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Thursday, 11 February 2021

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Council Meeting**

*Kaupapataka*

# Attachment Under Separate Cover (Volume 2)

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*Te Rā Hui:*  
Meeting date: **Thursday, 11 February 2021**

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*Te Wā:*  
Time: **1.00pm**

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

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**TE KAUNIHERA Ā-ROHE O HERETAUNGA**

ITEM	SUBJECT	PAGE
7.	<b>REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION</b>	
	Attachment 1: Review of local government investment in business and industry support across the Hawke's Bay region	3





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

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

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## **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

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

## 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 \$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 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 forā 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>
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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 HBTL;
- 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	Running events	Business information and referral services	Business capability support	R&D funding /support	Feasibility studies and business cases for sector and investment projects	Cluster & Sector work with industry coalitions	Co-investment in major projects				Economic strategy development	Economic intelligence and monitoring	
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 HBTIL	\$80,000	\$1,500,000	-	-	-	\$1,580,000	15.70
Funding for RBP	-	\$358,000	-	-	-	\$358,000	3.56
Funding for GTG/H	\$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
TOTAL ESTIMATED INVESTMENT IN IN-SCOPE ED ACTIVITY	\$302,650	\$2,504,200	\$2,515,240	\$4,257,895	\$483,395	\$10,063,380	100

Figure 1: Annual economic development funding by Council

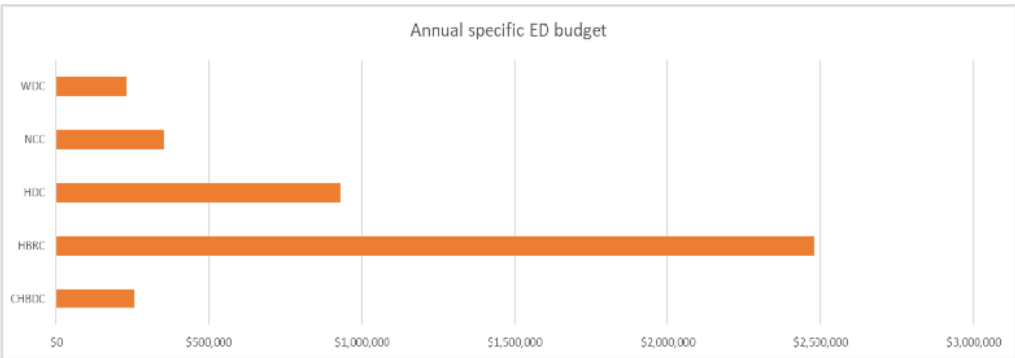


Figure 2: Estimated investment in economic development activities/services by Council

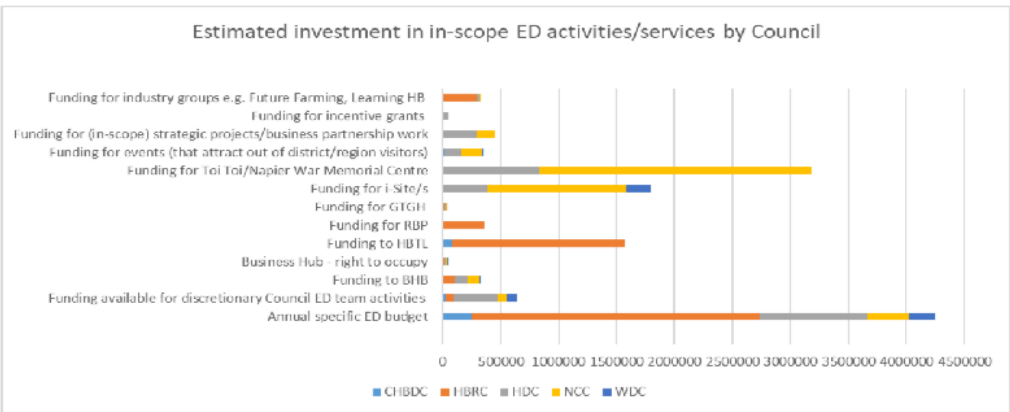


Table 4: FTE resources by provider (estimates only)

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:

