide regional economic development and economic wellbeing services. It was not the intention of the scope to capture every service or agency in the detailed analysis that forms a core part of this review. This analysis is focused on the areas receiving ratepayer support/investment. The Review does, however, provide an overall 'map' of the different service areas and delivery agents. This helps provide a clearer view on what the overall system looks like, whether there is any duplication or gaps, and, given this, the opportunities to improve how the region provides and supports economic development and economic wellbeing services.

## 6.0 APPROACH AND METHODOLOGY

The proposed approach involved three main phases and associated analysis: (1) Documentation review and early stage analysis on current state; (2) Critical analysis (including assessing effectiveness and efficiency). This involved desktop analysis, a survey of key stakeholders, and a small number of interviews; and (3) Assessing the case for change, possible delivery options and implementation.

This approach reflects the requirements of a Local Government Act (2002) s17A review. SOLGM (2015) advice on s17A Reviews notes that reviews should include consideration of:

- The present arrangements (what is being delivered, the rationale for service provision, service performance and costs);
- Identification of delivery options, including delivery by a CCO either wholly owned by the Council or partly owned by the Council, delivery through a contracted private or community sector agency, funding and governance via a joint Council committee, and other practical options; and
- Analysis of options including feasibility, community views and preferences, effectiveness and costs.

### 6.1 Documentation review and early stage analysis

This stage involved a review of documentation and interviews with the economic development leads in each Council and the CEs of BHB and HBTL focused on identifying:

- Current economic development activities and services being delivered and funded by Hawke's Bay ratepayers;
- The ratepayer investment into those activities;
- Any gaps or duplication in the delivery of economic development activities/services and/or opportunities to think differently about service delivery;
- Relevant research and literature on the role of local government in economic development;
- Research on services and arrangements offered in other regions;



- Strategy, policy and accountability documentation that guides the economic development and economic wellbeing objectives and services of the five Councils, BHB and HBTJ;
- Research and documentation that reports on monitoring and the impact of economic development and economic wellbeing activities and services;
- Reports on the regional economy and industry performance (to help assess whether services have been focused in the right areas to address key constraints in the economy or to leverage major opportunities).

This work was used to inform the questions and lines of inquiry in the survey of key stakeholders and one-on-one interviews with a small number key stakeholders that formed a critical part of the second stage of the Review. The questions were designed to obtain further information on what was working well and potential gaps, overlaps, issues and any opportunities for new ways to deliver services.

## **6.2 Critical analysis**

The second stage of the Review used a methodology and structure that is common to reviews of this nature. It focused on four major issues and related questions: (1) Rationale and focus; (2) Effectiveness and efficiency; (3) Opportunities for improving delivery, or new ways of delivering; and (4) Implementation. This involved desktop analysis, a survey of key stakeholders, and a small number of one-on-one interviews.

### **6.2.1 Rationale and focus**

This involved consideration of:

- Economic and industry trends in Hawke's Bay;
- Key issues and opportunities identified by existing strategies and plans;
- Analysis of the role of local government in economic development;
- Councils' desired objectives and priorities for economic development;
- The types of activities/services that should be delivered; and
- Whether there were any gaps in services or areas for improvement

### **6.2.2 Effectiveness and efficiency**

This involved consideration of:

- Whether existing services were being implemented appropriately, having the desired impact and providing value for money;
- Whether activities and services were delivered efficiently; and
- The outcomes and benefits from economic development activities and services.



### 6.2.3 Opportunities for improving delivery

This involved consideration of the activities/services that should be delivered and supported in the future and how these activities/services could be delivered and supported.

### 6.2.4 Implementation

This involved identification of any constraints to making improvements and the broad impacts of making changes.

### 6.2.5 Assessing the case for change, possible delivery options and implementation

The third stage of the Review involved assessing whether there was a clear case for change and, based on this, consideration of:

- The appropriate delivery arrangements;
- Governance, delivery and reporting arrangements;
- The level and sources of funding; and
- Implementation-related issues.

## 7.0 ECONOMIC DEVELOPMENT SERVICES & INVESTMENT IN HAWKE'S BAY

### 7.1 Background

This section captures the economic development services and activities that are in-scope of the review and are currently being provided in Hawke's Bay. This provides a clearer understanding of current ratepayer investment and supported activity, and helps to determine whether there is any duplication, gaps and/or opportunities to improve how the region provides and supports economic development and economic wellbeing services.

The key providers of ratepayer-funded economic development activities and services in Hawke's Bay are: the 5 Councils; Business Hawke's Bay (BHB); and Hawke's Bay Tourism Ltd (HBTL).

The various iwi, hapū and post-settlement entities (PSGEs), and the Hawke's Bay Chamber of Commerce (Chamber) also play an important role on behalf of their members but are not, for the most part, financially supported by local government.

In terms of ratepayer investment the Chamber plays a role in the Regional Business Partner (RBP) programme through a sub-contract to provide an FTE. This helps to ensure that the RBP programme is integrated with a voice of business. The iwi, hapū and post-settlement entities do not receive ongoing local government funding support (ad hoc projects that have required feasibility and/or business case work have received co-contribution funding in the past), but Central Government (via MSD) has provided Te Kāhui Ōhanga o Takitimu (TKO), the informal collective representing the interests of Hawke's Bay iwi/hapu/PSGEs in the context of the Hawke's Bay Matariki Regional Development Strategy (Matariki), funding to support involvement in Matariki.

This Review focuses on the investment, and related activities, of the 5 Councils; BHB and HBTL. The RBP programme is included in the analysis as a key part of the business support system which is funded via the contract HBRC holds with Central Government (NZTE and Callaghan Innovation). This Review



does not consider Chamber activities beyond the RBP programme as they are out of scope being member-funded services. While the Review does not consider in detail the economic development activities of the relevant iwi, hapu groups and post-settlement and entities (again as they are out of scope being member-funded services) the recommendations do pick up some of the issues that have presented through the review which are relevant to partnership with Māori.

Economic development services and activities that are in-scope of this review are grouped under the following headings (and Section 13, Annex B, provides a detailed explanation of the activities/services and why there might be an appropriate role for government to play in providing these activities/services):

- Destination marketing and management;
- Business development and support, such as business information and referral services and business capability support;
- Innovation and industry development support, such as cluster & sector work with industry coalitions;
- Skills building, attraction and retention initiatives;
- Investment promotion and attraction;
- Economic development and economic wellbeing strategy development, intelligence and monitoring;
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

## 7.2 Activities and services

Table 2 below provides a summary of the activities and services provided by 5 Councils; Business Hawke's Bay (BHB); and Hawke's Bay Tourism Ltd (HBTL). Hawke's Bay iwi/hapu/PSGEs and the Chamber have been included in the table because of the important economic development role they play for their members. Sections 5.3-6.0 provide more detail on BHB, HBTL, and the economic development activities/services provided by the 5 Councils.

The following points can be made in regard to the economic development activities and services currently being provided in Hawke's Bay:

Key findings are:

- There are no major gaps in the types of services/activities being delivered and current services/activities are based on addressing issues or leveraging opportunities that are broadly aligned with the role of local government.
- There are also opportunities to better align and structure some activities and services e.g. business capability support being provided by Hastings District Council (HDC) should ideally be provided via agencies with core expertise in this area e.g. Business Hawke's Bay (BHB)/a regional Economic Development Agency (EDA), and/or Hawke's Bay Chamber of Commerce. This would promote regional coherence and access for business.



- While there appears to be a gap in the provision of support for exporting and offshore investment this is appropriately provided through NZTE and ExportNZ i.e. local government cannot provide significant support in this area beyond sister-city relationships and providing basic exporting information and referring businesses to other providers of support (e.g. NZTE).
- Some regions and Economic Development Agencies (EDAs) have greater access to funds to support feasibility/business case development. Hawke's Bay currently lacks a regional pool of funds that can be used to investigate economic development opportunities that are aligned with the region's strengths/opportunities/strategy. This means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy.
- Destination management and marketing is led by HBTL and while there is some cross-over in activities (largely in the events space) there is good coordination between Councils and HBTL.
- Business capability-related support is largely provided through the Regional Business Partner (RBP) Programme (although Hastings District Council (HDC) does do a bit of this as well).
- Cluster and sector work with industry coalitions is largely led by BHB.
- There are some good examples of collaboration relating to investment attraction e.g. NZ Institute for Skills and Technology and Jetstar but activity related to investment and talent attraction has been largely ad hoc (notwithstanding a desire to back existing strategies with funding for implementation).
- The Matariki Regional Development Strategy (RDS) governance structure and associated meetings are the main focal point for setting regional economic development priorities. There is recognition of Matariki's value for relationships and connecting under one umbrella i.e. a collective of people working together on shared and interdependent objectives and that the strategy and structure are relatively new and evolving. There is, however, concern among stakeholders that Matariki is not delivering on its promise and that governance could be streamlined.



Table 2: Economic development services by provider

Provider/organisation/ initiative		Type of economic development / economic wellbeing service														
		Destination marketing and management			Business development and support		Innovation and industry development support				Skills - related support	Investment attraction: Business (B) Talent (T) Capital (C)	Export and/or offshore investment support	Strategy development, economic intelligence, monitoring		Regional economic development and economic wellbeing implementation support [e.g. Matariki Hawke's Bay Regional Development Strategy and Action Plan]
														Visitor attraction, promotion and marketing	Events /activities promotion, marketing, support and facilitation	
Local Government	Hawke's Bay Regional Council (HBRC)		✓			via RBP ✓	via RBP ✓	Ad hoc	Ad hoc	Ad hoc		Reactive		User only	✓	
	Wairoa District Council (WDC)	✓	✓	✓	✓ (light touch)			Engage only	Ad hoc	In-kind mainly	✓	Reactive	✓	User only	✓	
	Central Hawke's Bay District Council (CHBDC)	✓	✓	✓	✓ (light touch)			Engage only	Ad hoc	In-kind mainly	✓	Reactive	✓	User only	✓	
	Napier City Council (NCC)	✓	✓	✓	✓ (light touch)			Engage only	✓	✓		Reactive		✓	✓	
	Hastings District Council (HDC)	✓	✓	✓	✓	✓		Ad hoc	✓	✓	✓	Reactive	✓	✓	✓	
BHB & HBTL	Business Hawke's Bay (BHB)		✓		✓	✓		Engage only	✓	In-kind mainly	✓	✓ (B,T,C)	✓	✓	✓	
	Hawke's Bay Tourism (HBTL)	✓	✓	✓	✓ (light touch)	✓			✓					✓	✓	
HB Chamber	Hawke's Bay Chamber of Commerce				✓	✓										
Iwi / Hapū / Post-settlement entities	Ngāti Kahungunu Iwi Inc.							✓		✓	✓	Reactive	✓		✓	
	Te Taiwhenua o Te Whanganui a Orotu			✓	✓	✓					✓		✓		✓	
	Te Taiwhenua o Heretaunga				✓	✓		✓		✓	✓		✓		✓	
	Te Taiwhenua o Tamatea Inc							✓			✓		✓		✓	
	Tātau Tātau o Te Wairoa Trust				✓			✓		✓		Reactive	✓	✓	✓	
	Hineuru Iwi Trust							✓		✓		Reactive	✓		✓	
	Maungaharuru-Tangitū Trust							✓		✓		Reactive	✓		✓	
	Ngāti Pāhauwera Development Trust				✓	✓		✓		✓	✓	Reactive	✓		✓	
	Heretaunga Tamatea Settlement Trust							✓		✓		Reactive	✓		✓	
	HB Māori Tourism	✓	✓	✓										✓		✓







### 7.3 Investment in activities/services

Table 3 below captures the investment Hawke's Bay Councils are making into business support and industry development across the region. In total this funding comes to just over \$10m.

The following points can be made in regard to this funding:

- HBRC appears to have the largest specific economic development budget but the HBRC role is more akin to a collection and distribution agency. HBRC collects an economic development rate from Hawke's Bay ratepayers (given it is the only Council with a regional remit), and this is used to fund HBTL (on behalf of the region), and provide a share of the ratepayer funding for BHB. HBRC also provides the funding for the Regional Business Partner (RBP) programme via the contract it holds with Central Government (NZTE and Callaghan Innovation).
- NCC is the largest overall funder of activities and services that are in-scope of this review but this includes funding for the Napier i-Site and Napier War Memorial Centre (given their roles in regard to visitor attraction/promotion and/or events). Excluding this funding Napier's investment in economic development activities and services sits around \$714,000 per annum (and well below HDC's investment).
- HDC's investment in economic development activities and services (not including the i-Site and Toi Toi) is around \$1.29m.
- Funding for HBTL makes up 15.7% of the funding. Funding for BHB makes up 3.3% of funding. Funding for specific Council ED teams (salaries + funding for discretionary activities/projects) makes up around 13% of funding.
- At an aggregate level (nominal) funding has remained about the same over the last five years. This means in real terms funding has fallen.
- There has been some change to funding at a more detailed level e.g. HBRC used to have an Economic Development Manager; HDC has been shifting funding from the ED budget to its Strategic Projects team.
- Just under half of (in-scope) funding is directed to the i-Sites, the Napier War Memorial Centre and Toi Toi. There is a clear path dependence with current economic development funding. Over time the region has built community and visitor infrastructure that is more effectively utilised with external visitor support e.g. even setting aside i-Sites, ToiToi and NCC, the region has Splash Planet, the National Aquarium, The Faraday Centre etc, and funding for destination marketing and management-related activities has followed this existing activity.
- In terms of FTE resources, HBTL has the largest FTE count at around 8.15; BHB has around 6.5; HDC has the largest FTE count of the Councils at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sits in the Business Hub); NCC has around 4.35 (1 Economic

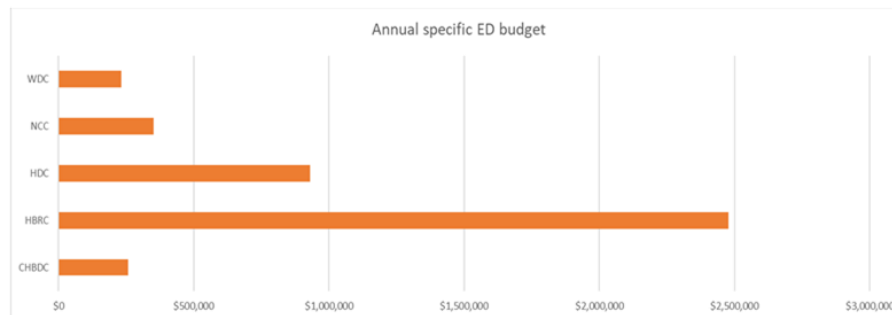


Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE.

**Table 3: Investment in business support and industry development**

Funding/payment for service	CHBDC	HBRC	HDC	NCC	WDC	TOTAL	% of Total
Annual specific ED budget	\$256,000	\$2,477,000	\$930,000	\$352,033	\$231,395	\$4,246,428	
Funding available for discretionary Council ED team activities	\$30,200	\$71,000	\$378,000	\$75,433	\$86,651	\$641,284	6.37
Funding to BHB	\$10,000	\$100,000	\$100,000	\$110,000	\$10,000	\$330,000	3.28
Business Hub - right to occupy	\$2,000	\$18,000	\$11,600	\$11,600	\$2,000	\$45,200	0.45
Funding to HBTL	\$80,000	\$1,500,000	-	-	-	\$1,580,000	15.70
Funding for RBP	-	\$358,000	-	-	-	\$358,000	3.56
Funding for GTGH	\$3,800	\$10,000	\$17,777	\$10,000	\$2,744	\$44,321	0.44
Funding for i-Site/s	-	-	\$384,612	\$1,202,697	\$214,800	\$1,802,109	17.91
Funding for Toi Toi/Napier War Memorial Centre	-	-	\$838,293	\$2,341,465	-	\$3,179,758	31.60
Funding for events (that attract out of district/region visitors)	\$19,450	-	\$137,758	\$184,500	\$10,000	\$351,708	3.49
Funding for (in-scope) strategic projects/business partnership work	-	-	\$300,000	\$150,000	-	\$450,000	4.47
Funding for incentive grants	-	-	\$50,000	-	-	\$50,000	0.50
Funding for industry groups e.g. Future Farming, Learning HB	-	\$300,000	\$20,000	\$15,000	-	\$335,000	3.33
<b>TOTAL ESTIMATED INVESTMENT IN IN-SCOPE ED ACTIVITY</b>	<b>\$302,650</b>	<b>\$2,504,200</b>	<b>\$2,515,240</b>	<b>\$4,257,895</b>	<b>\$483,395</b>	<b>\$10,063,380</b>	<b>100</b>

**Figure 1: Annual economic development funding by Council**



**Figure 2: Estimated investment in economic development activities/services by Council**

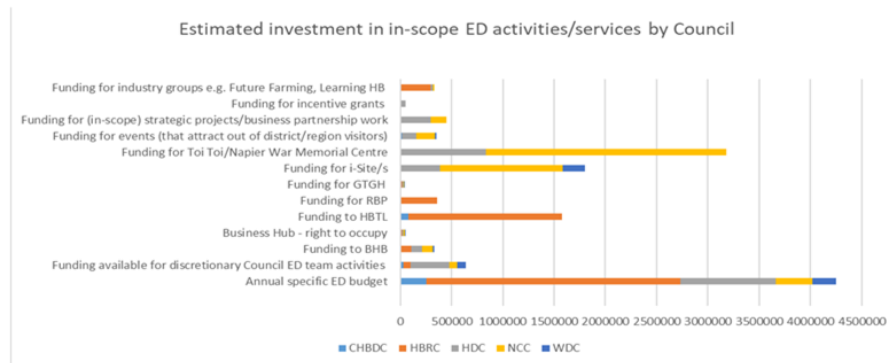




Table 4: FTE resources by provider (estimates only)

Economic development activities/services	FTE Resource						
	BHB	HBTL	CHBDC	HDC	HBRC	NCC	WDC
1. Destination marketing and management	-	8.15 <sup>1</sup>	0.2 <sup>2</sup>	1.5		1.5	0.2
2. Business development and support	1.9 <sup>3</sup>	-	0.1	0.2	4.9 <sup>4</sup>	0.1	0.1
3. Innovation and industry development support	1.42	-	0.1	0.5		0.1	0.1
4. Skills -related support	0.55	-	0.1	-		-	0.1
5. Investment attraction	0.15 <sup>5</sup>	-	0.1	3.3		2.2	0.2
6. Export and/or offshore investment support	-	-	-	0.2		0.05	-
7. Strategy development, economic intelligence, monitoring	0.1	-	0.2	0.2	1 <sup>6</sup>	0.2	0.2
8. Regional economic development and economic wellbeing implementation support	1.2	-	0.2	0.2	0.1	0.2	0.1
<b>TOTAL<sup>8</sup></b>	<b>6.5<sup>7</sup></b>	<b>8.15</b>	<b>1</b>	<b>6.1</b>	<b>6</b>	<b>4.35</b>	<b>1</b>

**NOTES:**

1. This includes corporate support.
2. CHB Tourism Coordinator role counted in HBTL FTEs.
3. This includes FTEs involved in running the Business Hub.
4. The RBP team is usually 2.1 FTEs; additional funding for COVID activities has increased this to 4.9 FTEs.
5. This includes the FTE resource used to support GTGH.
6. COVID Recovery Manager.
7. This includes corporate support and the use of some contractor resource.
8. FTE numbers do not include staff working at i-Sites or any other venues that may be captured in the funding estimates.

**7.4 Investment in other regions**

Comparing investment in economic development activities and services across NZ regions is notoriously fraught given the myriad of ways our regions have chosen to structure themselves, fund particular activities and report on funding. This means any comparisons need to be taken with a good



grain of salt. We nevertheless provide this comparison as without it legitimate questions would be asked about how Hawke's Bay compared with other NZ regions.

The data below is sourced from Statistics NZ and the Economic Development Association of New Zealand (EDANZ). EDANZ run a regular survey that asks its members to provide data on the investment that is being made into tourism and wider economic development activities and services. The latest data available (for 2019) is captured in the 2<sup>nd</sup> to last column of Table 5 below. We have used two figures for Hawke's Bay to capture the investment being made via BHB and HBTL (around \$1.85m per year), and the additional investment being made in specific (in-scope) council economic development activity. Note, we have chosen not to include funding for venues, events and 'strategic projects' which is captured in the preceding section in order to avoid adding activities that may not have been captured in the EDANZ reported figures.

With care not to over interpret this data, the following points can be made:

- Taranaki and Northland are the two regions with the closest population size and GDP.
- Taranaki's investment in economic development activities and services (including tourism) via its dedicated Economic Development Agency (EDA) 'Venture Taranaki' is approximately a third higher than Hawke's Bay's (including the Council ED spend) on per head of population basis.
- Northland's investment in economic development activities and services (including tourism) via its Economic Development Agency 'Northland Inc' is slightly lower than Hawke's Bay's (including the Council ED spend) on per head of population basis.
- On a per head of population basis the urban-dominated regions of Wellington and Auckland spend much more than other regions but Southland also has a comparatively high investment in economic development activities and services (including tourism).



Table 5: Investment in economic development activities and services across NZ

Region	Year ended March 2019						
	GDP <sup>(2)</sup>	Population <sup>(3)</sup>	GDP per capita <sup>(4)</sup>	Share of national GDP	Percentage change in GDP 2014–19	Funding for EDAs + RTOs	EDA/RT0 spend per person
	\$(million)	Number	\$ per person	Percent	Percent		
Wellington	38,997	525,200	74,251	12.9	23.9	\$47,000,000	\$89.49
Auckland	114,148	1,631,300	69,974	37.6	39.0	\$80,000,000	\$36.78
Taranaki	8,902	121,900	73,029	2.9	-4.0	\$4,000,000	\$32.81
Gisborne	2,161	49,100	44,004	0.7	31.6	\$870,000	\$17.72
Northland	7,861	186,700	42,104	2.6	34.7	\$3,300,000	\$17.68
<b>Hawke's Bay</b>	<b>8,673</b>	<b>172,600</b>	<b>50,251</b>	<b>2.9</b>	<b>31.3</b>	<b>\$1,850,000</b>	<b>\$10.72</b>
<b>Hawke's Bay (+ Council ED spend)*</b>	<b>8,673</b>	<b>172,600</b>	<b>50,251</b>	<b>2.9</b>	<b>31.3</b>	<b>\$3,700,000</b>	<b>\$21.44</b>
Manawatu-Whanganui	11,568	248,000	46,784	3.8	25.4	\$2,900,000	\$11.69
Bay of Plenty	17,243	321,100	53,700	5.7	44.4	\$700,000	\$2.18
Waikato	25,835	477,300	54,128	8.5	27.5	-	
<b>Total North Island</b>	<b>235,418</b>	<b>3,733,200</b>	<b>63,061</b>	<b>77.6</b>	<b>32.0</b>		
Canterbury <sup>(5)</sup>	37,509	624,100	60,101	12.4	22.6	\$10,900,000	\$17.47
Tasman / Nelson <sup>(5)</sup>	5,458	107,100	50,980	1.8	30.8	\$2,400,000	\$22.41
Otago	13,583	234,300	57,974	4.5	36.1	\$5,384,000	\$22.98
Southland	6,359	100,800	63,084	2.1	16.0	\$5,000,000	\$49.60
West Coast	1,861	32,600	57,101	0.6	10.0	\$8,800,000	\$269.94
Marlborough	3,248	49,000	66,277	1.1	34.1		
<b>Total South Island</b>	<b>68,018</b>	<b>1,147,900</b>	<b>59,254</b>	<b>22.4</b>	<b>25.2</b>		
<b>GDP</b>	<b>303,436</b>	<b>4,881,100</b>	<b>62,165</b>	<b>100.0</b>	<b>30.4</b>		

\* Does not include funding for venues, events or 'strategic partnership' work

The following sections 7.5-7.11 provide more detail on the economic development activities and services currently being provided by BHB, HBTL, and each of the 5 Councils.

## 7.5 Business Hawke's Bay Incorporated (BHB)

### 7.5.1 Background

Business Hawke's Bay Incorporated ("BHB") is a not-for-profit Economic Development Agency whose aim is to facilitate collaborative planning and activity to foster economic and business development and growth for the benefit of the wider business community in the Hawke's Bay region. BHB was registered as an incorporated society in July 2013. Prior to this, it was a business unit of Hawke's Bay Chamber of Commerce which was created in 2011 with the support of regional stakeholders.

BHB works with a range of partners and stakeholders to develop business and support economic growth at a regional level. It is physically located in the Hawke's Bay Business Hub in Ahuriri, Napier, which allows co-location with other organisations important to the regional economic development eco-system - Hawke's Bay Chamber of Commerce, Te Kāhui Ōhanga o Takitimu, Regional Business Partners, NZTE, Callaghan Innovation Export New Zealand, Business Central, Young Enterprise, and the Food Innovation Network.

BHB works to 'Attract, Build, Connect and Focus' the business community through:

- Attraction of business, investment and a skilled workforce
- Building sectors, businesses, capability and innovation



- Connecting the business community, with Business Hawke's Bay, Hawke's Bay Business Hub services, and Matariki the Regional Development Strategy for economic and social growth.
- A focus on improving productivity, innovation and entrepreneurship.

BHB is funded through a mix of individual council contracts (Hawke's Bay Regional Council, Napier City Council, Hastings District Council, Central Hawke's Bay District and Wairoa District Council), business sponsorship, revenue from operating the Business Hub, and Central Government grants (e.g. an MBIE grant tagged to supporting the operation of the Business Hub). Excluding Business Hub and project-funding, core funding totals approximately \$462,000 per annum, of which \$320,000 represents council funding and \$142,000 is sourced from local businesses.

**Table 6: Key elements of Business Hawke's Bay (BHB)**

	Description
<b>Structure and Governance</b>	<ul style="list-style-type: none"> <li>• BHB is a NZ Registered Incorporated Society</li> <li>• Incorporated Societies must have a minimum of 15 individual members or 5 corporate bodies, or a mix of both</li> <li>• BHB has 57 corporate members – Unison Networks, Port of Napier, PanPac Forest Products, Langley Twigg, Future Products, Furnware, NOW Broadband &amp; Communications</li> <li>• Sportsground</li> <li>• Each corporate member has 3 votes and a place on the Board</li> <li>• The Board is accountable to the members and the CE reports to the Board.</li> <li>• Board members are appointed at BHB's AGM for a term of one year. They are able to be reappointed and this has been the typical practice since 2013 (most existing Board members have held Board positions since 2013). Board members are volunteers and not paid.</li> <li>• The current Board is made up of representatives of – Langley Twigg; Unison; PanPac; Future Products Group; Pipfruit NZ; EIT; Napier Port; Sportsground, NOW, Furnware.</li> <li>• Board meetings are held on a monthly basis.</li> </ul>
<b>Purpose/Vision/Mission</b>	<ul style="list-style-type: none"> <li>• BHB refers to itself as "the region's business-led economic development agency".</li> <li>• BHB's purpose is to retain, grow and attract vibrant businesses and people to the region, and to make Hawke's Bay the best regional location in which to work, invest, live and grow</li> </ul>
<b>Key objectives</b>	<ul style="list-style-type: none"> <li>• Provide business development and support services to start-ups and growing firms, including through the establishment and operation of the Hawke's Bay Business Hub</li> <li>• Stimulate and support key industry clusters and working groups</li> <li>• Market the region as a great place for business, in collaboration with other private and public partners.</li> </ul>
<b>Staff and structure</b>	<ul style="list-style-type: none"> <li>• Currently 6 established positions (soon to be 7 with new "Business Connector" position), this doesn't count the Comms Lead contractor). Only 2 positions are full time.</li> <li>• FTEs approx. 4.5 established (rising to 5.25 in October); 6.35 FTEs counting Comms Lead (a contractor and Portfolio Manager position which is only funded until Dec 2020)</li> <li>• Roles are: CEO (1); Business Growth &amp; Projects Manager (0.6); Business Development Manager (Land to Brand – 0.5); Portfolio Manager (0.8, currently vacant, funded by MBIE, finishes in December 2020); Marketing</li> </ul>



<b>Operational Revenue</b>	& Operations (0.5); HB Business Hub Concierge (1); Communications Lead (contractor - 0.3); Executive Assistant (7.5); Business Connector (0.75 – new position).	
	2019/20	2020/21
	Total Revenue: \$1,012,519.98	Total Revenue: Approx. 20% lower than FY 19/20
	Total Expenses: \$1,113,199.60	Total Expenses: Approx. the same as FY 19/20
<i>Source: BHB reports and material provided by BHB</i>	Sources of funding included:	
	• Funding from Councils: \$321,666.55	
	• Business Hub Operations – OPEX: \$41,543.41	
	• Co Starters Revenue: \$15,395.91	
	• LTO Rent: \$141,753.42	
	• MBIE Funding: \$200,000 over 2 years for Matariki programme support (NB: this funding ends Dec 2020)	
	• Other Revenue: \$65,618.11	
	• Room Hire HB Business Hub: \$43,380.18	
	• Sponsorship Income (from local businesses): 141,749.97	
	Sources of funding the same as FY 19/20.	

### 7.5.2 Key points on activities

BHB's activities are focussed on the following in-scope areas:

- Business development and support, such as business information and referral services and business capability support
- Innovation and industry development support, such as cluster & sector work with industry coalitions
- Skills building, attraction and retention initiatives
- Investment promotion and attraction
- Economic development and economic wellbeing strategy development, intelligence and monitoring
- Strategy/action plan programme management, coordination, communications, monitoring and reporting (i.e. largely the activities involved in supporting and implementing the Matariki Hawke's Bay Regional Development Strategy).

BHB is not the main provider of support services for:

- Business capability development. This is undertaken by the Regional Business Partner (RBP) team that is formally part of HBRC (and funded through the contract between HBRC and NZTE/Callaghan Innovation) but is co-located in the Business Hub with BHB;



- Innovation, commercialisation and R&D support. This is undertaken by the Regional Business Partner (RBP) team (again funded through the contract between HBRC and NZTE/Callaghan Innovation);
- Export and/or offshore investment support. This is undertaken by NZTE and ExportNZ (the former in part through the RBP programme).

BHB also does not provide destination marketing and management and events-related services or activities. These services and activities are provided, for the most part, by Hawke's Bay Tourism who are responsible for the tourism marketing and promotion of Hawke's Bay.

The 5 Hawke's Bay Councils have a "Contract for Service" with BHB to enable BHB "to deliver activities and services to achieve agreed results which will contribute to regional economic development outcomes".

The Contract for Service notes that Councils recognise that where appropriate the Councils will work in partnership with others as a contributor to meeting the needs of the community, in respect of local infrastructure, local public services, and the performance of regulatory functions.

The Contract for Service recognises that BHB is a business-led economic development agency which can provide services to enable the Councils' economic development focus and delivery of economic development outcomes. It also recognises that both the Hawke's Bay Councils and BHB are committed and active collaborators in the Matariki Hawke's Bay Regional Development Strategy and associated action plan for economic and social growth.

The contract term for the current Contract for Service is 36 months from 1 July 2018 to 30 June 2021. This provides funding of \$320,000 per annum subject to BHB meeting reporting requirements and key performance indicators (KPIs). These are explored in more detail in Section 9.

Section 8 also provides more detail on BHB's current work programme, the resources being devoted to the activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

## **7.6 Hawke's Bay Tourism Limited (HBTL)**

### **7.6.1. Background**

Hawke's Bay Tourism Limited (HBTL) was officially established in July 2011 as the official Regional Tourism Organisation (RTO) for Hawke's Bay.

Prior to this Venture Hawke's Bay (VTB), an arm of the Hawke's Bay Regional Council (HBRC), was responsible for all tourism functions. VTB alongside the Hawke's Bay Wine Country Tourism Association (HBWCTIA) which was a membership organisation made up of the majority of tourism businesses in Hawke's Bay. In late 2010 a decision was made to merge the VTB tourism team and the team at HBWCTIA to form Hawke's Bay Tourism Ltd. The Hawke's Bay Wine Country Tourism



Association became the Hawke's Bay Tourism Industry Association (HBTIA) which remains the sole shareholder of Hawke's Bay Tourism Limited.

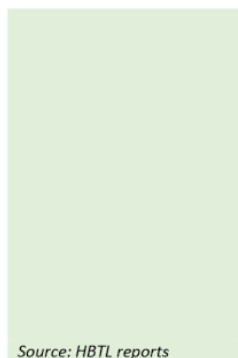
HBTL receives funding via two primary sources:

- Hawke's Bay Regional Council (HBRC) is the primary funder for Hawke's Bay Tourism, with the current funding agreement covering the period 1 July 2018 – 30 June 2021. The agreement provides for annual funding of \$1.52 million per year across the three years.
- HBTL is a membership organisation via the Hawke's Bay Tourism Industry Association. This means the industry is a partner in the promotion of tourism. Members pay a yearly membership fee to Hawke's Bay Tourism, which entitles them to a wide range of membership benefits.

**Table 7: Key elements of Hawke's Bay Tourism Ltd (HBTL)**

	Description	
<b>Structure and Governance</b>	<ul style="list-style-type: none"> <li>• Hawke's Bay Tourism Ltd (HBTL) is a registered company</li> <li>• The Hawke's Bay Tourism Industry Association (HBTIA) is the sole shareholder of HBTL</li> <li>• The HBTL Board consists of: <ul style="list-style-type: none"> <li>○ The Chair of the HBTIA</li> <li>○ A second board member of the HBTIA</li> <li>○ A Hawke's Bay Regional Council-appointed representative</li> <li>○ A Māori representative</li> <li>○ Two other representatives appointed by the HBTIA Board</li> </ul> </li> </ul>	
<b>Purpose/Vision/Mission</b>	<ul style="list-style-type: none"> <li>• Purpose: To promote and co-ordinate opportunities for economic growth and prosperity for the visitor industry in Hawke's Bay</li> <li>• Vision: Tourism in Hawke's Bay is a vibrant and valued contributor to the region's economy</li> <li>• Mission: Get visitors here now, doing more, and coming back</li> </ul>	
<b>Key objectives</b>	<ul style="list-style-type: none"> <li>• Hawke's Bay Tourism is responsible for the tourism marketing and promotion of Hawke's Bay</li> <li>• Success is measured by increasing visitor spend and visitor nights spent in Hawke's Bay</li> <li>• The funding agreement with Hawke's Bay Regional Council (HBRC) sets out a range of Key Performance Indicators (KPIs) relating to visitor spend, industry contributions, sustainability objectives, industry advocacy and capability, and the development of a regional destination management strategy.</li> <li>• KPIs are negotiated and agreed through an Service Level Agreement (SLA). Quarterly and annual reporting is required.</li> </ul>	
<b>Staff and structure</b>	<ul style="list-style-type: none"> <li>• 9 positions; 8.15 FTEs</li> <li>• Roles are: CEO; Consumer Marketing; Central Hawke's Bay Tourism Coordinator (0.8); Marketing Manager; Trade Sales and Marketing Manager; Events and Membership Coordinator; Finance and Administration (0.8); Public Relations and Media Manager (0.8); and Food and Wine Project (for 10 months only at 0.75)</li> </ul>	
<b>Operational Revenue</b>	2019/20 Total Revenue: \$2.2 million Sources of funding included: <ul style="list-style-type: none"> <li>• \$1.52 Million from the Hawke's Bay Regional Council (69% of funding)</li> </ul>	2020/21 Total Revenue: \$2.2 million (excluding circa \$1.2m in additional one-off Central Govt funding) Sources of funding included: <ul style="list-style-type: none"> <li>• \$1.52 Million from the Hawke's Bay Regional Council (69% of funding)</li> </ul>





Source: HBTL reports

- \$94,000 from Members, excluding investment in investor guide (which is a break-even activity) and additional 'contra' (4.3% of funding)
- \$80k from the Central Hawke's Bay (CHB) District Council for specific CHB activities (3.6% of funding)
- \$94,000 from Members, excluding investment in investor guide (which is a break-even activity) and additional 'contra' (4.3% of funding)
- \$80k from the Central Hawke's Bay (CHB) District Council for specific CHB activities (3.6% of funding)
- Central Government:
  - One-off \$700k to support COVID recovery regional promotional activities
  - TBC: One-off circa \$500k to support a 2-4 year investment plan in regional events.

#### 7.6.2. Key points on activities

HBTL is responsible for the tourism marketing and promotion of Hawke's Bay. Its activities are therefore focussed in the 'destination marketing and management' category of economic development and wellbeing services provided across the region. This includes owning and supporting 3 key regional events: Food and Wine Classic (FAWC); The Big Easy; and Spring Fling.

In addition to core destination marketing and management activities HBTL:

- Works on an ad hoc basis with tourism industry groups to pursue activities that are aligned with member and regional objectives e.g. work with the cruise industry on a regional cruise strategy;
- Offers an annual winter (low season) series of tourism business capability workshops. For example, workshops have been targeted at marketing, public relations, and distributional channels;
- Is an active contributor to Matariki REDS (particularly Pou 5 "Promoting Our Place");
- Acts as a conduit and feeder to the relevant economic development organisation or service by providing light touch referral services e.g. referrals to the Regional Business Partner Programme.

HBTL's core destination marketing and management activities are currently focussed on 5 key areas:

- Marketing – 34% of FTEs.
- PR and Comms – 9.4% of FTEs.
- Travel trade sales – 12.3% of FTEs.
- Events co-ordination – 12.3% of FTEs.
- Food and wine project – 9.2% of FTEs.

The Hawke's Bay Regional Council (HBRC) collects an economic development rate from Hawke's Bay ratepayers and this is used (in large part) to fund the region's (public) contribution to HBTL's role as the Regional Tourism Organisation for Hawke's Bay. A funding agreement between HBRC and HBTL underpins this with the provision of ratepayer funding subject to certain performance criteria as measured by KPIs, reporting and audit requirements (these are explored in more detail in Section 9.3).



In 2014/15 HBRC committed to a three-year funding agreement which increased HBT funding from \$920,000 to \$1.82m over three years. As part of the 2018-28 Long Term Plan (LTP) process, HBRC consulted on reducing HBT's funding back to \$920,000pa. Post-consultation, HBRC decided to instead support HBT at a rate of \$1.52m per annum for three years with subsequent funding levels to be reviewed through the 2021-31 LTP process.

Section 9.3 also provides more detail on BHB's current work programme, the resources being devoted to the activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

## 7.7 Hawke's Bay Regional Council (HBRC)

HBRC has an important role to play in the economic development of Hawke's Bay through its primary responsibility to support the sustainable management of natural resources to provide for the needs of current and future generations. HBRC sees this stewardship role providing a stable and long-term operating environment for industries and other natural resource users.

Over the last few years HBRC has focused more sharply on the environmental challenges of freshwater quality, freshwater security and climate change and they have taken a deliberate step to differentiate their economic development activity from the more traditional approaches of Territorial Authorities (TAs). The TA's are arguably incentivised to drive absolute growth which in turn grows the rating base. This results in initiatives that seek to attract businesses and people to a district. HBRC has taken the view that its priority is not to drive growth, rather it is to avoid loss by ensuring the entire region can rely on a sustainable natural resource platform upon which an entire community can thrive. Under this approach and perspective, HBRC sees its core business as playing a vital role in the economic development of the region by providing security, stability and certainty for the region's investors and decision makers.

