

Hawke's Bay

Regional Economic Development Strategy

Strategy Development Document

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Introduction

This document forms Hawke's Bay's Regional Economic Development Strategy and was developed as a refreshed version of the 2007 strategy.

Economic development activity is undertaken by a range of organisations, both public and private. As part of developing this Strategy there was a need to identify what key organisations are doing and what their core competencies are, where the region needs to go, where the gaps are, and how to collaboratively move forward.

The Strategy will help create a unified approach to economic development, assist collaboration and alignment of work programmes, and reduce duplication of resources. While this Strategy focuses on economic development, the key agencies recognise the importance of a strong and sustainable underlying social, infrastructural and natural environment. The Strategy will complement Councils' existing strategic development frameworks.

A Steering Group was assembled to help guide this work comprising representatives from the Hawke's Bay Chamber of Commerce, Councils, and private sector. The core content of the strategy was gathered and shaped at a workshop of a Reference Group, a broader range of private and public sector representatives.

It was important that this Strategy is readable and useable. It aims to be brief and succinct, achievable, gain buy-in from stakeholders, workable so that it can be used by the various agencies, and collaborative in approach. The underlying focus is to leverage the Hawke's Bay's competitive advantage and to diversify the economic base of the region.

An outcome of the Strategy refresh process should be agreement and protocols between agencies as a basis for cooperation to move the Strategy forward.

This Strategy refresh was led by Hawke's Bay Regional Council (HBRC) and funded by HBRC and New Zealand Trade and Enterprise (NZTE) under the Regional Strategy Fund initiative.

It is proposed that this Strategy is reviewed annually by the Steering Group and signed off by Councils.

It is intended that this Strategy be finally approved to after consultation with the Region's Local Authorities.

Key agencies – current economic development related capacity and delivery programmes

In the following table are the key agencies involved in leading economic development in the region with a list of their main activities. The table is in alphabetical order and there is no attempt to quantify the level of activity undertaken by each agency.

<p>Central Hawke’s Bay District Council</p> <ul style="list-style-type: none"> • Business support • Tourism and migrant attraction • Land use and infrastructure 	<p>Eastern Institute of technology</p> <ul style="list-style-type: none"> • Trades and industry training and a range of degree courses • Youth education and skill development • Some postgraduate programme delivery in professional and vocational fields of study • Applied research capacity • National provider in viticulture and wine science
<p>Hastings District Council</p> <ul style="list-style-type: none"> • Business support and attraction • Inwards investment • Tourism and migrant attraction • Significant Tourism/Events infrastructure and service provider • Land use and infrastructure • Sister City relationship 	<p>Hawke’s Bay Tourism</p> <ul style="list-style-type: none"> • Tourism, Events • Conferences • Rugby World Cup • Cruise ships
<p>Hawke’s Bay Chamber of Commerce</p> <ul style="list-style-type: none"> • Business Hawke’s Bay – business attraction and growth • Business support, Biz info, networking, advocacy • Business Partner Network – capability/vouchers (NZTE) • Export Hawke’s Bay • Maori Business Network partnership 	<p>Hawke’s Bay Regional Council</p> <ul style="list-style-type: none"> • Water management and flood protection • Primary sector: infrastructure; productivity development and capacity expansion • Primary sector science, commercialisation, government partnerships (MED, MAF, MSI, MFE, DOC, NZTE, P&F, AgR) • Business Partner Network - R&D support (TechNZ/MSI) • Hawke’s Bay Tourism funder • Sister City relationship
<p>Ministry of Social Development</p> <ul style="list-style-type: none"> • Youth development • Skills matching • Work brokerage 	<p>Napier City Council</p> <ul style="list-style-type: none"> • Business support and advisory, Biz Info, Biz Mentors and capability • Business and investment attraction • Tourism and migrant attraction • Major Tourism/Events infrastructure and service provider • Land use and infrastructure • Sister City relationship
<p>Wairoa District Council</p> <ul style="list-style-type: none"> • Business support • Tourism and migrant attraction • Land use and infrastructure 	<p>Port of Napier</p> <ul style="list-style-type: none"> • Business attraction • Transport infrastructure and supply chain solutions