- This includes corporate support.
- CHB Tourism Coordinator role counted in HBTL FTEs.
- This includes FTEs involved in running the Business Hub.
- The RBP team is usually 2.1 FTEs; additional funding for COVID activities has increased this to 4.9 FTEs.
- This includes the FTE resource used to support GTGH.
- COVID Recovery Manager.
- This includes corporate support and the use of some contractor resource.
- FTE numbers do not include staff working at i-Sites or any other venues that may been 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/RTO spend per person
	\$(million)	Number	\$ per person	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	\$60,000,000	\$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	11,598	248,000	46,764	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>(6)</sup>	37,509	624,100	60,101	12.4	22.6	\$10,900,000	\$17.47
Tasman / Nelson <sup>(6)</sup>	5,458	107,100	50,960	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
Structure and Governance	<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 57corporate 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>
Purpose/Vision/Mission	<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>
Key objectives	<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> <li>• </li> </ul>
Staff and structure	<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>

Operational Revenue	& 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
	Sources of funding included:	Sources of funding the same as FY 19/20.
	<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>LTO Rent: \$141,753.42</li> <li>MBIE Funding: \$200,000 over 2 years for Matariki programme support (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>	
Source: BHB reports and material provided by BHB		

### 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	
Structure and Governance	<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>	
Purpose/Vision/Mission	<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>	
Key objectives	<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>	
Staff and structure	<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>	
Operational Revenue	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>



	<ul style="list-style-type: none"> <li>• \$94,000 from Members, excluding investment in investor guide (which is a break-even activity) and additional 'contra' (4.3% of funding)</li> <li>• \$80k from the Central Hawke's Bay (CHB) District Council for specific CHB activities (3.6% of funding)</li> </ul>	<ul style="list-style-type: none"> <li>• \$94,000 from Members, excluding investment in investor guide (which is a break-even activity) and additional 'contra' (4.3% of funding)</li> <li>• \$80k from the Central Hawke's Bay (CHB) District Council for specific CHB activities (3.6% of funding)</li> <li>• Central Government: <ul style="list-style-type: none"> <li>- One-off \$700k to support COVID recovery regional promotional activities</li> <li>- TBC: One-off circa \$500k to support a 2-4 year investment plan in regional events.</li> </ul> </li> </ul>
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Source: HBTL reports

### 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 HBTL 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 HBTL 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

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource
<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 busines 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 maximises 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></li> </ul>	
<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

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource
1. Destination marketing and management		
<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 Manger 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>Linganyan, 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 1019/20 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

Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource
<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
<p><b>Ongoing uncertainty. Resilience is the new black.</b></p> <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>
<p><b>Distance is back. Moving from globalization to regionalization.</b></p> <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>
<p><b>The future of work and consumption and the rise of the contact-free economy</b></p> <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>
<p><b>Changing industry structures, consumer behaviour, market positions, and sector attractiveness</b></p> <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>
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### 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 rational 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 deliver 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
1. <b>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>
2. <b>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>
3. <b>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 panning 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 delivery 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 rational 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 panning 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 has 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			<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%		High	13%
	Medium	≥35%		Medium	41%
	No service	≤30%	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).

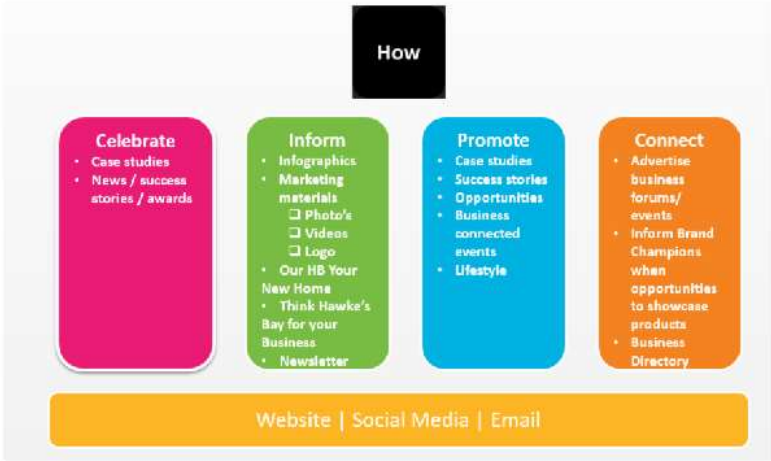
### 9.5.2 Background on Great Things Grow Here (GTGH)

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 Maori' 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>

Investment attraction and retention has a competitive element	<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>
Central Government role and expectations	<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>
Great Things Grow Here (GTGH)	<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>
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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>
<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 (EDA CCO)</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 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 HBT'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 fora 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>0.25 FTE - 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>
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## 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**

