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Thursday, 9 December 2021

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

**Hastings District Council**

**Council Meeting**

*Kaupapataka*

# Open Attachments – Vol 2

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*Te Rā Hui:*  
Meeting date: **Thursday, 9 December 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**

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	Attachment 1: Stage 2 Review of Local Government Investment in Business & Industry Support in Hawke's Bay	3





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## **STAGE 2: REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT IN HAWKE'S BAY**

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**Final Report for Hawke's Bay Councils  
November 2021**

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## 1.0 EXECUTIVE SUMMARY

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

The second stage of the review has focused on the following areas:

- The priority activities and services for ratepayer investment;
- Options for the most effective way to deliver these for Hawke's Bay; and
- The estimated cost of investment.

### 1.1 Key insights, findings and recommendations

#### 1.11 The priority activities/services for ratepayer investment

This review finds that:

- It is useful to think about funding for business and industry support in terms of more direct or 'micro' support (direct support for business e.g. training for business owners and employees), versus less direct or more 'macro' support for business (e.g. working with groups of companies or sectors and developing regional strategies to help marshal and direct scarce resources to areas of agreed regional priority).
- The main gap in service delivery relates to more 'macro' support for business – broad types of activities include facilitation and connection, promotion, information provision and addressing collective action issues.
- Given the existing providers of services to small to medium enterprises (SMEs) there is a less compelling case for local government investment in more 'micro' support for business. That said, engagement with providers and Central Government funders of these services note that demand is currently outstripping available supply of funded places. Additional funding could assist with this and involve partnerships between providers, iwi/hapū, and local and central government. Any local government funding assistance to provide these activities would want to target areas where there was a clear gap in service provision or the ability to add value e.g. support for Māori businesses which are currently underrepresented in mainstream services, and be led by providers.
- One area that requires further consideration is support for start-ups. To be fully effective an economic development support system will have appropriate interventions along the spectrum of business needs from start-up through to mature. There appears to be unmet demand in the start-up area and a lack of funding to support existing providers of services. A regional economic development team or entity could help guide investment in this area i.e. develop the strategy in collaboration with partners, but outsource the delivery (with funding) to existing providers of services to SMEs e.g. Hawke's Bay Chamber of Commerce and Te Kahui Ohanga (TKO).
- Key insights from engagement with iwi/hapū are:
  - Delivering effectively for Māori will require a new approach or approaches.

- Cultural differences, familiarity and trust will constrain the reach of mainstream providers and services. This means there needs to be more opportunity for Māori to inform, design, support and deliver activities and services.
- Greater effort is required in helping whānau understand and navigate what is perceived as a cluttered and complex space. This requires effective regional networks and requires going to where Māori are, rather than expecting them to seek things out from central delivery points. Online is not enough.
- Access to capital is more likely to constrain Māori business – both those starting out through to Post-Settlement Governance Entities (PSGEs).
- Councils could use their procurement of services to more effectively support Māori business (this also relates to SMEs in general).
- PSGEs are using their own procurement to support local and Māori capability. They see themselves as part of a social and economic eco-system and are building capability to provide wrap-around support for skill and business development.
- Key insights from engagement with wider business are:
  - Different businesses will need different things based on their size and the sector in which they operate. There is not a single business perspective.
  - Equally, there are a wide range of views on the appropriate role of local government in providing assistance to business and industries. Some think that local government should stick to infrastructure and getting the board regulatory settings right and some believe Councils can play a greater role in increasing funding for small business and/or sector-based support.
  - Smaller businesses are more likely to be looking for assistance with professional development (and access to business support programmes and providers who specialise in this area). They are also much more likely to be seeking meeting spaces and to a lesser extent hot-desking and flexible work options.
  - For some small businesses and people considering a business idea there are a range of existing barriers to accessing business development services – these include awareness (including not knowing who to speak to find out what is available), cost, location, and cultural familiarity.
  - Beyond infrastructure and regulatory settings, larger businesses are likely to be looking for partnerships (with each other and with local government), to do things they might not be able to do alone. This is often because it requires decisions and/or investments in other areas that they do not have control over.
  - Bigger businesses and industry organisations are also more likely to be playing a role in helping to support the region's strategic economic development priorities e.g. building on our regional strengths in food and the eco-system of sophisticated products and services that have grown to support this industry. This means they are more likely to want to understand how the region is



setting and executing its regional economic development priorities and how they fit into the bigger picture.

- It is clear that bigger businesses in Hawke's Bay are frustrated that there is no ongoing coordinated engagement with big business and that there's no clear point of contact on economic development issues. This makes it hard to progress ideas. In the past they have relied on relationships and Hawke's Bay being a small place to propose and pursue ideas but there is a view this has got harder and it's holding the region back.
- Bigger businesses and industry organisations are seeing opportunities that can only be taken forward as a region and there is a view that Hawke's Bay is missing an opportunity to leverage our strengths and recover strongly from COVID-19.
- There is acknowledgment that governance and organisational structures can either support or constrain collaboration and there is a view that Hawke's Bay has not yet got this right.
- There is a perception that there are still unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. As the 2020 Review found, this is feeding a perception in the business community that the economic development system in Hawke's Bay is fragmented and not particularly transparent.
- **This review recommends that the Hawke's Bay Councils:**
  - Focus ratepayer investment in business and industry development in areas where there is a gap in provision of an activity or service. This will look like working with groups of companies or sectors and developing regional strategies to help marshal and direct scarce resources to areas of agreed regional priority.
  - Support other organisations to lead on support for SMEs and start-ups. This does not need to sit with a regional economic development entity (as envisaged in the 2020 Review Recommendations). To assist with 'lane clarity' and to help support regional collaboration consideration should be given to supporting the HB Chamber of Commerce to take on the Regional Business Partner contract. Separate funding could also be made available to TKO and/or an agreed nominee subject to developing an agreed approach and focus for funding for Māori economic development. Further work may be required with HB iwi/hapū to agree on preferred delivery mechanism for Māori economic development.
  - That the priority activities/services for ratepayer investment should be:
    - HB Business Hub
    - Programme Management support for Matariki RDS
    - Industry and sector development (the Food Industry Programme, the Technology Programme and an additional sector development initiative)
    - Investment and talent attraction
    - HB brand strategy and activation
    - Coordination of skills and employment initiatives – focused on connecting businesses with people and training organisations

- Provision of funding to support a 'by Māori for Māori' approach to regional economic development (delegated to TKO and/or an agreed nominee)
- Additional funding for SME and start-up support - if funding allows and a clear gap or need is identified, but delivered by other providers.

#### 1.12 Options for the most effective way to deliver these for Hawke's Bay

This review finds that:

- The preferred regional economic development delivery platform for Hawke's Bay is still a regional entity that has an appropriate mandate and appropriate resourcing i.e. it can't be set up to fail but not giving it a clear purpose and mandate and inadequate resources.
- A regional entity with the appropriate scale and mandate could 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 could take the form of an independent Trust, Incorporated Society or Company - or a Council Controlled Organisation (CCO). An independent form that is not a CCO is more likely to be accepted by iwi/hapū and wider business. Specialist legal and tax advice would be recommended before deciding the preferred legal form.
- All structures would offer an opportunity to embed a tripartite governance partnership between local government, iwi/hapū, and wider business. An independent Board could be made up of 2 representatives from local government, iwi/hapū, and wider business respectively. An independent Chair could complete a 7-person Board.
- This entity would need to be supported by an effective measurement and reporting framework which helps track the relationship between activities, outputs and outcomes i.e. whether ratepayers' money is being invested and used effectively.
- Hawke's Bay may not be able to do this in one step. There is a legacy of mistrust that investment in regional economic development activities yield results and ratepayer funding is constrained. Trust may need to be earned and value delivered in order to motivate additional funding over time.
- If the preferred option is not accepted, then a minimum investment option would focus on a small regional economic team hosted by the Councils. This team would be responsible for – the Business Hub; programme management support for Matariki RDS; industry and sector development (i.e. the Food Industry Programme and the Technology Programme). This option would also provide some funding to support Māori economic development initiatives. This option would lose an opportunity to lead and coordinate activity in relation to investment and talent attraction; HB brand strategy and activation; and skills and employment initiatives.

**This review recommends that the Hawke's Bay Councils:**

- Consider funding the establishment of a regional development entity that would be responsible for:

- The HB Business Hub
  - Programme Management support for Matariki RDS
  - Industry and sector development
  - Investment and talent attraction
  - HB brand strategy and activation
  - Coordination of skills and employment initiatives – focused on connecting businesses with people and training organisations
  - Provision of funding to support a 'by Māori for Māori' approach to regional economic development (delegated to TKO and/or an agreed nominee)
  - Providing additional funding for SME and start-up support to other providers.
- OR Consider funding, at a minimum, the establishment of a regional economic development team that would be hosted by the Councils and would be responsible for:
    - The HB Business Hub
    - Programme Management support for Matariki RDS
    - Industry and sector development
    - Provision of funding to support a 'by Māori for Māori' approach to regional economic development (delegated to TKO and/or an agreed nominee).

### 1.13 The estimated cost of investment

This review finds that:

- The estimated cost of investment in the preferred option (Option 3: A Regional Development Entity) would be around \$1,706,000 per annum plus a \$50,000 investment in CAPEX. This represents an OPEX increase of \$1,193,000 on the existing investment of \$513,000. Note, this does not account for Council resources beyond the budget for the Regional Development Manager and funding contributions to Great Things Grow Here that could be pooled to support this option.
- The estimated cost of investment in a minimum option (Option 2: A Regional Development Team) would be around \$1,050,000 per annum plus a \$50,000 investment in CAPEX. This represents an OPEX increase of \$537,000 on the existing investment of \$513,000/annum. Note, this does not account for Council resources beyond the budget for the Regional Development Manager and funding contributions to Great Things Grow Here that could be pooled to support this option.



## 2.0 INTRODUCTION AND PURPOSE OF REVIEW

In mid-2020 the 5 Hawke's Bay Councils commissioned a review of local government investment in business and industry support across the Hawke's Bay region<sup>1</sup>.

The Review was focused on activities undertaken, and services provided, by Business Hawke's Bay (BHB), Hawke's Bay Tourism (HBTL), and the individual Councils. The Review incorporated perspectives and insights developed in relation to Hawke's Bay's Matariki Regional Development Strategy (Matariki RDS), but it was not a review of Matariki RDS itself.

In commissioning the Review, Council CEs recognised that there might be opportunities to improve regional coherence of economic development investments and wanted a clearer picture of this in order to inform Long Term Plan processes starting from late 2020. This Review also fulfilled a Local Government Act (2002) s.17A requirement to review the cost effectiveness of Council arrangements for delivering services on a periodic basis.

The Review highlighted a range of inefficiencies and missed opportunities with current ratepayer-funded activities and services and found there was an opportunity to do something that better met the region's needs and potential.

The exception to this was Hawke's Bay Tourism Ltd (HBTL). HBTL was supported by its main stakeholders and appeared to be doing a successful job in leveraging ratepayer investment into real value for the Hawke's Bay economy. The Review concluded that there did not appear to be a strong case for change in regard to HBTL, however there is an expectation that HBTL and any future economic development platform would work closer together to complement each other's activity and give greater effect to the region's priority areas. In addition, there may be an opportunity to share overheads or resources where appropriate/of value given both programmes are ratepayer funded.

The recommendations of the 2020 Review can be found in Annex A.

In early 2021 the five Councils endorsed a second stage of the review process which would involve more detailed investigation of the recommendations set out in the Review report. Councils specifically:

- Endorsed engaging with Treaty Partners and other regional stakeholders on the opportunity to create an enduring Economic Development Delivery Platform with the appropriate scale and mandate to better guide and direct economic development activity to priority areas and issues;
- Supported the opportunity to embed a partnership with Māori in a new Economic Development Delivery Platform; and
- Endorsed the five councils' commitment to keeping the Hawke's Bay Business Hub open with the potential assignment of the lease to one of the five councils.

This second stage of the review has sought to further explore options in relation to effective support for business and industry support for Hawke's Bay. This has focused on:

<sup>1</sup> Review of Local Government Investment in Business and Industry Support across the Hawke's Bay Region, December 2020 - <https://www.hbrc.govt.nz/assets/Document-Library/Council-Documents/FINAL-210121-Review-of-local-government-investment-in-business-and-industry-support-across-the-Hawkes-Bay-region-.pdf>

1. The priority activities/services for ratepayer investment;
2. Options for the most effective way to deliver these for Hawke's Bay; and
3. The estimated cost of investment.

### 2.1 Scope of Review

Councils 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 work within 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 the review to capture the full role local authorities play in supporting economic development and economic wellbeing.

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 Matariki RDS).

## 3.0 APPROACH

### 3.1 Process

This part of the review has involved two main stages: 1) engagement to inform views and recommendations on the priority activities and services for ratepayer investment; and 2) desktop analysis to place the insights from engagement in a considered framework; to work through the options for the most effective way to deliver these for Hawke's Bay; and to develop estimated costs of investment.

Engagement has focused on:

- **Hawke's Bay iwi/hapū** through Te Kāhui ōhanga o Takitimu collective (TKO)<sup>2</sup>. TKO was formed to represent Māori economic interests in Hawke's Bay and to help implement Matariki RDS; and

<sup>2</sup> <https://www.tko.org.nz/>



- **Hawke's Bay businesses** via a survey (see Annex C and separate Annex D attachments) and a small number of small group discussions.
- **Leading providers or funders of support for small business** in Hawke's Bay, via a couple of small workshops.

Insights developed through this process have been used alongside the following sources of information:

- The survey conducted as part of the first stage of the Review;
- A survey Hastings District Council ran in mid-2020 on interest in, and the focus of, the Hastings Business Hub.
- Hawke's Bay business and industry insights from COVID-19 resurgence check-in process led by Hawke's Bay Councils.
- Consultant's own knowledge of working with a range of Hawke's Bay companies, sector groups and iwi interests.

### 3.2 Methodology

The 2020 Review report used a framework which incorporated the needs of both current and future businesses (see Figure 1 below), alongside considerations relating to the challenges and opportunities facing the Hawke's Bay economy; rationales for local government activities in economic development and economic wellbeing; and central government expectations.

**Figure 1: Two important lenses when considering economic development efforts**

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**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)?

**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?

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This second stage of the review does not repeat this analysis but seeks to draw out the appropriate role for local government given the needs of both current businesses and future businesses.

In terms of the rationale for local government (see next section and Annex B) involvement in supporting business and industry development, ideally any activity would be seeking to fill some sort of gap in provision of an activity or service (where there was a 'market failure'<sup>3</sup> to some degree), and/or seeking to add value that was additional to what could be achieved otherwise (the concept of 'additionality'). Any ratepayer investment in these activities/or services would ideally be directly connected to opportunities or constraints identified in Matariki RDS (which, if working well, provides a collective and shared view of regional priorities).

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<sup>3</sup> [https://www.economicsonline.co.uk/Market\\_failures/Types\\_of\\_market\\_failure.html](https://www.economicsonline.co.uk/Market_failures/Types_of_market_failure.html)

Figure 2 below captures a simplified view of where funding for business and industry support could be directed. Activity at the top of the triangle is least likely to happen without some sort of intervention and so there is a strong logic for intervention/regional investment in this area. This will need to be guided by relative costs and benefits of this activity versus funding (or other support) at other levels of the triangle (particularly if ratepayer funding can be used to add value over and above what could otherwise have been achieved).

The final factor for consideration is the potential role of ratepayer funding support to help people and whānau get into business to start with i.e. helping to reduce barriers to building local businesses. The review uses these considerations in assessing the priority activities/services for ratepayer investment.

Figure 2: A simplified view of where funding for business and industry support could be directed



Another way of thinking about the where funding for business and industry support could be directed is to consider activities and services in terms of micro support (direct support for business e.g. training for business owners and employees), versus more macro support for business (working with groups of companies or sectors and developing regional strategies to help marshal and direct scarce resources to areas of agreed regional priority).

This is captured in Figure 3 below. As in Figure 2, activity at the top of the triangle represents public good services which are less likely to be provided without government investment and/or support. Conversely there are more providers at the bottom of the triangle where it is more likely that businesses are willing to pay for services. This supports a range of private sector providers. Central Government plays an important funding role in this area (and is likely to continue to do so), to reduce barriers of access to these services for SMEs.

Figure 3: A simplified view of the macro and micro roles involved in economic development



## 4.0 BACKGROUND AND CURRENT STATE

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

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.

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 or, in many cases, the funding for others to provide these activities and services).

The first stage of the Review found that the work programmes and activities/services being provided by the Councils, HBTL and (then) BHB, were broadly based on clear rationales. Councils, for the most part, were focused on facilitation, promotion, information provision and addressing collective action issues (although Hastings District Council was at the time providing some funding for a business capability programme). The work of BHB and HBTL was largely focused on collective action issues (e.g. industry-wide marketing, promotion, attraction); and sectoral connection and coordination issues. BHB was in addition providing some specific business capability and support programmes, alongside a range of other member and/or private sector providers.

The reason this is worth highlighting is that there is often not a clear understanding of the different roles required to support economic development and the appropriate role for government (local and central). The business and wider community also have a very wide range of expectations of Council activity to support regional business and industries (and this is teased out in Section 7).

#### 4.2 Current funding and current activities

The 2020 Review provided a detailed picture of the investment Hawke's Bay Councils were making into business support and industry development across the region. The Review found that in total this funding came to just over \$10m for in-scope activities. Just under half of this funding was directed to the i-Sites, the Napier War Memorial Centre and Toi Toi (as these were captured by the Review's scope).

This second stage of the Review focuses on the funding that was being directed to Business Hawke's Bay (BHB).

At the time the five Hawke's Bay Councils had 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". This contract provided funding of \$330,000 per annum subject to BHB meeting reporting requirements and key performance indicators (KPIs).

The Hawke's Bay Business Hub operations and staff were formally transitioned to Council oversight on 1 July 2021. This followed BHB's decision to wind down in early 2021 and its formal closure on 30

June 2021. The \$330K joint economic development funding from the five Councils has subsequently been re-directed to fund the following activities over the next 12 months:

- Hawke's Business Hub Business Hub operations (including concierge staff).
- Two sector development initiatives that were developed by BHB:
  - A (scaled back) Food & Fibre Sector Programme that is focused on supporting the region's food industry; and
  - A (scaled back) Hi-tech/Agri-tech Programme that is focused on building an internationally recognised technology sector to support regional productivity and sustainability.

In addition, Councils have been supporting the transition and ongoing delivery of services of the Hawke's Bay Business Hub to Council, and support for Matariki Programme delivery (mainly programme administration, data and insights reporting, and support for 'Pou 4'), via the joint Council funded Regional Development Manager role.

These activities were considered the minimum necessary to:

- Retain the Hawke's Bay Business Hub as an important regional asset. The 2020 Review found that the Hub was playing an important role in bringing together, under one roof, many of the key business support agencies operating in Hawke's Bay;
- Maintain focus on, and support for, two areas of strength and/or emerging strength in Hawke's Bay. These are two areas the region has highlighted as a priority for engagement and partnership with Central Government e.g. to access funding support; and
- Support Matariki RDS while work was underway to – secure additional funding from partners for programme management support and clarify the preferred option/s for the most effective way to deliver support for business and industry in Hawke's Bay (mainly the activities relating to Pou 4).

#### 4.3 Who else is providing services and in which areas

The 2020 Review provided a summary of the activities and services relating to business and industry support provided by the 5 Councils, BHB, and HBTL. Some of the activities of Hawke's Bay iwi/hapū/PSGEs and the Hawke's Bay Chamber of Commerce were also included in the summary because of the important economic development role they play for their members (note, these activities and services were not included in the review itself as they are not funded by regional ratepayers).

This stage of the Review has sought to tease out the providers and funders of economic development services beyond the Councils and their direct agents e.g. BHB before it wound down.

This is important for two key reasons:

1. As outlined in Section 3.2 above, ideally any ratepayer supported activity should be seeking to fill some sort of gap in provision of an activity or service and/or seeking to add value that was additional to what could be achieved otherwise. So having a clear understanding of the landscape of providers, funding and level of demand is important; and



2. One of the key themes that came out of the engagement as part of the first stage of the Review was that there was a lack of role clarity between organisations, agencies and teams. Most stakeholders and those involved in delivery and funding were 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"). Businesses in particular wanted greater clarity over first points of contact and activities and services that were on offer to better support business activity.

