



Hastings District Council

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OPEN

A G E N D A

POLICY AND STRATEGY COMMITTEE MEETING

Meeting Date: **Thursday, 23 February 2012**

Time: **2.00pm**

Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Committee Members	Chair: Councillor Collin Mayor Yule Councillors Bowers, Bradshaw, Collin, Hazlehurst, Heaps, Henderson, Kerr, Lester (Deputy Chair), Nixon, O'Keefe, Poulain, Roil, Twigg, Watkins. (<i>Quorum = 8</i>)
Officer Responsible	Group Manager: Strategy & Development – Dennis Morgan
Committee Secretary	Carolyn Hunt (Ext 5634)

Policy and Strategy Committee – Terms of Reference

Fields of Activity

The development of all Council policies and strategies for the social, economic, cultural and environmental wellbeing and development of the District, including (but not limited to):

- Sustainable Development
- Biodiversity
- Climate change
- Economic development and employment
- District development and land use planning (high level strategy)
- Transport Strategy (including, public transport, cycling, cars, walking and other modes)
- Urban design and development
- CBD Strategy
- Housing for the elderly
- Youth
- Parks and Reserves
- Recreation
- Arts, Culture and Heritage
- Democracy, civil society, community engagement and partnership
- Social Development and wellbeing
- Regional Strategic Matters
- Strategic Direction for CCO's

Other roles of a strategic overview nature including:

- Development of the Council's strategic policy framework, including development of the overarching strategies (Social, Cultural, Environmental, Economic, Transport, Growth Management and Governance); Establishing the strategic direction of Council's business units (if any), Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations
- Oversight of sustainability projects and partnerships for the delivery of and measuring sustainability performance (including the State of the Environment Reporting jointly with the Planning and Regulatory Committee)

Delegated Powers

General Delegations

1. Authority to exercise all of Council powers, functions and authorities (except where prohibited by law or otherwise delegated to another committee) in relation to all matters detailed in the Fields of Activity.
2. Authority to re-allocate funding already approved by the Council as part of the Long Term Council Community Plan (LTCCP)/Annual Plan process, for matters within the Fields of Activity provided that the re-allocation of funds does not increase the overall amount of money committed to the Fields of Activity in the LTCCP/Annual Plan.
3. Authority to develop and adopt goals, strategies and policies on behalf of the Council for matters within the Fields of Activity.
4. Responsibility to monitor Long Term Council Community Plan/Annual Plan implementation within the Fields of Activity set out above.

Parks, Reserves and Walkways

5. Authority to exercise all of the Council's powers and functions under the Reserves Act 1977 in respect of parks and reserves (other than the review of bylaws, which is the responsibility of the Planning and Regulatory Committee).

6. Authority to hear submissions under s120 (1)(c) of the Reserves Act 1977 in relation to all reserves or to appoint a commissioner or commissioners to hear submissions and to make a recommendation in respect of those objections or submissions to the Committee.
7. Authority to determine names for or to change the name of, parks and reserves owned or administered by the Council.
8. Where the Council is appointed as the controlling authority of a walkway under the New Zealand Walkways Act 1990, authority to exercise the powers of the controlling authority.

HASTINGS DISTRICT COUNCIL
POLICY AND STRATEGY COMMITTEE MEETING

THURSDAY, 23 FEBRUARY 2012

VENUE: Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 2.00pm

A G E N D A

1. Apologies

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

2. Conflict of Interest

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or Group Manager Corporate & Customer Services (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

3. Consideration of:

- | | |
|--|----------|
| a) Additional Business Items | 5 |
| b) Extraordinary Business Items | 6 |

4.	Confirmation of Minutes	
	a) Minutes of Policy and Strategy Committee for Confirmation (Previously circulated)	7
5.	Opportunities of Ageing Conference	9
6.	International Economic Development Strategy	13
7.	Additional Business Items	
8.	Extraordinary Business Items	

HASTINGS DISTRICT COUNCIL
POLICY AND STRATEGY COMMITTEE MEETING
ADDITIONAL BUSINESS ITEMS
THURSDAY, 23 FEBRUARY 2012

RECOMMENDATION

That the following items of additional business be included on the agenda for reasons of urgency:

7A.

7B.

7C.

NB: Additional items are those which have been notified two clear working days prior to the meeting. Resolutions can be made in respect of these items.

HASTINGS DISTRICT COUNCIL
POLICY AND STRATEGY COMMITTEE MEETING
EXTRAORDINARY BUSINESS ITEMS
THURSDAY, 23 FEBRUARY 2012

RECOMMENDATION

That the following items of extraordinary business be included on the agenda for reasons of urgency:

8A.