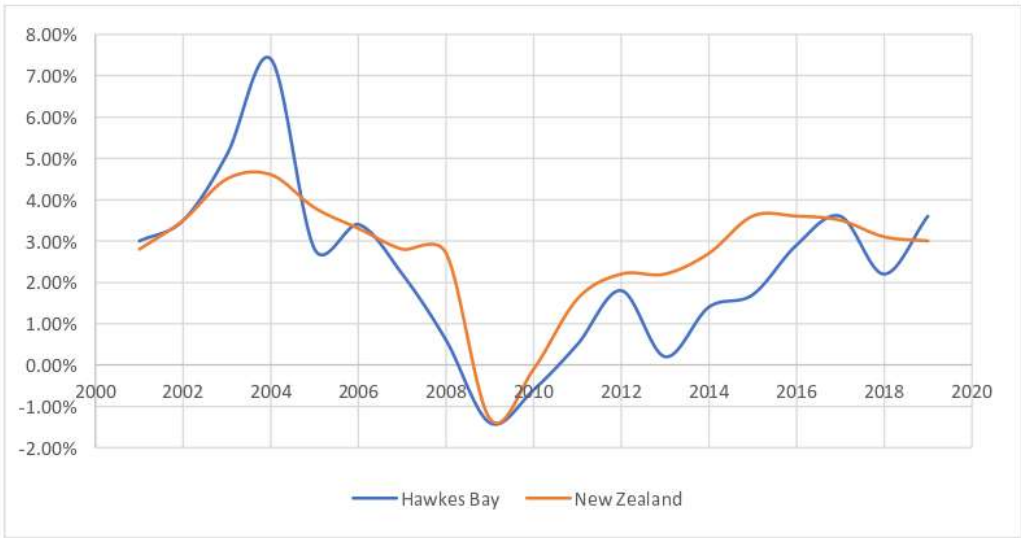
Measure	Hawke's Bay	New Zealand
GDP, 2019	\$7,695 million (2.6% of national total)	\$297,894 million
Economic growth		
- Annual change, 2018-2019	- 3.6%	- 3.0%
- Annual average change, 2000-2019	- 1.7%	- 2.5%
Population		
- Total population	- 173,100 (3.5% of national total)	- 4,917,000
- Population 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 <ul style="list-style-type: none"> <li>- Total employment 2019</li> <li>- Employment growth in last year</li> <li>- Employment growth, 2000-2019</li> </ul>	<ul style="list-style-type: none"> <li>- 83,076 (3.3% of national total)</li> <li>- 1.9%</li> <li>- Average 0.6% pa</li> </ul>	<ul style="list-style-type: none"> <li>- 2,543,195</li> <li>- 1.9%</li> <li>- Average 1.5% pa</li> </ul>
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 <ul style="list-style-type: none"> <li>- GDP per filled job, 2019</li> <li>- Productivity growth, 2019</li> <li>- Productivity growth, 2000-2019</li> </ul>	<ul style="list-style-type: none"> <li>- \$92,625</li> <li>- 1.7%</li> <li>- 1.1%</li> </ul>	<ul style="list-style-type: none"> <li>- \$117,134</li> <li>- 1.7%</li> <li>- 1.1%</li> </ul>
Business Units <ul style="list-style-type: none"> <li>- No of business units, 2019</li> <li>- Growth in business units, 2000-2019</li> <li>- Size of business units</li> </ul>	<ul style="list-style-type: none"> <li>- 19,131</li> <li>- 2.8%</li> <li>- 65% sole traders;</li> <li>- 21% (1-5 employees);</li> <li>- 5% (6-9 employees)</li> </ul>	<ul style="list-style-type: none"> <li>- 582,459</li> <li>- 12.4%</li> <li>- 69% sole traders;</li> <li>- 20% (1-5 employees);</li> <li>- 5% (6-9 employees)</li> </ul>