Table 1 below captures the key areas of focus for this review and the key providers of the typical activities and services in each area.

Note, activities or services related to destination marketing and management and export and/or offshore investment (both shaded blue) have not been explored in any more detail in this second stage of the review.

The 2020 Review found that local government could not provide significant support (beyond sister-city relationships and providing basic exporting information and referring businesses to other providers of support e.g. ExportNZ and NZTE), for the activities and services captured within the export and/offshore investment category.

The 2020 Review also found that HBTLC was supported by its main stakeholders and appeared to be doing a successful job in leveraging ratepayer investment into real value for the Hawke's Bay economy. There appears to be general agreement on this (although some business stakeholders still feel that too much money is being directed toward tourism-related funding relative to other sectors of the Hawke's Bay economy).

This part of the review, therefore, focuses on the areas shaded in green in the table below with a particular focus on business development and support as this is the area where there is more private sector, member-based organisation, and Central Government activity e.g. HB Chamber of Commerce, HB Māori Business Hub, along with the important Regional Business Partner Programme (which is funded by Central Government).

Given this existing activity there would need to be evidence of some sort of gap in provision of an activity or service and/or evidence that ratepayer funded activity or direct funding to existing providers could add additional value to what could be achieved otherwise. This would also need to be weighed against the costs and benefits of activity/funding in other areas. This is teased out in the following section.

Table 1: Type of economic development activity or service

Area	Types of activities or services	Key providers
<b>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>The focus of Hawke's Bay Tourism as the region's Regional Tourism Organisation</li> <li>Councils run some visitor attraction related events as well</li> </ul>
<b>Business development and support</b>	<ul style="list-style-type: none"> <li>Business information and referral services</li> <li>Events related to business information and support</li> <li>Business capability support, including training relating to digital capability, HR, finance etc</li> <li>Support for people looking to start a business i.e. start-ups</li> </ul>	<ul style="list-style-type: none"> <li>HB Chamber of Commerce</li> <li>HB Māori Business Hub</li> <li>Regional Business Partner Programme (contract held by HBRC)</li> <li>A range of private sector organisations that provide business capability support to business e.g. The Icehouse, specialised providers of digital, HR, finance etc advice.</li> </ul>
<b>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>This is a typical area for local or central govt support as the collaboration aspects of this work are not typically funded by the private sector</li> <li>Industry organisations play an important role but they also need to partner with local and/or central govt and often require assistance</li> <li>R&amp;D is the focus of Callaghan Innovation (through the RBP programme)</li> <li>Sector work with industry coalitions is currently being funded by Councils and is focused on food and technology</li> </ul>
<b>Skills -related support</b>	<ul style="list-style-type: none"> <li>Support for job matching programmes</li> <li>Business and training connection services</li> <li>Promotion of the benefits of upskilling and education and training opportunities</li> <li>Promotion of job and education opportunities in the region</li> </ul>	<ul style="list-style-type: none"> <li>Job matching and brokering services is a growing area of ED activity across the country given the need for coordination and prioritisation of resources</li> <li>In HB Councils are involved e.g. Hastings District Council has the Mahi for Youth programme and there is the Mayors Taskforce for Jobs. This activity is supported by Central Government funding.</li> <li>Iwi/hapū are also active in this space and there are a range of training providers at different levels who provide custodial and work ready-related training and support.</li> <li>Matariki RDS has a focus on this activity.</li> </ul>
<b>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>The Great Things Grow Here platform is the only coordinated activity currently taking place. This is funded by the 5 councils</li> <li>Investment and talent attraction is a typical area for local govt support</li> </ul>

		<ul style="list-style-type: none"> <li>There is a 'public good' element in coordinating and aligning activity relating to 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> </ul>
Export and/or offshore investment support	<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> </ul>	<ul style="list-style-type: none"> <li>Mainly Export NZ and NZTE</li> </ul>
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>Economic strategies are more likely to focus on components of the economic development jigsaw e.g. housing strategy, industrial land strategy etc.</li> <li>Matariki RDS is the only regional economic strategy</li> </ul>
Regional economic development and economic wellbeing implementation support	<ul style="list-style-type: none"> <li>In the Hawke's Bay context this work largely relates to the Matariki Hawke's Bay Regional Development Strategy and Action Plan (Matariki RDS).</li> </ul>	<ul style="list-style-type: none"> <li>Joint Iwi and Council partnership with strong support by Central Government agencies</li> </ul>

#### 4.31 Business development and support

As noted above one of the themes that came out of the engagement through the first stage of the Review was that there was a lack of role clarity between organisations, agencies, and teams.

This was most evident in the 'business development and support' area which includes the following activities and services - business information and referral services; events related to business information and support; business capability support, including training relating to digital capability, HR, finance etc; and support for people looking to start a business i.e. start-ups.

Most stakeholders and those involved in delivery and funding were 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"). Businesses in particular wanted greater clarity over first points of contact and activities and services that were on offer to better support business activity.

The lack of clarity on who was leading in different areas had over time created, what many felt were, unhelpful and competitive behaviours in the system. This was constraining more effective collaboration.

The 'lanes' can be thought of in terms of the activities and services set out in Table 1 above and in terms of the triangles in Section 3. Activity at the top of the triangle represents public good services which are less likely to be provided without government investment and/or support. Conversely there are more providers at the bottom of the triangle where it is more likely that businesses are willing to pay for services. This supports a range of private sector providers. Central Government plays an important funding role in this area (and is likely to continue to do so), to reduce barriers of access to these services for SMEs.

This can also be thought of in terms of more macro support for business (working with groups of companies or sectors and developing regional strategies to help marshal and direct scarce resources to areas of agreed regional priority), versus more micro support (direct support for business e.g. training for business owners and employees).

This review finds the following:

- There is a clear case for local government investment in activities which are more likely to have public good aspects. These activities are likely to have a greater component of – facilitation and connection, promotion, information provision and addressing collective action issues (e.g. working with groups of companies or sectors).
- Given the existing providers of services to SMEs there is a less compelling case for local government investment. That said, engagement with providers and Central Government funders of these services note that demand is currently outstripping available supply of funded places. Additional funding could assist with this and involve partnerships between providers, iwi/hapū, and local and central government. Any local government funding assistance to provide these activities would want to target areas where there was a clear gap in service provision or the ability



to add value e.g. support for Māori businesses which are currently underrepresented in mainstream services.

- The primary 'lead' for SME support services in Hawke's Bay does not need to sit with a regional economic development entity (as envisaged in the 2020 Review Recommendations). To assist with 'lane clarity' and to help support regional collaboration rather than competition, consideration should be given to supporting the HB Chamber of Commerce to take on the Regional Business Partner contract. Separate funding could be made available to TKO and/or an agreed nominee subject to a business case/plan and/or contract of service being negotiated. Further work will be required with HB iwi/hapū to agree on preferred delivery mechanism for Māori economic development.
- One area that requires further consideration is support for start-ups. To be fully effective an economic development support system will have appropriate interventions along the spectrum of business needs from start-up through to mature. There appears to be unmet demand in the start-up area and a lack of funding to support existing providers of services. A regional team or entity could help guide investment in this area i.e. develop the strategy in collaboration with partners, but outsource the delivery (with funding) to existing providers of services to SMEs.

Table 2 below captures a prioritisation of the activities and services relating business and industry development based on the methodology outlined in Section 3. This has helped shape the options for delivery outlined in Section 9.

**Table 2: Prioritisation of ratepayer investment in business and industry development activities and services**

Area	Comment	Priority
Destination marketing and management	<ul style="list-style-type: none"> <li>• Assume no change to existing funding</li> <li>• Not the focus of this assessment</li> </ul>	Yes
Business development and support	<ul style="list-style-type: none"> <li>• One of the most important areas of support for regional SMEs and start-ups</li> <li>• But given Central Government funding and the role of private sector and/or iwi/hapū groups not an area where a regional ED team/entity should take the lead</li> <li>• Some funding should be made available for areas where there was a clear gap in service provision or there is an ability to add value over and above existing services. But this would be finding for others to deliver.</li> <li>• Consider supporting an organisation with relevant capability in application for RBP contract</li> </ul>	Yes (But only as a funder. Others best able to lead and deliver.)
Innovation and industry development support	<ul style="list-style-type: none"> <li>• No one else doing this</li> <li>• Central Govt want local govt to assist</li> <li>• Strong case for regional investment</li> </ul>	Yes
Skills -related support	<ul style="list-style-type: none"> <li>• Needs coordination and is one of the critical connections between the social and economic sides of Matariki</li> </ul>	Yes
Investment attraction	<ul style="list-style-type: none"> <li>• No one else doing this</li> <li>• HB needs to sing with one voice to be effective in attracting investment and talent</li> </ul>	Yes



Export and/or offshore investment support	<ul style="list-style-type: none"> <li>Not a priority for regional ratepayer investment as this is served better by others</li> </ul>	No
Strategy development, economic intelligence, monitoring	<ul style="list-style-type: none"> <li>Suggest light touch economic intelligence by maximising the use of subscriptions to professional economic forecasting companies</li> <li>Align this with work of Matariki</li> </ul>	No
Regional economic development and economic wellbeing implementation support	<ul style="list-style-type: none"> <li>This is priority area for regional funding.</li> <li>To work effectively for HB we need – a clear and agreed strategy; effective relationships; effective programme management; and effective delivery of prioritised actions and work programmes.</li> </ul>	Yes

## 6.0 ENGAGEMENT WITH IWI/HAPŪ

Hawke's Bay iwi/hapū preference for engagement with this review has been through Te Kāhui ōhanga o Takitimu collective (TKO). TKO is an informal collective that represents Māori economic interests in Hawke's Bay.

TKO is currently focused on:

- Enabling Industry Growth* – where there is a confirmed intention to partner with Māori through the entire value chain.
- Working with schools and Rangatahi* – to improve the support offered to Rangatahi so they stay in the education system
- Getting a better return for Māori Land Owners* – enabling them to create jobs for their own people

Conversations with the Collective and with individual members (who are representatives of Taiwhenua and Post Settlement Governance Entities (PSGEs)), has helped provided critical perspectives on the nature and the needs of the growing Māori economy in Hawke's Bay.

### Insights from a Māori economy perspective

Key insights include:

- Delivering effectively for Māori will require a new approach or approaches.
- Cultural differences, familiarity and trust will constrain the reach of mainstream providers and services. This means there needs to be more opportunity for Māori to inform, design, support and deliver activities and services.
- Greater effort is required in helping whānau understand and navigate what is perceived as a cluttered and complex space. This requires effective regional networks and requires going to where Māori are, rather than expecting them to seek things out from central delivery points. Online is not enough.
- Access to capital is more likely to constrain Māori business – both those starting out through to Post Settlement Governance Entities (PSGEs).
- Councils could use their procurement of services to more effectively support Māori business (this also relates to SMEs in general).

- PSGEs are using their own procurement to support local and Māori capability. They see themselves as part of a social and economic eco-system and are building capability to provide wrap-around support for skill and business development.

The key concern held by TKO members was that the approach Hawke's Bay has taken to date in regard to business and industry support has not delivered for Māori. They were concerned that the 2020 Review's recommendation of the establishment of a new regional ED entity would simply result in more of the same and this would not, again, deliver for Māori.

Note, the 2020 Review found there was a case for additional and dedicated resources for Māori economic development as part of a new regional entity and that Māori representation should be a core feature of the governance of the entity.

These comments from the surveys undertaken as part of this review capture consistent sentiments:

*"Most business support services do not understand Te Ao Māori frameworks of pakihi (business). Our cultural values are diminished when engaging with non-Māori providers."*

*"Just having iwi at the table does not mean that Māori necessarily have a voice and we need to be more creative about ensuring services and activities are engaging Māori and are responsive to Māori".*

A frustration that existing business support services in Hawke's Bay were not set up to deliver for Māori led Te Taiwhenua o Te Whanganui ā Orotū (the mandated Iwi Authority for Ahuriri Napier), to establish the Hawke's Bay Māori Business Hub in 2020. This Hub focuses on providing assistance, mentoring, advice and leadership for Māori SMEs and is supported through a combination of Taiwhenua resources and a small amount of Central Government funding.

TKO invited the Councils to consider different models, for example, TKO leading business and industry support efforts on behalf of Hawke's Bay. This is considered in the options analysis in Section 8 below.

TKO members also highlighted the role of location (and its relationship to ease of access and trust) in effectively reaching Māori business. This means building local knowledge and networks and delivering in place (*"with a Māori front, if delivering for Māori"*), where possible rather than from far-flung central delivery points. The provision of online information was noted as useful but not enough to overcome barriers to accessing information and knowledge.

Other insights focused on the growing Māori-led economy through iwi and hapū (often via PSGEs), investment.

The Hawke's Bay Māori economy has similarities with, and differences to, the rest of the Hawke's Bay economy. It is similar in that businesses sit along a spectrum ranging from start-ups, to SMEs, to larger organisations and entities that may have a range of assets and business interests e.g. increasingly PSGEs. This means the support required will be different, and need to be tailored, depending on the size and age of the business and often the sector.

A key difference is that Māori businesses are likely, on average, to have greater capital constraints. This is relevant for start-ups (or micro enterprises), and SMEs seeking to access business support services. It is also relevant for larger PSGEs which are seeking to invest in the development of their asset base.

The practical implication for Māori start-ups and SMEs is that they may require additional resources to overcome co-funding or capital related constraints e.g. many business support services require a co-contribution to top up funding from other sources e.g. the RBP programme. This suggests a partnership role for either central or local government to work alongside and co-invest with iwi/hapū to help bridge barriers for Māori start-ups and SMEs.

PSGEs are more likely to be seeking partnerships with local and central government to restore the health of their land e.g. predator and weed control, and enhance the value of their assets e.g. horticultural development across Hawke's Bay<sup>4</sup>. There is a specific role for regional economic development efforts to assist with this work. There may also be an opportunity for existing providers of professional development and business capability training to work alongside PSGEs as they seek to build internal capability to provide effective wrap-around support for skill and business development for their whānau.

## 7.0 ENGAGEMENT WITH HAWKE'S BAY BUSINESS

### 7.1 Business survey and small group discussions

Engagement with Hawke's Bay businesses for this part of the review has focused on developing a more detailed understanding of business views on the priority issues and areas of funding assistance needed to support business and industry development in Hawke's Bay. This has taken the form of an online survey and a small number of group discussions.

Annex C contains the survey questions and Annex D (separate PDF attachments) provide a full summary of the survey results and the useful verbatim comments provided by respondents.

The survey ran between 17 August and 13 September and was sent to over 1,000 Hawke's Bay businesses (mainly via the Hawke's Bay Business Hub database and the database of business contacts developed through the first stage of the review). Timing was not ideal with the COVID-19 lockdown but 116 businesses across a broad cross-section of industries completed the survey. The quality of the data is high.

The survey and small group discussions sought to tease out the following business perspectives:

- The most important role Councils can play to support business (across the spectrum of Council responsibilities e.g. infrastructure, regulatory, and business development activities);
- The most important roles that Councils can play in providing *direct support* for business (i.e. not infrastructure, housing, planning or environment-related);
- Whether they had used, or been able to access, services (to help build a picture of demand and any constraints); and

<sup>4</sup> Central Government funding has sought to address some of the capital related issues relating to the development of Māori land. For example, the Whenua Māori Fund administered by TPK - <https://www.tpk.govt.nz/en/whakamahia/land-and-environment/whenua-maori-fund>, and MPI assistance for Māori agribusiness - <https://www.mpi.govt.nz/funding-rural-support/maori-agribusiness-funding-support/>.



- Views on sector development initiatives and the current priority areas – the Food Industry Programme and the Technology Programme.

This data and information has been used alongside insights from:

- The survey conducted as part of the first stage of the Review;
- A survey Hastings District Council ran in mid-2020 on interest in, and the focus of, the Hastings Business Hub.
- Hawke's Bay business and industry insights from a COVID-19 resurgence check-in process led by Hawke's Bay Councils.
- Consultant's own knowledge of working with a range of Hawke's Bay companies, sector groups and iwi interests.

## 7.2 Summary of insights from Hawke's Bay businesses

This section of the report provides a summary of the insights from Hawke's Bay businesses.

The critical insights are:

- Different businesses will need different things based on their size and the sector in which they operate. There is not a single business perspective.
- Equally, there are a wide range of views on the appropriate role of local government in providing assistance to business and industries. Some think that local government should stick to infrastructure and getting the board regulatory settings right and some believe Councils can play a greater role in increasing funding for small business and/or sector-based support.
- Smaller businesses are more likely to be looking for assistance with professional development (and access to business support programmes and providers who specialise in this area). They are also much more likely to be seeking meeting spaces and to a lesser extent hot-desking and flexible work options.
- For some small businesses and people considering a business idea there are a range of existing barriers to accessing business development services – these include awareness (including not knowing who to speak to find out what is available), cost, location, and cultural familiarity.
- Beyond infrastructure and regulatory settings, larger businesses are likely to be looking for partnerships (with each other and with local government), to do things they might not be able to do alone. This is often because it requires decisions and/or investments in other areas that they do not have control over.
- Bigger businesses and industry organisations are also more likely to be playing a role in helping to support the region's strategic economic development priorities e.g. building on our regional strengths in food and the eco-system of sophisticated products and services that have grown to support this industry. This means they are more likely to want to understand how the region is setting and executing its regional economic development priorities and how they fit into the bigger picture.

Table 2 below captures the key insights from the business survey and these have been used in forming the recommended approach.



Table 3: Key insights from business survey

Key questions	Key insights
Most important role Councils can play to support business (across the spectrum of Council responsibilities)	<ul style="list-style-type: none"> <li>The provision of infrastructure (e.g. local roads and water), was highlighted by over 50% as the No.1 thing that Councils can do to support business.</li> <li>No.2 was funding for business development activities, such as business information and referral services and business capability support.</li> </ul>
Most important roles that Councils can play in providing direct support for business i.e. (i.e. not infrastructure, housing, planning or environment-related)	<ul style="list-style-type: none"> <li>In terms of roles that Councils can play in providing direct support for business (i.e. not infrastructure, housing, planning or environment-related), the top 3 areas (in order of priority) were: <ul style="list-style-type: none"> <li>Working with Central Government and other partners on assisting people into training and work</li> <li>Funding for business development activities, such as business information and referral services and business capability support</li> <li>Funding to support sector development initiatives e.g. building on Hawke's Bay strengths.</li> </ul> </li> </ul>
Use of, and access to, services	<ul style="list-style-type: none"> <li>Around 50% of businesses had accessed training and support programmes and around 43% had used business development activities, such as business information and referral services and business capability support. Unsurprisingly other activities that have either a sector or new business attraction focus had lower visibility and use.</li> <li>There were mixed views on support for start-ups. Many thought this was underfunded and a big opportunity. Others didn't think ratepayer funding should be going to this activity.</li> </ul>
Views on sector development initiatives and the current priority areas	<ul style="list-style-type: none"> <li>Many thought food, tourism and technology were appropriate to focus on given Hawke's Bay strengths and/or opportunities (although a smaller number thought that established sectors should not need assistance)</li> <li>Nearly 77% thought it was either extremely important or very important to have a small number of programmes that are focused on building on Hawke's Bay strengths</li> <li>Around 60% have a favourable view of the current focus on food, technology and tourism</li> <li>A number of areas that were not current priorities were flagged as having potential – logistics and freight; Māori business; creative sectors e.g. art; sustainability; large events</li> <li>In relation to the <b>Food Sector Programme</b>, there was broad support for the current focus and useful suggestions on what the programme should be seeking to achieve: <ul style="list-style-type: none"> <li>41% thought supporting the development of a food and beverage sector should be the highest priority</li> <li>35% thought supporting an innovation accelerator programme should be the highest priority</li> <li>The petfood industry did not receive much support as a priority. 40% ranked it as the 4th most important priority.</li> </ul> </li> <li>In relation to the <b>Technology Sector Programme</b>, broad support for current focus: <ul style="list-style-type: none"> <li>Nearly 65% thought connecting innovative businesses so that they can collaborate and build off each other's strength and helping to develop a skills and talent pipeline were the highest priority areas</li> <li>About 32% felt connecting HB business with the work underway across Govt and connecting HB technology firms to investment were the highest priority.</li> </ul> </li> </ul>

### 7.2.2 Larger business and sector perspectives

Section 4.3 above explored business development services in more detail. As this area is more relevant for small and medium sized business in Hawke's Bay it is worth reflecting in a bit more detail in this section on the needs and perspectives of bigger businesses (including some PSGEs), and industry organisations in Hawke's Bay.

