

**Chairperson and Committee Members**

ENVIRONMENT AND COMMUNITY DEVELOPMENT COMMITTEE

6 DECEMBER 2011

Meeting Status: **Public**

Purpose of Report: For Decision

**DRAFT ECONOMIC DEVELOPMENT STRATEGY**

**PURPOSE OF REPORT**

- 1 This report sets out the recommended approach for the Kāpiti Coast Economic Development Strategy and seeks the Committee's approval to develop a formal document for consultation.

**SIGNIFICANCE OF DECISION**

- 2 The Council's Significance Policy is not triggered.

**BACKGROUND**

- 3 At its meeting of 16 December 2010, the Council agreed to review its economic development activities and services (Report SP-10-053 refers) and confirmed that:
  - this would include a full review of options for the delivery of services;
  - an economic development working party would be established to provide a governance overview for the review;
  - recommendations would be reported back to the Council before the end of 2011 and may be consulted on as part of the 2012/13 Draft Long Term Plan.
- 4 The Economic Development Review Working Party (the working party) was established comprising the Council's appointee to the Nature Coast Board, Councillor Wooding, the Council's appointees to the Horowhenua Kāpiti Joint Economic Development Forum, the Mayor, Councillor Church and Councillor Lester, and the Chair of the Environment and Community Development Committee, Councillor Gaylor.
- 5 Councillor Booth was subsequently appointed to the working party on 21 April 2011 (Mayor-11-204 refers).
- 6 On 26 April 2011 Te Whakaminenga o Kāpiti appointed two members to participate in the working party: Te Waari Carkeek, Tumuaki o Te Rūnanga o Raukawa, and Jennie Smeaton, Communications Advisor, Te Rūnanga O Toa Rangatira. Jennie Smeaton was subsequently unable to attend and the space remains to be filled.
- 7 The working party terms of reference are attached in Appendix 1.

- 8 Progress on the draft Kāpiti Coast Economic Development Strategy is discussed further in this report while progress on the review of service delivery options is discussed in a separate report to this Committee (SP-11-435 refers).

## CONSIDERATIONS

- 9 The Economic Development Review Working Party (the Working Party) has agreed to recommend a draft strategy for the activities and services that Council would deliver in this activity area.
- 10 The draft strategy is designed to help deliver a thriving and resilient future for the Kāpiti Coast's communities. Because of the close connections between economic and social well being, improving the resilience of the economy and business community will also strengthen the resilience of the wider community.
- 11 This report is not intended to be the final format of the economic development strategy. Should the Committee approve the approach, the strategy will be produced as a stand-alone document consistent with other strategies produced by Council and suitable for public consultation as part of the Long Term Plan process in March 2012.

### Draft economic development strategy

- 12 This section of the report discusses the components of the draft Economic Development Strategy and covers:
- why Council is involved;
  - where Council can add most value;
  - key strategic purposes;
  - recommended strategic focus areas; and
  - relationship to regional economic development initiatives.

### Why is Council Involved?

- 13 The Council can make a unique contribution to the leadership effort required due to its position in the community. The Council has a wider knowledge and overview of a range of activities in the District, both in the economic sphere and beyond, than almost any other organisation.
- 14 Through its position and wide range of connections with the business community, the Council can ensure that sight of the strategic goals is not lost. If activities are focused on the strategic ends and opportunities are sought for leveraging efforts between different activities, the effectiveness of economic development efforts can be improved.
- 15 The Council can fill gaps left by the under-development of the current business sector in Kāpiti. The limited range of much of Kāpiti's business sector means there are some gaps in knowledge and skills as well as in resources to take on certain key roles.

- 16 The Council can contribute to the Wellington Regional Strategy (WRS). As a participant in the WRS, the Council supports its strategy for sustainable growth and the outcomes it seeks.
- 17 The Council will be able to fulfill obligations under the economic well-being requirements of the Local Government Act. The Council is the major player in providing essential infrastructure, planning development (especially of town centres) and regulating land use – all critical underpinnings of the local economy and the community’s well-being. Contributing to the economic development of the District is a core part of Council’s job.