### 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>

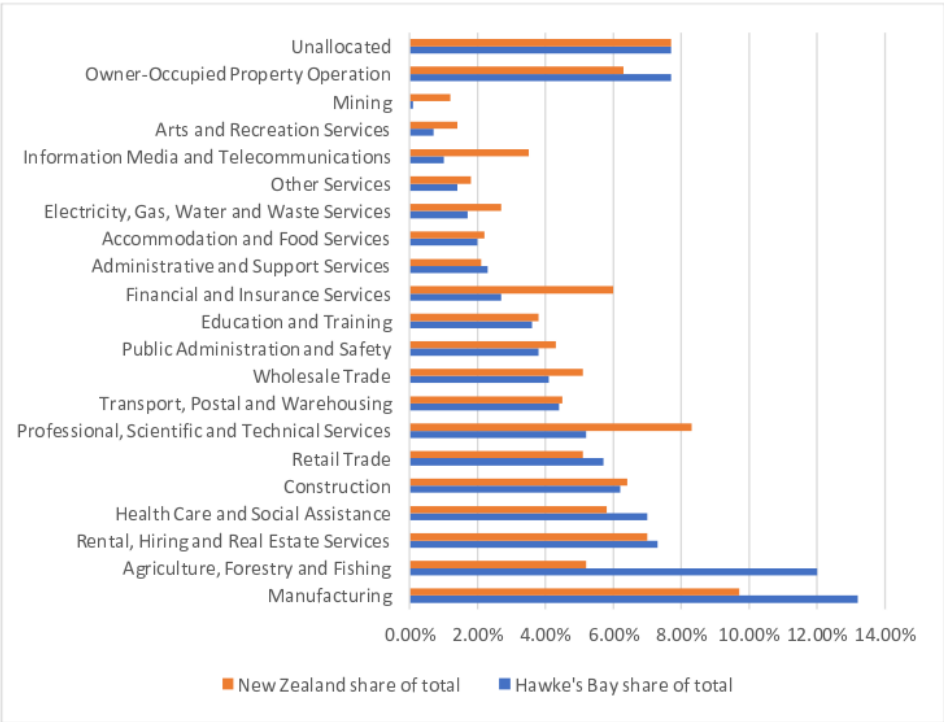


Table 23: Industry GDP and share of total

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

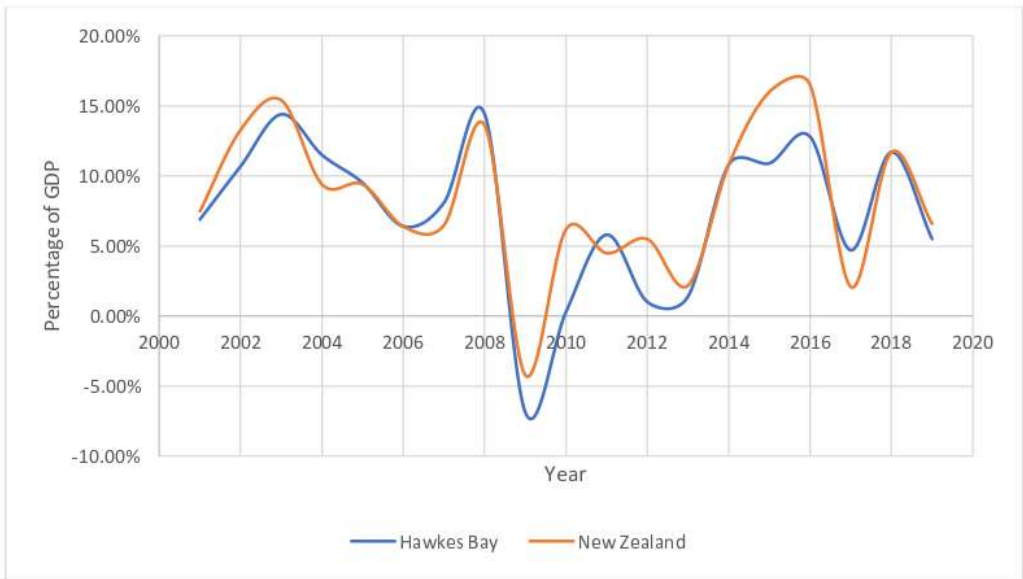
- In 2019 tourism in Hawke’s Bay contributed 4.8 percent of the region’s economic output (up from 2 percent in 2000), totalling around \$370 million per year. Tourism is slightly less important to the regional economy than it is nationally (where it contributes around 5.4 percent of GDP). It has nevertheless 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%
Maori	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>