In HBRC's current LTP 2018-2028 its economic development role is described as follows:

*"HBRC as a whole plays a broad role in regional economic development by ensuring the natural resource platform upon which both the economy and community relies on is managed to meet the reasonably foreseeable needs of future generations. In addition, council contributes to the Matariki Regional Economic Development Strategy (REDS) and HBRC-led projects within the strategy. This activity includes regional funding via targeted economic development rate to support Business Hawke's Bay and HB Tourism."*

HBRC has long-standing involvement with the region's economic development. More recently the key HBRC's key activities in economic development have included:

- The assimilation of the disestablished regional economic development agency Venture Hawke's Bay;
- The establishment of Hawke's Bay Tourism Ltd and the cross-council agreement that HBRC would rate exclusively for this purpose as opposed to HBT be funded by all councils;



- The support of numerous economic or business case studies and scoping exercises (e.g. tourism opportunities for Wairoa arising from Rocket Lab activities);
- Support of the business case for the economic development aspects of the Ruataniwha Water Storage Scheme;
- Support for Business Hawke's Bay's role as the hub and coordinator for a regionally devolved ED delivery model;
- Support for the establishment of the Business Hub;
- Assumption of responsibility for the NZ Trade & Enterprise Regional Business Partner program, now based at the Business Hub;

Table 8 below provides more detail on the economic development activities/services that HBRC currently undertakes or supports via funding. In summary:

- HBRC collects an economic development rate from regional ratepayers to fund economic and tourism development across the region. These funds are applied to HBTL, BHB, HB Chamber of Commerce and other economic development opportunities.
- Following consultation as part of the 2018-28 Long Term Plan (LTP) process it was agreed to adjust the economic development rating allocation to become more weighted to the commercial sector. The residential/commercial rates ratio has changed over time from 70:30 to 50:50 to the current 30:70.
- The funding HBRC provides HBTL on behalf of the region is worth \$1.52m/year.
- HBRC provides the funding for Regional Business Partner (RBP) programme via the contract it holds with NZTE and Callaghan Innovation. This funding is \$358,000 per year.
- HBRC is a key funding partner (along with the other 4 TAs) of BHB. HBRC contributes \$100,000 per annum to BHB.
- More recently HBRC has supported the establishment of a Regional Recovery Manager. This position is jointly funded with the TAs.
- HBRC contributes to the Matariki Regional Economic Development Strategy (REDS) and HBRC-led projects within the strategy. This includes being a member of the 'Think Hawke's Bay' group which is an informal network of the Council economic development leads, BHB, HBTL, Napier Port and Hawke's Bay Airport. The Think Hawke's Bay group helps to coordinate the delivery of aspects of the Matariki strategy, in particular investment and talent attraction.

HBRC has supported (through co-funding) specific feasibility and business case work where these opportunities have potential for improving region-wide outcomes and/or are aligned with the Council's land management and diversification objectives.



Table 8: HBTL economic development activities/services

<i>Focus of economic development / economic wellbeing activity</i>	<i>Description of activity and outputs generated</i>	<i>FTE Resource</i>
<b>1. Destination marketing and management</b>		
<ul style="list-style-type: none"> <li>Visitor attraction, promotion and marketing</li> <li>Events /activities promotion, marketing, support and facilitation</li> <li>Running events</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken through agreement HBTL but HBRC provides the regional funding for HBTL via a targeted economic development rate</li> <li>HBRC contributes to the costs of a range of events (approx. 74,000/year)</li> <li>HBRC marketing and comms team plays a role in promotion of events</li> </ul>	Marketing and comms resources have not been included (across all Councils)
<b>2. Business development and support</b>		
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>HBRC holds the Regional Business Partner (RBP) contract) with NZTE and Callaghan Innovation.</li> <li>The RBP team is physically located in the Ahuriri Business Hub.</li> <li>HBRC is a key funding partner of BHB.</li> </ul>	The RBP team (including the sub-contracted position to HB Chamber) is normally 2.1 FTEs but COVID has added another 2.8 until end Oct 2020. Key decisions still to be made on future resourcing via Central Govt.
<b>3. Innovation and industry development support</b>		
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>Ad hoc e.g. Wairoa Hort Project; Napier/Wairoa rail project</li> <li>Provision of local context</li> </ul>	None dedicated
<b>4. Skills -related support</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
<b>5. Investment attraction</b>		
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Reactive</li> <li>Member of Think Hawke's Bay group</li> <li>A funding partner of Great Things Grow Here (GTGH) platform</li> </ul>	None dedicated
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>Sister region in China</li> </ul>	None dedicated
<b>7. Strategy development, economic intelligence, monitoring</b>		
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>HBRC doesn't have a standalone economic strategy</li> <li>COVID recovery work</li> <li>A user of economic intelligence</li> <li>Summaries are prepared and made available for senior leaders</li> </ul>	1 FTE COVID Recovery Manager)
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>HBRC has representation on 5 of the Matariki pou</li> </ul>	None dedicated



## 7.8 Hastings District Council (HDC)

HDC articulates its role in 'economic and community development as "focused on creating the conditions for community wellbeing, the economic and social prosperity of our people and the communities within which they live".

To do this HDC sees its job as:

1. Making available land for industrial, commercial and residential growth
2. Working with partners to grow business and jobs
3. Supporting visitor attraction
4. Developing long term plans for our communities

HDC has articulated the following actions or work programmes that underpin the four focus areas outlined above:

- Planning for district development and ensuring availability of serviced land
- Planning urban centres and neighbourhoods (Place Based Plans)
- Planning together with mana whenua
- Working with young people and older people
- Community safety initiatives
- Provision of visitor facilities (i-site, Holiday Park)
- Economic and social development research and planning
- Empowering communities to do things for themselves
- Project based work focused on business investment and jobs, including:
  - business attraction
  - connecting schools with industry and unemployed people with jobs
  - increasing migrant business investment
  - improving the value of land based horticulture and agriculture products
  - advancing E-commerce initiatives.

Table 9 below provides more detail on the economic development activities/services that HDC currently undertakes or supports via funding. In summary:

- HDC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc)
- While business development and support is mainly undertaken through BHB, HDC does run its own 'Hastings District Productivity Programme'. HDC contract the 'Lean Hub' to provide a '5s programme'. This has recently been broadened to cover leadership training. This is similar in nature to the RBP programme where businesses provide co-funding to access the support.
- The Hawke's Bay Food Innovation Hub has been the focus of activity in the innovation and industry development space. The Hub is projected to be a centre of excellence in food processing skill



training, a place of sustainable food and beverage innovation, production and packaging innovation and a centre of entrepreneurship in food business. In late 2019 the Government announced a \$12 million grant toward the \$18 million project via the Provincial Growth Fund (PGF) – subject to the additional \$6 million coming from other regional investors. HDC has proposed that it will contribute \$1m toward the regional investment required.

- HDC (and NCC) provide top-up funding for Learning Hawke's Bay which is a membership association of education providers in the Hawke's Bay region. Learning Hawke's Bay's mission is to grow the value of international education in Hawke's Bay.
- HDC is a member of the Think Hawke's Bay group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). This is a key coordinating and collaboration mechanism for investment attraction activities.
- HDC can develop tailored material for businesses looking to locate in HB. This is typically a collaborative effort with BHB and other Councils (through Think HB).
- HDC leads on the Great Things Grow Here (GTGH) brand platform on behalf of region by providing the FTE resource and a contribution to funding. GTGH is a marketing platform that seeks to maximise opportunities to promote and showcase the benefits of doing business and living in Hawke's Bay.
- HDC has a team called 'Strategic Projects, Key Account Services and Capital Investment Partnerships' (SPKASCIIP) that can work alongside key businesses and/or projects to smooth the investment process and engagement with Council. This business and investment 'hand-holding' and facilitating function is considered by HDC as a successful model and has grown from the successful support HDC provided to Kiwibank when they were looking to establish a regionally-based call centre.
- HDC also has a Financial Incentive Grant that can be used to support specific opportunities e.g. where the public benefit case is significant.

**Table 9: HDC economic development activities/services**

<i>Focus of economic development / economic wellbeing activity</i>	<i>Description of activity and outputs generated</i>	<i>FTE Resource</i>
<b>1. Destination marketing and management</b>		
<ul style="list-style-type: none"> <li>• Visitor attraction, promotion and marketing</li> <li>• Events /activities promotion, marketing, support and facilitation</li> <li>• Running events</li> </ul>	<ul style="list-style-type: none"> <li>• Undertaken mainly through HBTL via agreement with HBRC</li> <li>• HDC owns the local i-Site that undertakes some of this activity (although 75% of enquiries are citizens advice-related)</li> <li>• HDC funds and sponsors key events. Approx. 30% of these events are larger events that attract out of region visitors e.g. Horse of the Year</li> <li>• ED team sponsors key events e.g. AMP wine awards, Export NZ, Lanten Festival</li> </ul>	1 FTE (Event Manager)  i-Site has 5 FTEs with varying roles  0.5 FTE (ED team)



		Have not counted contribution of HDC marketing team
<b>2. Business development and support</b>		
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken mainly via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>Play a funnelling role to main providers</li> <li>HDC has a hot-desk at the Business Hub</li> <li>HDC runs a Hastings District Productivity Programme. They contract the 'Lean Hub' to provide a '5s programme'. This has recently been broadened to cover leadership training. Similar in nature to the RBP programme. \$5-\$10k per business. Business co-funds.</li> </ul>	0.1 FTE (ED team)
<b>3. Innovation and industry development support</b>		
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D funding / support not provided</li> <li>Mainly provision of local context and in-kind support</li> <li>HDC does provide financial support for feasibility and business case work on a case by case basis at times</li> <li>The HB FoodHub has been a major recent project and undertaking</li> <li>HDC (and NCC) provide top-up funding for Learning Hawke's Bay</li> </ul>	0.5 FTE (ED team)
<b>4. Skills -related support</b>	<ul style="list-style-type: none"> <li>See business capability support above</li> </ul>	
<b>5. Investment attraction</b>		
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>HDC is a member of the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). This is a key coordinating and collaboration mechanism for investment attraction activities.</li> <li>HDC can develop tailored material for businesses looking to locate in HB e.g. Datacom and NZ Institute of Skills and Technology. This is typically a collaborative effort with BHB and other Councils (through Think HB).</li> <li>HDC leads on Great Things Grow Here (GTGH) on behalf of region</li> <li>HDC has a team called 'Strategic Projects, Key Account Services and Capital Investment Partnerships' (SPKASCIP) that can work alongside key businesses and/or projects to smooth the investment process and engagement with Council</li> <li>HDC also has a Financial Incentive Grant that can be used to support specific opportunities e.g. where the public benefit case is significant.</li> </ul>	0.2 FTE (ED team)  0.1 FTE (Project management support for GTGH)
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>HDC Eco Dev team leads on international engagement/connection work e.g. China Tourism Project; and Sister City with Guilin in China</li> </ul>	0.1 FTE (ED team)
<b>7. Strategy development, economic intelligence, monitoring</b>		



<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>HDC does not have an independent standalone economic development strategy. Economic development objectives are captured in the LTP and Annual Plans.</li> <li>HDC has played a key role in recent COVID recovery work</li> <li>HDC is a user of economic intelligence. They share the Infometrics and Dot Loves Data regional licences and buy retail stats from Market View (retails stats are shared with business associations)</li> <li>Summaries are prepared and made available for senior leaders, use in media releases, speeches etc</li> </ul>	0.1 FTE (ED team)
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>HDC has representation on 5 of the Matariki pou</li> </ul>	0.2 FTE (ED team)

### 7.9 Napier City Council (NCC)

Napier City Council (NCC) has framed its role in the business and industry development aspects of economic development mainly under “community and visitor experiences”. NCC’s 2020-21 Annual Plan notes the following key outcomes it is seeking for Napier:

- A vibrant innovative city for everyone.
- Excellence in infrastructure and public services for now and in the future.
- A sustainable city.
- A safe and healthy city that supports community well-being.

The focus of the Annual Plan’s significant initiatives are mainly related to venue development or enhancement activities e.g. National Aquarium of NZ expansion project, upgrades at Kennedy Park, and further work on a range of recreation facilities. The Annual Plan notes that NCC intends to commence the development of a “Business and Tourism Strategy”.

NCC’s 2018-2028 Long Term Plan (LTP) notes that the Council “*supports and encourages a thriving Napier and Hawke’s Bay economy and business culture which helps nurture and grow local start-ups, provides support to help existing businesses expand and prosper, kickstart new investment and attract new residents and businesses to the area.*”

To support this the LTP notes that the focus of attention will be on:

- Continuing to support Matariki REDS (which is focused on growing jobs across the region, increasing household income and raising up Hawke’s Bay economic performance into the top quarter of New Zealand regions.)
- Developing a Napier Economic Development Strategy (NEDS) that integrates and aligns with Matariki REDS. The objective of the NEDS is to position Napier to achieve sustainable growth and prosperity by growing existing businesses, nurturing start-ups, growing a pipeline of entrepreneurs and attracting new firms, people and new investment.



- Building on the innovative capacity of our businesses, build twenty-first century infrastructure, turn start-ups into scale-ups and seek to diversify the economy. [Note, there aren't clear actions attached to this focus area].
- Supporting emerging players, especially in the digital economy, by creating dynamic spaces in growing parts of the City such as Ahuriri to enhance the experience of those working in the innovation sector and by attracting new skilled talent to the city.

Table 10 below provides more detail on the economic development activities/services that NCC currently undertakes or supports via funding. In summary:

- HNCC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc). This is a clear focus of (in-scope) economic development activities/services.
- NCC does not provide direct business development-related support (this is contracted out to BHB and HBTL (through the contract with HBRC)) but it does play a role in funnelling businesses to the main providers of services.
- NCC's innovation and industry development work is ad hoc and largely takes the form of information provision where this adds value. Like HDC, NCC provides top-up funding for Learning Hawke's Bay.
- HCC is a key member of the Think Hawke's Bay group and has been involved in collaborative efforts to encourage businesses looking to locate in Hawke's Bay.
- Unlike HDC, NCC does not have a specific team that works alongside key businesses and/or projects to smooth the investment process and engagement/s with Council. There are, however, 2 roles in NCC planning teams that provide this type of service.
- NCC is key contributor to Matariki REDS and is responsible for sister city relationships in Japan, Canada and China.

**Table 10: NCC economic development activities/services**

<i>Focus of economic development / economic wellbeing activity</i>	<i>Description of activity and outputs generated</i>	<i>FTE Resource</i>
<b>1. Destination marketing and management</b>		
<ul style="list-style-type: none"> <li>• Visitor attraction, promotion and marketing</li> <li>• Events /activities promotion, marketing, support and facilitation</li> <li>• Running events</li> </ul>	<ul style="list-style-type: none"> <li>• Undertaken through HBTL via agreement with HBRC</li> <li>• NCC owns the local i-Site that undertakes some of this activity</li> <li>• NCC owns Napier Conference Centre which plays a key role in hosting conferences that attract people from out of region. Employees are NCC employees</li> <li>• NCC Manager of Business and Tourism, oversees running of museum, i-Site and Conference Centre</li> <li>• NCC has an Event Manager who is also involved in event attraction</li> </ul>	1 FTE (Event Manager)  0.5 FTE – (Manager of Business and Tourism)  Have not counted contribution of NCC marketing team



	<ul style="list-style-type: none"> <li>NCC marketing team plays a role</li> </ul>	
<b>2. Business development and support</b>		
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>These activities are not undertaken directly</li> <li>Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>NCC plays a funnelling role to main providers of services</li> </ul>	0.1 FTE (NCC Economic Manager)
<b>3. Innovation and industry development support</b>		
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D funding / support not provided</li> <li>Mainly provision of local context</li> <li>Ad hoc, usually in-kind support where needed e.g. tech sector</li> <li>NCC (and HDC) provide top-up funding for Learning HB</li> </ul>	0.1 FTE (NCC Economic Manager)
<b>4. Skills -related support</b>		
<b>5. Investment attraction</b>		
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).</li> <li>Unlike Hastings District Council (HDC) NCC does not have a specific team that works alongside key businesses and/or projects to smooth the investment process and engagement/s with Council. There are, however, 2 roles in NCC planning teams that provide this type of service. These roles have been captured for completeness and comparability.</li> </ul>	0.2 FTE (NCC Economic Manager)  2 FTEs (in planning teams)
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>Sister City relationships with: <ul style="list-style-type: none"> <li>Tomokomai, Japan</li> <li>Victoria, Canada</li> <li>Linguan, China</li> </ul> </li> </ul>	0.05 FTE (NCC Economic Manager)
<b>7. Strategy development, economic intelligence, monitoring</b>		
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Napier City Council does not have an economic development strategy</li> <li>But the City Vision Framework is relevant, as well as the more recent COVID recovery work</li> <li>The NCC 2020-21 Annual Plan notes that a key 'business and tourism' initiative under the 'Community and Visitor Experiences' priority area will be to "commence development of a Business and Tourism Strategy".</li> <li>NCC is a user of economic intelligence. Summaries are prepared and made available for senior leaders</li> </ul>	0.2 FTE (NCC Economic Manager)
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>NCC has representation on 5 of the Matariki pou</li> </ul>	0.2 FTE (NCC Economic Manager)



### 7.10 Central Hawke's Bay District Council (CHBDC)

In 2019 Central Hawke's Bay District Council (CHBDC) developed its first Economic Development Strategy and Action Plan<sup>4</sup>. CHBDC's 2018-2028 LTP had identified this as a key action in order to:

- Provide clarity on the role the Council plays in economic development; and
- Identify the actions that will assist Council to deliver on the levels of service related to Economic and Social Development activity that were included in the LTP.

CHBC's Economic Development Strategy and Action Plan provides support for:

- The work programme for CHBC's newly created Economic Development Advisor role
- Integration with the Matariki Hawke's Bay REDS and Action Plan
- Promoting with certainty investment opportunities to attract new businesses to CHB
- Support to existing business to diversify
- Support to businesses to increase productivity and 'add value' through innovation
- Investigating opportunities for export and collaboration.

CHBDC has also recently created and adopted an economic recovery plan to help the district respond to COVID-19 and the severe drought over the 2019/20 summer. The plan features 16 action points that support the delivery of emergency welfare and provide a framework and fiscal stimulus package to ensure the response has a long-term view<sup>5</sup>.

Table 11 below provides more detail on the economic development activities/services that CHBDC currently undertakes or supports via funding. In summary:

- Like the other TAs CHBDC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc).
- CHBDC funds a Tourism Coordinator role (0.6 of an FTE) via a separate contract with HBTL. This is additional funding for HBTL over and above the funding it receives on behalf of the region from HBRC. The CHB Tourism coordinator role is focused on - advocating for CHB tourism opportunities as part of the wider region; providing leadership and advocacy for CHB tourism operators; and leading two important CHB events (Little Easy and the Spring Fling).
- CHBDC does not provide direct business development-related support (this is contracted out to BHB and HBTL but it does play a role in funnelling businesses to the main providers of services.
- CHBDC has, however, recently provided funding for 'Shop Local CHB' as part of its COVID response and recovery work. Shop Local CHB is an online platform that connects people to CHB businesses and services. CHBDC has also been leading some work on the development of a local digital business hub. This would provide a dedicated space for a range of small businesses (including

<sup>4</sup> <https://www.chbdc.govt.nz/assets/Uploads/CHBDC-Economic-Action-Plan-Final-August-2019.pdf>

<sup>5</sup> <https://www.chbdc.govt.nz/assets/Uploads/002209-Economic-Recovery-Doc-aR.pdf>



start-ups and self-employed), so that they can more easily access shared facilities, training/mentoring programmes and network opportunities.

- CHBDC's innovation and industry development work is ad hoc and largely takes the form of information provision where this adds value.
- CHBDC is a key member of the Think Hawke's Bay group and has been involved in collaborative efforts to encourage businesses looking to locate in Hawke's Bay.
- CHBDC has been active in thinking about skills deployment. It has played a role in creating a framework for thinking about skills development in a local context e.g. a (regional) skills attraction strategy has been created but this is not yet activated (further funding is required). It has also been an active advocate and participant in the Mayor's Taskforce for Jobs scheme.
- CHBDC is an active key contributor to Matariki REDS.

**Table 11: CHBDC economic development activities/services**

<i>Focus of economic development / economic wellbeing activity</i>	<i>Description of activity and outputs generated</i>	<i>FTE Resource</i>
<b>1. Destination marketing and management</b>		
<ul style="list-style-type: none"> <li>• Visitor attraction, promotion and marketing</li> <li>• Events /activities promotion, marketing, support and facilitation</li> <li>• Running events</li> </ul>	<ul style="list-style-type: none"> <li>• These activities are not undertaken directly</li> <li>• Undertaken through HBTL via:               <ul style="list-style-type: none"> <li>• Agreement with HBRC (covering baseline or basic expectations); and</li> <li>• Additional contract for Tourism Coordinator role (3 days per week)</li> <li>• Tourism coordinator role leads on some events e.g. Little Easy and Spring Fling</li> </ul> </li> <li>• Have been more active on bidding for events in collaboration with HBTL e.g. NZ cycle nationals</li> <li>• Nga Ara Tipuna (a Maori cultural tourism project), is relevant. CHBDC Economic Manager spends approx. 1/5 of time on this</li> </ul>	0.6 FTE (Tourism Coordinator employed by HBTL)  0.2 (CHBDC Economic Manager)
<b>2. Business development and support</b>		
<ul style="list-style-type: none"> <li>• Business information and referral services</li> <li>• Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>• These activities are not typically undertaken directly</li> <li>• Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>• CHBDC plays a funnelling role to main providers of services</li> <li>• CHBDC also funds 'Shop Local CHB' in an ad hoc manner to deliver some of these services.</li> <li>• Considering a digital business hub to strengthen this activity.</li> </ul>	0.1 FTE (CHBDC Economic Manager)
<b>3. Innovation and industry development support</b>		
<ul style="list-style-type: none"> <li>• Feasibility studies and business cases for sector and investment projects</li> <li>• Cluster &amp; sector work with industry coalitions</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly provision of local context</li> <li>• Ad hoc, usually in-kind support where needed</li> </ul>	0.1 FTE (CHBDC Economic Manager)



<ul style="list-style-type: none"> <li>Co-investment in major projects</li> </ul>		
<b>4. Skills -related support</b>	<ul style="list-style-type: none"> <li>CHBDC has played a role in creating frameworks for thinking about skills development in a local context e.g. a (regional) skills attraction strategy has been created. Not yet activated. Funding is being sought.</li> <li>Act as a channel for funding from e.g. Mayor's Taskforce for Jobs</li> <li>Examples of activities (undertaken via contract for service):               <ul style="list-style-type: none"> <li>Mobile employment clinics</li> <li>Drivers licensing (including heavy vehicle endorsements)</li> <li>Pastoral support and work readiness</li> <li>PPE and health and safety training</li> </ul> </li> <li>Have redeployed 46 people over the last 5 weeks.</li> </ul>	0.1 FTE (CHBDC Economic Manager)
<b>5. Investment attraction</b>		
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).</li> </ul>	0.1 FTE (CHBDC Economic Manager)
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
<b>7. Strategy development, economic intelligence, monitoring</b>		
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>CHBDC has developed a CHB Economic Development Action Plan and a COVID-19 and Drought Recovery Plan</li> <li>CHBDC is a user, not creator, of economic intelligence</li> <li>CHBDC uses Dot Loves Data dashboard and Infometrics regional licences</li> </ul>	0.2 FTE (CHBDC Economic Manager)
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>CHBDC has representation on 5 of the Matariki pou</li> </ul>	0.1 FTE (CHBDC Economic Manager)

### 7.11 Wairoa District Council (WDC)

Wairoa District Council (WDC)'s 2020/21 Annual Plan Strategic Direction is framed around three interconnected "Community Outcomes":

#### 1. Economic wellbeing

- A strong, prosperous and thriving economy
- A safe and integrated infrastructure

#### 2. Social and cultural wellbeing

- A community that values and promotes its culture and heritage
- Safe and accessible recreational facilities
- Supportive, caring and valued communities
- Strong district leadership and a sense of belonging



### 3. Environmental wellbeing

- A safe and secure community
- A lifetime of good health, education and wellbeing
- An environment that is appreciated, protected and sustained for future generations

WDC's 2018-2028 LTP also acknowledges that economic development is a key priority alongside maintaining levels of core services and infrastructure to provide a foundation for strong and resilient communities.

Table 12 below provides more detail on the economic development activities/services that WDC currently undertakes or supports via funding. In summary:

- WDC plays a key role in developing, maintaining and enhancing local facilities and in supporting key events and visitor attraction in order to benefit local businesses (tourism, accommodation, retail, hospitality etc).
- WDC owns the local i-Site that plays a role in visitor attraction, promotion and marketing, but the primary responsibility for this work sits with HBTL (via the regional contract with HBRC).
- WDC does not provide direct business development-related support (this is contracted out to BHB and HBTL) but it does play a role in funnelling businesses to the main providers of services.
- WDC's innovation and industry development work is ad hoc and largely takes the form of information provision where this adds value. It has also on occasion involved limited co-funding for feasibility-related analysis. Recent work has included:
  - Work with local iwi and the HBRC on horticultural diversification across the Wairoa flats
  - Work with Rocket Lab to develop opportunities to leverage business attraction off their Te Mahia initiative
- WDC is a key member of the Think Hawke's Bay group and has been involved in collaborative efforts to encourage businesses looking to locate in Hawke's Bay.
- WDC is an active key contributor to Matariki REDS and has working closely with local iwi on a Wairoa District Recovery Strategy and Plan.

**Table 12: WDC economic development activities/services**

<i>Focus of economic development / economic wellbeing activity</i>	<i>Description of activity and outputs generated</i>	<i>FTE Resource</i>
<b>1. Destination marketing and management</b>		
<ul style="list-style-type: none"> <li>• Visitor attraction, promotion and marketing</li> <li>• Events /activities promotion, marketing, support and facilitation</li> <li>• Running events</li> </ul>	<ul style="list-style-type: none"> <li>• Undertaken mainly through HBTL via agreement with HBRC</li> <li>• WDC owns the local i-Site that undertakes some of this activity. Focus is on information for tourists and visitors</li> <li>• WDC has a Community Development Officer that spends around 20% of time on community events.</li> </ul>	2 FTEs at the i-Site 0.2 FTE (Community Development Officer)



	These include larger ones that attract people from outside of district (approx. 30% of events)	
<b>2. Business development and support</b>		
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>These activities are not undertaken directly</li> <li>Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>WDC plays a funnelling role to main providers of services</li> </ul>	0.1 FTE (WDC Economic Manager)
<b>3. Innovation and industry development support</b>		
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D funding / support not provided</li> <li>Mainly provision of local context</li> <li>Ad hoc, usually in-kind support where needed</li> </ul>	0.1 FTE (WDC Economic Manager)
<b>4. Skills -related support</b>	<ul style="list-style-type: none"> <li>Act as a channel for funding from e.g. Mayor's Taskforce for Jobs</li> <li>Provide letters of support for key businesses when seeking RSE workers to fill skill gaps</li> </ul>	0.1 FTE (WDC Economic Manager)
<b>5. Investment attraction</b>		
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).</li> <li>Also ad hoc involved with laying out the welcome mat for potential investors e.g. work with Rocket Lab.</li> <li>Note talent attraction from a WDC perspective also involves encouraging ex-pat whanau to return home to contribute to Wairoa's wellbeing</li> </ul>	0.2 FTE (WDC Economic Manager)
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
<b>7. Strategy development, economic intelligence, monitoring</b>		
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>WDC has an Economic Development Strategy from 2017</li> <li>The Wairoa Community Partnership Group and related goals and work programme are relevant as this captures the broader wellbeing approach Wairoa is taking to economic development</li> <li>Recent work has involved working with iwi on a Wairoa recovery plan</li> <li>WDC is a user of economic intelligence</li> </ul>	0.2 FTE (WDC Economic Manager)
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>WDC has representation on 5 of the Matariki pou</li> </ul>	0.1 FTE (WDC Economic Manager)



## 8.0 ASSESSMENT OF RATIONALE AND FIT OF ACTIVITIES/SERVICES BEING DELIVERED

Two key lenses are important to consider when thinking about economic development activities/services:

1. **Current businesses:** Do we know our sectors and businesses well? Do we understand their issues, constraints, opportunities? Have we designed our activities/services around these (taking into account the appropriate role for government)?
2. **Future businesses/growth:** Do we have a view of what the Hawke's Bay economy could look like by building off regional strengths and adapting to and leveraging off social, cultural, environmental and economic trends? Is there a shared vision? What work are we doing with business and key stakeholders to develop the new platforms for growth?

This section uses these lenses and provides an assessment of the role of local government in economic development and economic wellbeing in the region, based on an analysis of:

- Challenges and opportunities facing the Hawke's Bay economy;
- Rationales for local government activities in economic development and economic wellbeing; and
- Central government expectations.

### 8.1 Key findings

- In terms of economic output Hawke's Bay has an export-facing economy. In terms of business units it is more domestic service-based. This means regional businesses will have a wide-spectrum of business support needs e.g. ranging from management capability-related programmes through to assistance in engaging with offshore markets.
- The broad types of economic development activities/services being delivered by the 5 Councils, BHB and HBTL are consistent with identified opportunities and the needs facing the region.
- Analysis of the work programmes and activities/services being provided by the Councils, BHB and HBTL suggests that these are based on clear rationales, with Councils for the most part focused on facilitation, promotion, and information provision.
- The work of BHB and HBTL is appropriately focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); sectoral connection and coordination issues; and specific business capability and support programmes (where they can leverage their knowledge of business/industry needs to develop and provide targeted programmes of support i.e. there is a clearer rationale for EDAs/RTOs to provide this activity than directly by Council).
- From an economic development activity perspective the opportunities presenting for food and fibre and the challenges presenting for tourism, hospitality and retail will require working closely with those sectors. Hawke's Bay existing activities and services (including the important RBP programme) provide a strong platform for this work.



- Business support and capability programmes will continue to be an important component of assistance given a likely need to build greater resilience into business models.
- The changing nature of work, consumption and the rise of the contact-free economy will mean that support for digital capability and digitisation will likely be a critical component of the support provided to our businesses/sectors.
- The rise of remote working also offers Hawke's Bay an opportunity to leverage its lifestyle strengths to attract talent from other parts of the country (and in time offshore).
- The biggest short-term challenge facing the Hawke's Bay economy is related to labour supply (an immediate issue for Hawke's Bay's important horticulture industry) and broader skill shortages. Local government, along with its delivery partners, can play an important role in helping to coordinate and facilitate the planning with industry and Central Government that will be required to resolve these issues.
- Central Government's role in regional economic development and its expectations of local government and regional delivery agents has shifted over time. Central Government wants regions to be "joined-up" and to be clear on regional priorities; it wants regional plans to fit with national sector/industry strategies where they exist and/or are being developed; it wants to utilise regional information that is closer to source to inform policy and programme development; and it says it wants to partner on longer-term objectives where there is a clear role for government to play. All this will require Hawke's Bay to have expertise at the regional level, it will require effective leadership, collaboration and coordination, and a funding and support system that can adapt to the changing needs of Hawke's Bay businesses and sectors and leverage and maximise the support provided through Central Government.

## **8.2 Challenges and opportunities facing the Hawke's Bay economy**

Annex A in Section 13 provides more detail on the Hawke's Bay economy. Sections 8.2.1 and 8.2.2 below provide high-level points that are relevant to consideration of the rationale and fit of economic development activities and services for the region.

### **8.2.1 Current situation**

In terms of economic output Hawke's Bay has an export-facing economy. In terms of business units it is more domestic service-based. This means regional businesses will have a wide-spectrum of business support needs e.g. ranging from management capability-related programmes through to assistance in engaging with offshore markets.

The Hawke's Bay economy is biased toward land-based sectors (and hence is more export-oriented than it is domestically-focused, reflecting the importance of land-based industries – meat, horticulture and forestry) relative to the national economy. But manufacturing makes up a larger share of the regional economy than it does nationally.

Growth (economic and employment) has been slower than the national average over the last 10 years, but has been growing faster more recently (pre-COVID).



Like the rest of NZ, Hawke's Bay businesses are mostly small SMEs. 65% are sole-traders. Around 86% have 5 employees or less.

At an aggregate level Hawke's Bay businesses are less productive than the rest of the economy (but there will undoubtedly be wide variation like there is nationally<sup>6</sup>). Productivity and wages/salaries are linked i.e. higher productivity supports higher employee compensation. This is reflected in lower wage and salary levels in Hawke's Bay relative to the national average.

The Hawke's Bay economy is forecast to contract by -6.2% over the year to March 2021, compared with a -8.0% decline in national economic output. The Central Hawke's Bay District and Wairoa District economies are expected to contract the least, at -3.8% and -4.4%, over the year to March 2021. Hastings District is expected to contract by -6.1% and Napier City is expected to fare the worst, contracting by 7.2%. [Infometrics, 2020].

Hawke's Bay will benefit from its strong primary and food manufacturing sectors. Primary exports and, consequently, food production are expected to continue growing, albeit moderately as global demand for food is maintained. Drought impacts will however continue to constrain growth particularly for Central Hawke's Bay. [Infometrics, 2020].

Hawke's Bay is not highly exposed to international tourism or international education. However, the reduction in tourism spending and spending by international students will still be a blow to the local economy. [Infometrics, 2020].

### 8.2.2 Trends that will influence the economic outlook and opportunities for Hawke's Bay

Table 13 below captures a range of trends (adapted from recent McKinsey work) that are likely to influence the economic outlook and opportunities presenting for Hawke's Bay. The trends have either been accelerated by the COVID-19 pandemic (i.e. they were existing trends) or they have been re-shaped by the pandemic in important ways.

The key take-outs from the table include:

- Ongoing uncertainty and the need to build greater resilience into business models and planning will weigh on confidence to invest, employ and ultimately grow. This is likely to have a long-tail effect on the regional, national and global economy. Business support and capability programmes will continue to be an important component of assistance given this backdrop.
- The changing nature of work, consumption and the rise of the contact-free economy will mean that support for digital capability and digitisation will likely be a critical component of the support provided to our businesses/sectors.
- The rise of remote working also offers Hawke's Bay an opportunity to leverage its lifestyle strengths to attract talent from other parts of the country (and in time offshore). Note – a critical connection to the wider role of local government in economic development is the relationship to the housing market and the efforts that will be needed to address the severe housing shortages now presenting in the region. A critical part of the 'attraction package' is the ability to sell greater

<sup>6</sup> This has not been investigated as part of this review.



housing affordability relative to NZ's metropolitan areas. Hawke's Bay's 'lifestyle comparative advantage' will be eroded without measures to address housing availability issues.

- Hawke's Bay (and NZ more generally) will be able to leverage its food and fibre strengths to tap into changing consumer attitudes toward healthy living and key pre-COVID trends relating to consumer demand for quality, convenience, traceability, accountability and food safety. There is also an opportunity to showcase our ability to produce food (that consumers want) with low/positive environmental footprints (through best practice, use of technology and circular economy practices) and how we can use technology to provide traceable production information at, and before, the point of sale.
- NZ's tourism and hospitality sectors will unlikely emerge from this crisis looking the same. The retail sector is also facing major restructuring.
- From an economic development activity perspective both the food and fibre opportunities and the challenges for tourism, hospitality and retail will require working closely with key sectors to embrace the opportunities and change presenting.

The biggest short-term challenge facing the Hawke's Bay economy, however is related to labour supply and skill shortages. This is presenting as an immediate issue for Hawke's Bay's important horticulture industry who face not having access to RSE workers from a range of Pacific Islands because of COVID-related border and quarantine restrictions. There is a clear role for local and central government to partner with the horticulture industry on the options and pathways available which provide short-term certainty for the sector (and the valuable economic activity); create opportunities for NZers who have been displaced from the job market; and support the sector's transition to less labour intensive models.

More generally COVID-19 has created structural issues for countries (like New Zealand) that have relied on labour force growth to generate GDP growth. NZ's GDP growth has been driven heavily by growth in hours worked with a much smaller contribution from labour productivity growth. This migration-fuelled growth in the labour force has created strong incentives for NZ firms to expand through hiring labour rather than investing in capital, technology, and R&D. [Skilling, 2020].

With weaker investment and labour productivity NZ could face a more demanding transition process to a capital and knowledge intensive growth model. This is likely to require substantial private and public sector investment in skills, R&D, and physical capital and should influence the nature of economic development activities and services at a national and regional level. This process also needs to be managed in an inclusive way so that increased investment in technology and knowledge augments rather than replaces labour. This will be complicated by the higher levels of unemployment but this is an opportunity to invest in skills upgrading, capital and technology investment, to move to a higher productivity, higher wage economy [Skilling, 2020].



Table 13: Trends that will influence the economic outlook and opportunities for Hawke's Bay

Major trends (adapted from McKinsey 2020)	Potential impact on Hawke's Bay
<b>Ongoing uncertainty. Resilience is the new black.</b> <ul style="list-style-type: none"> <li>The ability to absorb a shock, and to come out of it better than the competition will be the key to survival and long-term prosperity.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing uncertainty and the need to build greater resilience into business models and planning will weigh on confidence to invest, employ and ultimately grow.</li> <li>This is likely to have a long-tail effect on the regional, national and global economy.</li> <li>Business support and capability programmes will continue to be an important component of assistance.</li> </ul>
<b>Distance is back. Moving from globalization to regionalization.</b> <ul style="list-style-type: none"> <li>More border restrictions;</li> <li>A greater preference for local over global products and services;</li> <li>The need for resilience across supply chains driving a move to bring sourcing closer to end markets; and</li> <li>Perhaps renewed resistance to globalization.</li> <li>Technology continues to shrink physical distance, but in other ways, it could be set for a return</li> <li>The pandemic has exposed the world's risky dependence on vulnerable nodes in global supply chains. There could be a large restructuring as production and sourcing move closer to end users and companies localise or regionalise their supply chains.</li> </ul>	<ul style="list-style-type: none"> <li>As a relatively export-focussed economy Hawke's Bay will be impacted by any change in global demand for the products we produce and any restructuring of global supply chains.</li> <li>Our proximity to, and reasonably strong relationships with, Asian countries should benefit NZ. We are seen as a trusted and reliable trading partner.</li> <li>The work MFAT, MPI, NZTE and Customs does to ensure we continue to have strong and relatively frictionless platforms to trade will be crucial as we navigate the opportunities and risks presenting.</li> <li>Activities like sister-city work and the hosting of trade/diplomatic delegations (when travel restrictions ease) could be useful in supporting the relationships our key exporting companies have built and will need to continue to curate.</li> </ul>
<b>The future of work and consumption and the rise of the contact-free economy</b> <ul style="list-style-type: none"> <li>The crisis has propelled new technology across all aspects of life, from e-commerce to remote-working and e-learning tools.</li> <li>New working and shopping practices will probably become a permanent fixture of the next normal.</li> <li>In three areas in particular—digital commerce, telemedicine, and automation—the COVID-19 pandemic could prove to be a decisive turning point.</li> </ul>	<ul style="list-style-type: none"> <li>Digitisation was a strong existing pre-COVID trend. COVID has considerably accelerated this trend.</li> <li>There are considerable opportunities and some short-term risks for the Hawke's Bay economy.</li> <li>Digitisation can add new and greater value to products/businesses. These are "weightless" in the sense they can easily be exported across borders without traditional supply-chain related costs. Digitisation can also build important resilience.</li> <li>But a growing move to an online-first world is having an impact on traditional retail businesses. Locally we will likely lose jobs at OfficeMax, The Warehouse, Bunnings and in bank branches as these organisations bring forward restructuring plans.</li> <li>Support for digital capability and digitisation should be a critical component of the support provided to our businesses/sectors.</li> </ul>
<b>Changing industry structures, consumer behaviour, market positions, and sector attractiveness</b> <ul style="list-style-type: none"> <li>Key questions remain around whether industries will rebound from the economic shock posed by the virus, or sustain lasting damage.</li> </ul>	<ul style="list-style-type: none"> <li>NZ's tourism and hospitality sectors will unlikely emerge from this crisis looking the same.</li> <li>The retail sector is facing major restructuring.</li> <li>We will be able to leverage our regional food and fibre strengths to tap into changing consumer attitudes toward healthy living and key pre-COVID</li> </ul>



<ul style="list-style-type: none"> <li>• There could be lasting changes to consumer attitudes toward physical distance, health, and privacy. For example, increased health awareness and a corresponding desire to live more healthily could bring lasting change to where, how, and what people eat.</li> <li>• Some consumers and governments may change their attitudes toward the sharing and use of personal data if it can be demonstrated that the use of such data during the crisis helped safeguard lives.</li> </ul>	<p>trends relating to consumer demand for quality, convenience, traceability, accountability and food safety.</p> <ul style="list-style-type: none"> <li>• There is also an opportunity to showcase our ability to produce food (consumers want) with low/positive environmental footprints (through best practice, use of technology and circular economy practices) and how we can use technology to provide traceable production information at, and before, the point of sale.</li> <li>• From an economic development activity perspective this will require working closely with our key sectors to embrace the opportunities and change presenting.</li> </ul>
---	---

## 8.2 Rationale for local government activities in economic development and economic wellbeing

As discussed in the introduction of this review local authorities have a critical role to play in supporting the economic development and economic wellbeing of their area. They have a range of levers at their disposal which can support, or indeed inhibit, economic development that is consistent with broader wellbeing objectives.