### Key strategic purposes

- 18 The draft Strategy is framed around two key strategic purposes:

**To make Kāpiti a great place to live, work and play:** The community has identified a desire to create more employment in the District and to broaden the range of jobs available. Job creation, wealth attraction and greater district self-sufficiency will better secure the futures of Kāpiti’s residents.

**To lay the foundations and set the direction for the likely transformation of the economy over the first half of the 21<sup>st</sup> Century**

Building on existing strengths and identifying sound new opportunities will equip Kāpiti to play its part in the new economy. The transition to a low-carbon world, which must take place over the coming decades, will be made easier if existing strengths are built on and adapted, and new areas of focus use Kāpiti’s natural advantages as a platform. Greater self-sufficiency in the local economy will help Kāpiti’s ability to withstand potential shocks such as Peak Oil, volatility in price and supply of essential resources, and the need to fund expensive climate change adaptation measures.

- 19 The Council adopted these as working objectives in June 2011 (Report SP-11-243 refers) and it is now proposed that they are confirmed as the strategic goals for the draft strategy.
- 20 Four linked elements to underpin the draft economic development strategy and activities were also adopted in June 2011:
- future-proofing;
  - building on existing strengths;
  - diversifying the economy while maintaining focus;
  - orienting the economy away from commodity production to high value-added activities and supporting services.
- 21 These strategic purposes represent a future focused long-term vision which may take much of the first half of the 21<sup>st</sup> Century to fully develop. This is because of the fundamentally transformational nature of these goals. The timeframes for delivering outcomes in the strategic focus areas (discussed below) will be shorter, less than 10 years, with regular reviews to assess progress and change direction as required.

## Recommended strategic focus areas

- 22 In order to grow Kāpiti’s economy and job opportunities while positioning the district to seize the opportunities offered by technology and other developments to migrate to a new low carbon economy, the following strategic focus areas and key projects are proposed (Table 1 refers):

Table 1: Recommended strategic focus areas and key projects

Strategic focus areas	Key projects
Innovation and positioning	Clean (sustainable) technologies Responsive Council Marketing the District as a place for economic development innovation
Creation and capture of value	Māori economic well-being and business development Food and beverage - growing the local food economy Health sector – working with the retirement sector around growing skills, innovation and education value add Construction sector – growing technology, skills, adaptability and the range of products Broadband
Growing the base	Tourism Business support, attraction and retention services Town centre development Workforce skills and development

- 23 It should be noted that there are strong linkages across the strategic focus areas. Some of the key projects will support more than one focus area, for example, there could be links between food and beverage and tourism projects and links between clean technology projects and construction sector projects.

### Innovation and positioning

- 24 The intent behind this strategic focus area is to position the Kāpiti Coast as a district which is known as being interested in innovation, a place which welcomes new ideas and sustainable technologies and helps entrepreneurs to take their ideas through to commercialisation. Kāpiti Coast can become known as the place where people can come to develop their ideas, network with like-minded people and where residents can participate in and experience new innovative ideas and sustainable technologies.

*Clean (sustainable) technology sector*

- 25 Support for the clean (sustainable) technology sector has been a key focus area for some time. An important part of this is a focus on renewable energy, green building, energy efficiency, electric vehicles and waste reduction and recycling. While this is an aspirational area and it is difficult to quantify value, there have already been concrete outcomes – the Clean Technology Centre at Ōtaki and the Energise Ōtaki initiative. While this is based in Ōtaki, there is potential to grow in the rest of the district and region.
- 26 Key activities in this project area are:
- continue leadership thinking;
  - continue to leverage growth of the Clean Technology Centre with Grow Wellington;
  - build on the Clean Technology Centre and grow a successful clean technology park. This would include establishing a new business model to provide direct services to clean technology business such as access to R&D facilities and commercialisation services. This could include some form of direct investment if Council wishes to get involved;
  - streamline the Council’s current role in terms of trialling new technologies where possible;
  - encourage the development of early-adopting domestic and commercial market – for example, this might include incentives, cheap loans/targeted rates, and leveraging Council’s relationships with the community.
- 27 Based on a scenario that clean technology design and manufacturing is successful at the Clean Technology Park in Ōtaki, the following table estimates potential economic outcomes:

**Table 2: Potential Clean-tech outcomes, 2021**

Scenario and impact	Probability	GDP impact	Employment impact
		(\$m)	(jobs)
Clean technology			
High	20%	41.2	350
Medium	40%	20.6	175
Low	40%	10.3	88
Expected value		20.6	175

Source: NZIER, 2011

[Note this report is still draft]

Note: this is a scenario designed to contribute to policy discussions. It is not a financial estimate. It includes only the direct impacts of the industries.