Situation Analysis

Hawke's Bay Regional Position

<u>Strengths</u>	<u>Opportunities</u>
<ul style="list-style-type: none"> • Hawke's Bay contains one of New Zealand's major urban areas with Napier/Hastings in the 4th rank of urban populations. • Hawke's Bay is a sunbelt region with an attractive climate. • Excellent natural resources and natural environment underpin regional economic growth. • Agriculture and food processing – existing infrastructure and knowledge base offer a comparative advantage. • The region has additional capacity across many attributes including core infrastructure and labour in which to support growth. • Excellent transportation and distribution infrastructure in terms of rail, road, and importantly a competitive export port. • The region offers excellent lifestyle and quality amenities upon which to build a compelling story for migration, business attraction, investment and growth. • The region possesses excellent pre-school, primary and secondary school infrastructure, and perceived as a 'great place to bring up kids'. • EIT is a robust and credible education centre for skills development, applied research capacity and national provider in viticulture and wine science. • Iwi have well developed and functional relationships within the region. 	<ul style="list-style-type: none"> • Water irrigation potential has the ability to raise the cap on primary sector production and trigger productivity improvement outcomes. • Falling land and capital values, lower energy costs and higher sunshine hours relative to other regions. • Capitalising on the economic value of the region's living environment for attracting new migrants and businesses. • Ability to partner with CRIs, central government agencies and universities to inject science and better commercialisation around the primary sector. • Biomass and bio agriculture opportunities. • Green growth – environmentally sustainable products and services offer trade and business opportunities. • Climate change – the opportunity for new land use. • Create a better Hawke's Bay identity around attributes such as art deco and earthquake heritage. • Better branding and marketing of the region around the concept of quality, to improve business attraction and sales margins of products. • The roll out of broadband, in both urban and rural areas. • Settlements and investment opportunities arising from Treaty of Waitangi claims. • Iwi has an appetite to be involved in economic development related initiatives. • Business hub for service and manufacturing sectors. • Better linkage between youth skills and work. • Ability to increase tourism and compete in other markets through a more cohesive approach. • Build upon the perception that HB is a 'great place to bring up kids' by creating further infrastructure around good sporting and cultural expertise and facilities – critical for attracting skilled and entrepreneurial people. • Market the region as a desirable location for expatriates to return to. • Market the region as an attractive relocation destination for the 50-65 age bracket.

Weaknesses

- Low population growth relative to other some regions and decreasing ratio of working age demographic.
- Population composition in terms of a higher proportion without formal qualifications and fewer with post school qualifications than nationally averages.
- Some labour shortages across unskilled, semi-skilled, skilled and professional categories, particularly during the peak of the growing season.
- Difficulty in attracting and retaining key staff and entrepreneurs.
- High unemployment, lower incomes and high rates of benefit dependency.
- A low wage economy (which impacts business attraction).
- Lack of scale and the lack of right people with experience and knowhow to achieve this.
- Qualifications of school leavers are below national averages.
- Loss of talented, well educated young people overseas and to larger metropolitan centres.
- Fragmentation of delivery of services by agencies, and historical patch protection.
- Unlike competitors such as Tauranga and Nelson, Hawke's Bay lacks proximity to large population centres as a source of inward migration (particularly retirement).
- Hawke's Bay is one of the few large population centres in New Zealand without a University.
- Little external interest in Hawke's Bay as other than a great place to holiday, raise kids or retire.

Threats

- Population projections indicate slow/low growth for the region, which makes the region less attractive and harder to gain the economies of scale needed for service provision.
- Working age population is forecast to reduce 10% between 2011 and 2031, with an increase in the proportion of unskilled Maori population.
- No crown research institute or university with intellectual capacity to leverage commercial opportunities.
- Doing nothing increases the probability that the region falls further behind other regions.
- With nearly one third of the region's GDP tied up with primary production, disease outbreaks and/or extremes of weather have the capacity to seriously impact the economy.
- Risk of earthquake, tsunami, flood or other natural disaster.
- Lack of centralized urban hub and cohesive leadership means that the region may not be as well positioned to drive progress, such as with central government initiatives.
- Climate change – likelihood of drying and more extreme weather events.
- Rising energy costs.
- Perception of high crime rates and personal security risk as a barrier to migration attraction.
- Businesses often fail to take responsibility for quality improvement, e.g. in customer service.