8B.

8C.

REPORT TO: POLICY AND STRATEGY COMMITTEE

MEETING DATE: THURSDAY 23 FEBRUARY 2012

FROM: COMMITTEE SECRETARY
CAROLYN HUNT

SUBJECT: MINUTES OF POLICY AND STRATEGY COMMITTEE FOR
CONFIRMATION

RECOMMENDATION

That the minutes of the Policy and Strategy Committee held 1 December 2011 be confirmed as a true and correct record and be adopted.

Attachments:

There are no attachments for this report.

Item 4a

REPORT TO: POLICY AND STRATEGY COMMITTEE

MEETING DATE: THURSDAY 23 FEBRUARY 2012

FROM: POLICY ADVISOR: ECONOMIC AND SOCIAL DEVELOPMENT
NINA SIERS

SUBJECT: OPPORTUNITIES OF AGEING CONFERENCE

Item 5

1.0 SUMMARY

- 1.1 The purpose of this report is to obtain approval from the Committee to proceed with developing an 'Opportunities of Ageing' conference.
- 1.2 This proposal arises from a recommendation from the Positive Ageing Forum as a response to the high growth of the ageing population in the District.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose includes the promotion of the social, economic, environmental and cultural wellbeing of communities. The Council seeks to meet this obligation and the achievement of community outcomes through the strategic objectives set out in the 2009-2019 Long Term Council Community Plan. The matters raised in this report relate to those elements of the strategic objectives identified in the following table.

Strategic Objectives	Achieved By
<ul style="list-style-type: none"> <i>Put people at the centre of planning</i> 	Understanding and exploring the opportunities and dimensions of population ageing.

- 1.4 This report concludes by recommending the Committee support progressing with planning for "The Opportunities of Ageing" conference in 2013 subject to a full budget and business case being approved by the Leadership Management Team.

2.0 BACKGROUND

- 2.1 Older people avail themselves to a wide range of services provided by Council in the community. More specifically the Council has committed to a Positive Ageing Strategy it developed in 2007. The delivery of the strategy is undertaken collaboratively with the Positive Ageing Forum. Ageing communities are identified as a priority demographic in the Supporting Social Wellbeing Strategy.
- 2.2 The ageing population is a significant demographic group impacting on economic, social, environmental and cultural wellbeing of the community.
- 2.3 Focus on ageing communities tends to prioritise deprivation and low social outcomes. However a recent Ministry of Economic Development report titled "The Business of Ageing" (www.msd.govt.nz) identifies a number of

opportunities' and benefits that the ageing population offers communities. It says

"In 2011 the first of the baby boomers have reached the age of 65. Baby boomers expect their later years to be very different to their parents' generation. More are working into their 60s, they enjoy better health, are better educated and have more money to spend",

it identifies two particular opportunities:

1. increase the number of older people who choose to remain active in the workforce
 2. tap into the growing mature consumer market.
- 2.4 According to Professional Natalie Jackson (National Institute of Demographic and Economic Analysis) the population of Hastings is projected to grow steadily, reaching around 80,480 in 2031, an increase of 6.6 per cent. Decline is projected at 0-24 and 40-54 years, offsetting significant growth at 65+ years. The 65+ population is anticipated to grow both numerically (by 80 per cent between 2011 and 2031) and structurally (from 14.1 per cent in 2011 to 23.8 per cent by 2031).
- 2.5 The HDC Economic Development Framework aims to create more wealth and economic activity in the District as well as more employment opportunities. Both aims can be applied to the ageing population. Affluent and self sufficient older adults are a potential resource and contributor to the future economy and community of the District.
- 2.6 There are a number of conferences and meetings around the topic of ageing, which predominantly focus on what could be termed the negative aspects of ageing populations: social deprivation, issues of health care for the older adults. These are attended and supported by local government and Council is experienced in responding to ageing population around these issues.
- 2.7 There are no previous or current conference planned around the potential benefits and opportunities of ageing. Although aspects of potential benefits is incorporated into existing conference schedules, it is not the focus or primary purpose.
- 3.0 CURRENT SITUATION**
- 3.1 There is an opportunity for HDC to take leadership in organising a conference dedicated to exploring the opportunities and benefits of ageing.
- 3.2 Council is well positioned to potentially take this leadership and coordinate a working party to deliver an Opportunities of Ageing Conference.
- 3.3 Discussions with members of the Positive Ageing Forum have shown a willing and enthusiastic beginnings of a working party on the concept. Discussions with the Society of Gerontology, Office of Senior Citizens and the Retirement Villages Association have made clear that this concept is well supported and not currently conceptualised or being delivered by any other entity. The Society of Gerontology has requested HDC submit an abstract to their conference on the topic of local government supporting the benefits and

opportunities of ageing, should an Opportunities of Ageing conference proceed.