- 28 In this scenario, the high level impact assumes that the Clean Technology Park is as successful as planned. The medium level scenario assumes it is 50% as successful as planned and the low level scenario assumes it is 25% as successful

as planned. The probabilities reflect an NZIER assessment of the riskiness of the strategies and the likelihood of success. The expected value is what NZIER considers to be most likely to occur.

#### *Responsive Council*

- 29 This key activity in this project area focuses on developing the Council's capacity to be responsive and supportive to business. This means developing a system or function which will enable business to navigate its way through Council processes in a straight forward manner.
- 30 This includes assistance with information on regulatory requirements and processes, i.e., building consents and resource consents. While support can be provided, the Council is also required to fulfil its regulatory responsibilities so there can be tension here. This also includes providing economic and business information, networking, and introductions where appropriate.
- 31 The business community has consistently commented that it sees this as an area which needs improvement. A recent discussion in the Mayoral Forum on regional economic development also identified this as an important focus area and, in some instances, a regional approach may be most appropriate, for example, providing information, networking and introductions.

#### *Marketing the District as a place for economic development innovation*

- 32 Marketing the District as "an innovation district" should be distinguished from marketing for tourism or other reasons. This is about promoting the district as a community which welcomes innovation and is open to change and trialling new business and job creation concepts. It would be targeted specifically around innovation and ensuring that activities in this District are widely promoted and the benefits of doing business here are widely understood.

#### *Creation and capture of value*

- 33 This focus area is about positioning the district to create and capture greater value from its current economic base in a way that also links into innovative thinking and business products and processes. This will include being able to seize the opportunities offered by technology and other developments to migrate to a new low carbon economy.

#### *Māori economic well-being and business development*

- 34 In partnership with iwi, Māori economic well-being continues to be a focus for the Council. Iwi are permanent residents of the District and over time will gain the potential to be investors as their capital base strengthens and Treaty settlements are completed.
- 35 For Māori, economic well-being is a concept which:
  - is individual and whānau/ hapū and iwi based;
  - links tangata whenua to the district;
  - contributes to the wider community

- is inclusive of building opportunities for taurahere;
  - is holistic - not just about business but including health and wellbeing;
  - is inclusive of land and all that this encompasses - water, forests, etc;
  - is inclusive of existing businesses, knowledge transfer; and
  - will include Treaty settlements in the near future.
- 36 Iwi have indicated that they want an iwi focused approach. A potential key project is working with iwi to increase the use of under-developed land and maximise the value produced from it.
- 37 At this stage in order to support Māori economic well-being, the Council would work with iwi to prepare and implement a Māori Economic Development Plan which is linked to this strategy. Its development would be coordinated through Te Whakaminenga o Kāpiti.

*Food and beverage*

- 38 The Kāpiti Coast has some high quality natural resources and soils which can support the development of a larger horticulture sector and a sustainable local food economy. Horticulture is important because it provides the necessary ingredients for high value add food businesses, for example, businesses such as Te Horo jams. This is not about picking winners but rather about enabling and facilitating new opportunities to grow the local food economy. Key activities in this project area are:
- support business development in the primary sector which is value add focused, for example, growing the range and quantity of horticulture;
  - explore and utilise opportunities associated with innovation and new technologies, for example, setting up a cooperative kitchen;
  - link the Kāpiti Coast to the Wellington supply chain and work with the Wairarapa to increase opportunities in the lower North Island and upper South Island consumption chain;
  - connect growers, processors, local supermarkets, and consumers;
  - address major points of leakage from the local economy;
  - increase the depth of the spend on local food products;
  - develop links with the Clean Technology Centre at Ōtaki.
- 39 Research carried out in 2005 established that there is up to 6,701 hectares in the Greater Ōtaki area which is suitable for horticulture. At that time, only 672 hectares were actually used for horticulture.
- 40 Economic analysis subsequently carried out by BERL (2011) indicates there is considerable potential economic value in growing the horticulture sector on the good soils around Ōtaki. BERL developed several scenarios based on different amounts of land being used for horticulture – the current state, conservative,

horticultural stretch, and the upper bound. The horticultural stretch scenario while challenging seems achievable and worth aiming for. The upper bound is a theoretical scenario which assumes all suitable land is developed for horticulture. Potential economic value has been estimated in terms of sales, GDP growth and FTEs both directly within the Kāpiti Coast and indirectly in the rest of New Zealand.

