



Smart**Economy**

Building blocks to a better future

Western Bay of Plenty Economic Development Strategy

Reviewed in 2012

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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 and fibre, roading, telecommunications, electricity generation, waste management, open space and community facilities contributed to and accessible to the community.
Lead agency	The lead agency is the organisation responsible for initiating and leading the action. The lead agency may be a local government organisation, central 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.
Private/public partnership	Partnership to provide public services jointly by the public and private sector.

Term	Description
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.
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, ancestral lands, water, sites, waahi tapu and other taonga.
Vision	A statement defining the qualities of the sub-region in the future an indication of sub-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 the Bay of Plenty Regional Council as it relates to the two districts.

Abbreviations

Abbreviation	Description
BOC	Bay of Connections
BoPP	Bay of Plenty Polytechnic
BOPDHB	Bay of Plenty District Health Board
BOPRC	Bay of Plenty Regional Council
CBD	Central Business District
CCAG	City Centre Action Group
CP	City Plan
CT	Creative Tauranga
DOC	Department of Conservation
DP	District Plan
GDP	Gross Domestic Product
GPRS	Grants for Private Sector Research and Development
LTCCP	Long Term Council Community Plan
MBIE	Ministry of Business, Innovation and Employment
MfE	Ministry of the Environment
MoE	Ministry of Education
NZTA	New Zealand Transport Agency
NZTE	New Zealand Trade and Enterprise
PTE	Private Training Establishment
RDC	Rotorua District Council
RLTS	Regional Land Transport Strategy

Abbreviation	Description
RTA	Road Transport Association
SBN	Sustainable Business Network
SGIC	SmartGrowth Implementation Committee
SME	Small and Medium Enterprises
SRN	Strategic Road Network
SSPA	Secondary Schools Principals Association
TCC	Tauranga City Council
TEC	Tertiary Education Commission
TMBA	Te Raranga Maori Business Association
TMIA	Tauranga Marine Industry Association
TMMTG	Tauranga Moana Maori Tourism Group
TP EDG	Te Puke Economic Development Group
TPFF	Te Puke Fast Forward
Tsm BOP	Tourism Bay of Plenty
UoW	University of Waikato
WBOP	Western Bay of Plenty
WBoPBIF	Western Bay of Plenty Business Investor's Forum
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatane District Council
YES	Young Enterprise Scheme

What is Smart Economy?

The Western Bay of Plenty sub-region includes both the districts of Tauranga and Western Bay of Plenty. The region has experienced 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 the 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, and 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 New Zealand Trade & Enterprise. It has also involved Bay of Plenty Regional Council, 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.

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 sub-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.

Smart Economy Summary (2004)

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. The level of skills of the workforce has increased relative to the national average.
7. 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

IMPLEMENTATION & GOVERNANCE

Vision and High Level Outcomes

Smart Economy Vision

The vision for the Western Bay of Plenty sub-region in respect of 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

The vision will be achieved by transforming the sub-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 sub-region. In doing so it must increase productivity within its core competencies to become a high value-added economy consistently performing above the national average.

High Level Outcomes

By implementing strategies to achieve this vision, the sub-region expects to achieve the following high level outcomes over the next ten years:

1. Per capita GDP has grown faster than the national average.
2. Value of the sub-region's exports as a proportion of total output has increased.
3. 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. Level of skills of workforce has increased relative to the national average.
7. A survey of businesses shows that sustainable business practices are increasing.

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

International and National Context

International Context

Over the last 20 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 financial crises.

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. Recent 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 and 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 rather a set of new sources of competitive advantage faced by all industries: 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; and
- 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

National Context

Concern about New Zealand’s relatively low growth in GDP in the last 15-20 years resulted in recent governments placing a very high priority on economic development and on lifting New Zealand’s growth rate.