- 3.4 Council leading development of such a conference would align to the Positive Ageing, Supporting Social Wellbeing and Economic Strategies, and the activities of the Positive Ageing Forum. The conference could provide a chance to prepare and inform locals about the potential of the ageing population and engage with the community about the issues. It may also stimulate ideas about how to take advantage of the ageing population to the benefit of the whole community.
- 3.5 The conference could form part of the delivery of the Positive Ageing Strategy and would, provide greater scope and opportunity for staff to investigate and understand the potential programmes and activities Council could be initiating and support to foster a strong economically participatory ageing population.
- 3.6 The conference being suggested would be a large format 2 day conference at the Opera House. The advantage would be positioning Hastings District at the centre of the discussion and giving local business the opportunity to participate. The target audience would be business, employers, those interested in capturing business opportunities and services that wish to capitalise on potential. It would not directed to health care and deprivation.
- 3.7 Professor Jackson recommends that it is appropriate and necessary to consider the ageing population as an opportunity.
- 3.8 Council officers would develop a full business case using a risk management approach for approval of the executive leadership group should the Council approve proceeding to a planning stage.

4.0 OPTIONS

- 4.1 That Council support proceeding with an Opportunities of Ageing Conference, subject to a full budget and business plan being approved by the Leadership Management Team.
- 4.2 That Council does not support proceeding with an Opportunities of Ageing Conference.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 This does not trigger Council's policy on any significance. Consultation has occurred with the Positive Ageing Forum and other providers.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Affluent, self sufficient older people are a demographic who live and positively contribute to our District. They do this through rates, economic activity, and retail and leisure participation. The anticipated change in the demographic profile of Hastings, places urgency in understanding, and embracing the opportunities of ageing. The conference could provide robust and innovative ideas to capture that opportunity. Hosting it in Hastings would place the District into an eminent position, signalling a District that is open to exploring the potential, and welcomes ageing people with talent and drive to engage fully in all that the District has to offer.

- 6.2 Financial risk to Council would be to underwrite a small number of costs (approximately \$8,000), should the conference prove unviable. If the conference proceeds past an appropriate cut-off date for viability, it would be self funding. Work on the conference could add value to staff knowledge and understanding on the issues of ageing and provide contacts, links and intelligence on the pathways to embracing opportunities of ageing. In its broadest sense, a conference of this type is engagement with the sector and adds value and knowledge.
- 6.3 The conference is supported by external agencies, such as the Society of Gerontology, Office of Senior Citizens, and the Retirement Villages Association which confirms it is innovative and forward thinking.
- 6.4 Hastings has an accelerated rate of population ageing. Developing this conference, would demonstrate a level of leadership, confidence and understanding that the District can meet the demands and needs of ageing populations. This would contribute to its reputation as a destination in which people feel they want to live. As discussed by Natalie Jackson, this is a valid and important population growth area.
- 6.5 There is little negative effect from not continuing with this notion. However, it is difficult to calculate the potential loss of opportunity.

7.0 PREFERRED OPTION/S AND REASONS

- 7.1 That Council support progressing with “The Opportunities of Ageing” conference in 2013 subject to a full budget and business case being approved by the Leadership Management Team.
- 7.2 The risk to Council is low and the proposed conference provides an opportunity to position Hastings as an area that understands and provides for an ageing population.

8.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Policy Advisor: Economic and Social Development titled Opportunities of Ageing Conference dated 23/02/2012 be received.**
- B) That Council support progressing with “The Opportunities of Ageing” conference in 2013 subject to a full budget and business case being approved by the Leadership Management Team.**

With the reasons for this decision being that the objective of the decision will contribute to the Council’s Strategic Objectives by:

- i) Understanding and exploring the opportunities and dimensions of population ageing and how to create a economic and socially viable older population**

Attachments:

There are no attachments for this report.

