



Western Bay of Plenty Economic Development Strategy

Updated to Align with the 2007 Review of Actions

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Smart Economy : Strategy Summary

Vision: *The Western Bay of Plenty is the business location of choice based on sun, sea, soil and skills resulting in a highly productive, competitive, and export-based economy*

HIGH LEVEL TEN YEAR OUTCOMES

1. Per capita GDP has grown faster than the national average
2. The value of the sub-region's exports as a proportion of total output has increased
3. A survey of businesses shows that business profitability has increased
4. Average household income has increased faster than the national average
5. There has been a reduction in the percentage of households in the bottom quartile of national income
6. Appropriate training and attracting skilled labour will halve the skill gaps identified in 2004 through the skill gap survey, by 2009
7. The level of skills of the workforce has increased relative to the national average.
8. A survey of businesses shows that sustainable business practices are increasing.

THEMES

Targeting Drivers		Removing Barriers		Partnership Approach
Innovation & Entrepreneurship "The Culture" <i>Value added and export oriented</i>	Lifestyle "The Place, the People" <i>Sun, sea, soil and skills delivering an enviable quality of life</i>	Business Environment "The Basics" <i>High quality, competitively priced</i>	Education & Skills "The People" <i>Skilled, enterprising and adaptable</i>	Networked Economy "The Linkages" <i>Highly connected</i>
Action Areas	Action Areas	Action Areas	Action Areas	Action Areas
<ol style="list-style-type: none"> 1. Promote and support innovation and entrepreneurship in the sub-region 2. Promote and support innovation and entrepreneurship within learning institutions 3. Attract and support innovative and export focused SMEs/corporate relocations with emphasis on export sustainability 4. Promote research and development partnerships 5. Promote Maori economic innovation and development 	<ol style="list-style-type: none"> 1. Invest in vibrant CBD and town centres 2. Provide high class sports, art, cultural and leisure facilities and activities 3. Provide high quality open space 	<ol style="list-style-type: none"> 1. Ensure stable power supply with sufficient capacity 2. Provide communication infrastructure 3. Improve rail infrastructure 4. Improve air services 5. Promote the efficient, sustainable use of resources and encourage sustainable business practices and design 6. Complete the strategic roading network 7. Improve business – local government relationships and understanding 	<ol style="list-style-type: none"> 1. Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy 2. Address current skill gaps and plan for future skill needs 3. Improve literacy and business education in schools and encourage school leavers to gain school qualifications 4. Promote on-going up-skilling and work-based training 5. Skill development for Maori 	<ol style="list-style-type: none"> 1. Facilitate business networks and cluster initiatives 2. Encourage liaison and information sharing between business, economic development agencies, local and central government 3. Foster partnerships between business, local government, central government and education sectors 4. Maintain and develop relationships with central government 5. Develop community awareness of the importance of economic development built on sustainable business practices. 6. Develop joint initiatives with the rest of the region/other regions

Smart Economy : Implementation Summary

<p>Lead Implementation Agencies</p> <p>Zespri, Priority 1, Grower Packhouse Associations, Food BOP, University of Waikato, Chamber, Secondary Schools Principle Association, BOPP, Export NZ, NZ Trade & Enterprise, Tourism BOP, Sustainable Business Network, Te Puni Kokiri, Community Employment Group, Maori Business Network</p>	<p>Lead Implementation Agencies</p> <p>Tauranga CC, Western Bay of Plenty DC, Environment BOP, Tauranga Art Gallery Trust, Creative Tauranga, Ngai Tamarawahao, Tourism Bay of Plenty</p>	<p>Lead Implementation Agencies</p> <p>Access, Environment Bay of Plenty, Chamber of Commerce, Tauranga Airport Committee, Tauranga CC, Western BOP DC, Trustpower, Ministry of Economic Development, Ministry of Education, Te Puni Kokiri, Community Employment Group, Sustainable Business Network, Bay of Plenty Polytechnic, University of Waikato, Priority 1</p>	<p>Lead Implementation Agencies</p> <p>Priority 1, Bay of Plenty Polytechnic, University of Waikato, Chamber of Commerce, Ministry of Education, Work & Income, Industry Training Organisations, Language Schools, Private Training Establishments, Secondary Schools</p>	<p>Lead Implementation Agencies</p> <p>Priority 1, Export NZ, Chamber of Commerce, Tauranga CC, Western BOP DC, Environment BOP.</p>		
MONITORING, IMPLEMENTATION & GOVERNANCE						
<p style="text-align: center;">Smart Economy Action Group (SEAG)</p> <p>SEAG is a high level governance group established during the 2007 review of Smart Economy actions to:</p> <ul style="list-style-type: none"> ▪ Follow up and drive actions. ▪ Assist in resolving resourcing issues. ▪ Maintain national and international strategic awareness. ▪ Anchor collaboration. ▪ Identify implementation gaps. ▪ Consult with sector groups, as appropriate, in driving Smart Economy actions. ▪ Check ongoing validity of actions and measures, including three yearly review. ▪ Report to Smart Economy Forum. ▪ Communicate Smart Economy actions and progress to industry sectors and the community. ▪ Set agendas for quarterly Smart Economy Forum meetings. <p>The SEAG comprises representatives from the following organisations:</p> <ul style="list-style-type: none"> ▪ Priority One (chair meetings, administration function and six monthly reporting responsibility to SmartGrowth, Joint Governance Committee and EBOP). ▪ New Zealand Trade & Enterprise ▪ Western Bay of Plenty Tertiary Education Forum ▪ Tauranga City Council ▪ Western Bay of Plenty District Council ▪ Environment Bay of Plenty ▪ Two representatives from the Smart Economy Forum (currently industry representative and SBN) ▪ Two representatives from Smart Business Group (currently Chamber of Commerce and Export NZ BOP) 		<p style="text-align: center;">Smart Economy Forum</p> <p>The Smart Economy Forum meets quarterly, with meetings chaired and administered by Priority One. Key roles include:</p> <ul style="list-style-type: none"> ▪ Undertake lead and support responsibilities, as identified for each organisation. ▪ Networking, collaboration and information sharing. ▪ Support of strategy partners that have been identified in achieving the agreed objectives. ▪ Facilitate forums and encourage Council and business community participation. <p>The Smart Economy Forum comprises the following agencies and organisations, as well as representatives from key industry sectors in the region:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <ul style="list-style-type: none"> Art Gallery Trust Bay of Plenty Cricket Bay of Plenty District Health Board Bay of Plenty Polytechnic Creative Tauranga Environment Bay of Plenty Export NZ BOP Food Bay of Plenty Global BOP Museum Trust New Zealand Trade & Enterprise NZ Kiwifruit Growers Inc Priority One Private Tertiary Education Providers Secondary Schools Principals Association Smart Business Group </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <ul style="list-style-type: none"> Smart Transport Corridors Sustainable Business Network Tauranga Chamber of Commerce Tauranga City Council Tauranga Moana Maori Tourism Trust Te Puke Fast Forward Te Puni Kokiri Te Raranga Maori Business Association Tertiary Education Commission Tourism Bay of Plenty Transit New Zealand University of Waikato WBOP Business Investor's Forum Western Bay of Plenty District Council Work and Income </td> </tr> </table>			<ul style="list-style-type: none"> Art Gallery Trust Bay of Plenty Cricket Bay of Plenty District Health Board Bay of Plenty Polytechnic Creative Tauranga Environment Bay of Plenty Export NZ BOP Food Bay of Plenty Global BOP Museum Trust New Zealand Trade & Enterprise NZ Kiwifruit Growers Inc Priority One Private Tertiary Education Providers Secondary Schools Principals Association Smart Business Group 	<ul style="list-style-type: none"> Smart Transport Corridors Sustainable Business Network Tauranga Chamber of Commerce Tauranga City Council Tauranga Moana Maori Tourism Trust Te Puke Fast Forward Te Puni Kokiri Te Raranga Maori Business Association Tertiary Education Commission Tourism Bay of Plenty Transit New Zealand University of Waikato WBOP Business Investor's Forum Western Bay of Plenty District Council Work and Income
<ul style="list-style-type: none"> Art Gallery Trust Bay of Plenty Cricket Bay of Plenty District Health Board Bay of Plenty Polytechnic Creative Tauranga Environment Bay of Plenty Export NZ BOP Food Bay of Plenty Global BOP Museum Trust New Zealand Trade & Enterprise NZ Kiwifruit Growers Inc Priority One Private Tertiary Education Providers Secondary Schools Principals Association Smart Business Group 	<ul style="list-style-type: none"> Smart Transport Corridors Sustainable Business Network Tauranga Chamber of Commerce Tauranga City Council Tauranga Moana Maori Tourism Trust Te Puke Fast Forward Te Puni Kokiri Te Raranga Maori Business Association Tertiary Education Commission Tourism Bay of Plenty Transit New Zealand University of Waikato WBOP Business Investor's Forum Western Bay of Plenty District Council Work and Income 					

Introduction

The Western Bay of Plenty sub-region includes both the districts of Tauranga and Western Bay of Plenty. The region has and continues to experience high population growth with a projected increase from 130,000 people in 2001 to approximately 198,000 in 2021 and 284,000 in 2051.

In recent years the Western Bay of Plenty has been one of fastest growing regions in New Zealand in terms of economic activity which has included a significant emphasis on land development and residential construction, growth in the retirement sector such as retirement villages, revival of the horticulture and agriculture sectors, major growth and expansion of the Port of Tauranga.

Concerns arising from examining existing business activity and the projections are an emphasis on low wage and low skill activities. The Smart Economy strategy and implementation plan aims to address these issues together with the need to provide additional business land, have infrastructure in place such as roading, to cater for a rapidly growing area and addressing skill shortages.

The Smart Economy project was commissioned by the partnership of Tauranga City Council, Western Bay of Plenty District Council and Priority One, with significant funding provided by NZ Trade & Enterprise. It has also involved Environment Bay of Plenty, key industry sectors and business agencies.

There is a significant relationship between this strategy and SmartGrowth. Whilst SmartGrowth deals with growth management in a comprehensive manner, Smart Economy provides a focus on the sub-regional economy, which is an integral part of successful growth management for the Western Bay of Plenty sub-region. The two strategies go hand in hand and there are several linkages particularly in the strategies and actions relating to lifestyle and business environment themes.

Glossary of Terms

Term	Description
Centre of Excellence	Structure which links research, training and business to enable the pooling of business and scientific knowledge across an industry.
Economic Development	Defined as “a process that influences growth and the structure of the economy to enhance the economic well-being of a community”. It refers to the capacity of regional and local economies to provide jobs, income and other economic resources required to achieve or maintain a healthy standard of living and quality of life for the population in a given area. It is not just about making businesses more competitive or profitable, but recognises the power and importance of businesses as a basic societal institution to create wealth for private citizen”.
Governance	Strategy leadership and direction.
Growth Management	A detailed analysis of all of the physical and environmental factors together with those economic and social factors which directly impact on the physical environment
Infrastructure	All permanent installations of the sub-region and includes pipe, cable/wire, roading, telecommunications, electricity generation, waste management, open space and community facilities contributed to and accessible to the community
Private / Public Partnership	Partnership to provide public services jointly by the public and private sector.
Smart Transport	Roading partnership between Transit New Zealand, Tauranga City Council and Western Bay of Plenty District Council.
Sustainable Economic Development	A series of sustainable sub-regional economic outcomes, which are the result of a process, that takes account of all necessary environmental, ecological, cultural and community factors.

Term	Description
Tangata Whenua	Describes the relationship a Maori person has to a particular area. This will relate to an area where an Iwi and or hapu hold mana whenua. Tangata Whenua have a direct relationship with their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga.
Vision	A statement defining the qualities of the region in the future. An indication of regional values.
Western Bay of Plenty Sub-region	Means all the land within the administrative districts of the Tauranga City and Western Bay of Plenty District Councils and includes that part of the administrative area of Environment Bay of Plenty as it relates to the two districts.