- In 2001 the Labour 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 had a strong focus on developing industry clusters, exporting, commercialising research and developing a culture of innovation and enterprise throughout society.
- In 2010 the National Government announced its Business Growth Agenda, focusing on six key ‘ingredients’ businesses need to grow. These are export markets, innovation, infrastructure, skilled and safe workplaces, natural resources and capital. Each of these has its own programme of work under the new Ministry of Business, Innovation and Employment (MBIE), established in 2012. At the time of the 2012 review of Smart Economy, the initiative had produced two of the reports covering export markets and building innovation. Visit <http://www.mbie.govt.nz/what-we-do/business-growth-agenda>.
- New Zealand Trade and Enterprise (NZTE) has a strong focus on building the capability of individual businesses in export markets, including the establishment of beachheads in the Middle East, South America, Europe, South East Asia, China, North America, Japan and India.

Benefits of an Economic Development Strategy

There are significant benefits that have arisen from the preparation of a collaborative 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;
- Identification of key opportunities and priorities;
- A set of agreed stretch targets, actions, timings and resources to support the strategy implementation; and
- A framework for evaluating success.

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; and 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; and (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 sub-region, can be seen as a weakness. Central government policy has stipulated that they intend to encourage development and growth in science and innovation based industries.

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 (2004)

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

- Primary sectors (agriculture, horticulture, food processing);
- Construction;
- Business services ;
- Transportation and storage (including Port of Tauranga activities); and
- Retail / wholesale trade.

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 sub-region 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 of Plenty sub-region 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 of Tauranga 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 (2004)

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-region's 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 Western Bay of Plenty 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 sub-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 of Plenty sub-region 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 sub-region. 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.

Strategy Relationships (2004)

Initiatives Underway

There are other significant strategies that have been developed in the Western Bay of Plenty sub-region such as SmartGrowth (sub-regional growth management), local authority community outcomes processes, the Regional Land Transport Strategy, local authority ten year plans, Access (transport), and Priority One and Chamber of Commerce initiatives. 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, Bay of Plenty Regional Council 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 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 Tauranga City Council, Western Bay of Plenty District Council and the Bay of Plenty Regional Council, 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; and
- Low average income and relatively high unemployment.

Smart Economy Themes (2004)

In order to achieve the vision and outcomes, the Smart Economy strategy has been developed to target the drivers of economic development and remove 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 sub-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 dependent on population growth and 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 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 'financial services' sectors have important roles to play in supporting these key sectors.

The economy also has significant strengths in construction, tourism, retail 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**.

If Western Bay of Plenty businesses are to be able to compete globally, these barriers need 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.²

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.

² The exception is compliance costs associated with council regulatory processes which are included.

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 sub-region include 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.

Lifestyle – “the place, the people”

This theme is about creating places, facilities, activities and events 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 sub-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 sub-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 the ‘blokart’ land based yachts, and the strategy explores opportunities to extend this direction.

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, 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.

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 sub-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?

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. 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 sub-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 and most active ExportNZ branch, a very strong Chamber of Commerce, and economic development agency 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 New Zealand Trade & Enterprise, 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.

Monitoring (2012)

Priority One commissions a consortium comprising APR Consultants, Economic Solutions, Waikato University and Infometrics has been contracted to undertake an annual economic study to measure progress against the Smart Economy high level ten year goals. The work includes a business survey, export value and growth trends by industry sector, and the measurement of skill levels and skill shortages in the sub-region. During 2011/12 the sixth economic study was completed, providing information on progress in the last year against the benchmark set in 2006. Key findings are as follows:

1. Per capita GDP has grown faster in the sub-region than the national average

Relative to the national level, the Western Bay of Plenty sub-region's real GDP per capita has fluctuated between approximately 76% and 83% of the national figure since 2006. It increased from 78% of the national figure in 2006 to 81% in 2011.

For the year ended September 2011, the Western Bay of Plenty sub-region's real GDP per capita was \$24,885 compared to \$30,904 for New Zealand as a whole. This was a decline of \$525 (-2.1%), compared to a national gain of \$132 (0.4%) during the same period.

2. The value of sub-region exports as a proportion of total output has increased

The ratio of the Western Bay of Plenty sub-region's exports to gross output increased from 21.6% in 2010 to 24.7% in 2011. In 2011, the greatest export to gross output ratios in the sub-region occurred in the following industry sectors: horticulture and fruit (73.2%), agricultural services (72.8%), food processing (55.8%), trade (32.9%), and wood and paper (31.6%).