In New Zealand, local government's activities are centred on regulating land use, choosing and funding a set of local amenities, and investing in essential infrastructure for transport and the three waters (drinking water, wastewater and stormwater), with the overall objective of enhancing community wellbeing (NZ Productivity Commission, 2019).

Regional councils are responsible for the physical environment and cross-boundary functions that require an integrated approach, which include regional land transport, flood protection, biosecurity, civil defence and some resource management. The functions of territorial authorities (city and district councils) are broader, encompassing physical infrastructure such as roads, water supply, wastewater and stormwater, recreation and cultural activities, land-use planning, building standards and some public health and safety functions (NZ Productivity Commission, 2019).

But local authorities also play an important role in the provision and funding (either directly or via delivery agents) of support for local people and businesses through – regeneration; business support and employment programmes; working with, and providing a link to, nationally-led programmes; investor and people attraction programmes; and providing a range of high quality services that directly support residents' wellbeing outcomes and business investment confidence. Local authorities also can also use their community leadership role and planning powers to set out a clear framework for local development. This helps to provide certainty for business and investment, overcome coordination failures, and manage externalities and competing interests.

Table 22 in Annex B provides an overview of the economic development activities and services that are in-scope of this review and the underlying rationale for local government intervention (through the provision of activities or services).



Analysis of the work programmes and activities/services being provided by the Councils, BHB and HBTL suggests that these are based on clear rationales, with Councils for the most part focused on facilitation, promotion, information provision and addressing collective action issues. The work of BHB and HBTL is appropriately focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); sectoral connection and coordination issues; and specific business capability and support programmes (where they can leverage their knowledge of business/industry needs to develop and provide targeted programmes of support i.e. there is a clearer rationale for EDAs/RTOs to provide this activity than directly by Council).

### 8.3 Central government expectations

Central Government now plays an important role in regional economic development. This began under the previous National administration with its 'Regional Growth Programme' (which led to the development of "regionally-led, regionally-owned economic Action Plans", and has been taken forward a considerable notch with the dedicated \$3bn Provincial Growth Fund (PGF) under the current Labour-led coalition.

The PGF (and its delivery agency the Provincial Development Unit (PDU), housed in the Ministry of Business, Innovation & Employment (MBIE)), has been supported by MPI and its main fund (the Sustainable Food & Fibres Futures Fund (SFFF)), and the work of Te Puni Kōkiri (TPK), and the Ministry of Social Development (MSD). New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation play a key role in funding the RBP programme and, in the case of NZTE, providing additional support for firms operating in offshore markets. MBIE is the lead agency for tourism policy and responsible for the annual \$25m Tourism Infrastructure Fund (TIF) and the International Visitor Conservation and Tourism Levy.

In thinking about the rationale and fit of economic development activities and services being delivered in Hawke's Bay it is important to consider the role and expectations of Central Government and its key delivery agencies.

The following points can be made:

- Central Government wants regions to be "joined-up" and be clear on regional priorities e.g. things to fix, get behind, invest in (taking into account the appropriate role for government). Regions who have had clear priorities and have backed these with analysis, focus and regional advocacy have received a greater proportion of PGF funding (e.g. Manawatu). It's not clear that Matariki has played the full role it could have had for Hawke's Bay in regard to PGF funding;
- Central Government would ideally like regional plans to fit with national sector/industry strategies where they exist and/or are being developed e.g. Industry Transformation Plans. This requires alignment work on behalf of EDAs/economic development delivery agents;
- Central Government talks about the integrated nature of 'systems' and the need to consider these but, notwithstanding the first two points, still largely works in silos and at a programme/project level. PGF has arguably made this worse at times. Effective regional collaboration is required to overcome Central Government 'silo-isation';



- Despite sitting on a lot of data and insight central government has a surprisingly limited collective, detailed and nuanced view on what is happening in most regions, and where this exists it is not being shared effectively across agencies. The new regional skills leadership groups reflect the fact that it has been too hard to do skills forecasting work centrally. This, hopefully, signals a broader shift toward policy and programme development at a regional level i.e. a move away from national policies being implemented at a regional level without the variation needed to account for region-specific characteristics. This will require expertise at the regional level;
- Central government involvement in regional economic development has historically come through the support it has provided key export sectors (which are predominantly situated in the regions). This has involved creating market conditions through legislation and regulations, support for R&D, commercialisation and exporting (both trade access support via MFAT and trade and investment facilitation support via NZTE). For a region like Hawke's Bay this involvement and support would have been directed at large sectors like agriculture and horticulture, which would have (historically) limited the role of local government in this space. This has shifted over time as local government has become more active in areas such as the local innovation eco-system (e.g. food innovation in Hawke's Bay and the role the FoodHub could play), and the skills-related issues presenting for local businesses (labour supply and ability to recruit and attract skilled workers).
- Unlike other key export sectors Central Government's more active role in tourism (beyond the core border, immigration and airway-related settings) has been a more recent trend. This had the effect of local government historically playing a stronger role in this sector relative to Central Government. Tourism also directly supports local retail and hospitality and helps to create vibrant city centres and regional amenities that locals enjoy and which in turn encourage people and talent to move to the region. Regions have also built community and visitor infrastructure (e.g. in Hawke's Bay there is Toi Toi, Splash Planet, the National Aquarium, The Faraday Centre etc) that requires ongoing visitor support. This has all lead in a Hawke's Bay context to local authorities playing a much larger role in the tourism-related activities relative to other important sectors of the economy. Hawke's Bay (and the mechanisms it chooses to use/create) will need to adapt as Central Government roles and expectations around regional economic development change over time.



## 9.0 ANALYSIS: EFFECTIVENESS & EFFICIENCY

This section summarises the desktop analysis of effectiveness and efficiency conducted as part of this review. The analysis (which is captured in the detailed tables in Annex 14):

- Examines the work programmes of BHB, HBTL, and each of the 5 Councils organised by the main economic development activity/service headings that are used for this review;
- Highlights the resources are being used to provide these activities/services;
- Matches relevant performance measures, targets and/or KPIs (where they exist) to the area of activity/service; and
- On the basis of this makes an assessment about impact, effectiveness and efficiency.

### 9.1 Councils - Key findings

- Council economic development activities/services are being delivered efficiently (on the basis of FTE resources).
- The FTE resources Councils are using to supply economic development activities and services are relatively constrained (see table 4 on page 31). HDC has the largest FTE resource at around 6.1 FTEs (2.1 FTEs in the ED team, 1 Event Manager role, and 3 roles from the Strategic Projects team (note - the analysis has not included any FTEs from marketing and communications for any of the Councils); HBRC has 6 (but this is mostly the RBP team that sit in the Business Hub); NCC has around 4.35 (1 Economic Development Manager role, 1 Event Manager role, and 2 roles that do similar work to HDC's Strategic Projects team. Both CHBDC and WDC have around 1 FTE (both Economic Development Manager roles).
- Council economic development work programmes are spread across the main domains of economic development activities/services where there is rationale for publicly-funded intervention (either through Councils or delivery agents).
- ED Managers/teams are playing a useful connection and funnelling role to the main providers of services and, within time constraints, are often focused on one or two larger projects at any one time e.g. the FoodHub. They are also the key connections to Matariki REDS at a work programme level and the Think HB group which appears to be playing a useful collaboration role in the investment and talent attraction space.
- Performance measures and any related KPIs or targets (where they exist) are, for the most part, being met. But performance measures/KPIs are organisation specific and have been set at varying levels of detail. Performance measures are often project based, and overall there appears to be a trend toward less specificity over time (at least in reporting any measures publicly through Annual Plans). This may have helped streamline Annual Plans and internal processes but it risks reducing transparency and accountability for the outcomes, objectives and work programmes that have been set by Councils through public consultation.
- There is also no explicit relationship to Matariki RDS or broader regional objectives in Council ED performance measures/KPIs except through general collaboration performance measures (where they exist).



- More broadly the region does not have a clear ‘impact framework’<sup>7</sup> to articulate the ‘intervention logic’ between activities delivered and the desired outcomes for the region over the short, medium and longer-term. A framework like this could better inform distributed (individual team/org) work programmes that contribute to regional outcomes and provide greater clarity on respective roles and responsibilities (e.g. leadership and/or close collaboration where needed).
- Ideally, Matariki RDS would be playing a clear role in providing the region, and all the parties that contribute to the region’s economic development, with a shared and agreed vision of success, set of outcomes, and prioritised areas of focus (that require collective action) in order to guide individual roles and mobilise resources available. This hierarchy would ideally inform individual work programmes, Service Level Agreements and/or Contracts for Service.

## 9.2 Business Hawke’s Bay (BHB)

### 9.2.1 Key findings

- BHB is meeting the KPIs set out in the Contract for Service (CfS) with the 5 Hawke’s Bay Councils and has delivered outputs efficiently.
- It has an ambitious work programme (current and intended), however, (relative to FTEs/funding available) that goes beyond the CfS areas of focus. Given limited FTEs this will be constraining the ability to delivery priorities as effectively as possible.
- The activities themselves are based on solid ‘problem definitions’ and are aligned with typical EDA activities (particularly the start-up and sector and industry development/collaboration related activities).
- A lot of the (mostly proposed) skills and talent work is strongly related to Hawke’s Bay issues/opportunities (a microcosm of national issues with added emphasis given the region’s socioeconomic characteristics and the labour intensive nature of horticulture), but this is not funded activity beyond the Service Level Agreement with EIT (which is funded by MSD) for the ‘Education to Employment - Vocational Pathways’ work.
- BHB has been relatively active in regard to inward investment attraction and sector, cluster and enterprise development-related work given the resources it has had available. Key achievements have included:
  - Partnering with the ‘Think Hawke’s Bay’ group (which appears to have been useful in building a more effective collaborative mechanism for investment and talent attraction), on two business promotional and attraction initiatives (Datacom and the HQ for the new NZ Institute for Skills and Technology), and work on a Regional Talent Attraction Strategy and Action Plan.

---

<sup>7</sup> A logic or impact model is a representation of the relationships between organisation/program resources, activities and intended outcomes. Typical logic models consist of inputs, activities, outputs, and outcomes.



- Work on a Peak Investment event held in 2019 (with NZTE) which led to over \$1m in investment into businesses that BHB helped to get 'pitch ready'.
- Running of the "Co.starters" programme which continues to be popular, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation.
- Leading on two key sectoral projects relating to 'IT/Digital/High-value Manufacturing' and the 'Land to Brand Sector Support Programme', which appear to have been most useful in the way they have connected local businesses to each other (which are leading to collaborations) and have connected local businesses to business support and/or potential partners (e.g. (research institutes, food technologists and consultants, university internship programmes etc).
- Matariki Programme Management activity has been challenging for both BHB and stakeholders given the large degree of 'distributed ownership' of priority actions, a lack of funding for implementation of some areas of Matariki, and key personnel changes. The wide-spread concern that Matariki is not delivering on its promise (see survey results in Annex D), and differing views on how the programme should be governed and managed has also contributed a difficult operating environment.
- Business Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use. The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services this is important. The Business Hub, however, runs at an overall loss and additional funding is required to support repairs and maintenance and CAPEX.

#### 9.2.2 Contract for Service (CfS)

The 5 Hawke's Bay Councils have a "Contract for Service" with BHB to enable BHB "to deliver activities and services to achieve agreed results which will contribute to regional economic development outcomes".

The Contract for Service notes that Councils recognise that where appropriate the Councils will work in partnership with others as a contributor to meeting the needs of the community, in respect of local infrastructure, local public services, and the performance of regulatory functions. The Contract for Service recognises that BHB is a business-led economic development agency which can provide services to enable the Councils' economic development focus and delivery of economic development outcomes. It also recognises that both the Hawke's Bay Councils and BHB are committed and active collaborators in the Matariki Hawke's Bay Regional Development Strategy and associated action plan for economic and social growth.

The contract term for the current Contract for Service is 36 months from 1 July 2018 to 30 June 2021. This provides funding of \$320,000 per annum subject to BHB meeting reporting requirements and key performance indicators (KPIs). The Contract for Service also requires quarterly reporting containing "a fact based and measurable summary of":



1. BHB consolidated Profit & Loss in the last period;
2. Progress against Key Performance Indicators; and
3. Successes and any issues that have been identified within the period.

The Key Result Areas specified in the Contract for Service are:

1. Programme Management of Matariki HBRDS Programme and Action Plan for social and economic growth
2. Greater Business Diversity and Sector Development
3. Attraction of Investment, People& Skills, and Business
4. Partner in the 'Great Things Grow Here' (GTGH) Economic Development Brand Platform
5. Project Reporting
6. Project Accounts

Table 14 below captures the “service specifications” (key result areas, initiatives, targets and annual KPIs) that are built into the Contract for Service.

**Table 14: HB Councils/BHB Contract for Service: Schedule One – Service Specifications**

KEY RESULT AREA	INITIATIVE	TARGET	ANNUAL KPIs
<b>1. Programme Management of Matariki HBRDS Programme</b>	<ul style="list-style-type: none"> <li>BHB will provide a team-based programme management service to Matariki HBRDS</li> </ul>	<ul style="list-style-type: none"> <li>Matariki HBRDS Programme Management services are delivered</li> </ul>	<ul style="list-style-type: none"> <li>Deliver effective Programme Management services through a dedicated Programme Manager and BUB team approach</li> <li>Provide meeting and administration services to the Matariki Executive Steering Group and Governance Group</li> <li>Lead an annual refresh of the Matariki HBRDS action plan</li> <li>The CAMMS project management system is updated by agencies and performance reporting is circulated for monitoring and action</li> <li>Matariki HBRDS Communications plan is delivered.</li> </ul>
<b>2. Greater Business Diversity and Sector Development</b>	<ul style="list-style-type: none"> <li>BHB will promote greater business diversity through activities related to sector development particularly in Agribusiness, Food &amp; Beverage, and Technology</li> <li>BNB will support start-up businesses across the region</li> </ul>	<ul style="list-style-type: none"> <li>Establish accessible business growth services to Agribusiness, Technology, and Food &amp; Beverage businesses in Hawke's Bay</li> </ul>	<ul style="list-style-type: none"> <li>Deliver five regional business events and workshops that support sector development</li> <li>Regional participation in three national business events</li> <li>Provide at least one case study that demonstrates business development supported by BHB in each identified sector</li> <li>Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business</li> </ul>
<b>3. Attraction of Investment, People&amp;</b>	<ul style="list-style-type: none"> <li>BHB will co-ordinate and actively participate in</li> </ul>	<ul style="list-style-type: none"> <li>Leverage the regional strategy for business</li> </ul>	<ul style="list-style-type: none"> <li>Co-ordinate the 'Think Hawke's Bay' group collective planning and meetings</li> </ul>



<b>Skills, and Business</b>	‘Think Hawke’s Bay’ strategy and activity; working collaboratively with the Councils of Hawke’s Bay, Hawke’s Bay Airport and Napier Port in attracting investment, capability, and new business.	promotion and attraction initiatives	<ul style="list-style-type: none"> <li>Partner in the ‘Think Hawke’s Bay’ collective on three or more business promotional and attraction initiatives</li> <li>Provide case study examples of where combined service delivery has enabled economic development in the region</li> </ul>
<b>4. Partner in the ‘Great Things Grow Here’ (GTGH) Economic Development Brand Platform</b>	<ul style="list-style-type: none"> <li>BHB will actively promote and utilise the GTGH platform in business promotion and attraction initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Leverage GTGH brand platform for economic development</li> </ul>	<ul style="list-style-type: none"> <li>Provide evidence of promotion and utilisation of the brand platform in business promotion and attraction initiatives</li> </ul>
<b>5. Project Reporting</b>	<ul style="list-style-type: none"> <li>Provide evidence based and factual reports at required times against regional targets and key performance indicators with specific examples related to each local authority where specified</li> </ul>	<ul style="list-style-type: none"> <li>Reporting requirements are met</li> </ul>	<ul style="list-style-type: none"> <li>Valid project reports are submitted in the required format and on time</li> </ul>
<b>6. Project Accounts</b>	<ul style="list-style-type: none"> <li>Maintain all records and accounts in accordance with generally accepted accounting practice, as required by law, or as otherwise required by Councils</li> </ul>	<ul style="list-style-type: none"> <li>Accurate and audited accounts are maintained showing correct use of Councils’ funds</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly consolidated profit &amp; loss reports with an apportionment of Councils’ contribution are supplied, along with audited annual accounts when finalised</li> </ul>

### 9.2.3 BHB work programme, resources and performance measurement

Table 27 in Annex C outlines BHB’s current (and partly intended i.e. if funding is confirmed) work programme, the resources being devoted to those activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

The work programme is structured around the following areas and activities:

- Employment Skills & Capability;
- Inwards Investment Development;



- Sector, Cluster & Enterprise Development;
- HB Business Hub;
- Partnerships & Engagements;
- BHB Corporate (finance, HR, operations etc).

The following points can be made in relation to BHB's work programme and performance:

- BHB is meeting the KPIs set out in the Contract for Service (CfS) with the 5 Hawke's Bay Councils and has delivered outputs efficiently.
- It has an ambitious work programme (current and intended), however, (relative to FTEs/funding available) that goes beyond the CfS areas of focus. Given limited FTEs this will be constraining the ability to deliver priorities as effectively as possible.
- The BHB work programme has evolved over time and in response to regional needs and opportunities. BHB conducted an interval review in 2019 which mapped BHB's then offerings to other typical EDA offerings and identified opportunities to expand services in areas where BHB thought it could add value for the region. Based on this the BHB Board decided to use some of its reserves to fund the creation of new programmes particularly those relating to sector and enterprise development (where EDAs play a key role across the country i.e. there is a clear rationale for this activity).
- The work relating to employment, skills and capability has in part been accompanied by funding via a contract EIT holds with MSD (BHB has a Service Level Agreement with EIT to undertake the employer connection elements of the programme), but other skill-related activities (including those captured in the Matariki Action Plan) have not been associated with additional ongoing funding support.
- In terms of BHB's **Inwards Investment Development** work:
  - BHB has coordinated the Think Hawke's Bay group collective planning and meetings. This group has been useful in building a more effective collaborative mechanism and meets approximately 6 times per year and appears to be working well.
  - BHB has partnered in the 'Think Hawke's Bay' collective on two business promotional and attraction initiatives (Datacom and the HQ for the new NZ Institute for Skills and Technology).
  - BHB has worked closely with Think HB on a Regional Talent Attraction Strategy and Action Plan (that BHB funded in 2019). This has not yet been fully implemented as funding has not been available for a campaign to attract people (the recommended next step), and the context and focus of the Think HB work changed with COVID-19.
  - BHB has worked closely with investor groups, NZTE Investment, and private equity. A Peak Investment event held in 2019 (with NZTE) led to over \$1m in investment into businesses that BHB helped to get 'pitch ready'.
- In terms of BHB's **Sector, Cluster & Enterprise Development** work:



- BHB leads Matariki Pou4 (Economic Growth). This involves facilitating Pou4 working group meetings, collaborating on activities, and assistance with prioritisation and COVID response/recovery activity. The Matariki Pou 4 Action Plan is not currently being tracked and monitored in a consistent way.
- This area of work also includes running the “Co.starters” programme and promoting regional innovation and start-ups through the NZ Entrepreneur Founder series (which follows 10 Hawke’s Bay start-ups to showcase regional opportunity and collaboration). A longitudinal study following Co.starters graduates through their first year was to have been completed during COVID lockdown but this has been delayed due to competing COVID priorities.
- The Co.Starters programme continues to be popular, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation. Of the businesses that have been through the Co.Starters programme only 2-3 are not trading (1 because of COVID and 1 decided they didn’t have a strong business model (which is not necessarily a failure as this knowledge can be used for other projects or other jobs).
- The two key sectoral projects that BHB is leading relate to ‘IT/Digital/High-value Manufacturing’ and the ‘Land to Brand Sector Support Programme’. Both areas are relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (which supports work to encourage “greater business diversity and sector development”).
- In terms of the IT/Digital/High-value Manufacturing’ work, BHB has supported the establishment of an Industry Advisory Group which now has around 160 members and connections between technology and horticulture companies (3 mini clusters of firms focused on horticulture technology are now working on joint projects).
- In terms of the ‘Land to Brand’ work, BHB has connected more than 85 businesses and people to business support and/or potential partners (research institutes, food technologists and consultants, university internship programmes, COVID lockdown supply chain and labour support etc) over the past two years. Around 170 people attended the BHB organised Future Foods Workshop and over 470 local, national and international people have attended a range of BHB-facilitated capability development workshops across the region.
- In terms of BHB’s **Matariki** Programme Management responsibilities:
- Matariki Programme support has primarily been funded via a PGF grant of \$200k over 2 years. This funding finishes in December 2020. HB Councils have topped up this funding through the Contract for Service with BHB (a reason why the CfS is lighter on other deliverables).
- The Matariki Programme Management role has been challenging given the large degree of ‘distributed ownership’ of priority actions and a lack of funding for implementation of some areas of Matariki. The wide-spread concern that Matariki is not delivering on its promise (see survey results in Annex D), and differing views on how the programme should be governed and managed has also contributed a difficult operating environment.



- The **Business Hub** was established in 2015 and provides a neutral space for regional collaborative initiatives. Aside from BHB, members include HB Chamber of Commerce, Business Central, Export NZ, Chartered Accountants ANZ, The Icehouse, NZTE, Regional Business Partners, NZ Food Innovation Network, and the HB Councils.
- Hub services are focussed on - provision of information to help businesses make decisions on which regional services they may need to help them grow; connections to business support services across Hawke's Bay; access to networks within The Hub and beyond; information on business events, training and professional development at The Hub and across the region.
- In terms of support and performance, Hub usage and business connection metrics continue to show growth (even including the COVID-lockdown period). The Hub is clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use.
- The Hub also plays a critical role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. In an environment where there is a perception of fragmented services (see survey results in Annex D) this is important. Co-location of support services/agencies – provides an opportunity to present a united voice for business regardless of the underlying structures and mechanisms used to provide support services; offers a clear front door for local businesses and external investors and talent to be directed to the right area of support; and aids collaboration by reducing the costs of interaction and increasing the opportunity for important 'water-cooler' conversations. If the Business Hub structure did not exist in Hawke's Bay it would be a key recommendation of this Review to consider supporting something of this nature.
- The Business Hub runs at an overall loss. There are 3 key elements – operating costs; 'activation' costs; and CAPEX. Operating costs are being met but 'activation' related expenses and future CAPEX are not being fully-funded. Membership of the Hub covers the day-to-day running costs (revenue from 'licences to occupy' cover the fixed costs of the building e.g. lease, rates etc, and a separate "OPEX charge" covers operating costs e.g. security, lighting, tea/coffee etc). Revenue from meeting room hire is an additional revenue stream and is used to part-fund 'activation' activities (e.g. connecting business and the community to the Hub in different ways; digital/comms work etc). Repairs and maintenance and CAPEX is not fully-funded. This is not sustainable and additional funding to support CAPEX requirements (especially as IT and soft-furnishings come to the end of their life) should be considered.
- As part of a medium-term CAPEX plan consideration should also be given to the future space requirements of Hub Members. It is likely that regional business support programmes will be larger in a COVID-recovery environment and this is likely to put pressure on existing space.



### 9.3 Hawke's Bay Tourism Ltd (HBTL)

#### 9.3.1 Key findings

- HBTL is meeting the KPIs set out in the funding agreement with HBRC and appears to be delivering outputs efficiently.
- HBTL's members appear to be satisfied with HBTL's contribution toward the growth of the industry and in representing the region at a national and international level. The area where members think there is an opportunity to do more is in "coordinating business opportunities for its members". This includes education, business events and workshops focussed on the specific issues of SME tourism businesses.
- Responses to questions to the survey undertaken as part of this review indicate that HBTL is generally held in high regard in terms of relevance, quality, and timeliness of activities/services.
- Central Government considers HBTL an effective Regional Tourism Organisation (RTO).
- There are operators in the Hawke's Bay Māori tourism sector that feel HBTL does not represent their interests in the most effective way (there is a (current) role vs expectation mismatch). The HBTL Board and management are aware of these issues are keen to work more closely with the broader Māori tourism sector to address these issues and needs.

#### 9.3.2 HBTL work programme, resources and performance measurement

Table 28 in Annex C outlines HBTL's current work programme, the resources being devoted to those activities, any KPIs and/or measurement that is being applied to the areas/activities and performance related to existing measurement.

The work programme is structured around the following areas and activities (see Table 28 for more detail):

- Marketing – 34% of FTEs
- PR and Comms – 9.4% of FTEs
- Travel trade sales – 12.3% of FTEs
- Events co-ordination – 12.3% of FTEs
- Food and wine project – 9.2% of FTEs

The funding agreement with Hawke's Bay Regional Council (HBRC) sets out a range of Key Performance Indicators (KPIs). These are:

- Visitor spend, benchmarked against national performance. Data provided by MBIE's Monthly Regional Tourism Estimates.
- Increase industry contribution (to funding).
- Develop membership engagement on climate change (mitigation and adaptation) and environmental sustainability.
- Increase in members signing up to Tourism Industry Aotearoa's "Tourism Sustainability Commitment".



- Industry advocacy. Support existing tourism operators to develop new products, and expand into new markets
- Tourism operators value Hawke's Bay Tourism's leadership and contribution to growth of industry.
- Lead the development of a regional visitor strategy for Hawke's Bay

The following points can be in regard to performance:

- Pre-COVID all of the KPIs set out in the funding agreement with HBRC were being met.
- The key visitor spend measure (provided by MBIE's Monthly Regional Tourism Estimates) was tracking well at over 3% growth (the target was 2% growth). The target of increasing the industry funding contribution to \$250,000 was exceeded by nearly 5% (industry funding contribution reached \$261,732 in the financial year ending May 2020), and a range of activities had either been successfully completed or were on track.
- HBTL conducts regular surveys of its members to gauge perceived value (through a "Net Promoter Score" (NPS)) in HBTL's work. HBTL's most recent NPS was 25.4 (any NPS above 0 is "good", anything above 20 is considered "favourable").
- A survey of HBTIA members in early 2020 suggested that members were most happy with HBTL's contribution toward growth of the industry and in representing the region at a national and international level. The area where members thought there was an opportunity to do more was in "coordinating business opportunities for its members". This included education, business events and workshops focussed on the specific issues of SME tourism businesses.
- Responses to questions to the survey undertaken as part of this review indicate that HBTL is generally held in high regard in terms of relevance, quality, and timeliness of activities/services.
- There are operators in the Māori tourism sector that feel HBTL does not represent their interests in the most effective way (there is a (current) role vs expectation mismatch). The HBTL Board and management are aware of these issues are keen to work more closely with the broader Māori tourism sector to address these issues and needs.
- HBTL has also recently conducted 3 COVID-19 related membership surveys. These were designed to gain understanding of the effects and changes occurring due to the COVID-19 situation. This information and insight was used to respond in the best possible way for members e.g. the need for an early to market visitor demand generation campaign (the successful "Baycation" campaign), and in informing weekly regional COVID response coordination meetings.
- HBTL appears to be delivering outputs efficiently. Approximately 31% of HBTL's (normal) funding of around \$2.2.m is directed to staff costs; 11% is directed to operational support (including governance i.e. Directors' fees); and around 58% is available for investing in marketing and promotional activities.
- When additional one-off funding from Central Government is included the proportion of spend directed to marketing and promotional activities increases to around 64%. This indicates that the additional one-off funding has not affected the cost of operations to a great extent and allows for



an increased market presence built on a strong platform of relationships and marketing and promotional channels.

- A good example of the strong promotional relationships and expertise HBTL has developed is how it recently leveraged \$500 into a promotional campaign that would have cost around \$246,000.
- HBTL pitched a reader giveaway for a Hawke's Baycation to Stuff's Travel Editor and subsequently worked with them to create a package that would have both national appeal and enough value to warrant inclusion in Sunday Star Times. They also worked with Hawke's Bay operators to build a giveaway that was valued at \$1,910 (including 2 night's accommodation, \$500 towards travel costs, drinks/meal vouchers for 2 wineries to the value of \$450, a vintage car tour etc). All elements were supplied as contra by those members involved, except for the \$500 towards travel costs, which was supplied by Hawke's Bay Tourism.
- Stuff used the giveaway to incentivise readers to take part in a travel survey they were conducting. The survey itself was promoted widely across Stuff's suite of national, metro and community newspapers, as well as online. Display advertisements in print and online featured Hawke's Bay imagery and logos, and were supported with media placements to the value of \$113,502.
- The launch of the survey was supported with editorial content across Sunday Star Times, Escape Magazine and stuff.co.nz to the value of \$132,632. This included – the cover of Sunday Star Times; the cover of Escape Magazine; an Escape Magazine Editorial on Hawke's Baycation x Survey promotion (also online); and an Escape Magazine DPS travel feature on Hawke's Bay (also online).
- The survey received more than 13K responses and Hawke's Bay Tourism received a database of more than 4,000 people who had selected to hear more from Hawke's Bay Tourism



## 9.4 Regional Business Partner (RBP) Programme

### 9.4.1 Key findings

- The Hawke's Bay RBP programme is easily meeting its contractual KPIs.
- Central Government consider the programme and team to be high performing and have confidence in delivery. Hawke's Bay is seen as one of the more "hands-off" regions.
- The co-location of this programme/team in the Business Hub is important as the advice/services available through this programme are critical tools in the wider economic development support 'toolkit'. Central Government agencies see the synergies of this playing out in different ways across the country e.g. the insight derived from being at the coal face and working one-on-one with businesses can be used to design other offerings for business (that isn't available via RBP), and guide other work.
- NZTE/Callaghan note that having the right people and set of skills is critical. They think that HB RBP has had a good focus on this and the team is currently playing to its strengths and weaving in all aspects of support as needed e.g. business mentors etc. KPIs suggest that the team is able to support a greater number of businesses than average and wait times are lower than many other regions.
- While the programme is delivering effectively and efficiently there is a perception it is a bit of a silo even though it is co-located at the Hub. HB RBP acknowledges that they stay closely focussed on contract KPIs/deliverables on purpose (to, appropriately, reduce the risk of resources being diverted to non-core activities). This may be limiting the value of the insight generated from working closely with Hawke's Bay businesses in designing other offerings for business (that isn't available via RBP), and guide longer-term work and engagement with local and central government.

### 9.4.2 Background on the Regional Business Partner (RBP) Programme

The Regional Business Partners (RBP) programme was established in 2010 and is a key Government service to deliver a regional one-stop shop that supports New Zealand businesses to grow and innovate. It is a network of 14 regionally based entities – delivery agents or regional partners – contracted to New Zealand Trade and Enterprise (NZTE) and Callaghan Innovation to provide support to firms to undertake management capability improvement and research and development (R&D). The regional facilitation of Business Mentors NZ is included in this offering. The programme supports small and medium size enterprises (any business with fewer than 100 FTEs).

In Hawke's Bay the RBP contract has been held by HBRC since 2016. The five-year contract ends on 30 June 2022. The value of the contract is \$274,114 + GST per annum which funds the staff and overheads. The funded staff are two part-time Business Growth Advisors (0.8FTE and 0.6FTE) with a subcontract relationship to the Hawke's Bay Chamber of Commerce which funds one part-time Business Growth Advisor (0.6FTE) at a cost of \$83,000 per annum.



The contract has an additional Capability Voucher funding pool of \$250,000 per annum which the Business Growth Advisors issue to businesses to develop their business skills to enable business growth. Vouchers are provided at a 50% co-funding rate with a maximum value per business of \$5,000. Pre-COVID the average regional voucher value was around \$1600 per business.

Additional funding has been made available to the RBP Programme as part of the Government's COVID response and recovery priorities. This has involved additional funding for:

- **Capability Vouchers:** Hawke's Bay regional COVID voucher funding pool was initially established at \$493k in March 2020 and this has been repeatedly topped up due to demand from regional businesses. By mid-November 2020 it is expected that just over \$2m of vouchers will have been issued to regional businesses.
- **A Tourism Transition Fund:** An additional \$135,755 has been provided to HB RBP as part of the Tourism Transition Fund. This allows tourism businesses to access an additional \$5k for a range of expert advice, including business hibernation. This means that tourism businesses can access \$10k in business advice (\$5k COVID funding voucher, \$5k Tourism Transition).
- **Staffing:** HB RBP has also received an extra \$105,600 to employ 3 additional FTEs (for 13 weeks).

The Ministry of Business Innovation and Employment (MBIE) is currently undertaking a national review of the RBP Programme. This review will now undoubtedly be shaped by the ongoing needs of regional business in the context of the recovery from COVID. Recommendations of this review are expected to be incorporated into the new RFP for the next 5 year contract which will be released in December 2020. The RFP is open to any type of organisation (including not-for-profit or economic development agencies and private sector entities), with respondents required to demonstrate local knowledge and expertise in business and innovation processes. Both BHB and the Chamber have indicated an interest in holding the contract in the past.

#### 9.4.3 RBP work programme, resources and performance measurement

The overall objective of the programme is to work with Hawke's Bay businesses to improve management capability by linking into support mechanisms such as training or business mentoring and to increase business research and development activity and linking into the grants and services available through Callaghan Innovation.

Key resources and support include:

- **RBP Growth Advisors:** Growth advisors take a 'birds-eye' look at your whole business, then help you connect with the resources and experts so you can find the right support to recover, build capability and grow.
- **Management Capability Development Fund:** Offers businesses up to 50% co-funded support for management coaching and training services to build management capability within the business.
- **Access to R&D funding and support via Callaghan Innovation**
- **COVID-19 Business Advisory Funding:** Will provide support in areas such as HR, health and wellbeing, business continuity, cashflow and finance management, strategy and digital capability.



- **Tourism Transitions Fund:** Supports tourism businesses with advice and support such as HR, health and wellbeing, business continuity and hibernation, cashflow and finance management, strategy and digital capability.

In addition RBP advisors can link businesses to other support available for businesses including:

- Business Mentoring Support via Business Mentors New Zealand; an independent national business mentoring service provider to the small business sector in New Zealand. The service matches experienced businesspeople, the Mentors, with small business owners.
- Curated information via Kiwi Business Boost; answer a few quick questions about your business, what you're focussed on and how you are feeling, and receive free advice, tools, tips, events and articles specifically tailored to your needs..
- Free webinars targeted at key issues facing businesses, including finance and cashflow management, business continuity planning, guides to setting up e-commerce and much more.
- COVID-19 information for businesses, including the latest news and updates on cash flow loans and support, and wage subsidy and leave support.
- Export-specific information from NZTE, including international market updates, Government packages and support, and useful tools and resources.

Table 15 below captures the KPIs for the RBP Programme that have been set by NZTE and Callaghan Innovation. HB RBP is very clearly meeting its KPIs and it is considered a high-performing programme from a Central Government perspective. In 2018/19 the Hawke's Bay RBP achieved 124% of KPIs and was a finalist in the national awards for performance.

In addition the following points can be made:

- Since 16 March 2020 HB RBP has engaged with 940 Hawke's Bay businesses through the COVID-19 Business Advisory Fund response mechanism. 732 Capability Vouchers worth \$1,553,152.25 have been issued to HB businesses (with an average voucher value of \$2121.79). Pre-COVID HB RBP worked with around 200 businesses per annum.

Area of advice provided	Number of Vouchers	Value Issued
Business Planning	218	\$506,552.25
Cashflow Management	221	\$449,403
Digital Enablement/Marketing	170	\$364,479
Employment Relations/People Mgt	113	\$215,283
Health & Wellbeing	10	\$17,435
<b>TOTAL</b>	<b>732</b>	<b>\$1,553,152.25</b>

- The top sectors HB RBP have been working with are - Other services; Accommodation & Food; Construction; Retail; Agriculture, Forestry & Fishing; and Manufacturing.



- In terms of regional spread around 47% of voucher recipients have been Napier-based businesses; 46% Hastings-based, and the rest between Wairoa and CHB.
- The total COVID Business Advisory funding pool for HB is \$2,056,128.00. The length of time between initial discussions with the businesses and issuing of vouchers is increasing, at times it can be 6 weeks, mostly due to business owners being busy and taking time to weigh up their options of the areas that they want to utilise their vouchers and which providers they want to use. With so many businesses registering for support some RBPs have had waitlists of up to 6 weeks. HB RBP has, at time of writing, been able to limit the waiting time to 3 weeks.
- HB RBP has so far issued \$56,690 of the original \$135,755 Tourism Transition Fund.
- HB RBP 'Net Promoter Score' (NPS) was a very favourable 83 in the last quarter (the highest it has achieved is 90).
- The number of businesses HB RBP engages with in relation to Callaghan Innovation initiatives and funding programmes well exceeds the average 50 companies per 1.0 FTE (HB RBP sits at around 145 on 0.8FTE).

**Table 15: RBP – Priority areas, resources, measurement and performance**

KPI Name	KPI	Actual Result (YTD – to June 2020)	Commentary												
RBP Activity (unique engaged businesses)	200	623	<ul style="list-style-type: none"><li>• 312% achieved.</li></ul>												
RBP Discovery Sessions	160	<ul style="list-style-type: none"><li>• 134 (BAU)</li><li>• 940 – COVID-19 engagements</li></ul>	<ul style="list-style-type: none"><li>• 488% achieved (including COVID engagements).</li></ul>												
Mentor Matches	79	51	<ul style="list-style-type: none"><li>• 65% achieved.</li></ul>												
RBP Net Promoter Score	50+	81	<ul style="list-style-type: none"><li>• Achieved.</li></ul>												
Callaghan Innovation levels of engagement	<table><tr><td>High</td><td>≥10%</td></tr><tr><td>Medium</td><td>≥35%</td></tr><tr><td>No service</td><td>≤30%</td></tr></table>	High	≥10%	Medium	≥35%	No service	≤30%	<table><tr><td>High</td><td>13%</td></tr><tr><td>Medium</td><td>41%</td></tr><tr><td>No service</td><td>8%</td></tr></table>	High	13%	Medium	41%	No service	8%	<ul style="list-style-type: none"><li>• Targets set for % total managed customers are being achieved across all levels</li><li>• Portfolio for Hawke’s Bay Innovation Specialist of Managed Companies is 145 on 0.8FTE (normal portfolio provision per 1.0 FTE is 40-60 companies)</li></ul>
High	≥10%														
Medium	≥35%														
No service	≤30%														
High	13%														
Medium	41%														
No service	8%														
Referrals	None	<ul style="list-style-type: none"><li>• To Callaghan Innovation - 18</li><li>• To NZTE – 5</li><li>• To BMNZ – 7</li><li>• To other - 34</li></ul>	<p>“Other” referrals:</p> <ul style="list-style-type: none"><li>• 21 referrals for opportunities to Business HB/ HUB Connect</li><li>• 4 referrals of Wairoa clients (non RBP) to BHB as part of ‘spoke and wheel’ initiative</li><li>• 3 referrals for NZFIN</li><li>• 6 referrals to Business Connections (Non service providers).</li></ul>												



## 9.5 Great Things Grow Here

### 9.5.1 Key findings

- There is value in Hawke's Bay having a collective brand and platform that it presents, in particular, to external talent and investors. This is especially important because there is a perception among business that the region, and the support it provides business, is fragmented. If other regions initially present themselves as easier to do business with then Hawke's Bay potentially misses opportunities for early engagement and follow through.
- Ideally Hawke's Bay would have one clear and identifiable 'umbrella' brand that different activities could connect to. GTGH could play this role but there is still some (largely HB business as this has not been tested more widely), confusion about what GTGH is, and what it isn't, and a general lack of understanding of what it's trying to achieve. This led the HB Chamber to recently create the "Be in the Bay" website so that their members had a specific platform to connect to other businesses in the region. There are views that 'Be in the Bay' has, however, muddled the 'brand water', and added to a perception of everyone doing their own thing.
- Whatever platform is chosen to promote the region it has to be backed with broad agreement, commitment and focus. Strong brands need to be developed and maintained. There seems to be general acknowledgment that there is a need for a Search Engine Optimisation (SEO) strategy and an effective marketing strategy and implementation plan if GTGH is going to play a regional platform role.
- Other regional platforms are generally "location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns/runs [www.hawkesbaynz.com](http://www.hawkesbaynz.com). There are technical (SEO) reasons why you want to be careful with changing the focus of landing pages but consideration should be given to allowing connection to different services from [www.hawkesbaynz.com](http://www.hawkesbaynz.com).
- In terms of performance measurement this is focussed on Google analytics including: visits to website and time on the site; social media followers across channels; impressions; google ads. There have been some positive trends but overall these metrics highlight the need for a broader marketing strategy and implementation plan if GTGH is going to meet its objectives.
- The GTGH brand is being used by Councils and BHB (especially through the 'Think HB' work) and a small number of stakeholder interviews in 2019 found GTGH was "a strong brand". There has not been wider, and robust, testing of this so it is hard to make call on the brand's influence and impact in attracting investor/talent attention, and then action (investment and/or people moving in HB).