Abbreviations

Abbreviation	Description
BOPP	Bay of Plenty Polytechnic
CBD	Central Business District
CEG	Community Employment Group
DOC	Department of Conservation
DP	District Plan
EBOP	Environment Bay of Plenty
ECN	Enterprise Central Network
GDP	Gross Domestic Product
GPRS	Grants for Private Sector Research and Development
LTCCP	Long Term Council Community Plan
ME	Ministry of Education
MED	Ministry of Economic Development
MfE	Ministry of the Environment
MORST	Ministry of Research Science and Technology
NRI	Ngati Ranginui Iwi Incorporated Society
NZTE	New Zealand Trade and Enterprise
PTE	Private Training Establishment
RDC	Rotorua District Council
RLTS	Regional Land Transport Strategy
RTA	Road Transport Association
SBN	Sustainable Business Network

Abbreviation	Description
SGIC	SmartGrowth Implementation Committee
SME	Small and Medium Enterprises
SRN	Strategic Road Network
SSPA	Secondary Schools Principals Association
CT	Creative Tauranga
TCC	Tauranga City Council
TEC	Tertiary Education Commission
TECH NZ	Technology New Zealand
TMBA	Te Raranga Maori Business Association
TMMTG	Tauranga Moana Maori Tourism Group
TNZ	Transit New Zealand
TPFF	Te Puke Fast Forward
Tsm BOP	Tourism BOP
UoW	University of Waikato
WBOP	Western Bay of Plenty
WBoPBIF	Western Bay of Plenty Business Investors' Forum
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatane District Council
YES	Young Enterprise Scheme

Document Layout

The layout of this strategy document and the information in each section is as follows:

- **Summary**

Summarises the key issues and critical actions to be undertaken, for successful implementation of the strategy.

- **Vision Statement**

Provides a word picture of how the sub-regional economy should look in 2015, and the outcomes that need to be met to achieve the vision.

- **Introduction**

Contains an outline of sub-regional activity, benefits of Smart Economy, previous economic development initiatives and strategies, and key elements of the economy.

- **Context**

Provides global, national and regional “scene setting” information.

- **Strategy Relationships**

Outlines the initiatives already underway relating to the sub-region’s economy, and SmartGrowth, which relates to growth management in the Western Bay of Plenty sub-region.

- **Implementation Methods**

Describes actions required to achieve the vision and outcomes for the sub-region.

The implementation methods have been grouped into issue areas that broadly correspond to the themes within the vision.

- **Actions**

Actions are the tasks that need to be carried out as part of the overall Strategy. They are specific, and often have a start and end point. For each action, a table has been developed with the information to be included noted below.

1.					
Action Areas					
	Lead Agency	Other Agencies	Timing	Cost	Measure

- **Priority**

The priority is when the action needs to happen. The priorities take into account:

- Impact on overall strategy.
- Organisational capacity.
- Planning cycles.
- Alignment with other strategies.

- **Lead Agency**

The lead agency is the organisation responsible for initiating and leading the action. The Lead Agency may be a Local Government organisation, Government department or other external agency. The lead agency does not provide unilateral policy direction. Policy direction will result from the lead and support agencies working collaboratively in accord with the Smart Economy Strategy.

- **Other Agencies**

The other agencies can be one or many organisations that will assist the lead agency deliver the Action.

- **Cost**

This is an estimate of the cost to implement the Action. Costs are total project costs, unless otherwise stated, e.g. where a cost may be an ongoing annual cost.

The lead agency is not “bound” to include these costs within their agencies annual budgets but have committed themselves to the responsibility of identifying funding avenues and sourcing these funds to achieve the relevant action. In many cases avenues for funding actions have previously been identified as part of the strategy development. Should the funding not be available within the timeframes stated, the monitoring group for the strategy will adjust the timeframes as necessary.

Costs are not necessarily additional costs as there may be a change of priorities within organisations to carry out actions.

Often actions are already committed or already being provided by existing resources by an organisation, in part or in total, and this is noted where it applies.

Estimates vary in their level of confidence and have been rated in accordance with the following table:

Rating	Description	Definition/Example
5	Unreliable	Derived from unsubstantiated assumptions. Best guess
4	Very uncertain	Preliminary estimate. Estimated without good analysis or detailed design.
3	Uncertain	Derived from draft estimates, extrapolations, and supplier projections
2	Reliable	Based on detailed estimate, analysis, investigation, design and/or independent market valuation
1	Highly reliable	Contract/Tender Price

The Western Bay of Plenty is the business location of choice based on sun, sea, soil, and skills, resulting in a highly productive, competitive, and export-based economy.

Section 2 Background

2.1 Sub-Regional Activity

The Western Bay of Plenty sub-region includes both Tauranga City and Western Bay of Plenty District. The region has had and continues to experience high population growth with a projected increase from 130,000 people in 2001 to approximately 198,000 people in 2021 and 284,000 in 2051.

In recent years the Western Bay of Plenty has been one of fastest growing regions in New Zealand in terms of economic activity which has included a significant emphasis on land development and residential construction, growth in the retirement sector such as retirement villages, the thriving horticulture and agriculture sectors, major growth and expansion of the Port of Tauranga.

The NZIER projections arising from the SmartGrowth project show strong growth in the retail, accommodation, café and restaurant sector, with a reduction in the numbers of people employed in the agriculture sector, although it remains a significant economic activity.

Concerns arising from examining existing business activity and the projections are an emphasis on low wage and low skill activities.

The strategy development project has involved a partnership of Tauranga City Council, Western Bay of Plenty District Council and Priority One, key agency and industry representatives, including Maori business and NZ Trade & Enterprise.

2.2 Benefits: Smart Economy Strategy

There are several benefits arising from the preparation of an economic development strategy. They are:

- A common understanding of economic drivers for the sub-region and alignment in respect of a sub-regional approach.
- Improved linkages and coordination between and within, all parts of the economic sector.
- An opportunity to align regional priorities with those of Central Government following the May 2003 Government/Business Economic Forum.
- Identification of key opportunities and priorities.
- A set of agreed stretch targets, actions, timings and resources to support the strategy implementation.
- A framework for evaluating success.

2.3 Existing Base Case

The following is a brief summary of the common conclusions that have arisen out of the literature during the documentation of the base case.

- **Quality of Life and Quality of Place:**

Economic development literature in recent times has advocated the importance of quality of life and quality of place in terms of attracting people, in particular high human capital, to a region. There has been a shift in refocusing economic development away from companies and towards people. This goes hand in hand with understanding more fully the factors that influence the location decisions of firms. The basic premise is that companies and businesses will be attracted to places with high human capital. High human capital is attracted to places that can offer a good quality of life.

The literature suggests that the following factors are important in terms of quality of life: variety of goods and services; aesthetics and physical setting, good public services, speed (ease of movement). In addition, quality of place can be promoted by (1) transformation of the built environment; (2) construction or implementation of symbolic features; (3) production of 'texts' such as promotional images and logos.

This trend permeates through much of the recent literature that has been reviewed for the base case. The focus of an appreciable amount of economic development policy is now on "investing in a 'people climate' as a complement to the more traditional 'business climate' strategies"¹.

- **Knowledge Economy:**

The slow development of the knowledge economy, both nationally and within the Western Bay of Plenty, can be seen as a weakness. Central government policy has stipulated that they intend to encourage development and growth in biotechnology and information and communication technologies and creative industries.

The knowledge and technology sector is often cited in the literature as an area which the Western Bay needs to encourage.

- **Small and Medium Enterprises (SME):**

Small and medium sized businesses are very important to the New Zealand economy as most businesses in New Zealand are small businesses. Providing business support and paying attention to business compliance costs has been identified in the literature.

¹ Florida, 2001, *The Economic Geography of Talent*, unpublished discussion paper, Carnegie Mellon University, Pittsburgh

- **Key Sectors:**

The following sectors have been recognised throughout the literature as consistent achievers in the Western Bay in terms of contributing to the economy and employment growth:

- Primary sectors (agriculture, horticulture, food processing)
- Construction
- Business Services
- Transportation and Storage (including the Port)
- Retail / Wholesale

Other important sectors are: education, health and community services and tourism.

The 'third age' (retirement) industry is seen as having more development potential. The Western Bay attracts high numbers of retirees and the literature notes that the region should take full economic advantage of this. This can be achieved through the provision of services and products that meet the specific needs of an ageing population.

The emphasis is on the economic opportunities of providing world class business services, as well as research, education and training. Therefore the focus is much wider than simply delivering social services to the elderly.

What is evident from the literature is that the tourism industry in the Western Bay is under-developed. Various reports have pointed to the potential for tourism to grow in the region and become a core sector. Tourism Bay of Plenty has identified specific actions to lift the tourism industry in the region such as destination marketing and increasing visitor spend and length of stay.

Also evident is the importance of the Port to the sub-region. The Port has a significant impact on the economy and a high number of jobs are attributable to Port operations. The Port's economic impact is expected to increase.

The education sector is seen as an important area that needs to grow in the Western Bay. It is generally accepted in the documents reviewed that the Government is unlikely to allow another university in New Zealand in the near future. The approach advocated is to co-ordinate the existing tertiary institutions and to develop research centres. Some of the literature has identified the need for a tertiary strategy for the Western Bay.

- **Importance of Infrastructure:**

Infrastructure issues are viewed in the literature as a key component of economic development. Infrastructure includes both hard and soft infrastructure.

One of the most important infrastructural issues for the sub-region is transport. In particular, traffic and roading. High Population growth has placed increased pressure on the sub-regions roading infrastructure. The ACCESS partnership has been set up to address the issue. The airport is also another infrastructural concern highlighted in the literature. The main points of concern are land use and where the airport should be located, services provided, and linkages with other transport facilities. The need for transport linkages has also been noted in the literature. The message is clear, an efficient transport network is vitally important to the future prosperity of the sub-region.

Tourism infrastructure has also been raised within various reports and reviews. Most notable is the shortage of international standard accommodation, a convention centre and cultural / arts facilities. Infrastructure also ties in with business costs and the ability of the region to attract human capital.

- **Business Land:**

Several studies have been done and associated reports produced concerning business land in the Western Bay of Plenty sub-region. The conclusion in each has been that there is a lack of such land in the sub-region and that this is affecting the economic development of the region.

- **Areas to Address:**

The literature relating to the economic performance of the Western Bay points to the need for higher skills and higher incomes. Providing a wider choice of recreational, cultural and artistic opportunities is also cited as an area that the Western Bay should develop.

At present, population growth is exceeding business and industry growth. While increases in population is leading to growth there has to be business and employment opportunities for the people in the region.

Various strategies and actions have been recommended in the literature to address these issues. One is the need for a skill-gap analysis which is currently being undertaken by Priority One. This should assist in filling gaps in the labour market and identifying / creating job opportunities for people moving to Tauranga. Another is to encourage investment and new business in the region and to encourage growth in the knowledge and technology sector and in tourism.

Maori population in the Western Bay of Plenty sub region is expected to treble from the existing 20,000 people to 60,000 by 2050. As part of this population increase it can be assumed that the Maori workforce will grow. Maori involvement is another important issue identified in some of the reports. Attention should be paid to Maori education and training and employment, Maori entrepreneurs, and Maori development.

There is significant multiple Maori land in the Western Bay of Plenty. Hapu and Iwi management plans will provide an opportunity for discussion and agreement on how the potential of this land will be realised from an economic perspective.