3. A survey of businesses shows that business profitability has increased

According to APR's business survey conducted in February 2012, the majority (86.5%) of businesses in the Western Bay of Plenty sub-region expected their profits to remain consistent or increase in the coming year. Almost half (44.5%) of respondents predicted their profits would remain static over the year to February 2013 and 42.0% expected their profit levels to improve. The remaining 13.5% of respondents expected their profits to decrease.

The Western Bay of Plenty sub-region's value added per employee grew at an average rate of 3.6% per annum during the period March 1996 to September 2011. This was slightly slower than New Zealand's average annual growth rate of 3.7% during this period.

4. Average household income has increased faster than the national average

During the year to June 2011, the sub-region's real gross average weekly household income decreased by 9.8%. This compares to a 2.3% decline recorded for New Zealand as a whole.

The nominal average weekly household income in the sub-region and New Zealand as at June 2010 was \$1,343 and \$1,525 respectively, a difference of \$182. Between the June 2002 and June 2011 quarters it is estimated that average weekly gross real household income

increased by 7.5% in Western Bay of Plenty sub-region and 6.4% across New Zealand. This corresponds to annual real income increases of 0.8% for the sub-region and 0.7% across New Zealand on average.

5. Reduction in the percentage of households in the bottom quartile of national income

During the past nine years between 2002 and 2011, the proportion of Western Bay of Plenty sub-region households who were members of the lowest quartile of New Zealand household income declined by 4.2%.

However, the proportion of sub-regional households in the lowest quartile of New Zealand's household weekly income was approximately 23.6% in June 2011 compared to 22.2% in June the previous year. This represented an increase of 1.4%.

6. The level of skills in the workforce has increased relative to the national average

Due to the lack of Census information and other relevant sub-regional data, it is not possible to accurately determine how the level of skills in the sub-region relative to New Zealand as a whole changed during 2011. However, consideration of sub-regional labour market factors during 2011 suggests that it is reasonable to conclude that the proportion of skilled labour in the sub-region's workforce increased, or at least did not diminish, during the year. A summary of reasons for drawing this conclusion are as follows:

- In the period between 2007 and 2011 the labour-hoarding behaviour of firms (ie to retain skilled staff with fewer working hours) was evidenced by a small reduction in the sub-region's employment count. This factor would have had an adverse effect on workers' gross annual income, but nevertheless would have been sufficient to maintain the majority of workers' skills at a level similar to pre-recession levels.
- The mild decline in the sub-region's labour force participation rate over the past few years may have amounted to a potential deterioration of the skills of only a small number of relatively unskilled workers. Therefore, it may not have represented a significant decline in the overall 'pool' of sub-regional skills.
- The urban growth inertia of the sub-region ensures that it is the recipient of a steady annual stream of skilled working-age labour, as it flows into an appealing, fast-growing area of New Zealand. This leads to a regular annual increase in the proportion of the sub-region's labour force which is skilled, even in times of economic slowdown.
- Overall, the most pertinent issue in regard to the sub-region's economy is whether a deficit of skilled labour limited the rate of economic growth during 2011. Given the sub-region's slow economy attributable to a lack of domestic demand, this seems unlikely to have occurred.

7. The proportion of businesses in the sub-region adopting sustainable practices has increased

APR's business survey conducted in February 2012 showed an increase in the proportion of businesses in the sub-region that have adopted sustainable practices. Almost half (48.0%) of businesses undertook sustainable practices as at February 2012, up from 40.0% in May 2011 and 44.0% in February 2010.

Summary of Governance Changes (2007)

- 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 Providers Forum
 - Tauranga City Council
 - Western Bay of Plenty District Council
 - Bay of Plenty Regional Council
 - Kiwifruit industry interests
 - Sustainable Business Network
 - Tauranga Chamber of Commerce
 - Export NZ BOP
 - Te Puke EDG
 - Katch Katikati
 - EMA
 - Western Bay of Plenty Tertiary Providers
 - Tourism Bay of Plenty
- Bi-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.