Key Regional Themes

The following themes provide a summary of the environmental scan captured in the preceding SWOT analysis.

- The region possesses strengths in terms of having an attractive lifestyle and climate, as well as low relative density of population.
- Historically regional EDA initiatives for a variety of reasons have generally failed to fulfil their promise.
- In the past there has been a lack of a forum to allow collaboration between agencies in their approach to effective regional economic development.
- There has been a fragmented approach to business and migrant attraction, with several agencies and the Port of Napier (PONL) having involvement in this function.
- Iwi are in settlement discussions with Crown over Treaty of Waitangi claims, and with their well developed relationships and appetite to become involved, they will become a more important stakeholder in the regional economy.
- EIT is a robust and credible tertiary education training organisation that can meet many of the educational and training needs of the region.
- The projected low growth in population and the ageing of the population base will place pressure upon the region's infrastructure and on industries to cope with a smaller work force and potentially lower household disposable incomes.
- Marketing of the region has historically centred around Wine Country branding, however, little has been done to leverage concepts such as a quality source of products and raw materials to improve business attraction and sales margins of products.
- Extensive transportation and distribution infrastructure in terms of rail, road, and importantly a competitive export port have been compelling factors to attract import based businesses to the region.
- Total annual visitor numbers to Hawke's Bay have been relatively stable since mid 2009, although they are significantly below numbers seen over the 2005-08 period.
- Formation of Hawke's Bay Tourism will build a strong voice for the tourism sector within the region with better communication and better regional engagement.
- The visitor profile to Hawke's Bay has changed in the last few years, partly due to the increase in cruise ship visits, causing infrastructure issues due to increased demand.
- As this Strategy has been developed there is a move to create a private sector partnership based regional economic initiative to focus on retaining, growing and attracting business to Hawke's Bay.
- Continued innovation and productivity improvements such as livestock genetics, water management and bio initiatives have allowed further on-farm gains to be introduced, although there are barriers to getting uptake of these improvements.
- Opportunity to capitalise on Green Growth, service, product and trade opportunities.
- Primary sector production has room for significant increase in productivity if there is access to secure water supplies and by leveraging Hawke's Bay's competitive advantage around good land availability, temperate climate and well developed primary sector ecosystem.
- CRIs, central government agencies and universities are keen to be involved in implementing science in the primary sector, assisting with commercialisation and export growth – this is an area that is lacking in Hawke's Bay.

- The ageing population creates widespread succession planning issues for land based and other industries.
- Climate change and rising energy costs will impact farming practises and profitability.
- HBRC is a major funder for regional economic development, collecting the regional rate from rate payers across Hawke's Bay and is accountable to them.
- District and City Councils through their rating base also make a significant contribution to economic development.

Recognised Gaps and Key Strategies

Arising from the Key Regional Themes the following RECOGNISED GAPS AND KEY STRATEGIES emerge.

Whilst the region has a lot to celebrate with its economic development achievements, the following gaps in the current regional economic development agenda are evident from the environmental scan summarised earlier in this document.

In identifying these gaps and recognising the region's finite resources to drive economic development, and in an attempt to be focused and achievement orientated, these areas form the key strategic areas of focus of this Strategy.

Agency collaboration

Economic development is carried out by a number of entities in the region with little coordination to date. This results in gaps in the regional agenda, duplication and wasted resources, and few synergies to evolve. It is critical in this Strategy that every effort is made to be complementary in the economic development agenda that is shaped and advanced collaboratively.

Primary sector and related value added capability

More than 40% of Hawke's Bay's GDP is tied to the primary and related sectors, yet there is considerable untapped potential to derive more from this sector. Increasing productivity and capacity is important, as is adding greater value to products and processes. There needs to be a more focused approach to what is the competitive advantage and driving force behind Hawke's Bay's economy.

Regional identity, branding and marketing

Hawke's Bay is known for its compelling lifestyle, amenity and temperate climate – it's a great place to visit and live. However, there is little use of regional branding in business related activities and the marketing of products. There is untapped potential to develop regional identity and brand based on concepts such as "quality" and "Green Growth" opportunities, which can be used for business attraction and value added initiatives. This area of focus will be integrated into the following key strategic areas of focus below.