- 41 The potential economic outcomes of focusing on developing horticultural land in the Greater Ōtaki area have been estimated at:

**Table 3: Potential economic value of rural productive land in the Greater Ōtaki area by 2030**

Productive rural value – 2030	Kapiti Coast				New Zealand (additional)		
	Hectares	Value of sales (\$m)	GDP (\$m)	FTEs	Value of sales (\$m)	GDP (\$m)	FTEs
Current state (2005)	672	62.5	27	396	32.8	15.1	118
Conservative	1010	71.3	31.1	472	37.9	17.5	139
Horticultural Stretch	3000	160.9	72.1	1087	49.5	22.4	198
Upper bound	6701	259.1	114.6	1770	57.5	28.8	236

Source: BERL, 2011. Assessment of the economic value of the rural productive potential in the Greater Ōtaki Area.

#### *Health/retirement services sector*

- 42 This sector is linked to a large part of the District's community and economy. It makes sense to seek opportunities to support its growth and development, maximise value from services. This might include a focus on training, health technology development, skills training and a link to the housing options work being carried out by the Council.
- 43 Some preliminary work has been done in this area which confirms there may be opportunities. Further work will need to be done to identify specific actions the Council could take. This will need to involve discussion with key stakeholders in the sector and those people who will be retiring in the next 10 years so we can understand the future demand for services in this sector.

#### *Construction sector*

- 44 Positioning the construction sector so that it is able to ride out the construction cycles as much as possible and recognises the opportunities for innovation and change is an important aspect of this focus area. Key activities in this project area are:
- expand demand for energy efficiency products and services through investment in retrofits of existing building stocks, for example, Council buildings and older person housing.

- encourage the uptake of sustainable building technologies in the construction sector, for example, building energy efficient houses such as the Little Greenie;
  - support the development of appropriate training courses, for example, the construction course being run by Weltec from the Clean Technology Centre.
- 45 The outcomes of focusing in this area could include a sector which in 10 years time:
- can install and use new technologies efficiently
  - is strongly linked to the education sector around trades
  - is known for innovative trade skills
  - is investing in new housing types and systems
  - is selling its IP via training and out of District activity.

*Broadband*

- 46 Broadband is a critical transformative technology. The Council will continue to work with the wider region to advocate for faster delivery and continue to support local investments such as the UFB along Riverbank Road, Ōtaki.

*Growing the base*

- 47 The intent of this focus area is to provide continued support for the wide range of businesses which make up the District's economy but which are not necessarily part of the sectors specifically identified above.

*Tourism*

- 48 The tourism sector continues to be a part of the Kāpiti Coast economy that is worth developing because it can link to, build on, and reinforce many opportunities with other sectors. This focus area encompasses the potential to:
- direct the majority of effort on growing existing domestic markets – get domestic tourists to come back more often and manage risk posed by increasing energy costs and potential loss of cheap transport;
  - build strong partnerships with tourism agencies in the Wellington region in order to leverage mutual benefits from having more to offer visitors to the region;
  - build strong partnerships with tourism agencies in the Auckland region in order to leverage benefits from Kāpiti Airport;
  - grow international market driven off marketing to domestic market. If Wellingtonians can't wait to come to/come back to Kāpiti, they will tell their visiting friends and family.
  - develop a Kapiti brand – for example, gourmet, high quality, based on natural advantages – mountains to sea.

- develop Creative Kāpiti – build on current Kāpiti one-day arts trail event.
- develop Sustainable Kāpiti – Kāpiti as a leader in sustainable low – carbon living, for example, the Sustainable Home and Garden Show and the Greenest Street competitions

49 Table 4 estimates the potential economic benefits of focusing in this area:

**Table 4: Potential tourism outcomes**

Scenario and impact	Probability	GDP impact	Employment impact
		(\$m)	(jobs)
Tourism			
High	25%	48.7	1,262
Medium	50%	24.4	631
Low	25%	12.2	316
Expected value		27.4	710

Source: NZIER, 2011

**[Note this report is still draft]**

Note: this is a scenario designed to contribute to policy discussions. It is not a financial estimate. It includes only the direct impacts of the industries.