### 15.1 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
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 m</p> <ul style="list-style-type: none"> <li>Unemployment rate is less than 5%</li> <li>Employment is comparable to the NZ average rate</li> <li>Labour is improved to a rate consistent with the NZ define]9</li> <li>Exceed 85% of school leavers achieving NCEA level</li> <li>Reduce NEETs rate from 18% to 12% (equivalent to</li> <li>Have at least 30% of employment in highly skilled o</li> <li>than 38% in low-skilled</li> <li>Increase knowledge- intensive industries in the regi</li> <li>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 ear work and objectives and key results will be further r scopes are developed".</li> <li>Targets are in the process of being reset</li> <li>The new Hawke's Bay Interim Regional Skills Leader has a budget to commission regionally specific data insights.</li> <li>The iRSLG can also utilise Central Government reso meaningful measures, dashboards, in-depth data se inform decision making and support activity.</li> </ul>

	<p>planning and development</p> <p>(Identified as a COVID recovery priority action)</p>	<p>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.</p> <ul style="list-style-type: none"> <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>		
	<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 are specific targets):</p> <ul style="list-style-type: none"> <li>• Business reached</li> <li>• Students reached (via Hawke's Bay My Next Move (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> <p>Surveys are required to be completed.</p>

	(\$ - not yet funded)	<p>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.</p> <ul style="list-style-type: none"> <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>		
Inwards Investment Development	<p>Matariki Pou 5: BHB Role in Promoting Our Place for Investment, Business, Talent, Visitors</p>	<p>BHB leads Matariki Pou5 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 0.1 FTE (CEO) e.g. 5 hours out of a 50 week</p> <p>Required resource (\$ - not funded ) 1 FTE (senior partner, permanent ) 1 FTE (project support – recovery, fixed-term)</p>	<p>Activity relevant to Key Result Area 3 of Contract for Sen</p> <ul style="list-style-type: none"> <li>Co-ordinate the 'Think Hawke's Bay' group collective meetings</li> <li>Partner in the 'Think Hawke's Bay' collective on three promotional and attraction initiatives</li> <li>Provide case study examples of where combined se 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</li> <li>Population grows from [x] to [y] by 2025</li> <li>Increase regional GDP growth by 1% to New Zealand average</li> <li>Mean annual earnings for the Hawke's Bay Region Zealand average and Māori vs non-Māori gap is reduced</li> <li>Businesses and industries are increasingly aware of emissions</li> </ul>
	Investment Programme	<ul style="list-style-type: none"> <li>There are 3 elements to this work: <ul style="list-style-type: none"> <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> </li> </ul>		<ul style="list-style-type: none"> <li>A work programme with goals/objectives has been set specific performance measures have been set</li> </ul>

	(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>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>	<p>place with MSD.</p> <ul style="list-style-type: none"> <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>Service.</p> <p>Key outcomes being sought are:</p> <ul style="list-style-type: none"> <li>To achieve positive settlement outcomes to assist w and/or retention of those who choose to live and w</li> <li>To support the long-term retention of those who ar region, mitigating a short-term boom-bust talent cy</li> <li>To promote both the employee/employer propositi recognition of Hawke's Bay as a regional leader in t; with next steps of the programme focussed on taler career progression and pathways.</li> <li>To open up wider access to the informal 'network' j Hawke's Bay, (the estimated 80% of jobs in the regi without being advertised).</li> <li>To provide a professional service that bridges the g; are unable to access services through government p MSD.</li> </ul>
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<b>Sector, Cluster &amp; Enterprise Development</b>	Lead Matariki Pou 4 – Economic Growth	<p>BHB leads Matariki Pou4 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) 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 ar for 4.2.</p> <p>Matariki Action Pan (MAP) Pou4 'Key Results':</p> <ul style="list-style-type: none"> <li>Regional Business Profile and change measured ye number of business units, FTEs etc.</li> <li>Regional business growth at a higher percentage th growth</li> <li>Have at least 30% of employment in highly skilled c less than 38% in low-skilled</li> <li>Increase knowledge-intensive industries in the regi as the New Zealand overall percentage</li> <li>Hawke's Bay has a GDP per capita at or above the l define]</li> <li>Tourism GDP share continues to exceed 5% of regi</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,</li> </ul>	<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 Ser</p> <ul style="list-style-type: none"> <li>Engage with start-up businesses across the region, p that BHB engagement has added value directly to fiv</li> </ul>