Section 3 Sub-Regional Context

3.1 Business and Economic Development Organisations

In 2002, the Western Bay of Plenty business community in partnership with the then Tauranga District Council, established Priority One. Priority One and the Chamber of Commerce took over the previous functions of the Economic Development Agency. A key element of the Priority One initiative, has been the involvement of business both in its establishment, operation and funding.

Western Bay of Plenty District Council, Tauranga City Council and Environment Bay of Plenty are major funding partners, together with significant funding provided by business. Local agencies having a business and economic development role include:

- Priority One
- Chamber of Commerce
- Export New Zealand (Bay of Plenty)
- Tourism Bay of Plenty
- Sustainable Business Network
- Maori Business Network

3.2 Sub-Regional Employment

The sub-regional economy is comprised of a number of sectors and the significance of each of these in terms of contributing to employment is discussed as follows. In addition, there has been a pro active initiative by Priority One, in conjunction with the Bay of Plenty Polytechnic, Tauranga City Council, Work and Income New Zealand, to undertake a skills gap analysis. This is discussed in respect of the strategy and implementation plan, but provides a good basis on which to understand where possible opportunities lie and ensure that the necessary action is undertaken by aligning with employers, educational institutions and others. A precise of the skills gap analysis follows.²

- **Education Sector:**

In 2003, the education services sector employed 2,759 full-time equivalents, providing 5.4% of the Western Bay of Plenty's total employment. There has been 6.4% growth in employment in the education sector in the sub-region between 1996 and 2001, compared with a national growth rate of 3.7%. From 2003 to 2007, employment in education services is projected to increase by 200 full-time equivalents (7.2%).

² These figures are derived from the Skill Gaps analysis survey of 2003 and Census data 2001

- **Agriculture Sector:**

In 2001, the combined agriculture and horticulture sectors employed around 4,700 full-time equivalents, providing 9.7% of the Western Bay of Plenty's total employment. Projections of economic activity and land-use trends indicate that the primary sector will remain important as a source of raw materials for growth in the manufacturing, services and transport sectors. However, there is no projected growth in employment in the agriculture sector within this sub-region over the next five years.

- **Construction Sector:**

In 2003, the construction sector employed 4,653 full-time equivalents, providing 9.1% of the Western Bay of Plenty's total employment. The region's construction industry contributes to a greater proportion of the local economy than it does nationally. This is largely driven by high population growth (17% in Tauranga city and 9% in Western Bay of Plenty district, compared to 3% nationally between 1996 and 2001).

- **Forestry and Wood Processing Sector:**

In 2001, the forestry sector employed 200 full-time equivalents in the forestry and logging sub-sector, and 1,100 in the wood and paper product manufacturing sector, providing a combined 2.7% of the Western Bay of Plenty's total employment. Between 1996 and 2001, the sub-region experienced higher growth in employment in wood and paper product manufacturing than the national average (3.7% compared to -0.3% nationally) and also less of a decline in forestry and logging (-9.3% compared to -17.2% nationally).

While growth is not anticipated in forestry and logging within the Western Bay of Plenty, growth in employment will occur in wood and paper products manufacturing, well able to build on existing businesses and business strengths in further processing the primary products of the wider Bay of Plenty region. Employment in forestry and wood processing is projected to increase by 100 full-time equivalents between 2003 and 2007.

- **Health and Other Social Services Sector:**

In 2003, the health and social services sector employed 4,934 full-time equivalents, providing 9.7% of the Western Bay of Plenty's total employment. As one of New Zealand's premier retirement destinations, 16.4% of the sub-region's population is over the age of 65, compared to 12.1% nationally. As the population continues to age, it is estimated that 17.4% of the sub-region's population will be over 65 by 2006/07. This is reflected by the over-representation of health services in the local economy, compared to at the national level.

It is estimated that employment in the health sector is to grow by 400 full-time equivalents (8.1%) between 2003 and 2007, although this is likely to be higher as the industry is already growing at levels faster than anticipated.

- **Horticulture Sector:**

In 2001, the combined horticulture and agriculture sectors employed around 4,700 full-time equivalents (9.7% of total employment in the sub-region).

Kiwifruit is the most important horticultural crop produced in the Western Bay of Plenty (the sub-region has 62.3% of New Zealand's planted kiwifruit area). Avocados are the next most important (two-thirds of the total national crop is produced in the sub-region) and is the main growth crop.

Employment in the avocado sub-sector is projected to increase by 345 full-time equivalents between 2002 and 2006, while the kiwifruit sub-sector is likely to reduce layout requirements while increasing production. Overall, while some growth is anticipated in employment in the avocado industry, this will be negated by further efficiencies in the kiwifruit industry.

In 2001, 34.7% of those in the workforce aged over 65 were employed in the agriculture sector in the Western Bay of Plenty and 17.6% were aged between 55 and 64 years. This presents significant issues for the horticulture industry, as while little growth in total employment is anticipated, workers who reach retirement need to be replaced.

- **Manufacturing and Engineering Sector:**

In 2003, the manufacturing and engineering sector employed 6,636 full-time equivalents, providing 13.0% of total employment in the Western Bay of Plenty and making this sector the most significant in the sub-region in terms of employment.

Food and beverage is the largest manufacturing industry in the Western Bay of Plenty, closely tied to processing of horticulture and dairying produce in the sub-region. Non-metallic mineral product manufacturing and furniture manufacturing are well represented in the sub-region, which is a result of break bulk fertilizer and salt industries associated with the port and proximity to the largest forestry production area in New Zealand. Employment in the manufacturing and engineering sector is projected to increase by 500 full-time equivalents (7.5%) over the period 2003 to 2007.

- **Professional and Business Services Sector:**

The professional and business services sector provides a significant proportion of employment in the Western Bay of Plenty, although the sector is under-represented when compared to national levels. In 2003, the sector employed 6,195 full-time equivalents providing 12.2% of total employment in the sub-region.

The estimated increase in employment in the sector between 2003 and 2007 is 700 full-time equivalents (600 in the business services sub-sector and 100 in finance and insurance) or 11.3%.

- **Personal and Other Services Sector:**

In 2003, the personal services sector employed 1,754 full-time equivalents, providing 3.4% of total employment in the Western Bay of Plenty. This sector was over-represented in the sub-region, and regional employment in this sector grew at a higher rate than the national level between 1996 and 2001. The personal services sector is one of the service industries with the highest projected growth rates nationally (3.0% annual average GDP growth projected between 2002 and 2007).

- **Wholesale and Retail Sector:**

Retail is one of the largest industries in the Western Bay of Plenty. In 2003, the retail trade sub-sector employed 6,464 full-time equivalents, providing 12.7% of the Western Bay of Plenty's total employment. In 2003, the wholesale trade sub-sector employed 2,818 full-time equivalents (5.5% of total employment in the Western Bay of Plenty). Between 1996 and 2001, employment in both retail and wholesale trade in the Western Bay of Plenty grew much faster than the national average.

Employment in the wholesale trade sub-sector is estimated to grow by 200 full-time equivalents (7.2%) between 2003 and 2007. Over the same period, retail trade is projected to grow by 800 full-time equivalents (12.4%). It is expected that retail trade will continue to be one of the most important sectors contributing to employment in the Western Bay of Plenty and will experience the highest employment growth of all industries in the sub-region.

- **Government Services Sector:**

In 2001 the government services sector employed 1162 full-time equivalents and provided 2.3% of the sub-regions total employment. Employment in this sector is projected to increase by about 8.6% between 2003 and 2007

- **Transport, Distribution and Logistics Sector:**

This sector provides for approximately 6% of total employment in the Western Bay of Plenty. It is projected that there will be a 9% increase in employment levels in the period 2004 to 2007.

- **Tourism and Hospitality Sector:**

In 2001, the tourism and hospitality sector employed 2,544 full-time equivalents, providing 5.0% of the Western Bay of Plenty's total employment. A high proportion of regional employment in the tourism and hospitality sector is of a part-time nature. This is reflective of the high proportion of domestic visitors to the sub-region and the very seasonal nature of the industry over the summer months. Assuming that the mix of domestic and international visitors remains constant and that the Western Bay of Plenty maintains its market share, growth in tourism will be between 5% and 8% per annum by 2010.

Employment in the tourism and hospitality sector is projected to increase by around 500 full-time equivalents (19.7%) between 2003 and 2007 in the Western Bay of Plenty. Most of this growth is projected in the accommodation, cafes and restaurants sub-sector (300), with further growth in the cultural and recreational services (200).

Section 4 Strategy Relationships (SmartGrowth, Government Strategies & Initiatives)

4.1 Initiatives Underway

There are other significant projects underway in the sub-region such as SmartGrowth (sub-regional growth management), Community Outcomes processes, Regional Land Transport Strategy and Long Term Council Community Plans, Access, Priority One and Chamber of Commerce initiatives. The LTCCP is a 10 year strategic planning document that is required in terms of the Local Government Act, 2002.

In addition, there is to be the development of a regional tertiary education model to deliver strategies and there are tourism and sector strategies under development or in place.

Consideration is to be given to these initiatives, industry and projects so there is a linked and co-ordinated strategy approach. SmartGrowth is a joint project of Tauranga City Council and Western Bay of Plenty District Council, Environment Bay of Plenty and Tangata Whenua, with the objective of ensuring that growth happens in a way that protects the quality of life that we have now and that people are coming to experience.

The goal of the project is to prepare an agreed strategy for the Western Bay of Plenty sub-region which will make provision for sustainable urban and rural development, specifically for the next 20 years and generally for the next 50 years. This will include ways of implementing the strategy for any of the partners to the strategy to either individually or collectively use.

The SmartGrowth Project has completed the following work:

- Analysis of the current economic base of the region with particular emphasis on identifying key potential economic drivers and capabilities of the future
- For key potential economic drivers and capabilities, analysis of :
 - Sustainability of the sector
 - Impact on employment growth
 - Risk and identification of sectoral vulnerability
 - Dependency of the sector on population growth
 - Key external influences on the sector
 - Sectoral requirements for physical land use and infrastructure
 - Sectoral impact on the environment.

- Impact on social aspects of the community
- Enabling requirements for sectoral growth.

In parallel with the SmartGrowth economic research work undertaken, a partnership workshop was held (August 2002) to discuss how the SmartGrowth research would be utilised and applied. The workshop was attended by elected members of TCC, WBOPDC and EBOP, together with Tangata Whenua representatives, business leaders, and representatives of the education sector. There was general agreement of the need for a separate process (outside of SmartGrowth) to build on the outputs of the SmartGrowth work and other existing knowledge, to produce an economic development strategy and implementation plan (Smart Economy).

A fundamental principle is that all long-term planning and decision making will be aligned with SmartGrowth. The SmartGrowth project research reports and analysis will form a key input into all long term planning of the Western Bay of Plenty sub-region. Particular issues and challenges raised include:

- Challenge to drive productive economic growth from the population growth.
- Identify potential economic growth sectors while building on existing strengths
- Lack of sufficient affordable commercial land
- Issues associated with Port of Tauranga being biggest export port including expansion and transportation links
- Low average income and relatively high unemployment

4.2 Community Outcomes

The Local Government Act 2002 (LGA 2002) requires local authorities to carry out a process to identify community outcomes for the intermediate and long term future of its district or region. The Western Bay of Plenty District Council, Environment Bay of Plenty and Tauranga City Council are taking different approaches to this requirement. The Western Bay LTCCP was completed in 2003 and contains the community outcomes of that district.

Tauranga City Council, together with Environment Bay of Plenty, has established a community based process to identify community outcomes.

Section 5 Sustainable Economic Development

This strategy reflects a commitment to the principles of sustainable development – achieving economic outcomes whilst also contributing to better social, environmental and cultural outcomes.