REPORT TO: POLICY AND STRATEGY COMMITTEE

MEETING DATE: THURSDAY 23 FEBRUARY 2012

**FROM: POLICY ADVISOR
BILL MURDOCH
ECONOMIC AND SOCIAL DEVELOPMENT MANAGER
STEVE BREEN**

SUBJECT: INTERNATIONAL ECONOMIC DEVELOPMENT STRATEGY

Item 6

SUMMARY

- 1.1 The purpose of this report is to obtain a decision from the Committee on a proposed International Economic Development Strategy for Hastings District.
- 1.2 This issue arises from:
- a. Finance and Operation's Committee's adoption of the report of the Advisor to the Mayor and Chief Executive, dated 6 December, 2011, titled "Adoption of the Hastings District International Advisory Group Statement of Intent".
 - b. Finance & Operations Committee's adoption of the report of the Mayor, dated 8 November 2011, titled "Sister City 30th Anniversary Celebrations – 31 August – 10 September 2011.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose includes the promotion of the social, economic, environmental and cultural wellbeing of communities. The Council seeks to meet this obligation and the achievement of community outcomes through the strategic objectives set out in the 2009-2019 Long Term Council Community Plan. The matters raised in this report relate to those elements of the strategic objectives identified in the following table.

Strategic Objectives	Achieved By
<p><i>Our economy</i></p> <ul style="list-style-type: none"> • <i>Growing new business in research and development</i> 	<p>Creating an International Economic Development Strategy to increase the economic performance of Hastings District from increased levels of exports and inward overseas investment.</p>

- 1.4 Council currently has an International Advisory Group that has an interest in this area. To keep them informed they will be advised of this paper before their March meeting.
- 1.5 This report concludes by recommending that the report, and the International Economic Development Strategy attached to the report, be adopted.

2.0 BACKGROUND

- 2.1 The Guilin Board of Directors was formed in 1982 when the Sister City Protocol was signed between Hastings City Council and the Municipal

- Government of Guilin. The purpose of the Guilin Board has been to promote a diversity of people-to-people contact between the communities of Hastings and Guilin.
- 2.2 The Civic Pride Committee, as a special purpose committee, in its delegations had responsibility for the Guilin Sister City relationship and international relations. The Civic Pride Committee reports to the Finance and Operations Committee.
- 2.3 The Guilin Board via the mechanism of the Education Link Group has responsibility for educational activities involving the local education sector and their counterparts in Guilin.
- 2.4 Council has the goal of improving the social well-being of people in our community. Raising economic performance is a significant contributor to improving social well-being.
- 2.5 The Guilin Board and Council have discussed how Hastings District can develop relationships with other countries, in particular China, in order to expedite wider economic opportunities, in terms of exports, investment and immigration.
- 2.6 Workshops were held by the Guilin Board to complete a Statement of Intent, including an Implementation Plan. On 6 October 2011, the Guilin Board held a workshop with Council to outline their work to date and proposed future activity, including a proposal to change the name of the Board to the Hastings District International Advisory Group, creating new delegations.
- 2.7 The following resolution was adopted by Finance and Operations Committee on 6 December 2011:
- a. *That the report of the Advisor to the Mayor and Chief Executive titled "Adoption of the Hastings District International Advisory Group Statement of Intent" dated 6 December 2011 be received.*
 - b. *That the Statement of Intent, attached to the report in "A" above, is adopted by the Committee thereby renaming the Guilin Sister City Board of Directors the Hastings District International Advisory Group, and for the Advisory Group to report directly to the Finance and Operations Committee.*
 - c. *That a report is brought to the Finance and Operations Committee in early 2012, reviewing the membership of the Advisory Group and recommending an appointment process.*
- 2.8 The 6 December 2011 report, also noted "that in the absence of any Council policy or strategy for international development there is no guarantee of increased investment at this stage for supporting or developing economic activity".
- 2.9 On a recent visit to China to participate in the 30th anniversary of the Hastings and Guilin sister city relationship celebrations, a delegation from Council identified opportunities for Hastings to expand its economic relationship with China by leveraging off the long term sister city relationship with Guilin, and to use this to open economic doors throughout China.

- 2.10 The delegation identified two advantages Council has which can open an array of contacts at high levels in China.
- a. Our long-standing sister city relationships gives Hastings District Council high standing in the public and private sectors.
 - b. The senior status on Mayor Yule within Local Government New Zealand is held in high regard in China.
- 2.11 The delegation identified a number of areas where Council could use its leverage to achieve economic development aims, including; trade, tourism, equity investment, investment based migration, and student education.
- 2.12 At its meeting of 8 November 2011, Finance & Operations Committee adopted the resolution:
- a. *That the report of the Mayor titled "Sister City 30th Anniversary Celebrations – 31 August – 10 September 2011" dated 8 November 2011 be received.*
 - b. *That officers develop an implementation plan of future activity with China identifying the financial and resource implications, to be the subject of a further report to Council as soon as is practicable.*
- 2.13 As part of its ongoing economic development mandate the Economic and Social Development team carries out project work to expand economic activity in Hastings District. Work on this is undertaken directly with business; with business representative organisations e.g. Export New Zealand and Hawke's Bay Chamber of Commerce; and with government agencies e.g. New Zealand Trade and Enterprise. Due to a desire to achieve a united regional approach, Council officers, through the mechanism of Business Hawke's Bay, collaborate with the other Councils in the region. International economic development activity, in particular with China, has been a feature of recent discussions and activities with these other parties. Business Hawke's Bay has recently formed a China Workgroup and contracted a part-time resource for six months to assist developing business with China.