Table 4 below also provides a snapshot of some of the key business impacts and concerns relating to COVID-19 and border restrictions. Many of these issues, for example labour and skills shortages, require coordinated and enduring partnerships between business, iwi/hapū, local government and central government.

The critical insights are:

- It is clear that bigger businesses in Hawke's Bay are frustrated that there is no ongoing coordinated engagement with big business and that there's no clear point of contact on economic development issues. This makes it hard to progress ideas. In the past they have relied on relationships and Hawke's Bay being a small place to propose and pursue ideas but there is a view this has got harder and it's holding the region back.
- Bigger businesses and industry organisations are seeing opportunities that can only be taken forward as a region and there is a view that Hawke's Bay is missing an opportunity to leverage our strengths and recover strongly from COVID-19.
- There is acknowledgment that governance and organisational structures can either support or constrain collaboration and there is a view that Hawke's Bay has not yet got this right. They would like Hawke's Bay to speak with one voice nationally (be united and be seen to be united).
- There is a perception that there are still unhelpful and competitive behaviours in the system and that this is constraining more effective collaboration. As the 2020 Review found, this is feeding a perception in the business community that the economic development system in Hawke's Bay is fragmented and not particularly transparent.

Table 4: Insights from COVID-19 resurgence check-ins with Hawke's Bay business

Industry/Sector	Key impacts and concerns
Export	<ul style="list-style-type: none"> <li>• Ability to operate in future Level 4 / lockdowns</li> <li>• Essential service / business definition and criteria</li> <li>• International reputation</li> <li>• Shipping disruptions and supply chain issues                             <ul style="list-style-type: none"> <li>○ Significant cost and risk to regional economy and businesses</li> <li>○ Container availability</li> <li>○ Shipping line unreliability and availability</li> </ul> </li> <li>• Vaccinations:                             <ul style="list-style-type: none"> <li>○ Support and policing of compulsory vaccination order</li> <li>○ Legislation conflicts – Health &amp; Safety Act and Employment Law / Privacy Act with regards to employees</li> </ul> </li> <li>• Labour and skills shortages</li> <li>• MIQ challenges</li> </ul>
Primary Sector	<ul style="list-style-type: none"> <li>• Labour and skills shortages and access to seasonal / overseas labour</li> <li>• China market requirements and risks – supply chain recalls and loss of license to export</li> </ul>

	<ul style="list-style-type: none"> <li>• Shipping / supply chain disruptions and access to containers to export product</li> <li>• Education with regards to seriousness of Delta and vaccinations</li> </ul>
<b>Construction &amp; Infrastructure</b>	<ul style="list-style-type: none"> <li>• Critical shortage of building and trade materials                             <ul style="list-style-type: none"> <li>○ Impact of sawmills not able to operate in Level 4 adding to this</li> <li>○ Surge ordering</li> <li>○ Auckland Level 4 - ability to get product out and manufacturers not operating</li> </ul> </li> <li>• Delay in projects</li> <li>• Ability to operate in Level 4 and 3 – essential definition and suppliers / manufacturers</li> <li>• Labour and skills shortages</li> <li>• Business and mental wellbeing support with the flow on effects of job delays and material shortages</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>• Ability to postpone events / availability of venues leading into summer season</li> <li>• Refunds and resulting cashflow issues</li> <li>• Support for events sector</li> </ul>
<b>All sectors</b>	<ul style="list-style-type: none"> <li>• Mental health and wellbeing</li> <li>• Legalities around employee vaccination</li> <li>• Cashflow</li> </ul>

Source: Hawke's Bay Councils

## 8.0 OPTIONS FOR DELIVERY

This section provides an assessment of a range of potential options for future delivery of ratepayer funded investment in business and industry development.

The options have been designed to address the insights (particularly the recommended areas of focus for investment), issues and opportunities that have been identified through both stages of this Review.

In order to guide the assessment of options a set of objectives and criteria were developed in the 2020 Review. They are based on what success (i.e. what kind of delivery could help achieve better outcomes), could look like for Hawke's Bay. A review of these objectives and criteria in light of the additional information and insight developed through the second stage of the Review suggests they are still fit for purpose.

In light of real ratepayer funding constraints it could also be helpful to consider what the region should support in the short-term and what it could work toward over the longer-term. The options below could be final destinations or points along the road as needs evolve, and confidence grows over time that business and industry support activities are delivering value for Hawke's Bay.

### 8.1 Objectives and criteria

The high-level objectives used to guide the assessment of options are:

1. Hawke's Bay has a cohesive regional approach (with less - real or perceived - fragmentation and patch protection).
2. Hawke's Bay's approach is embedded in a partnership with Māori and is responsive to community needs e.g. Māori; Hawke's Bay districts.
3. 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, central government agencies are more likely to want to fund a regional partner that has full regional reach rather than a range of agencies.



## 8.2 Options for delivery

Given the Hawke's Bay context and the Review analysis the Reviewer believes there are 5 main options for consideration. Variations of these options would be possible. Table 5 below provides more detail on these options but they are:

1. The Status Quo.
2. A Regional Development Team.
3. A Regional Development Entity.
4. A Regional EDA + Tourism (RTO).
5. Te Kāhui ōhanga o Takitimu (TKO) collective leads business and industry development on behalf of the region.

Table 5: Description of main options

OPTIONS	WHAT THIS INVOLVES
<b>Option 1: Status quo</b>	<ul style="list-style-type: none"> <li>Councils: <ul style="list-style-type: none"> <li>Hold lease for HB Business Hub and pay for relevant staff and operations.</li> <li>Provide part of Manager Regional Recovery's time to oversee Hub and provide part-time Programme Support for Matariki.</li> <li>Fund 2 (scaled-back, i.e. around 8-10 hours each per week) strategic initiatives focused on the food industry and technology.</li> </ul> </li> <li>Regional Business Partner contract held by HBRC.</li> <li>Hawke's Bay Tourism Ltd leads on visitor attraction and is the region's Regional Tourism Organisation.</li> </ul>
<b>Option 2: Regional Development Team</b>	<ul style="list-style-type: none"> <li>An enhanced status quo.</li> <li>Dedicated council funding and small number of staff operating across the 5 Councils on behalf of region.</li> <li>Would involve all of Option 1 plus: <ul style="list-style-type: none"> <li>A full-time lead for regional economic development.</li> <li>Additional funding for Matariki Programme Support.</li> <li>Additional funding to scale up strategic initiatives focused on the food industry and technology.</li> <li>Working with larger HB business and sector groups</li> <li>Being the first point of contact with Central Govt for regional economic development</li> </ul> </li> <li>Would work closely with providers of business support and professional development services e.g. HB Chamber of Commerce, Māori Business Hub, and holder of RBP contract but would not lead in this area.</li> <li>[Subject to business case and strategic plan]. Provide separate funding to TKO an/or an agreed nominee to support Māori business support programmes.</li> <li>Regional Business Partner contract could be held by HBRC or another organisation with relevant capability.</li> </ul>
<b>Option 3: Regional Development Entity</b>	<ul style="list-style-type: none"> <li>An independent Trust or Incorporated Society or a Council-Controlled Organisation (CCO), which could be a Trust or Incorporated Society.</li> <li>A CCO was the preferred option in 2020 Review Report on the basis it meant Councils could not 'set and forget', but an independent organisation is preferred by iwi/hapū and business.</li> <li>Would be a formalised version of Option 1 and 2</li> <li>Would pick up all of Option 2 and take the lead on: <ul style="list-style-type: none"> <li>Regional investment promotion and attraction</li> <li>Brand HB (working closely with HBTL)</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>Regional talent attraction and retention (including playing a key coordinating role between industry, local and central govt and training providers)</li> <li>Would work closely with providers of business support and professional development services e.g. Chamber, TKO, Māori Business Hub, and holder of RBP contract but would not lead in this area. Additional business support services could be considered if there was a clear intervention logic, gap in existing services and an accepted case for additional funding. Could provide funding to others to deliver and/or provide top up funding where needed e.g. COVID resurgence support.</li> <li>Could have a wider remit than business and industry support services i.e. use of procurement to support business, housing etc. But would need probably have to focus on 2-3 areas only otherwise wider remit would result in being overstretched and failure to deliver.</li> </ul>
<b>Option 4: Regional ED + Tourism</b>	<ul style="list-style-type: none"> <li>Not the preferred option in 2020 Review Report</li> <li>Would cover all of Option 3 plus visitor attraction.</li> </ul>
<b>Option 5: Te Kāhui ōhanga o Takitimu (TKO) collective leads</b>	<ul style="list-style-type: none"> <li>As proposed by TKO</li> <li>Councils would provide funding for TKO to lead economic development activities on behalf of the region</li> <li>This could also involve leading the delivery of business support services.</li> </ul>

An assessment of the seven options against the criteria outlined above is provided in Table 6 below. Options have been rated on a 1-10 scale (with 10 being more attractive).

Table 6: Assessment of delivery options

Criteria	Weighting	OPTION 1: Status quo	OPTION 2: Regional Development Team	OPTION 3: Regional Development Entity	OPTION 4: Regional ED + Tourism	OPTION 5: Te Kāhui āhanga o Takitimu (TKO) collective leads
1. Practicality	10%	10	9	8	6	6
2. Effectiveness	30%	4	7	9	8	7
3. Representation of and responsiveness	15%	4	4	7	5	5
4. Costs of change	5%	10	9	8	6	7
5. Capability and Capacity to deliver services	25%	4	5	8	8	5
6. Accountability	10%	5	7	9	6	6
7. Ability to leverage resources of others	5%	5	7	8	9	7
<b>Unweighted TOTAL</b>	<b>100%</b>	<b>42</b>	<b>48</b>	<b>57</b>	<b>48</b>	<b>43</b>
<b>Weighted TOTAL</b>	<b>100%</b>	<b>5.05</b>	<b>6.35</b>	<b>8.25</b>	<b>7.1</b>	<b>6</b>

Table 7: Comments on assessment of delivery options

Summary advantages / disadvantages	Major advantages	Major disadvantages
<b>OPTION 1: Status Quo</b>	<ul style="list-style-type: none"> <li>No additional costs involved</li> </ul>	<ul style="list-style-type: none"> <li>Current status quo is essentially tying the region over until decisions are made. It's not an ideal model.</li> <li>Would be a lost opportunity to create an effective and enduring platform for Hawke's Bay.</li> </ul>
<b>OPTION 2: Regional Development Team [MINIMUM OPTION]</b>	<ul style="list-style-type: none"> <li>A useful advance on the status quo and could be considered a step toward a regional entity (as trust that the work is delivering positive outcomes for the region grows and funds become available)</li> <li>Focused on the areas/activities that are not being provided by others so helps provide better role clarity</li> <li>Central Govt would have a clear first point of contact</li> <li>Limited costs of implementation (beyond additional investment in people)</li> </ul>	<ul style="list-style-type: none"> <li>Would require additional funding from Councils</li> <li>Would not cover all of the activities where there are gaps in the provision of services e.g. investment and talent attraction</li> <li>Some businesses won't necessarily understand the distinction that is being created between roles i.e. micro vs macro</li> <li>The degree to which this model helps deliver the cohesive regional approach key stakeholders are wanting, will depend on focussed action and ongoing behavioural changes</li> <li>Some 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> </ul>
<b>OPTION 3: Regional Development Entity [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>Focused on the areas/activities that are not being provided by others so helps provide better role clarity</li> <li>If an independent entity, would be an opportunity to consider a tripartite governance model between local government, iwi/hapū and wider business through the appointment of an independent Board.</li> <li>Councils could guide 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 individualistic behaviours that are present (and will always be present as long as HB has 5 Councils)</li> </ul>	<ul style="list-style-type: none"> <li>Would require additional funding from Councils</li> <li>Business stakeholders have said that if this is not done well, and funded adequately, then don't bother</li> <li>They have also said they will only support this model if Councils commit to getting behind it and not running parallel strategies or undermining it</li> <li>If this was a CCO and not an independent entity it would likely have less support from iwi/hapū and some businesses</li> </ul>



	<ul style="list-style-type: none"> <li>• Would be an opportunity to clarify the support available to businesses, investors and talent and how to access the support</li> <li>• Would increase the ability to attract/retain the right expertise (given stronger mandate)</li> <li>• Would increase the ability to leverage resources of others (given stronger mandate, more effective funding and capability of staff)</li> <li>• Would be an opportunity to provide greater transparency and accountability around activities being undertaken, delivery and evaluation.</li> <li>• 'Ownership' of destination marketing and management would be retained by tourism industry (members of HBTIA). A lack of ownership and ability to direct tourism-related activities has led to disquiet and subsequent structural changes (where these activities had been combined with broader ED activities) in other parts of the country.</li> </ul>	
<b>OPTION 4: Regional ED + Tourism</b>	<ul style="list-style-type: none"> <li>• Same as Option 3</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 3</li> <li>• The main difference would be the additional costs (including disruption to services) involved in folding in HBTL's tourism activities and services. These costs are real while the benefits of combining activities under one structure are possible (and mainly relate to a reduction in overheads and a strengthening of mandate). It's also possible to avoid these costs and still achieve the objectives relating to regional cohesion, partnership, collaboration, clarity of roles/functions and clarity of support without going to a fully combined model.</li> </ul>
<b>OPTION 5: Te Kāhui āhanga o Takitimu (TKO) collective leads</b>	<ul style="list-style-type: none"> <li>• Able to extend reach to Māori business</li> <li>• Would offer an opportunity for Māori to deliver for all rather than the prevailing model of Māori interests being a subset of mainstream interests</li> <li>• Likely to be able to leverage the resources of Central Govt</li> </ul>	<ul style="list-style-type: none"> <li>• Would be a major shift in the delivery model for all regional business and industry support</li> <li>• It may not have the support of the wider business community</li> <li>• Not enough evidence that it would have a broad enough scope of interests or expertise to be contracted to deliver all services i.e. micro and macro roles.</li> </ul>

### 8.3 The recommended option: A Regional Development Entity

Overall, the assessment of the options against the criteria suggests that the best option is a Regional Development Entity (Option 3).

Preference for this model over other options is based on the degree to which this option 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

This model/entity would focus on the areas and activities that are not being provided by others so this would help provide better role clarity for Hawke's Bay regional economic development.

There are a range of options to consider with regard to the entity's legal form. This could include a Trust, Incorporated Society or Company.

Specialist legal and tax advice should be sought to determine what is the best structure for Hawke's Bay based on what is trying to be achieved. Business Hawke's Bay was an Incorporated Society but an alternative structure may have some advantages in relation to ease and speed of establishment (e.g. an Incorporated Society needs a minimum of 15 members, although existing bodies corporate can count as three individual members). There may also be tax implications e.g. it is not clear that an EDA acting on behalf of a region could be a Charitable Trust.

An independent entity versus a Council Controlled Organisation (CCO) is more likely to be supported by iwi/hapū and wider business based on feedback received throughout the Review.

Irrespective of the structure, there would be the opportunity to embed a tripartite governance partnership between local government, iwi/hapū, and wider business.

An independent Board could be made up of 2 representatives from local government, iwi/hapū, and wider business respectively. An independent Chair could complete a 7-person Board.

Whatever legal form is chosen (following legal and tax advice), Councils could guide over priorities through yearly Statement of Intent and Service Level Agreement (SLA)/Contract for Service (CFS) setting discussions. This entity would also need to be supported by an effective measurement and reporting framework which helps track the relationship between activities, outputs, and outcomes. This would help to provide greater transparency and accountability around whether ratepayers' money is being invested and used effectively.

## 10.0 ESTIMATED COST OF INVESTMENT

This section provides detailed estimated costings for two options – a minimum investment option (Option 2); and the preferred option (Option 3).

The estimated cost of investment in Option 2 would be around \$1,050,000 per annum plus a \$50,000 investment in CAPEX. This represents an OPEX increase of \$537,000 on the existing investment of \$513,000/annum. Note, this does not account for Council resources beyond the budget for the Regional Development Manager and funding contributions to Great Things Grow Here that could be pooled to support this option.

The estimated cost of investment in Option 3 would be around \$1,706,000 per annum plus a \$50,000 investment in CAPEX. This represents an OPEX increase of \$1,193,000 on the existing investment of \$513,000. Note, this does not account for Council resources beyond the budget for the Regional Development Manager and funding contributions to Great Things Grow Here that could be pooled to support this option.

Table 8: Indicative estimate of resources required for Option 2: Regional Development Team (recommended as the minimum option)

Core roles and suggested areas of focus	Current FTEs	Proposed FTEs/change	Additional funding required
Full time lead for regional economic development	<ul style="list-style-type: none"> <li>0.25 FTE - Regional Development Manager</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE</li> <li>TOTAL NEW = 0.75 FTE</li> </ul>	<ul style="list-style-type: none"> <li>Base salary of approx. \$160,000</li> <li>Increase on current role's budget = \$20,000</li> </ul>
HB Business Hub: Operations and activation	<ul style="list-style-type: none"> <li>1 FTE - Hub Concierge position</li> <li>0.7 FTE - Ops and marketing</li> <li>0.2 FTE - Accounts</li> <li>0.5 FTE - Regional Development Manager</li> <li>TOTAL = 2.4 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs - Hub Concierge &amp; an overall Hub Ops and marketing role</li> <li>0.2 Accounts</li> <li>(0.5) Regional Development Manager (covered in full time ED role)</li> <li>TOTAL NEW = 0.3 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.3 FTE x approx. \$65k salary for operations/activator role = \$19,500</li> </ul>
Matariki RDS Programme Management support e.g. coordination, communications, monitoring and reporting	<ul style="list-style-type: none"> <li>0.15 FTE - Regional Development Manager</li> <li>0.1 FTE - TKO (funded by Central Govt)</li> <li>TOTAL = 0.25 FTE (only 0.15 FTE funded by Councils)</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE - Programme Manager</li> <li>1 FTE - Matariki Project Coordination support for Pou Leads</li> <li>(0.15) - Regional Development Manager</li> <li>TOTAL NEW = 2 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE x \$130k salary = \$130,000</li> <li>1 FTE x \$65k salary = \$65,000</li> <li>Note - Central Govt funding has been secured to fund 1 FTE Programme Manager role for the next two years. This budget builds this in regardless so that this funding is sustainable and not dependent on Central Govt. Some long-term cost-share arrangement should</li> </ul>

			still be investigated with Central Govt agencies.
<b>Māori business development</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Funding for TKO and/or agreed nominee to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business.</li> <li>Funding would be contingent on a business case/plan and strategy and could start at \$87,500/year</li> </ul>	<ul style="list-style-type: none"> <li>\$87,500</li> <li>Subject to working with TKO and/or agreed nominee to develop an agreed approach and focus for the funding</li> </ul>
<b>Industry and sector development</b>	<ul style="list-style-type: none"> <li>0.25 FTE - Food Industry Programme</li> <li>0.25 FTE - Technology Programme</li> <li>0.10 FTE – Regional Development Manager</li> <li>TOTAL FTEs = 0.6</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs – Programmes</li> <li>(0.10) – Regional Development Manager (covered in full time ED role)</li> <li>TOTAL NEW = 1.5 FTE</li> </ul>	<ul style="list-style-type: none"> <li>1.5 FTE x approx. \$130k salary = \$195,000</li> </ul>
<b>TOTAL FTEs</b>	<ul style="list-style-type: none"> <li><b>TOTAL FTEs = 3.4</b></li> </ul>	<ul style="list-style-type: none"> <li><b>TOTAL NEW FTEs = 4.55</b></li> </ul>	<ul style="list-style-type: none"> <li><b>TOTAL ADDITIONAL FUNDING FOR NEW FTEs = \$429,500</b></li> </ul>
<b>OPEX, OVERHEADS &amp; OTHER</b>	<ul style="list-style-type: none"> <li>Operating expenditure and overheads for the HB Business Hub and industry &amp; sector development programmes has not been analysed in detail. These costs are included in the joint economic development funding of \$330K.</li> <li>Current funding for HB branding direct costs via GTGH not analysed in detail. Costs are included in the total \$513K current funding from councils.</li> </ul>	<ul style="list-style-type: none"> <li>\$20,000/year budgeted change for minimum option. Assumed that operating expenditure will remain consistent with a small increase and councils will continue to pick up and charge overheads internally.</li> <li>GTGH not further analysed.</li> <li>One-off \$50,000 investment to also be considered given base level capital works required at HB Business Hub.</li> </ul>	<ul style="list-style-type: none"> <li>Additional OPEX for Hub = \$20,000/yr</li> <li><b>TOTAL ADDITIONAL FUNDING FOR OPEX = \$20,000</b></li> <li><b>ADDITIONAL (one-off) CAPEX for Hub = \$50,000</b></li> </ul>
<b>TOTAL FUNDING</b>	<ul style="list-style-type: none"> <li><b>Funding from Councils: \$513,000</b></li> <li>This includes the joint economic development funding, budget for the Regional Development Manager and funding for GTGH.</li> </ul>		<ul style="list-style-type: none"> <li><b>TOTAL ADDITIONAL FUNDING / YEAR = \$537,000 + one-off CAPEX of \$50,000 = \$587,000</b></li> <li>Made up of:                             <ul style="list-style-type: none"> <li>FTEs = \$429,500</li> <li>TKO/nominee = \$87,500</li> <li>Hub (OPEX) = \$20,000</li> <li>Hub (CAPEX) = \$50,000</li> </ul> </li> </ul>