It is based on a “quadruple bottom line” approach which recognises that economic, social, cultural and environmental outcomes must be mutually reinforcing. For example education can play a pivotal role in tackling social issues such as crime, poverty, sub-standard housing, and poor health, and can help break the vicious cycles associated with these issues.

Maintaining a high quality environment is critical given the region’s dependence on primary production. A high quality environment is an important component of creating a place that is attractive for people to live, work, invest and play.

Offering a wide variety of art, leisure and cultural attractions is internationally recognised as a source of competitive advantage. To ensure that this strategy remains tightly focused the approach that has been taken, is to emphasise sustainable economic development, whilst recognising the linkages that exist between the economy, the environment and society generally.

Section 6 Vision and Outcomes

6.1 Smart Economy Vision

The vision for the Western Bay of Plenty in respect of its economic development is that:

The Western Bay of Plenty is the business location of choice based on sun, sea, soil and skills, resulting in a highly productive, competitive, and export based economy.

This vision will be achieved by transforming the region's existing strengths into major competitive advantages. These strengths include highly productive soils, an exceptional growing climate, a range of lifestyle attractions; an export focused manufacturing base and the largest export port in New Zealand. Icon industries include horticulture, food processing, and high-tech manufacturing businesses producing a range of products.

By increasing productivity within primary and other sectors, the sub-region has an opportunity to extend its current export gateway role to generate a greater share of exports produced within the Western Bay of Plenty. In doing so it must increase productivity within its core competencies to become a high value-added economy consistently performing above the national average.

6.2 High Level Outcomes

By implementing strategies to achieve this vision, the sub-region expects to achieve the following high level outcomes in ten years³:

- Per capita GDP has grown faster than the national average
- Value of the sub-region's exports as a proportion of total output has increased
- Survey of businesses shows that business profitability has increased
- Average household income has increased faster than the national average
- There has been a reduction in the percentage of households in the bottom quartile of national income
- Appropriate training and attracting skilled labour will halve the skill gaps identified in 2004 through the skill gap survey by 2009.
- Level of skills of workforce has increased relative to the national average.

The achievement of these outcomes will contribute both to a sustainable and thriving economy together with delivering an enviable quality of life.

³ Unless an alternative timeframe is stated

Section 7 Themes

In order to achieve the vision and outcomes, a strategy has been developed which target the drivers of economic development and removes barriers to such development.

▪ Targeting the drivers for economic development (existing and future)

Sustainable economic development in the region in the region will require:

- Moving up the “value chain” so that the region’s output is based on adding significant value to primary products, rather than simply supplying basic commodities. This is critical in order to increase export earnings, and will help shield the economy from wide fluctuations in commodity prices.
- Diversification so that the economy is less dependant on a relatively narrow range of sectors.
- Business practices in all sectors that reduce the ‘draw’ on natural resources and minimise waste output to the environment.

These two imperatives will be achieved by building on existing strengths, as well as being receptive to new areas of opportunity.

The Western Bay of Plenty sub-region has a number of existing strengths, and this strategy must focus on turning these strengths into a source of competitive advantage, in line with the vision for the sub-region. They include:

- Existing strengths and/or opportunities already identified in several **sectors** that have the potential to contribute to a productive and competitive, export based economy. Key sectors for development include horticulture, agriculture, dairying, food processing, marine sector, health sector, and some manufacturing sub-sectors. The strong “transport and storage and finance” sector has an important role to play in supporting these key sectors. The economy also has significant strengths in construction, tourism, retail, financial services and creative industries. These sectors also have an important role to play both in driving and supporting economic development.
- The **Port of Tauranga** which is already the country’s largest export port. The Port is both a source of competitive advantage, and a generator of economic activity in its own right. Industries such as horticulture, wood industries, and dairy industries are heavily dependent upon the Port and in turn, drive much of the Port’s activities. Proximity to the port should be a major source of competitive advantage for exporting industries. Efficient roading and rail linkages are an integral part of this. The issue regarding the expansion of the Port business south towards the airport land and its resulting impact on the operations of the Port has been circumvented for the short term via the recent signing of a Memorandum of Understanding between the airport and the Port. Ongoing investigations need to occur to determine viability of co existence in the long term.

- A **stunning location** offering beaches, water based and bush activities, and a pleasant climate. By extending the range of recreational, cultural, and artistic opportunities on offer the sub-region will be in a better position to attract skilled workers, entrepreneurs and investors. In addition events and infrastructure associated with such opportunities are an important source of economic activity.

As well as building on existing strengths, this strategy promotes diversification of the economy, being receptive to, and actively pursuing new opportunities. It is not possible to accurately predict the new sector-strengths that will emerge in the next ten years – however they are likely to have certain characteristics including “clean”, high-tech, value added, export-oriented and intensive.

▪ **Removal of sub-regional barriers**

As well as policies that build competitive advantage this strategy is focused on removing sub-regional barriers or inhibitors to economic development. The following three critical barriers to achieving the vision and outcomes have been identified as the most important to address.

- The strategic **roading network** which is incomplete and has insufficient capacity to service the needs of the business community – the movement of products, services and people.
- A critical **shortage of land** zoned for business purposes. Whilst new business areas have been identified, there is a need for these to be prioritised and action plans to be developed that will ensure that the appropriate zoning and infrastructure is established – including the roading infrastructure.
- A number of industries unable to recruit employees with **appropriate skills**.

For Western Bay of Plenty businesses to be able to compete globally will require these barriers to be removed. As well as these three critical barriers the strategy identifies other current blockages such as an unstable power supply. Note that these barriers are not necessarily the only ones faced by businesses in New Zealand, but they are the barriers that the sub-region has some control over. For example business compliance costs, especially for small businesses, have come under increasing scrutiny in the last 2-3 years, however because these relate to national legislation and policy they are not dealt with in this strategy.⁴

The Smart Economy Strategy is organised around the following five themes. The first two themes are focused mainly on targeting the drivers of economic development to build competitive advantage while the third and fourth themes will help remove the barriers. The fifth theme is about the partnerships and alliances needed to implement the strategy.

⁴ The exception is compliance costs associated with council regulatory processes which are included.

7.1 Innovation and Entrepreneurship - “The culture”

Innovation is the creation of new ideas, products, and processes. In the modern “creative economy” innovation is usually achieved through creating and applying new technology. Entrepreneurship is the commercial application of innovations to **enhance productivity and add value**, within businesses of all sizes and within/across sectors. This theme is, therefore, about applying innovation to add value to the primary product base of the economy transforming it into a high productivity economy that is globally competitive within its market niches. Sectors that have already been identified as holding significant potential for the region including horticulture, agriculture, dairy, food processing, marine sector, health services, and some manufacturing sub-sectors. In addition there are opportunities to expand into new high-tech and creative sectors. Innovation within an industry can often occur when businesses control more of their supply chain, either directly, or through the relationships that they have with their suppliers/contractors. There is a strong link between this theme and “Networked Economy”, because business clustering is one of the key tools that can promote innovation and improved productivity and performance across an industry sector, or sub-sector. There is a need to nurture the link between innovation, education and business.

7.2 Lifestyle – “The place, the people”

This theme is about creating places, facilities, activities and events so as to turn the Western Bay of Plenty’s **lifestyle advantages** into a source of **competitive advantage** for the sub-region. It is also about the significant economic spin-offs that can result from investment in lifestyle – from building facilities to hosting major events, to manufacturing lifestyle products. Recent overseas research has highlighted that competitive cities are cities that can attract skilled human capital and investment by offering the lifestyle that talented people seek. This means retaining the region’s high quality natural amenities (the beaches, waterways etc) and adding to them a diverse range of recreational, cultural and artistic attractions. These types of attractions will enhance the lifestyle the region can offer to investors and skilled human capital, as well as attracting visitors and contributing directly to the economy. The sub-region has already started to specialise in the development and manufacturing of lifestyle products, an example being Blokarts, and the strategy explores opportunities to extend this direction.

7.3 Business Environment – “The basics”

This theme is about creating an environment in which sustainable economic growth can occur. It is primarily about **removing external barriers to business competitiveness**, by ensuring that infrastructure is capable of meeting business needs, and that sufficient serviced land is available at a competitive price and that businesses operate in a sustainable manner in respect to their impact on the environment. The sub-region is currently perceived as a relatively expensive place to do business, as well as having major roading and business land constraints. Transport limitations are also a potential threat to the competitiveness of the Port of Tauranga. Unless these constraints are removed, any initiatives aimed at building competitive advantage will have limited impact. In order for these constraints to be removed, the sub-region requires that decision makers and the wider community understand the needs of the economy and are committed to addressing these needs.

7.4 Education and Skills – “The people”

This theme is about developing a **highly skilled work force** that meets the needs of a **competitive, export led economy**. It encompasses school and tertiary education as well as industry based training and up-skilling. Recent research has revealed a number of major industries which are facing significant problems in recruiting people with the right skills. An immediate priority is addressing the skill-gaps which are a barrier to current economic growth. A critical longer term priority is keeping abreast of changing industry needs, and putting in place initiatives that will ensure that the future labour force develops skills in line with the region’s competitive strengths. The starting point for strategies under this theme is demand based, such as what skills does the economy require? The approach, however, is very much people based. How can young people, in particular, be encouraged to obtain the education and skills required to contribute to the productive economy?

7.5 Networked Economy – “The linkages”

This theme is about developing the **partnerships, alliances, networks** and information flows that will produce results across the entire strategy. It is about businesses within and across sectors working together for mutual gain. For example it includes the formation of business clusters (groups of businesses who may also compete with each other) to develop joint marketing, exporting or research initiatives. But it is much wider than this and includes partnerships between local government and business, between the region and central government, and between the education sector and business. For example, the critical barriers identified such as the poor roading network and lack of business land will not be solved without significant cooperation between all stakeholders. The Western Bay of Plenty sub-region is already one of the most networked places in New Zealand. It has the largest Export New Zealand branch, a very strong Chamber of Commerce, and Priority One which is unique in its mix of private and public sector funding. In addition, the sub-region has strong industry groups, a very good relationship with Trade and Enterprise New Zealand, and SmartGrowth – a model for a cooperative approach to managing growth. “Networked economy” is also about recognising that the sub-region is part of a wider regional and national economy and that in many cases, collaboration may be mutually beneficial.

Section 8 Smart Economy Action Review - 2007

8.1 Process

The Smart Economy strategy commenced implementation in August 2004. In November 2006 the Smart Economy Implementation Group met to discuss how well the strategy is tracking and to identify any changes required. This process flagged a number of changes that will impact on the economy and provide opportunities for additional actions. It was decided to undertake a review of Smart Economy actions during January and February 2007 through a series of workshops with key stakeholders.

A Review Panel was established comprising representatives from Tauranga City Council, Western Bay of Plenty District Council, New Zealand Trade & Enterprise, Priority One and members of the group that developed the Smart Economy strategy. The implementation plan was reviewed in consultation with lead and support organisations and other key stakeholders.

As a result, completed actions were moved to a new section, actions that were no longer relevant were removed and new actions were included to reflect changes in the economy since implementation. A list of priority actions for the next 18 months was identified and a new governance structure established to more effectively drive implementation. The revised implementation plan was signed off by the respective boards of organisations with lead and support responsibilities to ratify changes and endorse the direction of the plan.

8.2 Progress and Changes since Implementation (2004)

- **Population growth**

The 2006 census has confirmed the continuing high population growth, as projected by SmartGrowth.

- **Economic performance**

Higher than the national average in business growth, productivity growth, GDP and GDP per capita for the sub-region in 2006.

- **Transportation**

Key components of the Smart Transport Corridors project have now been completed, partly completed or included in Transit New Zealand's work programme.

- **Business land**

600 hectares of business land will be coming on stream in the next few years.