3.0 CURRENT SITUATION

- 3.1 To coordinate the approach to international economic development a single strategy document is required which covers the different streams of work that are currently taking place in parallel. This is addressed in the attached strategy titled "International Economic Development Strategy" which should be read in conjunction with this report. Council may also wish to give consideration to the governance model for overseeing both the proposed International Economic Development Strategy and the International Advisory Group Statement of Intent 2011-2015.
- 3.2 Council's governance model following the adoption of the International Advisory Group Statement of Intent 2011-2015 is that delegations for international activities are held by the International Advisory Group. These delegations have been expanded from those held by the previous Guilin Board. International Advisory Group delegations now cover; the development of trade, education, business investment, scientific research, migration and culture.

- 3.3 Notwithstanding the expansion of delegations, the members of the new International Advisory Group are the same persons who were members of the previous Guilin Board. The Finance and Operations Committee has sought a review of the composition of the International Advisory Group (refer paragraph 2.7). If Council considers that the International Advisory Group is the appropriate governance body for the full schedule of international activity, including, economic development, social and cultural, then Council may wish to consider the appropriate skills and experience of the members of the International Advisory Group in the context of achieving the aims and objectives of Council in the international arena. In this respect account may also be taken of relationships with external parties, including with Guilin, government and non-government agencies; and the governance structure to most effectively support a partnership approach to international economic development.
- 3.4 In the interim, until the matter of governance is resolved, the International Advisory Group could be overseen by a small number of Councillors. Council may consider that going forward this smaller group could assume permanent responsibility for governance of overall international relationships, including the international economic development strategy, and the International Advisory Group focus only on the social and cultural aspects of international relationships.
- 3.5 Another alternative governance model that Council may consider is that as per above the International Advisory Group only focus on social and cultural international relationships. International economic development undertaken by Council officers, in partnership with external agencies, e.g. Business Hawke's Bay, would be reported back to Council rather than through the International Advisory Group or the smaller group of Councillors.
- 3.6 A change to delegations of the International Advisory Group would require revisiting the International Advisory Group Statement of Intent 2011-2015 and Implementation Plan approved by the Finance and Operations Committee on 6 December 2011.

4.0 OPTIONS

- 4.1 Option 1: To adopt the International Economic Development Strategy.
- 4.2 Option 2: To not adopt the International Economic Development Strategy and request that further work is undertaken.

5.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 5.1 Option 1:
- a. Provides a focused strategy for international economic development.
 - b. Prioritises activities within the international economic development strategy.
 - c. Is achievable within current Council officer resources – although some time latitude may be required for delivery.
 - d. Recognises the significance of the Guilin sister city relationship.
 - e. Recognises the value of education as an economic asset.
 - f. Financial implications. For the China Action Plan an estimate of \$45,000 is required in 2011/12, which will need to be funded from existing budgets

or by external agencies. Given that it is already the second half of the financial year, it is probable that a good proportion of the \$45,000 will not be utilised and will not require accruing to the following financial year as \$40,000 p.a. is provided for in the 2012/22 LTP.

5.2 Option 2:

- a. May delay implementation of a coordinated international economic development strategy.
- b. An International Advisory Board whose members collectively do not have the requisite experience in business and/or international relationships may compromise the achievement of Council's economic and social well-being goals.
- c. The workload required implementing the Statement of Intent 2011-2015 and its Implementation Plan will test Council officers' capacity to effectively deliver under current resources and funding.

6.0 PREFERRED OPTION/S AND REASONS

- 6.1 Option 1 as this supports the achievement of Council's international economic development strategy; utilising existing Council officer resources through a plan that has focus and prioritises activities.

7.0 SIGNIFICANCE AND CONSULTATION

- 7.1 The International Economic Development Strategy does not trigger Council's policy on significance.

8.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Policy Advisor titled "International Economic Development Strategy" dated 23/02/2012 be received.
- B) That the International Economic Development Strategy attached to this report be adopted.