Table 9: Indicative estimate of resources required for Option 3: Regional Development Entity (preferred option)

Core roles and suggested areas of focus	Current FTEs	Proposed FTEs/change	Additional funding required
Full time lead for regional economic development	<ul style="list-style-type: none"> <li>0.25 FTE - Regional Recovery Manager</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE</li> <li>TOTAL NEW = 0.75 FTE</li> </ul>	<ul style="list-style-type: none"> <li>Base salary of approx. \$220,000</li> <li>Increase on current role's budget = \$80,000</li> </ul>
HB Business Hub: Operations and activation	<ul style="list-style-type: none"> <li>1 FTE - Hub Concierge position</li> <li>0.7 FTE - Ops and marketing</li> <li>0.2 FTE - Accounts</li> <li>0.5 FTE - Regional Development Manager</li> <li>TOTAL = 2.4 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs - Hub Concierge &amp; an overall Hub Ops and marketing role</li> <li>0.2 Accounts</li> <li>(0.5) Regional Development Manager (covered in full time ED role)</li> <li>TOTAL NEW = 0.3 FTE</li> </ul>	<ul style="list-style-type: none"> <li>0.3 FTE x approx. \$65k salary for operations/activator role = \$19,500</li> </ul>
Matariki RDS Programme Management support e.g. coordination, communications, monitoring and reporting	<ul style="list-style-type: none"> <li>0.15 FTE - Regional Development Manager</li> <li>0.1 FTE - TKO (funded by Central Govt)</li> <li>TOTAL = 0.25 FTE (only 0.15 FTE funded by Councils)</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE - Programme Manager</li> <li>2 FTE - Matariki Project Coordination support for Pou Leads</li> <li>(0.15) - Regional Development Manager</li> <li>TOTAL NEW = 3 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE x \$130k salary = \$130,000</li> <li>2 FTE x \$60k salary = \$120,000</li> <li>Note - Central Govt funding has been secured to fund 1 FTE Programme Manager role for the next two years. This budget builds this in regardless so that this funding is sustainable and not dependent on Central Govt. Some long-term cost-share arrangement should still be investigated with Central Govt agencies.</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>Funding for TKO and/or agreed nominee to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business.</li> <li>Funding would be contingent on a business case/plan and strategy and could start at \$100,000/year</li> </ul>	<ul style="list-style-type: none"> <li>\$100,000</li> <li>Subject to working with TKO and/or agreed nominee to develop an agreed approach and focus for the funding</li> </ul>
Industry and sector development	<ul style="list-style-type: none"> <li>0.25 FTE - Food Industry Programme</li> <li>0.25 FTE - Technology Programme</li> <li>0.10 FTE - Regional Development Manager</li> <li>TOTAL FTEs = 0.6</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs - Programmes</li> <li>(0.10) - Regional Development Manager (covered in full time ED role)</li> <li>TOTAL NEW = 1.5 FTE</li> </ul>	<ul style="list-style-type: none"> <li>1.5 FTE x approx. \$130k salary = \$195,000</li> </ul>

Investment and talent attraction, including HB brand strategy and activation		<ul style="list-style-type: none"> <li>1 FTE</li> <li>TOTAL NEW = 1 FTE</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE x approx. \$125k salary = \$125,000</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 OR to help top up funding for business support services that are delivered by others if needed e.g. COVID resurgence.</li> <li>Note – a full Business Case can cost anywhere \$100,000 - \$150,000 depending on complexity</li> <li>Recommend at least \$100,000/year, which would allow a robust investigation of one major opportunity per year.</li> </ul>
Skills and employment initiatives – focused on connecting businesses with people and training organisations	N/A	<ul style="list-style-type: none"> <li>1 FTE</li> <li>TOTAL NEW = 1 FTE</li> </ul>	<ul style="list-style-type: none"> <li>1 FTE x approx. \$125k salary = \$125,000</li> </ul>
Corporate/Administration (if a Trust or Incorporated Society)	N/A	<ul style="list-style-type: none"> <li>2 FTEs</li> <li>TOTAL NEW = 2 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>2 FTEs x approx. \$75k salary = \$150,000</li> </ul>
<b>TOTAL FTEs</b>	<b>TOTAL FTEs = 3.4</b>	<b>TOTAL NEW FTEs = 9.35</b>	<b>TOTAL ADDITIONAL FUNDING FOR NEW FTEs = \$944,500</b>
<b>OPEX, OVERHEADS &amp; OTHER</b>	<ul style="list-style-type: none"> <li>Operating expenditure and overheads for the HB Business Hub and industry &amp; sector development programmes has not been analysed in detail. These costs are included in the joint economic development funding of \$330K.</li> <li>Current funding for HB branding direct costs via GTGH not analysed in detail. Costs are included in the total \$513K current funding from councils.</li> </ul>	<ul style="list-style-type: none"> <li>\$50,000/year budgeted change to account for increase in operating expenditure and budget requirements across all areas, and councils no longer covering overheads internally.</li> <li>GTGH not further analysed but assumed current \$43K direct cost funding would be re-directed to support operational costs in HB brand &amp; strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Additional OPEX for Hub = \$48,500/yr</li> <li><b>TOTAL ADDITIONAL FUNDING FOR OPEX = \$48,500</b></li> <li><b>ADDITIONAL (one-off) CAPEX for Hub = \$50,000</b></li> </ul>

		<ul style="list-style-type: none"> <li>One-off \$50,000 investment to also be considered given base level capital works required at HB Business Hub.</li> </ul>	
<b>TOTAL FUNDING</b>	<ul style="list-style-type: none"> <li>Funding from Councils: \$513,000</li> <li>This includes the joint economic development funding, budget for the Regional Development Manager and funding for GTGH.</li> </ul>		<ul style="list-style-type: none"> <li><b>TOTAL ADDITIONAL FUNDING / YEAR = \$1,193,000 + one-off CAPEX of \$50,000 = \$1,243,000</b></li> <li>Made up of:                             <ul style="list-style-type: none"> <li>FTEs = \$944,500</li> <li>TKO/nominee = \$100,000</li> <li>Hub (OPEX) = \$48,500</li> <li>Hub (CAPEX) = \$50,000</li> <li>Regional Opportunities Fund = \$100,000</li> </ul> </li> </ul>

## ANNEX A: RECOMMENDATIONS OF 2020 REVIEW

The 2020 Review recommended 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/hapū for a or organisations. It would also allow a fresh conversation on the appropriate governance model (and levels of governance) needed to support a regional approach (Matariki). Included in the additional resourcing for the EDA CCO is a dedicated FTE focused on Māori business development and support. This role could work with Māori businesses in Hawke's Bay to help support, tailor, and/or create business support programmes targeted at areas of need for Māori business. This role could be shared with HBTL.
9. Consider **embedding the RBP programme in the new EDA CCO**. This would require Central Government agreement via the formal RBP contract procurement process. Embedding the RBP programme in an organisation providing other economic development support services would

allow the insight derived from this 'coal face' activity to be used to better design other offerings for business and guide other strategic economic development work. It is possible the formal RBP contract procurement timeline will not match the transition timeline if Councils agree to the Review recommendations. In this situation HBRC could consider retaining the contract (through the procurement process) with some contractual arrangements formed in time with the new EDA CCO. The position that is currently sub-contracted to the Hawke's Bay Chamber of Commerce should be retained in order to provide a strong link to the Chamber's work and expertise.

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

"location.nz" so they are the first site that pops up on a search. These landing pages can then direct you to different things – tourism; business support etc. HBTL owns and runs [www.hawkesbaynz.com](http://www.hawkesbaynz.com), and while it is acknowledged that there are technical SEO reasons for proceeding carefully with changes to successful landing pages (in this case in telling the Hawke's Bay tourism story) consideration should be given to allowing connection to other services so that external investors and talent are able to quickly find the information and support they might need via a typical 'front door'.

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



## ANNEX B: ECONOMIC DEVELOPMENT ACTIVITIES AND THE APPROPRIATE ROLE FOR GOVERNMENT

Table 10: Explanation of types of economic development / economic wellbeing activities and services

Type of economic development / economic wellbeing service. NB. These are the 'lanes' people refer to.	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 spill overs).</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>

## ANNEX C: SURVEY QUESTIONS

### Business views on support for business and industry development in Hawke's Bay

#### Introduction

**This survey is seeking your feedback on the priority issues and areas of funding assistance needed to support business and industry development in Hawke's Bay.**

**This information will be used to build a more detailed picture of priorities for investment in business and industry support, the funding that might be required, and the best way to deliver these activities and services for Hawke's Bay.**

#### Further context if needed

In mid-2020 the 5 Hawke's Bay Councils commissioned a review of ratepayer-funded investment in business and industry support across the Hawke's Bay region e.g. business development activities, such as business information and referral services, business capability support, and sector development initiatives. This is sub-set of the broad work undertaken to support economic development e.g. it did not capture infrastructure, housing, water, planning etc.

The focus of the Review was activities and services undertaken or provided by Business Hawke's Bay, Hawke's Bay Tourism and the 5 Hawke's Bay Councils. It did not cover activities or services provided by other important organisations that provide support for businesses e.g. the Hawke's Bay Chamber of Commerce, Hawke's Bay Taiwhenua, and private sector companies.

The Review highlighted a range of inefficiencies and missed opportunities with current ratepayer-funded activities and services and found there was an opportunity to do something that better met the region's needs and potential.

The exception to this was Hawke's Bay Tourism Ltd (HBTL). HBTL was supported by its main stakeholders and appeared to be doing a successful job in leveraging ratepayer investment into real value for the Hawke's Bay economy. The Review concluded that there did not appear to be a strong case for change in regard to HBTL.

Earlier this year Councils formally endorsed proceeding to a second phase of this work which involves more detailed investigation of the recommendations set out in the report. Note, this was not endorsement of creating a new economic development agency but endorsement of further exploring the options and activities and services most valued by iwi/hapū partners and the business sector.

Alongside this work Councils have been supporting the wind-up of Business Hawke's Bay and ensuring the region retains the Hawke's Bay Business Hub as an important asset and connecting facility. Councils have committed the rollover of joint economic development funding to support this activity while options for future direction and investment are explored.

## Consent

This survey is being conducted by Gus Charteris Consulting on behalf of the 5 Hawke's Bay Councils and should take approximately 10 minutes to complete.

The survey is focused on feedback from Hawke's Bay businesses. Please answer questions from the perspective of your business or the business you work for.

Your participation in this survey is voluntary. You may choose not to participate. If you decide to participate in this survey, you may withdraw at any time.

Your responses to this survey will be confidential and all information gathered will remain anonymous.

## 1. Which industry is your business most associated with?

Horticulture	
Agriculture, Forestry and Fishing	
Manufacturing	
Information Technology	
Construction	
Professional, Scientific and Technical Services	
Retail Trade	
Tourism	
Transport, Postal and Warehousing	
Rental, Hiring and Real Estate Services	
Health Care and Social Assistance	
Wholesale Trade	
Public Administration and Safety	
Education and Training	
Financial and Insurance Services	
Administrative and Support Services	
Accommodation and Food Services	
Electricity, Gas, Water and Waste Services	
Information Media and Telecommunications	
Arts and Recreation Services	
Mining	
Owner-Occupied Property Operation	
Other - please specify	

## 2. Supporting businesses and industry to be successful in Hawke's Bay

Councils play a range of roles that support economic development and economic wellbeing. They also work within a broader system of delivery partners, agencies and people (involving Māori, business, civil society, and Central Government) that provide regional economic development and economic wellbeing services for the region.



What is the most important role Councils can play to support your business to be successful? *[Please rank, where 1 = Most important AND 11 = Least important]*

- Provide infrastructure e.g. local roads and water infrastructure
- Facilitate housing development
- Effective planning and consenting services
- Help to improve/maintain the environment, including building resilience to natural disasters/weather events for the region
- Work with Central Government and other partners on assisting people into training and work
- Funding for business development activities, such as business information and referral services and business capability support
- Funding to support sector development initiatives e.g. building on Hawke's Bay expertise in food
- Funding to support attracting talent and investment to the region
- Funding to support attracting visitors to the region
- Funding to support start-ups
- The provision of economic data and insights (including through running events and workshops) to assist business planning and investment

Do you have any further comments you would like to add?

### 3. Direct support for business and industry development

In relation to the roles that Councils can play in providing *direct support* for your business (i.e. not infrastructure, housing, planning or environment-related), what do you think is most useful in supporting your business to be successful? *[Please rank, where 1 = Most useful AND 7 = Least useful]*

- Work with Central government and other partners on assisting people into training and work
- Funding for business development activities, such as business information and referral services and business capability support
- Funding to support sector development initiatives e.g. building on Hawke's Bay strengths
- Funding to support attracting talent and investment to the region
- Funding to support attracting visitors to the region (i.e. the work of Hawke's Bay Tourism Ltd)
- Funding to support start-ups
- The provision of economic data and insights (including through running events and workshops) to assist business planning and investment

Do you have any further comments you would like to add?

#### 4. Funding and access to direct support for business and industry development

Which of the following services relating to direct support for businesses and/or industry development have you been able to access and/or use?

*Please select all that apply*

- Training and work support programmes
- Business development activities, such as business information and referral services and business capability support
- Sector development initiatives
- Talent and investment attraction activities
- Support for start-ups
- The provision of economic data and insights (including through running events and workshops) to assist business planning and investment
- None of the above

For those services that you either have not been able to access and/or have not used could you please indicate a reason for your answer?

- I/We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- Not located/available where I am based
- Haven't been able to work out where to go or who to speak to
- Places were too limited because of available funding
- It has required a co-payment which I haven't been able to afford
- I don't know and/or not applicable
- Other? (Please specify)

#### 5. Funding to support sector development initiatives e.g. building on Hawke's Bay strengths

Hawke's Bay Councils have committed rollover funding to support two sector development initiatives that were developed by Business Hawke's Bay. The initiatives seek to build on two areas of strength and/or emerging strength in Hawke's

One initiative is focused on supporting the region's food industry to develop and innovate. The other initiative is focused on building an internationally recognised technology sector to support regional productivity and sustainability. Hawke's Bay Tourism Ltd is also funded to lead Hawke's Bay work on attracting visitors to the region.

The Hawke's Bay Food Industry Programme is currently focussed on bringing together interested businesses to collaborate on sustainability initiatives. With additional resourcing it could:

- Deliver a series of workshops to offer opportunities for professional development.
- Support the development of a food and beverage cluster.
- Support the development of the regional petfood industry.

- Support an innovation accelerator programme in collaboration with other stakeholders.

The Hawke's Bay Technology Programme is currently focussed on:

- Connecting innovative businesses from start-up through to corporate across the region so that they can collaborate and build off each other's strength.
- Helping to develop a skills and talent pipeline e.g. through linking Hawke's Bay businesses with programmes in academic institutions that place Masters students with businesses to work on specific agreed projects with funding support from Callaghan Innovation.
- Connecting Hawke's Bay business with the work underway on the Government's Digital Technologies and Agri-Tech Industry Transformation Plans (ITPs).
- Connecting Hawke's Bay technology firms to investment.

How important is it to have a small number of programmes that are focused on helping to build on Hawke's Bay's strengths and assisting industries and/or groups of businesses do things that they may not be able to do themselves? e.g. connecting with other businesses that they may not be aware of; connecting with government, R&D providers, and training providers/institutions; and accessing information on support that could be available (particularly across government).

- Extremely important
- Very important
- Moderately important
- Slightly important
- Not at all important
- I don't know and/or not applicable

How satisfied or dissatisfied are you with the current focus on the food, technology and tourism sectors given they represent areas of strength and/or emerging strength for Hawke's Bay?

- Very satisfied
- Satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Dissatisfied
- Very dissatisfied
- I don't know and/or not applicable

Which areas of strength and/or emerging strength are not captured by the food and technology programmes and/or HBTL's tourism work where there is a need for support at the regional level? [Please comment/explain].

The next questions are specific to the Food Industry Programme. Do you have an interest in the Food Industry Programme and wish to answer these questions?

- Yes
- No

Do you think the current focus of the Food Industry Programme is appropriate and relevant? [Please comment/explain].

Considering the other possible deliverables, which would you consider the highest priority? [Please rank, where 1 = highest priority and 4 = Lowest priority].

- Deliver a series of workshops to offer opportunities for professional development.
- Support the development of a food and beverage cluster.
- Support the development of the regional petfood industry.
- Support an innovation accelerator programme in collaboration with other stakeholders.

If the Food Industry Programme was able to deliver three things to benefit the region, what would they be (in priority order)?

The next questions are specific to the Technology Programme. Do you have an interest in the Technology Programme and wish to answer these questions?

- Yes
- No

Do you think the current focus of the Technology Programme is appropriate and relevant? [Please comment/explain].

Considering the current areas of focus, which would you consider the highest priority? [Please rank, where 1 = Highest priority and 4 = Lowest priority].

- Connecting innovative businesses from start-up through to corporate across the region so that they can collaborate and build off each other's strength.
- Helping to develop a skills and talent pipeline e.g. through linking Hawke's Bay businesses with programmes in academic institutions that place Masters students with businesses to work on specific agreed projects with funding support from Callaghan Innovation.
- Connecting Hawke's Bay business with the work underway on the Government's Digital Technologies and Agri-Tech Industry Transformation Plans (ITPs).
- Connecting Hawke's Bay technology firms to investment.

If the Technology Programme was able to deliver three things to benefit the region, what would they be (in priority order)?

Would you like to learn more about the sector development initiatives (indicate which one or both), and/or like to participate in a webinar or workshop to explore each of these areas in more detail? [Please provide contact details – name, email, cell].



## **6. General comments**

Please provide any general comments on what you think should be the priorities for ratepayer funded investment in business and industry support in Hawke's Bay.

## **7. Next steps**

Your insights will be used to inform the 5 Hawke's Bay Councils' consideration of the priority issues and areas of funding assistance needed to support business and industry development in Hawke's Bay.

These insights will also support Council work with their iwi/hapū partners on the best way to deliver these activities and services so that Hawke's Bay needs and potential are most effectively supported.

Thank you for your participation in this survey.



## ANNEX D: STAGE 2: REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION

Summary of survey responses: September 2021

# ANNEX D: SURVEY RESULTS

- + High-level survey results
- + Breakdown of survey respondents
- + Responses to each question

## HIGH-LEVEL SURVEY RESULTS

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- ❑ 116 completed the survey. Good quality data. Reasonable cross-section of industries.
- ❑ Real diversity of views in verbatim comments. Ranging from local government should stick to infrastructure through to calls for ramping up of funding for small business and/or sector-based support.
- ❑ Provision of infrastructure (e.g. local roads and water), highlighted by over 50% as No. 1 thing Councils can do to support business.
- ❑ No.2 was funding for business development activities, such as business information and referral services and business capability support.
- ❑ In terms of roles that Councils can play in providing *direct* support for business (i.e. not infrastructure, housing, planning or environment-related), the top 3 areas (in order of priority) were:
  1. Working with Central Government and other partners on assisting people into training and work
  2. Funding for business development activities, such as business information and referral services and business capability support
  3. Funding to support sector development initiatives e.g. building on Hawke's Bay strengths.
- ❑ Around 50% had accessed training and support programmes and around 43% had used business development activities, such as business information and referral services and business capability support. Unsurprisingly other activities that have either a sector or new business attraction focus had lower visibility and use.
- ❑ Mixed views on support for start-ups. Many thought this was underfunded and a big opportunity. Others didn't think ratepayer funding should be going to this activity.