- **Tertiary education**

The Tertiary Education Board has been established and strong direction provided by the Tertiary Education Commission in terms of delivering complementary programmes according to community/business needs.

- **Power supply**

Increasing concern at capacity, security and reliability issues, particularly in rural areas such as Te Puke and in light of predicted population growth.

- **Communications technology**

The increasing importance of technology in business highlighted the need for improved broadband coverage and business implications of not having access (including deterring business relocations).

- **Collaborative partnerships**

Collaborative partnerships have developed between business support and economic development agencies, central and local government organisations, education providers and key industry sectors (Smart Business Group).

- **Other strategies**

SmartTourism, SmartArts and the Skill Gap Strategy have been developed and are now being implemented parallel with Smart Economy.

8.3 Current and Emerging Issues

- **Skill and labour shortages**

Shortages in skilled and unskilled employees continues to impede businesses and their growth. The shortage is projected to increase from 2012.

- **Maori economic development**

Treaty settlements are expected to be finalised in three to four years.

- **Sustainability**

Best use of resources and increased recognition of the economic implications of climate change

- **Water quality and availability**

Included in SmartGrowth, section 7.4.2:

Action 1: *Establish the availability of water (surface and underground) and its sufficiency to meet the needs of the sub-region*

Action 2: *Identify water short areas. Complete a water strategy and implementation plan for water allocation and underground water allocation within the sub-region.*

8.4 Priorities

The review has identified the following priority areas for implementation of Smart Economy:

- Tertiary education and research
- Innovation/business parks
- Growth of export sector
- CBD development
- Power supply and broadband.

8.5 Governance



8.6 Governance Changes as a Result of Smart Economy Action Review

- The Smart Economy Implementation Group has been renamed the Smart Economy Forum.
- A smaller governance group has been set up to be called the Smart Economy Action Group (SEAG).
- The SEAG will comprise representatives from the following organisations:
 - Priority One
 - New Zealand Trade & Enterprise
 - Western Bay of Plenty Tertiary Education Forum
 - Tauranga City Council
 - Western Bay of Plenty District Council
 - Environment Bay of Plenty
 - Two representatives from the Smart Economy Forum (currently from the horticulture/agriculture sectors and the Sustainable Business Network).
 - Two representatives from Smart Business Group (currently from the Chamber of Commerce and Export NZ BOP).
- Monthly meetings of the Smart Economy Action Group will be convened.
- The SEAG chair and administration responsibility shall be with Priority One.
- Key roles for the Smart Economy Forum are undertaking lead and support responsibilities, as identified for each organisation, networking, collaboration and information sharing.

Section 9 Monitoring

The monitoring of the Smart Economy actions is necessary to ensure implementation occurs given the range of agencies that are involved. It is envisaged that there be two functions

- A Smart Economy Action Group (SEAG) who will meet to carry out an 'audit' of the progress of the strategy against the timeframe milestone.
- Administrative agency whose primary role will be to oversee the implementation of actions by the strategy partners and co-ordinate the monitoring body.

9.1 Smart Economy Approach

The Smart Economy approach is as follows:

- The Smart Economy Action Group (SEAG) and the administrative agency are committed to the implementation of Smart Economy strategy and actions.
- The agencies will at all times seek a co-operative approach to addressing issues relating to the project.
- It is the intention of the agencies that implementation of the work actions as outlined in the approved strategy will be achieved by co-operation and consensus.
- The agencies believe that this monitoring approach is an important mechanism to build and strengthen the constructive relationships that have developed between them and provides ability for issues to be considered in a measured, effective and timely manner.
- Each agency is committed to acting in good faith in meeting their obligations in respect of the Smart Economy strategy and implementation plan.

9.2 Smart Economy Action Group Role

The Smart Economy Action Group is a high level governance group established during the 2007 review of Smart Economy actions to:

- Follow up and drive actions.
- Assist in resolving resourcing issues.

- Maintain national and international strategic awareness.
- Anchor collaboration.
- Identify implementation gaps.
- Consult with sector groups, as appropriate, in driving Smart Economy actions.
- Check ongoing validity of actions and measures, including three yearly review.
- Report to Smart Economy Forum.
- Communicate Smart Economy actions and progress to industry sectors and the community.
- Set agendas for quarterly Smart Economy Forum meetings.

The SEAG comprises representatives from the following organisations:

- Priority One (chair meetings, administration function and six monthly reporting responsibility to SmartGrowth, Joint Governance Committee and EBOP).
- New Zealand Trade & Enterprise.
- Western Bay of Plenty Tertiary Education Forum.
- Tauranga City Council.
- Western Bay of Plenty District Council.
- Environment Bay of Plenty.
- Two representatives from the Smart Economy Forum (currently industry representative and SBN).
- Two representatives from Smart Business Group (currently Chamber of Commerce and Export NZ BOP).

9.3 Smart Economy Forum Role

The Smart Economy Forum meets quarterly, with meetings chaired and administered by Priority One. Key roles include:

- Undertake lead and support responsibilities, as identified for each organisation.
- Networking, collaboration and information sharing.
- Support of strategy partners that have been identified in achieving the agreed objectives.
- Facilitate forums and encourage Council and business community participation.

The Smart Economy Forum comprises the following agencies and organisations, as well as representatives from key industry sectors in the region:

Art Gallery Trust	NZ Kiwifruit Growers Inc	Te Puni Kokiri
Bay of Plenty Cricket	Priority One	Te Raranga Maori Business Association
Bay of Plenty District Health Board	Private Tertiary Education Providers	Tertiary Education Commission
Bay of Plenty Polytechnic	Secondary Schools Principals Association	Tourism Bay of Plenty
Creative Tauranga	Smart Business Group	Transit New Zealand
Environment Bay of Plenty	Smart Transport Corridors	University of Waikato
Export NZ BOP	Sustainable Business Network	WBOP Business Investor's Forum
Food Bay of Plenty	Tauranga Chamber of Commerce	Western Bay of Plenty District Council
Global BOP	Tauranga City Council	Work and Income
Museum Trust	Tauranga Moana Maori Tourism Trust	
New Zealand Trade & Enterprise	Te Puke Fast Forward	

9.4 Smart Economy Administrative Agency Role

The agency will have the following roles:

- Oversee the implementation plan, in particular the action milestones.
- Communicate action to all relevant agencies involved with the delivery of actions through the lead agencies.
- Act as the chair and administrator of the Smart Economy Action Group (SEAG)
- Priority One to act as the administrative agency for the Smart Economy strategy.
- Ensure that the Smart Economy Action Group reports to the SmartGrowth Implementation Committee and the Tauranga City/Western Bay District Joint Committee at least every six months. This is to involve reporting on general strategy implementation, and in particular, those actions the Councils have responsibility for achieving.

Section 10 Completed Actions

The following actions were identified as fully or partially completed at the review of Smart Economy actions in 2007:

Action Area	What	Lead Agency	Other	Measure	Notes
INNOVATION & ENTREPRENEURSHIP					
Attract and support innovative and export-focused SMEs/ corporate relocations, with emphasis on export sustainability <i>(Also see Networked Economy)</i>	Evaluate SMEs with sustainable export capability within the region.	Chamber	Priority One NZTE Export NZ BOP Tsm BOP Education Tauranga	SMEs with export capability identified by December 2005	The Export Led Economy strategy completed in 2006, including evaluation of SMEs with sustainable export capability within the region.
LIFESTYLE					
Invest in vibrant CBD and town centres	Develop a strategy for vibrant living centres (Te Puke and Katikati) including streetscape amenity, public space, art works and ways of integrating communities and build on identities. Should build on the community plans for Te Puke and Katikati.	WBOPDC	Priority One, Chamber, ACCESS, Creative Tga, Sport BOP, Community Boards TPFF Range of sporting, cultural and community groups that operate in these areas	Strategy completed for each township	Strategies for Te Puke and Katikati completed in 2006.
Provide high quality open space	Provide additional and upgraded regional parks, walkways, beaches and maintain amenity so that region continues to be a desirable place to live, work and play	TCC WBOP EBOP	EBOP Forest & Bird DOC	TBD	Following strategies developed and being implemented: <ul style="list-style-type: none">▪▪ Check which projects are not yet complete and re-insert into implementation plan.
	Implement Regional Parks policy and provide mechanism to identify and purchase open space opportunities e.g. <ul style="list-style-type: none">▪ Papamoa Hills Cultural Park (purchased 2003)▪ Active Rural Park (under negotiation)▪ Passive Coastal Park▪ Inner Harbour Park (purchased 2004)▪ Wilderness Park▪ Cycling Walking Strategy	TCC WBOP EBOP	Sport BOP DOC Maori Tourism	TBD	The following projects have been scheduled for construction or completed: <ul style="list-style-type: none">▪ Papamoa Hills Cultural Park▪
Provide high class sports, arts, cultural and leisure facilities and activities	Provide high class active recreation and sport facilities <ul style="list-style-type: none">▪ Aquatic Centre	TCC (as agreed by the three councils)	EBOP WBOPDC BOP Cricket	Facilities are built and operational	The following projects have been scheduled for construction or completed: <ul style="list-style-type: none">▪ Aquatic Centre

Action Area	What	Lead Agency	Other	Measure	Notes
	<ul style="list-style-type: none"> ▪ Indoor Exhibition Space ▪ Outdoor Stadium improvements ▪ Mount Reef ▪ Regional Indoor Stadium ▪ Blake Park Cricket Facility Development 		commercial interests, relevant regional sporting bodies Tsm BOP		<ul style="list-style-type: none"> ▪ Indoor Exhibition Space ▪ Mount Reef ▪ Blake Park Cricket Facility
	Provide high quality arts and cultural facilities <ul style="list-style-type: none"> ▪ Regional Art Gallery ▪ Mobile Events stage ▪ Concert Hall ▪ Tauranga Museum ▪ Kopurererua Valley Development 	Art Gallery Trust CT TCC Museum Trust Ngai Tamarawahao	TCC WBOPDC EBOP Commercial Interests	Facilities are operational	The following projects have been scheduled for construction or completed: <ul style="list-style-type: none"> ▪ Regional Art Gallery ▪ Kopurererua Valley Development
	Develop a network of local artists operating in the region.	Creative Tauranga	Tsm BOP Creative Tga TCC	Network or cluster is established.	Being undertaken by Creative Tauranga through the SmartArts strategy.
Investment in infrastructure funding	Implement Tauranga City Investment strategy with commercial interests	TCC	Priority One EBOP WBOPDC	Successful funding of projects within timeframes specified in strategy	City Partners Programme implemented in early 2003.
Tourism within the sub region	Review and refine the current Western Bay of Plenty Tourism Strategy to ensure there is an integrated tourism strategy including taking account of the Smart Economy and SmartGrowth Strategies. The strategy review includes marketing WBOP as the most diverse interactive tourism destination in New Zealand, development of New Tourism Products (attractions and activities) that are linked to marine, beach and nature environment, technology, education, aeronautics, health and wellbeing. It also includes exploring inter-regional opportunities (for example with Rotorua).	Tsm BOP	TCC WBOPDC Tourism NZ NZTE	Strategy review and alignment completed.	SmartTourism strategy completed in 2006.
	Develop and implement an action plan complete with timeframes, agencies, measures and costs. This should include additional international and domestic guest nights and the creation of new events, conferences in the shoulder and low seasons.	Tsm BOP	TCC WBOPDC	Action plan complete and implementation commenced.	SmartTourism action plan developed in 2006.
Develop a series of major events.	Implement event review to enhance existing events (including Arts Festival and National Jazz Festival), and develop new events.	SmartTourism SmartArts	Event Deliverers TCC Chamber Conference Tga	All major recommendations implemented	Event review undertaken as part of the development of SmartTourism and SmartArts strategies. Implementation is being undertaken through those processes.