Business attraction

Business attraction activities are undertaken by several agencies in the region with little collaboration. There is potential to leverage respective agencies efforts and focus resources to achieve greater outcomes for Hawke's Bay.

Visitor Growth

Visitor numbers to Hawke's Bay are significantly below those seen between 2005 and 2008. Furthermore, planning of the regional promotion work programme has not been well linked with tourism industry operators. Better coordination with industry and a focused work programme will build a strong voice for Hawke's Bay tourism and a more effective spend of tourism budget.

Attract key skilled and high value migrants

Hawke's Bay's population is forecast to grow more slowly than the national average and is characterised by a relatively large proportion of low income workers. Furthermore, like many regional areas, talented young adults migrate to larger cities or overseas to find work and a more exciting lifestyle. Hawke's Bay needs to retain and attract more skilled and high value migrants in order to grow businesses and add to the diverse and creative

culture of the region. Historically, various successful migrant attraction initiatives have been undertaken by several agencies. A refreshed, focused and coordinated approach is urgently needed to really make a lasting difference to the region. Activity needed to progress this strategy is to be merged into the above strategies, particularly Business Attraction.

Vision and Mission

After outlining Recognised Gaps and Key Strategies, the following VISION and MISSION are proposed.

Vision



Mission

To make Hawke's Bay the best location in which to visit, work, invest, live and grow.

Outcome Statement – Hawke's Bay in year 2022

Hawke's Bay will outperform national economic trends including GDP and exports, population growth, labour market outcomes, household incomes, increased wealth in businesses, and higher socio-economic indicators and education levels.

Hawke's Bay will have risen to the challenge created by an insatiable demand for food, the liberalisation of international trade in food and changes brought about by climate. Radical changes have been made in agricultural science, farming and agri-business practices. Hawke's Bay's biological systems have been largely protected and managed. There is a vibrant manufacturing and processing sector that is adding value to a large portion of the commodities produced from our primary sector.

The Port of Napier is the 4th largest port in New Zealand by volume throughput, with many import orientated companies clustering around distribution links. Hawke's Bay is known for its high quality life style, a diverse economic base and as a high quality supplier of products. A highly skilled workforce enjoys the vibrancy of growing businesses in Hawke's Bay.

The region has a well diversified range of tourism products that makes it a destination of choice for domestic tourists. International tourists rate Hawke's Bay as one of the best locations in New Zealand.

Key Strategic Growth Themes

Having established Gaps and Key Strategies, Vision and Mission, the following KEY GROWTH THEMES are presented.

The key growth themes outlined below represent the main opportunities for the Hawke's Bay region to expand given the limited resources open to it and the opportunity set available. These themes include:

1. Agency Collaboration
2. Resilient Primary Sector Growth
3. Visitor Growth
4. Business, Investment, Skills and Migrant Attraction

For each growth theme, a clear objective is devised, followed by a sequence of strategies and actions designed to help with the achievement of the objective. These growth themes, strategies and actions should not be seen or taken in isolation. There are significant cross-over effects between them, such as enhancing the regional identity and brand will assist visitor growth, business attraction and ultimately the margin of products sold from the region. Likewise, developing the intellectual sector will assist attracting primary and knowledge based sector related businesses to the region.

Strategy Focus

Leverage primary sector competitive advantage

Hawke's Bay's competitive advantage lies in its temperate climate, availability of productive land, potentially abundant water supplies, and its amenity. There is untapped potential to expand the large proportion of regional GDP derived from primary and related sectors. Accordingly, the underlying focus of this Strategy is to leverage the regions primary sector competitive advantage.

Diversify the economy

There is significant potential to expand diversity, innovation and creativity in Hawke's Bay's economy on the back of a vibrant thriving primary sector. A focus theme of this Strategy is to attract migrants, skills, investment and businesses so as increase regional diversity and vitality, and ultimately broaden the economic base of Hawke's Bay.