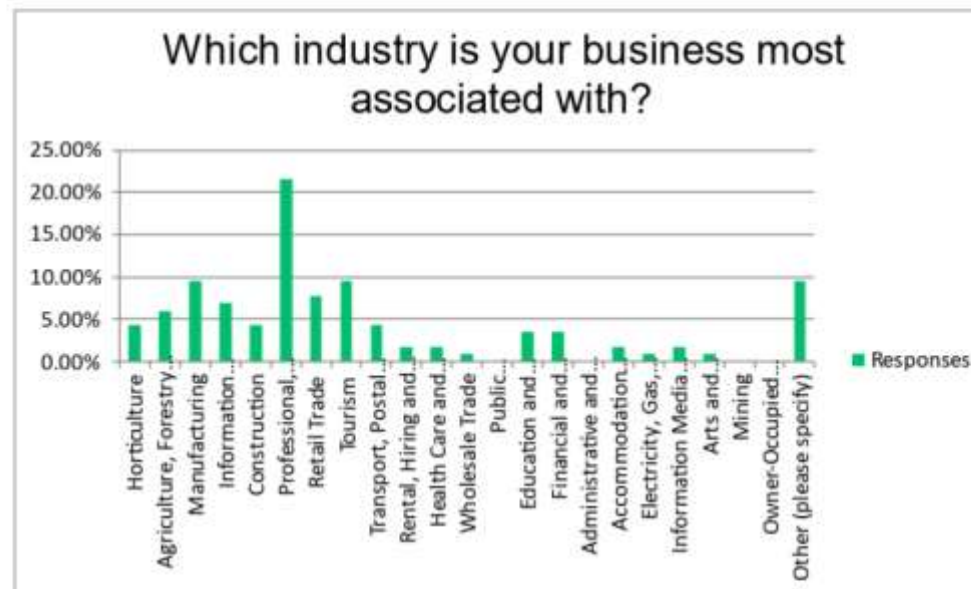
## HIGH-LEVEL SURVEY RESULTS: SECTOR POLICY

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- ☐ Many thought food, tourism and technology were appropriate to focus on given Hawke's Bay strengths and/or opportunities
- ☐ Many also thought established sectors should not need assistance
- ☐ Nearly 77% thought it was either extremely important or very important to have a small number of programmes that are focused on building on Hawke's Bay strengths
- ☐ Around 60% have a favourable view of the current focus on food, technology and tourism
- ☐ A number of areas were flagged as having potential – logistics and freight; Māori business; creative sectors e.g. art; sustainability; large events.
- ☐ In relation to the Food Sector Programme, broad support for current focus and useful suggestions on what the programme should be seeking to achieve:
  - 41% thought supporting the development of a food and beverage sector should be the highest priority
  - 35% thought supporting an innovation accelerator programme should be the highest priority
  - The petfood industry did not receive much support as a priority. 40% ranked it as the 4th most important priority.
- ☐ In relation to the Technology Sector Programme, broad support for current focus:
  - Nearly 65% thought connecting innovative businesses so that they can collaborate and build off each other's strength and helping to develop a skills and talent pipeline were the highest priority areas
  - About 32% felt connecting HB business with the work underway across Govt and connecting HB technology firms to investment were the highest priority.

## BREAKDOWN OF SURVEY RESPONDENTS

Which industry is your business most associated with?		
Answer Choices	Responses	
Horticulture	4.31%	5
Agriculture, Forestry and Fishing	6.03%	7
Manufacturing	9.48%	11
Information Technology	6.90%	8
Construction	4.31%	5
Professional, Scientific and Technical Services	21.55%	25
Retail Trade	7.76%	9
Tourism	9.48%	11
Transport, Postal and Warehousing	4.31%	5
Rental, Hiring and Real Estate Services	1.72%	2
Health Care and Social Assistance	1.72%	2
Wholesale Trade	0.86%	1
Public Administration and Safety	0.00%	0
Education and Training	3.45%	4
Financial and Insurance Services	3.45%	4
Administrative and Support Services	0.00%	0
Accommodation and Food Services	1.72%	2
Electricity, Gas, Water and Waste Services	0.86%	1
Information Media and Telecommunications	1.72%	2
Arts and Recreational Services	0.86%	1
Mining	0.00%	0
Owner-Occupied Property Operation	0.00%	0
Other (please specify)	9.48%	11
<b>Answered</b>		<b>116</b>

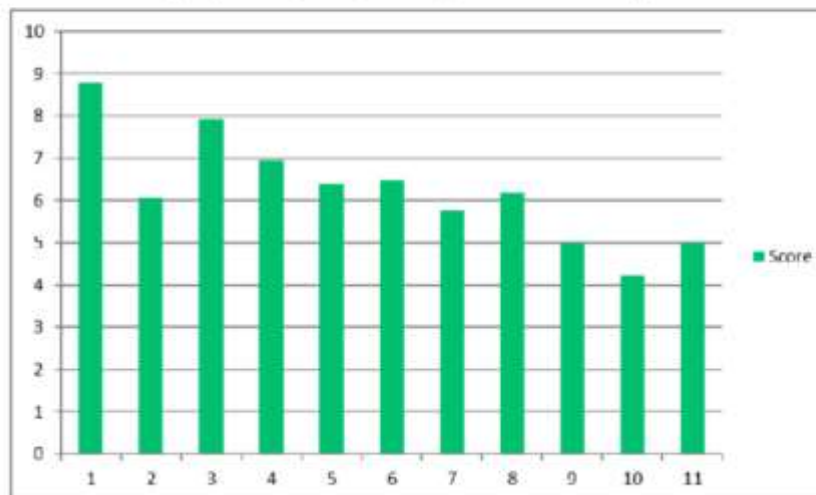


## ROLE OF COUNCILS

- ☐ 44% thought providing infrastructure was most important
- ☐ 13% thought funding for business development activities was most important
- ☐ Other roles seen as less important
- ☐ 28% thought effective planning and consenting services was the 2<sup>nd</sup> most important role
- ☐ 12% and 10% thought providing infrastructure and business development activities respectively was 2<sup>nd</sup> most important role
- ☐ Again other roles seen as less important

What is the most important role Councils can play to support your business to be successful?

1. Provide infrastructure e.g. local roads and water infrastructure
2. Facilitate housing development
3. Effective planning and consenting services
4. Help to improve/maintain the environment, including building resilience to natural disasters/weather events for the region
5. Work with Central Government and other partners on assisting people into training and work
6. Funding for business development activities, such as business information and referral services and business capability support
7. Funding to support sector development initiatives e.g. building on Hawke's Bay expertise in food
8. Funding to support attracting talent and investment to the region
9. Funding to support attracting visitors to the region
10. Funding to support start-ups
11. The provision of economic data and insights (including through running events and workshops) to assist business planning and investment



## ROLE OF COUNCILS: COMMENTS

### Representative/interesting responses:

- ❑ Stay focused on infrastructure. Focus on reducing costs of doing business and regulation
- ❑ Business likes clarity and long-term certainty particularly when it comes to making large investments for the future
- ❑ Consolidated Economic Support for Air Travel & Air Freight Development to support the region
- ❑ There is a big gap in terms of appropriate support mechanisms for the Māori Eco-system. The Māori eco-system is a valuable contributor to the regions wider economy. Mechanisms to support Māori enterprise is a huge gap regionally.
- ❑ Councils should not be playing a role in most of the above - these should be the role of an independent economic development agency. Councils should focus on delivering their core business.
- ❑ Council needs to support physical building growth
- ❑ Ideally if infrastructure is good and the environment is managed well, businesses have a good framework within which to attract talent and operate optimally
- ❑ Support local government funding of business support activities - however, not to deliver internally
- ❑ Local infrastructure and regulation requiring a knowledge of the community it serves is the core function of councils.
- ❑ Supporting small business with their growth by providing support as required
- ❑ Need to make it easier for the smaller companies to tender. Small business can't grow if it's not supported by council and given opportunities
- ❑ Key area missed out is managing policy around population vs productivity for the region
- ❑ As an external stakeholder that is not headquartered in HB, but with a significant stake in the region's success, it can be frustrating and time-consuming dealing with multiple Councils and economic entities that are not always aligned. This is more than a matter of being an inefficient allocation of resources, it puts HB at a disadvantage compared with other regions. HB will better project itself and engage in partnerships when it can better sing with one voice
- ❑ Councils can play a role as business concierge - allowing for a welcoming and smooth approach to appropriate and positive business development and attraction to and within a region. ("red carpet - not red tape"). Economic "development" could well be the incorrect term. Regions need economic "concierges" - meaning a coordinated eco-system of support for wherever a business is at - whether start-up or mature, and a clear definition of what "support" actually is - because some businesses and start-ups consider "support" to mean funding
- ❑ The "business hub"/incubator idea has HUGE potential, ideally in conjunction with EIT
- ❑ Helping attract talent to Hawke's Bay and providing housing options is HUGE for us this year. The border being shut to non-NZ citizens and residents is really hurting our recruitment.
- ❑ Become more involved in the employment sector



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CONSULTING

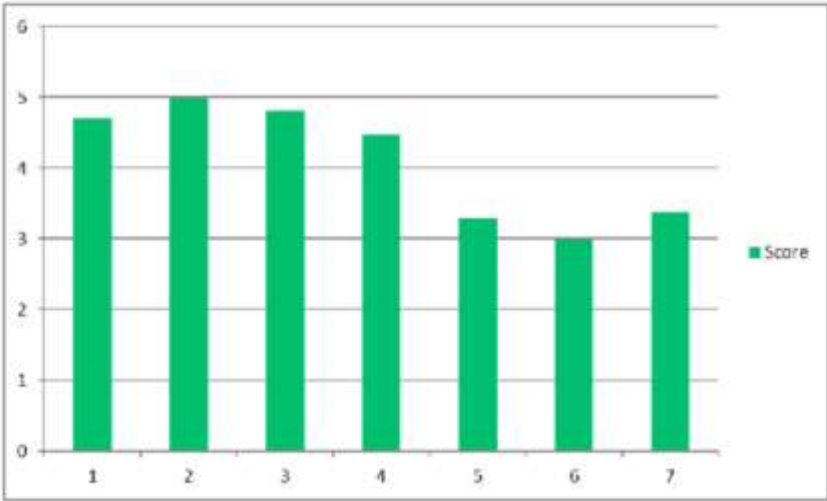


# ROLE OF COUNCILS: DIRECT SUPPORT

- Nearly 60% indicated that the first 3 roles were the most important (each role had around the same amount of support for being most important)
- Other roles seen as less important. About the same level of support across these roles.
- This is not surprising. Activities that have either a sector or new business attraction focus will be less relevant for businesses not in focus sectors or who are already operating in Hawke's Bay.

In relation to the roles that Councils can play in providing *direct support* for your business (i.e. not infrastructure, housing, planning or environment-related), what do you think is most useful in supporting your business to be successful?

1. Work with Central Government and other partners on assisting people into training and work
2. Funding for business development activities, such as business information and referral services and business capability support
3. Funding to support sector development initiatives e.g. building on Hawke's Bay strengths
4. Funding to support attracting talent and investment to the region
5. Funding to support attracting visitors to the region (i.e. the work of Hawke's Bay Tourism Ltd)
6. Funding to support start-ups
7. The provision of economic data and insights (including through running events and workshops) to assist business planning and investment



## ROLE OF COUNCILS: DIRECT SUPPORT: COMMENTS

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Selection of responses: NB: Those who provided comments were more likely to be questioning the roles highlighted in the question

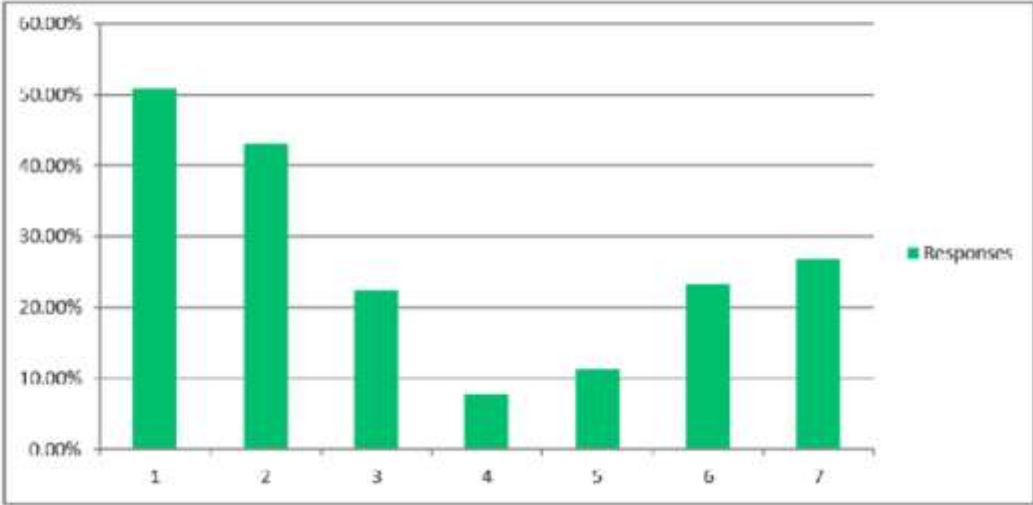
- ☐ If this is viewed through the lens of direct support for my business many of the above do not apply, however they are fundamental to supporting business in Hawke's Bay
- ☐ Talent and investment should naturally flow into the region if the rest are done well. I don't see funding to support start-ups as a council activity.
- ☐ I think for being a relatively small region, we are well equipped for support and funding. Many small businesses may not be aware of it or capitalise on it as much as they should be
- ☐ The above functions are really those of central govt not local. All require a degree of expertise in the field and duplication by all the regions councils is wasteful and counterproductive
- ☐ Councils should not attempt to replicate work already done by the Chamber of Commerce e.g., business advice, networking and advocacy. Councils should also not attempt to fund start-ups. There are other opportunities for start-up funding, and it takes significant expertise to 'back the right horse', which councils or a council-controlled entity would not have.
- ☐ I feel we have too high a reliance on councils to lead this sort of stuff. I think councils ought to be involved in visitor, talent and investment attraction, using temporary and permanent population growth as a way to ensure a healthy economy - but I don't think they ought to use ratepayer money to support start-ups (unless council invests in or owns the land and plant in order to make it easier for the start-up). I'm not sure that councils should be directly responsible for helping people into work - seems like a bit of duplication.
- ☐ Government's job is supporting not doing, making it possible to do but that means making hard decisions for the betterment of the region



# ACCESS TO, AND USE OF, SERVICES

Which of the following services relating to direct support for businesses and/or industry development have you been able to access and/or use? Please select all that apply

- 1. Training and support programmes
- 2. Business development activities, such as business information and referral services and business capability support
- 3. Sector development initiatives
- 4. Talent and investment attraction activities
- 5. Support for start-ups
- 6. The provision of economic data and insights (including through running events and workshops) to assist business planning and investment
- 7. None of the above



- Around 50% had accessed training and support programmes
- Around 43% had used business development activities, such as business information and referral services and business capability support.
- Unsurprisingly other activities that have either a sector or new business attraction focus had lower visibility and use.



## ACCESS TO, AND USE OF, SERVICES: COMMENTS

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For those services that you either have not been able to access and/or have not used could you please indicate a reason for your answer?

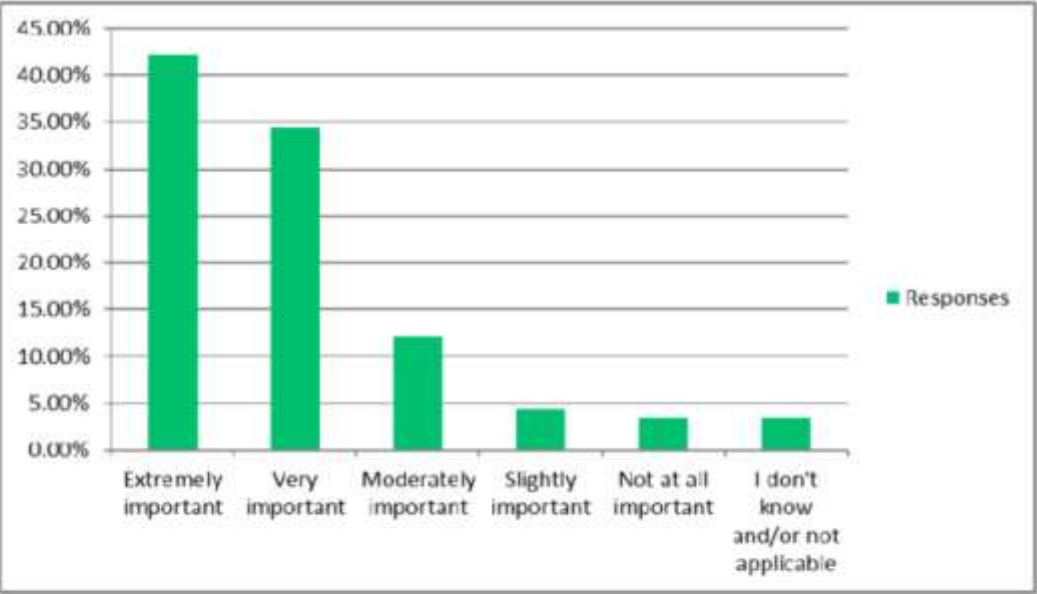
Representative/interesting responses. NB: A broad cross-section of responses.

- ☐ Not relevant
- ☐ Not needed
- ☐ Wasn't aware
- ☐ Don't know where to go to or who to speak to
- ☐ Get these services from private sector providers and/or membership orgs
- ☐ Most Business support services do not understand Te Ao Māori frameworks of pakihi (business). Our cultural values are diminished when engaging with non-Māori providers.
- ☐ It's not that some of those haven't been accessible - its that none of them have been relevant. I've been in business here for over 2.5 years and have not found a reason to find the services you list here of use to my business and sector. We rely more on our own national industry association, national sector associations, and government departments. Therefore, offerings locally related to business development have completely missed the mark and been irrelevant.



# BUILDING ON HAWKE'S BAY'S STRENGTHS

How important is it to have a small number of programmes that are focused on helping to build on Hawke's Bay's strengths and assisting industries and/or groups of businesses do things that they may not be able to do themselves? For example, connecting with other businesses that they may not be aware of; connecting with government, R&D providers, and training providers/institutions; and accessing information on support that could be available (particularly across government)



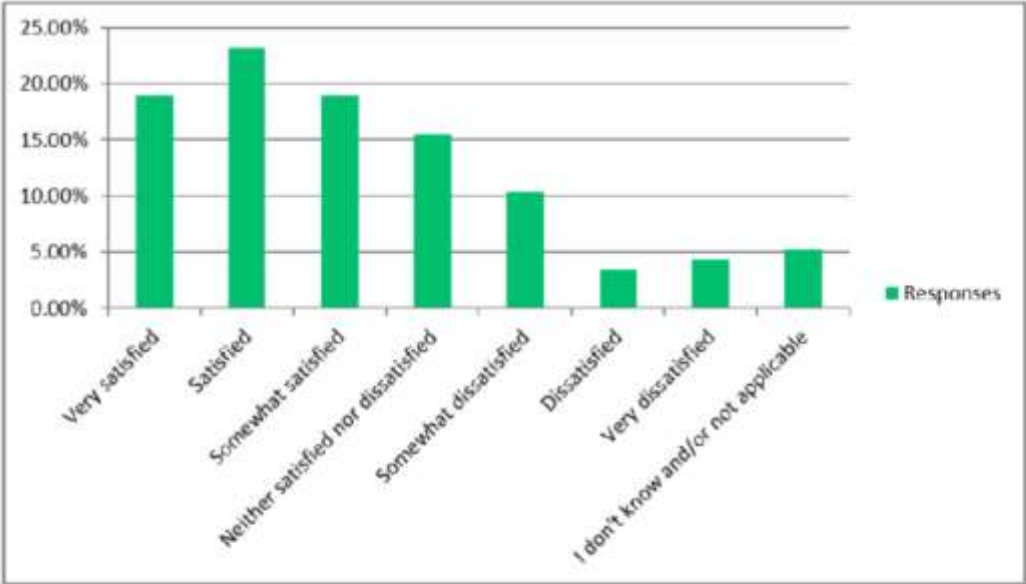
- Nearly 77% think it's either extremely important or very important to have a small number of programmes that are focused on building on Hawke's Bay strengths

# FOCUS ON THE FOOD, TECHNOLOGY AND TOURISM SECTORS

How satisfied or dissatisfied are you with the current focus on the food, technology and tourism sectors given they represent areas of strength and/or emerging strength for Hawke's Bay?