### 9.5.2 Background on Great Things Grow Here (GTGH)

Great Things Grow Here (GTGH) is a brand and marketing logo and platform that seeks to highlight and pitch the benefits of living, working, and doing business in Hawke's Bay. It was created in 2016 when an opportunity was identified to support a collective regional brand and voice, especially to talent and investors looking at opportunities in regional New Zealand.

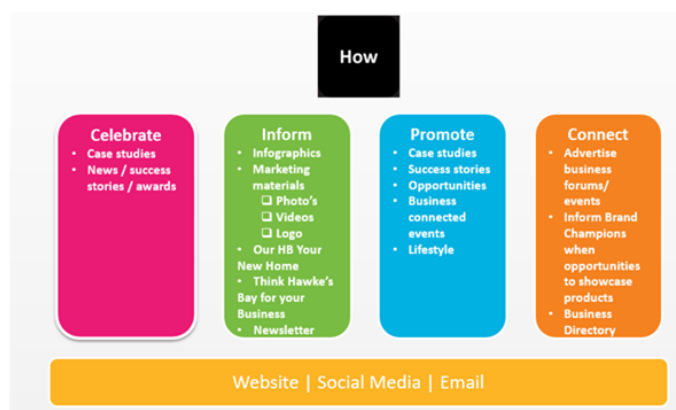


GTGH has two key audiences:

1. External investment and talent: The objective of GTGH is to inform this group of the opportunities in Hawke's Bay; and
2. Local business: The objective of GTGH is to build pride and facilitate connections among this group of stakeholders.

Following a review of GTGH in July 2019 the funding partners agreed a simplified vision "A brand platform that maximises opportunities to promote and showcase the benefits of doing business and living in Hawke's Bay". The funding partners agreed that GTGH would achieve this vision by focussing on 4 key areas – Celebrating; Informing; Promoting; and Connecting. Figure 3 below provides a pictorial representation of the work programme and actions that sit under the 4 areas of focus.

Figure 3: How GTGH will achieve its vision



GTGH is supported through funding and use by the 5 Councils and BHB. A breakdown of GTGH contributions (and overall funding that goes into the platform) is provided in Table 16 below. Napier's contribution is not based on population hence the additional funding from CHBDC, HDC and WDC. The resource currently used to manage GTGH (0.1 of an FTE) is provided by the HDC economic development team and is not included in the table.

Table 16: GTGH Funding Split

	Funding Allocation 2020/2021
BHB	\$2,750.00
CHBDC	\$2,855.19
HDC	\$16,752.74
HBRC	\$10,000
NCC	\$10,000
WDC	\$1,719.99
CHBDC – extra	\$1,023.98



HDC – extra	\$1,023.98
WDC - extra	\$1,023.98
<b>TOTAL</b>	<b>\$47,149.88</b>

### 9.5.3 Performance Measures, monitoring & evaluation

Key measures used to evaluate GTGH have mainly been Google analytics including:

- Visits to website and time on the site
- Social media followers across channels
- Impressions
- Google ads.

A number of important points in regard to these analytics have been made in reports to the funding partners:

- When GTGH was set up there was no search engine optimisation strategy (SEO) as it was an online magazine. There is still no SEO strategy just key words for googles ads which means if people are searching for information about Hawke’s Bay GTGH doesn’t always appear.
- Other regional platforms generally are “location.nz” so they are the first site that pops up on a search.
- A small number of stakeholder interviews in 2019 found GTGH was “a strong brand” but it is not clearly identifiable as Hawke’s Bay; a strategy would assist in improving this.
- After the funding partners agreed a new vision for GTGH in 2019 the focus of the website and social media became less of general celebration of Hawke’s Bay and more focused on celebrating and showcasing doing business and living in the Hawke’s Bay. The smaller number of ‘lifestyle posts’ (especially on Instagram and Facebook) has had an impact on engagement.

In terms of recent performance reporting has highlighted the following:

#### Website performance

- Visits to the website have decreased however average pages looked at on each visit; has increased possibly suggesting greater relevance to visitors;
- Brand Champion sign up has decreased.

#### Traffic to Website

- Currently Google ads account for the majority of the traffic to the website; this demonstrates a lack of other marketing strategies;
- GTGH currently only appears for very specific searches.

#### Google Ads

- The top 10 Key Search Words are: Jobs Hawke’s Bay; seasonal work nz; Hawke’s Bay business; seasonal jobs Hawke’s Bay; New Zealand seasonal jobs; living in Hawke’s Bay; employment Hawke’s Bay; moving to Hawke’s Bay; business Hawke’s Bay.



- The location of people viewing the ads – Auckland, Wellington, Christchurch, Hamilton, Lower Hutt, New Plymouth, Tauranga, Rotorua
- Reducing the spend on Google ads has reduced impressions. An overall Marketing Strategy and Implementation pPlan would provide clear tactics to meet objectives.

#### Social Media

- Overall the number of followers has increased but the impressions and clicks have decreased this is especially apparent in March and April 2020 when there was a lack of GTGH news/ success stories to post due to COVID-19.
- Ceasing posting community and lifestyle stories has also contributed to this however given visitors are viewing more than one page and there is a reduced 'bounce rate' this would suggest what is being posted is more relevant.

## 10.0 SURVEY OF KEY STAKEHOLDERS

A key aspect of the second stage of the Review was a survey of key stakeholders in order to provide deeper and richer insights into the broad range of issues being considered e.g. rationale and focus; effectiveness and efficiency; opportunities for improving delivery, or new ways of delivering; and any implementation issues.

This survey was run between 2-15 September 2020 and was sent to around 300 stakeholders identified by the 5 Councils, BHB and HBTL. Fifty-nine (59) completed the survey in full and there was a good spread of respondents across stakeholder groups – Council (management and staff, and elected members), Iwi/hapū, business, Central Government, NGOs. Annexes D and E (separate PDF attachments) provide a full summary of the survey results and the (high-quality) verbatim comments provided by respondents. This section of the report provides a high-level view of the insights. These insights have been used (along with findings from the desktop analysis and insights from one-on-one interviews) to guide the case for change in Section 11.

### 10.1 High-level survey results

- In terms of rationale and focus a high proportion of respondents thought the economic development activities/services provided by Councils, BHB and HBTL were *based on* or *somewhat based on* clear and well-evidenced problems and opportunities for the region (80%, 64% and 78% respectively).
- Respondents highlighted a number of emerging trends, issues or opportunities presenting for the region. These included:
  - COVID-19 (strengthening the need to work collectively on targeted recovery activity, be agile and innovative, and to do things differently);
  - Central Government funding and views driving regional economic development;
  - The need to better engage and support Māori business as well as growing opportunities in non-traditional sectors for Hawke's Bay, such as the digital sector;



- Climate change and broader sustainability drivers (including water quality/availability);
- Digital connectivity and business agility;
- Labour related issues, including work readiness and attracting qualified staff across a range of industries;
- The future of food and adding value along the supply chain;
- People moving from cities to the regions; and the need to focus on inequality verses growth.
- Overall responses to questions relating to quality, timeliness, and cost/processes of activities/services indicated that there were low levels of satisfaction or limited knowledge in regard to Matariki RDS; a mostly positive view in regard to Council and BHB activities/services, and a more positive view of HBTL activities/services.
- Respondents were mostly satisfied that current services were supporting the private sector.
- Respondents highlighted a number of issues in regard to possible gaps and/or duplication in/of service provision. These included:
  - GTGH not being supported adequately by the region;
  - A perception of fragmented economic development initiatives across different councils and bodies, and challenges engaging with a common regional approach or strategy;
  - A perception of a lack of collaboration between Councils and BHB;
  - A sense there is little understanding of what Māori development means to Māori;
  - A view that people and organisations aren't resourced to do everything they want to do, nor reach agreement for regional cooperation;
  - A view that there is duplication in business and start-up support services (Chamber and BHB); a desire for greater clarity on where each entity plays and does not play;
  - The need for industry/sector groups to be better connected and coordinated to overall regional objectives;
  - A gap in "foresight" expertise (e.g. what will the region look like and need in 2050);
  - Overlaps in small business workshops with the Chamber and BHB vying to be the voice of business in the region and both venturing into education;
  - A view that Councils were starting to get into business support which was not their core capability; and gaps and duplication regarding investment and talent attraction i.e. no coordinated campaign that leverages the draft strategy;
  - Inadequate delegation to BHB to manage regional pitches; and GTGH and BHB both focussed on investment/talent attraction.



- Respondents thought that role clarity and funding were the biggest barriers to effectiveness. The next most significant group of barriers to effectiveness were information sharing, the way Matariki works, and information on the effectiveness of services.
- More respondents were dissatisfied than satisfied with current funding levels for economic development activities/services. A high proportion felt that funding should be increased.
- Respondents highlighted a number of important issues in to delivery arrangements. These included:
  - The need for a cohesive pan-regional approach;
  - The need for an integrated separate entity responsible for economic development and supported by all councils;
  - A reduction in duplication of services and common KPI's;
  - Collaboration and cohesiveness, with the right people in the right roles that generated a level of influence and partnership respect required to deliver results;
  - Role clarification and mandate; disciplined and mid to long-term commitment to funding BHB to enable regional development while leaving local government to supply and support infrastructure, services and well-being of the region at large;
  - Clarity around Matariki as a strategy and action plan (not an agency) with a focus on working collaboratively for collective impact; and
  - Streamlining Matariki governance and utilising existing governance forums for more meaningful collaboration and connection.
- Behaviours and the structure of teams and organisation were seen as the things that would most need to change for improvements to be successfully implemented. Appropriate funding was also seen as critical.

## 11.0 CASE FOR CHANGE

This section brings together the issues and opportunities that have been raised and identified through the different stages of the Review. These issues range from the adequacy of funding levels, the culture and capability needed to effectively support Hawke's Bay's economic development efforts, through to institutional and structural concerns with the way Hawke's Bay has organised its economic development activities and services.

The key observation is that there is a strong case for change for non-tourism related activities. The type and degree of change will, however, depend on whether Councils direct their focus on fixing some of the funding and collaboration-related issues, or take the opportunity to help create an enduring platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct economic development activity to priority areas/issues. This is explored in more detail in Section 12.



Table 17 below provides a summary of the main issues, challenges and opportunities that have been identified through the different stages of the Review.

The following observations can be made:

- Most stakeholders and those involved in delivery and funding are looking for greater clarity over roles and functions (“what are the lanes”, “who’s swimming in which direction and where are the overlaps that require collaboration and coordination”), with this being communicated clearly to key stakeholders.
- Businesses are looking for greater clarity over the activities and services available to support business activity.
- There is concern that there are unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. This is feeding a perception in the business community that the economic development system is fragmented and not particularly transparent. Stakeholders seem to understand that economic and social development is impossible without collaboration. It is a team game with multiple players, drivers and perspectives. A culture of trust and sharing is therefore more likely to deliver effective outcomes. There is also acknowledgment that governance and organisational structures can either support or constrain collaboration and there is a view that there’s Hawke’s Bay has not yet got this right.
- There is concern about whether Hawke’s Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region is not as responsiveness to community needs as it could be and punching below its weight externally.
- BHB financial sustainability is clearly an issue. There is acknowledgement that BHB has delivered with the resources it has had at its disposal and it has, broadly, met KPIs that have set through contracting arrangements. But changes will need to be made to put BHB on a financially sustainable footing.
- More generally a high proportion of stakeholders feel that funding for economic development activities and services should be increased.
- HBTL is supported by its main stakeholders and appears to be doing a successful job in leveraging ratepayer investment into real value for the Hawke’s Bay economy. At this point there does not appear to be a strong case for change in regard to HBTL. The issues involving any institutional change are looked at in more detail in Section 10.
- Funding for tourism relative to other sectors has been a theme of the feedback, with many viewing this as unbalanced. But tourism directly supports local retail and hospitality (and helps to create vibrant city centres and regional amenities that locals enjoy and play a role in people and talent attraction). This means it is not as simple as saying one sector versus the others. Ideally, we would be supporting a range of key sectors of importance/opportunity (taking into account the appropriate role of govt).



Table 17: Issues and opportunities identified through the Review

Issue	Comment
<b>Financial sustainability of Business Hawke's Bay</b>	<ul style="list-style-type: none"> <li>This is a clear and presenting issue.</li> <li>Status quo is not an option.</li> </ul>
<b>Role clarity across organisations and teams</b>	<ul style="list-style-type: none"> <li>Some suggest there is a lack of role clarity between agencies/teams.</li> <li>There is a view that role clarity has become more blurred through Matariki.</li> </ul>
<b>Clarity on support available to business</b>	<ul style="list-style-type: none"> <li>Businesses are looking for greater clarity over the activities and services available to support business activity.</li> </ul>
<b>Information sharing</b>	<ul style="list-style-type: none"> <li>There is a view that information being generated from different activities/services largely stays in its silo and that greater use could be made of this information if it was shared across teams and organisations.</li> <li>Despite some things like the Think HB group working well, there appears to be a lot of trying to look over the fence to see what is going on in other areas. This suggests a lack of effective coordinating/collaborating mechanisms.</li> </ul>
<b>Capability to support effective and efficient delivery of activities and services</b>	<ul style="list-style-type: none"> <li>There is concern about whether Hawke's Bay has the right capability (alongside structure/s) to support effective and efficient delivery of activities and services, leading to views that the region is not as responsiveness to community needs as it could be and punching below its weight externally.</li> <li>Stakeholders have queried whether the right capability is in place to effectively support Māori business in Hawke's Bay (see 'Partnership and engagement with Māori' section below)</li> <li>Other stakeholders have identified a gap in "foresight" expertise (e.g. what will the region look like and need in 2050).</li> </ul>
<b>Monitoring and evaluation</b>	<ul style="list-style-type: none"> <li>There appears to be a lack of a well-defined impact framework (which ties inputs to outputs and then outcomes) for regional development priorities.</li> <li>It is also not clear how the activities of the respective orgs/teams work together in pursuit of shared regional objectives.</li> <li>Monitoring is largely project-based and has been 'simplified' over time. It appears to be mainly compliance-focused.</li> </ul>
<b>Partnership and engagement with Māori business</b>	<ul style="list-style-type: none"> <li>There is a perception among Māori that key local support agencies have little understanding of what Māori development means to Māori.</li> <li>There is a view that Crown/Māori partnership arrangements in regard to economic development require a re-think.</li> <li>Stakeholders identified the need to better engage and support Māori business as a key opportunity.</li> </ul>
<b>Matariki</b>	<ul style="list-style-type: none"> <li>There is recognition of its value of Matariki for its relationships and the way it connects people/agencies under one umbrella i.e. a collective of people working together on shared and interdependent objectives.</li> <li>There is a view that Matariki has become a brand rather than a real strategy.</li> <li>Other views – while Matariki represents a genuine attempt at creating a broader regional well-being framework, it currently has a social-bias and has lost some balance; implementation has not been funded adequately; it is seen as govt-centric and less relevant to business; and it is seen as process and governance heavy.</li> <li>Stakeholders are looking for greater clarity around the role of Matariki as a strategy and action plan with a focus on working collaboratively for collective impact, and some streamlining of Matariki governance.</li> </ul>
<b>Differing views on role of govt</b>	<ul style="list-style-type: none"> <li>There are differing views on the appropriate role for local government in supporting economic development which generates different approaches across the system. This is closely tied to the role clarity and information sharing issues raised above.</li> </ul>



<b>Investment attraction and retention has a competitive element</b>	<ul style="list-style-type: none"> <li>Investment, business and talent attraction and retention undertaken across the region has the potential for a competitive element which may not be of benefit to the region as a whole.</li> <li>This is driven by the rating base of each area and the (direct) investment benefits flowing to the specific area. Less recognition is given to the impact on regional labour and other markets (e.g. housing).</li> <li>There are, however, some clear examples of where collaborative effort has worked well.</li> </ul>
<b>Central Government role and expectations</b>	<ul style="list-style-type: none"> <li>Central Government's role in regional economic development and its expectations of local government and regional delivery agents has shifted over time.</li> <li>Central Government wants regions to be "joined-up" and to be clear on regional priorities; it wants regional plans to fit with national sector/industry strategies where they exist and/or are being developed; it wants to utilise regional information that is closer to source to inform policy and programme development; and it says it wants to partner on longer-term objectives where there is a clear role for government to play.</li> <li>All this will require Hawke's Bay to have expertise at the regional level, it will require effective leadership, collaboration and coordination, and a funding and support system that can adapt to the changing needs of Hawke's Bay businesses and sectors and leverage and maximise the support provided through Central Government.</li> </ul>
<b>Great Things Grow Here (GTGH)</b>	<ul style="list-style-type: none"> <li>There is a view that GTGH does not represent a lot of Hawke's Bay business</li> <li>Another view is that GTGH could be a useful 'umbrella brand' that could usefully convey a HB story – both within the region (how we see ourselves and the behaviours and things we want to support), and external to the region (how we are seen by people and organisations outside of the region)</li> <li>Other views - needs to be clearer about what it is and what it isn't; it's trying to be something on its own; HB has a cluttered landscape of brands (or perceived brands) that are trying to convey HB attributes - HB Tourism, Be in the Bay, Matariki.</li> </ul>

## 12 FUTURE DELIVERY OF ECONOMIC DEVELOPMENT ACTIVITIES/SERVICES IN HAWKE'S BAY

This section provides an assessment of a range of potential options for future delivery. The options have been designed to address the range of issues, challenges and opportunities that have been identified through the review and which are captured in Section 11 above.

In order to assess the options a set of objectives and criteria have been established. These are based on what success (in terms of delivery rather than outcomes i.e. what kind of delivery could achieve better outcomes), could look like for Hawke's Bay.

### 12.1 Objectives and criteria

The elements of the case for change above can be distilled into a set of high-level objectives to better enable Hawke's Bay to meet its wellbeing outcomes.

- Hawke's Bay has a cohesive regional approach (with less - real or perceived - fragmentation and patch protection).
- Hawke's Bay's approach is embedded in a partnership with Maori and is responsive to community needs e.g. Maori; HB districts.
- There is commitment to appropriate ongoing resourcing to support the approach Hawke's Bay takes.



4. There are clear boundaries around who does what and consistent application and appreciation of roles and responsibilities.
5. There is more effective collaboration so that Hawke's Bay-Inc is greater than the sum of its parts.
6. There is greater clarity around the support that is available to businesses, investors and talent and greater clarity around how to access the support available.
7. There is greater transparency and accountability around activities being undertaken, delivery and evaluation.

In terms of implementation we also need to take into account:

- *Practicality* - will the model be able to be implemented and will the changes be relatively easy to make with minimal disruption to existing services? For example, you would not want critical activities to stall because of a change process;
- *Likely costs of change* – the costs need to be considered relative to likely efficiencies that would be possible and the level of investment in services; and
- *Capacity to deliver services* – will the model ensure that activities are delivered or administered by an entity with the capacity to deliver the required range of services?

Bringing the implementation issues together with the high-level objectives (most of which are elements of effectiveness) we can use the following criteria to assess the different options available:

- **Practicality** – will the model be able to be implemented and will the changes be relatively easy to make with minimal disruption to existing services? For example, you would not want critical activities to stall because of a change process.
- **Effectiveness** – will the model be likely to be effective in delivering the required services and required areas of improvement and in achieving economic development objectives?
- **Representation of, and responsiveness to, economic development needs and communities of interest.** For example, is the model likely to be responsive to the needs of different industries, to Māori/iwi/hapū, to different districts?
- **Likely costs of change** – the costs need to be considered relative to likely efficiencies that would be possible and the level of investment in services.
- **Capacity to deliver services** – will the model ensure that activities are delivered or administered by an entity with the capacity to deliver the required range of services?
- **Accountability to key funders and alignment with funders' priorities** – to what extent is the model likely to ensure accountability to Councils and other funders?
- **Ability to attract/retain the right expertise to deliver the services (at governance and staff levels).** For example, experts might be attracted to a model that has a greater scope of services.
- **Ability to leverage resources of others (e.g., central government funding, private sector funding).** For example, as noted, central government agencies like NZTE and Callaghan are more likely to want to fund a regional partner that has full regional reach rather than a range of agencies.



## 12.2 Options for delivery

Section 17A of the LGA requires consideration of the following options when considering delivery improvements (note a 17A review is not limited to these options):

- (a) Responsibility for governance, funding, and delivery is exercised by the local authority
- (b) Responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by –
  - (i) a council-controlled organisation of the local authority; or
  - (ii) a council-controlled organisation in which the local authority is one of several shareholders; or
  - (iii) another local authority; or
  - (iv) another person or agency:
- (c) Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv).

Given the Hawke's Bay context and the Review analysis the Reviewer believes there are 7 main options for consideration. Table 18 below provides more detail on these options but they are:

1. **The Status Quo.**
2. **Enhanced Status Quo v1:** Improved funding for BHB.
3. **Enhanced Status Quo v2:** Improved funding for BHB + BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process).
4. **Transferring business support services to a Council or across Councils.**
5. **Leveraging other providers:** A variation of Option 4. Responsibility for (non-tourism) business and industry development and support activities/services would sit with a Council or Councils but these activities/services would be contracted to other providers in the region (e.g., industry groups, iwi organisations) to deliver.
6. **Extended regional model of delivery for non-tourism economic development activities (EDA CCO):** BHB would become Council Controlled Organisation (CCO). No change to HBTL.
7. **Combined Regional Economic and Tourism Agency:** BHB and HBTL would be folded into a new combined Regional EDA/RTO for Hawke's Bay.



Table 18: Description of main options

Options	Ownership Model	Detail/commentary	Where these models/structures are used elsewhere
1. Status Quo	<i>Business Hawke's Bay (BHB)</i> <ul style="list-style-type: none"> <li>Incorporated Society</li> <li>Not for Profit</li> </ul>	<i>Business Hawke's Bay</i> <ul style="list-style-type: none"> <li>Independent</li> <li>Not Council Controlled</li> <li>No Council representation on Board</li> <li>Funded primarily by 5 Councils with funding tied to a Cfs with quarterly and annual reporting</li> </ul>	The following orgs/structures are broadly relevant: <ul style="list-style-type: none"> <li>Bay of Plenty: Priority One is an Inc. Society (doesn't cover tourism)</li> <li>Waikato: Te Waka is a trust (doesn't cover tourism)</li> <li>Eastern Bay of Plenty: Toi EDA is a trust (covers tourism and wider ED)</li> <li>West Coast: Development West Coast is a trust (covers tourism and wider ED)</li> <li>Marlborough: Destination Marlborough is a trust (covers tourism and wider ED)</li> </ul>
	<i>Hawke's Bay Tourism Ltd (HBTL)</i> <ul style="list-style-type: none"> <li>Registered company</li> <li>Hawke's Bay Tourism Industry Association (HBTIA) is the sole shareholder of HBTL</li> </ul>	<i>Hawke's Bay Tourism Ltd (HBTL)</i> <ul style="list-style-type: none"> <li>Funded via HBRC and membership fees</li> <li>HBRC is the primary funder. KPIs are negotiated and agreed through an SLA. Quarterly and annual reporting is required.</li> <li>HBRC represented on Board.</li> </ul>	
2. Enhanced Status Quo v1	<ul style="list-style-type: none"> <li>No change to ownership models</li> </ul>	<ul style="list-style-type: none"> <li>Improved funding for BHB</li> <li>No change to HBTL funding</li> <li>Improved monitoring and reporting based on clear impact and intervention framework</li> <li>Council (and iwi) representation on BHB Board</li> <li>No change to RPB programme i.e. HBRC continues to hold contract and sub-contract a position to the HB Chamber</li> </ul>	
3. Enhanced Status Quo v2	<ul style="list-style-type: none"> <li>No change to ownership models</li> </ul>	<ul style="list-style-type: none"> <li>Improved funding for BHB</li> <li>No change to HBTL funding</li> <li>Improved monitoring and reporting based on clear impact and intervention frameworks</li> <li>Council (and iwi) representation on BHB Board</li> <li>BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process) and sub-contracts a position to the HB Chamber</li> </ul>	
4. Transferring business support services to a	<ul style="list-style-type: none"> <li>No change to ownership models</li> </ul>	<ul style="list-style-type: none"> <li>A Council (e.g. HBRC as the only Council with a regional remit) or individual Councils would pick up responsibility for delivering (non-tourism) business and industry development and support activities</li> </ul>	<ul style="list-style-type: none"> <li>Destination Clutha: Unit of Clutha District Council</li> <li>Enterprise Dunedin: Unit of Dunedin City Council</li> </ul>



<b>Council or across Councils</b>		<ul style="list-style-type: none"> <li>No change to RPB programme i.e. HBRC continues to hold contract and sub-contract a position to the HB Chamber</li> <li>BHB funding scaled back to support Business Hub operations and activation only</li> <li>HBTL funding either remains the same or scaled back</li> </ul>	<ul style="list-style-type: none"> <li>Waitaki Development: Unit of Waitaki District Council</li> <li>Central Otago Development: Unit of Central Otago Council</li> <li>Invercargill Development Economic Development Unit (EDU): Unit of Invercargill City Council</li> <li>Queenstown Economic Development Unit (EDU): Unit of Queenstown City Council</li> <li>Marlborough Economic Development Unit (EDU): Unit of Marlborough District Council</li> </ul>
<b>5. Leveraging other providers</b>	<ul style="list-style-type: none"> <li>No change to ownership models</li> </ul>	<ul style="list-style-type: none"> <li>This is a variation of Option 4.</li> <li>Responsibility for (non-tourism) business and industry development and support activities/services would sit with a Council or Councils but these activities/services would be contracted to other providers in the region (e.g., industry groups, iwi organisations) to deliver.</li> </ul>	<ul style="list-style-type: none"> <li>Note, contracting out activities/services to those best able to deliver takes place across regions and organisational models</li> </ul>
<b>6. Extended regional model of delivery for non-tourism economic development activities (EDA CCO)</b>	<ul style="list-style-type: none"> <li>BHB deregisters as an incorporated society and becomes a Council Controlled Organisation (CCO)</li> <li>No change to HBTL ownership model</li> </ul>	<ul style="list-style-type: none"> <li>Would require agreement from existing BHB Board</li> <li>Improved funding for new BHB CCO (note there would be benefit in retaining the name BHB as it is established in the marketplace (and broader economic development community) and use could be made of existing branding etc</li> <li>A new independent Board would be established</li> <li>Improved monitoring and reporting based on a clear impact and intervention framework</li> <li>BHB takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process)</li> </ul>	<p>Note, all of the CCOs below are responsible for tourism and broader economic development):</p> <ul style="list-style-type: none"> <li>Auckland: ATEED is a CCO</li> <li>Manawatu: CEDA is a CCO</li> <li>Wellington: WellingtonNZ is a CCO</li> <li>Christchurch: Christchurch is a CCO</li> <li>Canterbury: Enterprise North Canterbury is a CCO</li> <li>Northland: Northland Inc is a CCO</li> <li>Southland: Great South is a CCO</li> <li>Nelson: Nelson Regional Development Agency is a CCO</li> </ul>
<b>7. Combined Regional Economic and Tourism Agency</b>	<ul style="list-style-type: none"> <li>BHB and HBTL would be folded into a new Regional EDA for Hawke's Bay</li> <li>Organisation form could be – Trust; Incorporated</li> </ul>	<ul style="list-style-type: none"> <li>Would require agreement from both independent entities</li> <li>Could be established as a CCO or Trust. CCO's more common for combined EDA/RTAs.</li> <li>A new independent Board would be established</li> <li>Improved funding for economic development activities</li> </ul>	<ul style="list-style-type: none"> <li>Auckland: ATEED</li> <li>Manawatu: CEDA</li> <li>Wellington: WellingtonNZ</li> <li>Christchurch: ChristchurchNZ</li> <li>Northland: Northland Inc.</li> </ul>



	Society, Unit of Council or CCO	<ul style="list-style-type: none"> <li>• Improved monitoring and reporting based on a clear impact and intervention framework</li> <li>• The new entity would takes on RBP contract (with HB Council support and Central Govt agreement via formal procurement process) and sub-contracts a position to the HB Chamber</li> </ul>	<ul style="list-style-type: none"> <li>• Southland: Great South</li> <li>• Nelson: Nelson Regional Development Agency</li> <li>• Taranaki: Venture Taranaki (a trust).</li> <li>• Tairāwhiti: Trust Tairāwhiti (a trust).</li> <li>• Whanganui: Whanganui &amp; Partners (a CCO)</li> <li>• Rotorua Economic Development Ltd/Destination Rotorua (a CCO)</li> <li>• Eastern Bay of Plenty: Toi EDA (a trust).</li> <li>• West Coast: Development West Coast (a trust).</li> <li>• Marlborough: Destination Marlborough (a trust).</li> </ul>
--	---------------------------------	---	--



An assessment of the seven options against the criteria outlined above is provided in Table 19 below. Options have been rated on a 1-10 scale (with 10 being more attractive).

**Table 19: Assessment of delivery options**

<i>Criteria</i>	<i>Weighting</i>	<i>OPTION 1: Status Quo</i>	<i>OPTION 2: Enhanced Status Quo v1</i>	<i>OPTION 3: Enhanced Status Quo v2</i>	<i>OPTION 4: Transferring business support services to a Council or across Councils</i>	<i>OPTION 5: Leveraging other providers</i>	<i>OPTION 6: Extended regional model of delivery for non-tourism economic development activities</i>	<i>OPTION 7: Combined Regional Economic and Tourism Agency</i>
1. Practicality	10%	10	9	8	5	4	7	6
2. Effectiveness	30%	4	6	7	3	7	9	8
3. Representation of and responsiveness	25%	4	4	4	7	7	7	5
4. Costs of change	5%	10	9	8	7	5	7	6
5. Capability and Capacity to deliver services	15%	4	5	5	3	5	8	8
6. Accountability	10%	5	5	5	4	3	9	6
7. Ability to leverage resources of others	5%	5	5	6	4	4	9	9
<b>Unweighted TOTAL</b>	<b>100%</b>	<b>42</b>	<b>43</b>	<b>43</b>	<b>33</b>	<b>35</b>	<b>56</b>	<b>48</b>
<b>Weighted TOTAL</b>	<b>100%</b>	<b>5.05</b>	<b>5.65</b>	<b>5.85 (3)</b>	<b>4.55</b>	<b>5.75</b>	<b>8.05 (1)</b>	<b>6.8 (2)</b>



Table 20: Comments on assessment of delivery options

Summary advantages / disadvantages	Major advantages	Major disadvantages
<b>OPTION 1:</b> <i>Status Quo</i>	<ul style="list-style-type: none"> <li>No costs involved</li> <li>No disruption to existing services</li> </ul>	<ul style="list-style-type: none"> <li>Will not improve the existing situation and deal with the issues that have been identified</li> <li>Would be a lost opportunity to create an effective and enduring platform for Hawke's Bay</li> </ul>
<b>OPTION 2:</b> <i>Enhanced Status Quo v1</i>	<ul style="list-style-type: none"> <li>No disruption to existing services</li> <li>Limited costs of implementation - some minor costs to Councils from increased participation in governance and priority setting</li> <li>Could be increased responsiveness to different communities if BHB extends its hub and spoke model (with additional funding)</li> <li>Some increased transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting</li> <li>Would require additional funding from Councils</li> <li>Even with some governance changes wouldn't necessarily satisfy partnership objectives</li> <li>Objectives related to clarity of roles, collaboration, and clarity of support available would depend on focussed action and ongoing behavioural changes</li> <li>Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others</li> </ul>
<b>OPTION 3:</b> <i>Enhanced Status Quo v2</i>	<ul style="list-style-type: none"> <li>Same as Option 2 except now limited (not no) disruption to existing services</li> <li>Embedding the RBP programme in an organisation providing other eco dev support services would allow the insight derived from this 'coal face' activity to be used to design other offerings for business, guide other strategic work etc.</li> <li>This option would retain the existing link with HB Chamber of Commerce (through the sub-contract of one position) to ensure strong links could continue to be made between organisations and respective services.</li> </ul>	<ul style="list-style-type: none"> <li>Same as Option 2</li> <li>In additional Central Govt (NZTE, Callaghan would have to agree to transfer of RBP programme to BHB. This would require regional support and BHB meeting all relevant criteria).</li> </ul>
<b>OPTION 4:</b> <i>Transferring business support services to a Council or across Councils</i>	<ul style="list-style-type: none"> <li>More accountability to Councils for economic development services</li> </ul>	<ul style="list-style-type: none"> <li>Could see large disruption to business support services</li> <li>Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting</li> <li>Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others</li> <li>Councils would need to take on extra services and either find or hire additional internal resourcing</li> </ul>



		<ul style="list-style-type: none"> <li>• Some services may end up being split across Councils, reducing efficiency</li> <li>• May end up being less responsive to businesses for some services</li> <li>• Most (in-scope) economic development activities are not core to the effective functioning of Councils, nor do they require frequent decision making. Advice on services also often requires commercial expertise.</li> <li>• Many businesses may be less willing to engage directly with a Council than an arms-length entity (e.g. businesses may not be prepared to share confidential information with a Council if they are also involved in negotiating terms for consents or services)</li> <li>• Wouldn't necessarily satisfy partnership objectives</li> <li>• Objectives related to clarity of roles, collaboration, and clarity of support available would depend on focussed action and ongoing behavioural changes</li> </ul>
<p><b>OPTION 5:</b> <i>Leveraging other providers</i></p>	<ul style="list-style-type: none"> <li>• Likely to be able to extend reach through contracting</li> <li>• May be closer to communities/businesses/industries depending on providers</li> <li>• Likely to be able to leverage resources of the private and non-government sector</li> <li>• Contracting out helps to ensure high level of expertise is used</li> </ul>	<ul style="list-style-type: none"> <li>• Could see large disruption to business support services</li> <li>• Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting</li> <li>• Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others</li> <li>• It's not clear that this model would be any more efficient (for example, it would require procuring and managing multiple contracts) or effective than the status quo and provide less oversight and control for Councils (and hence limited potential to achieve greater alignment with regional priorities).</li> <li>• There isn't also a single external agency in Hawke's Bay that has a broad enough scope of interests or expertise to be contracted to deliver all services e.g. HB Chamber's role is business advocacy, networking and training, it does not extend to broader industry development activities.</li> </ul>
<p><b>OPTION 6:</b> <i>Extended regional model of delivery for non-tourism economic development activities (EDA CCO)</i></p> <p><b>[PREFERRED OPTION]</b></p>	<ul style="list-style-type: none"> <li>• This model would help to create a cohesive regional approach if it had the mandate, funding, and over time mana to more effectively represent the region</li> <li>• Would be an opportunity to consider the iwi/hapū partnership model through the appointment on an independent Board</li> <li>• Ensures joint Council discussion and influence over priorities (e.g. through yearly Statement of Intent and Service Level Agreement (SLA) / Contract for Service (Cfs) setting discussions)</li> <li>• Given clear ownership interests it would help ensure HB Councils played a strong, supporting role that helped guide/shift</li> </ul>	<ul style="list-style-type: none"> <li>• Would require agreement from existing BHB Board</li> <li>• Would require additional funding from Councils</li> <li>• There would be costs involved in changing the delivery model for non-tourism related activity/services e.g. potential for disruption to activities/services</li> </ul>



	<p>individualistic behaviours that are present (and will always be present as long as HB has 5 Councils)</p> <ul style="list-style-type: none"> <li>• Would be an opportunity to clarify roles and responsibilities and enhance collaboration</li> <li>• Would be an opportunity to clarify the support available to businesses, investors and talent and how to access the support</li> <li>• Would increase the ability to attract/retain the right expertise (given stronger mandate)</li> <li>• Would increase the ability to leverage resources of others (given stronger mandate, more effective funding and capability of staff)</li> <li>• Would be an opportunity to provide greater transparency and accountability around activities being undertaken, delivery and evaluation.</li> <li>• 'Ownership' of destination marketing and management would be retained by tourism industry (members of HBTIA). A lack of ownership and ability to direct tourism-related activities has led to disquiet and subsequent structural changes (where these activities had been combined with broader ED activities) in other parts of the country.</li> </ul>	
<p><b>OPTION 7:</b> <b>Combined Regional Economic and Tourism Agency</b></p>	<ul style="list-style-type: none"> <li>• Same as Option 6</li> <li>• This option strengthens the regional remit and mandate of the organisation. This could further enhance the ability to attract/retain the right expertise and leverage the resources of others.</li> <li>• There would likely be some overhead-related savings through shared back office support</li> </ul>	<ul style="list-style-type: none"> <li>• Same as Option 6</li> <li>• The main difference would be the additional costs (including disruption to services) involved in folding in HBTL's tourism activities and services. These costs are real while the benefits of combining activities under one structure are possible (and mainly relate to a reduction in overheads and a strengthening of mandate). It's also possible to avoid these costs and still achieve the objectives relating to regional cohesion, partnership, collaboration, clarity of roles/functions and clarity of support without going to a fully combined model.</li> </ul>







### 12.3 The recommended option

Overall the assessment of the options against the criteria suggest that the best option is an extended regional model of delivery for (non-tourism) economic development activities (Option 6 – EDA CCO).

This would involve seeking agreement from the current BHB Board to deregister as an Incorporated Society with a new joint Council Controlled Organisation (CCO) entity (potentially) formed under the same name (to leverage existing knowledge of BHB among businesses and the wider economic development community). A new independent Board would be appointed by the Hawke's Bay Councils. No change would be sought to the HBTL ownership model.

A CCO is essentially any company with a majority council shareholding, or a trust or similar organisation with a majority of council-controlled votes or council-appointed trustees, unless designated otherwise. More than one council may be represented in a council-controlled organisation. While the terminology 'CCO' appears exclusionary it is actually quite a flexible organisational form and would provide a strong base for partnering with Hawke's Bay Maori and Hawke's Bay business.