Governance Responsibilities (2007)



Smart Economy Implementation

Smart Economy Approach

- The Smart Economy Action Group (SEAG), Smart Economy Forum and the administrative agency (Priority One) 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

Smart Economy Forum Role

The Smart Economy Forum's primary role is to ensure the Smart Economy actions are implemented by all agencies as allocated. Main roles of the forum include.

- Meet at least quarterly throughout the year to leading the monitoring and audit of the strategy and support of strategy partners that have been identified in achieving the agreed objectives.
- Facilitate forums and encourage business community participation and manage a communication plan on strategy progress.
- Promote the aims of this project within the context of sustainable economic development outcomes.
- The composition of the Smart Economy Forum is proposed to be the senior management or staff representatives of the following key agencies that play a pivotal role in economic development throughout the sub region and industry sector representative.
- Industry sector representatives may vary in number depending on the issues requiring consideration.

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 Forum.
- Priority One to act as the administrative agency for the Smart Economy strategy.
- Ensure that the Smart Economy Forum 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 local authorities have responsibility for achieving.

The Smart Economy Forum has been established and is chaired by Priority One. It comprises the following agencies and organisations, as well as representatives from key industry sectors in the region:

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

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

Linkages between SEAG and Smart Economy Forum (2007)

To ensure strong linkages between the Smart Economy Action Group and wider Smart Economy Forum, SEAG members have taken responsibility for communicating, reporting to and supporting other lead and support agencies as follows:

SEAG Member	Reporting & Supporting
Chamber of Commerce	Te Raranga Maori Business Association (also passes actions TPK have contracted TMBA to undertake Tauranga Moana Maori Tourism Trust (also linked to TMBA) Global BOP Mainstreet organisations
Bay of Plenty Regional Council	Whakatane District Council (support only) Rotorua District Council (support only) Community Outcomes BOP (COBOP)
Export NZ BOP	Export NZ BOP
New Zealand Trade & Enterprise	Tertiary Education Commission Department of Labour Ministry of Economic Development (support only) Ministry of Social Development Work & Income
Paul Hickson	BOP Cricket (support only) Federated Farmers NZ Kiwifruit Growers Inc Post Harvest Group (support only) Te Puke Fast Forward (support only) Te Puke Focus
Priority One	Bay of Plenty District Health Board Food BOP ICT Cluster (support only) Tauranga Marine Industry Assn (support only) MRST (support only) Property Council SmartGrowth Strategic Partners Forum (support) WBOP Business Investor's Forum Genesis (support only) Electricity Commission (support only) Mighty River (support only) Network Utility providers (support only) TrustPower (support only) Powerco (support only)

SEAG Member	Reporting & Supporting
Priority One (<i>continued</i>)	Transpower (support only) Transit NZ (support only) Smart Transport (John Hannah) Land Transport NZ (support only) Secondary School Principals Association
Regional Tertiary Providers Forum	Bay of Plenty Polytechnic Bethlehem Tertiary Institute (support only) ITOs Tertiary Education Board University of Waikato BOP District Health Board (BOP Clinical School)
Sustainable Business Network	Department of Conservation (support only) Forest & Bird (support only)
Tauranga City Council	Sport BOP (support only) City Views (support only) Creative Tauranga Museum Trust Tauranga Art Gallery Trust Tangata Whenua Collective Tauranga Airport Committee (support only) Tourism Bay of Plenty
Western Bay of Plenty District Council	Community Boards (support only) Community Boards Maori Forum Katikati Community Katch Katikati Te Puke Community Omokoroa Community Waihi Beach Community Maketu Community Outlook publication
TCC, WBOPDC, BOPRC	SmartGrowth Implementation Committee
SEAG	BOP Times (support only)

Smart Economy Review Process (2012)

March 2012

Project plan and timeline developed and approved by Chief Executives of Tauranga City Council and Western Bay of Plenty District Council and the Priority One Board.