With the reasons for this decision being that the objective of the decision will contribute to the Council's Strategic Objectives by:

- i) **Creating an International Economic Development Strategy to increase the economic performance of Hastings District from increased levels of exports and inward overseas investment.**

Attachments:

- 1 Attachment 1 - International Economic Development Strategy CG-10-2-2-005

INTERNATIONAL ECONOMIC DEVELOPMENT STRATEGY

INTRODUCTION

The Hastings District Council has established an economic development strategic framework for the District with four key strategies: Marketing, Visitor and Events; Business Investment; Innovation and Creativity; and Maori Economic Development (the development of the last two is still progressing). To assist in the delivery of these strategies an emphasis has been placed on supporting and facilitating increased levels of exports and inward overseas investment to increase the economic performance of Hastings District and to grow wealth and employment opportunities. The International Economic Development Strategy provides a framework for this activity.

The strategy recognises that financial and resource constraints limit the capacity of Council to operate in the international sphere and therefore priorities should be identified. Accordingly the initial 12 month phase of the strategy focuses on developing economic relations with China based on leveraging off the long term sister city relationship with Guilin.

Expanding economic relationships with China is consistent with government economic development strategy. Accordingly government, and non-government organisations with similar objectives, are operating in this arena. This strategy recognises the importance of working collaboratively with partners and the opportunity to obtain external funding to support Council international economic development activity.

PURPOSE

To increase the economic prosperity and social well-being of Hastings District through export led growth and inward investment.

GOALS

- a. Hastings District is a preferred immigrant destination.
- b. Increase overseas investment to expand Hastings District's business base.
- c. Local industry grows their export markets.
- d. The number of international students studying in Hastings District increases.

SITUATION ANALYSIS

An understanding of Council's role with respect to supporting local business growth through international economic development is required to make optimum use of Council resources and funding. In developed countries with similar social and economic policies to New Zealand, local business may not require direct Council support, for example, through trade missions and personal introductions. Indirect support may be more effective for some countries, for example, Australia. Examples of indirect support are the initiatives already commenced through collaboration with Business Hawke's Bay, such as, the concept of a business incubator and the proposed internet promotional template.

China, however, is a case where Council can directly add value through leveraging off the long-term sister city relationship with Guilin and building on the good reputation this has created throughout China.

Key factors of this strategy are that it:

- a. Enhances the status of economic development within Council's overall international relationships.
- b. Does not dilute the value of the Guilin sister city social and culture relationships that have built up over many years.
- c. Recognises the importance of education as an economic asset.
- d. Recognises the need to increase immigration to Hastings District.
- e. Prioritises tasks so that it is achievable within available resource and budget provision.
- f. Is collaborative in its nature to align with key parties in the region who strive for the same objectives.

THE APPROACH TO INTERNATIONAL ECONOMIC DEVELOPMENT

Introduction

The International Economic Development Strategy has been informed by two documents:

- a. The International Advisory Group's Statement of Intent 2011 to 2015 and its Implementation Plan.
- b. A China Action Plan (attached).

Key factors influencing the strategy are:

- a. Council and Council officers have limitations with respect to resources available to carry out economic development activities and funding available to support this.
- b. Economic development activities have as yet not been evaluated to determine the quality of outcomes. More evidence is required to inform planning for the way forward.

The International Economic Development Strategy identifies priorities so that a structured and focused approach can be taken. The following is proposed:

- a. That in 2012 the focus is on China (all actions below are for the 2012 year).
- b. In 2012 no direct action is taken to actively pursue economic opportunities in other countries. However, if one-off opportunities arise then these should be considered on their merit and explored on a case-by-case basis.
- c. 2012 activity is monitored and evaluated after 12 months.

China

Reasons for prioritising China are:

- a. The scale of economic activity and opportunities in China will provide sufficient workload for current resources over the next 12 months.
- b. Expansion of international economic development to other countries would require a reassessment of officer resources and funding.
- c. No additional funding provision has been made to support a more broadly based international economic development programme.
- d. China is a key export growth market for government and provides opportunity to work with partners, and to secure external funding to support activities.
- e. As the focus on economic development is relatively recent, outcomes have not been evaluated. A concentrated effort on China, with appropriate management systems, will inform whether additional investment (financial and personnel) is warranted to expand the international economic development strategy to other countries at a future date.