Preference for this model over other options is based on the degree to which this option:

1. Is most able to create an enduring platform that provides Hawke's Bay with the appropriate scale and mandate to better guide and direct activity to priority areas/issues; support a culture of sharing, connection and collaboration; and support Hawke's Bay to be greater than the sum of its parts (e.g. by presenting a strong and united voice and vision to external investors, talent and Central Government; and by helping to attracting the resources of others); and
2. Avoids creating unnecessary transition costs for areas of support that are currently delivering for Hawke's Bay e.g. destination management and marketing.

While other options would solve some of the issues that have presented through this review they would not deliver fully on the effectiveness and efficiency outcomes Councils (and stakeholders) are seeking and solve what is currently missing for Hawke's Bay – a well-supported and funded organisation that has the mandate and backing to be the economic development voice for Hawke's Bay.

However, for this model to address all of the required areas of improvement/opportunity that have been identified the following recommendations/resources changes would need to be implemented and/or considered as part of implementation:

- **Council funding for non-tourism related economic development activities will need to increase.**  
It is likely that around \$1.6m of additional funding would be needed for the EDA CCO model to be successful. Table 21 below provides an indicative estimate of the resources required based on current BHB activities and likely areas of focus. The exact areas of focus and resourcing would obviously be for the independent Board to agree upon based on a clear understanding of Council priorities (which would be communicated through a Statement of Intent and/or Service Level Agreement).



- **There is an opportunity to embed a partnership with Māori in the new model.** This would start with the composition of the new independent Board. The model would allow for discussions on the level of engagement with Māori business and, potentially, a joint resourcing approach with Hawke's Bay Māori/iwi/hapū for or organisations. It would also allow a fresh conversation on the appropriate governance model (and levels of governance) needed to support a regional approach (Matariki). Included in the additional resourcing for the EDA CCO is a dedicated FTE focused on Māori business development and support. This role could work with Māori businesses in Hawke's Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business. This role could be shared with HBTL.
- **Retain the Hawke's Bay Business Hub** as it is playing an important role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay. Co-location of support services/agencies: provides an opportunity to present a united voice for business regardless of the underlying structures and mechanisms used to provide support services; offers a clear front door for local businesses and external investors and talent to be directed to the right area of support; and aids collaboration by reducing the costs of interaction and increasing the opportunity for important 'water-cooler' conversations. If the Business Hub structure did not exist in Hawke's Bay it would be a key recommendation of this Review to consider supporting something of this nature. The Hub is also clearly filling a need for a meeting and connection space that has a look, feel, and vibe that businesses and organisations will pay to use.
- **Support the proposed 'Hub and Spoke model' through the new Regional Economic Development Agency (EDA) COO** to strengthen business support across the region i.e. currently businesses in Hastings, Central Hawke's Bay and Wairoa indicate it is harder to access services given the Hub's location in Ahuriri. This would implement a key Matariki action and an identified regional COVID recovery priority. The FTE resources required have been included in the estimated funding needs (see next recommendation).
- **Create a regional pool of funds to be used to investigate economic development opportunities** that are aligned with the region's strengths/opportunities/strategy. The region currently lacks a shared pool for funds of this nature which means that opportunities are considered in an ad hoc way and support for any investigation will depend on the degree of funding available to individual Councils at the time and the strength of any advocacy. To support this \$300,000 per annum (which would support 2-3 robust investigations) has been included in the \$1.6m funding estimate.
- Consider **embedding the RBP programme in the new EDA CCO**. This would require Central Government agreement via the formal RBP contract procurement process. Embedding the RBP programme in an organisation providing other economic development support services would allow the insight derived from this 'coal face' activity to be used to better design other offerings for business and guide other strategic economic development work. It is possible the formal RBP contract procurement timeline will not match the transition timeline if Councils agree to the Review recommendations. In this situation HBRC could consider retaining the contract (through the procurement process) with some contractual arrangements formed in time with the new EDA CCO. The position that is currently sub-contracted to the Hawke's Bay Chamber of Commerce should be retained in order to provide a strong link to the Chamber's work and expertise.



- **Consider investing in the development of a clear ‘impact framework’ for Matariki** to better articulate the relationship between activities delivered and the desired outcomes for the region over the short, medium and longer-term. This would help improve current measurement and reporting frameworks which are not effective in tracking the relationship between activities, outputs and outcomes i.e. whether ratepayers’ money is being used effectively. A framework like this could also provide greater clarity on the respective roles and responsibilities of organisation and teams that contribute to regional economic development efforts.
- Consider, as part of the engagement with Māori and Central Government agencies, the opportunities to **streamline Matariki governance** (e.g. by utilising other existing governance forums for some of the conversations that support meaningful collaboration and connection), **and increasing the resources to support the Pou working groups**. Estimated FTE resources have been included in the additional resourcing for the EDA CCO. This would help resolve two of the key issues raised by a large number of key stakeholders (the cumbersome and duplicative governance structure, and lack of resources to support effective programme delivery). Matariki’s Pou structure is not unlike the previous Government’s Business Growth Agenda (BGA), and the BGA had a part (or full)-time programme support person to support each of the six key areas of the Agenda and the relevant lead agency.



Table 21: Indicative estimate of resources required for the EDA CCO model to be successful

Core roles and areas of focus		Current FTEs	Proposed FTEs/change	Additional funding required
Connecting to business	Business Hub operations and activation	<ul style="list-style-type: none"> <li>1 FTE - Hub Concierge position</li> <li>0.75 - Ops and activation</li> <li>0.15 - CE</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs – Hub Concierge &amp; an overall Hub Operations and Activator role</li> <li>Role focused on ops/activation would increase from 0.75 to 1 FTE. This would free CE role for strategy, representation and management activities.</li> <li>TOTAL NEW = 0.15 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.15 FTE x approx. \$85k salary for operations/activator role = \$12,750</li> <li>The Hub currently runs at a loss. Operating costs are covered by not CAPEX. Additional funding would be required to put this on a sustainable footing. This is estimated at \$20,000/annum.</li> </ul>
	Hub and Spoke model (to better service Hastings, CHB and Wairoa)	<ul style="list-style-type: none"> <li>N/A – note not counting the additional funding HDC has just signed off on</li> </ul>	<ul style="list-style-type: none"> <li>0.75 FTE per Hub (x3) = 2.25 FTEs</li> <li>TOTAL NEW = 2.25 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>2.25 FTEs x approx. \$62k/role = \$139,500</li> </ul>
Business and industry development	Business development and support	<ul style="list-style-type: none"> <li>0.75 FTE - Business Connector position</li> </ul>	<ul style="list-style-type: none"> <li>4.9 FTEs</li> <li>This includes the RBP team (and sub-contracted HB Chamber position) which is normally 2.1 FTEs but COVID has added another 2.8 until end Oct 2020. Key decisions still to be made on future resourcing via Central Govt.</li> </ul>	<ul style="list-style-type: none"> <li>No additional funding required. Existing Business Connector position resource could be redeployed.</li> </ul>
	Māori business development and support	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE</li> <li>This role would work with Māori businesses in Hawke's Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business.</li> <li>This role could be shared with Hawke's Bay Tourism.</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE x approx. \$130k salary = \$130,000</li> </ul>



	<b>Innovation and industry development support, such as cluster &amp; sector work with industry coalitions</b>	<ul style="list-style-type: none"> <li>1.1 FTEs -</li> <li>Business Development Manager - Land to Brand (0.5)</li> <li>Business Growth Manager (0.6)</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs</li> <li>TOTAL NEW = 0.9 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.9 FTE x approx. \$130k salary = \$117,000</li> </ul>
	<b>Skills building, attraction and retention initiatives</b>	<ul style="list-style-type: none"> <li>0.2 FTE - CE</li> <li>0.35 FTE - Business Connector – (new position)</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE (not including CE)</li> <li>TOTAL NEW = 0.65 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>0.65 FTE x approx. \$130k salary = \$84,500</li> </ul>
	<b>Investment promotion and attraction</b>	<ul style="list-style-type: none"> <li>0.2 FTE - CE and Business Growth Manager</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs</li> <li>TOTAL NEW = 1.8 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs x approx. \$130k salary = \$260,000</li> <li>It would be worth thinking about endowing the new entity with a pool of funding it could use to investigate opportunities (that are aligned to a strategic view of regional opportunities) as they arise e.g. Eastern Film Alliance</li> <li>Note – a full Business Case can cost anywhere \$100,000 - \$150,000 depending on complexity</li> <li>Recommend, \$300,000/year which would allow a robust investigation of two (possibly more) opportunities per year.</li> </ul>
	<b>HB brand strategy and activation</b>	<ul style="list-style-type: none"> <li>0.05 FTE - Marketing Support for GTGH</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE (not including CE)</li> <li>TOTAL NEW = 0.95 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.95 FTE x approx. \$85k salary = \$80,750</li> </ul>
<b>HB ED / Wellbeing Strategy</b>	<b>Strategy development (including futures thinking) and policy/programme guidance</b>	<ul style="list-style-type: none"> <li>0.4 – CE</li> <li>0.35 – Business Connector role</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE (not including CE)</li> <li>TOTAL NEW = 0.65 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>0.65 FTE x approx. \$130k salary = \$84,500</li> </ul>



	<b>Matariki Hawke's Bay REDS Programme Management support e.g. coordination, communications, monitoring and reporting</b>	<ul style="list-style-type: none"> <li>0.8 FTE - Programme Management</li> <li>0.2 FTE - Management Support - CEO</li> <li>0.1 FTE - Communications Lead (contractor)</li> <li>0.2 FTE - Secretariat Support</li> <li>TOTAL = 1.3 FTE</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE – Matariki REDS Programme Manager</li> <li>2.5 FTEs – Matariki Project Coordination support for Pou Leads</li> <li>TOTAL NEW = 3.5 FTEs</li> <li>(Note – existing funding for Programme Management runs out in Dec 2020 so is not counted as resource that can be carried over. Secretarial and Comms support would shift to proposed Project Coordination resource)</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE x approx. \$120k salary = \$120,000</li> <li>2.5 FTEs x approx. \$65k salary = \$162,500</li> <li>Note – some cost-share arrangement should be investigated (with Central Govt agencies in particular) for the Project Coordination support roles</li> </ul>
<b>Corporate</b>	<b>Corporate</b>	<ul style="list-style-type: none"> <li>0.25 FTE - Admin Support</li> <li>0.6 FTE - CE</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE (not including CE)</li> <li>TOTAL NEW = 0.4 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.4 FTE x approx. \$65k salary = \$26,000</li> </ul>
	<b>Communications and marketing</b>	<ul style="list-style-type: none"> <li>0.25FTE - Communications Lead (contractor)</li> <li>0.3 FTE - Marketing Support</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE</li> <li>TOTAL NEW = 0.45 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.45 FTE x approx. \$100k salary = \$45,000</li> </ul>
	<b>TOTAL FTEs</b>	<ul style="list-style-type: none"> <li>Currently 6 established positions (soon to be 7 with new “Business Connector” position), this doesn’t count the Comms Lead contractor).</li> <li>Only 2 positions are full time.</li> <li>FTEs approx. 4.5 established (rising to 5.25 in October); 6.35 FTEs if you count Comms Lead (a contractor and Portfolio Manager position which is only funded until Dec 2020)</li> </ul>	<ul style="list-style-type: none"> <li>TOTAL = 36.5 FTEs + CE = 37.5 FTEs</li> <li>TOTAL NEW = 10.05 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>TOTAL ADDITIONAL FUNDING FOR NEW FTEs = \$1,262,500</li> </ul>



	<b>TOTAL FUNDING</b>	<p>BHB P+L for 19-20 FY:</p> <ul style="list-style-type: none"> <li>Funding from Councils: \$321,666.55</li> <li>Business Hub Operations – OPEX: \$41,543.41</li> <li>Co Starters Revenue: \$15,395.91</li> <li>Interest Income: \$1,412.43</li> <li>LTO Rent: \$141,753.42</li> <li>MBIE Funding: \$240,000.00 (NB: this funding ends Dec 2020)</li> <li>Other Revenue: \$65,618.11</li> <li>Room Hire HB Business Hub: \$43,380.18</li> <li>Sponsorship Income (from local businesses): 141,749.97</li> </ul> <p>Total Income: \$1,012,519.98 Expenses: \$1,113,199.60 Net loss: \$56,622.92</p>		<ul style="list-style-type: none"> <li><b>TOTAL ADDITIONAL FUNDING / YEAR = \$1,582,500</b></li> <li>Made up of: <ul style="list-style-type: none"> <li>Staff = \$1,262,500</li> <li>Hub (CAPEX) = \$20,000</li> <li>Regional Opportunities Fund = \$300,000</li> </ul> </li> </ul>
--	----------------------	--	--	---



### 13 ANNEX A: HAWKE'S BAY ECONOMY AND INDUSTRY TRENDS

This overview provides a summary of the Hawke's Bay economy and how it differs to the national average.

#### 13.1 Overview of key economic indicators

Table 22 table below captures key economic indicators for Hawke's Bay and the comparison with the national average.

The following high-level points can be made:

- Hawke's Bay economy is biased toward land-based sectors relative to the national economy, although manufacturing makes up a larger share of the regional economy than nationally.
- The economy is more export-oriented than it is nationally, reflecting the importance of land-based industries – meat, horticulture and forestry.
- Growth (economic and employment) has been slower than the national average over the last 10 years, but has been growing faster more recently (pre-COVID).
- Like the rest of NZ our businesses are mostly SMEs (around 86% have 5 employees or less).
- At an aggregate level, businesses are less productive than the rest of the economy.
- In terms of economic output, Hawke's Bay is an export-facing economy. In terms of business units, it is more domestic service-based.

**Table 22: Comparison of Hawke's Bay and New Zealand key economic indicators**

Measure	Hawke's Bay	New Zealand
GDP, 2019	\$7,695 million (2.6% of national total)	\$297,894 million
Economic growth		
- Annual change, 2018-2019	- 3.6%	- 3.0%
- Annual average change, 2000-2019	- 1.7%	- 2.5%
Population		
- Total population	- 173,100 (3.5% of national total)	- 4,917,000
- Population growth, 2019	- 1.3%	- 1.6%
- Population growth, 2009-2019	- 1.2%	- 1.2%
Mean household income	\$98,017	\$111,472
Mean annual earnings	\$54,880	\$62,774
Top 3 industries, 2019 (1 digit ANZSIC)	1. Manufacturing - 13.2% 2. Agriculture, Forestry and Fishing - 12.0% 3. Rental, Hiring and Real Estate Services - 7.3%	1. Manufacturing – 9.7% 2. Professional, Scientific and Technical Services – 8.3% 3. Rental, Hiring and Real Estate Services - 7.0%
Biggest contributors to economic growth, 2009-2019	1. Agriculture, Forestry and Fishing	



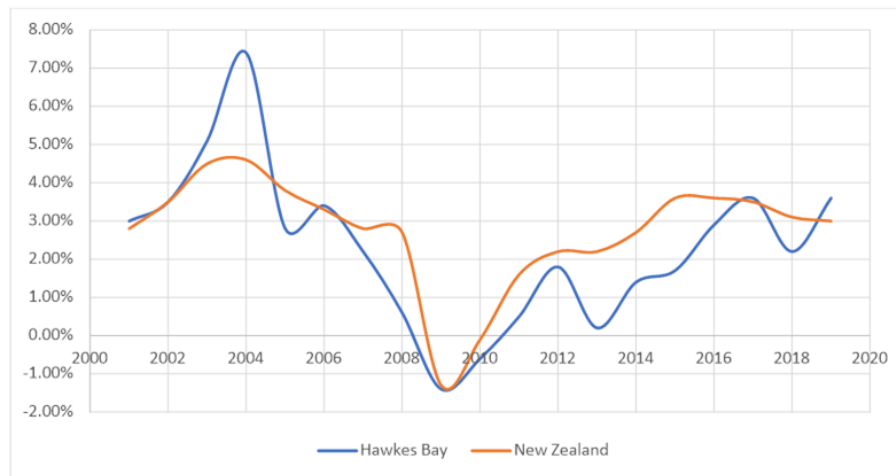
	2. Retail Trade 3. Construction	
Fastest growing (detailed) sectors between 2018 and 2019	1. Sheep, Beef Cattle & Grain Farming 2. Horticulture & fruit growing 3. Wholesale trade	
Comparative advantage	1. Horticulture & Fruit Growing (6.5) 2. Pulp & Paper Product Manufacturing (4.2) 3. Forestry & Logging (3.6)	
Employment	- 83,076 (3.3% of national total)	- 2,543,195
- Total employment 2019	- 1.9%	- 1.9%
- Employment growth in last year	- Average 0.6% pa	- Average 1.5% pa
- Employment growth, 2000-2019		
Employment by broad sector	1. Agriculture, Forestry and Fishing - 13.60% 2. Manufacturing - 12.40% 3. Health Care and Social Assistance - 11.20%	1. Health Care and Social Assistance - 9.80% 2. Construction - 9.60% 3. Manufacturing - 9.50%
Productivity		
- GDP per filled job, 2019	- \$92,625	- \$117,134
- Productivity growth, 2019	- 1.7%	- 1.7%
- Productivity growth, 2000-2019	- 1.1%	- 1.1%
Business Units		
- No of business units, 2019	- 19,131	- 582,459
- Growth in business units, 2000-2019	- 2.8%	- 12.4%
- Size of business units		
	- 65% sole traders; - 21% (1-5 employees); - 5% (6-9 employees)	- 69% sole traders; - 20% (1-5 employees); - 5% (6-9 employees)

#### 13.1.1 Gross Domestic Product (GDP)

- In 2019 Hawke's Bay's GDP was \$7,695 million, representing 2.6 percent of the national total of \$297,894 million.
- Economic growth has risen sharply in recent years, with an annual increase of 3.6 percent between 2018 – 2019 (compared to a national average of 3 percent).
- This is up from an annual average change of 1.7 percent between 2000 – 2009 (compared to a national average of 2.5 percent).



Figure 4: Annual GDP Growth



An industry breakdown of contribution to GDP is outlined in Figure 5 and Table 23 below.

The key points are:

- Manufacturing and Agriculture, forestry and fisheries contribute a significantly higher share to the Hawke's Bay economy than they do nationally:
  - Manufacturing (13.2% compared with 9.7%).
  - Agriculture, forestry and fisheries (12% compared with 5.2%).
- Areas where Hawke's Bay sectors contribute a lower than average share to GDP when compared nationally include:
  - Professional, Scientific and Technical Services (5.2% compared with 8.3%).
  - Financial and Insurance Services (2.7% compared with 6%).
  - Information Media and Telecommunications (1% compared with 3.5%).



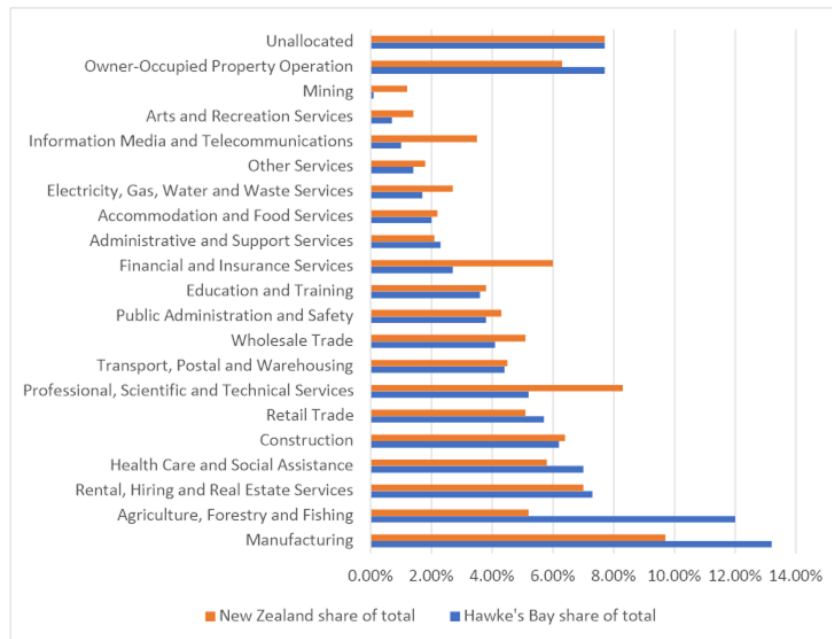
Figure 5: GDP share of total by industry<sup>8</sup>

Table 23: Industry GDP and share of total

Industry	Hawke's Bay		New Zealand	
	Level	% of total	Level	% of total
Manufacturing	1,015.30	13.20%	29,015.50	9.70%
Agriculture, Forestry and Fishing	923.9	12.00%	15,631.00	5.20%
Rental, Hiring and Real Estate Services	565.3	7.30%	20,886.60	7.00%
Health Care and Social Assistance	538.8	7.00%	17,309.00	5.80%
Construction	480.4	6.20%	18,960.70	6.40%
Retail Trade	436.1	5.70%	15,069.70	5.10%
Professional, Scientific and Technical Services	400.8	5.20%	24,871.80	8.30%
Tourism	370.2	4.80%	16,150.00	5.40%

<sup>8</sup> Unallocated items include taxes levied on the purchaser rather than the producing industry (such as GST, import duties, and taxes on capital transactions), and items that cannot easily be allocated to a specific industry (such as the seasonal adjustment balancing item). A seasonal adjustment balancing item is necessary to ensure that the sum of all seasonally adjusted industries can be reconciled with total GDP. Source: Infometrics Hawke's Bay Region Overview.



Transport, Postal and Warehousing	341.1	4.40%	13,277.30	4.50%
Wholesale Trade	311.9	4.10%	15,221.00	5.10%
Public Administration and Safety	295.4	3.80%	12,940.00	4.30%
Education and Training	279	3.60%	11,380.00	3.80%
Financial and Insurance Services	209.6	2.70%	17,772.60	6.00%
Administrative and Support Services	176.2	2.30%	6,180.40	2.10%
Accommodation and Food Services	154.3	2.00%	6,455.70	2.20%
Electricity, Gas, Water and Waste Services	133.9	1.70%	8,158.70	2.70%
Other Services	106	1.40%	5,336.70	1.80%
Information Media and Telecommunications	79.8	1.00%	10,381.30	3.50%
Arts and Recreation Services	55.8	0.70%	4,049.60	1.40%
Mining	11	0.10%	3,571.70	1.20%
Owner-Occupied Property Operation	591.4	7.70%	18,628.20	6.30%
Unallocated	588.9	7.70%	22,797.00	7.70%
<b>Total</b>	<b>7,694.90</b>		<b>297,894.30</b>	

The broad industries which made the largest contribution to economic growth between 2018 – 2019 were:

- Agriculture, Forestry and Fishing – growth of 7.9 percent, which contributed 0.91 percentage points to Hawke’s Bay’s overall 3.6 percent growth rate.
- Rental, hiring and real estate services - growth of 4.6 percent, which contributed 0.34 percentage points to overall growth.
- Wholesale trade - growth of 8.3 percent, which contributed 0.32 percentage points to overall growth.

Conversely:

- Arts and Recreation Services - declined by 2.9 percent and reduced overall growth by -0.02 percentage points.
- Information Media and Telecommunications - declined by 2.8 percent and reduced overall growth by -0.03 percentage points.
- Education and Training – declined by 0.8 percent and reduced overall growth by -0.03 percentage points.

On a more detailed level, Table 2 ranks the detailed industries by their contribution to economic growth over the past year.



The detailed industries which made the largest contribution to economic growth between 2018 – 2019 were:

- Sheep, Beef Cattle & Grain Farming – growth of 15.0 percent which contributed 0.42 percentage points to Hawke's Bay's overall 3.6 percent growth rate.
- Horticulture & fruit growing – growth of 13.2 percent which contributed 0.39 percentage points.
- Wholesale trade – growth of 8.3 percent which contributed 0.32 percentage points.

Conversely:

- Fruit, Cereal & Other Food Product Manu - declined by 4.9 percent and reduced overall growth by 0.10 percentage points.
- Basic Chemical & Chemical Product Manufacturing – declined by 19.8 percent and reduced overall growth by 0.08 percentage points.

**Table 24: Detailed industry contribution to economic growth**

	GDP		% point contribution to growth	Annual Growth
Industry	2018	2019		
Sheep, Beef Cattle & Grain Farming	208	239	0.42%	15%
Horticulture & Fruit Growing	220	248	0.39%	13.2%
Wholesale Trade	288	312	0.32%	8.3%
Professional, Scientific & Tech Services	379	401	0.30%	5.8%
Central Gov Admin, Defence & Safety	219	238	0.26%	8.9%
Construction Services	242	259	0.23%	7%
Property Operators & Real Estate Services	466	482	0.21%	3.3%
Other Store & Non Store Retailing	213	226	0.18%	6.3%
Machinery & Other Equipment Manu	102	114	0.16%	11.5%
Finance	150	160	0.14%	7%
Rental & Hiring Services	74	84	0.13%	13.3%
Beverage & Tobacco Product Manu	169	177	0.11%	4.8%
Electricity & Gas Supply	100	108	0.10%	7.3%
Meat & Meat Product Manufacturing	171	176	0.07%	3%
Water, Sewerage & Waste Services	21	26	0.07%	23.4%
Forestry & Logging	173	178	0.06%	2.7%
Supermarket & Specialised Food Retailing	136	140	0.05%	2.8%
Road Transport	130	134	0.05%	2.8%



Building Construction	88	91	0.05%	4%
Pulp & Paper Product Manufacturing	93	97	0.05%	3.7%
Motor Vehicle, Parts & Fuel Retailing	67	70	0.04%	4.3%
Dairy Cattle Farming	42	44	0.03%	6.2%
Local Government Administration	55	57	0.03%	4.7%
Furniture & Other Manufacturing	36	39	0.03%	6.7%
Fabricated Metal Product Manufacturing	74	76	0.03%	2.9%
Poultry, Deer & Other Livestock Farming	14	16	0.03%	13.3%
Other Services	104	106	0.02%	1.8%
Postal, Courier & Warehousing Services	182	184	0.02%	0.9%
Auxiliary Finance & Insurance Services	39	41	0.02%	4.2%
Textile, Leather, Clothing, Footwear Manu	46	48	0.02%	3.3%
Transport Equipment Manufacturing	17	19	0.02%	8.7%
Non-Metallic Mineral Product Manu	16	17	0.02%	8.7%
Administrative & Support Services	175	176	0.02%	0.7%
Mining	10	11	0.01%	7.2%
Printing	11	12	0.01%	5.1%
Information Media Services	20	20	0.01%	2.3%
Seafood Processing	3	3	0.00%	10.6%
Petroleum & Coal Product Manufacturing	0	0	0.00%	-
Wood Product Manufacturing	41	41	0.00%	0.00%
Insurance & Superannuation Funds	8	8	0.00%	-0.2%
Primary Metal & Metal Product Manu	5	5	0.00%	-1.1%
Health Care & Social Assistance	539	539	0.00%	0.00%
Accommodation & Food Services	155	154	0.00%	-0.2%
Heavy & Civil Engineering Construction	131	130	-0.01%	-0.3%
Dairy Product Manufacturing	6	5	-0.01%	-10.4%
Fishing & Aquaculture	19	18	-0.01%	-3.4%
Agric Support Services & Hunting	180	179	-0.01%	-0.5%
Arts & Recreation Services	57	56	-0.02%	-2.9%
Education & Training	281	279	-0.03%	-0.8%
Telecomms, Internet & Library Services	62	60	-0.04%	-4.4%
Rail, Water, Air & Other Transport	27	24	-0.05%	-14.1%
Polymer Product & Rubber Product Manu	27	22	-0.06%	-17.4%
Basic Chemical & Chemical Product Manu	31	25	-0.08%	-19.8%
Fruit, Cereal & Other Food Product Manu	146	139	-0.10%	-4.9%
Owner-Occupied Property Operation	583.6	591.4	0.10%	1.3%
Unallocated	571.6	588.9	0.23%	3%
<b>Total</b>	<b>7,426</b>	<b>7,695</b>	<b>3.60%</b>	<b>3.60%</b>



### 13.1.2 Employment, productivity and business units

The following high-level points can be made:

- Total employment (filled jobs) in Hawke's Bay in 2019 was 83,076 – representing 3.3 percent of the national total.
- The employment growth rate has risen over recent years - 1.9 percent between 2018-2019 (the same as the national average), compared with an average of 0.6 percent between 2009 – 2019 (national average of 1.5 percent).
- 48.7 percent of people are employed full time. The unemployment rate was around 3.6 percent pre-COVID.
- Hawke's Bay key employing sectors are:
  - Agriculture, Forestry and Fishing - 14 percent;
  - Manufacturing – 13 percent; and
  - Health Care and Social Assistance - 11 percent.
- While these generally align with the top employing sectors nationally (Health Care and Social Assistance; Construction; and Manufacturing, which all have rates of 10 percent), it does emphasise the higher than average dependency that Hawke's Bay has on the primary industries for employment.
- Hawke's Bay measured productivity level of \$92,625 (GDP per filled job) is lower than the national average of \$117,134. Productivity growth picked up between 2018-2019 relative to the national average (1.7 percent vs 1.1 percent) but has been consistent with the national average of 1.1 percent since 2000.
- In 2019 there were 19,131 business units which closely tracked the national average in size: 65 percent sole traders (compared with 69 percent nationally); 21 percent had 1-5 employees (20 percent nationally); and 5 percent had 6-9 employees (5 percent nationally).
- The growth in business units of 2.8 percent from 2000 – 2019 was significantly lower than the national rate of 14.4 percent.

### 13.1.3 Tourism

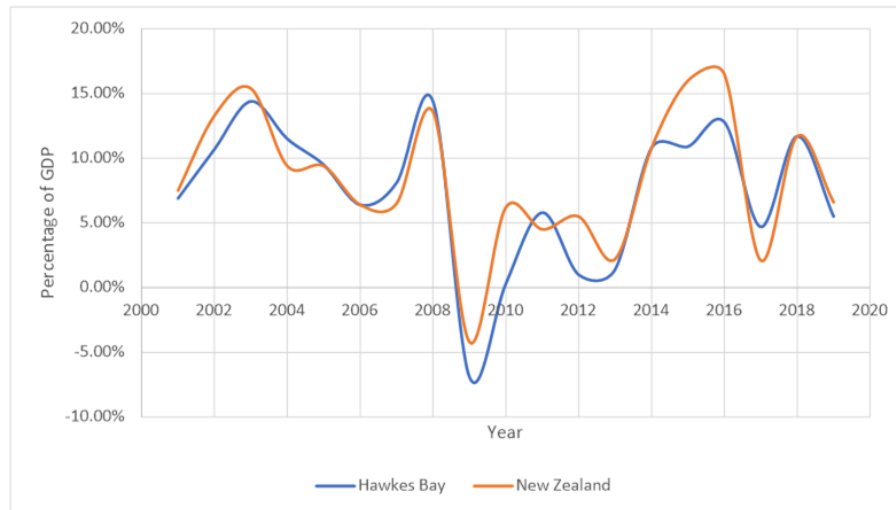
- In 2019 tourism in Hawke's Bay contributed 4.8 percent of the region's economic output (up from 2 percent in 2000), totalling around \$370 million per year. Tourism is slightly less important to the regional economy than it is nationally (where it contributes around 5.4 percent of GDP). It has nevertheless grown in importance over time.
- The Hawke's Bay tourism sector grew by 5.5% between 2018-2019, slightly below the national average of 6.6 percent. Over the last 10 years the tourism sector in Hawke's Bay has grown by



around 86% (average yearly growth of around 6.4 percent), compared to a growth rate of around 118% nationally (average yearly growth of around 8.1 percent). International visitors account for approximately a quarter of regional tourism.

- Tourism in Hawke's Bay contributes 6.8 percent of employment (around 5,261 people), less than the national average of 9.0 percent, and down from 7.2 percent in 2009.

**Figure 6: Average tourism GDP growth 2001-2019**



#### 13.1.4 Population

- Hawke's Bay's population is around 173,100, or 3.5 percent of the national total.
- Population growth has remained relatively steady over the last decade – increasing 1.3 percent in 2019 and 1.2 percent on average over the ten years. This compares broadly with national population growth of 1.6 percent and 1.2 percent respectively over the same periods.
- Ethnically, Hawke's Bay has a higher proportion of Māori than nationally, less Pacific and considerably less Asian people.



**Table 25: Key statistics for Hawke's Bay population (2018 census)**

Measure	Hawke's Bay	New Zealand
Number of people 2019	173,100	5,037,600
Growth in 2019	1.3%	1.6%
Growth previous 10 years	1.2%	1.2%
Median age	40.6 years	37.4 years
Males	81,054	2,502,100
Females	85,314	2,535,600
Ethnicity:		
European	75.0%	70.2%
Māori	27.0%	16.5%
Pacific	5.6%	8.1%
Asian	5.0%	15.1%
Middle Eastern/Latin American/African	0.6%	1.5%
Other	1.1%	1.2%
Number of Māori	44,931	775,836
Māori median age	25.4 years	25.4 years



## 14 ANNEX B: ECONOMIC DEVELOPMENT ACTIVITIES AND THE APPROPRIATE ROLE FOR GOVERNMENT

Table 26: Explanation of types of economic development /economic wellbeing activities and services

Type of economic development / economic wellbeing service	Explanation of activity (adapted from Martin Jenkins, 2017)
<b>1. Destination marketing and management</b>	
<ul style="list-style-type: none"> <li>• Visitor attraction, promotion, and marketing</li> <li>• Events /activities promotion, marketing, support and facilitation</li> <li>• Running events</li> </ul>	<ul style="list-style-type: none"> <li>• This covers activities such as regional promotion and destination marketing.</li> <li>• These activities are often provided because there is a 'public good' element involved with tourism promotion and coordination. For example, individual tourism operators cannot capture all of the benefits of marketing and the diverse nature of the industry makes it difficult to organise a cooperative marketing effort across all relevant businesses.</li> <li>• Similar arguments can also warrant local government involvement in events and conference attraction and investment in events infrastructure (e.g. businesses surrounding an events centre obtain benefits from visitors to events but it could be very difficult to get them all to co-invest in the event).</li> <li>• When "events" is captured as an activity it is referring to larger scale events that typically attract people from outside the district or region. It does not capture business to business and local networking type events.</li> <li>• Local government also has a role as it is often the provider and manager of infrastructure and services used by visitors (such as public spaces, parks, public transport), and hence is already involved in creating an environment that is attractive to visitors.</li> </ul>
<b>2. Business development and support</b>	
<ul style="list-style-type: none"> <li>• Business information and referral services</li> <li>• Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>• This covers activities that provide basic business information and advice (e.g. about relevant local government regulation), referral services, and facilitating access to networks and to other support (e.g. funding and business capability support).</li> <li>• This is to overcome information problems (e.g. about where to find advice, about the quality of available advice or about the benefits that advice will bring), much of which has a particularly local or regional flavour.</li> <li>• Business capability support are the various programmes that have been designed around building business capability in different areas e.g. cashflow management, digital skills, strategy etc.</li> </ul>
<b>3. Innovation and industry development support</b>	



<ul style="list-style-type: none"> <li>• R&amp;D funding /support</li> <li>• Feasibility studies and business cases for sector and investment projects</li> <li>• Cluster &amp; sector work with industry coalitions</li> <li>• Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>• Local government agencies can have a role in coordinating activities of business and research organisations, and providing information on research and commercialisation expertise available in the region.</li> <li>• This can be to overcome a lack of awareness of relevant R&amp;D support that exists in the region (i.e. to overcome coordination and information failures) and to leverage the broader benefits associated with innovation activity.</li> <li>• A Council or its key delivery agents may be seen as an impartial broker to help coordinate activity/investment across an industry. Local government can therefore play a role in coordinating and facilitating sector/industry and cluster work (groups of businesses or organisations who have identified an opportunity to collaborate). This can involve assistance with coordinating and aligning local and central govt support, policy and regulatory advice and support, infrastructure planning or feasibility analysis.</li> <li>• Local government may also be involved in related activities, such as regulating the use of, or owning, land or an asset that is sought by a particular industry. If the public benefit case is significant, this role can also involve seed funding or co-investment in major projects.</li> </ul>
<b>4. Skills -related support</b>	<ul style="list-style-type: none"> <li>• This covers the promotion of the benefits of upskilling and education and training opportunities, support for job matching programmes and promoting job and education opportunities in the region</li> <li>• It doesn't typically cover the training itself, unless for a limited time (to prove to the private sector that the training works).</li> <li>• Businesses may under-invest in these activities due to a lack of certainty about the benefits that may result (information problems) and due to concerns about trained staff leaving their business (knowledge spillovers).</li> </ul>
<b>5. Investment attraction</b>	
<ul style="list-style-type: none"> <li>• Business attraction</li> <li>• Talent attraction</li> <li>• Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>• This covers encouraging and promoting inward investment to the region and bridging information gaps and networks between inward investors and key organisations in the local economy.</li> <li>• Potential investors may have limited knowledge about the local economy and investment opportunities that a Council or its agency may be well placed to fill (i.e. to overcome information problems).</li> <li>• It can also cover assisting existing investors to expand or retain their investment in the region by facilitating regulatory approvals, access skilled staff or R&amp;D expertise.</li> <li>• This can also be warranted due to the broader benefits that investment can bring (e.g. new and better jobs).</li> </ul>
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>• This covers support for the provision of information on offshore markets, facilitating trade/diplomatic visits and facilitating connections between local business and offshore networks.</li> <li>• This can be warranted because local government can have a natural advantage in its knowledge of the regional or local economy and ability to match this to offshore opportunities.</li> <li>• Local government may also have links, networks and relationships with offshore local governments that would be beneficial to firms, over and above firms' own networks (e.g., through city to city relationships).</li> </ul>



<b>7. Strategy development, economic intelligence, monitoring</b>	
<ul style="list-style-type: none"> <li>• Economic strategy development</li> <li>• Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Local government has a role in providing leadership for the economic development direction of the locality (and region – see below). This provides clarity and certainty for business location and investment decisions.</li> <li>• It also has role in ensuring that robust local economic development data and information is available to inform strategy development and planning and enable decision-making. This includes measuring and evaluating the achievement of strategies, plans and investment to identify where improvements or changes or direction need to be made. This is to overcome information problems and reflects the fact that local government often has better access to relevant information and is an impartial source of that information.</li> </ul>
<b>8. Regional economic development and economic wellbeing implementation support [e.g. Matariki Hawke's Bay Regional Development Strategy and Action Plan]</b>	<ul style="list-style-type: none"> <li>• Local government has a role in providing leadership for the economic development direction of the region.</li> <li>• This provides clarity and certainty for business location and investment decision and the focus and priority of public sector investment and activities.</li> <li>• In the Hawke's Bay context this work largely relates to the Matariki Hawke's Bay Regional Development Strategy and Action Plan.</li> </ul>



## 15 ANNEX C: EFFECTIVENESS & EFFICIENCY ANALYSIS TABLES

### 15.1 Business Hawke's Bay (BHB)

BHB's work programme can be broken down into 6 main areas:

1. Employment Skills & Capability
2. Inwards Investment Development
3. Sector, Cluster & Enterprise Development
4. HB Business Hub in Ahuriri
5. Matariki REDS Programme Management
6. BHB Corporate Support.