□ Around 60% have a favourable view of the current focus on food, technology and tourism

Very satisfied	18.97%	22
Satisfied	23.28%	27
Somewhat satisfied	18.97%	22
Neither satisfied nor dissatisfied	15.52%	18
Somewhat dissatisfied	10.34%	12
Dissatisfied	3.45%	4
Very dissatisfied	4.31%	5
I don't know and/or not applicable	5.17%	6
Answered		116



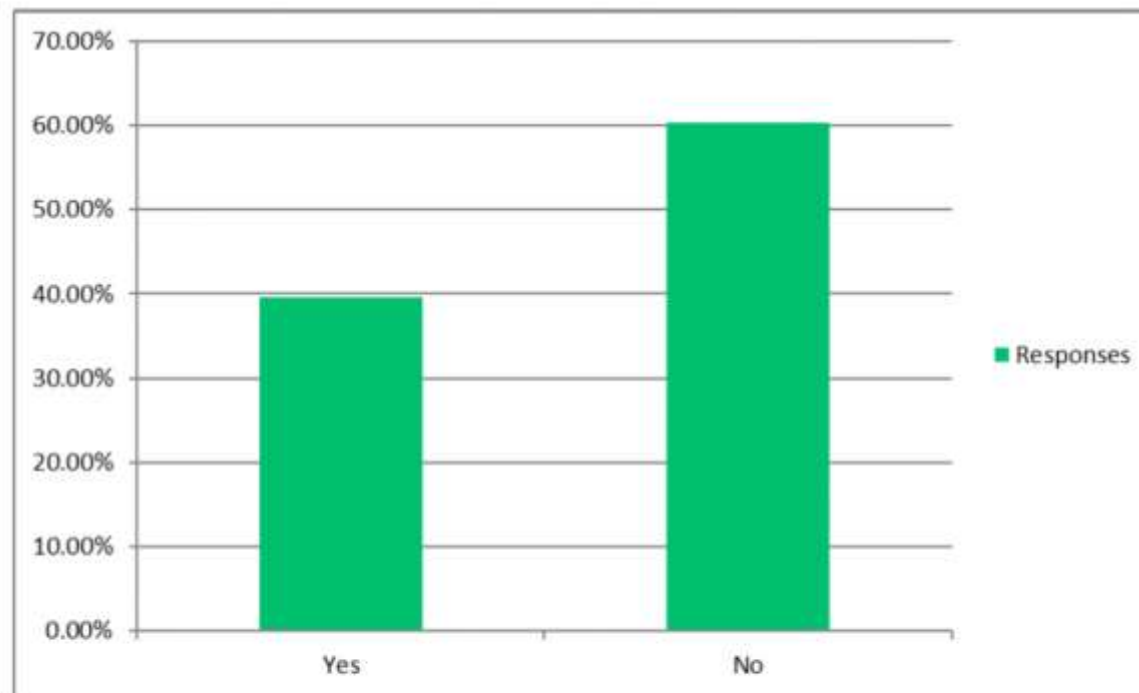
## AREAS OF STRENGTH AND/OR EMERGING STRENGTH NOT CAPTURED: COMMENTS

### Representative/interesting responses:

- ❑ There are significant food and tourism opportunities in Northern Hawkes Bay.
- ❑ Strategic support for the likes of the RSE programs - so central to HB economy. EG accommodation options, lobbying our MP etc.
- ❑ Art
- ❑ Need more support for creative agencies to get talent and training for talent so we can support these businesses on a local level.
- ❑ The advancement of a unified Regional Aeronautical Development strategy would help deliver greater connectivity with other regions, greater significant economic impact to HB and increased capacity for travel and freight as well as support for key industries.
- ❑ LARGE scale events
- ❑ Start ups are poorly supported, risk adverse strategies rule the day
- ❑ More support with sector resourcing (people) and training/upskilling programmes.
- ❑ We still need to find the best way of utilizing our water so that stakeholders can gain the benefits sustainably.
- ❑ Sustainability - both food waste & sustainable packaging
- ❑ Maori businesses. There is a large Maori population in HB and there is HUGE capability here. Anything that can be done to promote, harness and enhance this capability will have direct impact on the overall health, vitality and happiness of our province.
- ❑ Given the commitment to climate change, further R&D needs to be placed on turning waste products into something more useful and sustainable - forestry slash, plastic by products, environmentally safer commercial cleaning products for industrial use, marketing/ consumer development to fix the gap in our recycling
- ❑ Engineering and Manufacturing
- ❑ Sectors identified are already up and running and self sufficient. There is no expertise or assistance that the councils (or a CCE) can offer that these sectors cannot already provide themselves. The opportunity for Hawkes Bay is in logistics/supply chain services and this sector deserves more attention.
- ❑ Housing is the issue. We are trying to attract talent to the region, but they can't find a reasonable place to live. By the time the accommodation is designed, consented and built, the opportunity has passed.
- ❑ There is a lack of small-scale testing facilities in Hawkes Bay which make it even more expensive for businesses to be able to achieve good quality product development.

## INTEREST IN THE FOOD INDUSTRY PROGRAMME

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## FOCUS OF THE FOOD INDUSTRY PROGRAMME

### Do you think the current focus of the Food Industry Programme is appropriate and relevant?

Representative responses from those with an interest in the Food Industry Programme:

- ☐ 18 respondents said "yes"
- ☐ The Wine industry could have much bigger support as costs for FAWC and such are quite high
- ☐ Somewhat but needs a clear set of priorities that does not duplicate what maybe already being developed by private industry or the sector in general
- ☐ Petfood industry - no
- ☐ Cluster development needs to be industry lead - possibly with funding support for FTE reporting to industry
- ☐ Seems to be a good focus as the pressure around sustainability will continue to rise and businesses will benefit from support.
- ☐ Its okay - but I'd like to see more around identifying talent, career pathways, better support for schools and education providers to link education to work
- ☐ Yes, except the focus of the FIP should not be to create a property for the cluster, rather to build the businesses that might create a cluster themselves. Hastings is small enough that it is already a cluster!
- ☐ All the objectives talk about "deliver" or "support". Are there any firmer KPI's that would demonstrate the expected success of them?
- ☐ These developments need to be focusing on produce quality that will stand above any other produces in the world.
- ☐ Sustainable to produce in volumes with minimal impact on the natural resources.
- ☐ I think the support needs to shift towards helping out the many small and very small businesses that play critical roles in supporting the food industry. This means the smart firms and startups that are providing new thinking and tools and technologies to transform how we have done things for decades.
- ☐ It is a start, but if the focus is to bring business together to collaborate on sustainability initiatives, it needs to spread the net wider and look at the entire food chain and include the producer to the waste management service.
- ☐ Misses skills and talent and innovation pipelines.
- ☐ This sector is well-established and does not need proactive support from councils. It's already growing - don't mess with it.
- ☐ It might be, BUT, we need to avoid unnecessary duplication with existing facilities - such as Massey Uni / EIT / etc.

## FOOD INDUSTRY PROGRAMME

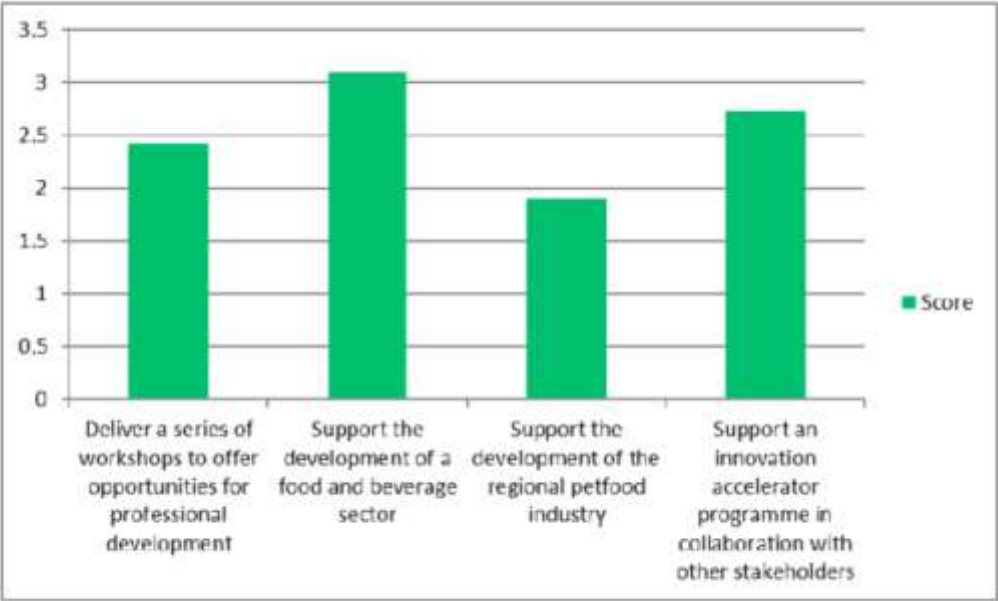
Benefit 1	Benefit 2	Benefit 3
Food strategy for HB - innovation and growth! Scale up the advantage we have.	Bringing together a network - sharing, collaboration, advocacy around priorities or challenges	Sustainability - from an obvious sense, but also sustainability for our economy and food producers
Strategic alignment with regional priorities	Create innovation	Create employment
Enabling collaboration and cohesion between businesses and other stakeholders, as appropriate	Identifying gaps in expertise and/or equipment that, if filled, would enable business to progress and innovate (and working to fill these gaps)	Identifying areas of focus to ensure a future-proof food industry
Incentives to relocate existing food businesses to HB	Training workshops for relevant skills	Several start-ups
Focus on supporting less conventional producers	Create and facilitate a more dynamic network for Food Industry related people to talk, share ideas and learn	Prioritise extra support for sustainable and ethical practice
Diversification of primary sector	Higher value products	Less reliance on manual labour
Acceleration of local scale to national or export ready	Hands on start-up incubation	Greater interaction with entrepreneurs and investors in guiding focus on the regions key focuses
More focus on the gate to plate concept	Better use of regional centres	Better transport links to the regions
Providing interpersonal connection opportunities so people become known faces and real colleagues.	Provide coordination for regional initiatives wanting to grow excellence in the horticultural (and agriculture and forestry) support technology space	Connecting HB industry/firms/people with the national and global communities
Kaitiakitanga - sustainability	Outward focused view of innovation	Capability development - local/global context
Initiatives to train and attract workers	Support for better supply chain resilience	Support for more cool stores
Marketable IP	Environmentally sustainable improvements to food growing practices	Climate Change readiness

**If the Food Programme was able to deliver 3 things to benefit the region, what would they be (in priority order)?**

**Representative responses from those with an interest in the Food Industry Programme**

# FOOD INDUSTRY PROGRAMME

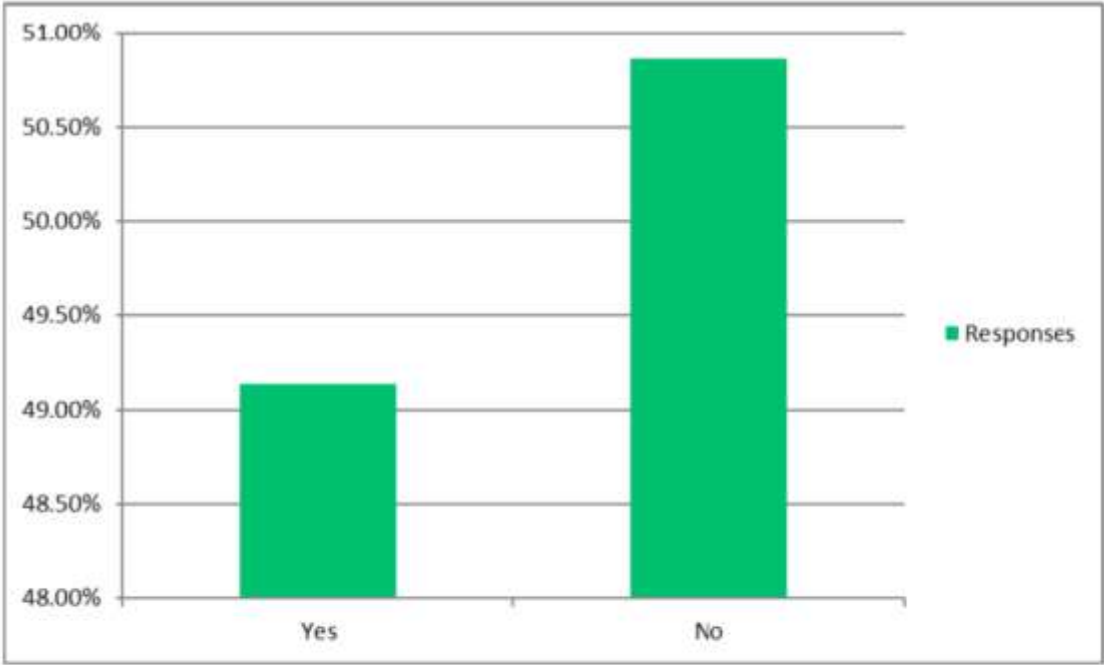
Considering possible deliverables, which would you consider the highest priority?  
Deliver a series of workshops to offer opportunities for professional development  
Support the development of a food and beverage sector  
Support the development of the regional petfood industry  
Support an innovation accelerator programme in collaboration with other stakeholders



- ❑ 41% thought supporting the development of a food and beverage sector should be the highest priority
- ❑ 35% thought supporting an innovation accelerator programme should be the highest priority
- ❑ The petfood industry did not receive much support as a priority. 40% ranked it as the 4<sup>th</sup> most important priority.



# INTEREST IN THE TECHNOLOGY PROGRAMME





## FOCUS OF THE TECHNOLOGY PROGRAMME

### Do you think the current focus of the Technology Programme is appropriate and relevant?

Representative responses from those with an interest in the Technology Programme:

- ☐ 38 respondents said "yes"
- ☐ Yes absolutely, it is the market of the future and bringing the world to HB and HB to the world
- ☐ Basic level, too superficial.
- ☐ More collaboration is needed between key parties
- ☐ Looks pretty good - just want to see more evidence of results - especially in Talent pipeline and investment
- ☐ We have not been able to access the connect to investment, the only relevant segment for us. What we require in development and expertise is simply not available in Hawke's Bay, too much focus on Ag businesses and not enough on R&D capability
- ☐ Yes but aspects of 'tech' sector touch so many businesses so shouldn't be too narrow a focus.
- ☐ Not focused enough on the role of technology in primary sector
- ☐ Given the drive for higher wage rates, the focus needs to be on process automation across the substantial food growing and processing industry that we have in Hawkes Bay
- ☐ Yes its appropriate and relevant.. but seriously underfunded
- ☐ Leave it Rod Drury, this is his specialty
- ☐ Leave it to organisations like The Icehouse they've been doing this for years'
- ☐ This sector is relatively new to the region so these basic initiatives can be useful.
- ☐ Could there be a stronger link-up with the food and beverage sector here - thereby building and supporting two industries at the same time. There must be linkages. Otherwise, difficult to comment as I'm not in this sector.
- ☐ Yes, but it would be great to see how we could access funding to develop technology to support industries that are not currently supported by technology or funding for development.
- ☐ Absolutely - it is the future and we need to be thinking how we integrate old school and new school in a productive way
- ☐ Yes. It is a high skilled job which has the ability to keep or return younger people to HB. We are in a digital age and HB needs to be in the waka, or get left behind

## TECHNOLOGY PROGRAMME

Benefit 1	Benefit 2	Benefit 3
Funding to support new initiatives-Callaghan and other R&D funding is too limited in scope	Support to upskill staff technically	Programmes to connect ideas with investors
Growth of good talent	new Start ups	large firms with satellite offices in HB
Upskill staff to utilise new and emerging technology.	Courses to make HB Businesses aware of what technology could be of benefit to them.	Funding for adoption of new technology.
Clustering and collaboration	Raising the profile of HB as a key region for tech businesses to be in order to create critical mass and attract talent	Continue to develop connections with universities with strong tech expertise to encourage graduates and associated entrepreneurs to take root in HB
More nuanced support options	Create ways (and business support) to attract more talent from outside region	Find our own unique take on the tech sector and don't get caught up in tech sector 'Silicon Valley' jargon
Less reliance on manual labour in primary sector	QR product tracing for HB brands	More high value products
Stewardship of start-ups as a connector to angle investment and resources	Support of collaboration hubs (either physical or virtual) for start-ups	Acceleration of connection for innovative start-up services to customers and stakeholders in the community (i.e. council endorsed, marketed)
Helping develop collaborative approach	Know what resources were outside HB that could be drawn on	Able to assist in capital raising
Attract and keep talent	Connect tech businesses with investors	Build the HB reputation for being a Tech hub
More start ups	More angel networks/members to assist start up	Better training/education for technology students going through academic organisations which is relevant and connected to industry
Ensuring air links to main centres remain cost effective	Supporting improved broadband coverage into the rural areas	supporting a replacement for business HB, which coordinates all 5 Council spending on business development
Connect tech firms to investment. This is the single most difficult issue we have faced. It's ongoing and soul destroying.	More high value business moving into district	Attract high value remote workers. Live in HB. Work anywhere

If the Technology Programme was able to deliver 3 things to benefit the region, what would they be (in priority order)?

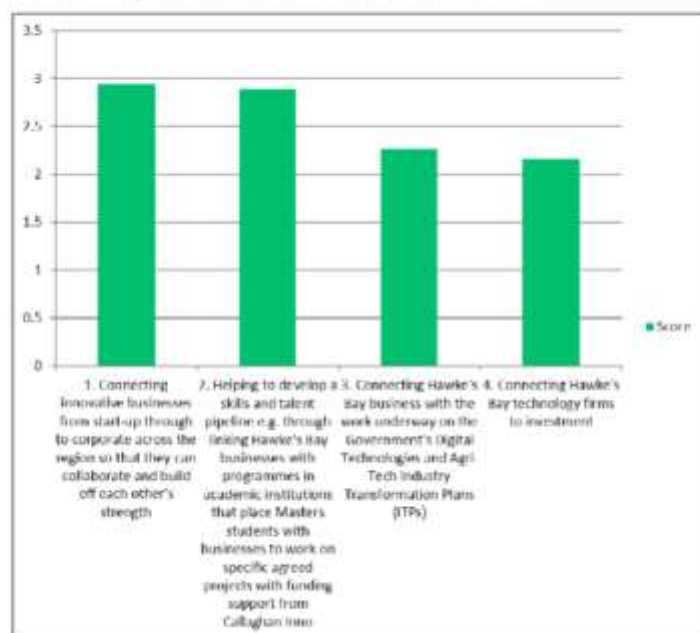
Representative responses from those with an interest in the Technology Programme

## TECHNOLOGY PROGRAMME

Considering the current areas of focus, which would you consider the highest priority?