50 In this scenario, high impact assumes visitor expenditure increases to the same level as the national average by focusing on high-value tourism and increasing over-night visitors. Medium impact assumes the growth in tourism is 50 percent of the high-growth scenario. Low impact assumes the growth in tourism is 25 percent of the high-growth scenario.

*Business support, attraction and retention services*

- 51 At present the Council provides some funding via Nature Coast Enterprise for general business support, mentoring, attraction and retention services. This ensures both existing and new businesses have access to information and training to enable them to grow. An important part of this will be an investment in attracting more businesses to the area which will grow the size of the economy and offer more job opportunities.
- 52 The Council has some information which indicates that businesses also see a need for projects and activities in this area. A 2011 survey of local businesses conducted by McDermott Miller provides information on what some local businesses consider to be activities for advancing economic development – see Table 5 below. This survey ranks attracting more businesses to the Kāpiti Coast as the most important economic development activity. The survey also rates highly other activities which are a key part of the draft strategy, for example, the preparation of a strategy, providing leadership, improving infrastructure, and attracting capital for investment in business.

**Table 5: Importance of Measures in Advancing Economic Development of Kāpiti Coast: Total Sample by Weight and Rank**

Total Sample	Weight	Rank
Attracting more businesses to Kapiti Coast	600	1
Setting a clear Economic Development Strategy for Kapiti Coast	532	2
Stronger economic leadership for the District	524	3
Improving quality/reliability of infrastructure	509	4
New air transport links	494	5
Attracting capital for business expansion and/or product development	486	6
Upgrading road links within Kapiti Coast District	471	7
Upgrading road transport links to other Districts/regions	466	8
Stimulating tourism/leisure industry to increase visitors/tourists	456	9
Increasing business start-ups in Kapiti Coast	437	10
Kapiti Coast businesses and households to buy local whenever possible	404	11
Attracting more skilled/qualified workers to live in Kapiti Coast	381	12
Extending networking opportunities with other Greater Wellington Region business people	355	13
Upskilling Kapiti Coast's resident workforce	351	14
Upskilling Kapiti Coast business managers	340	15
Increasing effectiveness of economic development agency Nature Coast Enterprises	339	16
Upgrading retailing so that residents spend more in Kapiti District	333	17
Increasing supply of land zoned for industrial/commercial development	330	18
Improving environmental sustainability practices of businesses in the District	317	19
Increasing involvement of economic development agency Grow Wellington	296	20
Extending networking opportunities with Kapiti Coast business people	284	21
Increasing involvement of Chamber of Commerce	282	22

Source: McDermott Miller Limited, 2011. Independent evaluation of the effectiveness of Nature Coast Enterprise

### *Town Centre development*

- 53 Town centre development has been an on-going focus for the Council for some time. While not funded through the economic development activity, town centres provide vital infrastructure for the economy and are vital to the success of this strategy.
- 54 As the Development Management Strategy 2007 identifies, the town centres play a major role well beyond being a simple location for retail and civic activities. Maturing the District's main centres, in the sense of increasing the range of activities that take place in them and improving their appearance and liveability, will benefit the District in the following ways:
- increase the sense of belonging;
  - increase investment flows;
  - provide local employment;
  - support passenger transport and reduce the impacts on the environment; and
  - increase housing choice.
- 55 The Council has an on-going work programme in this area managed under the Development Management activity area.

*Workforce skills and development*

- 56 A key part of ‘Growing the base’ is a focus on facilitating opportunities for improved workforce training and development. A workforce with the skills to match available jobs is important to growing local business. It will also improve job opportunities for people to live and work locally.
- 57 Initially this project will focus on identifying gaps in training opportunities and skills and investigate solutions for filling the gaps.
- 58 An example of this is the Youth Employment Project where training providers, Nature Coast Enterprise, the Chamber of Commerce and the Council, and the Youth Council are working together to make sure that young people in the District have the right skills to transition successfully from school to further education or employment. The aim is also to make sure that skills investment is also directly linked to economic development opportunities.