Table 27: BHB work programme, KPIs, and performance

Priority	Activity	Description of activity and outputs generated	Resource (FTE)	Measure	Performance
Employment Skills & Capability	Matariki Pou2: BHB Role in Employment, Skills & Capability	<ul style="list-style-type: none"> <li>The activities under Matariki Pou2 are focussed on growing people to be work-ready and connecting them with employee-ready organisations who are embedding pastoral care, personal growth, and learning and development in the way they work</li> <li>BHB CE co-leads Pou 2 with the MSD Regional Commissioner</li> </ul> <p>Key activities under Pou2 (BHB work is focussed on 2.3, 2.5 and 2.6):</p> <ul style="list-style-type: none"> <li>2.1 Link local people on benefits to 1,000 new jobs over three years</li> <li>2.2 Grow employment opportunities for the benefit of local people, whānau and businesses</li> <li>2.3 Strengthen a sustainable pipeline of talent from education to employment</li> <li>2.4 Support Workforce Development</li> <li>2.5 Support Employer/Industry Development with a focus on demand</li> <li>2.6 Enabling people of all life stages and ability to participate in meaningful and productive work</li> </ul> <ul style="list-style-type: none"> <li>This work will be aligned to inform the range of activity across the entire Employment, Skills &amp; Capability programme of work.</li> </ul>	<p>Current Resource: .2 FTE (CEO) e.g. 10 hours out of a 50 week</p> <p>.35 FTE (Business Connector – new position) e.g. 15 hours out of a 30 hour week</p> <p>Additional Resource needed (\$ - not funded yet): Consultant + .5FTE minimum</p>	<p>Matariki Action Pan (MAP) Pou2 'Key Results' (interim measures):</p> <ul style="list-style-type: none"> <li>Unemployment rate is less than 5%</li> <li>Employment is comparable to the NZ average rate of [x define]</li> <li>Labour is improved to a rate consistent with the NZ average of [x define]<sup>9</sup></li> <li>Exceed 85% of school leavers achieving NCEA level 2 (close to NZ rate)</li> <li>Reduce NEETs rate from 18% to 12% (equivalent to NZ average rate)</li> <li>Have at least 30% of employment in highly skilled occupations and less than 38% in low-skilled</li> <li>Increase knowledge- intensive industries in the region to be the same as the NZ overall percentage [of x define]</li> </ul> <p>Note:</p> <ul style="list-style-type: none"> <li>The Matariki Action Pan (MAP) notes that "over early 2020 areas of work and objectives and key results will be further refined as project scopes are developed".</li> <li>Targets are in the process of being reset</li> <li>The new Hawke's Bay Interim Regional Skills Leadership Group (iRSLG) has a budget to commission regionally specific datasets, analytics and insights.</li> <li>The iRSLG can also utilise Central Government resource to develop meaningful measures, dashboards, in-depth data sets, and insights to inform decision making and support activity.</li> </ul>	<ul style="list-style-type: none"> <li>MSD is the lead measuring agency and has a 'performance dashboard'. Reviewer was unable to obtain this as it is confidential.</li> <li>NEET rate was improving pre-COVID.</li> <li>But interim measures are in many cases going backwards given COVID-10.</li> <li>Attribution is obviously difficult in this space (as it is with economic development more generally).</li> </ul>







	<p>Interim Regional Skills Leadership Group (IRSLG) for workforce planning and development</p> <p>(Identified as a COVID recovery priority action)</p>	<ul style="list-style-type: none"> <li>Note this is a new activity. The first regional IRSLG meeting is yet to take place</li> <li>This is about improving regional coordination and workforce planning to create better and more attractive jobs across the region and address critical issues relevant to training, employment and the development of workers.</li> <li>BHB CE has been proposed as co-chair with MSD Regional Commissioner (in confidence and subject to Cabinet approval).</li> <li>This role would work with IRSLG members to set the strategic direction and champion regional priorities.</li> <li>Key areas of focus would be:               <ul style="list-style-type: none"> <li>To identify current and future workforce and skills needs for the region</li> <li>To identify sub-regional challenges and priorities experienced by employers in accessing skilled workers</li> <li>To deliver an annual Regional Workforce Plan (RWFP) to understand the demand and supply of workers in a region</li> <li>To provide advice to government, employers and facilitate action with regional actors on how to meet these needs</li> </ul> </li> </ul>			<ul style="list-style-type: none"> <li>New activity</li> <li>Budget will be available for data, monitoring and evaluation</li> </ul>
	<p>Education to Employment - Vocational Pathways</p> <p>(Identified as a COVID recovery priority to support the infrastructure pipeline and jobs for youth)</p>	<ul style="list-style-type: none"> <li>This activity is new and focussed on:</li> <li>Supporting the growth of vocational education pathways for students to 'earn while they learn'</li> <li>Partnering with EIT (under a SLA and MSD contracts) to focus on developing employer connections</li> <li>Developing 'Hawke's Bay Vocational Pathways' (My Next Move) online resource to engage with and inform students, interns, teachers/advisors, employers etc.</li> <li>Building a series of Vocational Pathways videos, showcasing Hawke's Bay businesses, employer brands and youth in the workplace, to be used in local schools and by employers</li> <li>Supporting and contributing to the development of vocational pathway events for students and employers (e.g. in school careers expo, big day out sector specific type activities)</li> <li>Partnering to uncover the barriers to employment in vocational pathways and to support solutions.</li> <li>Engaging and building relationships and partnerships with employers and businesses.</li> <li>Connecting employers and providers (e.g. MSD work brokerage team, Taiwhenua, EIT vocational brokers, He Poutama Rangatahi and Mana in Mahi funded organisations), to increase job opportunities.</li> </ul>		<p>KPIs for areas that BHB directly engages with (note, these don't have specific targets):</p> <ul style="list-style-type: none"> <li>Business reached</li> <li>Students reached (via Hawke's Bay My Next Move Career Portal - in development by BHB)</li> <li>Events participated in</li> </ul> <p>Areas that BHB supports:</p> <ul style="list-style-type: none"> <li>Events that are provider led</li> <li>Schools reached</li> <li>ITPS &amp; ITOs reached</li> </ul> <ul style="list-style-type: none"> <li>Surveys are required to be completed.</li> </ul>	<ul style="list-style-type: none"> <li>New activity.</li> <li>EIT holds this contract with MSD and BHB has a Service Level Agreement with EIT to undertake the employer aspects of the programme.</li> <li>Contract/work was due to start in Feb 2020. This was delayed until March and then we had the lockdown.</li> <li>First reporting period will now be Oct 2020.</li> </ul>







	Workforce Diversity And the Future of Work (\$ - not yet funded)	<ul style="list-style-type: none"> <li>This activity is new and is being developed. It does not yet have funding. It is focused the following activities:</li> <li>To take the findings of EIT's Future of Work Growth Study and share with businesses/employers in a meaningful way. This will be available in late October 2020 and programme of work will be fully scoped at that point.</li> <li>To develop a regional programme to support workforce diversity, enabling people of all life-stages and ability to participate in meaningful and productive work. The initial focus will be on the aging workforce and people with disabilities.</li> <li>To enable and support employers/sectors with workforce development programmes focussed on engagement, productivity, retention, social responsibility, progression, higher value jobs, future of work consideration etc.</li> </ul>		<ul style="list-style-type: none"> <li>Measurement TBC</li> </ul>	<ul style="list-style-type: none"> <li>New activity.</li> <li>Not yet funded.</li> </ul>
--	--	--	--	---	--

Inwards Investment Development	Matariki Pou 5: BHB Role in Promoting Our Place for Investment, Business, Talent, Visitors	<p>BHB leads Matariki Pou5</p> <p>This has involved:</p> <ul style="list-style-type: none"> <li>The establishment of an Investment Working Group</li> <li>The establishment of a Talent Working Group; and</li> <li>Facilitation of the Think Hawke's Bay collaborative working group</li> </ul> <p>Key projects sitting under Pou 5 are:</p> <p>5.1. Key Develop and implement a skills and migration attraction strategy and action plan that includes:</p> <ul style="list-style-type: none"> <li>delivery of a promotional campaign;</li> <li>settlement retention programme; and</li> <li>considers international and domestic migration</li> </ul> <p>5.2.a Develop and implement an Investment Attraction Strategy and action plan that includes:</p> <ul style="list-style-type: none"> <li>an investment readiness programme</li> <li>a regional investment and property profile; and</li> <li>investor education programme based on the strategy</li> </ul> <p>5.2.b Develop, agree on and initiate two regionally significant projects that meet the objectives of Matariki for economic, inclusive and sustainable growth, to be in train or completed by 2025</p> <p>5.3.a Develop and implement a Business Attraction Strategy</p> <p>5.3.a.i An initial project includes to launch an Auckland Landing Pad to connect and facilitate two-way business opportunities between Auckland and Hawke's Bay</p> <p>5.5. Leverage regional marketing and promotional activities across Pillar 5</p>	<p>Current BHB resource</p> <p>0.1 FTE (CEO)</p> <p>e.g. 5 hours out of a 50 week</p> <p>Required resource (\$ - not funded)</p> <p>1 FTE (senior partner, permanent)</p> <p>1 FTE (project support – recovery, fixed-term)</p>	<p>Activity relevant to Key Result Area 3 of Contract for Service. Annual KPIs:</p> <ul style="list-style-type: none"> <li>Co-ordinate the 'Think Hawke's Bay' group collective planning and meetings</li> <li>Partner in the 'Think Hawke's Bay' collective on three or more business promotional and attraction initiatives</li> <li>Provide case study examples of where combined service delivery has enabled economic development in the region</li> </ul> <p>Matariki Action Pan (MAP) Pou5 'Key Results':</p> <ul style="list-style-type: none"> <li>10 High growth businesses attracted to Hawke's Bay by 2025</li> <li>Population grows from [x] to [y] by 2025</li> <li>Increase regional GDP growth by 1% to New Zealand average of 3%</li> <li>Mean annual earnings for the Hawke's Bay Region exceeds the New Zealand average and Māori vs non-Māori gap is reduced</li> <li>Businesses and industries are increasingly aware of their CO2 emissions</li> </ul>	<p>Annual KPIs from Contract for Service</p> <ul style="list-style-type: none"> <li>BHB has coordinated the Think Hawke's Bay' group collective planning and meetings. This group meets approximately 6 times per year and is working well. So this is met.</li> <li>BHB has partnered in the 'Think Hawke's Bay' collective on two business promotional and attraction initiatives (Datacom and NZIST HQ). This is partially met.</li> <li>The Think HB group has been useful in building a more effective collaborative mechanism; has been key in developing a Talent Attraction Strategy and Action Plan; and has focussed on building a roadmap and implementing an existing investment strategy. This is met.</li> </ul> <p>Matariki Action Pan (MAP) Pou5 'Key Results':</p> <ul style="list-style-type: none"> <li>As discussed elsewhere MAP Key Results are not being tracked on a consistent basis.</li> <li>But projects under 5.1 and 5.2 are underway through the Think HB group.</li> <li>Significant business will have been attracted to the region by Dec 2020 e.g. Datacom.</li> <li>In regard to 5.2.b. The key example of a regionally significant project is so far FoodEast.</li> <li>Overall the KPIs/projects in this area have been partially met or are on track given the 2025 timeframe.</li> </ul>
	Investment Programme	<ul style="list-style-type: none"> <li>There are 3 elements to this work:</li> <li>Business readiness for investment</li> <li>Investor educating investors on how to invest</li> <li>Bringing businesses and investors together e.g. for pitch sessions</li> </ul>		<ul style="list-style-type: none"> <li>A work programme with goals/objectives has been formed but no specific performance measures have been set</li> </ul>	<ul style="list-style-type: none"> <li>BHB has worked with investor groups, NZTE Investment, and private equity</li> <li>A Peak Investment event held in 2019 (with NZTE) led to over \$1m in investment</li> <li>BHB worked with a handful (do we have a number?) of businesses to help them get 'pitch read' for this event</li> </ul>







	<p>Regional Talent Programme (\$)</p> <p>(Identified as a regional COVID recovery priority given high levels of inward regional migration and increased demand for technical expertise to support significant infrastructure and new business growth projects.)</p>	<p>This work is new and not yet funded. It is focused on ensuring talent is retained/returned/attracted to the region in order to meet the region's skill and social needs.</p> <p>Key activities could include:</p> <ul style="list-style-type: none"> <li>A supportive resettlement and retention programme for those new to the region, considering moving or returning to the region, and those already</li> <li>A programme of work to deliver the regional Hawke's Bay Higher-level Talent Strategy (completed in Dec-19 by the Think Hawke's Bay Group)</li> <li>The provision of information, resources and services that support a 'one stop shop' for all things settlement, integration, retention and development</li> <li>Formalise/expand the connecting role that BHB plays in the job market through the redevelopment and marketing of the BHB Skills &amp; Freelance Boards. This would support not only the resettlement and repatriation programme, but also those who have lost their jobs over past few months.</li> <li>Support talent with building/refining their online and written CVs, applications, interview preparedness and connections.</li> <li>Partner with employers to assist them in developing their employment brand with the opportunity to promote through the portal</li> </ul>	<ul style="list-style-type: none"> <li>New.</li> <li>Not yet funded. Discussions are taking place with MSD.</li> <li>It is proposed that the new Business Connector role (0.75 FTE) starting in October could spend half their time on this work programme.</li> </ul>	<p>Impact measurement to be established if the programme is funded/ supported to move forward.</p> <p>Activity would, in part, be relevant to Key Result Area 3 of Contract for Service.</p> <p>Key outcomes being sought are:</p> <ul style="list-style-type: none"> <li>To achieve positive settlement outcomes to assist with the integration and/or retention of those who choose to live and work in Hawke's Bay</li> <li>To support the long-term retention of those who are relocating to the region, mitigating a short-term boom-bust talent cycle.</li> <li>To promote both the employee/employer proposition to build recognition of Hawke's Bay as a regional leader in talent management with next steps of the programme focussed on talent development, career progression and pathways.</li> <li>To open up wider access to the informal 'network' job market in Hawke's Bay, (the estimated 80% of jobs in the region that filled without being advertised).</li> <li>To provide a professional service that bridges the gap for those who are unable to access services through government providers such as MSD.</li> </ul>	<p>New activity; not yet being measured</p> <ul style="list-style-type: none"> <li>A regional talent strategy was completed in 2019. This was funded by BHB and provided a good picture of regional skills gaps. At the time there was no funding for a campaign to attract people (the recommended next step).</li> <li>BHB has been working informally and using their network to connecting people with jobs. Around 15 people have found work either part or full time since the COVID lockdown.</li> </ul>
--	---	--	--	--	---

Sector, Cluster & Enterprise Development	Lead Matariki Pou 4 – Economic Growth	<p>BHB leads Matariki Pou4</p> <p>This involves:</p> <ul style="list-style-type: none"> <li>Facilitating Pou4 working group meetings, collaboration on activities, assistance with prioritisation, and COVID response/recovery activity</li> </ul>	<p>Current Resource: .1 FTE (CEO)</p> <p>e.g. 5 hours out of a 50 week</p> <p>Capacity and funding for resourcing programmes is a constraint.</p>	<p>Establishment of programmes of work to support 4.1 and 4.3, and support for 4.2.</p> <p>Matariki Action Plan (MAP) Pou4 'Key Results':</p> <ul style="list-style-type: none"> <li>Regional Business Profile and change measured year on year – number of business units, FTEs etc.</li> <li>Regional business growth at a higher percentage than national growth</li> <li>Have at least 30% of employment in highly skilled occupations and less than 38% in low-skilled</li> <li>Increase knowledge-intensive industries in the region to be the same as the New Zealand overall percentage</li> <li>Hawke's Bay has a GDP per capita at or above the NZ average of [x define]</li> <li>Tourism GDP share continues to exceed 5% of regional GDP15</li> </ul>	<ul style="list-style-type: none"> <li>Note the MAP captures "draft indicators" (see Key Results in column to left) but data to support these indicators has not been collected in a consistent and ongoing basis</li> <li>The MAP Pou4 programme was initially intended to have 5-10 key projects but the list expanded as regional representatives sought profile for regional projects.</li> <li>A full intervention logic was intended to be created prior to COVID but focus turned to response and recovery work</li> <li>The focus of MAP has been on activities (see MAP projects 4.1 and 4.3, with support for 4.2)</li> <li>This work is not currently being tracked and monitored in a consistent way</li> </ul>
	Start-ups and Scaleups Ecosystem Development	<p>This activity is relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (Greater Business Diversity and Sector Development).</p> <p>This work involves:</p> <ul style="list-style-type: none"> <li>Running the "Co.starters" programme</li> <li>Promoting regional innovation and startups through the NZ Entrepreneur Founder series. This follows 10 Hawke's Bay startups to showcase regional opportunity and collaboration</li> <li>Evaluation of other national/international start-up ecosystem support programmes to identify value to Hawke's Bay e.g. programmes such as Innovate, Idea Summit, StartUp Weekend, PopUp Business School.</li> </ul>	<p>Current Resource: 0.29 FTE (Business Growth Manager)</p> <p>e.g. 7 hours out of a 24 hour week</p>	<p>Activity relevant to Key Result Area 2 of Contract for Service. Annual KPI:</p> <ul style="list-style-type: none"> <li>Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business</li> </ul>	<ul style="list-style-type: none"> <li>A longitudinal study following Co.starters graduates through their first year was to have been completed during COVID lockdown. This has been delayed due to competing COVID priorities.</li> <li>There is continued demand for the Co.Starters programme, with 40+ graduates having completed the programme and around 90% successfully completing further validation, pivoting, new product development, and commercialisation.</li> <li>Of the businesses that have been through the Co.Starters programme only 2-3 are not trading (1</li> </ul>







					because of COVID and 1 decided they didn't have a strong business model (which is not necessarily a failure as this knowledge can be used for other projects or other jobs).
	<p>Hub &amp; Spoke (\$ - not yet fully funded)</p> <p>(Identified regional COVID recovery priority given high levels of business stress and the need for access to support services)</p>	<p>This is a new approach and is currently being delivered. It is captured in the MAP Pou4 Action Plan (4.1a - Deliver an aligned 'one-front door' hub and spoke model of service delivery for all businesses and key sectors that want to grow).</p> <p>This would involve or be seeking to achieve:</p> <ul style="list-style-type: none"> <li>Strengthening the enterprise support ecosystem across the region.</li> <li>Implementation of a Business Hub in Hastings to support business recovery and so that businesses have access to support services in Hastings.</li> <li>Alignment with the CHBDC and WDC Innovation Hub projects funded through the Provincial Growth Fund</li> <li>Developing a consistent, positively identified and recognised brand for business support services under the Hawke's Bay Business Hub umbrella brand ie Hawke's Bay Business Hub in Ahuriri, Hastings, Waipukurau, Wairoa.</li> <li>Investigating in time further opportunities for pop-ups in Flaxmere, Havelock North etc and another permanent Hub within FoodEast.</li> <li>Support for the enterprise support ecosystem for Māori and Pacifica businesses, micro and SME businesses and startups through appropriate region-wide access to services.</li> </ul>	<p>Current BHB resource re Hastings Hub - 20 hours pw for 4 weeks to scope and develop project for HDC funding application.</p> <p>Establishment and ongoing resourcing is funding/ partnership dependant. (\$)</p> <p>.75 FTE per Hub. Part-time connector roles have been identified as necessary for each Hub with sub-regional differentiation</p> <p>1 FTE overall Activator role engaged across all Hubs.</p>	<p>Key impact measures would need to be developed aligned with partner plans/ funder requirements/ user experience etc. But key data/insight would come from:</p> <ul style="list-style-type: none"> <li>Regional Business Partner data re regional delivery and engagement, both COVID specific and BAU growth in enquiries and capability funding issued across the region</li> <li>Regional shifts in trends of engagement HB Business Hub captured through visitor sign-in system.</li> </ul>	<ul style="list-style-type: none"> <li>New activity</li> <li>Not yet operating</li> </ul>
	IT/ Digital / High-value Manufacturing / Hi- tech	<p>This activity is relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (Greater Business Diversity and Sector Development).</p> <p>The work has 4 key dimensions:</p> <ol style="list-style-type: none"> <li>Innovation and entrepreneurship –building an ecosystem of support for high value business growth</li> <li>Talent and skills – building a pipeline of talent and skills for Hawke's Bay businesses</li> <li>Technology – work with business to develop and embed technology e.g. Hi-Tech HB Group; ecosystem mapping; and cluster Development (Hort Robotics and Automation)</li> <li>Investment – work with investors to connect opportunities with funding</li> </ol>	<p>Current Resource: 0.29 FTE (Business Growth Manager) e.g. 7 hours out of a 24 hour week</p>	<p>Activity relevant to Key Result Area 2 of Contract for Service. Annual KPIs:</p> <ul style="list-style-type: none"> <li>Deliver five regional business events and workshops that support sector development</li> <li>Regional participation in three national business events</li> <li>Provide at least one case study that demonstrates business development supported by BHB in each identified sector</li> <li>Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business</li> </ul> <p>Specific internal KPIs have been set around:</p> <ul style="list-style-type: none"> <li>Establishing an Industry Advisory Group</li> <li>Achieve 100 members; and</li> <li>Connect businesses (no target)</li> </ul>	<ul style="list-style-type: none"> <li>The Industry Advisory Group now has approx. 160 members</li> <li>Important connections have taken place between tech and horticulture company (relating to robotics and sensors)</li> <li>3 mini clusters focussed on horticulture technology are now working on joint projects</li> </ul>
	Land to Brand Sector Support Programme	<p>This activity is relevant to the Pou4 Matariki Action Plan and Key Result 2 of the Contract for Service (Greater Business Diversity and Sector Development).</p> <p>The work involves:</p> <ul style="list-style-type: none"> <li>Building an ecosystem of support, capability development, collaboration and connections for primary sector food and beverage, food processing and manufacturing businesses from micro to large scale</li> <li>Accessing or commissioning research reports to inform regional opportunities e.g. Frost and Sullivan "Identification and Assessment of Potential Value-added Food and Beverage Products from Hawke's Bay's Primary Produce Sector"</li> </ul>	<p>0.5 FTE (Business Development Manager - Land to Brand) e.g. 10 hours out of a 20 hour week</p> <p>NB: This role has recently become vacant</p>	<p>Activity relevant to Key Result Area 2 of Contract for Service. Annual KPIs:</p> <ul style="list-style-type: none"> <li>Deliver five regional business events and workshops that support sector development</li> <li>Regional participation in three national business events</li> <li>Provide at least one case study that demonstrates business development supported by BHB in each identified sector</li> <li>Engage with start-up businesses across the region, providing evidence that BHB engagement has added value directly to five start-up business.</li> </ul> <p>Specific internal KPIs have been set around:</p> <ul style="list-style-type: none"> <li>30 connections (where there is active engagement i.e. more than just an email introduction) per year</li> </ul>	<p>All KPIs have been achieved.</p> <ul style="list-style-type: none"> <li>85+ businesses and people have been connected to business support and/or potential partners (research institutes, food technologists and consultants, university internship programmes, COVID lockdown supply chain and labour support etc) over the past two years</li> <li>470+ local, national and international attendees at a range of capability development workshops across the region</li> <li>170+ attendees at the Future Foods workshop</li> <li>Note – utilisation of new CRM software will enable the capture of directly measurable</li> </ul>







		<ul style="list-style-type: none"> <li>A focus on the 'future of food', informing industry of changing international markets, consumer trends, plant-based and alternative protein developments etc.</li> <li>Sharing with industry insights to support new product development and collaborative opportunities.</li> <li>Leveraging national research into sheep and goat dairy land diversification and market opportunities with a local working group (which includes potential investors).</li> <li>Upskilling and building regional capability, productivity, innovation and entrepreneurship in the sector through developing and hosting professional events, keynote speakers, training and development workshops, conferences, networking events, customer relationship management, digital communications</li> </ul>		<ul style="list-style-type: none"> <li>Portfolio of capability building workshops – 5 of these per year with a minimum of 15 attendees</li> <li>To have 1 showcase event per year – e.g. the land diversification event and year before that the Future Foods workshop.</li> </ul>	qualitative results of interactions with BHB programmes and connections.
	Regional Food, Fibre and Agri-tech Strategy	<p>This is a new activity and scope and validation are underway. This involves, and key considerations, include:</p> <ul style="list-style-type: none"> <li>BHB are leading a working group to develop a collaborative food, fibre and agritech strategy</li> <li>The strategy will guide the development of the regional food, fibre and agritech ecosystem development and identify areas for regional collaboration.</li> <li><b>Food Sovereignty</b> - Rights of regional producers to control food systems to produce culturally appropriate and healthy food for our people through sustainable methods</li> <li><b>Food Tourism</b> - Develop and celebrate the regional Food and Wine Country brand and story</li> <li><b>Food Innovation Ecosystem</b> - Capability development and fostering of innovation and entrepreneurship through: Training, Investment, Events</li> </ul>	<p>0.2 FTE (Business Development Manager - Land to Brand) e.g. 4 hours out of a 20 hour week</p> <p>NB: This role has recently become vacant</p>	<p>To be developed. The strategy is intended to:</p> <ul style="list-style-type: none"> <li>Foster innovation and entrepreneurship,</li> <li>Support commercialisation and the development of start-ups,</li> <li>Assist growth in productivity, profitability and the diversification of local businesses,</li> <li>Attract investment and talent to Hawke's Bay</li> </ul>	<ul style="list-style-type: none"> <li>New activity</li> </ul>
	FoodEast (Food Innovation Hub)	<p>This work has involved:</p> <ul style="list-style-type: none"> <li>Direct engagement with, and contribution to, the FoodEast Project as a founding member of the steering committee and working group</li> <li>Work has involved - ideation, feasibility and business case development</li> <li>Current active member of the Establishment Board</li> </ul>	<p>Current Resource: .04 FTE (CEO) 2 hours/50pw</p>	<ul style="list-style-type: none"> <li>Complete Feasibility and Business Case</li> <li>Seek and negotiate Govt/PGF funding</li> <li>Support establishment phase</li> </ul>	<ul style="list-style-type: none"> <li>KPIs have been met</li> </ul>







HB Business Hub in Ahuriri	Hub Member Community	<ul style="list-style-type: none"> <li>The Business Hub was established in 2015 and provides a neutral space for regional collaborative initiatives.</li> <li>Aside from BHB, members include HB Chamber of Commerce, Business Central, Export NZ, Chartered Accountants ANZ, The Icehouse, NZTE, Regional Business Partners, NZ Food Innovation Network, and the HB Councils.</li> </ul>	Current Resource: 1 FTE (Concierge) .75FTE (Ops & Activation)  .15 FTE (CEO) e.g. 8 hours out of a 50 hour week	Broad internal KPIs (without specific targets) relating to: <ul style="list-style-type: none"> <li>Visitor/user numbers</li> <li>Monthly customer satisfaction and event surveys</li> <li>Focus groups</li> <li>Digital engagement measures</li> </ul>	<ul style="list-style-type: none"> <li>Hub membership and regional connections continue to show growth</li> <li>Hub usage and enterprise connections continue to show growth</li> <li>Note: access to the depth of impact is hindered by RBP and Business Mentors not sitting within BHB. Opportunities to leverage learnings and improve/ develop programmes are missed.</li> <li>Hub room hire revenue increased by around 19% between Jun18-19. Between Jun19-20 Hub room hire revenue increased by around 15% (i.e. even taking into account lockdown period)</li> </ul>
	Hub External Engagement				
	Hub Activation - Training, Professional Development & Events	<ul style="list-style-type: none"> <li>Hub services are focussed on:</li> <li>Provision of information to help businesses make decisions on which regional services they may need to help them grow</li> <li>Connections to business support services across Hawke's Bay</li> </ul>			
	Hub Operations	<ul style="list-style-type: none"> <li>Access to networks within The Hub and beyond</li> <li>Information on business events, training and professional development at The Hub and across the region.</li> </ul>			
Matariki Programme Management	Programme Management	<p>This work involves:</p> <ul style="list-style-type: none"> <li>Portfolio, Programme and Project Management</li> <li>Matariki Governance Group Secretariat and Reporting</li> <li>Executive Steering Group Secretariat and Reporting</li> <li>Pou Working Group support</li> <li>Monitoring and Reporting at regular intervals</li> <li>Data and analysis</li> <li>Communication services</li> <li>Financial and operational services</li> </ul>	Current Resource to Dec20 only: .8 FTE Programme Management  .2 FTE Management Support (CEO) 10 hours/50pw  .1 FTE Communications Lead (contractor)  .2 FTE Secretariat Support	<ul style="list-style-type: none"> <li>Activity relevant to Key Result Area 1 (Programme Management of Matariki HBRDS Programme) of Contract for Service. Annual KPIs:</li> <li>Deliver effective Programme Management services through a dedicated Programme Manager and BUB team approach</li> <li>Provide meeting and administration services to the Matariki Executive Steering Group and Governance Group</li> <li>Lead an annual refresh of the Matariki HBRDS action plan</li> <li>The CAMMS project management system is updated by agencies and performance reporting is circulated for monitoring and action</li> <li>Matariki HBRDS Communications plan is delivered.</li> </ul>	<ul style="list-style-type: none"> <li>KPIs set out in the Contract for Service have been met.</li> <li>An 'intervention logic' framework for Matariki was intended to be finalised in March 2020, following sign off of the refreshed Matariki Action Plan in Dec19 by the Governance Group. This was not completed as the decision was made to focus on COVID-19 response and recovery efforts.</li> <li>Agreement was reached not to use the CAMMS project mgmt system.</li> </ul>
BHB Corporate Support	Corporate Support	<p>This work involves:</p> <ul style="list-style-type: none"> <li>Marketing &amp; Communications Management</li> <li>People &amp; Capability Management</li> <li>Contract &amp; Funding Management</li> <li>Stakeholder &amp; Partnerships Engagement</li> <li>Revenue Generation &amp; Sales</li> <li>Financial Management</li> <li>Operational Management</li> <li>Governance Support &amp; Board Reporting</li> <li>Team Leadership and Management Support</li> </ul>	Current Resource: .25 FTE (Admin Support)  .6 FTE (CEO) 30 hours/50pw	<ul style="list-style-type: none"> <li>No internal KPIs available</li> </ul>	<ul style="list-style-type: none"> <li>Cannot make an assessment</li> </ul>
	Partnerships & Engagement	<p>This work involves:</p> <ul style="list-style-type: none"> <li>Establishing a Business Leaders Advisory Forum (by Q2 2020)</li> <li>Funding HQ Sponsorship &amp; Partner Engagement (programme to be initiated)</li> <li>Support for partnerships in all other programmes of work above.</li> </ul>	Current Resource not yet allocated	Internal KPIs: <ul style="list-style-type: none"> <li>Establish a Business Leaders Advisory Forum (by Q2 2020)</li> <li>Funding HQ Sponsorship &amp; Partner Engagement (programme to be initiated)</li> </ul>	<ul style="list-style-type: none"> <li>KPIs not yet met</li> </ul>
	Communications and Marketing	<p>This work involves:</p> <ul style="list-style-type: none"> <li>Digital – Websites (Business Hub, Matariki, BHB, GTGH)</li> <li>Social Media (Business Hub, BHB)</li> </ul>	Current Resource: .25FTE Communications Lead (contractor)	Internal KPIs: <ul style="list-style-type: none"> <li>Build position of BHB as the regional voice of economic development (by business/for business)</li> <li>Share data, information, insights and local commentary</li> </ul>	<ul style="list-style-type: none"> <li>A "roadmap" was built around the internal KPIs.</li> <li>Targets weren't specific but key activities were delivered and continue to be implemented.</li> </ul>







		<ul style="list-style-type: none"> <li>• Build position of BHB as the voice regional economic development (of business/for business)</li> <li>• Share information, data and meaningful insights</li> <li>• Support key activities, events</li> <li>• Build business community engagement</li> </ul>	.3 FTE Marketing Support	<ul style="list-style-type: none"> <li>• Support key activities and events</li> <li>• Tell Hawke's Bay economic development and business stories</li> <li>• Build engagement</li> <li>• Develop sustainable sponsorship model and management</li> </ul>	
	Great Things Grow Here (GTGH)	<p>This work involves:</p> <ul style="list-style-type: none"> <li>• Being a member of the GTGH advisory board and financial contributor</li> <li>• Contracted to curate and post online GTGH web stories</li> <li>• Use of GTGH marque</li> <li>• Review of GTGH purpose, activity and outputs recommended</li> </ul>	Current Resource: .05 FTE Marketing Support	<p>Activity relevant to Key Result Area 4 (Partner in the 'Great Things Grow Here' (GTGH) Economic Development Brand Platform) of Contract for Service. Annual KPI:</p> <ul style="list-style-type: none"> <li>• Provide evidence of promotion and utilisation of the brand platform in business promotion and attraction initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• KPI has been met.</li> <li>• GTGH is used in all BHB branding and comms e.g. e-panui, videos etc.</li> <li>• GTGH branding was used in the two Think HB group produced promotional booklets – Think HB: For Your Business and Think HB: For Your New Home.</li> </ul>







## 15.2 Hawke's Bay Tourism Ltd (HBTL)

Table 28: HBTL – Priority areas, resources, measurement and performance

Priority area	Description of activity and outputs generated	Resource (FTE)	KPIs	Measure	Performance
Marketing	These roles involve: <ul style="list-style-type: none"> <li>Management of marketing budget</li> <li>HBTL owns and runs <a href="http://www.hawkesbaynz.com">www.hawkesbaynz.com</a> website</li> <li>This requires ongoing maintenance and development</li> <li>Ongoing development costs of around \$20-30k/year, hosting costs of around \$50k/year and search engine marketing costs of around \$7k/year</li> <li>These roles lead in the promotion of the region on an ongoing basis</li> <li>This consists of:               <ul style="list-style-type: none"> <li>Organising ads for magazines and radio.</li> <li>Writing briefs for creative agencies for initiatives and campaigns</li> <li>Liaising with buying agencies (who buy the marketing space)</li> <li>Managing social media</li> <li>Research and monitoring and data – i.e. understanding what the visitor spend looks like, competitor analysis, position in market etc</li> <li>Marketing plans and initiatives for events such as FAWC</li> <li>Work with membership (over 200) on their digital content for hbnz.com website</li> <li>The development of an annual (income generating) visitor</li> <li>Managing a media library – use of image library etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>2.8 FTEs               <ul style="list-style-type: none"> <li>Marketing Manager</li> <li>Marketing coordinator</li> <li>CHB coordinator (0.8)</li> </ul> </li> </ul>	1. Visitor spend, benchmarked against national performance. Data provided by MBIE's Monthly Regional Tourism Estimates.  2. Increase industry contribution  3. - Develop membership engagement on climate change (mitigation and adaptation) and environmental sustainability  - Increase in members signing up to Tourism Industry Aotearoa's "Tourism Sustainability Commitment"  4. Industry advocacy. Support existing tourism operators to develop new products, and expand into new markets  5. Tourism operators value Hawke's Bay Tourism's leadership and contribution to growth of industry  6. Lead the development of a regional visitor strategy for Hawke's Bay	1. MRTE 2% growth  2. Increase to \$250k (a 22% increase on the previous year's measure)  3. No less than 50 members signed up to TIA Sustainability Commitment  4. - Develop Maori tourism strategy - Deliver annual series of workshops to build industry capability - Support Hawke's Bay Regional Council with tourism expertise and support  5. Industry survey conducted, to set benchmark for future years  6. Completion 30 June 2020.	1. Was tracking well at over 3% pre-Covid.  2. Total \$261,732. 4.7% over target.  3. - c. 35 members signed up. - A TIA Tourism Sustainability Commitment workshop was conducted in June.  4. - Discussion group brought together to discuss. - Workshops delivered in July - Ongoing support of HBRC.  5. Survey conducted.  6. - Destination Management framework draft (MBIE) reviewed and responded to. - Reverse brief received for Destination spatial plan working group.
PR & Comms	This role: <ul style="list-style-type: none"> <li>Aims to attract as much free publicity as possible</li> <li>Creates stories and opportunities that promote HB and give the region a competitive advantage e.g. hosting journalists</li> <li>Creates significant profile for the region to an audience that is out of region – domestic and international</li> <li>Writes press releases and responds to the media on a regular basis</li> <li>Leads communication with Members and the community</li> </ul>	<ul style="list-style-type: none"> <li>0.8 FTE</li> </ul>			
Travel trade sales	This role: <ul style="list-style-type: none"> <li>Works with distributors, wholesale travel companies, inbound tour operators etc to ensure there is appropriate Hawke's Bay content in trade promotional material</li> <li>Helps members be "export ready" so that product can be taken to market and be showcased in offshore markets</li> <li>Provides impartial advice on venues, hotels, attractions and activities in HBTL role as Hawke's Bay's "convention bureau".</li> <li>Works with cruise lines and cruise sector representatives</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE</li> </ul>			
Events Co-ordination	<ul style="list-style-type: none"> <li>HBTL owns 3 main events - FAWC, Big Easy and Spring Fling</li> <li>This role manages and coordinates these events and plays a role in bidding for hosting rights for regional events</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE</li> </ul>			
Administration	<ul style="list-style-type: none"> <li>HBTL has a \$2.2m budget and around 9 staff (not all FTEs)</li> <li>This administration function leads on, or assists CE with, finance, HR, meeting and dairy management and overall office systems and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>0.8 FTE</li> </ul>			
Food & Wine Project (10 months, from 21 Sep 2019)	This new role is focused on the following: <ul style="list-style-type: none"> <li>Conduct an audit and produce a spatial plan of what is grown and produced, raised and caught, when, by whom, and for which markets</li> <li>Produce a map of culinary experiences leading to potential trail development</li> <li>Work with primary producers to define the regional food story</li> <li>Understand the opportunities for iwi and hapu and positions related to food</li> </ul>	<ul style="list-style-type: none"> <li>0.75 FTE</li> </ul>	<ul style="list-style-type: none"> <li>Full audit and spatial plan of what is grown and produced, raised and caught, when, by whom, and for which markets</li> <li>Map of culinary experiences leading to trail development</li> <li>Development of a food and wine regional story</li> <li>Consultations and collected views with whānau about having access to sufficient, safe and nutritious food that is produced locally</li> </ul>		N/A – work beginning late Sept 2020







	<ul style="list-style-type: none"><li>• Lead Hawke’s Bay “nutrition label”/calculation project – the aim is to assist producers and retailers tell their story, for consumers to make an informed decision related to spend, and to demonstrate the investment into the local economy.</li><li>• Food trail development: Work with local restaurants and chefs to develop menus and recipes that can be achieved by visiting the various producer farm gates and cellar doors.</li></ul>		<ul style="list-style-type: none"><li>• Work on the development of nutrition calculation/ model that demonstrates the investment into the local economy</li><li>• Driving itinerary recipes developed</li><li>• Map development for printed and app version</li><li>• Database developed</li></ul>	
--	--	--	--	--