Section 11 Actions

11.1 Innovation and Entrepreneurship

Theme	Includes	Why is it important	What are the outcomes sought?
<p>INNOVATION AND ENTREPRENEURSHIP</p> <p>“The culture”</p> <p>‘Applying innovation to add value to the primary product base of the economy, transforming it into a high productivity economy that is globally competitive within its market niches.’</p>	<p>Knowledge economy</p> <p>Creative industries and high tech industries</p> <p>Generation of ideas and turning those into commercially viable business propositions.</p> <p>Sustainable business</p> <p>Business start-ups and growth</p> <p>All levels (corporate, SMEs, individuals and learning institutions)</p> <p>Maori Economic Development</p>	<p>“New Economy” about applying knowledge and technology to a wide range of products and services – increasing productivity and “value added”</p> <p>Application of innovation and sustainability to increase competitiveness and develop export capability.</p> <p>Lifting sub-region’s export capability to take advantage of existing export infrastructure.</p> <p>Opportunities for businesses to become part of global supply chain, and/or move up the value chain.</p> <p>Focus on “growing own” rather than incentives for relocation</p> <p>Central government Growth and Innovation Framework (GIF)</p>	<ol style="list-style-type: none"> 1. Learning institutions value and actively promote entrepreneurship, and business development programmes are offered within schools. 2. SMEs have access to support to assist them to establish, innovate, grow and export. 3. Corporate enterprises are at the national forefront of innovation and sustainability in their fields 4. The WBOP sub-region values and promotes innovation and entrepreneurship and sustainable business practices through a range of communications.

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
INNOVATION & ENTREPRENEURSHIP						
1. Promote innovation and entrepreneurship in the sub-region	Undertake investigations and facilitate the establishment of sustainable business, manufacturing and innovation parks to support the region's competitive advantages. Priorities ⁵ are: <ul style="list-style-type: none"> ▪ Horticulture & food processing ▪ Marine services & recreation ▪ Aquaculture ▪ ICT ▪ Transport, logistics & distribution ▪ Health Business, manufacturing and innovation parks will be focused on exporting and will link research, training and business to enable the pooling of business and scientific knowledge across the industry. This will facilitate innovation across the industry's value chain (for example growing, processing, marketing, and distribution)	Priority One Health BOPDHB	Horticulture: Zespri, Grower and Packhouse Associations Food Food BOP Cluster Marine: TMIA, BOPP, UoW Health UoW		Existing budgets	The successful establishment and ongoing viability of business, manufacturing and innovation parks
	Identify, develop and maintain a database for business of experienced business people who have retired in the WBOP and who are willing to contribute to economic development initiatives. Investigate methods of using the skills of these people – for example through business mentoring, YES, INSTEP.	Chamber	Priority One NZTE Export NZ BOP			Database developed and schedule of involvement and programmes developed.
	Celebrate entrepreneurship and business performance (eg through business awards and other initiatives)	Chamber Tsm BOP Export NZ BOP SBN NZTE Katikati Community	EBOP Priority One BOPP			Lead agencies explore options for most effective celebration methods.

⁵ Note that of these four horticulture and food processing are already well developed. The other two are at a "concept" stage only. Health, in particular requires much more work to determine the likely scope of a centre of excellence and whether it would be focused on the whole sector or on a particular part such as "third age" health and well-being.

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
	Develop research partnerships between tertiary providers and industries.	Tertiary Education Board (UoW, BOPP, TEOs)	Industry Sectors Priority One			Research partnership are developed
	Establish an innovation process to facilitate an export led economy and recognition as a global player in the knowledge economy, incl: <ul style="list-style-type: none"> ▪ Linkages to the R & D sector ▪ Access to NZ & international funding streams ▪ R & D/innovation expos ▪ Linkages to ex-pats with international business experience 	Chamber Export NZ BOP	Chamber NZTE Kea			New action as a result of 2007 review Innovation process established and operational
2. Promote and support innovation and entrepreneurship within learning institutions	Encourage learning institutions to link with business (eg through business programmes such as INSTEP, YES and Launchpad) and facilitate the identification of key issues between curriculum studies and the needs of business	Priority One Chamber Work & Income	SSPA UoW BOPP TEOs TEC Export NZ BOP Food BOP ICT Cluster NZTE ITOs			Business programmes and initiatives established at all secondary schools
	Ensure learning institutions promote the principles of entrepreneurship, innovation and sustainability by identifying and profiling highly successful people who have attended their institution	SSPA BOPP UoW TEOs	Priority One Chamber TEC Export NZ BOP Food BOP ICT Cluster NZTE ITOs			Level of engagement in INSTEP & similar programmes Programme established at each institution
3. Attract and support innovative and export-focused SMEs/ corporate relocations, with emphasis on export sustainability <i>(Also see Networked</i>	Develop an integrated programme to develop business leadership in support of the SME lifecycle, incl the establishment of: <ul style="list-style-type: none"> ▪ A leadership development/ succession planning programme ▪ Linkages to ex-pats with global experience into local business 	Chamber Export NZ BOP	Priority One NZTE			New action as a result of 2007 review Business leadership programme established and operational.

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
<i>Economy</i>)	development opportunities					
	Attract SMEs with sustainable export capability into the region.	Priority One	Chamber NZTE Export NZ BOP SBN WBOP Investor's Forum			
	Attract inward investment into the region to facilitate business growth and commercialisation of ideas (including strategy to commercial partners/corporate relocations for CBD development)	Priority One	Chamber NZTE Export NZ BOP SBN WBOP Investor's Forum			
	Target SMEs with export capability and run education programmes to assist them to identify and link to overseas markets.	Export NZ BOP NZTE Food BOP	Chamber Priority One	2008		An increased number of SMEs are exporting by 2008
	Target innovative SMEs to assist in the commercialisation of their ideas. This may include a consideration of incubator, cluster or start up programmes assistance with venture capital.	NZTE	Export NZ BOP Priority One MORST Chamber Tertiary providers WBOP Investor's Forum			Number of successful commercialisations by SMEs
	Undertake research to determine the demographics and needs of sub-regional businesses triennially and monitor trends over time.	Priority One	Chamber NZTE Export NZ BOP			New action as a result of 2007 review Commence in 2007 and repeat triennially
	Ensure that organisations offering small business support such as the Chamber of Commerce coordinate their programmes	NZTE	Smart Business Group			A schedule of coordinated programmes is developed and distributed and are able to provide seamless advice to business.
	Provide "community good" business development services to give effect to Smart Economy outcomes and initiatives.	Priority One Chamber Export NZ BOP	TCC, WBOP, EBOP			Services provided on an ongoing basis

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
		Tourism BOP				
	Document case studies of successful exporters (eg Zespri, Design Mobil, Trimax, Comvita, Blokart, POTL, Loadrite, Panztel) as a marketing tool to attract business relocations.	Priority One	Chamber, NZTE Export NZ BOP, SBN BOP Times City Views			
4. Promote research and development partnerships	Build individual business capability by promoting research and development initiatives and funding sources within the sub region.	Chamber	Tech NZ, GPSRD, Smart Start, BITC			Initiatives identified and funded for development
5. Maori Economic Innovation and Development⁶	Investigate economic activities that provide sustainable business, employment and educational opportunities for Maori, including initiatives aimed at developing the economic productivity of Maori land.	TPK Tangata Whenua, TMBA TMMTG	TCC, WBOP, NZTE, Priority One, Chamber, EBOP Chamber UoW			Investigation is completed with implementation actions defined and responsibilities allocated.

⁶ It is important to recognize that Maori are strongly represented in the young emerging workforce and that recent studies have highlighted increased rates of Maori innovation and entrepreneurship.

11.2 Lifestyle

Theme	Includes	Why is it important	What are the outcomes sought?
<p>LIFESTYLE</p> <p>“The place, the people”</p> <p>‘Creating places, facilities, activities and events so as to turn the western Bay of Plenty’s lifestyle advantages into a source of competitive advantage for the sub-region.’</p> <p>The lifestyle themes and action areas is directly related in many areas to the SmartGrowth Strategy and Implementation plan. Many of the actions have been taken directly from that strategy document.</p>	<p>High quality urban design (public places)</p> <p>Managed growth through the SmartGrowth strategy</p> <p>High quality open space, sport, arts and leisure provision (SmartSpace)</p> <p>Natural environment</p> <p>Major regional events strategy</p> <p>Utilisation of existing facilities and places e.g. stadium, beaches etc and provide for the location of significant event and indoor facilities</p> <p>Building on the natural competitive advantages of the region</p> <p>CBD and Town Centre actions from SmartGrowth</p> <p>Enhancing sub regional tourism opportunities both domestically and internationally.</p>	<p>Quality locations attract talented people</p> <p>Contributes to better quality of life for everyone (i.e. social as well as economic benefits)</p> <p>Attracts visitors and those wishing to invest in the region</p> <p>Opportunity to build on existing lifestyle attractions (climate, beaches, harbours, natural environment)</p> <p>Provide wide range of live , work and play opportunities for the regions people, which is what is expected , if the region is to maintain and enhance it's lifestyle and economic opportunities</p> <p>Multiplier effects from events and investment in recreation/leisure facilities.</p> <p>Recognises that investment into lifestyle provision enhances confidence to invest by business into commercial opportunities that build on lifestyle attributes.</p> <p>Recognises the potential of sustainable, experiential and eco tourism development based on the unique sun, soil and sea attributes of the sub region.</p>	<ol style="list-style-type: none"> Vibrant and interesting city and town centres created through public and private investment in a high quality built environment Sufficient high quality open space– regional parks, walkways, beaches – create an attractive environment in which to live, work and play. World class sports, arts, cultural and other leisure-related facilities and activities meet the diverse needs of a growing population. The Western Bay of Plenty hosts a series of major events with national and international profile. Attract sufficient investment capital to complete sporting and cultural facilities identified in strategy. New opportunities developed within the marine recreation, heritage, and Maori culture, horticultural and aeronautical sectors.

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
LIFESTYLE						
1. Invest in vibrant CBD and town centres	Develop an umbrella policy framework for city and town centres addressing office and retail needs. This is likely to incorporate specific policy for the role and function of commercial centres, the expansion of such centres, and criteria for assessing the establishment of new centres.	TCC	Chamber, Priority One, Sport BOP, Main street, Tauranga, Creative Tga, Tsm BOP			Amended action as a result of 2007 review
	Develop for the Tauranga City Centre a design and management framework together with detailed implementation place.	TCC WBOPDC	Chamber, Priority One, Sport BOP, Main street, Tauranga, Creative Tga, Tsm BOP EBOP			New action as a result of 2007 review
	Provide support for the business associations in Katikati and Te Puke.	WBOPDC	Priority One, Chamber, ACCESS, Creative Tga, Sport BOP, Community Boards TPFF			Amended action as a result of 2007 review
	Develop a vibrant and sustainable town centre to support growth in Omokoroa.	WBOPDC	Priority One, Chamber, ACCESS, Creative Tga, Sport BOP, Community Boards			New action as a result of 2007 review