*Relationship of review to regional economic development initiatives*

- 59 Recent discussions in the Mayoral Forum have agreed that a new regional economic development strategy will be developed based around six key areas:
- technology driven innovation – including the Clean Technology centre and Creative HQ
  - investment for growth – the creation of a capital markets forum
  - Open for business – developing the capacity and reputation of the region’s Councils to support business and economic development
  - world class infrastructure – broadband, long-haul flights, the port, sub-regional infrastructure such as irrigation in the Wairarapa
  - targeted marketing to attract business, investment and talent
  - education and workforce development.
- 60 The direction of the regional strategy is complementary to the direction of the strategy proposed in this paper. It adds strength to the focus on innovation and investment.

**Financial Considerations**

- 61 The financial implications of the economic development activity review will be reported to this Committee on 2 February as part of the report on service delivery options. Financial issues and options will be incorporated into the development of the draft 2012 Long Term Plan.

**Legal Considerations**

- 62 There are no legal implications at this time.

## Delegation

- 63 The Committee may make a decision under Section B1 of the Governance Structure approved by Council on 21 April 2011:

*“6 Generally... this delegation provides authority to exercise all functions, duties and powers relating to all matters assigned to this Committee... where financial provision has been made for the decision or activity in the LTCCP or Annual Plan, and where the action proposed is not contrary to established Council strategy and/or policy, or the power of delegation”.*

Also relevant is para 5.2:

*‘Oversee the development (within any wider existing strategic framework) of social and economic community policies associated with promoting the social, economic, environmental and cultural wellbeing of the District; ...’*

## Consultation

- 64 The Working Party has had discussions with the Chamber of Commerce on its vision for economic development in Kāpiti and what the strategy should cover. It has also discussed Māori economic development needs with representatives of Te Whakaminenga O Kāpiti. It has met with Grow Wellington, businesses at the Clean Tech Centre at Ōtaki and Te Arahanga o Nga Iwi.
- 65 The Chamber of Commerce is also facilitating a group of key business people in Kāpiti to develop a vision for economic development and ideas on what needs to be delivered. The group ran a workshop on 10 November and information on the outcomes is expected soon. At this stage we expect a short report which documents ‘visions’ for each of the primary, manufacturing, construction, retail and distribution, business services, recreational services, social services sectors. The ‘visions’ will set out what that sector of the economy looks like in 2031 and how that benefits the Kapiti community. There will also be a section on ‘cross-cutting themes’ where the themes common across several sectors are described in more detail.
- 66 Consultation will also be undertaken through the contracts discussed earlier in this report.
- 67 Should the Committee approve the draft strategy, it is suggested that the Economic Development Review Working Party may wish to meet again with the key stakeholders identified above and seek feedback.
- 68 Formal consultation on the strategy will be carried out as part of the 2012 Long Term Plan.

## Policy Implications

- 69 There are policy implications arising from this report. The report proposes a new economic development strategy. However, the proposed strategy is consistent with the strategic direction set out in the 2009 Long Term Council Community Plan and the 2010/11 Annual Plan.

- 70 The proposed strategy and service delivery option (once confirmed), will be incorporated in the draft 2012 Long Term Plan and be subject to review and consultation as part of that process.

### Tāngata Whenua Considerations

- 71 A Te Whakaminenga O Kāpiti representative participates in the Working Party to facilitate input to the review from tāngata whenua. Discussions have also been held with other members of Te Whakaminenga O Kāpiti. As a result, it is proposed that the Council works with iwi to prepare and implement a Māori Economic Development Plan which is linked to this strategy. The plan development will be coordinated through Te Whakaminenga o Kāpiti.
- 72 The Council has provided support for the development and implementation of Te Aho, the Kāpiti Horowhenua Māori Economic Development Strategy, since 2008. This will be further discussed as part of the report on service delivery options in February 2012.

### Publicity Considerations

- 73 Given that the preferred service delivery option has yet to be confirmed, no publicity is proposed at this point. Some media activity may be appropriate once the Council has considered the final recommendations in February 2012. A Communications Plan will be prepared to assist with this.