## 15.3 Central Hawke's Bay District Council (CHBDC)

Table 29: CHBDC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource	Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?	Are performance measures and/or targets being met?
<b>1. Destination marketing and management</b>				
<ul style="list-style-type: none"> <li>Visitor attraction, promotion and marketing</li> <li>Events /activities promotion, marketing, support and facilitation</li> <li>Running events</li> </ul>	<ul style="list-style-type: none"> <li>These activities are not undertaken directly</li> <li>Undertaken through HBTL via:               <ul style="list-style-type: none"> <li>Agreement with HBRC (covering baseline or basic expectations); and</li> <li>Additional contract for Tourism Coordinator role (3 days per week)</li> </ul> </li> <li>Tourism coordinator role leads on some events e.g. Little Easy and Spring Fling</li> <li>Have been more active on bidding for events in collaboration with HBTL e.g. NZ cycle nationals</li> <li>Nga Ara Tipuna (a Maori cultural tourism project), is relevant. CHBDC Economic Manager spends approx. 1/5 of time on this</li> </ul>	0.6 FTE (Tourism Coordinator employed by HBTL)  0.2 (CHBDC Economic Manager)	1. The annual visitor spend increases by \$1m annually. [Proposed update – Visitor spending has increased 50% by 2029 (2019 base)]. 2. The number of participants in events financially supported by Council. [Target – 9970].	1. For 2019/20 – No (for COVID reasons) 2. For 2019/20 - Yes
<b>2. Business development and support</b>				
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>These activities are not typically undertaken directly</li> <li>Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>CHBDC plays a funnelling role to main providers of services</li> <li>CHBDC also funds 'Shop Local CHB' in an ad hoc manner to deliver some of these services.</li> <li>Considering a digital business hub to strengthen this activity.</li> </ul>	0.1 FTE (CHBDC Economic Manager)	<ul style="list-style-type: none"> <li>Support the creation of net new jobs within the District.</li> <li>The percentage of the community satisfied with the Economic and Social Development activity of Council. [Target– 80%, and proposed update 95%. This is assessed via an independent community views survey].</li> </ul>	Yes
<b>3. Innovation and industry development support</b>				
<ul style="list-style-type: none"> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>Mainly provision of local context</li> <li>Ad hoc, usually in-kind support where needed</li> </ul>	0.1 FTE (CHBDC Economic Manager)	<ul style="list-style-type: none"> <li>Council actively participates in regional collaborative initiatives around economic and social development.</li> <li>Support the creation of net new jobs within the District.</li> <li>The percentage of the community satisfied with the Economic and Social Development activity of Council.</li> </ul>	Yes
<b>4. Skills -related support</b>				
	<ul style="list-style-type: none"> <li>CHBDC has played a role in creating frameworks for thinking about skills development in a local context e.g. a (regional) skills attraction strategy has been created. Not yet activated. Funding is being sought.</li> <li>Act as a channel for funding from e.g. Mayor's Taskforce for Jobs</li> <li>Examples of activities (undertaken via contract for service):               <ul style="list-style-type: none"> <li>Mobile employment clinics</li> <li>Drivers licensing (including heavy vehicle endorsements)</li> <li>Pastoral support and work readiness</li> <li>PPE and health and safety training</li> </ul> </li> <li>Have redeployed 46 people over the last 5 weeks.</li> </ul>	0.1 FTE (CHBDC Economic Manager)	<ul style="list-style-type: none"> <li>Support the creation of net new jobs within the District.</li> <li>The percentage of the community satisfied with the Economic and Social Development activity of Council.</li> </ul>	Yes
<b>5. Investment attraction</b>				
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).</li> </ul>	0.1 FTE (CHBDC Economic Manager)	<ul style="list-style-type: none"> <li>Council actively participates in regional collaborative initiatives around economic and social development.</li> <li>Support the creation of net new jobs within the District.</li> </ul>	Yes







			<ul style="list-style-type: none"> <li>The percentage of the community satisfied with the Economic and Social Development activity of Council.</li> </ul>	
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>			
<b>7. Strategy development, economic intelligence, monitoring</b>				
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>CHBDC has developed a CHB Economic Development Action Plan and a COVID-19 and Drought Recovery Plan</li> <li>CHBDC is a user, not creator, of economic intelligence</li> <li>CHBDC uses Dot Loves Data dashboard and Infometrics regional licences</li> </ul>	0.2 FTE (CHBDC Economic Manager)	<ul style="list-style-type: none"> <li>Council implements the Economic Development Action Plan</li> </ul>	Yes
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>CHBDC has representation on 5 of the Matariki pou</li> </ul>	0.1 FTE (CHBDC Economic Manager)	<ul style="list-style-type: none"> <li>Council actively participates in regional collaborative initiatives around economic and social development</li> </ul>	Yes







## 15.4 Hastings District Council (HDC)

Table 30: HDC – Priority areas, resources, measurement and performance

<i>Focus of economic development / economic wellbeing activity</i>	<i>Description of activity and outputs generated</i>	<i>FTE Resource</i>	<i>Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?</i>	<i>Are performance measures and/or targets being met?</i>
<b>1. Destination marketing and management</b>				
<ul style="list-style-type: none"> <li>Visitor attraction, promotion and marketing</li> <li>Events /activities promotion, marketing, support and facilitation</li> <li>Running events</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken mainly through HBTL via agreement with HBRC</li> <li>HDC owns the local i-Site that undertakes some of this activity (although 75% of enquiries are citizens advice-related)</li> <li>HDC funds and sponsors key events. Approx. 30% of these events are larger events that attract out of region visitors e.g. Horse of the Year</li> <li>ED team sponsors key events e.g. AMP wine awards, Export NZ, Lanten Festival</li> </ul>	<p>FTE – Event Manager</p> <p>i-Site has 5 FTEs with varying roles</p> <p>0.5 FTE – ED team</p> <p>Have not counted contribution of HDC marketing team</p>	<p>HDC Objective: Appealing visitor destination</p> <p>Performance measures:</p> <ol style="list-style-type: none"> <li>Number of visitors to i-Site visitor centres per annum. Target - 73,000 for 2018/19</li> <li>Total visitors to Splash Planet. Target – 100,000 (45% from outside Hastings)</li> <li>Total financial support to events. Target - \$125,000</li> </ol>	<ol style="list-style-type: none"> <li>No</li> <li>Yes</li> <li>Yes</li> </ol>
<b>2. Business development and support</b>				
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken mainly via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>Play a funnelling role to main providers</li> <li>HDC has a hot-desk at the Business Hub</li> <li>HDC runs a Hastings District Productivity Programme. They contract the 'Lean Hub' to provide a '5s programme'. This has recently been broadened to cover leadership training. Similar in nature to the RBP programme. \$5-\$10k per business. Business co-funds.</li> </ul>	<p>0.1 FTE (HDC Economic Manager)</p>	<p>HDC Objective: Supporting and attracting business</p> <p>Performance Measure</p> <ol style="list-style-type: none"> <li>Total financial support to Business Hawke's Bay. Target – funding of \$100,000.</li> </ol> <p>Key action KA27: Advance business attraction and job creation initiatives. But this key action is not supported by a specific measure or target.</p>	<ol style="list-style-type: none"> <li>Yes</li> </ol> <p>Key achievements relevant to Key action KA27:</p> <ul style="list-style-type: none"> <li>Business Attraction brochure and case study for a potential centralised call centre for Government Department to relocate up to 250 jobs to the region.</li> <li>Collaborated with regional LAs, PTSGs, Government Agencies and business groups on two presentations to an international business investigating the establishment of a call centre and business processing centre that would upskill 250 employees over two years in information technology careers.</li> <li>The 'Our Hawke's Bay' brochure was provided to local businesses seeking to attract skilled labour to Hawke's Bay.</li> <li>Supported enquiries from pet food and agriculture by-product processing businesses investigating relocating to Hawke's Bay (that could lead to a combined 250 jobs).</li> </ul>
<b>3. Innovation and industry development support</b>				
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D funding / support not provided</li> <li>Mainly provision of local context and in-kind support</li> <li>HDC does provide financial support for feasibility and business case work on a case by case basis at times</li> <li>The HB FoodHub has been a major recent project and undertaking</li> <li>HDC (and NCC) provide top-up funding for Learning HB</li> </ul>	<p>0.5 FTE (HDC Economic Manager)</p>	<p>HDC Objective: Supporting and attracting business</p> <p>Key action KA27: Advance business attraction and job creation initiatives. But this key action is not supported by a specific measure or target.</p>	<p>Focus of HDC effort in this area has been the HB FoodHub.</p> <ul style="list-style-type: none"> <li>A Feasibility and Business Case was commissioned and completed.</li> <li>Funding was sought and approved via the PGF.</li> <li>Now the establishment phase is being supported.</li> </ul>
<b>4. Skills -related support</b>	<ul style="list-style-type: none"> <li>See business capability support above</li> </ul>			
<b>5. Investment attraction</b>				







<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>HDC is a member of the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport). This is a key coordinating and collaboration mechanism for investment attraction activities.</li> <li>HDC can develop tailored material for businesses looking to locate in HB e.g. Datacom and NZ Institute of Skills and Technology. This is typically a collaborative effort with BHB and other Councils (through Think HB).</li> <li>HDC leads on Great Things Grow Here (GTGH) on behalf of region</li> <li>HDC has a team called 'Strategic Projects, Key Account Services and Capital Investment Partnerships' (SPKASCIP) that can work alongside key businesses and/or projects to smooth the investment process and engagement with Council</li> <li>HDC also has a Financial Incentive Grant that can be used to support specific opportunities e.g. where the public benefit case is significant.</li> </ul>	<p>0.2 FTE (HDC Economic Manager)</p> <p>0.1 FTE (Project management support for GTGH)</p>	<p>HDC Objective: Supporting and attracting business</p> <p>Key action KA27: Advance business attraction and job creation initiatives. But this key action is not supported by a specific measure or target.</p>	<ul style="list-style-type: none"> <li>HDC has been active participant in the Think HB group. This has involved collaborative effort around two business promotional and attraction initiatives (Datacom and NZIST HQ).</li> <li>The Think HB group has been useful in building a more effective collaborative mechanism; has been key in developing a Talent Attraction Strategy and Action Plan; and has focussed on building a roadmap and implementing an existing investment strategy.</li> <li>HDC has provided the FTE resource (and its share of co-funding) to support the GTGH platform. See separate assessment of GTGH.</li> <li>HDC considers the work the SPKASCIP does a success but specific performance measures and targets are not available so an assessment on effectiveness has not been made.</li> </ul>
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>HDC Eco Dev team leads on international engagement/connection work e.g. China Tourism Project; and Sister City with Guilin in China</li> </ul>	0.1 FTE (HDC Economic Manager)	No specific performance measures or KPIs available.	<ul style="list-style-type: none"> <li>Unclear. Cannot make an assessment</li> </ul>
<b>7. Strategy development, economic intelligence, monitoring</b>				
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>HDC does not have an independent standalone economic development strategy. Economic development objectives are captured in the LTP and Annual Plans.</li> <li>HDC has played a key role in recent COVID recovery work</li> <li>HDC is a user of economic intelligence. They share the Infometrics and Dot Loves Data regional licences and buy retail stats from Market View (retails stats are shared with business associations)</li> <li>Summaries are prepared and made available for senior leaders, use in media releases, speeches etc</li> </ul>	0.1 FTE (HDC Economic Manager)	No specific performance measures or KPIs available.	<ul style="list-style-type: none"> <li>Unclear. Cannot make an assessment</li> </ul>
<b>8. Regional economic development and economic wellbeing implementation support</b>	<ul style="list-style-type: none"> <li>HDC has representation on 5 of the Matariki pou</li> </ul>	0.2 FTE (HDC Economic Manager)	No specific performance measures or KPIs available.	<ul style="list-style-type: none"> <li>HDC is an important contributor to Matariki.</li> </ul>







## 15.5 Hawke's Bay Regional Council (HBRC)

Table 31: HBRC – Priority areas, resources, measurement and performance

Not sure if this is needed ....

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource	Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?	Are performance measures and/or targets being met?
<b>1. Destination marketing and management</b>				
<ul style="list-style-type: none"> <li>Visitor attraction, promotion and marketing</li> <li>Events /activities promotion, marketing, support and facilitation</li> <li>Running events</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken through agreement HBTL</li> <li>HBRC contributes to the costs of a range of events. Approx. \$74,000 / year</li> <li>HBRC marketing and comms team plays a role in promotion of events</li> </ul>			4. No 5. Yes 6. Yes
<b>2. Business development and support</b>				
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>Not directly</li> <li>Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>Play a funnelling role to main providers</li> </ul>			2. Yes 3.
<b>3. Innovation and industry development support</b>				
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>Provision of local context</li> <li>Ad hoc e.g. Wairoa Hort Project; Napier/Wairoa rail project</li> </ul>			1.
<b>4. Skills -related support</b>	• N/A			
<b>5. Investment attraction</b>				
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Reactive</li> <li>Great Things Grow Here (GTGH)</li> </ul>		•	2.
<b>6. Export and/or offshore investment support</b>	<ul style="list-style-type: none"> <li>Sister region in China</li> <li>Otherwise N/A</li> </ul>		3.	4.
<b>7. Strategy development, economic intelligence, monitoring</b>				
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>No formal HBRC economic strategy</li> <li>COVID recovery work</li> <li>A user of economic intelligence</li> <li>Summaries are prepared and made available for senior leaders</li> </ul>		5.	6.
<b>8. Regional economic development and economic wellbeing implementation support</b>	• HBRC has representation on 5 of the Matariki pou		7.	8.







## 15.6 Napier City Council (NCC)

Table 32: NCC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource	Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?	Are performance measures and/or targets being met?
<b>1. Destination marketing and management</b>				
<ul style="list-style-type: none"> <li>Visitor attraction, promotion and marketing</li> <li>Events /activities promotion, marketing, support and facilitation</li> <li>Running events</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken through HBTL via agreement with HBRC</li> <li>NCC owns the local i-Site that undertakes some of this activity</li> <li>NCC owns Napier Conference Centre which plays a key role in hosting conferences that attract people from out of region. Employees are NCC employees</li> <li>NCC Manager of Business and Tourism, oversees running of museum, i-Site and Conference Centre</li> <li>NCC has an Event Manager who is also involved in event attraction</li> <li>NCC marketing team plays a role</li> </ul>	1 FTE – (Event Manager)  0.5 FTE – (Manager of Business and Tourism)  Have not counted contribution of NCC marketing team	<ul style="list-style-type: none"> <li>This activity falls under 'Community and Visitor Experiences' priority area.</li> <li>Initiatives are project based e.g. develop an activity management plan for the Faraday Centre; commence development of a "Business and Tourism Strategy".</li> <li>There do not appear to be relevant performance measures and/or targets being used.</li> </ul>	<ul style="list-style-type: none"> <li>Unclear</li> </ul>
<b>2. Business development and support</b>				
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>These activities are not undertaken directly</li> <li>Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>NCC plays a funnelling role to main providers of services</li> </ul>	0.1 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s:  2.1.1 Advocacy <ul style="list-style-type: none"> <li>Communicate constructively on issues of strategic importance with key organisations such as Napier Port, EIT, BHB and Hawke's Bay Airport.</li> <li>KPI: SLT and CMT acknowledge that they understand each stakeholder's perspective. Meet quarterly with key stakeholders.</li> </ul> 2.1.3 Enabling Industry <ul style="list-style-type: none"> <li>Be a contributor to "enabling" activity that allows selected industries to locate into Napier City.</li> <li>KPI: Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.</li> </ul>	<ul style="list-style-type: none"> <li>2.1.1 – Yes</li> <li>2.1.3 – Yes</li> </ul>
<b>3. Innovation and industry development support</b>				
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D funding / support not provided</li> <li>Mainly provision of local context</li> <li>Ad hoc, usually in-kind support where needed e.g. tech sector</li> <li>NCC (and HDC) provide top-up funding for Learning HB</li> </ul>	0.1 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s:  2.1.1 Advocacy <ul style="list-style-type: none"> <li>Communicate constructively on issues of strategic importance with key organisations such as Napier Port, EIT, BHB and Hawke's Bay Airport.</li> <li>KPI: SLT and CMT acknowledge that they understand each stakeholder's perspective. Meet quarterly with key stakeholders.</li> </ul> 2.1.3 Enabling Industry	<ul style="list-style-type: none"> <li>2.1.1 – Yes</li> <li>2.1.3 – Yes</li> </ul>







			<ul style="list-style-type: none"> <li>Be a contributor to “enabling” activity that allows selected industries to locate into Napier City.</li> <li><b>KPI:</b> Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.</li> </ul>	
<b>4. Skills -related support</b>	N/A			
<b>5. Investment attraction</b>				
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke’s Bay Airport).</li> <li>Unlike Hastings District Council (HDC) NCC does not have a specific team that works alongside key businesses and/or projects to smooth the investment process and engagement/s with Council. There are, however, 2 roles in NCC planning teams that provide this type of service. These roles have been captured for completeness and comparability.</li> </ul>	0.2 FTE (NCC Economic Manager)  2 FTEs (in planning teams)	Relevant NCC ED Objective/s:  <b>2.1.2 Promotion/Attraction</b> <ul style="list-style-type: none"> <li>Successful marketing, promotion and partnerships that draw investors to Hawke’s Bay.</li> <li><b>KPI:</b> Demonstrate contribution to BHB’s Capital Attraction KPI and attend one relevant Expo or Trade Show.</li> </ul> <b>2.1.3 Enabling Industry</b> <ul style="list-style-type: none"> <li>Be a contributor to “enabling” activity that allows selected industries to locate into Napier City.</li> <li><b>KPI:</b> Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.</li> </ul>	<ul style="list-style-type: none"> <li>2.1.2 – Yes</li> <li>2.1.3 – Yes</li> </ul>
<b>6. Export and/or offshore investment support</b>	Sister City relationships with: <ul style="list-style-type: none"> <li>Tomokomai, Japan</li> <li>Victoria, Canada</li> <li>Linguanyan, China</li> </ul>	0.05 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s:  <b>2.1.4 Grant/Sponsorship Management</b> <ul style="list-style-type: none"> <li>e.g. Provide funding and governance support for economic impact initiatives e.g. BHB, Sister City, Food Hub, NCBI, University of Waikato, Matariki REDS, GTGH, Learning HB.</li> <li><b>KPI:</b> Demonstrate positive benefit/cost to Napier from each grant/sponsorship arrangement. Provide and record an assessment after event has occurred</li> </ul>	<ul style="list-style-type: none"> <li>2.1.4 – Partial (impact hasn’t been recorded)</li> </ul>
<b>7. Strategy development, economic intelligence, monitoring</b>				
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Napier City Council does not have an economic development strategy</li> <li>But the City Vision Framework is relevant, as well as the more recent COVID recovery work</li> <li>The NCC 2020-21 Annual Plan notes that a key ‘business and tourism’ initiative under the ‘Community and Visitor Experiences’ priority area will be to “commence development of a Business and Tourism Strategy”.</li> <li>NCC is a user of economic intelligence. Summaries are prepared and made available for senior leaders</li> </ul>	0.2 FTE (NCC Economic Manager)	Relevant NCC ED Objective/s:  <b>2.1.0 Research</b> <ul style="list-style-type: none"> <li>Identify and communicate technology trends relevant to Napier City and communicate potential economic impacts to internal stakeholders.</li> <li><b>KPI:</b> One internal workshop per year and adopt at least one initiative.</li> </ul> <b>2.1.5 Leadership</b> <ul style="list-style-type: none"> <li>Develop a strategy for the Economic Development role and develop new roles and job descriptions for the benefit of Economic Development in Napier.</li> </ul>	<ul style="list-style-type: none"> <li>2.1.0 – Yes</li> <li>2.1.5 – Partially (under review)</li> </ul>







			<ul style="list-style-type: none"> <li>• <b>KPI:</b> One completed job description.</li> </ul>	
8. Regional economic development and economic wellbeing implementation support	<ul style="list-style-type: none"> <li>• NCC has representation on 5 of the Matariki pou</li> </ul>	0.2 FTE (NCC Economic Manager)	<p>Relevant NCC ED Objective/s:</p> <p>2.1.1 Advocacy</p> <ul style="list-style-type: none"> <li>• Communicate constructively on issues of strategic importance with key organisations such as Napier Port, EIT, BHB and Hawke's Bay Airport.</li> <li>• <b>KPI:</b> SLT and CMT acknowledge that they understand each stakeholder's perspective. Meet quarterly with key stakeholders.</li> </ul> <p>2.1.2 Promotion/Attraction</p> <ul style="list-style-type: none"> <li>• Successful marketing, promotion and partnerships that draw investors to Hawke's Bay.</li> <li>• <b>KPI:</b> Demonstrate contribution to BHB's Capital Attraction KPI and attend one relevant Expo or Trade Show.</li> </ul> <p>2.1.3 Enabling Industry</p> <ul style="list-style-type: none"> <li>• Be a contributor to "enabling" activity that allows selected industries to locate into Napier City.</li> <li>• <b>KPI:</b> Positive feedback received from agreed list of stakeholders. Review and contribute to economic impact briefs and economic impact studies. Provide 3 examples.</li> </ul> <p>2.1.4 Grant/Sponsorship Management</p> <ul style="list-style-type: none"> <li>• e.g. Provide funding and governance support for economic impact initiatives e.g. BHB, Sister City, Food Hub, NCBI, University of Waikato, Matariki REDS, GTGH, Learning HB.</li> <li>• <b>KPI:</b> Demonstrate positive benefit/cost to Napier from each grant/sponsorship arrangement. Provide and record an assessment after event has occurred</li> </ul>	<ul style="list-style-type: none"> <li>• 2.1.1 – Yes</li> <li>• 2.1.2 – Yes</li> <li>• 2.1.3 – Yes</li> <li>• 2.1.4 – Yes</li> </ul>







## 15.4 Wairoa District Council (WDC)

Table 33: WDC – Priority areas, resources, measurement and performance

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource	Measuring impact: Relevant performance measures / targets - Is this being measured? - If so, how?	Are performance measures and/or targets being met?
<b>1. Destination marketing and management</b>				
<ul style="list-style-type: none"> <li>Visitor attraction, promotion and marketing</li> <li>Events /activities promotion, marketing, support and facilitation</li> <li>Running events</li> </ul>	<ul style="list-style-type: none"> <li>Undertaken mainly through HBTL via agreement with HBRC</li> <li>WDC owns the local i-Site that undertakes some of this activity. Focus is on information for tourists and visitors</li> <li>WDC has a Community Development Officer that spends around 20% of time on community events. These include larger ones that attract people from outside of district (approx. 30% of events)</li> </ul>	2 FTEs at the i-Site  0.2 FTE (Community Development Officer)	From: WDC Economic Development Plan 2017 1. Wairoa increases its share of the national tourism GDP by 2018 2. Support existing businesses and community organisations	1. No 2. Yes
<b>2. Business development and support</b>				
<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Business capability support</li> </ul>	<ul style="list-style-type: none"> <li>These activities are not undertaken directly</li> <li>Undertaken via Business Hawke's Bay (BHB) and HB Chamber of Commerce</li> <li>WDC plays a funnelling role to main providers of services</li> </ul>	0.1 FTE (WDC Economic Manager)	From: WDC Economic Development Plan 2017 1. Increase the Wairoa district's Maori Economy by 2018 2. Support existing businesses and community organisations 3. Increase our share of the national GDP by 2019	1. No 2. Yes 3. No
<b>3. Innovation and industry development support</b>				
<ul style="list-style-type: none"> <li>R&amp;D funding /support</li> <li>Feasibility studies and business cases for sector and investment projects</li> <li>Cluster &amp; sector work with industry coalitions</li> <li>Co-investment in major projects</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D funding / support not provided</li> <li>Mainly provision of local context</li> <li>Ad hoc, usually in-kind support where needed</li> </ul>	0.1 FTE (WDC Economic Manager)	From: WDC Economic Development Plan 2017 1. Increase the Wairoa district's Maori Economy by 2018 2. Support existing businesses and community organisations 3. Regional collaboration to achieve better outcomes for our district 4. Increase our share of the national GDP by 2019	1. No 2. Yes 3. Yes 4. No
<b>4. Skills -related support</b>				
	<ul style="list-style-type: none"> <li>Act as a channel for funding from e.g. Mayor's Taskforce for Jobs</li> <li>Provide letters of support for key businesses when seeking RSE workers to fill skill gaps</li> </ul>	0.1 FTE (WDC Economic Manager)	From: Wairoa Community Partnership Group 1. All Whānau across the Wairoa District are thriving  From: WDC Economic Development Plan 2017 2. Population decline is halted or reversed by 2018 3. Increase the Wairoa district's Maori Economy by 2018 4. Support existing businesses and community organisations 5. Regional collaboration to achieve better outcomes for our district 6. Decrease in the percentage of our working population that are unemployed 2019 7. Increase our share of the national GDP by 2019	1. No 2. Yes 3. No 4. Yes 5. Yes 6. No 7. No
<b>5. Investment attraction</b>				
<ul style="list-style-type: none"> <li>Business attraction</li> <li>Talent attraction</li> <li>Capital attraction</li> </ul>	<ul style="list-style-type: none"> <li>Mainly undertaken through the Think HB group (the economic development leads of the 5 Councils plus representatives from Napier Port and Hawke's Bay Airport).</li> <li>Also ad hoc involved with laying out the welcome mat for potential investors e.g. work with Rocket Lab.</li> <li>Note talent attraction from a WDC perspective also involves encouraging ex-pat whānau to return home to contribute to Wairoa's wellbeing</li> </ul>	0.2 FTE (WDC Economic Manager)	From: Wairoa Community Partnership Group 1. All Whānau across the Wairoa District are thriving  From: WDC Economic Development Plan 2017 2. Population decline is halted or reversed by 2018 3. Increase the Wairoa district's Maori Economy by 2018 4. Support existing businesses and community organisations 5. Regional collaboration to achieve better outcomes for our district 6. Decrease in the percentage of our working population that are unemployed 2019 7. Increase our share of the national GDP by 2019	1. No 2. Yes 3. No 4. Yes 5. Yes 6. No 7. No







6. Export and/or offshore investment support	N/A			
7. Strategy development, economic intelligence, monitoring				
<ul style="list-style-type: none"> <li>Economic strategy development</li> <li>Economic intelligence and monitoring</li> </ul>	<ul style="list-style-type: none"> <li>WDC has an Economic Development Strategy from 2017</li> <li>The Wairoa Community Partnership Group and related goals and work programme are relevant as this captures the broader wellbeing approach Wairoa is taking to economic development</li> <li>Recent work has involved working with iwi on a Wairoa recovery plan</li> <li>WDC is a user of economic intelligence</li> </ul>	0.2 FTE (WDC Economic Manager)	From: WDC Annual Plan 1. Actions in the Economic Development Plan and Action Plan in progress and completed (% of actions completed) 2. The cost related to this activity did not exceed the approved budget	1. Yes 2. Yes
8. Regional economic development and economic wellbeing implementation support	<ul style="list-style-type: none"> <li>WDC has representation on 5 of the Matariki pou</li> </ul>	0.1 FTE (WDC Economic Manager)	From: WDC Economic Development Plan 2017 1. Regional collaboration to achieve better outcomes for our district	1. Yes







17 December 2020

Monique Davidson  
Chair of CE Forum  
Central Hawke's Bay District Council  
Delivered via email

Kia ora Monique

This is to advise you that today, we have initiated formal consultation with the Business Hawke's Bay team on a proposal to wind up the organisation.

This follows our recent meetings and correspondence with you and your advice of 26 November 2020 that councils are unable to commit to any additional funding of BHB on top of what is committed in the current Service Agreement which finishes 30 June 2021.

As we have made clear in our discussions and correspondence with you, continuing with the status quo for Business Hawke's Bay is not an option beyond 30 June 2021; based on a model that has strangled our organisation's capacity to deliver with impact over the past nearly 10 years.

You have advised that the process to implement the actions of the *Review of Local Government Investment in Business and Industry Support Across Hawke's Bay Region* will take between 12 to eighteen months. Business Hawke's Bay simply cannot wait that long, and we certainly cannot continue to operate effectively and with impact on current funding.

Furthermore, the Board is committed to good governance and is unable to make any commitments in relation to premises lease, employee contracts and supply agreements without funding certainty from Councils beyond 30 June 2021. Therefore, it is with deep regret the BHB Board proposes initiating a wind-up process, with this foreseeably being completed no later than 30 June 2021.

We are committed to making our decision with all the facts on the table, and only after having given staff an opportunity to be heard. We have presented the proposal to them today and given the upcoming holiday period we have proposed an extended period of consultation until mid-January.

In your letter of 26 November 2020 and your recent email, you expressed interest in the potential assignment of the Business Hubs (Napier and Hastings) to one of the five Councils, should BHB begin a wind-up process. Without predetermining the outcome of our internal process, it would be prudent to commence this discussion as soon as possible and we ask that you nominate a primary contact with sufficient authority to make plans for this possible transition.

You will appreciate there will be implications for and interest in this development amongst the region's business community and wider stakeholders. That is why we are communicating the details of the proposal today. I attach for your information the press release and QAs that have been distributed to media.

Business Hawke's Bay | Hawke's Bay Business Hub, 36 Bridge Street, Ahuriri, Napier 4110  
info@businesshb.nz | +64 6 650 1711 | businesshb.nz



Please let me know if you have any questions, otherwise we look forward to hearing from you.

Ngā mihi

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a loop and a short vertical stroke.

Stuart McLauchlan  
Business Hawke's Bay Board Chairperson



Thursday 17<sup>th</sup> December 2020  
MEDIA STATEMENT

### **Business Hawke's Bay contemplates shutting up shop**

#### ***Councils decline request for funding certainty, forcing tough decision***

After nearly ten years meeting demand for business-led economic development services, Business Hawke's Bay is having to consider closing its doors after the region's Councils declined the organisation's request for additional funding.

Stu McLauchlan, Chairman of Business Hawke's Bay (BHB) said the organisation has been highlighting to Councils for a number of years that BHB cannot have a positive impact for regional economic development on current funding. BHB receives \$330,000 a year from Councils.

"We have consistently sought additional funding from Councils however funding has been stagnant for many years now."

Mr McLauchlan said the BHB Board raised the matter again formally with Mayors and the Regional Council Chair, and Council Chief Executives in February and last month wrote to and met with Chief Executives requesting additional funding of \$300,000 for this year and \$600,000 for the 2021/22 financial year.

"We have consistently said that continuing with the status quo for Business Hawke's Bay is not an option based on a funding model that has strangled our organisation's capacity to deliver with impact over the past ten years.

"We were very pleased to participate in the *Review of Local Government Investment in Business and Industry Support Across Hawke's Bay Region* recently initiated by Councils and from our perspective there were no surprises in the draft findings that highlight the constraints in funding, capacity and impact BHB has faced.

"Pleasingly, the report also highlights the importance of the impact BHB has been able to achieve, regardless of financial constraints."

Mr McLauchlan said BHB supports in principle the report's recommendation to establish a properly funded and mandated regional Economic Development Agency into which BHB could be merged. However, Councils have advised the BHB Board that any changes to regional economic development arrangements that may eventuate from the review will take 12 to 18 months.

"We simply cannot wait that long, and we certainly cannot continue to operate effectively and with impact on current funding."

He said that is why the Board formally requested an injection of additional funding in the interim, to give BHB the confidence to operate, maintain momentum, provide surety for its people and to continue to deliver much needed services to the region's business community and the wider economic development eco-system.

However, in late November Councils advised they are unable to commit to the provision of any additional funding on top of what is currently committed to 30 June 2021 and no guarantee could be given that existing funding would be available beyond that time.

"Without certainty of future funding and an increase in funding, we are now forced to consider closing our doors and today we have initiated a process that is required to consider this proposal.



"With the Government signaling a [boost](#) for economic development investment through regional Economic Development Agencies, in the very sectors BHB is focused on – food and fibre, agritech, hi-tech and business start-ups – our work programme continues to be entirely relevant and essential, and aligned with the regional outcomes sought through the national Industry Transformation Plans and Matariki Hawke's Bay Regional Development Strategy.

"This could leave Hawke's Bay as an outlier, without an established, credible organisation to engage in funding opportunities.

"However, it all begins and ends with funding. Impact relies on mandate, mana and money. Without the ability to build our capacity to deliver more impact, especially at this time, the Board has taken the difficult decision to consider winding BHB up. That is the only responsible and prudent course of action we're left with."

BHB currently employs a team of seven who will be affected if the doors close – three involved in management and activation of the Hawke's Bay Business Hub, three managing projects and sector programmes, and the Chief Executive. A number of contractors would also be affected.

"My fellow board members and I are absolutely committed to ensuring we support our team through this time. After all, they have been our most important asset and have been phenomenally dedicated to the cause of supporting our business community and regional economy to thrive," said Mr McLauchlan.

He explained any decision to wind the organisation up would mean BHB would also be in the invidious position of having to discontinue its membership of Matariki Regional Development Strategy Executive Steering and Governance Groups, leadership of the Matariki Regional Development Strategy's Pou 4 and 5 programmes, and co-leadership of Pou 2, co-chair of the interim Regional Skills Leadership Group, regional representation on Economic Development New Zealand and key programmes and initiatives supporting the development and capability of key sectors.

"Business Hawke's Bay represents all things Hawke's Bay with no territorial agenda. Our business community needs services to continue to help drive a thriving economy that every Hawke's Bay whānau and household can benefit from and be involved in. What's more, the environment brought about by Covid-19 has dramatically heightened our business community's need for support and we expect that to continue well into next year, as global uncertainty shows no sign of abating."

"Our Board believes that the better approach would be for the Councils to properly fund BHB to continue its role in the interim until a new regional economic development agency is established so that BHB's work programmes and institutional knowledge and expertise are not lost and could be transitioned into the new agency.

"We have always made it very clear to Councils we are prepared to merge into a fully-funded and mandated regional EDA.

"However, sadly, for Hawke's Bay and for our own talented team, Councils see the situation differently and BHB's current position is not sustainable. We go into this process with extremely heavy hearts." Mr McLauchlan concluded.

#### ENDS

For further information:  
Brenda Newth  
Communications Support  
Business Hawke's Bay  
021 655 534  
[comms@businesshb.nz](mailto:comms@businesshb.nz)



## NOTE TO EDITORS

### ABOUT BUSINESS HAWKE'S BAY

Making sure that Hawke's Bay has the right climate for business to thrive and grow is the mission of Business Hawke's Bay (BHB), a business-led economic development agency with a region-wide focus; providing business leadership and support for business and economic growth. BHB is funded by key partners: local Councils, central government and the business community, and functions as an incorporated society.

BHB supports the growth of the Hawke's Bay's economy and business, and also contributes as lead agency on the Matariki Action Plan economic development objectives. BHB works to **Attract, Build and Connect** the business community through:

- Attraction of business, investment and a skilled workforce
- Building sectors, businesses, capability and innovation
- Connecting the business community through BHB and Hawke's Bay Business Hub services

BHB works collaboratively with Councils, through their economic development teams in the region; and facilitates the activation of the co-working community of regional business support services at Hawke's Bay Business Hub with organisations such as Callaghan Innovation, Hawke's Bay Chamber of Commerce, Regional Business Partners, New Zealand Trade and Enterprise, Export NZ, Business Central, Young Enterprise Scheme, Food Innovation Network, The Icehouse and New Zealand Business Mentors.

Strong relationships and local connections continue to be a cornerstone for BHB with the team, track record and connections to make a difference.

By providing a credible, business-led voice for a region that can be at times fragmented for any external business, agencies or even central government to engage with. Business Hawke's Bay has been instrumental in bringing numerous economic and industry specific development agencies together and making it easier for businesses to grow with the right support around them.

### KEY ACHIEVEMENTS AND BHB PROGRAMME OF WORK

#### Key Achievements

- Successful activation of Hawke's Bay Business Hub over past five and half years
- Innovation and Entrepreneurship Conference (2019)
- Land Diversification Opportunities Conference (2019)
- Future Foods Conference (2018)
- Infant Formula Goat Dairy Conference (2015)
- High performance work initiative (Productivity and LEAN)
- Support for The Icehouse coming to Hawke's Bay
- Business Connectivity Project to support business air travel
- Capability development (Coffee Talks, Digital Essentials, etc.)
- Establishment and facilitation of sector groups and programmes (Hi-Tech Hawke's Bay, Food and Fibre)
- Supported business attraction - relocation or establishment – in partnership with Councils and other organisations



- Part of regional partnership for NZ Institute of Skills and Technology bid
- Matariki HBRDs programme management and merger of economic development and social inclusion strategies

**BHB programme of work that would cease, or not proceed as planned should the decision be made to wind up the organisation**

1. Membership of Matariki Governance and Executive Steering groups – representing business
2. Leadership of Matariki Pou 4 – economic growth, and delivery of specific programmes
3. Co-leadership of Matariki Pou 2 – employment, skills and capability
4. Leadership of Matariki Pou 5 – promoting our place and delivery of specific programmes
5. Co-chair responsibility for Hawke's Bay interim Regional Skills Leadership Group
6. Member and facilitator of Think Hawke's Bay Collective
7. Hawke's Bay Business Hub
  - a. successful activation and management of Hawke's Bay Business Hub over 5 years – more than 34,000 business connections
  - b. Co-working space for 16 business support agencies
  - c. Connection/community space for the business community
  - d. Capability building events – Coffee Talks and Digital Essentials
  - e. Activation and management of new Hawke's Bay Business Hub Hastings
8. Start-ups
  - a. PopUp Business School (March 2021)
  - b. CO.STARTERS programme – 9 week business essentials course. 70 business owners supported
  - c. Extension of CO.STARTERS to people with trades-based and/or home based businesses
  - d. Facilitation of Start-ups meet-up group – currently >300 members and supported with capability building and networking events
  - e. Running MSD programme for Start-ups
  - f. INNOVATE – a competition for Start-ups to generate more knowledge/awareness of the eco-system for Start-ups (Lead up to Innovation & Entrepreneurship Conference 2021)
  - g. Establishment of SEED – an investment fund to give grants of up to \$2k to a Start-up or small business to get them up and running
  - h. Showcasing HB entrepreneurs in NZ Entrepreneur Innovation Nation series
9. Investment attraction and readiness
  - a. Participation/co-host of NZTE investment pitch session Beyond the Peak
  - b. Series of investor and investee education seminars. To build the investment community and build a pipeline of investment ready companies
10. Food and beverage sector
  - a. Facilitation of Food and Fibre group (currently 433 members)
  - b. Publisher of Food and Fibre sector-development newsletter
  - c. Planning for Future Foods Conference 2021
  - d. Capability workshops (sustainable packaging, new product development, food labelling, etc.) in partnership with NZ Food Innovation Network – up to 6 p/annum
  - e. Climate action workshops – supporting 3R Group Ltd
  - f. Speaker series
  - g. Facilitating the development of Hawke's Bay Food Sector Strategy – pillars of training and capability, employment, food innovation, growing technology
  - h. Member of establishment board of Foodeast – Hawke's Bay's new food innovation hub
  - i. Member of national Goat and Sheep Dairy Working Group
11. Technology and agritech sector
  - a. Establishment, facilitation and leadership of Hi-Tech Hawke's Bay (currently 170 members)



- b. Publisher of Hi-Tech sector-development newsletter
- c. Capability building workshops for Hi-Tech Hawke's Bay Group to support development of the sector
- d. Speaker series Hi-Tech Hawke's Bay Group programme to support development of the sector
- e. Talent attraction – working to attract high skilled people to key sectors
- f. Innovation and Entrepreneurship Conference 2021 (November)
- g. Engaging with agri-tech industry transformation plan with Callaghan Innovation
- h. Facilitation of Hort-tech cluster group
- i. Collaborating with EIT re robotics
- j. Regional partner NZ Tech Week
- k. Member of NZ Tech Alliance
- l. Member of Agritech NZ
- 12. Regional talent attraction and pathways to employment
  - a. Further development of skills board and jobs board to build a pipeline of talent
  - b. Attraction for higher value jobs and
  - c. Assistance/support for education to employment programmes
  - d. Career pathways into the region
- 13. Business attraction – collaboration partner
- 14. Representation at Economic Development New Zealand
- 15. Membership of EDNZ central North Island economic development sub-group
- 16. Membership of EIT local advisory committee; business and computing science
- 17. Member of regional aviation strategy working group
- 18. Co-ordinator of regional licence with Infometrics for Regional Data Series and publisher of Quarterly economic monitor series of press releases
- 19. Publisher of e-panui – BHB regional development bi-monthly newsletter, and news-bites





17 December 2020

**QUESTIONS & ANSWERS – BUSINESS HAWKE'S BAY CONSIDERS WIND-UP**

(In conjunction with media statement)

**Why is the Business Hawke's Bay board considering winding up the organisation?**

The request we made to Councils for increased funding was declined. BHB's funding from Councils hasn't changed significantly in a decade. Our scope of work on the other hand has expanded enormously, to include amongst other things being the lead or co-lead agency of three of the five Pou for Matariki Hawke's Bay Regional Development Strategy for economic, inclusive and sustainable growth. It was taking a toll on the organisation, on our people, and eating into reserves. The status quo simply was not an option. Therefore, with no additional funding in the pipeline we are proposing to wind Business Hawke's Bay up and have commenced consultation with our team. **You've said that BHB has consistently sought additional funding from Councils over a period of time, yet you haven't been able to secure an increase in funding. Why not?**

That's a question that is best answered by Councils.