1 May 2012

Around 250 business and civic leaders from Tauranga and the Western Bay of Plenty gathered at the TECT Arena for Priority One's '*Shaping Our Future : Business Summit 2012*'. Facilitated by economic commentator Rod Oram, the summit was convened to gather input to a master plan for economic growth in the sub-region. It was a chance to really look at building more depth into our economy, which has traditionally been based on population growth and horticulture. New opportunities were identified in areas such as coastal marine science, technology and the planned expansion of Port of Tauranga, as well as in the development of better and more collaborative relationships with the iwi of Tauranga Moana. The outcomes will also form a more targeted approach to business growth and identifying valuable partnerships to leverage when pitching to innovative export businesses considering expanding or relocating to the sub-region.

Invitees: Representatives from Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council (senior staff and elected members), members and boards of Priority One, Tauranga Chamber of Commerce, ExportNZ BOP, Sustainable Business Network, NZ Trade & Enterprise, EMA, Bay of Plenty Tertiary Partnership, Western Bay of Plenty Tertiary Providers Forum, Katch Katikati, Te Puke EDG, Bay of Connections governance group and industry sectors, City Centre Action Group and boards (including Downtown Tauranga, Tourism Bay of Plenty, Bay of Plenty Property Council), NZ Kiwifruit Growers Inc, Tauranga Marine Industry Association, Federated Farmers, Bay of Plenty Clinical School, SmartGrowth Strategic Partners (including Grey Power, Forest & Bird, Te Puke Fruit Growers, Housing New Zealand, Bay Trust, Sport Bay of Plenty, Tauranga City Venues Ltd), Population Ageing Technical Advisory Group (including Bay of Plenty District Health Board, Age Concern, Auckland University), Titanium Industry Development Association, Housing Affordability Forum Business Women's Network, iwi and various young professionals groups and forums.

8 August 2012

Over 150 business and civic leaders attended the *Shaping Our Future – Next Steps* economic summit to drill down into key sectors to identify opportunities for growth and interventions that would make a difference in terms of sector development and increasing exports. A series of workshops were held covering tertiary education & research, Maori economic development, sustainability & productivity and emerging sectors & exports. A summary of workshop discussions can be found in the [appendix](#) at the back of this document. Those invited to the workshops were as listed in the above paragraph.

16 August 2012

A workshop was held with the City Centre Action Group, comprising agencies involved in increasing activity and investment in Tauranga's CBD area. Discussion around new actions that could be included to bring aspects of the City Centre Strategy into Smart Economy were as follows:

- The City Living Zone – core and fringe, including student accommodation.
- Recognition of the city centre strategy boundaries.
- The change in purpose of the city centre from retail to the commercial, cultural and civic hub of the sub-region.
- Change 'parking incentives' to easy access to and around the city and include initiatives to make it more pedestrian friendly.
- The city centre tourism product – understand the potential of the cruise ships.
- Include an action around improving amenity and pedestrian linkages in the city centre.
- Consider how to articulate the desired outcome of 'Artsville' and include the development of a public art policy and the Hairy Maclary installation.
- Recognise the importance to the sub-region of having a strong economic base in the city centre.
- Actions to promote the retail offer as 'cool, funky, boutique' to differentiate from elsewhere.
- The Tauranga business case – include specifically in terms of promotion, development of key sites, and targeting the relocation of government agencies.
- Supporting existing business – Downtown Tauranga.
- Tertiary sector linkages in terms of student accommodation and the tertiary and research campus.

28 August 2012

Input to the Smart Economy review was sought from the Smart Economy Forum at a quarterly meeting. The importance of providing linkages to the social economy / third sector (community, voluntary and not-for-profit activities) was noted.

August to October 2012

The Smart Economy Action Group, comprising key lead and support agencies in Smart Economy implementation, formed the reference group for the review. It included representatives from the following organisations or sectors:

- | | |
|---|--|
| ▪ Priority One | ▪ Te Puke EDG |
| ▪ ExportNZ BOP | ▪ Katch Katikati |
| ▪ Sustainable Business Network | ▪ NZ Trade & Enterprise |
| ▪ Tauranga Chamber of Commerce | ▪ EMA |
| ▪ Tauranga City Council | ▪ BOP Tertiary Education Partnership |
| ▪ Western Bay of Plenty District Council | ▪ Western Bay of Plenty Tertiary Providers |
| ▪ Bay of Plenty Regional Council (Bay of Connections) | ▪ Tourism Bay of Plenty |
| ▪ Kiwifruit industry | |

Four reference group workshops were held between August and October 2012 to identify:

- What has been achieved since the strategy was first adopted and what actions have been completed.
- What has changed since the strategy was adopted and what should the response be to new challenges or opportunities;
- Current and emerging issues and sectors, including prevailing economic challenges over the next 5-10 years;
- Related strategies that have been developed since 2004 to ensure alignment;
- The potential impact of the developing central North Island / Auckland / Waikato / Bay of Plenty growth centre and opportunities; and
- Priority actions for the next three years.