### Current Areas of Focus

1. Connecting innovative businesses from start-up through to corporate across the region so that they can collaborate and build off each other's strength
2. Helping to develop a skills and talent pipeline e.g. through linking Hawke's Bay businesses with programmes in academic institutions that place Masters students with businesses to work on specific agreed projects with funding support from Callaghan Innovation
3. Connecting Hawke's Bay business with the work underway on the Government's Digital Technologies and Agri-Tech Industry Transformation Plans (ITPs)
4. Connecting Hawke's Bay technology firms to investment



- ☐ Nearly 65% felt focus areas 1 and 2 were the highest priority (each area scored about the same)
- ☐ About 32% felt focus areas 2 and 4 were the highest priority (each area scored about the same)

**ANNEX D:**

**STAGE 2: REVIEW OF LOCAL GOVERNMENT INVESTMENT IN BUSINESS AND INDUSTRY SUPPORT ACROSS THE HAWKE'S BAY REGION**

**SURVEY RESPONSES: VERBATIM COMMENTS**

**QUESTION 2: What is the most important role Councils can play to support your business to be successful?**

- I struggle to answer this as by definition we are a charitable NGO not a 'business' e.g. we do not do what we do to generate profit. So my disclaimer is that I am looking at this through my lens of being an NGO ...These are all very economic specific and don't really address the broader wellbeings as part of the LGA requirements and how this links into economic success - which arguably is out of scope for this survey. A part of bringing Matariki REDs and social inclusion together was recognising we need both to thrive as a region - yes you need to economic horse to pull the cart so to speak but I still think the list is too exclusive. It also depends on what Council you are referring to given the different legislative requirements (regional vs district/city as we're not unitary). I also see that the relationship building and working in partnership with mana whenua and enabling views of mana whenua in local government decisions is also lacking as a priority to comment on
- Reject Centralisation of our "3 waters". Stay focused on Infrastructure, enable the private sector to develop Napier's housing & businesses ie Streamline RMA, land development & building permits
- Business likes clarity and long-term certainty particularly when it comes to making large investments for the future.
- Consolidated Economic Support for Air Travel & Air Freight Development to support the region
- Councils should not be playing a role in most of the above - these should be the role of an independent economic development agency. Councils should focus on delivering their core business.
- Growing deeper understanding between partners and the relationships with each other is key to the success of any future planning.
- "Council needs to support physical building growth, I have built businesses in different councils across NZ and HDC is by far the hardest council to get consents from. slowing progress and costing extra money. I won't develop or invest in the Hastings area again"
- Ideally if infrastructure is good and the environment is managed well, businesses have a good framework within which to attract talent and operate optimally.
- Hard to answer this question as really depends on what is meant by the word 'funding'. If it is funding as part of their wider ED fund - to enable another (appropriate entity) to get on with a programme or plan to execute - rather than being actively involved themselves as councils. Want to be clear that I do support local government funding this activity - however, not to deliver internally.
- "Everyone's needs are different. the food sector needs to look after itself, and as a region, we need to be mindful of changes to the meat and dairy sector and shifting to non-animal products to benefit the environment etc.
- some concerns currently about the investment in the port when over 50% of port space is taken up with forestry - most of which is simply a buffer zone for volume."
- We need more of this in CHB



- New Zealand has "too many cooks in the kitchen" with respect to business development support - between Central and Local Govt funded initiatives - not efficient. Needs to be streamlined
- Taking on central Govt burdens isn't what I expect my rates to fund. I pay a large amount of tax for that. Local infrastructure and regulation requiring a knowledge of the community it serves is the core function of councils.
- Nothing about social services and planning for the future
- Supporting Small Business with their growth by providing support as required.
- Become more involved in the employment sector
- Some of these points, I would value and prioritise the same if this survey gave us this option.
- Providing a platform for services such as mine for other industries to access in a complete list would be good
- There is a huge untapped potential in using the DoC estate in Hawkes Bay. There is potential for domestic and overseas tourism, adventure activities, work for hands on youth as well as skilled guides and the infrustrcture that goes with that. It is an avenue for economic growth that gets way from the boom and bust event structure Hawkes Bay currently relies on. Currently access to all DoC estate is abysm. The DoC estate itself has been run down from their own head office. Lets star talks and open up this valuable asset. I understand the government gave regions finance to do just this - diversify.
- "In order for councils to support local and small business they need to make it easier for the smaller companies to tender and be given a fair shot at contracts when places against the bigger and more experienced companies. Small
- Business can't grow if it's not supported by council and given opportunities "
- Their is nothing in here about roading funding. It is a joke that we have a two-line road connecting Napier and Hastings. Trapped with wire, how does a ambulance get from Napier to the Hospital quickly?
- The HB Cycle Trails are unfinished - funding to develop the 'missing bits' (Havlk Nth to Bridge Pa and Fernhill to Taradale) are where we can see major economic benefits. We can then have a 3 day cycle tour predominantly off-road which will attract cycle tourists - a huge opportunity
- The funding available needs to be larger. If you are the sort of business that needs just \$1,000 then your business is too small for the council to be interest in. Funding needs to be at the \$10,000-100,000 range to make any sort of difference.
- Key area missed out is managing policy around population vs productivity for the region.
- As an external stakeholder that is not headquartered in HB, but with a significant stake in the region's success, it can be frustrating and time consuming dealing with multiple Councils and economic entities that are not always aligned. This is more than a matter of being an inefficient allocation of resources, it puts HB at a disadvantage compared with other regions. HB will better project itself and engage in partnerships when it can better sing with one voice
- Councils should provide direct financial incentives to businesses looking to establish an operation in Hawkes Bay, such as rate relief.
- I believe that councils can play a role as business concierge - allowing for a welcoming and smooth approach to appropriate and positive business development and attraction to and within a region. ("red carpet - not red tape"). Councils ought not be coming up with business solutions nor development - that's what entrepreneurs do. Councils and communities need to create the (attractive/conducive) environment and framework for growth - if that is what the community desires. Economic "development" could well be the incorrect term. Regions need economic "concierges" -

meaning a coordinated eco-system of support for wherever a business is at - whether start-up or mature, and a clear definition of what "support" actually is - because some businesses and start-ups consider "support" to mean funding.

- There have been varying funded projects in the past set up that compete with private business and provide an unfair platform, however private business has still thrived. Collaborate instead of compete?
- There is a scheme where kiwis under 30 can get a work visa for Israel which employers can use to increase the skills and knowledge of their staff. This is set up under a Govt to Govt agreement made in 2011. I encourage and can provide support for startups from Israel.
- I particularly love the Hawkes Bay Business Hub - ExportNZ & NZTE being there
- Have an easy to find pool of technically smart people at low cost, to support Creatives who are not good at online stuff.
- It is time Hawkes Bay utilised the vast array of the DoC estate and made it more accessible with decent facilities. All the roads to the Do estate are atrocious.
- The "business hub"/incubator idea has HUGE potential in this area, ideally in conjunction with EIT. I am keen to support any such initiative to move this region away from its image of the place that old, washed-up Kiwis go to die (sorry). There is immense talent and experience in the area: please don't let it go to waste.
- There is a big gap in terms of appropriate support mechanisms for the Māori Eco-system. The Māori eco-system is a valuable contributor to the regions wider economy. However the support mechanism to support Māori enterprise is a huge gap regionally.
- Helping attract talent to Hawkes Bay and providing housing options is HUGE for us this year. The border being shut to non NZ citizens and residents is really hurting our recruitment.
- Focus on reducing costs of doing business and regulation. Support water storage and effective utilization.

#### QUESTION 4: What do you think is most useful in supporting your business to be successful?

- I honestly think funding towards helping take a 'hat' from a business owner is the most useful - the digital boost is ineffective as they need to put considerable time into learning new skills that they don't have the time for.
- If this is viewed through the lens of direct support for my business many of the above do not apply, however they are fundamental to supporting business in Hawke's Bay.
- Please see previous comment
- Talent and investment should naturally flow into the region if the rest are done well. I don't see funding to support start-ups as a council activity.
- First we need to know what HB's strengths are - not as they are today but what they will need to be in 10-15 years time. And that is not an answer I have seen anyone give.
- The above functions are really those of central govt not local. All require a degree of expertise in the field and duplication by all the regions councils is wasteful and counterproductive.
- Where did the \$1,000,00 go that HB tourism got to pivot and diversify?

- visitors come to the region because there are things to do, not because you put up a poster asking them to. if you want to attract visitors then host events.
- As an external stakeholder, a business that is not headquartered in HB but which has a strong interest in the region's success, it can be frustrating dealing with multiple Councils and entities in order to partner with the region. This puts a promising region at a disadvantage compared with other region. The duplication of economic development resources across the region is inefficient and the region needs to better sing with one voice
- Councils should not attempt to replicate work already done by the Chamber of Commerce e.g. business advice, networking and advocacy. Councils should also not attempt to fund start-ups. There are other opportunities for start-up funding and it takes significant expertise to 'back the right horse', which councils or a council controlled entity would not have.
- I feel we have too high a reliance on councils to lead this sort of stuff. I think councils ought to be involved in visitor, talent and investment attraction, using temporary and permanent population growth as a way to ensure a healthy economy - but I don't think they ought to use ratepayer money to support start-ups (unless council invests in or owns the land and plant in order to make it easier for the start-up). I'm not sure that councils should be directly responsible for helping people into work - seems like a bit of duplication.
- This page won't let me answer questions the way i want to, eg start-ups are important and I can help with support and introductions in Israel
- I think for being a relatively small region, we are well equipped for support and funding. Many small businesses may not be aware of it, or capitalise on it as much as they should be
- The provision of low cost technical, planning, video and management online services for creatives of online educational courses would be a huge benefit to all.
- My micro-business relies on the same services as local residents - nothing special required. What I \*need\* is support for business initiatives in the area - startups and innovation generally, the kinds of organization that I can support/enable through my services. Otherwise, all my potential clients are in the main cities ... and abroad.
- What is Hawkes Bay doing to respond to the current surge of interest in virtual, cloud-based business? Does anyone on the council even have a clue what I'm on about?
- Governments job is supporting not doing, making it possible to do but that means making hard decisions for the betterment of the region

**QUESTION 7: For those services that you either have not been able to access and/or have not used could you please indicate a reason for your answer?**

- We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- funding or allocation of resource is always expired for Wairoa out of the Hawkes Bay area
- not relevant for an NGO and not something Council have provided for NGOs e.g. we use private people such as Icehouse or other training establishments
- not relevant to my business
- We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce



- I haven't tried
- Not sure of the value to my business so not worth investing in time and travel to take part
- There has been a cost to all the services that I have gone for and then they refer you to another service, which has a cost.
- We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- Not really relevant to a small B&B operation
- Co payment
- I didn't realise that support for start ups was available. Also, the RDP funding ran out and I was only allowed to use half my allocation.
- I haven't accessed them as I have needed them just as yet.
- use of private providers who understood my sector
- Have not required those services
- Haven't been able to work out where to go or who to speak to
- We get economic data through other sources
- I wasn't aware they were available
- Haven't been able to work out where to go or who to speak to
- Previously accessed through Business HB
- We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- We are in an early stage of building the capacity within our organisation/s. We are still identifying where best to allocate our investments
- Limited funding availability
- not needed
- Haven't been able to work out where to go or who to speak to
- The others haven't been relevant to me
- CHB council seems to be out of touch with topics they offer in there after 5 program.
- 1,2 and 5 haven't been relevant for my business. Economic data and insights would be useful - but haven't seen this or been aware of any dashboards or regular economic reporting for our region / narrowed down to sectors or useful, real time information or insights.
- Apparently, we don't qualify for support, either too small (!!!) or more specifically those we apply to simply don't understand what we do. The lack of broad understanding within Council(s) of business is astoundingly poor. We were once told we couldn't get funding as our name was meaningless to them.
- Services provided by Regional Business Partner Programme or Chamber of Commerce
- Not really interested - I rely on other sources for my data and market insights
- It's unclear what level of expertise is held within any of the connected bodies. We service clients across NZ in a sector that is rapidly changing, who could offer insight other than someone involved in this sector? We work with industry groups and the only other player in this market in HB.
- Either not aware of them, or don't see how they can help



- Often lack relevance or haven't had the capacity to adapt to younger businesses with less traditional business models.
- Not available in CHB and not much that is relevant to my Ag business
- I have not yet seen or be made aware of services that link startups directly with funding or local angle investor programs.
- Haven't been able to work out where and how to access these types of assistance
- I am not aware of them
- I/We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- haven't needed these services
- Employment law restrictions (Training support)
- Timeline restrictions - Development funding"
- Haven't been able to work out where to go or who to speak to
- Have not required this assistance
- I get the expertise from private sector providers.
- Not located/available where I am based
- We get support and advice from private sector, HBCC, Icehouse, and Grow HR. These are all expensive to business but some may be out of reach to most businesses.
- Haven't been able to work out where to go or who to speak to
- Haven't been able to work out where to go or speak to.
- Business After 5
- I have not looked for support
- Not applicable to my business
- Haven't been able to afford
- Not sure that I know all the available services
- Not applicable
- No need
- Not aware of all services offered
- have not taken up the opportunity
- Have not required these services.
- Too expensive
- None of the above means the others have been accessed!
- Not available where I am based
- most require payment which I cannot afford
- haven't seen anything that would be of use to me

- didn't know programs were available at time needed
- I'm not aware of any that were relevant
- The banks would not support the government guarantee scheme. They would not support the scheme - probably because of political bias. Such schemes should have been funded through a special entity setup to do so. It wasted all the money the government poured into our due diligence and our and government advisors
- Not applicable
- The funding is not well known and feels like it goes into more traditional industries like food..Not any other
- "Not in CHB. Business HB and chamber of commerce are bit fairly represented in Hawkes bay. They are not active enough in CHB or Wairoa. They rely on council to support being in these places rather than making an effort to support business.
- Also programmes and expensive and only run in Hastings or Napier. Small business don't have time to travel and attend programmes.
- They need to be more accessible and affordable and also based on need. Listen to what business are asking for and provide support.
- Haven't been able to work out where to go or who to speak to
- Limited spaces n no funding
- Haven't been able to secure funding support
- I haven't seen any of them available
- I get services from HB Tourism
- Get this info elsewhere
- I/We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- "Services were targeted too low for me.
- For example, available funding was too low, or advice given was at a very basic level only."
- Not been specific enough for the area we work in
- na
- didn't know anything about them. Had we known or been advised about them we probably would have taken advantage. Even some of the workshops we have been made aware of have been too expensive so we haven't take up those either even though some where of interest
- Not appropriate at the time for our business
- Previously BusinessHB. Now nothing
- have not had the capital to invest.
- not required
- I/We get these services from private sector providers and/or membership organisations like the HB Chamber of Commerce
- Our business is still in its infancy. Of those services selected there hasn't been a great deal out outcomes or output from them. The unselected ones just haven't been required or investigated yet.
- N/A

- Not applicable
- Not relevant for my business
- It's not that some of those haven't been accessible - its that none of them have been relevant. I've been in business here for over 2.5 years, and have not found a reason to find the services you list here of use to my business and sector. We rely more on our own national industry association, national sector associations, and government departments. Therefore, offerings locally related to business development have completely missed the mark and been irrelevant.
- the funding application process was harder than the actual R&D and the process slowed me up too much
- Didn't know where to go or who to speak to
- N /A
- We use Icehouse
- NZTE & ExportNZ help us a lot with information for our overseas markets. We are in talks with HB business hub about personal development courses for many of our employees
- Haven't seen the need to
- services not relevant to my industry - we are quite niche..
- Not located/available where I am based
- We get these services from associations we belong to, private sector, or local chamber of commerce.
- Not available as far as I am aware
- We use Callaghan grants. We belong to the HiTech group. We support EIT IT Internship programme.
- Unsure where to get these
- Haven't been able to work out where to go or who to speak to
- usually not relevant at the time. We usually do not tick all the boxes required
- Haven't sought
- Not interested/not relevant to my business. Business mentoring was helpful.
- No information on such initiatives
- Most Business support services do not understand Te Ao Māori frameworks of pakihi (business). Our cultural values are diminished when engaging with non-Maori providers.
- Not needed
- Haven't been able to work out where to go or who to speak to
- Not required
- Councils are too slow and difficult to deal with so have avoided using them
- More because I haven't really need to look into these options.

**QUESTION 10: Which areas of strength and/or emerging strength are not captured by the food and technology programmes and/or HBTL's tourism work where there is a need for support at the regional level? Please comment/explain**

- Wine Tourism
- The beautiful rivers, oceans and lake Waikaremoana that are never showcased within Hawke's Bay
- The link of broader wellbeings and support our whanau and the social needs specific to Hawke's bay
- Tech
- It can be too Napier, Hastings, CHB centric. There are significant food and tourism opportunities in Northern Hawkes Bay.
- Don't know
- Not sure
- N/A
- Strategic support for the likes of the RSE programs - so central to HB economy. EG Accommodation options, lobbying our MP etc
- Art
- Don't know
- Hawkes Bay with a port has a prime opportunity to be a leading region in NZ (not that we aren't already). It would be good to diversify away a small bit from food production as an adverse weather event can severely hamper the region's growth. I.e. drought
- food mass production concept (how to scale up) we have Watties, and frozen food folk here doing it, perhaps they could mentor others on how to, for a fee....
- Nothing I can think of
- Need more support for creative agencies to get talent and training for talent so we can support these businesses on a local level. For example - would love to have the capabilities to take someone on and train them but that all takes time. Would love to work with Taiwhenua and intro more Maori into the creative space but again, need support to do this. We are busy but not necessarily profitable.
- Like to see programmes for upskilling of staff across all industries, particularly as it is getting very difficult to recruit staff.
- Balancing this with population growth here
- The advancement of a unified Regional Aeronautical Development strategy would help deliver greater connectivity with other regions, greater significant economic impact to HB and increased capacity for travel and freight as well as support for key industries.
- Startup business
- Are there other areas or sectors that we should be supporting focusing upon outside of Food but longer term maybe a complementary to the sector
- LARGE scale events
- It is ok - tourism



- tech
- Lack of transparency around identifying and building talent, ensuring effective training is in place to grow talent for all ages - that will lead to meaningful work in Hawkes Bay
- Can't think of anything
- Our CHB council seem to never change the conversation or explore new ideas
- It is not so much about the focus area, but the amount of investment or work for that area. For example - the food programme. We define ourselves as a food and fibre region. Primary sector makes up a huge proportion of our regional economy. Many regions would kill to have the foot in the door that we already have as being recognised as a region that is about food and wine. We are not capitalising on this position at all - and prior economic development agencies haven't got this right. We should have a fully funded, full time programme and strategy in this space with regional buy in. There is a huge missed opportunity. Cannot speak for technology.
- Start ups are poorly supported, risk adverse strategies rule the day
- Needs more coordination
- More support with sector resourcing (people) and training/upskilling programmes
- These three are the three important ones
- Is tourism really a strength in the current environment? Our strength should be in the infrastructure and support to attract people to the region in general. Our challenge is that we are small and isolated geographically and many of the jobs in the food sector are low skilled. It's very unclear what our sector strength needs to be but for sure our talent 'attractiveness' needs to improve.
- I don't know
- Still feels like HB rests on its laurels in the food sector with the more established and traditional entities being the most celebrated e.g Something that Craggy Range is doing VS something that Halcyon Days is doing. The tech sector needs to rely less on the Silicon Valley analogy and work more towards celebrating the unique opportunities that can come with working in that industry here. There are plenty of great tech related things happening and these businesses have dynamic needs in terms of support that don't often fit within a cookie-cutter 'Silicon Valley' style approach to funding and support. More nuance to support programmes in the tech sector are required.
- Practical farming work
- None that I am concerned about at a top level
- Hard to answer as nothing filters out to the country. All centralised into Waipukurau/Takapau and Otane
- I am unsure
- With the problems that the horticultural sector is facing due to Covid, it would be great to see more support from Local Government in some way. All of our hospitality/tourism suppliers could do with positive support after the year we have had.
- HBTL needs to focus more on opportunities in CHB
- Technology that supports - eg blockchain
- Support for small business that is relevant and actually gets things to happen

- I have limited knowledge of these sectors
- Too much focus on Napier & Hastings and not enough in the regions
- I think that facilitated networking between businesses within HB and their respective councils would be a great idea
- industry
- nothing to add here.
- don't know
- We still need to find the best way of utilizing our water so that stakeholders can gain the benefits sustainably.
- Skills and work ethics for fruitpickers
- unsure
- Don't understand the question
- Unsure
- unsure sorry
- Awareness in sector that support is available
- Education on using and enhancing the quality to create maximin revenue from the product that is grown in HB
- sorry don't know enough about these sectors
- Wool
- My interest in in food and technology, not tourism which I think is an entirely separate discussion. I think we need to learn to collaborate better locally to get the attention of Wellington and pull in support such as from the Agritech ITP to support expansion based on our history of smart but needing to get smarter still firms supporting local sectors, and expanding to export the technology globally. Tauranga does it well, we are way behind.
- "Given the commitment to climate change, further research and development needs to be placed on turning waste products into something more useful and sustainable forestry slash, plastic by products, environmentally safer commercial cleaning products for industrial use, marketing/ consumer development to fix the gap in our recycling services - apples with biodegradable stickers, further developing the good product packaging systems like Bostocks maize/chicken packaging, biodegradable plastics, coffee cups that are supposed to be compostable etc and putting in systems (at the landfills/recycling services) so they are actually composted correctly. Plenty of support needs to be given here to the companies that are dealing with waste products and given innovation/research investment to develop. Food companies have the ability and a responsibility to develop responsible consumer behaviour through their marketing techniques and seeing HB lead this way would be an exciting development."
- I cannot comment due to lack of expertise. However, I would say that services such as proofreading could be part of the final collaboration to ensure what's offered looks professional and seamless. Too often what's put out is marred by basic language mistakes which can be jarring to read.
- providing information to the ratepayers on the wealth of businesses in the area
- Sustainability - both food waste & sustainable packaging
- I know nothing about the food sector but do see some diversity and initiatives.