Strategy Outline

<p>Vision</p> <p>Grow the Bay</p>
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<p>Mission</p> <p>To make Hawke’s Bay the best regional location in which to visit, work, invest, live and grow</p>
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<p>Agency Collaboration</p> <p>Deliver a collaborative and complementary regional economic development strategy that makes best use of resources available in the region</p>

Resilient Primary Sector Growth	Visitor Growth	Business, Investment, Skills and Migrant Attraction
Increase primary sector resilience to changing climate and global market opportunities	Increase Hawke’s Bay’s market share of domestic and international visitors	Retain, grow, diversify and attract highly productive, rapidly growing businesses and talented people

Growth Theme 1 – Agency Collaboration

Theme issues

- The scope and scale of issues that will confront the region over the next five to ten years will require a coordinated approach.
- Collaboration presents a cohesive front to the world at large and in unmistakable terms promotes the region in a coordinated and effective manner.
- Encouraging coordination between the region’s TLAs, particularly around land development and infrastructure, would enable better consistency with external marketing of the region and more certainty for local businesses.
- We have to have something to confront low population growth – it is not something we should accept.
- Iwi are in settlement discussions with Crown over Treaty of Waitangi claims. If these potential resources are harnessed in an appropriate way, they could be a catalyst across the region’s key industries of food processing and tourism. Iwi has an appetite for this discussion.
- Making sure that the whole gamut of organizations within the region are involved in development and roll out of activities will be vital to ensuring all possible regional resources are used.
- In the past there has been an absence of a forum to allow improvement of collaboration between agencies in their approach to effective regional economic development.

Objective

Short term	Long term
Establish an enduring private/public economic development delivery model	Make demonstrable progress on delivering against this strategy and continue to shape this strategy in the future

Strategies and implementation

Strategy 1.	
Agree a regional model involving contributors to economic development that provides direction and then delivers against this regional economic development strategy.	
Lead agency: Business Hawke's Bay	Action a. Support Business Hawke's Bay, which is aligned with but at arm's length to the Chamber of Commerce, to oversee direction of this Strategy. Action b. Agree to a private/public sector funding and governance model for Business Hawke's Bay comprising: <ul style="list-style-type: none"> i. Reference Group involving a broad range of regional stakeholders to periodically contribute to shaping the Strategy and ensure various agendas and work programmes are aligned ii. Governance Board primarily made up of private sector and major funding representatives. Advisors to be Council Economic Development officers, Hawke's Bay Tourism GM and Chamber senior staff. Action c. Agree roles, responsibilities and a set of protocols for key agencies to collaborate to deliver against this Strategy. Action d. Agree a set of high level KPIs and measurement model to track progress against this Strategy including regional GDP, household income, labour market outcomes, employment, and population. Those responsible as the lead agency for respective actions are accountable to agree and sign-off against KPIs.
Support agencies: All Local Authorities	
Cost implications: Private sector funding from key stakeholders NCC and HDC contribution is via existing resources with funding committed either by annual contribution or on a project by project basis Funding from HBRC via regional rate	
Implementation tools: HBCoC resources TLA contribution is via a project by project basis or as otherwise determined by the TLA.	
Timing priority: Immediate	

Growth Theme 2 – Resilient Primary Sector Growth

Theme issues

- Primary sector production has potential for significant increase in productivity if there is access to secure water supplies and by leveraging the regions competitive advantage.
- A qualified and renewing supply of labour is an enabler of primary related industries with appropriate training investment. Seasonal peaks need to be managed using local and 'imported' labour.
- Continued innovation and productivity improvements such as livestock genetics, water management and bio initiatives have allowed further on-farm gains to be introduced, although there are barriers to getting uptake of these improvements.
- Increased competition is coming from countries currently on the periphery of agriculture, such as China, Chile, Brazil and India. Lower labour and land costs, as well as economies of scale are putting pressure on NZ's traditional markets.
- CRIs, central government agencies and research schools have the potential to be involved in implementing science in the primary sector, assisting with commercialisation and export growth. This is an area that is lacking in Hawke's Bay.
- The region has a well developed supporting infrastructure and industry to grow new food initiatives.
- With Treaty of Waitangi settlements, Iwi as landowners and investors will become a more important participant in the region's economy.
- Demand will guide supply – processors will largely control land use change, influence productivity improvements, and have power over where value is extracted from the value chain.
- Attracting new and higher valued processing players will assist the region extract greater value from the raw material that exists or is grown in the region.
- The aging population of farming land owners creates widespread succession planning issues and inhibits the ability to drive widespread land use change and productivity improvements.
- Climate change and rising energy costs will impact farming practises and profitability, which creates barriers as well as opportunities.
- Hawke's Bay Regional Council has an established programme committing significant resources to bolster primary sector economic development activity, particularly around water security and management, and land use capability and productivity.
- Sustainable environmental management is a positive in global markets. Emerging opportunities for Green Growth related initiatives are becoming important.