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
	<p>Complete all stages of the Te Puke town centre redevelopment:</p> <ul style="list-style-type: none"> ▪ Improving access and walkability. ▪ Revitalise Jubilee Park through mixed use and public infrastructure. ▪ Establish a farmers market in the town centre. ▪ Investigate and establish a short bypass around the main town. 	WBOPDC	Priority One, Chamber, ACCESS, Creative Tauranga, Sport BOP, Community Boards TPF			New action as a result of 2007 review
2. Provide high class sports, arts, cultural and leisure facilities and activities	<p>Provide high class active recreation and sport facilities</p> <ul style="list-style-type: none"> ▪ Indoor Exhibition Space ▪ Outdoor Stadium improvements ▪ Mount Reef ▪ Regional Indoor Stadium ▪ Blake Park Cricket Facility Development 	TCC (as agreed by the three councils)	EBOP WBOPDC BOP Cricket commercial interests, relevant regional sporting bodies Tsm BOP			Amended action as a result of 2007 review (completed actions) Facilities are built and operational
	<p>Provide high quality arts and cultural facilities</p> <ul style="list-style-type: none"> ▪ Mobile Events stage ▪ Concert Hall ▪ Tauranga Museum 	Art Gallery Trust Creative Tauranga TCC Museum Trust Ngai Tamarawahao	TCC WBOPDC EBOP Commercial Interests			Amended action as a result of 2007 review (completed actions) Facilities are built and operational
	<p>Complete the development of key cultural institution projects for the sib-region within the CBD. This includes the art gallery and museum projects.</p>	Tauranga Art Gallery Trust TCC	Other Funders			New action as a result of 2007 review Facilities are built and operational
3. Provide high quality open space	<p>Provide additional and upgraded regional parks, walkways, beaches and maintain amenity so that region continues to be a desirable place to live, work and play.</p>	TCC WBOP EBOP	EBOP Forest & Bird DOC			TBD
	<p>Implement Regional Parks policy and provide mechanism to identify and purchase</p>	TCC WBOP	Sport BOP DOC			Amended action as a result of 2007 review (completed

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
	open space opportunities eg <ul style="list-style-type: none"> ▪ Active Rural Park (under negotiation) ▪ Passive Coastal Park ▪ Inner Harbour Park (purchased 2004) ▪ Wilderness Park ▪ Cycling Walking Strategy 	EBOP	Maori Tourism			actions) TBD

11.3 Business Environment

Theme	Includes	Why is it important	What are the outcomes sought?
<p>BUSINESS ENVIRONMENT</p> <p>“The basics”</p> <p>‘Creating the environment for sustainable economic growth to occur’</p>	<p>Physical infrastructure – transport, energy etc</p> <p>Communication infrastructure</p> <p>Business land</p> <p>Business aware government</p> <p>Businesses are aware of sustainable operational practises and implement appropriate measures.</p> <p>Community awareness of importance of economic development⁷</p>	<p>Necessary for a well-functioning and competitive economy</p> <p>Poor performance in any of these areas increases business costs and is a barrier to growth</p> <p>To reap full benefits from NZ’s largest export port, there is a need for excellent transport linkages</p> <p>Infrastructure investment (eg roading) has significant economic multiplier effects and in many cases leads, economic development.</p> <p>Increasing national scrutiny of the environmental impact of goods produced for export.</p>	<ol style="list-style-type: none"> 1. Completion of the strategic roading network 2. Improved rail viability and capacity 3. Improved air services relating to frequency and capacity 4. A stable power supply with competitive prices 5. Communication infrastructure capable of meeting future business needs 6. Provision of suitable business land to meet foreseeable needs 7. Local government understands business requirements and business understands local government operating and legislative environments. 8. Demonstration of increasing use of sustainable business practices

⁷ Note that the actions regarding community awareness of economic development are included under the last theme “Networked Economy.”

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
BUSINESS ENVIRONMENT						
1. Ensure stable power supply with sufficient capacity.	<p>(a) Investigate and analyse the sub-regional electricity security and capacity of supply for both short and long term growth needs to ensure that there are no gaps (both within the sub-region and between the sub-region and source).</p> <p>(b) Develop an appropriate strategy and implementation plan to document the findings of the investigation and to address issues arising together with responsibilities and timeframes.</p>	Priority One Smart Growth Implementation Committee (monitoring)	Electricity Commission TrustPower Transpower Powerco Genesis Mighty River MED EBOP, TCC, WBOPDC RDC, WDC			Amended action as a result of 2007 review Study completed.
2. Provide communication infrastructure	Review Codes of Practice for Development to ensure provision for future broadband infrastructure.	TCC WBOPDC	NZTE			New codes developed
	Facilitate the introduction of broadband infrastructure across the sub-region, with the speed and capacity that meets business and community requirements.	EBOP TCC WBOPDC Priority One	Chamber NZTE			Broadband infrastructure available throughout sub-region
3. Improve rail infrastructure	Investigate securing and protecting present and future rail corridors within and beyond the sub-region. This may include provisions such as passing loops but also management of threats to operational efficiency.	Smart Transport	Transit NZ ONTEACK LTNZ Toll EBOP TCC WBOPDC			Amended action as a result of 2007 review Assessment completed
	Implement the Western Bay of Plenty sub-region component of the Bay of Plenty Rail Strategy (2005).	Smart Transport	EBOP WBOPDC TCC Toll ONTRACK Transit NZ			Amended action as a result of 2007 review Implementation occurring
4. Improve air services	<p>Develop and implement a strategy to seek improved domestic air services to and from Tauranga. This includes frequency of flights, capacity and better linkages to other parts of New Zealand.</p> <p>The Chamber of Commerce has completed</p>	Chamber	Priority One Tauranga Airport Committee TCC Tsm BOP			Utilise the demand work findings to prepare a case to present to airlines

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
	demand based work on air services.					
5. Promote the efficient, sustainable use of resources and encourage sustainable business practices and design	Establish a system to educate and assess businesses with respect to sustainable operating practices and provide necessary support to achieve desired standards	SBN	Priority One, Chamber, EBOP, ECC, WBOPDC, tertiary education providers			Education and assessment schedule of sustainable business practices established
6. Complete Smart Transport Corridors network.	Secure funding and commitment to complete Smart Transport Corridors. See Completed Actions section. Projects yet to be commenced are: <ul style="list-style-type: none"> • Northern Arterial • Tauranga Eastern Motorway 	Smart Transport	EBOP, TCC, WBOPDC, Priority One, Chamber, Transit NZ	2010		Amended action as a result of 2007 review (completed actions) Network completed by 2010 within budget
7. Improve business-local government relationships and understanding	Councils to put in place systems or have case management procedures/resources to undertake internal liaison to <u>assist</u> businesses meet the requirements of council processes and facilitate business working through the Council/consent processes.	WBOPDC TCC EBOP	Priority One Chamber			Case management positions established or appropriate systems put in place in all councils

11.4 Education and Skills

Theme	Includes	Why is it important	What are the outcomes sought?
<p>EDUCATION AND SKILLS</p> <p>“The people”</p> <p>‘Developing a highly skilled work force that meets the needs of the regions economic drivers and our potential high growth industries’</p>	<p>Comprehensive tertiary opportunities and research capabilities.</p> <p>Business-education linkages</p> <p>Addressing skill gaps, and matching market demand with supply</p> <p>Future opportunities to encourage inward investment</p> <p>Up-skilling, education for sustainability, work-based training and life-long learning. Increasing participation by making access easier to education.</p> <p>Working with industry by examining the role and application of technology in training opportunities and affect mechanisms for knowledge/technology transfer into industry.</p> <p>Community awareness of the value of education including numeracy and literacy</p> <p>Job satisfaction and work-life balance.</p>	<p>Quality of human capital a key economic driver</p> <p>Skill shortages can impede business growth</p> <p>Low skill levels – link with poverty, unemployment, social issues</p> <p>Link between provision of education opportunities and migration</p> <p>Tertiary education sector is a major industry in its own right.</p> <p>A community with a strong work ethic is critical to achieving economic development outcomes.</p> <p>Unsustainable business practices could compromise the quality of life in the sub region</p>	<ol style="list-style-type: none"> 1. Current skill gaps clearly identified and skill needs of an export-led, productive economy identified and planned for 2. Increased uptake of tertiary education and expanded range of tertiary options, specialising in areas that will meet local industry needs. 3. Higher percentage of school leavers gain school qualifications; obtain literacy and numeracy standards that meet business requirements; and receive practical business education. 4. The workforce has comprehensive opportunities for up-skilling and training 5. The education sector is a major economic driver (including of foreign exchange revenue) for the sub-region

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
EDUCATION & SKILLS						
1. Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy	<p>Develop a regional tertiary education strategy that gives effect to the Smart Economy strategy and aligns with sub regional aspirations.</p> <p>(a) TEOs develop profiles to reflect their core business</p> <p>(b) TEOs develop a three year plan for delivery based on an understanding of community needs</p> <p>(c) Develop partnerships with providers outside the region to fill any gaps in required delivery (skills, training, & research)</p>	Tertiary Education Board (led by BOPP)	TEC UoW Bethlehem Tertiary Institute TEOs Priority One Industry Sectors	2008/09		<p>Amended action as a result of 2007 review</p> <p>Strategy completed that reflects the sub-region's needs</p> <p>Increase in tertiary student numbers in the Western BOP</p> <p>Increase in commercialisation of ideas through R & D</p>
2. Address current skill and labour shortages and plan for future skill needs.	<p>Implement strategies to address industry skill shortages, including the following priority actions:</p> <ul style="list-style-type: none"> ▪ Develop feedback links between industry and tertiary education providers re skills gaps (eg Chamber discussing with BOPP possible advocacy forums). ▪ Encourage people back into the workforce (eg Chamber delivering Employment Choices in partnership with WINZ). • Skilled migrant placement programme ▪ INSTEP programme 	Priority One	BOPP, UoW, TEC, ITOs, industry reps, Chamber, Work & Income, TEOs, clusters, secondary schools, BOPDHB			<p>Amended action as a result of 2007 review (priorities identified)</p> <p>Positive change in skill supply</p>
	Undertake an investigation to identify impediments to and options for the development of short term seasonal worker accommodation, taking into account long term demand (technology shifts), capital cost issues, and the potential to develop a solution applicable to other regions.	Priority One	NZKGI Post Harvest Group EBOP WBOPDC			New action as a result of 2007 review
	Promote and expand trade and retail apprenticeships.	Priority One Tertiary Education Providers	Chamber			Increased take-up of apprenticeships.
	Update skills gap analysis (triennially) and extend to identify future needs, particularly in	Priority One	BOPP TCC	Triennially		Completion by 30 June in every third

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
	productive, export oriented sectors.		WBOPDC			year
3. Improve literacy and business education in schools and encourage school leavers to gain school qualifications. <i>(See also Innovation and Entrepreneurship)</i>	⁸ Encourage learning institutions to link with business through programmes such as INSTEP, YES. Launchpad and Gateway	Priority One Chamber MSD TEC	BOPP SSPA TEOs			Business programmes and initiatives established and maintained at all secondary schools
	Undertake a study of literacy and numeracy levels required by business triennially and work with schools to achieve these levels.	Work & Income	All learning institutions Chamber	Triennially		Agreed standards in place
	Develop, promote and maintain a database of scholarships offered by businesses and education providers in the sub-region	Priority One	UoW BOPP Bethlehem Tertiary Institute TEOs Industry			New action as a result of 2007 review Database developed and regularly updated
4. Promote on-going upskilling and work-based training	Ensure relevant ITOs are aware of industry requirements (as defined by skill gaps analysis) and develop programmes to achieve them.	ITOs Work & Income TEOs	Priority One Chamber BOPP ITOs, NZTE, TEC, UoW			Programmes / partnerships developed by ITOs are targeted to skill gaps areas
	Meet industry needs with flexible delivery of relevant programmes.	UoW BOPP TEOs ITOs	Priority One Chamber			Positive impact on skill resources
	(a) Define gerontology and breadth of the aged sector (b) Investigate and identify economic and employment opportunities in the gerontology and aged sector. (c) Develop an appropriate strategy and implementation plan to document the findings of the investigation and to address opportunities arising (together with responsibilities and timeframes).	Priority One	TCC WBOPDC EBOP BOPDHB Tertiary Sector			New action as a result of 2007 review

⁸ Note that this action also appears under "Innovation and Entrepreneurship"