Objectives for China:

- a. Establish Hastings District as a preferred destination for persons from China seeking immigration under Business, Entrepreneur and Investor visa categories.
- b. Facilitate equity investment in Hastings District by business and high net worth individuals from China.
- c. Leverage Hastings District Council's reputation in China (from the Guilin relationship) to facilitate increased exports.
- d. Increase the number of students coming from China to Hastings District for education purposes.
- e. Ensure the quality of the Guilin sister city relationship is maintained.

A China Action Plan has been developed and forms part of this strategy. It identifies key activities to be developed. Further initiatives may arise that are not in the China Action Plan and these can be considered on a case-by-case basis. Occasions where this may rise are joint initiatives coordinated by Business Hawke's Bay.

Action

Implement the attached China Action Plan and the International Advisory Group Statement of Intent 2011-2015 Implementation Plan where its activities are consistent with the International Economic Development Strategy.
Identify potential partners and explore opportunities to secure external funding.

Governance

Council may wish to consider the appropriate membership and delegations of the International Advisory Group and establish a governance structure with an eclectic group of members who can:

- a. Oversee the effective delivery of Council's aims and objectives for international economic development.
- b. Preserve and uphold the strong sister city relationship with Guilin.

- c. Work collaboratively with external agencies with similar international economic development goals.

Alternatively Council may consider a model whereby the governance of international economic development is undertaken by Council directly, or a group comprising of a smaller number of Councillors, and that the International Advisory Group has responsibility only for the social and cultural aspects of international relationships.

Action

Consider the extent of direct involvement the International Advisory Group will have in the governance of international economic development and whether an alternative governance model is preferred.

Review membership of the International Advisory Group and recommend an appointment process (as per resolution, 6 December 2011, Finance and Operations Committee).

Guilin sister city relationship

Any enhancement of economic development within the international strategy should not be to the detriment of the long standing sister city relationship with Guilin. In determining the governance model to apply to an international strategy, as discussed above, Council may wish to be cognisant of maintaining the status of the Guilin relationship.

Action

That Council consider the appropriate governance structure for maintaining the Guilin sister city relationship.

Education

Education is a unique case as it covers both social/cultural and economic aspects of international relations; therefore educational interests need to be appropriately represented. Council may wish, in its governance model to consider the structure required to support education as a valuable 'export' and maintain its link with the social and culture aspects of the Guilin relationship.

Council direct involvement in promoting education to international students should be limited to China in 2012. This should not restrict local educational institutes from pursuing any broader international objectives as part of their own growth agendas.

Action

That Council considers the appropriate governance structure to support the economic, social and cultural aspects of international student education.

Migration

Demographic analysis reveals how important immigration will be for Hastings District labour markets and population growth in future years.

Migration will feature as part of the China Action Plan but by virtue of its globalisation it warrants its own specific strategy.

Action

Officers develop a migration strategy for Council approval.

Other sister city relationships

The concept of establishing a sister city relationship with a city outside China, for example in India, based on say a knowledge economy strategy, is exciting. But while this idea may have merit it should not be a top priority.

Identifying an appropriate city and establishing a new sister city relationship will require the commitment of considerable time and effort by Council officials and officers, as well as the necessary budget provision. The economic success of leveraging the Guilin sister city relationship has not yet been established and analysis of outcomes is required rather than it being assumed that “sister cities” are a means to economic growth.

Action

A decision on adding another sister city should be deferred until the outcomes of leveraging off Guilin have been evaluated and this can help inform future strategy development.

TOURISM

Tourism is listed on the China Action Plan however Council is regarded as having a secondary role as primary accountability for regional tourism rests with Tourism Hawke’s Bay.

Targeted marketing aimed at relationships established with high net worth individuals in China could be pursued.

Action

Economic Development team maintain relationship with Tourism Hawke’s Bay to be aware of their activities as they may relate to this strategy.

Council follow up on potential opportunities through established relationships.

MONITORING PROGRESS

As part of the process of monitoring the effectiveness of the International Economic Development Strategy a framework will be established that captures activity and outcome data. This data will be evaluated and will contribute to a review of the strategy in December 2012 and reported to Council.

Action

Develop an activity data base.

Evaluate outcomes in December 2012.

Review strategy in December 2012 and report to Council.