	<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 align plans/ funder requirements/ user experience etc. But k would come from:</p> <ul style="list-style-type: none"> <li>Regional Business Partner data re regional delivery both COVID specific and BAU growth in enquiries a funding issued across the region</li> <li>Regional shifts in trends of engagement HB Business through visitor sign-in system.</li> </ul>
	<p>IT/ Digital / High-value Manufacturing / Hi-tech</p>	<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:</p> <p>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</p> <ul style="list-style-type: none"> <li>Deliver five regional business events and workshop sector development</li> <li>Regional participation in three national business events</li> <li>Provide at least one case study that demonstrates development supported by BHB in each identified region</li> <li>Engage with start-up businesses across the region, evidence that BHB engagement has added value to 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>
	<p>Land to Brand Sector Support Programme</p>	<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</p> <ul style="list-style-type: none"> <li>Deliver five regional business events and workshop sector development</li> <li>Regional participation in three national business events</li> <li>Provide at least one case study that demonstrates development supported by BHB in each identified region</li> <li>Engage with start-up businesses across the region, evidence that BHB engagement has added value to 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)</li> </ul>



		<ul style="list-style-type: none"> <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>		event and year before that the Future Foods work
	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 local businesses,</li> <li>• Attract investment and talent to Hawke's Bay</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>

HB Business Hub in Ahuriri	Hub External Engagement	Commerce, Business Central, Export NZ, Chartered Accountants ANZ, The Icehouse, NZTE, Regional Business Partners, NZ Food Innovation Network, and the HB Councils.	.75FTE (Ops & Activation)  .15 FTE (CEO) e.g. 8 hours out of a 50 hour week	<ul style="list-style-type: none"> <li>Focus groups</li> <li>Digital engagement measures</li> </ul>	
	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>			
	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>	<p>Current Resource to Dec20 only:</p> <ul style="list-style-type: none"> <li>.8 FTE Programme Management</li> <li>.2 FTE Management Support (CEO) 10 hours/50pw</li> <li>.1 FTE Communications Lead (contractor)</li> <li>.2 FTE Secretariat Support</li> </ul>	<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></li> <li></li> <li></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>	<p>Current Resource:</p> <ul style="list-style-type: none"> <li>.25 FTE (Admin Support)</li> <li>.6 FTE (CEO) 30 hours/50pw</li> </ul>	<ul style="list-style-type: none"> <li>No internal KPIs available</li> </ul>	<ul style="list-style-type: none"> <li></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	<p>Internal KPIs:</p> <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></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>	<p>Current Resource:</p> <ul style="list-style-type: none"> <li>.25FTE Communications Lead</li> </ul>	<p>Internal KPIs:</p> <ul style="list-style-type: none"> <li>Build position of BHB as the regional voice of economic development (by business/for business)</li> </ul>	<ul style="list-style-type: none"> <li></li> <li></li> </ul>

		<ul style="list-style-type: none"> <li>• Support key activities, events</li> <li>• Build business community engagement</li> </ul>		<ul style="list-style-type: none"> <li>• Build engagement</li> <li>• Develop sustainable sponsorship model and management</li> </ul>	
	Great Things Grow Here (GTGH)	This work involves: <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	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: <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</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>	

Priority area	Description of activity and outputs generated	Resource (FTE)	KPIs	
Marketing	<p>These roles involve:</p> <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> </ul> </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>	<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>	<ol style="list-style-type: none"> <li>Visitor spend, benchmarked against national performance. Data provided by MBIE's Monthly Regional Tourism Estimates.</li> <li>Increase industry contribution</li> <li>- Develop membership engagement on climate change (mitigation and adaptation) and environmental sustainability</li> <li>- Increase in members signing up to Tourism Industry Aotearoa's "Tourism Sustainability Commitment"</li> </ol>	<p>1</p> <p>2</p> <p>3</p> <p>4</p>
PR & Comms	<p>This role:</p> <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>	<ol style="list-style-type: none"> <li>Industry advocacy. Support existing tourism operators to develop new products, and expand into new markets</li> <li>Tourism operators value Hawke's Bay Tourism's leadership and contribution to growth of industry</li> </ol>	<p>5</p> <p>6</p>
Travel trade sales	<p>This role:</p> <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>	<ol style="list-style-type: none"> <li>Lead the development of a regional visitor strategy for Hawke's Bay</li> </ol>	
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)	<p>This new role is focused on the following:</p> <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 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</li> <li>Consultations and collected views with whānau on sufficient, safe and nutritious food that is</li> </ul>	