Objective

Short term	Long term
Existing businesses adopt best practice with continuous improvement in productivity and sustainability.	The region is resilient to climate change and takes advantage of business opportunities in the global market place.

Strategies and implementation

Strategy 1. Ensure water security and sustainable land use.	
Lead agency: HBRC	Action a. Develop, implement and monitor regional water strategy (6 months). Action b. Lead the establishment of more efficient water irrigation systems (36 months). Action c. Ensure appropriate, sustainable land use in relation to productive capacity (36 months).
Support agencies: Regional and national stakeholders, TLAs	
Cost implications: Primarily HBRC funded	
Implementation tools: HBRC resources	
Timing priority: 6 to 36 months	

Strategy 2. Increase capacity and capability through value added products and processes.	
Lead agency: HBRC	Action a. Actively work with land user groups and partners to implement productivity improvement initiatives Action b. Expand processing sector capacity by business development initiatives targeting major processors
Support agencies: Regional and national stakeholders, TLAs	
Cost implications: Primarily HBRC funded	
Implementation tools: HBRC resources	
Timing priority: Ongoing	
Lead agency: HBRC in collaboration with Business Hawke's Bay	
Support agencies: TLAs Regional and national stakeholders	
Cost implications: Primarily HBRC funded	
Implementation tools: HBRC resources Business Hawke's Bay resources	
Timing priority: Ongoing	

<p>Strategy 3. Increase and share knowledge around primary sector businesses.</p>	
<p>Lead agency: HBRC in collaboration with Business Hawke’s Bay</p>	<p>Action a. Drive relationships with research schools and CRIs to inject applied science into the region, and assist with commercialisation, productivity improvements, production capacity expansion, and exports</p>
<p>Support agencies: TLAs</p>	
<p>Cost implications: Primarily HBRC funded</p>	
<p>Implementation tools: HBRC resources</p>	
<p>Timing priority: Immediate to 36 mths</p>	
<p>Lead agency: HBRC</p>	
<p>Support agencies: National agencies</p>	<p>Action b. Leverage support from central government agencies to grow the primary sector including MAF, MED and NZTE, MSI, MFE, and DOC</p>
<p>Cost implications: Primarily HBRC funded</p>	
<p>Implementation tools: HBRC resources</p>	
<p>Timing priority: Immediate to 36 mths</p>	
<p>Lead agency: HBRC and HBCoC</p>	
<p>Support agencies: NCC for NZTE services</p>	<p>Action c. Maximise the R&D and business growth support available to existing agriculture and food businesses from NZTE and Ministry of Science and Innovation</p>
<p>Cost implications: NZTE and TechNZ funded</p>	
<p>Implementation tools: HBRC and HBCoC resources</p>	
<p>Timing priority: Immediate to 36 mths</p>	

Growth Theme 3 – Visitor Growth

Theme issues

- Total annual visitor numbers to Hawke’s Bay have been relatively stable since mid 2009, although they are significantly below the numbers seen over the 2005-2008 period.
- Total overnight visitor numbers have reduced 2.5% over the last year. Visitor origins indicate that the region draws the bulk of its tourism flows from domestic markets (80%) rather than international (20%), with overseas numbers growing since 2005 whilst domestic numbers have fallen since 2006.
- Domestic tourism in New Zealand is also flat – this is as a result of little population growth and a strong New Zealand dollar that is driving up outbound travel from New Zealand, although the rising cost of oil creates barriers to travel.
- The visitor profile to Hawke’s Bay has changed in the last few years. This is a result of increased cruise passenger numbers. Tourism product is actively being developed to accommodate cruise passenger needs. Infrastructure issues are becoming more apparent with increased demand
- Private accommodation, namely staying in holiday homes and staying with friends and family are on the increase.
- Hawke’s Bay’s promotional budget compared to regions with comparative visitor numbers and visitor profile is deemed adequate. Greater regional collaboration will enable more effective spend.
- Destination development is an important component of a regional visitor attraction programme with TLAs a major enabler of facilities.