## CONCLUSION

- 74 Given the potential for both risks and opportunities in the economic sphere over the next few decades, it is important that the Council has a strategic framework within which to act to strengthen the District's economy. It is also important there is clear direction to enable assessment of delivery options. The Council can make an important contribution to ensuring the Kāpiti Coast's communities are as resilient as possible to shocks and well-positioned to take advantage of the opportunities that will arise.
- 75 A significant leadership opportunity exists for the Council in acting as guardian and champion of the long-term strategic objectives of making the Kāpiti Coast a great place to live, work and play and of migrating the District to a new economy.
- 76 Should the Council approve the economic development strategy proposed in this paper, it will be developed into a draft document which can be consulted on as part of the 2012 Long Term Plan process.

## RECOMMENDATIONS

- 77 That the Environment and Community Development Committee confirms the following long-term economic development objectives for the economic development strategy:
- to make the Kāpiti Coast a great place to work as well as live and play;
  - to transform the Kāpiti Coast to a 'new economy' over the first half of the 21st century which is less reliant on servicing population growth and is an

active and successful participant in the emerging global low-carbon economy.

- 78 That the Environment and Community Development Committee adopts the strategic focus areas, projects and activities as the basis for the development of the draft economic development strategy as set out in Table 6 to Report SP-11-368 below:

Table 6: Recommended strategic focus areas, projects and activities

Recommended Strategic focus areas	Projects	Activities
Innovation and positioning	Clean (sustainable) technologies	Continue leadership in the clean technology area  Leverage growth off the Clean Technology Centre  Grow the Clean Technology Park  Streamline Council’s role in trialling new technologies  Encourage the development of an early adopting domestic and commercial market
	Responsive Council	Develop a system or function which will enable business to navigate its way through Council processes in a straight forward manner.
	Marketing the District as a place for economic development innovation	Market Kapiti as the ‘innovation district’
Transformation – the creation and capture of value	Māori economic well-being and business development	In partnership with iwi prepare and implement a Māori economic well-being strategy  Work with iwi to increase the use of under-developed land and maximise the economic value of production from the land
	Food and beverage - growing the local food economy	Support business development in the primary sector which is value add focused, for example, growing the local food economy based on local horticulture development  Explore and utilize opportunities associated with innovation and new technologies, for example, setting up a

		<p>cooperative kitchen</p> <p>Link the Kapiti Coast to the Wellington supply chain and work with the Wairarapa to increase opportunities in the lower North Island and upper South Island consumption chain</p> <p>Connect growers, processors, local supermarkets, and consumers;</p> <p>Address major points of leakage from the local economy</p> <p>Increase the depth of the spend on local food products</p> <p>Develop links with the Clean Technology Centre at Ōtaki</p>
	Health sector – working with the retirement sector around growing skills, innovation and education value add	Further investigate opportunities in the sector to identify specific actions Council could take. This will need to involve discussion with key stakeholders in the sector.
	Construction sector – growing technology, skills, adaptability and the range of products	<p>Expand demand for energy efficiency products and services through investment in retrofits of existing building stocks, for example, Council buildings and retirement flats.</p> <p>Encourage the uptake of sustainable building technologies in the construction sector, for example, building energy efficient houses such as the Little Greenie;</p> <p>Support Weltec to run trade training courses from the Clean Technology Centre</p>
	Broadband	Continue to work with the wider region to advocate for faster delivery and continue to support local investments such as the UFB along Riverbank Road, Ōtaki.
Growing the base	Tourism	<p>Focus the majority of effort on growing existing domestic markets – get domestic tourists to come back more often and manage risk posed by increasing energy costs and potential loss of cheap transport</p> <p>Build strong partnerships with tourism agencies in the Wellington region in order to leverage mutual benefits from</p>

		having more to offer visitors to the region  Grow international market driven off marketing to domestic market. If Wellingtonians can't wait to come to/come back to Kāpiti, they will tell their visiting friends and family.
	Business support, attraction and retention services	Fund the provision of some general business support, mentoring, attraction and retention services
	Town centre development	Continue on-going work programme managed under the Development Management activity area
	Workforce development	Identify gaps in training opportunities and skills and investigate solutions for filling the gaps.