October 2012

The Smart Economy strategy and implementation plan were amended to take into account the above processes and input.

November 2012

The amended Smart Economy strategy and implementation plan were signed off by the Priority One board and those agencies and organisations with lead and support responsibilities.

December 2012

The amended Smart Economy strategy and implementation plan were presented to the Joint Committee of Councils (Tauranga City Council and Western Bay of Plenty District Council) for endorsement and sign off.

January 2013

Implementation of the revised Smart Economy strategy and implementation plan commenced.

February 2013

A report highlighting the outcomes of the review of the Smart Economy strategy will be presented to the SmartGrowth Implementation Committee to feed into the SmartGrowth review.

Alignment with Other Processes

It is noted that, at the completion of the Smart Economy review, the following strategies either being developed or reviewed:

- Maori Economic Development Strategy (Bay of Plenty Regional Council through Bay of Connections)
- Sport & Recreation Strategy (Bay of Plenty Regional Council through Bay of Connections)
- SmartArts (Tauranga City Council, Western Bay of Plenty District Council and Creative Tauranga)

- SmartGrowth growth management strategy (SmartGrowth Implementation Committee).

Once the outcomes of these new strategies or reviews are finalised, they will be considered in relation to specific action areas in the Smart Economy strategy to ensure alignment and inclusion of relevant additional actions. As with the main review process, any additional changes to the Smart Economy strategy will require approval from lead and support agencies, the Joint Committee of Councils (Tauranga City Council and Western Bay of Plenty District Council) and Priority One's board.

External Changes 2004-12

International

- On-going globalisation
- Global Financial Crisis
- European economic situation
- Strong growth in Asian markets
- Increasing demand for food and energy exports
- Increasing focus on sustainability
- Ageing demographic
- Advancement of communications technology
- Climate change
- Increasing emphasis on science and technology
- Price and availability of fuel

National

- Caution around investment and spending
- Cuts to the public sector
- Treaty of Waitangi settlements and opportunities for investment
- Christchurch earthquakes
- Earthquake strengthening requirements
- Increased opportunities for collaboration (UNISA, Core Cities)
- Growth in exports and higher commodity prices
- High demand in Australian and Asian markets for our products
- High New Zealand dollar
- Slower population and business growth than predicted
- Higher unemployment than predicted

Regional

- Development of Bay of Connections strategy and subsequent sector focused strategies
- Increasing opportunities for collaboration
- Emerging industry sectors (eg titanium, energy, aquaculture, ICT, marine discovery)

Sub-Regional (Tauranga & Western Bay of Plenty)

- 600 ha of zoned business land now available, however issues around the viability/cost of development (residential and commercial_
- Slowed population growth
- Increase in the 20-45 demographic³
- Establishment of Bay of Plenty Tertiary Partnership
- Increasing competitive advantages of Port of Tauranga (including long term growth strategies)
- Tauranga City Centre strategy and increased investment
- Priority One targeted business attraction campaign
- Psa-V and the uncertainty of the future of the kiwifruit sector
- Rena grounding
- Establishment of the Bay of Plenty Regional Council's Regional Infrastructure Fund (\$38 million)
- Roll out of ultrafast broadband and rural broadband services
- Smart Arts strategy and implementation
- Smart Tourism strategy and implementation
- Treaty of Waitangi settlements underway
- Strategic roading network almost completed
- Emergence of new sectors aligned to the sub-region's competitive advantages [see page 40].