	<ul style="list-style-type: none"><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>Map development for printed and app ver</li><li>Database developed</li></ul>
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Focus of economic development / economic wellbeing activity	Description of activity and outputs generated	FTE Resource	Measuring impact: Relevant performance measures / to - Is this being measured? - If so, how?
<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)	<ol style="list-style-type: none"> <li>The annual visitor spend increases annually. [Proposed update – Vis has increased 50% by 2029 (201</li> <li>The number of participants in events supported by Council. [Target –</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>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 District.</li> <li>The percentage of the community the Economic and Social Development of Council. [Target – 80%, and progress 95%. This is assessed via an independent community views survey].</li> </ul>
<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 social development.</li> <li>Support the creation of net new District.</li> <li>The percentage of the community the Economic and Social Development of Council.</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)	<ul style="list-style-type: none"> <li>Support the creation of net new District.</li> <li>The percentage of the community the Economic and Social Development of Council.</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>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 social development.</li> <li>Support the creation of net new District.</li> </ul>

**Item 7    Review of Local Government Investment in Business and Industry Support Across the Hawke's Bay Region**  
**Review of local government investment in business and industry support across the Hawke's Bay region**

**Attachment 1**

<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>
<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>

**Item 7 Review of Local Government Investment in Business and Industry Support Across the Hawke's Bay Region**  
**Review of local government investment in business and industry support across the Hawke's Bay region**

**Attachment 1**

<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 - Is this being measured? - If so, how?</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 Performance measures:</p> <ol style="list-style-type: none"> <li>Number of visitors to annum. Target - 73,1</li> <li>Total visitors to Splan: 100,000 (45% from c</li> <li>Total financial suppo \$125,000</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: Supportin Performance Measure</p> <ol style="list-style-type: none"> <li>Total financial suppo Bay. Target – funding</li> </ol> <p>Key action KA27: Advance job creation initiatives. Bu supported by a specific m</p>
<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: Supportin</p> <p>Key action KA27: Advance job creation initiatives. Bu supported by a specific m</p>
<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>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>	0.1 FTE (Project management support for GTGH)	job creation initiatives. But supported by a specific m
<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 i available.
<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 i available.
<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 i available.

Not sure if this is needed ....

<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 / to - Is this being measured? - If so, how?</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</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>		
<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>		
<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>		
<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>Great Things Grow Here (GTGH)</li> </ul>		<ul style="list-style-type: none"> <li></li> </ul>
<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.
<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.
<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>		7.



<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>
<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 Manger 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>	<p>1 FTE – (Event Manager)</p> <p>0.5 FTE – (Manager of Business and Tourism)</p> <p>Have not counted contribution of NCC marketing team</p>	<ul style="list-style-type: none"> <li>This activity falls under 'Community Experiences' priority area.</li> <li>Initiatives are project based e.g. activity management plan for the Centre; commence development and Tourism Strategy".</li> <li>There do not appear to be relevant performance measures and/or targets used.</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)	<p>Relevant NCC ED Objective/s:</p> <p>2.1.1 Advocacy</p> <ul style="list-style-type: none"> <li>Communicate constructively on strategic importance with key organisations such as Napier Port, EIT, BHB and Airport.</li> <li><b>KPI:</b> SLT and CMT acknowledge and understand each stakeholder's perspective. Meet quarterly with key stakeholders</li> </ul> <p>2.1.3 Enabling Industry</p> <ul style="list-style-type: none"> <li>Be a contributor to "enabling" and allows selected industries to locate in City.</li> <li><b>KPI:</b> Positive feedback received from stakeholders. Review and commission economic impact briefs and economic studies. Provide 3 examples.</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)	<p>Relevant NCC ED Objective/s:</p> <p>2.1.1 Advocacy</p> <ul style="list-style-type: none"> <li>Communicate constructively on strategic importance with key organisations such as Napier Port, EIT, BHB and Airport.</li> <li><b>KPI:</b> SLT and CMT acknowledge and understand each stakeholder's perspective. Meet quarterly with key stakeholders</li> </ul> <p>2.1.3 Enabling Industry</p>