Action Area	What	Lead Agency	Other	Timing	Cost	Measure
5. Skill development for Maori	<p>(a) Build relationships and effective communication networks with the Maori economic community with a view to increasing understanding (of both Maori and EDAs) and creating a strong platform to achieve Maori economic development and skill enhancement.</p> <p>(b) Identify and pursue facilitation of opportunities for Maori economic development and skills enhancement</p>	TPK Priority One	TMBA Tangata Whenua Collective			New action as a result of 2007 review

11.5 Networked Economy

Theme	Includes	Why is it important	What are the outcomes sought?
<p>NETWORKED ECONOMY</p> <p>“The Linkages”</p> <p>‘Collaboration for mutual gain - developing the partnerships, alliances, networks and other linkages that will produce results across the entire strategy’</p>	<p>Clustering and business networks</p> <p>Government-private linkages (e.g. PPLs)</p> <p>Local authority collaboration (including local-regional government and local-local government)</p> <p>Links to wider region/rest of NZ</p> <p>Central government relationship with region</p> <p>Community support for economic development strategy</p>	<p>Economic benefits from clustering “cooperative competition.” (e.g. exporting, marketing etc). (Both within sectors and across sectors). Such benefits are realised when firms cooperate at a horizontal level rather than working within “vertical silos”.</p> <p>Many actions in the strategy can only be developed through public-private partnerships – including completion of strategic roading network, town centre investment, and provision of serviced business land.</p> <p>WBOP part of a wider regional and national economy, therefore important to work cooperatively where there are benefits.</p> <p>Need to capitalise on the fact that the region is already extremely well linked. Examples include a Chamber of Commerce, Export Institute, Priority One, Sustainable Business Network, SmartGrowth, industry associations.</p>	<ol style="list-style-type: none"> 1. Business networks and economic clusters enable synergies to be created within and between sectors. 2. Agencies with economic development responsibilities communicate effectively, have complementary responsibilities and provide co-ordinated programmes. 3. Networks, joint initiatives, and partnerships are fostered between and within the following sectors – business, education, local government, central government. 4. The sub-region connects effectively to central government initiatives and funding sources. 5. The community understands the linkages between economic development and other issues such as transport infrastructure and sustainable development of the region. 6. Joint initiatives are developed with the rest of the region and with other regions, where there are areas of mutual benefit.

NETWORKED ECONOMY						
1. Facilitate business networks and cluster initiatives.	Continue current clustering programmes ⁹ (eg food processing, ICT, TMIA, Hortitech) where effective, and identify new clustering opportunities (eg agribusiness, transport & logistics, professional services, manufacturing, engineering)	Priority One	Chamber NZTE TPFF Cluster Groups Federated Farmers TEOs			Clusters exist where there is an established need with continued participation by industry
	Bring together industry leaders in the export focused manufacturing sector to identify ways in which they could benefit from cooperation (eg access to markets) and applying information gained from one area in another.	Export NZ BOP	NZTE			Forum held and agreed outcomes
	Develop infrastructure to facilitate cluster maturity, including: <ul style="list-style-type: none"> ▪ Increasing innovation ▪ Developing mechanisms for cross-sectoral collaboration ▪ Development of a regional cluster website ▪ Identification of gaps and overlaps in competency and capability 	Priority One	Chamber Export NZ BOP NZTE			New action as a result of 2007 review
2. Encourage liaison and information sharing between business economic development agencies and local & central government	Convene monthly Smart Business Group meetings comprising agencies with a responsibility for business & economic development and local and central government agencies to focus on information sharing, co-ordination, and collaborative opportunities	NZTE	Smart Business Group			Smart Business Group has two key achievements each year
	Put in place a process whereby organisations with responsibility for business & economic development share information, where appropriate, with each other & central government agencies to identify winners and future proofing opportunities.	NZTE	Smart Business Group			New action as a result of 2007 review
	Coordinate existing economic monitoring undertaken by different agencies, such as	Priority One	TCC WBOPDC			Coordinated approach

⁹ Existing sub-regional clusters and sector groups include: ICT; TAM (Third Age Matters); Food BOP; Tertiary Education Providers forum, Tauranga Marine Services Association; Education Tauranga. Existing regional clusters include Wood Processing (based in Rotorua); Volcanic Films; and Biomaterials.

	Priority One and the local authorities.		EBOP Chamber Export NZ BOP			to monitoring
3. Foster partnerships between business, local government, central government and education sectors.	Continue SmartGrowth partnership through implementation	TCC WBOPDC EBOP Tangata Whenua	SmartGrowth Strategic Partners Forum			Implementation progressing in accord with SG Implementation Plan
	Alongside rezoning of business land, bring together cross-sectoral teams to ensure that other issues are addressed, such as infrastructure and multiple ownership of land, and skill requirements of prospective business.	TCC WBOPDC	EBOP TPFF Infrastructure providers Network Utility providers Work & Income Priority One			Completion 2007-09
	Develop a portal to business support and economic development organisations, providing a one stop shop for assistance and opportunities.	Priority One	Chamber NZTE Work & Income DoL MSD Export NZ BOP SBN TMBA			Amended action, including lead agency, as a result of 2007 review Website up and running and arrangements in place for updating
	To conduct an audit of regulatory processes to identify improvements needed to enhance business growth (Refer 7.3, Action 7)	EBOP TCC WBOPDC	Priority One Chamber			That audits are conducted of regulatory processes and identified improvements implemented within 3 months of audits being completed
4. Maintain and develop relationship with central government	Host a triennial (to coincide with election year) economic forum with central government, to discuss economic development priorities and identify issues.	Priority One	Chamber of Commerce SBN NZTE	2007 & triennially		Forum held
5. Develop community awareness of the importance of economic development built on sustainable business practices	Develop and implement a communications strategy (based on feedback from the Perceptions Survey) to ensure that the community understands the wider significance of economic development.	Priority One	Chamber, SBN Tsm BOP Export NZ BOP EBOP TCC, WBOPDC NZTE			Amended action as a result of 2007 review Strategy completed.

			TPFF WBOP Investor's Forum			
6. Develop joint initiatives with the rest of the region/other regions	Ensure ongoing collaboration and liaison with rest of the region – for example continue joint cluster work.	Priority One CoBOP	Chamber Export NZ BOP NZTE Tsm BOP TPFF	Annual		Undertake an annual assessment of effectiveness

Section 12 Cost Estimates

There are estimates of the cost to implement actions. Costs are total project costs, unless otherwise stated, e.g. where a cost may be an ongoing annual cost.

The lead agency is not “bound” to include these costs within their agencies annual budgets but have committed themselves to the responsibility of identifying funding avenues and sourcing these funds to achieve the relevant action. In many cases avenues for funding actions have previously been identified as part of the strategy development. Should the funding not be available within the timeframes stated, the monitoring group for the strategy will adjust the timeframes as necessary.

Costs are not necessarily additional costs as there may be a change of priorities within organisations to carry out actions.

Often actions are already committed or already being provided by existing resources by an organisation, in part or in total, and this is noted where it applies.

Estimates vary in their level of confidence and have been rated in accordance with the following table.

Rating	Description	Definition/Example
5	Unreliable	Derived from unsubstantiated assumptions. Best guess
4	Very uncertain	Preliminary estimate. Estimated without good analysis or detailed design.
3	Uncertain	Derived from draft estimates, extrapolations, and supplier projections
2	Reliable	Based on detailed estimate, analysis, investigation, design and/or independent market valuation
1	Highly reliable	Contract/Tender Price

Section 13 Appendices: International & National Context and Contact Information

13.1 International Context

Over the last fifteen years the world has experienced the widespread removal of trade barriers, removal of restrictions on global financial capital flows, and technological innovations which have radically changed the nature of global communications. These changes have resulted in a more open global economy. For a small country like New Zealand this is good news as an increase in growth rate can only be achieved by lifting foreign exchange earnings. At the same time New Zealand is more affected by global trends that are largely outside its control – including exchange rate movements, world recession, and global terrorism.

This strategy is about influencing the factors are within the region's control. While the strategy has a strong export focus it also recognises that the economy needs to be diversified enough to provide some resilience to poor export performance. Growth in local goods and services is also important.

International trends point to workforce skills, and quality locations as being two factors which can be locally influenced, and which make an important contribution to economic development. "New Growth Theories" view talent, ideas or knowledge as the new "factor of production". Such theories highlight the role that both human and social capital play in economic development. Human capital is the skills and knowledge of the labour force, and social capital is the formal and informal institutions (everything from laws to networks) – or the glue that binds society.

The overused term "new economy" is sometimes associated with new high technology, ICT based companies – the companies associated with the rise and fall of the "dot-coms". However the new economy is not a set of new industries but a set of new sources of competitive advantage faced by all industries – these being speed, quality, flexibility, knowledge and networks. It is about applying knowledge and new ways of doing things to a wide range of products and services.

Despite major technological advances in communications systems "place" appears even more important to the new economy for a number of reasons including:

- Vital centres offering lively amenities and the opportunity for interaction.
- A habitat for clustering of industry.
- Distinctive quality of life which attracts knowledge workers.
- Speed and adaptability – quick access to decisions and resources.
- A quality natural environment.

The following table summarises the core values and assumptions of the “old economy” and the “new economy”.

Old Economy	New Economy/Information Age
Comparative advantage based on being a cheap place to do business	Competitive advantage based on being a place rich in ideas and talent
Focus on attracting large companies	Focus on attracting educated people
A high quality physical environment is a luxury	Physical and cultural assets attract knowledge workers and have direct economic benefits.
Advantage in natural resources	Ability and skills to learn and adapt
Economic development government led	Economic development through partnerships to bring about change

13.2 National Context

Concern about New Zealand’s relatively low growth in GDP in the last 15-20 years, has resulted in central government placing a very high priority on economic development, and on lifting New Zealand’s growth rate. In 2001 the government announced its Growth and Innovation Framework (GIF) which provides a policy platform for returning New Zealand’s per capita income to the top half of the OECD. GIF has a strong focus on developing industry clusters, exporting, commercialising research, and developing a culture of innovation and enterprise throughout society.

The government has established a cross-departmental approach to addressing economic development. Key agencies include the Ministry of Research, Science and Technology (MORST) and New Zealand Trade and Enterprise (NZTE). MORST hosts the secretariat for an independent Growth and Innovation Advisory Board (established in 2002) and has a particular responsibility for the commercialisation of research.

NZTE implements a range of programmes within the GIF framework. Some of these it delivers directly, and others, it funds local/regional agencies to deliver on its behalf. For example in the sub-region, Instep is delivered by Priority One and funded (currently) by NZTE. In addition NZTE funds the Biz programmes delivered by the Chamber of Commerce.

NZTE's main activities fit into the following areas:

- Business Development – including incubators, enterprise training, enterprise development, and business clusters
- Export Services – including consultancy services for New Zealand exporters as well as information provision, and export education.
- Sector Development – Bio-technology, creative industries and ICT are the key sectors of focus, while a range of other sectors including agritech and life-sciences, food and beverages and niche manufacturing have also been targeted.
- Regional development.

The key programme in the “Regional Development” area is the “Regional Partnership Programme” which has provided funding for regions throughout New Zealand to develop their own Regional Economic Development Strategies. This Strategy for the Western Bay of Plenty Sub-Region is part of that programme.

In addition through the Regional Partnerships Programme NZTE is able to fund Major Regional Initiatives (MRIs) – up to \$2 million for each MRI. Nine MRIs have been approved to date, including the Wood Processing Centre of Excellence in Rotorua and Waikato Innovation Park. This strategy will help identify priorities for MRIs in the Western Bay of Plenty sub-region.

13.3 Contact Information:

Administrative agency is:	Priority One
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