³ Paling, R., Sanderson, K., Williamson, J., 2010, *Economic Linkages between New Zealand Cities* (Ministry of Economic Development)

Smart Economy Changes 2004-12

Barriers to Economic Growth (2004)

- Shortage of business land
- Issues with transportation infrastructure
- Insufficient cultural, artistic and recreational opportunities
- Unstable power supply
- Insufficient tourism infrastructure to grow this market (international hotel and convention centre)
- Need to attract skilled and unskilled people in most industry sectors

Current Situation (2012)

Business Land

There are now over 600 hectares of land zoned for business purposes available in Tauranga and the Western Bay of Plenty, providing a strong competitive advantage for the sub-region in the attraction of business relocations.

Transportation Infrastructure

Significant investment has been made in the sub-region's transportation infrastructure since 2004 as part of the \$755 million strategic roading network. This has made Tauranga/Western Bay of Plenty one of the easiest cities to move around in New Zealand, providing significant competitive advantages. These efficiencies also add to the strong case for Port of Tauranga to become the country's main import/export port. Key transportation projects completed or significantly underway include:

- Harbour Link – the second harbour bridge
- \$455 million Tauranga Eastern Link
- Route K
- Hewletts Road flyover
- Four laning of Hewletts Road through to Takitimu Drive
- Pyes Pa bypass
- Welcome Bay/Maungatapu roundabout
- Four laning at Bethlehem
- Investment in public transport
- Bus lanes on main routes

Cultural, Artistic and Recreational Opportunities

Despite strong emphasis in the Smart Economy strategy on the importance of physical and cultural assets to economic development in the attraction of human capital (see pages 11, 13 and 21), the sub-region still suffers from a lack of arts and cultural amenity compared to other cities in New Zealand. In the modern economy, businesses are attracted to places with high human capital, and human capital is attracted to places that can offer a good quality of life, particularly in relation to arts, cultural and recreational opportunities. While Smart Economy partners continue to work in this area and there is a level of understanding at a political level of the importance of arts and culture to the economy and the competitive advantages these assets provide to a city, the necessary investment required has yet to be made.

Power Supply

In 2007 a series of workshops were facilitated comprising Transpower, Powerco, local authorities, SmartGrowth representatives and other stakeholders to discuss issues around electricity security and capacity of supply and the region's short and long term growth needs. A strategy and implementation plan were developed to address these issues. It was signed off by the Smart Economy Action Group in February 2008 and referred to the outcomes to the SmartGrowth Implementation Committee to determine the next steps, including funding streams for any on-going work required.

In addition, in 2011 a cross-region energy strategy was developed by representatives from the business community and regional economic development agencies, led by the Bay of Plenty Regional Council's Bay of Connections economic development strategy. The Bay of Plenty is potentially one of the most energy-rich regions in the country, particularly in the areas of geothermal, hydro-power, solar and biomass. The strategy estimates that over the next 15 years the region could attract up to \$4 billion in investment in sustainable energy development and generate more than 15 per cent of the country's energy requirements and 10 per cent of its liquid transport fuels. An action plan has been developed to implement the strategy through an industry-led forum.

Tourism Infrastructure (International Hotel and Convention Centre)

The \$41 million TECT Arena at Baypark opened in August 2011, providing a state-of-the-art venue for sporting events, conferences, concerts and entertainment. It is run by Tauranga City Venues Ltd as a Tauranga City Council 'council controlled organisation' under a board of directors with broad commercial, financial and legal expertise, as well as elected member representation.

In 2011/12 Priority One commissioned the development of a business case for the establishment of a conference facility in Tauranga's city centre. The outcome overwhelmingly supported the establishment of a purpose-built facility to accommodate medium and larger events that would come to Tauranga as a preferred destination to places such as Hamilton and Wellington. However, while economic and community benefits that are derived from a conference facility support the investment, the business case did not provide a commercial return on capital. It is therefore unlikely that the private sector will participate at this stage. As it has in other regions, the investment would need to be part funded by local government and/or local community capital.