**Did BHB give Councils an ultimatum?**

No. We were very clear about what we needed and what the region needs.

**Do you think it reasonable to ask for more funding when Napier City Council has announced a loss and HBRC has a rates freeze?**

More funding for economic development helps Hawke's Bay to be more productive. Our business community needs services to continue to help drive a thriving economy that every Hawke's Bay whānau and household can benefit from and be involved in. It helps our economy to grow and it creates jobs. It's an investment we can't afford NOT to make.

**Is the BHB model a failure?**

No. In fact the *Review of Local Government Investment in Business and Industry Support Across Hawke's Bay Region* report to Councils recommends a centralised economic development agency, to reduce fragmentation, duplication, reduce gaps and deliver for the region rather than on a TLA basis. That's the role that BHB has been doing for the last decade. What we needed was appropriate funding to have greater impact and deliver for the region.

Business Hawke's Bay considers winding up media questions and answers

1



The report also highlights the impact BHB has had, despite our financial constraints and makes it very clear that our ability to make even more impact has only been limited by a lack of funds strangling our capacity to do so.

**Napier MP Stuart Nash is economic and regional development minister and small business minister. Will he be disappointed for the HB business community, with this outcome?**

That's something you'll have to talk to the Minister about.

**You asked Councils for more money. Why?**

Quite simply, we have been operating for too long with too little. We can't deliver in the way and with the impact that we want to, and the way that our business community requires, and it's asking too much of our people.

BHB's council funding has not changed significantly in a decade, yet the scope of work we undertake has increased enormously. Our financial position under the current model is not sustainable. In addition, the need for economic development services continues, and we needed to ensure that businesses' access to economic development service was not impeded, regardless of the review or any reorganisation/restructure that may occur.

**Does that mean that Councils don't rate BHB's economic development efforts?**

That's a question that is best answered by Councils.

**What were the factors leading to that decision to consider winding BHB up?**

We asked Councils in February of this year for additional funding and again, during discussions about the *Review of Local Government Investment in Business and Industry Support Across Hawke's Bay Region* report they initiated. Should Councils choose to move to a new regional economic development model there will be a considerable lag between making the decision and it becoming a reality. BHB was willing to be that interim agency and was committed to continuing our important work programme in the interim, but only with increased and sustainable funding.

**When will the BHB Board make its decision?**

Mid-January. Today we start the consultation process with our team.

**You say that the status quo is not an option for BHB. Why?**

BHB faces constraints in funding, capacity and impact, and this was clearly noted in the *Review of Local Government Investment in Business and Industry Support Across Hawke's Bay Region* report. These things have hindered our ability to be really effective and deliver with impact the service Hawke's Bay's business community deserves. To deliver to our potential and for what the region needs requires significantly more funding.

**Several years ago Hawke's Bay Tourism successfully campaigned against the Regional Council's intent to reduce its funding – why didn't you take a leaf from their book?**

Business Hawke's Bay considers winding up media questions and answers

2



In our case, this has not been about the potential of a funding reduction, rather whether Councils were prepared to fund us adequately to overcome the constraints we have been facing for a considerable time. It was made clear to us there was no additional funding available.

**What ED services does BHB deliver?**

- Sector support (Hi tech, start-up, agritech and food and beverage).
- Capability building etc.
- Investment, business and skills attraction.
- Events, business information and referral services
- Economic strategy development,
- Economic intelligence and monitoring, and
- Matariki Strategy engagement and support.

For a full list of BHB activities and achievements see attachment to BHB media release

**Do Councils support BHB and its work programmes?**

We hope so, but really that's a question best answered by Councils.

**How many people would be affected if BHB were to close?**

Potentially seven, plus a small number of contractors. We are naturally committed to ensuring they are well supported through the consultation process and once we make our decision in mid-January.

**Is the BHB board's decision a fait accompli?**

We have commenced a process that we are legally obliged to follow. We are prepared to look at any and all options, but without additional and sustained funding it is hard to see what could be done.

We have already said that the status quo is not an option.

**What would this mean for the business community?**

If the proposal goes ahead, it means that a huge amount of work and support for businesses and business growth would simply stop.

**What would happen to BHB's programme of work?**

There is no logical successor that can step into the breach and absorb all of our work programmes. Councils would have to decide what is important to them.

**What would happen to the Hub in Ahuriri? And aren't you in the process of establishing a Hub in Hastings?**

We hope both Hubs would continue longer-term under the auspices of Councils, but that is a decision for them.

**What would happen to the other Hub tenants like NZTE, the Chamber of Commerce?**

That would be up to them, of course. But we have explained the situation to them, and our hope that a third party could be found to maintain the Hub longer-term.

Business Hawke's Bay considers winding up media questions and answers

3



Councils have said that it will take 12-18 months to establish a new economic development entity.

**What happens in the meantime?**

BHB was willing to be that interim organisation, but only with sustainable and increased funding to enable delivery. However, Councils see things differently. Regardless, we simply cannot wait that long, and we certainly cannot continue to operate effectively and with impact on current funding.

**Who will step into the breach?**

That's for Councils to decide.

**Does this leave HB without an EDA?**

Yes, it does.

The Government has said there is \$200m available for regional economic development ([click here for details](#)) – and that it will only work with regional economic development agencies. Without BHB, where would that leave Hawke's Bay?

An outlier, without an entity to engage with Government for funding.

**Couldn't BHB apply to Government for funding support from the \$200m earmarked for regional economic development?**

We considered that option, but any funding would be project based and one-off, and would rely on co-contributions from local government or local business. It would take a herculean effort to get something across the line, and we do not have time on our side.

**Without BHB, would the business community be short-changed?**

There would be big gaps in services and support. It would be up to Councils to decide what programmes they chose to support.

**Are economic development activities a core business for Councils?**

The purpose of local government is to promote community wellbeing including economic wellbeing. What is not clear is what entity or entities would pick up the mantle from Business Hawke's Bay, if the proposal to wind up went ahead.

**What about the recent *Review of Local Government Investment in Business and Industry Support Across Hawke's Bay Region*? Did the Review bring about the Board's proposal?**

No. But it does highlight and acknowledge the constraints faced by BHB. As a board, we need to secure the future of our organisation by securing sustainable funding. We have been unable to do that. The irony is that if Councils adopt a CCO or similar centrally funded model, it will undoubtedly cost many times the funding that BHB has asked for.

**Did BHB support the review?**

Business Hawke's Bay considers winding up media questions and answers

4



Yes. The review was a valuable and timely exercise. Under the Local Government Act 2002, s 17A Councils are required to review the cost effectiveness of Council arrangements for delivering services on a periodic basis.

**What was Business Hawke's Bay's involvement?**

BHB was one of the organisations delivering economic development services that was covered by the Review. We participated in the data collection/discovery process and had the opportunity to offer feedback on the draft report.

**What does BHB think of the recommendations?**

We support any outcome that significantly improves the co-ordination and impact of economic development activities across Hawke's Bay, and support changes that will improve regional economic development outcomes and ensure the most effective deployment of investment and resourcing. But we need to understand much more of the detail. At the moment there is a top line recommendation, with no further detail to support it.

**Why do you say there are no surprises?**

The constraints that BHB faces (funding, capacity and impact) are well known and were noted.

**Do you think BHB comes out of the review well?**

Yes, given our situation.

**What would happen to the staff of BHB?**

At this stage we are in a process to consult with our team on a proposal to wind the organisation up. Nothing is yet decided and the board will do so only after the team has had the opportunity to be heard.



The table below captures the major advantages and disadvantages of each of the considered options. The full Review Report contains more detailed analysis that assesses each option against a set of objectives and criteria that were developed based on what success could look like for Hawke's Bay.

<i>Summary advantages / disadvantages</i>	<b>Major advantages</b>	<b>Major disadvantages</b>
<b>OPTION 1:</b> <i>Status Quo</i>	<ul style="list-style-type: none"> <li>No costs involved</li> <li>No disruption to existing services</li> </ul>	<ul style="list-style-type: none"> <li>Will not improve the existing situation and deal with the issues that have been identified</li> <li>Would be a lost opportunity to create an effective and enduring platform for Hawke's Bay</li> </ul>
<b>OPTION 2:</b> <i>Enhanced Status Quo v1</i>	<ul style="list-style-type: none"> <li>No disruption to existing services</li> <li>Limited costs of implementation - some minor costs to Councils from increased participation in governance and priority setting</li> <li>Could be increased responsiveness to different communities if BHB extends its hub and spoke model (with additional funding)</li> <li>Some increased transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting</li> <li>Would require additional funding from Councils</li> <li>Even with some governance changes wouldn't necessarily satisfy partnership objectives</li> <li>Objectives related to clarity of roles, collaboration, and clarity of support available would depend on focussed action and ongoing behavioural changes</li> <li>Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others</li> </ul>
<b>OPTION 3:</b> <i>Enhanced Status Quo v2</i>	<ul style="list-style-type: none"> <li>Same as Option 2 except now limited (not no) disruption to existing services</li> <li>Embedding the RBP programme in an organisation providing other eco dev support services would allow the insight derived from this 'coal face' activity to be used to design other offerings for business, guide other strategic work etc.</li> <li>This option would retain the existing link with HB Chamber of Commerce (through the sub-contract of one position) to ensure strong links could continue to be made between organisations and respective services.</li> </ul>	<ul style="list-style-type: none"> <li>Same as Option 2</li> <li>In additional Central Govt (NZTE, Callaghan would have to agree to transfer of RBP programme to BHB. This would require regional support and BHB meeting all relevant criteria).</li> </ul>
<b>OPTION 4:</b> <i>Transferring business support services to a Council or across Councils</i>	<ul style="list-style-type: none"> <li>More accountability to Councils for economic development services</li> </ul>	<ul style="list-style-type: none"> <li>Could see large disruption to business support services</li> <li>Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting</li> <li>Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others</li> <li>Councils would need to take on extra services and either find or hire additional internal resourcing</li> </ul>



Summary advantages / disadvantages	Major advantages	Major disadvantages
		<ul style="list-style-type: none"> <li>Some services may end up being split across Councils, reducing efficiency</li> <li>May end up being less responsive to businesses for some services</li> <li>Most (in-scope) economic development activities are not core to the effective functioning of Councils, nor do they require frequent decision making. Advice on services also often requires commercial expertise.</li> <li>Many businesses may be less willing to engage directly with a Council than an arms-length entity (e.g. businesses may not be prepared to share confidential information with a Council if they are also involved in negotiating terms for consents or services)</li> <li>Wouldn't necessarily satisfy partnership objectives</li> <li>Objectives related to clarity of roles, collaboration, and clarity of support available would depend on focussed action and ongoing behavioural changes</li> </ul>
<b>OPTION 5:</b> <i>Leveraging other providers</i>	<ul style="list-style-type: none"> <li>Likely to be able to extend reach through contracting</li> <li>May be closer to communities/businesses/industries depending on providers</li> <li>Likely to be able to leverage resources of the private and non-government sector</li> <li>Contracting out helps to ensure high level of expertise is used</li> </ul>	<ul style="list-style-type: none"> <li>Could see large disruption to business support services</li> <li>Wouldn't necessarily result in the cohesive regional approach key stakeholders are wanting</li> <li>Wouldn't necessarily change the ability to attract/retain the right expertise or the ability to leverage resources of others</li> <li>It's not clear that this model would be any more efficient (for example, it would require procuring and managing multiple contracts) or effective than the status quo and provide less oversight and control for Councils (and hence limited potential to achieve greater alignment with regional priorities).</li> <li>There isn't also a single external agency in Hawke's Bay that has a broad enough scope of interests or expertise to be contracted to deliver all services e.g. HB Chamber's role is business advocacy, networking and training, it does not extend to broader industry development activities.</li> </ul>
<b>OPTION 6:</b> <i>Extended regional model of delivery for non-tourism economic development activities</i> <b>[PREFERRED OPTION]</b>	<ul style="list-style-type: none"> <li>This model would help to create a cohesive regional approach if it had the mandate, funding, and over time mana to more effectively represent the region</li> <li>Would be an opportunity to consider the partnership model through the appointment on an independent Board</li> <li>Ensures joint Council discussion and influence over priorities (e.g. through yearly Statement of Intent and Service Level Agreement (SLA) / Contract for Service (Cfs) setting discussions)</li> <li>Would be an opportunity to clarify roles and responsibilities and enhance collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Would require agreement from existing BHB Board</li> <li>Would require additional funding from Councils</li> <li>There would be costs involved in changing the delivery model for non-tourism related activity/services e.g. potential for disruption to activities/services</li> </ul>



Summary advantages / disadvantages	Major advantages	Major disadvantages
	<ul style="list-style-type: none"> <li>• Would be an opportunity to clarify the support available to businesses, investors and talent and how to access the support</li> <li>• Would increase the ability to attract/retain the right expertise (given stronger mandate)</li> <li>• Would increase the ability to leverage resources of others (given stronger mandate, more effective funding and capability of staff)</li> <li>• Would be an opportunity to provide greater transparency and accountability around activities being undertaken, delivery and evaluation.</li> <li>• 'Ownership' of destination marketing and management would be retained by tourism industry (members of HBTIA). A lack of ownership and ability to direct tourism-related activities has led to disquiet and subsequent structural changes (where these activities had been combined with broader ED activities) in other parts of the country.</li> </ul>	
<p><b>OPTION 7:</b> <b>Combined Regional Economic and Tourism Agency</b></p>	<ul style="list-style-type: none"> <li>• Same as Option 6</li> <li>• This option strengthens the regional remit and mandate of the organisation. This could further enhance the ability to attract/retain the right expertise and leverage the resources of others.</li> <li>• There would likely be some overhead-related savings through shared back office support</li> </ul>	<ul style="list-style-type: none"> <li>• Same as Option 6</li> <li>• The main difference would be the additional costs (including disruption to services) involved in folding in HBTI's tourism activities and services. These costs are real while the benefits of combining activities under one structure are possible (and mainly relate to a reduction in overheads and a strengthening of mandate). It's also possible to avoid these costs and still achieve the objectives relating to regional cohesion, partnership, collaboration, clarity of roles/functions and clarity of support without going to a fully combined model.</li> </ul>



## 2. DRAFT DISTRICT PLAN

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1276250
<i>Reporting Officer/s &amp; Unit:</i>	Dean Moriarity, Team Leader Policy Planning

### 2.1 Purpose of Report

For Council to endorse the release of the (non-statutory) Draft District Plan for the purpose of engaging with the community on its content.

Committee's recommendation

Councillors Brosnan / Price

The Future Napier Committee endorsed that the report titled "Draft District Plan" be left to lie on the table for a future meeting with the reason being that officers would need to review the consequences of the legislative changes to the Resource Management Amendment Act 2020 released 11 February 2021.

Carried

### 2.2 Background Summary

Officers have conducted a series of seminars with Council over the last 12 months seeking confirmation of the preferred policy approach for provisions in the Draft District Plan. In line with the agreed framework, officers have been working on the detailed content of individual chapters. The provisions are based on, and remain consistent with, the strategic direction for the Draft Plan agreed to at the start of the review process and as refined through the seminars.

The content of the majority of the Draft Plan is now at a point sufficiently advanced for Council to consider endorsing the release of a Draft Plan to seek the views and feedback from the community as an informal process prior to legal notification of a Proposed District Plan. The Draft District ePlan is available to view via the following link.

<https://napier.isoplan.co.nz/draft/>

### 2.3 Issues

Given the magnitude of the District Plan review, not all chapters are complete. A few work streams remain works in progress and will be reported through to Council prior to merging into the District Plan in advance of the formal notification of the Proposed District Plan, currently slated for early 2022. These include, Sites of Significance to Māori, Review of Structure Plans, provisions relating to greenfield growth in the hills and changes arising from the soon to be developed Napier Spatial Plan, overland flow paths, financial contributions and Notice of Requirements for Council designations.

Similarly, there are a few outstanding matters arising from stakeholder feedback which require Council confirmation of the policy approach for the Draft Plan relating to Significant Natural Areas and Heritage. It is proposed to convene a workshop with Councillors to discuss a number of these topics, update where things are at and agree



on how to manage engagement and feedback on the Draft District Plan and the process for moving to a formal Proposed Plan. This workshop is scheduled for late January 2021.

## **2.4 Significance and Engagement**

The Draft Plan provides an opportunity for any interested party to lodge comments in an informal way prior to preparing a Proposed District Plan.

The District Plan potentially impacts every person, business and property owner in Napier. A full review of the District Plan typically only occurs once every 10-15 years and provides a unique opportunity for the community to input their views into its development.

A high level communication and engagement plan is attached (**Attachment A**) and the detailed communication plan is being developed and will be available on our website once the plan is notified.

Mana whenua engagement has occurred since the plan inception and has followed the requirements and timeframes desired by each of the mana whenua entities.

## **2.5 Implications**

### **Financial**

There is currently budget set aside for the District Plan review and at this stage progress aligns with the budgetary expectations. Should additional funding be required separate application would be made to Council through the normal budgeting processes.

### **Social & Policy**

The review is a rare opportunity for Council to ensure that the District Plan fully aligns with all of its current strategic priorities, plans and desired outcomes. Officers have endeavoured to align the regulatory provisions of the District Plan with these strategic priorities, plans and policies of Council.

### **Risk**

The risk with this project is that should Council decide not to adopt an agreed Draft District Plan and release it for community feedback the only option for people to express their views would be to lodge submissions through the formal notification process. This may disenfranchise some members of the community and increase the complexity and acrimony of the formal process.

## **2.6 Options**

The options available to Council are as follows:

- a. Endorse the release of the Draft District Plan for the purpose of engaging with and receiving feedback from the community in an informal way.
- b. Not to endorse the release of the Draft District Plan and proceed directly towards a Proposed District Plan.

## **2.7 Development of Preferred Option**

The preferred option is for Council to adopt the Draft District Plan for the purposes of undertaking consultation and engagement with the Napier community.

### **At the Meeting**

Due to the release of legislative changes to the Resource Management Amendment Act 2020 on 11 February 2020 this item was withdrawn from the Agenda and would be addressed at a later when consideration by officers had been undertaken on how Council wished to consult on the Draft District Plan.



## **2.8 Attachments**

- A Napier District Plan Review – High Level Communication and Engagement Plan





## Napier District Plan Review – High Level Communication and Engagement Plan

February 2021

### The Project

The District Plan is an important regulatory document for Council. It affects every piece of land, and manages all land use, development and subdivision undertaken in Napier. The District Plan directs how and where the city will grow and develop in the future, sets the regulatory framework to achieve specific outcomes, and manages the effects from activities on the environment.

In addition to meeting legislative requirements and the objectives of other Council strategies, the revised District Plan is being prepared to support achieving the following six outcomes:

- 1) Premier Park in Ahuriri Estuary
- 2) Leveraging our natural and cultural heritage
- 3) Great urban areas
- 4) Inner city living supporting a vibrant city centre
- 5) Greenfield growth in the Mission character area
- 6) Regional approach to industry.

Under the Resource Management Act, a District Plan must be reviewed every ten years. Review of the District Plan provides communities with the opportunity to confirm what we are doing well as Napier grows and what we could do better.

Napier City Council is currently preparing a draft District Plan. A draft plan is not a requirement under the Resource Management Act, however Council has decided to release a draft plan to ensure the community and other stakeholders have an opportunity to provide feedback on the new direction being set under the District Plan, before the formal submission process begins following completion of a proposed District Plan.

### Significance and Engagement Policy

The District Plan review is of high interest to some portions of the community (eg, developers, business associations, commercial operators such as Napier Port, Hawke's Bay Regional Council, Mana Whenua, and residents in affected suburbs among others) and of moderate interest to the remainder of the community. The identified sites of significance in the Plan will be of high interest to Māori and mana whenua. Iwi and Māori engagement will be undertaken in recognition of this interest.

Pre-engagement with the community and stakeholders on the initial overarching outcomes for the revised Plan was undertaken using the "Our Home, Our Future" tagline from late 2018 through to early 2019. Feedback on the six key outcomes was sought through Say it Napier.

Specific engagement with affected parties, primarily landowners, was subsequently undertaken in March/April 2020 – this was further extended through to June 2020 due to Covid-19. Discussion documents on particular topics were prepared for the purposes of this targeted engagement. Drop-in sessions were held and interested landowners (whose land may be directly affected by changes to the District plan) had the opportunity to have a conversation with Council subject matter experts.



### **Purpose of Communication and Engagement**

The objectives of communication and engagement on the draft District Plan are to:

- Ensure information about the draft District Plan is accessible, understandable, and relevant
- Provide a range of opportunities for key stakeholders, affected parties, and the community to understand the direction and impacts of the draft District Plan
- Provide information on the distinct roles of the District Plan and the Long Term Plan and the opportunities to give feedback on each
- Promote the opportunity to make a submission on the full proposed District Plan when this becomes available in early 2022.

### **Approach**

The draft District Plan 2022-2032 will be available for feedback from the end of May 2021 following the consultation period for the Long Term Plan 2021-2031. The Long Term Plan and District Plan are two significant pieces of work, requiring focused resource. The consultation and engagement will run consecutively in order to give affected parties and the community adequate opportunity to consider and provide feedback on each.

Mainly targeted communication and engagement will be implemented with key stakeholders, and affected parties, including affected property owners. As such, these groups will be informed and contacted directly and offered the opportunity to meet with subject matter experts and given opportunity to provide feedback. A number of communication channels will be utilised to create awareness in the community about the draft District Plan.

Mana whenua engagement commenced at the plan development stage and will continue throughout the process.

Following the engagement period, several Councillors will work informally with Council officers, as required, to discuss the draft comments and the policy recommendations. The policy recommendations will then be discussed with all Councillors in a workshop before Council formally decides on its agreed position. The proposed District Plan will be released for formal submissions in early 2022, using the methods prescribed in Schedule 1 of the Resource Management Act 1991.

### **Communication & Engagement Tools**

As mentioned, pre-engagement on the overarching outcomes for the revised Plan was undertaken from late 2018 through to early 2019.

A detailed communications and engagement project plan and a specific iwi engagement plan are being developed.



### 3. RESOURCE CONSENT ACTIVITY UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	1278528
<i>Reporting Officer/s &amp; Unit:</i>	Luke Johnson, Team Leader Planning and Compliance

#### 3.1 Purpose of Report

This report provides an update on recent resource consenting activity. The report is provided for information purposes only, so that there is visibility of major projects and an opportunity for elected members to understand the process.

Applications are assessed by delegation through the Resource Management Act (RMA); it is not intended to have application outcome discussions as part of this paper.

This report only contains information, which is lodged with Council and is publicly available.

Committee's recommendation

Councillors Wright / Chrystal

The Future Napier Committee:

- a. Note the resource consent activity update.

Carried

#### 3.2 Background Summary

The legislated processing period for resource consents ended on 20 December 2020 and recommenced on 11 January 2021. Accordingly, the Resource Consent team has been able to utilize these non-processing days to advance active applications. Since the beginning of the year, the submission of applications has been steady.

The following is an outline of recent activity regarding applications received by Council for consenting pursuant to the RMA. This list does not detail all RMA applications under assessment or having been determined, rather provides detail around significant or noteworthy applications.

**Summary Table\***

Address	Proposal	Current Status	Update
2 Kenny Avenue, Ahuriri	Two Lot into Ten Lot Subdivision and Multi Unit Development	Under assessment	Additional detail provided below



Address	Proposal	Current Status	Update
62 Raffles Street, Napier	S127 Proposed variation to reduce imposed Financial Contributions	Under assessment	Previously reported to Future Napier Committee. No further update
16 and 38 Willowbank Avenue, Meeanee	Proposed lifestyle village	Application suspended	Previously reported to Future Napier Committee. No further update

## 2 Kenny Avenue, Ahuriri – Two Lot into Ten Lot Subdivision and Multi Unit Development

In summary, the development proposes the construction of two terraces with each terrace comprising of 5 two storey dwellings. The site is proposed to be subdivided into ten lots, resulting in each dwelling to be situated on its own title.

Each road frontage will be addressed by one respective terrace. Access and egress for the site is proposed via Battery Road exclusively.



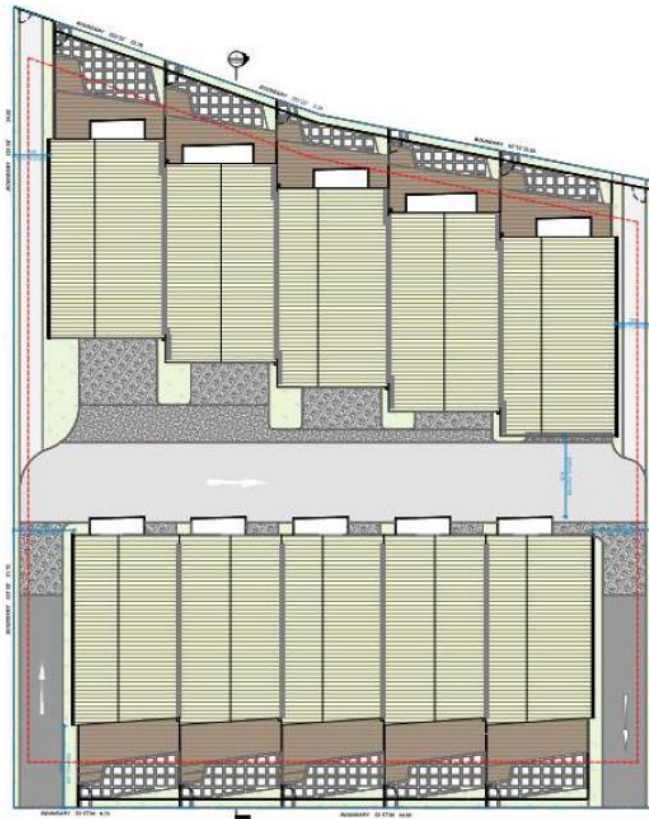
Figure 1. Perspective of Battery Road Frontage



Figure 2. Perspective of Kenny Avenue Frontage

The site is within the Northern Residential Zone and is subject to the Ahuriri Advocacy Heritage overlay of the Battery Road Character Area. The Advocacy Area classifies all built development within the advocacy area as a Group 3A heritage item, however as the site is vacant, there is no Group 3A classification that can be applied to the site.





**Figure 3. Proposed Subdivision Layout**

The proposed Lots will range in area from 164m<sup>2</sup> to 323m<sup>2</sup> with each individual proposed lot capable of providing useable open space areas. A schedule of party wall easements between terrace houses is detailed within the submitted scheme plan in addition to necessary easements for the provision of right of way vehicle access.

The relevant Council hazard overlays have been addressed through specialist reports submitted as part of the application.

Further information has been provided by the applicant with regard to stormwater capacity. This information has been referred to internal departments and is expected that the application is determined in due course.

### **At the Meeting**

The Director Infrastructure City Services, Mr Kingsford advised that in response to the review of green spaces within the city the District Plan Review needed to continue and that a review of spacial planning for the entire city would be undertaken in consultation with the community. The spacial planning review would provide an understanding on issues, growth and development.

### **3.3 Attachments**

Nil



# PUBLIC EXCLUDED ITEMS

That the public be excluded from the following parts of the proceedings of this meeting, namely:

## Agenda Items

1. Council Projects Fund - Application

## Reports from Sustainable Napier Committee held 11 February 2021

1. Council Projects Fund - Application

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
--	--	--

## Agenda Items

1. Council Projects Fund - Application	7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
--	---	---

## Reports from Sustainable Napier Committee held 11 February 2021

1. Council Projects Fund - Application	7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority
--	---	---



		is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
--	--	---



# MĀORI COMMITTEE

## Open Minutes

---

Meeting Date:	Wednesday 9 December 2020
---------------	---------------------------

---

Time:	9.00am – 11.20am
-------	------------------

---

Venue	Ikatere Boardroom Level 2, Capeview 265 Marine Parade Napier
-------	---

---

---

Present	Ngāti Pārau Hapū Trust – Chad Tareha (In the Chair) Maraenui & Districts Māori Committee – Adrienne Taputoro Maungaharuru-Tangitū Trust – Robbie Paul
---------	---

---

In Attendance	Director Community Services, Māori Partnership Manager – Community Services, Interim Chief Executive, James Lyver, Councillor Boag, Councillor Tapine, Councillor Mawson, Councillor McGrath, Director Infrastructure Services, Communications and Marketing Manager, Māori Partnership Manager – City Strategy, Manager Business Excellence & Transformation, Corporate Planning Lead, Corporate Planning Analyst, Manager Asset Strategy, Parks Policy Planner
---------------	--

---

Administration	Governance Team
----------------	-----------------

---

Absent	Napier City Council - Mayor Kirsten Wise Pukemokimoki Marae Mana Ahuriri Trust Te Taiwhenua o Te Whanganui-a-Orotū
--------	---

---

### Mihi Whakataū

The Mihi Whakataū was led by Mōrehu Te Tomo.

### Karakia

Mōrehu Te Tomo

### Apologies



The Committee accepted an apology from Mayor Kirsten Wise

### Conflicts of interest

Nil

### Public forum

Nil

### Announcements by the Chairperson

Nil

### Announcements by the management

Nil

### Confirmation of minutes

---

C Tareha / A Taputoro

---

That the Minutes of the meeting held on 9 October 2020 were taken as a true and accurate record of the meeting.

---

Kua Mana

---

## AGENDA ITEMS

### 1. RESERVE MANAGEMENT PLAN APPROVAL TO PROCEED WITH PREPARATION

---

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Reserves Act 1977
<i>Document ID:</i>	1259154
<i>Reporting Officer/s &amp; Unit:</i>	Sara Field, Parks Policy Planner Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds

---

#### 1.1 Purpose of Report

To advise and update the Māori Committee on the impending Reserve Management Plan (RMP) review that is scheduled to commence in 2021.

The intention of this report is to advise the Māori Committee of the legislative procedure stipulated by the Reserves Act (1977) for the preparation of each Reserve Management Plan. The process includes details on mandated and optional consultation and engagement.

This report also seeks endorsement of the Māori Committee for the following:



- The proposed Draft Reserve Management Plan Priority List – refer Attachment A;
- The proposed internal process set out in Section 1.3 of this report and;
- The intention to prepare Draft Reserve Management Plans (calling for suggestions) for a City Wide Plan, Taradale Park and Maraenui Park.

We bring this report to the Māori Committee to ensure that our proposed plan preparation approach and reporting process is clear, and appropriate, and continues to support effective engagement with Hapū and Iwi Authorities.

---

### **At the Meeting**

The Council Officer spoke to the report noting:

- Council's Reserve Management Plan was prepared in 2000, it incorporates all Napier reserves and is due for renewal. Much has changed since this plan was written so the team are going to look at the plans for each reserve individually as many sights have unique elements which need to be considered on a case by case basis.

In response to questions from the Committee it was clarified that:

- Council officers will be doing research into what co-governance models have worked around the country. As each existing plan is reviewed, or new plans are created, opportunities for co-governance with Mana Whenua can be explored. There are exemplars of co-governance models around the country which Council could draw on.
- There will be bi-lingual signage put in place for the reserves, and the Committee can help with this by consulting with Mana Whenua to get advice on naming for reserves.

### **Officer's Recommendation**

The Māori Committee:

- a. Endorse the recommendation to proceed with the Reserve Management Plan review undertaking both the optional and mandated consultation and engagement for each Plan in accordance with Section 41 (5) and Section 41 (5) (c) of the Reserves Act (1977), and subsequently the internal process set out in Section 1.3 of this report.
- b. Endorse the draft priority list included in Attachment A, noting that subsequent to implementation of c. below, the Māori Committee will be asked to endorse Councils intention to prepare the next tranche of Management Plans (in accordance with the prioritised list)
- c. Endorse Councils intention to notify the preparation of the following Reserve Management Plans – City Wide, Taradale Reserve/Centennial Park, and Maraenui Park, calling for suggestions prior to drafting in accordance with Section 41 of the Reserves Act (1977)

---

### **Māori Committee's Amended recommendation**



---

A Taputoro / R Paul

---

The Māori Committee:

- a. Endorse the recommendation to proceed with the Reserve Management Plan review undertaking both the optional and mandated consultation and engagement for each Plan in accordance with Section 41 (5) and Section 41 (5) (c) of the Reserves Act (1977), and subsequently the internal process set out in Section 1.3 of this report.
- b. Endorse the draft priority list included in Attachment A, noting that subsequent to implementation of c. below, the Māori Committee will be asked to endorse Councils intention to prepare the next tranche of Management Plans (in accordance with the prioritised list)
- c. Endorse Councils intention to notify the preparation of the following Reserve Management Plans – City Wide, Taradale Reserve/Centennial Park, and Maraenui Park, calling for suggestions prior to drafting in accordance with Section 41 of the Reserves Act (1977)
- d. Endorse Council Officers to investigate co-governance models around parks and reserves and look to where these could be applied.
- e. Recommend Council engage with Mana Whenua around the naming of parks and their history.

---

Kua Mana

---



## 2. WASTEWATER OUTFALL REPAIR UPDATE

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1270124
<i>Reporting Officer/s &amp; Unit:</i>	Drew Brown, Senior Project Manager Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services Dave Jordison, Risk and Assurance Lead

### 2.1 Purpose of Report

To provide the Māori Committee with an update on the Wastewater Outfall repair project.

#### At the Meeting

The Director Infrastructure Services spoke to the report and further noted:

- The repair on the 700m leak is due to be completed by the end of this calendar year.
- The Outfall will need replacement as soon as possible. As a result the piece of work will need to be brought forward into the 2021-31 Long Term Plan to access funding required.
- A number of years work is required in the lead up to the Outfall being replaced.
- It is anticipated with new regional and national regulations coming into force a higher quality of discharge will be required so consequently a higher standard of treatment will be required.
- Divers have swept the full length of the pipe to look for any other leaks, in difficult ocean conditions. Visibility is poor and this was mostly done by touch.

In response to questions from the Committee it was clarified:

- A trial shutdown of the Outfall has been conducted and it can only be shut down for up to 90 minutes without there being adverse effects.
- Testing to assess the environmental impact of the leak has found the discharge is diluted significantly enough to become reasonably undetectable beyond a five meter radius from the leak site.
- Notification about the 2018 leak was not done sooner as, in compliance with the resource consent, there was a Kaitiaki Liaison group formed to discuss any issues with the Outfall. Attempts to contact this group since the first leak was discovered have been mostly unsuccessful. There is a lot of consultation required around the central Government water reforms currently, so prioritising Council's program of work against that backdrop has been a challenge.
- The Committee can help rally partners together for this consultation when appropriate.
- Caution signs may be erected on the beach at main leak sites.
- A submission has been made to Hawke's Bay Regional Council to legitimise the discharge of the leak in case the repair of the 700m leak is not successful in stopping the leak. This has been made on the basis that the environmental impacts are very low.



---

Māori Committee's recommendation

C Tareha / A Taputoro

---

The Māori Committee:

- a. Receive the update on the Wastewater Outfall repair project.

---

Kua Mana

---



## Updates from Partner Entities

### Ngāti Pārau Hapū Trust – Chad Tareha

- Marae hui this weekend to discuss the construction of the forecourt in front of the wharehau and also a tikanga and kawa meeting. GEMCO have restarted the Marae rebuild. Construction is due to be complete by March or April 2021.
- The following weekend is the Trust AGM hui. Also a Huia Hapu
- Ngāti Pārau have partnered with the Ōtātara and Matariki kahui ako. Ōtātara kahui ako covers seven schools from Puketapu and Patoka to the Taradale schools, and the Matariki kahui ako covers Colenso High School to Te Aute College.

### Maraenui and Districts Māori Committee – Adrienne Taputoro

- The Committee has not had a chance to get together lately so there is no update to give.

### Maungaharuru-Tangitū Trust – James Lyver / Robbie Paul

- With the recent flood in Napier MTT was able to utilise the Whanau Champions model again to contact whanau and make sure everyone was safe and had the help they needed.
- A mihi was given to Mayor Kirsten Wise for her 'Jacinda Adern' style of leadership through the flood response, and also to Hori Reti for his 'Ashley Bloomfield' style of response to the emergency, and the Civil Defence staff.
- James Lyver's last day is Friday 18 December 2020. There will be an Interim General Manager at MTT until a permanent replacement can be found.
- MTT is continuing to build the team and prioritise work.
- A collective program has been formed, Whakatipu Ranga Kaitiaki program, where the seven hapū in Napier have come together to raise tomorrow's guardians. This is a holistic whananga program based around the Northern and Southern Maraes with four themes. Funding is required. An application will be made to Council's Te Puawaitanga fund.

### Napier City Council – Keith Marshall on behalf of Mayor Kirsten Wise

- Council is very busy right across the business and has resourcing challenges. The Long Term Plan creates pressure due to the amount of work required and also the auditing which is required as part of this process. This process has also been impacted by the recent Napier flooding and the new 3 waters reforms.
- The Government will be doing a roadshow around the country in March or April 2021 to educate about the 3 waters reforms.
- The Chief Executive recruitment is underway and Chad has been involved as part of that process.



## Update from Council Māori Advisor

### Mōrehu Te Tomo – Māori Partnership Manager – Community Services

- Been at Council a year now, and it has been a busy year.
- The Councillors are learning a karakia for opening and closing meetings. This has had good support from Council's Senior Leadership Team.
- The last Council induction of new staff for the year has just occurred. Moving into next year the desire is to include a pōwhiri as part of the induction process.
- Mōrehu continues to work closely with the other four Councils in the region. They have received the beta version of the Council Cultural App to test over the Christmas break before it gets rolled out to all Council staff.
- Mōrehu and Charles have had a change of role titles which gives them a more significant status in the business.
- Council is currently in the process of recruiting a Pou Whakarae – Director Maori Partnerships role which will sit at the Senior Leadership Team level in the organisation.
- Work continues on developing the Cultural Capability staff survey.
- Applications have started coming in from individuals in the community for the three new Māori Committee seats. The process to choose who is suitable for one of these places needs to be clarified.

## General business

### Flood Update

- The Napier flood occurred a month ago. Malcolm Smith lead the response initially until Antoinette Campbell, Civic Defence Emergency Controller, returned from leave. There are approximately 130 uninhabitable dwellings in Napier. Some families have been able to find their own temporary accommodation. There are about 159 people in temporary accommodation at Kennedy Park Resort.
- Responsibility for the temporary accommodation lies with the Ministry of Business, Innovation and Employment, but Council staff continue to support people, especially those without insurance, in conjunction with other agencies such as the Red Cross, Ministry of Social Development and the Hawke's Bay Civil Defence and Emergency Management Group. There is a contractor employed to provide navigation needs to the displaced until the end of 2020.
- It has not been a coordinated approach from Government agencies, and as a result there are hard hit areas which have been neglected and unhappy residents.
- Conversations and plans need to be in place before these big events occur.
- A Mayoral Relief fund has been created by Council, and it is a simple application process for residents, either via the Council website or through the Customer Services Centre.
- The Committee would like to be involved in the Council debrief.
- The Committee thank the Mayor for her work through the response.

### Māori Seats

- James would like the Committee to be updated as to what has been discussed previously by the Council in regards to Māori seats in Napier City. This is a current topic in the media and central Government are looking at making some changes in regards to this in the Local Government Act 2002.



- The last representation review was about three years ago and the Māori Consultative Committee of the time didn't think Napier was ready for Māori seats.

#### **Meeting Cycle**

- From 2021 the Māori Committee is going to be fully integrated into the Council six week meeting cycle.

#### **Long Term Plan Update**

- A presentation was delivered by the Long Term Plan team (attached to the minutes).
- The draft of Te Waka Rangapū still requires work. This is the first time Council has created an activity plan where work on Māori partnerships and embedding Kaupapa Māori are planned and budgeted for, and there are not many exemplars in Local Government to draw on. This plan will sweep across Council and the staff Cultural Capability survey results will feed into this plan. Once the draft is complete it will be shared with the Committee.

### **Whakamutunga Karakia**

Mōrehu Te Tomo

---

Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....