Outcomes

Hawke’s Bay becomes significantly more attractive as measured by to New Zealanders and international visitors as a place to visit, do business and live.

To become a highly competitive player within the New Zealand tourism industry, increasing Hawke’s Bays market share of both domestic and international visitors and therefore economic contribution to the wider region.

Objective

Short term	Long term
Establishment of Hawke’s Bay Tourism as the official Regional Tourism Organisation for Hawke’s Bay.	<ul style="list-style-type: none"> • Increase visitor nights by 1% per annum – cumulative growth • Increase total visitor expenditure by 2% - cumulative growth • Increase web traffic by 35%

Strategies and implementation

Strategy 1.	
Establishment of Hawke’s Bay Tourism as the Regional Tourism Organisation for Hawke’s Bay.	
Lead agency: HBRC, WCTA	Action a. Integrate the previous tourism function of Venture Hawke’s Bay as part of HBRC and Hawke’s Bay Wine Country Tourism Association. Action b. Build credibility and confidence through better planning, industry communication and proven results. Action c. Integrate Hawke’s Bay tourism promotional activities under one umbrella brand. Action d. Community endorsement and recognition of the value of tourism to the region. Action e. An engagement for active collaboration with TLAs is developed, particularly with those TLAs providing significant tourism/event infrastructure and services.
Support agencies: TLAs	
Cost implications: HBRC primarily with industry support	
Implementation tools: HBRC resources primarily with HBWCT	
Timing priority: Immediate	

Strategy 2.	
Increase visitor nights, visitor expenditure and web traffic.	
Lead agency: Hawke’s Bay Tourism	Action a. <i>Brand</i> Create a unified brand for the region and create a communication platform to drive visits to the region. Action b. <i>Consumer marketing</i> <ul style="list-style-type: none"> • Identify key target markets utilizing visitor research. • Generate awareness for the region in key domestic and international markets. Ensure consistent alignment with the international marketing messages of Tourism NZ. Drive conversion of promotional activity through channels to drive sales.
Support agencies: HDC, NCC, CHBDC, WDC	
Cost implications: HBRC is major funder supported by industry.	
Implementation tools:	
Timing priority: 12 to 36 months	

	<p>Action c.</p> <p><i>Trade marketing</i></p> <ul style="list-style-type: none"> • Increase profile for Hawke’s Bay tourism product amongst key travel sellers in NZ and internationally. • Push the region’s capabilities at handling meetings, incentives and conferences. <p>Action d.</p> <p><i>Events</i></p> <p>Establish a regional events strategy and coordination framework to facilitate the coordination establishment and/or attraction of new events.</p>
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<p>Strategy 3.</p> <p>Develop quality tourism product in Hawke’s Bay.</p>	
<p>Lead agency:</p> <p>Hawke’s Bay Tourism Local authorities</p>	<p>Action a.</p> <p>Determine tourism product and service gaps within Hawke’s Bay and work with operators and stakeholders to fill product gaps.</p> <p>Action b.</p> <p>Further understand and develop infrastructure requirements to future proof tourism growth for the region.</p>
<p>Support agencies:</p> <p>Tourism industry</p>	
<p>Cost implications:</p> <p>Local authorities are major facility providers and promoters</p>	
<p>Implementation tools:</p> <p>Local authorities via existing resources Private sector operators</p>	
<p>Timing priority:</p> <p>Ongoing</p>	