- 79 That the Environment and Community Development Committee approve the Economic Development Review Working Party to undertake discussions on the draft economic development strategy with the key stakeholders with further consultation to be undertaken as part of the 2012 Long Term Plan process.
- 80 That the Environment and Community Development Committee notes that formal consultation on the draft economic development strategy will be carried out as part of the 2012 Long Term Plan.
- 81 That the Environment and Community Development Committee notes that the review of service delivery options including a recommended option will be reported to the Committee on 2 February 2012.

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**Strategic Projects Manager****Approved for submission by:**

Gael Ferguson

**Group Manager, Strategy and Partnerships****ATTACHMENTS:**

1. Economic development review working party terms of reference

## ECONOMIC DEVELOPMENT REVIEW

### TERMS OF REFERENCE

#### Membership of Working Party

Mayor

Councillors:

Roger Booth

Ross Church

Penny Gaylor

Tony Lester

Hilary Wooding

Te Whakaminenga representatives:

Te Waari Carkeek

Jennie Smeaton

#### Meeting schedule

At least 6 weekly to coincide with Environment and Community Development Committee meetings and other workshops and meetings on an as needed basis.

#### Background

The Council currently participates in two broad economic development initiatives and structures. These two structures are complementary and participation in both reflects the complexity of the District's urban/ metropolitan and rural/ provincial links. These structures are:

- a northern focus, in partnership with Horowhenua District Council  
this includes a regional Kāpiti Coast/Horowhenua economic development strategy agreed in 2007, delivery of economic development and tourism services via a contract with Nature Coast Enterprise (NCE) which has been in place since 2004, and support for Te Aho, the Kāpiti Horowhenua Māori Economic Development Strategy
- Wellington Regional Strategy, with a focus on sustainable economic growth for the Wellington region  
the focus is on exports, centres of excellence, improvements to key infrastructure such as ports and broadband, as well as continued enhancement of regional form and systems as a key mechanism for assuring stable economic growth in the future.

Regional economic development activities are predominantly carried out by Grow Wellington and are funded through regional rates. Local economic development and tourism services are primarily delivered through the contract with NCE and funded through District wide rates. The Council also has a contract with Te Arahanga Ō Ngā Iwi, the local Māori economic development agency, to assist with the development and subsequent implementation and monitoring of Te Aho, the Kāpiti Horowhenua Māori Economic Development Strategy. The current contracts expire on 30 June 2011 but have been rolled over for a further 12 months pending the outcome of this Review.

## Scope of review

This Working Party is not a decision-making group. Its role is to provide a governance perspective to officers, to oversee the process of the review and to provide input into recommendations by officers to the Environment and Community Development Committee (ECD) for decision.

### Objectives

To work with officers on the preparation of recommendations to ECD on:

- ▶ desired economic development outcomes for Kāpiti Coast District
- ▶ the need for and desirability of Council involvement
- ▶ delivery options including the role and nature of Council's involvement

### Working Party activities and roles

- ▶ Identify opportunities for collaboration with other TAs;
- ▶ Hold discussions with key stakeholders including NCE, the Chamber of Commerce and Horowhenua District Council and provide a first point of contact for them;
- ▶ Provide a governance perspective to staff supporting the Review;
- ▶ Oversee Review progress;
- ▶ Ensure communication with Council, stakeholders and community is appropriate and timely;
- ▶ Meet with Chair and Chief Executive of Nature Coast (NCE) on a 6-weekly basis to receive an operations report, set the direction of activities if changing circumstances require a different response (particularly with reference to the Rugby World Cup 2011), and provide direct liaison between Council and NCE for the duration of the Review.

## Review process and timeline

### Stage 1 March – May 2011

Identify options for the economic outcomes sought by the Council, including exploring the wider question of the Council's role in economic development, and make recommendations to ECD at its meeting of 9 June.

### Stage 2 (dependent on outcome of Stage 1) June – December 2011

Identify the range of delivery options available including clarification of stakeholder interests. Assess options against outcomes identified in Stage 1 and provide input into the selection of those to go forward for recommendation to ECD and Council.

## Review outputs

Progress reports to ECD :

9 June 2011  
September 2011

Report with recommendations on desired economic outcomes to ECD:  
9 June 2011

Final report to ECD and Council with recommendations: 15 December 2011