			<ul style="list-style-type: none"> <li>• <b>KPI:</b> Positive feedback received from stakeholders. Review and conduct economic impact briefs and economic studies. Provide 3 examples.</li> </ul>
4. Skills -related support	N/A		
5. Investment attraction			
<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>	<p>0.2 FTE (NCC Economic Manager)</p> <p>2 FTEs (in planning teams)</p>	<p>Relevant NCC ED Objective/s:</p> <p>2.1.2 Promotion/Attraction</p> <ul style="list-style-type: none"> <li>• Successful marketing, promotion partnerships that draw investors to Bay.</li> <li>• <b>KPI:</b> Demonstrate contribution to Attraction KPI and attend one regional Trade Show.</li> </ul> <p>2.1.3 Enabling Industry</p> <ul style="list-style-type: none"> <li>• Be a contributor to "enabling" a allows selected industries to locate in City.</li> <li>• <b>KPI:</b> Positive feedback received from stakeholders. Review and conduct economic impact briefs and economic studies. Provide 3 examples.</li> </ul>
6. Export and/or offshore investment support	<p>Sister City relationships with:</p> <ul style="list-style-type: none"> <li>o Tomokomai, Japan</li> <li>o Victoria, Canada</li> <li>o Lingquanyan, China</li> </ul>	0.05 FTE (NCC Economic Manager)	<p>Relevant NCC ED Objective/s:</p> <p>2.1.4 Grant/Sponsorship Management</p> <ul style="list-style-type: none"> <li>• e.g. Provide funding and governance for economic impact initiatives e.g. City, Food Hub, NCB, University of Matariki REDS, GTGH, Learning Hub</li> <li>• <b>KPI:</b> Demonstrate positive benefit to Napier from each grant/sponsorship arrangement. Provide and record assessment after event has occurred</li> </ul>
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>• 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)	<p>Relevant NCC ED Objective/s:</p> <p>2.1.0 Research</p> <ul style="list-style-type: none"> <li>• Identify and communicate trends relevant to Napier City and communicate potential economic impacts to stakeholders.</li> <li>• <b>KPI:</b> One internal workshop per year at least one initiative.</li> </ul> <p>2.1.5 Leadership</p> <ul style="list-style-type: none"> <li>• Develop a strategy for the Economic Development role and develop role descriptions for the benefit of</li> </ul>

<p>8. Regional economic development and economic wellbeing implementation support</p>	<ul style="list-style-type: none"> <li>NCC has representation on 5 of the Matariki pou</li> </ul>	<p>0.2 FTE (NCC Economic Manager)</p>	<p>Relevant NCC ED Objective/s:</p> <p>2.1.1 Advocacy</p> <ul style="list-style-type: none"> <li>Communicate constructively on strategic importance with key organisations such as Napier Port, EIT, BHB and Airport.</li> <li><b>KPI:</b> SLT and CMT acknowledge and 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 Bay.</li> <li><b>KPI:</b> Demonstrate contribution to Attraction KPI and attend one regional Trade Show.</li> </ul> <p>2.1.3 Enabling Industry</p> <ul style="list-style-type: none"> <li>Be a contributor to "enabling" activities that allows selected industries to locate in City.</li> <li><b>KPI:</b> Positive feedback received from 10 of stakeholders. Review and commission economic impact briefs and economic 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 for economic impact initiatives e.g. City, Food Hub, NCBI, University of Matariki REDS, GTGH, Learning Hub.</li> <li><b>KPI:</b> Demonstrate positive benefit to Napier from each grant/sponsorship arrangement. Provide and record assessment after event has occurred.</li> </ul>
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**Item 7 Review of Local Government Investment in Business and Industry Support Across the Hawke's Bay Region**  
**Review of local government investment in business and industry support across the Hawke's Bay region**

**Attachment 1**

<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 / to - Is this being measured? - If so, how?</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. 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 F 1. Wairoa increases its share of the 2. Support existing businesses and
<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 F 1. Increase the Wairoa district's M 2. Support existing businesses and 3. Increase our share of the nation
<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 F 1. Increase the Wairoa district's M 2. Support existing businesses and 3. Regional collaboration to achiev district 4. Increase our share of the nation
<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 Partnershi 1. All Whānau across the Wairoa D  From: WDC Economic Development F 2. Population decline is halted or r 3. Increase the Wairoa district's M 4. Support existing businesses and 5. Regional collaboration to achiev district 6. Decrease in the percentage of o unemployed 2019 7. Increase our share of the nation
<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)	From: Wairoa Community Partnershi 1. All Whānau across the Wairoa D  From: WDC Economic Development F 2. Population decline is halted or r 3. Increase the Wairoa district's M 4. Support existing businesses and 5. Regional collaboration to achiev district 6. Decrease in the percentage of o unemployed 2019

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<b>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)	From: WDC Annual Plan 1. Actions in the Economic Development Strategy progress and completed (% of actions completed) 2. The cost related to this activity compared to the budget
<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)	From: WDC Economic Development Strategy 1. Regional collaboration to achieve economic development goals in the district