Growth Theme 4 – Business, Investment, Skills and Migrant Attraction

Theme issues

- The projected low growth in population and the ageing of the population base will place pressure upon the region's infrastructure and on industries to cope with a smaller work force and potentially lower household disposable incomes. This future is unacceptable and must be countered.
- The region possesses strengths in terms of having significant amenity, an attractive lifestyle and climate, depth in rural industries and agri-processing, as well as low relative density of population.
- There is opportunity to expand diversity and creativity in Hawke's Bay's economy, especially on the back of a vibrant thriving primary sector. Being targeted in attracting migrants, skills, investment and businesses will increase regional diversity and vitality, and ultimately broaden the economic base of Hawke's Bay.
- EIT is a robust and credible tertiary education training organisation that can meet the educational and training needs of the region, contribute to human capacity needs of businesses, and has important national provider in viticulture and wine science.
- EIT is an important pillar in the regional economy with a substantial role in student and business attraction.
- The limited economic marketing of the region has centred around Wine Country branding, however, little has been done to leverage concepts such as a quality source products and raw materials to improve business attraction and sales margins of products.
- The region generally lacks scale and would benefit from having more people with commercialisation experience and the knowhow to grow significant businesses.
- As "the" lifestyle region, Hawke's Bay faces competition from Nelson-Marlborough and Bay of Plenty, both of which rank ahead of the region in terms of economic activity growth and in location preference.
- Hawke's Bay is inappropriately perceived as a location with limited economic opportunities outside its core industries of agriculture and food processing. There is business diversity although more is needed.
- Extensive transportation and distribution infrastructure in terms of rail, road, and importantly a competitive export port are a significant export asset and an advantage for potential as an import hub.
- There has been a fragmented and uncoordinated approach to business and migrant attraction, with many agencies and PONL having involvement in this function.
- Increasing the understanding that Hastings/Napier is in the fourth rank of New Zealand main centres by population will benefit the region. Business and economic development has no city boundaries.
- To show that Hawke's Bay is a competitive place to locate a business the region needs effective alignment of policies across TLA boundaries and better promotion.

Objective

Retain, grow and attract highly productive, rapidly growing businesses and talented people.

Strategies and implementation

Strategy 1.	
Develop, and implement an integrated, identified, campaign to build on our centres of excellence and target new innovative industries to diversify our economic base. Focused, co-ordinated, fast, clever and driven.	
Lead agency: Business Hawke’s Bay	<p>Action a. With representative agencies, develop a clear understanding of roles and a working framework for moving forward collaboratively</p> <p>Action b. Develop regional identity and marketing collateral aimed at a targeted attraction of migrants and businesses</p> <p>Action c. Define the target audience and marketing channels including the expatriate/alumni community</p> <p>Action d. Encourage harmonisation of regional resources and support functions such as investment networks, Council consent processes, and business support services, where appropriate</p> <p>Action e. Implement a Hawke’s Bay wide programme aimed at raising the aspirations and pride of Hawke’s Bay people so that they can in turn better market the region to outsiders</p> <p>Action f. Identify obvious hubs and potential centres of excellence for Hawke’s Bay and leverage these to target migrants and business</p> <p>Action g. Leverage broadband deployment and define other drivers attractive to high growth and “light-weight” companies, and implement a focused initiative to grow the “knowledge economy” in Hawke’s Bay</p> <p>Action h. Establish an ongoing monitoring programme to measure the effectiveness of business attraction activities</p>
Support agencies: HBCoC, All local authorities	
Cost implications:	
Implementation tools:	
Timing priority:	

Partner Charter

This strategy intends to deal with Hawke's Bay's economic issues and opportunities in a different way - it does not present a one way or single entity solution.

Rather, it reflects the reality that there are several individual agencies in Hawke's Bay which are able to productively bring knowledge, skills and resources to bear individually or collectively on the economic issues and opportunities in Hawke's Bay.

Accordingly, the underpinning operational philosophy is ACTIVE COLLABORATION by the agencies, progressing the essential objectives of improving wealth, employment and economic wellbeing across the whole of Hawke's Bay in partnership.

The ACTIVE COLLABORATION philosophy acknowledges each agencies' identity, independence, and priorities - as well as differing competencies and responsibilities.

The ACTIVE COLLABORATION strategy recognizes and acknowledges Councils' commitment to broader strategic development frameworks for social well-being, culture and sustainability.

Collaboration will have the vital elements of effective communication, sharing, trust, and respect and a willingness to overcome obstacles and difficulties when they occur. Collaboration will also allow for 'in confidence' discussions where commercial sensitivity and conflict of interests exist.