CHINA ACTION PLAN

Objective: to increase Hawke's Bay exports and investment by direct marketing to China.
Local Lead: Mayor, Economic Development Team, Business Hawke's Bay
Secondary role: Export New Zealand,
Focus: Exports, Investment, Research and Development
China Agencies: MFAT
Activity required: In collaboration with Business Hawke's Bay (and Export New Zealand), Council takes lead role in planning and participating in a trade mission to China.
Actions: <ul style="list-style-type: none"> • Plan a trade mission to China to be led by Lawrence Yule. • Business Hawke's Bay lead organization. • Manager Economic Development represents Council in planning. • Strategic plan and objectives of trade mission be agreed between parties. Focused planning is vital to ensure that a diverse range of participants who can add value are invited to join the trade mission. • Trade mission directly marketed to potential local participants. • Target is for diverse group including technical/research experts as well as company marketers and representative(s) from Maori business. • Liaise with MFT&A • Note this could be a Hawke's Bay Regional delegation including Napier City Council and Hawke's Bay Regional Council.
Timeframe: By 30 June 2012.
Estimated cost to Council in 2011/12: \$15,000
Objective: to increase Hawke's Bay exports to China by: establishing a "Food Basket (cluster)" approach to exporting.
Local Lead: Business Hawke's Bay, Economic Development Team
Secondary role: Export Hawke's Bay, New Zealand Trade and Enterprise

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Focus: SME exporters from Hawke's Bay
China Agencies: Logistics Company
Activity required: Led by Business Hawke's Bay, Council participates in developing a cluster of local exporters to enable collective exporting to China.
Actions: Promote cluster exporting concept to SMEs. Samples of goods are sent to DCH Logistics for evaluation. Obtain expert advice on concept from MFAT/NZTE/Export New Zealand. Coordinate local contacts in China to ensure collaborative approach. Business Hawke's Bay coordinates regional strategy.
Timeframe: Ongoing
Estimated cost to Council in 2011/12: \$5,000
<i>Objective: to leverage the sister city relationship with Guilin to foster economic development.</i>
Local Lead: Mayor and Councillors with established relationships in China, Economic Development Team
Secondary role: Business Hawke's Bay
Focus: Exports, Investment, Research and Development
China Agencies: Guilin council, MFAT, China Edge.
Activity required: To develop a strategy that leverages the 30 year sister city relationship with Guilin. Focus to be beyond Guilin and into other economic zones in China.
Actions: Develop plans in-house; and/or in collaboration with Business Hawke's Bay.
Timeframe: 30 June 2012
Estimated cost to Council in 2011/12:

\$10,000
Objective: to increase tourism to Hawke's Bay by targeted consumer segment promotions.
Local Lead Tourism Hawke's Bay
Secondary role: Economic Development Team
Focus Golf, wine – high end consumers.
China Agencies
Activity: Discuss potential for a targeted tourism plan to promote wine and golf to high end consumer market.
Action required: Discuss a targeted marketing strategy with Tourism Hawke's Bay. Liaise with representatives of China conglomerate to invite them to Hawke's Bay.
Timeframe: By 30 June 2012 and ongoing
Estimated Cost: For account Tourism Hawke's Bay Cost of promoting tourism rests with Tourism Hawke's Bay.
Objective: to increase business investment from China by: facilitating relationships with third party agencies.
Local Lead: Economic Development Team, Business Hawke's Bay
Secondary role:
Focus: Business investment.
China Agencies: China conglomerate; Banks, Realtors.
Activity required: Leverage relationships established by Mayor. Establish relationships with third party agents in China.
Action required: Provide details of hotel investment.

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Identify other potential investments in Hawke's Bay and provide to CITIC and approved third parties. Participate with Business Hawke's Bay to develop strategy.
Timeframe: Ongoing
Estimated Cost to Council in 2011/12: \$5,000
<i>Objective: to increase immigration from China to Hawke's Bay via the Business Visa category by facilitating relationships with third party agencies.</i>
Local Lead: Economic Development Team, Business Hawke's Bay.
Secondary role:
Focus: Immigration.
China Agencies: Approved Migration Advisors.
Activity required: Establish relationships with Approved Migration Advisors in China.
Action Required: Provide details of investment opportunities in Hawke's Bay. Liaise with third party providers to ascertain their requirements to enable promotion of Hawke's Bay as a migrant destination.
Timeframe: Ongoing
Estimated cost to Council in 2011/12: \$5,000
<i>Objective: to increase international students from China studying in Hastings District</i>
Local Lead: Economic Development Team, secondary school principals, EIT.
Secondary role: Business Hawke's Bay, Education Link Group
Focus:

International students.
China Agencies: Identify specialist education agencies in China.
Activity: In collaboration with Hawke's Bay secondary schools and EIT develop a strategy to attract increased numbers of students from China.
Action Required: Meet with local secondary school principals. Establish contact with appropriate agencies in China. Include education representative in trade mission.
Timeframe: Ongoing
Estimated cost to Council: \$5,000

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