- I am in the tourism sector and see no innovation or attempts to pivot to any other initiatives. This is probably driven by their reliance on the tried and true and predominantly domestic travel. However they forget that other regions will be targeting Hawke's Bay strengths that have brought success in the past. HB Tourism will stagnate.. They have wasted a simple opportunity."
- Councils need to know when to transition to the private sector, who should have better commercial disciplines in place
- Technology...
- These areas will be focused in Hastings and Napier and not the wider Hawke's Bay! From what has been seen in the past!
- This does not relate to my business
- Engineering and Manufacturing
- Not sure but need more help and support for that sector
- HB Cycle Trail development. Fund the missing bits so there is a 3 day Cycle Tour that the region can offer to cycle tourists
- Connecting Hawke's Bay technology firms to investment.
- It all looks good to me
- Sustainable plant food production
- I don't know
- My business grows pyrethrum plants. This is a green product and involves complex technology to formulate but there is no help for me as I do not fit into the narrowly defined subset of food. Why can't it be any horticulture venture? I would benefit greatly from the networking this affords but I am not allowed in the clubhouse.
- Not 100% sure around the Technology side
- I used to work the Hawke's Bay Economic Development Agency between 2000 and 2012 and THIS WAS THE FOCUS BACK THEN.... seems like you're not future along now than you were then. Total waste of money. You keep doing the same thing and getting the same result. More surveys more of the same old same old and NO ACTION. Seriously
- Playing to HB strengths with these initiatives
- Innovation and Entrepreneurship, Skills and Talent pipeline, funding streams, mentors, early-stage business support,
- Less reliance on China and more focus on marketing not trading
- none I am aware of
- Q 9 assumes all the strengths mentioned are equal. I disagree. HBTL for me is very satisfied. The others are consuming ratepayer funds that need to be channelled into Flood protection etc.
- The arts
- Leverage FoodEast
- Development of stronger food business networks
- Those sectors are already up and running and self sufficient. There is no expertise or assistance that the councils (or a CCE) can offer that these sectors cannot already provide themselves. The opportunity for Hawke's Bay is in logistics/supply chain services and this sector deserves more attention.

- Would be interested in understanding what the food & technology business plans/offerings are and how that may be useful to the community. HBTI has a clear mandate, prospectus, plan, and KPIs.
- practical assistance to access funding for R&D (but note that covid support and business coaching last year was awesome, thank you).
- I think they should be proactive in approaching business rather than reactive. if you don't reach out, or know how to reach out you never get the help.
- no comment
- I previously worked for a local winery and worked with Hawkes Bay wine, HB chamber of commerce & Hawkes Bay tourism. I thought they were all doing a great job to keep the industry updated. Now I am working for a manufacturing company in the horticulture/viticulture sector. So we do a lot more with NZTE, hawkes bay fruitgrowers association, etc. And I think you just need to keep up to date with all the different organisations and what they can provide you with
- I probably don't know enough about the programmes to comment with any authority. Given I regularly interact with the Ag sector then perhaps it is not as visible as it could be or I'm simply not mixing in the right circles.
- I can't think of any
- No idea
- Unsure
- Housing is the issue. We are trying to attract talent to the region, but they can't find a reasonable place to live. By the time the accommodation is designed, consented and built, the opportunity has passed.
- Maori businesses. There is a large Maori population in HB and there is HUGE capability here. Anything that can be done to promote, harness and enhance this capability will have direct impact on the overall health, vitality and happiness of our province.
- Unsure
- World wide Online educational courses as pioneers to make the changes needed in the current educational focus.
- There is a whole; worker seated, and business related, and tourism related sector wasted by ignoring our DoC estate. I know such things are driven by head office who prefer to plough money into the Tourist centres. This needs to change. Hawkes Bay is missing out big time.
- Not nearly enough emphasis on innovation, across the board. NZ could/should be a world leader in that domain. Why not put HB right up there in lights???
- Not relevant to our sector
- Māori economy
- A safe connected community
- Drop the focus on tourism - it's low level, low pay work. Put more into technology. attract high value business rather than low tech, low pay employers.
- manufacturers
- I think there is a lack of small scale testing facilities in Hawkes Bay which make it even more expensive for businesses to be able to achieve good quality product development.



**QUESTION 12: Do you think the current focus of the Food Industry Programme is appropriate and relevant? Please comment/explain**

- The Wine industry could have much bigger support as costs for FAWC and such are quite high
- Yes - have explained in prior.
- yes
- yes i think its a great initiative and very exciting -
- not sure
- somewhat but needs a clear set of priorities that does not duplicate what maybe already being developed by private industry or the sector in general
- Petfood industry - no
- Other areas - yes, especially professional development
- Cluster development needs to be industry lead - possibly with funding support for FTE reporting to industry
- Seems to be a good focus as the pressure around sustainability will continue to rise and businesses will benefit from support.
- Its okay - but I'd like to see more around identifying talent, career pathways, better support for schools and education providers to link education to work
- Yes, except the focus of the FIP should not be to create a property for the cluster, rather to build the businesses that might create a cluster themselves. Hastings is small enough that it is already a cluster!
- Yes it is appropriate as HB is a significant food producer.
- Yes. Primary sector is backbone of HB
- Yes
- This is the first time I have heard of this programme so cannot comment
- It might be, BUT, we need to avoid unnecessary duplication with existing facilities - such as Massey Uni / EIT / etc.
- Duplication is VERY wasteful of public funds, and then can only detract from funding of specific projects.
- Ultimately, progress is only made if commercial entities go ahead and implement something. Funding can make this happen faster.
- Therefore, it would be a negative result if funding a generic Food Industry Development programme significantly reduced the support funding available for specific projects"
- no
- Have not really seen any evidence of this
- too disjointed
- Yes. The food industry is a strength of our region due to our natural agricultural resources. our challenge is to utilize our strengths sustainably.
- More on Agriculture

- Yes
- These developments need to be focusing on produce quality that will stand above any other produces in the world.
- sustainable to produce in volumes with minimal impact on the natural resources
- I think the support needs to shift towards helping out the many small and very small businesses that play critical roles in supporting the food industry. This means the smart firms and startups that are providing new thinking and tools and technologies to transform how we have done things for decades.
- It is a start, but if the focus is to bring business together to collaborate on sustainability initiatives, it needs to spread the net wider and look at the entire food chain and include the producer to the waste management service.
- I'm not over the specific detail- but professional development & petfood are relevant.
- Yes it is - it is complimentary to what we do but it needs an injection of capital and ideas to get into the 2020's
- It is if it supports commercialisation
- How does it link to areas of comparative advantage
- Yes
- misses skills and talent and innovation pipelines.
- Extremely relevant and needs buy in from all stakeholders
- Yes I do. HB is well known as a agri area, and I think we need to support and grow the non-commodity growers, producers and market participants in the area.
- Very relevant
- This sector is well-established and does not need proactive support from councils. It's already growing - don't mess with it.
- It depends. What would be the purpose of a food and beverage cluster? What gaps are there in workshops that are not able to be offered by EIT (thereby growing and supporting our tertiary institution)? What would an innovation accelerator programme look like and how much would it cost? I don't think there is enough info here to be able to comment knowledgeably.
- Yes but we had all this years ago with the group called Food Hawkes Bay which operated from an office at EIT and was an amazing asset to the HB food processing community .... it feels a little like the wheel is being reinvented here
- yes, we are well known region for this
- not sure
- All the objectives talk about " deliver" or "support". Are there any firmer KPI's that would demonstrate the expected success of them?
- Yes
- yes. We are a food producing province.
- yes ... if we harvest our water better we will have a massive food industry
- I think there is a good amount of support for emerging businesses.

**QUESTION 16: Do you think the current focus of the Technology Programme is appropriate and relevant? Please comment/explain**

- Yes
- Yes
- Yes but please be inclusive and focus on All ethnic races not only Maori
- Absolutely
- Yes absolutely, it is the market of the future and bringing the world to HB and HB to the world
- Yes
- don't know anything about it.
- Yes
- Basic level, too superficial.
- More collaboration is needed between key parties
- Yes
- looks pretty good - just want to see more evidence of results - especially in Talent pipeline and investment
- We have not been able to access the connect to investment, the only relevant segment for us. What we require in development and expertise is simply not available in Hawke's Bay, too much focus on Ag businesses and not enough on R&D capability
- Yes but aspects of 'tech' sector touch so many businesses so shouldn't be too narrow a focus.
- Not focussed enough on the role of technology in primary sector
- Yes
- Seems ok
- Given the drive for higher wage rates, the focus needs to be on process automation across the substantial food growing and processing industry that we have in Hawkes Bay
- yes
- yes
- I know a couple but not all that is offered at the moment so maybe need more information
- yes it has been good so far
- Yes - I act as an advisor for 2 companies in this tech space & have associations with a couple of others - it is vital that there is a central coordinator to help people move outside their silos
- Yes greater dependence on tech
- YEs
- Yes
- yes, could do with training on offer for those already working in the business

- YES
- Absolutely - it is the future and we need to be thinking how we integrate old school and new school in a productive way
- yes its appropriate and relevant.. but seriously underfunded
- Yes
- yes
- Yes
- yes
- Yes
- Leave it Rod Drury, this is his speciality
- Leave it to organisations like The Icehouse they've been doing this for years"
- yes just totally underfunded
- Relevant
- Yes. This sector is relatively new to the region so these basic initiatives can be useful.
- Could there be a stronger link-up with the food and beverage sector here - thereby building and supporting two industries at the same time. There must be linkages. Otherwise, difficult to comment as I'm not in this sector.
- yes
- yes, attract higher paid people to the bay
- Yes opportunities to bring in tech help from Israel are available for interested businesses
- Yes. We have a SaaS as part of our physical product and are working alongside Callaghan Innovation. Myself as an employee am not the decision-maker in this realm.
- Yes, but it would be great to see how we could access funding to develop technology to support industries that are not currently supported by technology or funding for development.
- Yes. It is a high skilled job which has the ability to keep or return younger people to HB. We are in a digital age and HB needs to be in the waka, or get left behind
- I need someone to manage, video and take over my unique and sought after 'Creativity from the inside-out' course for online sales and presentation."
- Yes ... but there's \*much\* more to do!
- Need more stable networks and less outage
- Yes
- yes.. its a key to taking advantage of our food growing capability
- Yes



**QUESTION 13: If the Food Industry Programme was able to deliver three things to benefit the region, what would they be (in priority order)?**

Benefit 1	Benefit 2	Benefit 3
Training	Targeting users	Advertising
Food strategy for HB - innovation and growth! Scale up the advantage we have.	Bringing together a network - sharing, collaboration, advocacy around priorities or challenges	Sustainability - from an obvious sense, but also sustainability for our economy and food producers
use of locally grown produce for low budgets	teach students how to grow - sustainability	international pet food production from off cuts etc
more business	more jobs	more opportunities for agencies/ other businesses
Strategic Alignment with regional priorities	Create Innovation	Create employment
Clear program of work & outcomes in relation to sustainability for HB	Clear program of work & outcomes in relation to sustainability for HB	Sharing of key economic data that benefits the business community
incubator, accelerator	professional dev workshops	cluster?
Collaboration	Competition	Logistics/transport
Enabling collaboration and cohesion between businesses and other stakeholders, as appropriate	Identifying gaps in expertise and/or equipment that, if filled, would enable business to progress and innovate (and working to fill these gaps)	Identifying areas of focus to ensure a future-proof food industry (in the face of e.g. climate change, cost of carbon etc) and developing initiatives to ensure that we are well-placed to respond to challenges and opportunities, as a region
Attracting and building a sustainable talent pool	Small businesses in the sector supported to be sustainable	
incentives to relocate existing food businesses to HB	training workshops for relevant skills	several startups
Focus on supporting less conventional producers.	Create and facilitate a more dynamic network for Food Industry related people to talk, share ideas and learn.	Prioritise extra support for sustainable and ethical practice
Diversification of primary sector	Higher value products	Less reliance on manual labour
Acceleration of local scale to national or export ready	Hands on startup incubation	Greater interaction with entrepreneurs and investors in guiding focus on the regions key focuses
Food and Beverage Clusters	Sustainable and renewable resources/suppliers	Workshops to help develop clusters to help with economy of scale
Commercially beneficial development loans	Regulatory alignment	Cost efficiencies
efficiency	productivity	technology
support in marketing	support to ensure that there is a variety of retail outlets not all the same	provide more opportunity to talk with council

more focus on the gate to plate concept	better use of regional centers	better transport links to the regions
sustainable economic benefit	Environmentally sustainable	Make Hawkes bay a great place to live
Identify waste stream product opportunities	Coordinate brand marketing/origin story	Identify market opportunities
Quality	sustainability	increase revenue
Providing interpersonal connection opportunities so people become known faces and real colleagues.	Provide coordination for regional initiatives wanting to grow excellence in the horticultural (and agriculture and forestry) support technology space	Connecting HB industry/firms/people with the national and global communities in a personal way, such as by bringing in influencers from outside, and making them understand how much we have to offer
Responsible consumer and marketing behaviour	Further Innovation, development and collaboration as a regional approach	Supporting the waste management services from the Food industry
Collaboration on sustainability	Pet food collaboration	Professional training
Recognition as a hub of science	Create better paying jobs	Ensure we drive sustainable practices
Commercial opportunities	Sustainable opportunities	Economies of scale
Kaitiakitanga - sustainability	Outward focused view of innovation	Capability development - local/global context
collaboration	leadership	support around compliance
Building innovation	virtual university of expertise and academia	funding for deep tech solutions
Better funding to create sustainability in Hawkes Bay	Attract better talent to the area	Create better returns for Businesses in the Hawkes Bay
Distribute grants to proven businesses to assist with growth.	Create and facilitate a collective group of like minded businesses to encourage collaboration.	Represent HB nationally and globally, and act as a market maker/facilitator.
Skills	Collaboration	Investment funding
Product innovation	promotion	training
Initiatives to train and attract workers	Support for better supply chain resilience	Support for more coolstores
Align to a regional brand/notion that Hawke's Bay is a sustainable, regenerative leader in food and beverage growth and production	Feed our own first - ensuring the byproduct of success leads to healthy fed citizens	Protection of the land best suited to growing (build housing on the drought-stricken hills)
enthusiastic engaged reliable trustworthy staff	accessible affordable freight options	unity in what Hawkes Bay represents - one message and stop rebranding it every few years
more tourists	fairer funding scheme, not first in first served	skill shortage answers
export products	local NZ market	no third option
Secure market outlets into premium markets	Secure water supply	Secure, appropriately skilled, labour.
Sales	Jobs	Skills
Marketable IP	Environmentally sustainable improvements to food growing practices	Climate Change readiness

water storage and efficient use	technology to reduce low end labour	shifting infrastructure development to less productive land
Ability to help with scale up to commercialisation	Provide links to technical support within the region	Promote sustainability and link into council initiatives

**QUESTION 17: If the Technology Programme was able to deliver three things to benefit the region, what would they be (in priority order)?**

Benefit 1	Benefit 2	Benefit 3
Relocate businesses from outside of the region here	Grow an industry which will bring new people to the bay	Support and grow other industries in the bay
Improved internet and cellphone coverage	Development of IT systems for business	
Mentors	Cheaper access	Ongoing support
Funding to support new initiatives-Callaghan and other R&D funding is too limited in scope	Support to upskill staff technically	Programmes to connect ideas with investors
Growth of good talent	new Start ups	large firms with satellite offices in HB
Provide tech support from trainees to businesses at low cost	Not sure	Not sure
Upskill staff to utilise new and emerging technology.	Courses to make HB Businessesees aware of what technology could be of benefit to them.	Funding for adoption of new technology.
Innovation & Tech Development	Employment & Talent Development	Investment attraction
Skills pipeline	Incubator, accelerator	Regional Tech profile
Partners working together towards a shared goal/outcome	Data which provides full and complete picture	Diversity of technology programmes
Clustering and collaboration	Raising the profile of HB as a key region for tech businesses to be in order to create critical mass and attract talent	Continue to develop connections with universities with strong tech expertise to encourage graduates and associated entrepreneurs to take root in HB
Talent	Innovation	Investment
Required IT skills	R&D capability for tech start ups	Funding without the need for 000's of pages of documentation
More nuanced support options	Create ways (and business support) to attract more talent from outside region.	Find our own unique take on the tech sector and don't get caught up in tech sector 'Silicon Valley' jargon.
Less reliance on manual labour in primary sector	QR product tracing for HB brands	More high value products

Stewardship of startups as a connector to angle investment and resources	Support of collaboration hubs (either physical or virtual) for startups	Acceleration of connection for innovative startup services to customers and stakeholders in the community (ie council endorsed, marketed)
Connecting like businesses for support	Ensuring Technology infrastructure is up to date	getting information out to all businesses so we all know whats going on
Commercially advantageous development loans	Automation forums in H Bay for local businesses	
new career ops	technology hubs	collaboration
help with web sites	help with online selling	help with social media
Future Planning	Regular Updates & growth	Hands on training
more trained graduates	assistance for clean tech / renewables	conferences
Helping develop collaborative approach	Know what resources were outside HB that could be drawn on	Able to assist in capital raising
Jobs	Efficiencies	Greater quantities
Connecting innovative businesses from start-up through to corporate across the region so that they can collaborate and build off each other's strength	Connecting Hawke's Bay business with the work underway on the G	Helping to develop a skills and talent pipeline e.g. through linking Hawke's Bay businesses with programmes in academic institutions that place Masters students with businesses to work on specific agreed projects with funding support from Callaghan Innovation.
Developing the skills and talent pipeline	Connect with Governments digital technology plans	Connecting HB businesses(and Farmers) with Agri-tech Industry planning
developing skills and the pool of skills in the region	attracting investment and range of industries	support new businesses to grow
MORE SME TECH COMPANIES	TRAIN LOCAL TALENT	BUILD A BETTER ECOSYSTEM
Be recognised as a hub that attracts talent	Local business see it as a go to resource	Employment
More startups	Better educational courses assisting the talent pool	Better investment community..
Supporting apprentices to succeed, we need to get them through the talent pipeline	Ensure talent pipeline is regional wide and it for all not just those in areas with easy access	Giving employers the tools to succeed
Attract and keep talent	Connect tech businesses with investors	Build the HB reputation for being a Tech hub



Skilled labour	Innovative thinking	Commercial opportunities
skills and knowledge	global perspective	foundations in regional competitive advantages
New Talent	New Technology	increased investment in businesses
more start ups	more angel networks/members to assist start up	better training/education for technology students going through academic organisations which is relevant and connected to industry
Skills and talent pipeline	Connecting businesses and expertise	supporting innovation and entrepreneurship
Create better collaboration	Introduce more investment into the region	Attract better talent
Scale	Training	Investment funding
Attract and train talent	Attract and train talent	Attract and train talent
staff	easier IT	cell phone coverage over the whole of the Bay
higher population	higher pay	more jobs
export products	Local market products	no third option
Higher wage jobs	More younger families	Not sure
Funding for personal development	Funding for bringing talent in the region	
Connectivity	Efficiency	Information
Marketable IP	R&D	Interconnectivity within the sector
Affordable expertise in using mailchimp. for online	Easily accessible pool of affordable, local, specific resources.	Realise that education in 'Inside-out Creativity' is the top priority for the world.
Easier use of technology in regards to key services i.e. land and housing development		
Provide realistic business opportunities for local tech businesses	Support and enable local techs to make the best of the opportunities	Actively collaborate with other regions in this area: HB is not alone or unique!
Stable affordable fibre	Support services affordable	
Train future talent	Support start ups	Showcase the epic businesses in the Hawkes Bay on a national level
ensuring air links to main centers remain cost effective	supporting improved broadband coverage into the rural areas	supporting a replacement for business HB. which coordinates all 5 council spending on business development

Connect tech firms to investment. This is the single most difficult issue we have faced. It's ongoing and soul destroying.	More high value business moving into district	Attract high value remote workers. Live in HB. Work anywhere
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