There have been several attempts to progress the development of an international hotel in Tauranga's city centre in recent years:

- In 2008 negotiations were underway with a potential developer/investor, however the developer's interests did not align with those of Tauranga City Council and the project did not progress.
- A sale and purchase agreement was negotiated by another developer in 2011, however economic conditions saw the agreement lapse in mid-2012 and the development did not progress.
- In October 2012 Tauranga City Council sought registrations of interest for the development of an international hotel, with two potential investor/developers identified. At the time of updating this strategy discussions are underway between council and these parties.

Attraction of Skilled and Unskilled People

The Global Financial Crisis and resultant economic downturn from early 2008 has seen skill shortages reduced in most sectors in the sub-region, with the exception of ICT and specialised manufacturing. The Bay of Plenty District Health Board's Clinical School has been particularly proactive in addressing current and future shortages in the health sector, as follows:

- MOUs confirming a collaborative approach to addressing skills shortages are in place with University of Auckland, University of Waikato, Bay of Plenty Polytechnic, Waiariki Institute of Technology, Norfolk Southern Cross (Grace Hospital) and Te Whare Wananga o Awanuiarangi. Continued growth of undergraduate placements shows efforts to attract students to the Bay of Plenty are proving successful.
- From 2010 the Bay of Plenty Clinical School was formally recognised as a division of the University of Auckland campus. As a result, University of Auckland medical students are increasingly choosing to undertake their year five and six programme of study from the Bay of Plenty. This is a first for the Bay of Plenty region and supports the 'grow your own' approach. It is envisaged the number of year six students will double for 2013.
- The Bay of Plenty District Health Board delivers graduate nurse and new entry to practice training programmes for nurses, midwives and primary care nurses.

Economic Challenges (2012)

Through the consultation process undertaken for the 2012 review of Smart Economy, the following economic challenges were identified for the sub-region:

- Improving productivity
- Funding growth (infrastructure)
- Providing affordable housing options
- Retaining our workforce in the sub-region
- Attracting highly productive, higher skilled and globally competitive businesses
- Attracting medium to large businesses and head office operations
- The development of tertiary education and research partnerships to drive business innovation and entrepreneurship
- Supporting Maori economic growth aspirations
- Ensuring an awareness of the impacts of an ageing population
- Developing a wider choice of arts and cultural facilities to attract highly skilled people and the businesses that need them.

Key and Emerging Sectors (2012)

Through the consultation process undertaken for the 2012 review of Smart Economy, the following key industry sectors were identified as having competitive advantages for the sub-region:

- Horticulture and food processing
- Marine discovery and aquaculture
- Energy
- Information and communications technology
- Freight logistics
- Health
- Sport and recreation
- Specialised manufacturing (including titanium)
- Education

Priorities (2012)

Through the consultation process undertaken for the 2012 review of Smart Economy, the following medium term (2-5 years) priorities were confirmed:

- Tertiary education and research
- Innovation and business parks
- Growth of the export sector
- City centre development
- Broadband uptake
- Maori economic development

Vision (2012)

Through the consultation process undertaken for the 2012 review of Smart Economy, the vision statement has been amended. The primary reason for this was to make it more succinct and easy to remember, which were considered key components to an effective vision. In addition, the new vision better aligns with SmartGrowth's vision for 'Growing the Economy' section of that strategy. The new vision is:

A thriving, growing, diverse and sustainable economy.

Business as Usual (2012)

Through the consultation process undertaken for the 2012 review of Smart Economy, it was decided to remove from the implementation plan actions considered 'business as usual' for Smart Economy lead agencies. This was on the assumption that they will be undertaken on an on-going basis and to ensure the implementation plan focused succinctly on actions requiring work to progress. The 'business as usual' actions have, however, been retained as a list in the revised Smart Economy strategy, as outlined below.

INNOVATION & ENTREPRENEURSHIP

1. Promote innovation and entrepreneurship in the sub-region

- (i) 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.
- (ii) Celebrate entrepreneurship and business performance (eg through business awards and other initiatives)
 - BNZ Partners Bay of Plenty Export Awards
 - Sustainable Business Awards
 - Westpac Business Awards
 - Te Puke Business Excellence Awards
 - Katikati Business Awards (OSKKARS)
- (iii) Encourage learning institutions to link with business (eg through business programmes such as INSTEP and YES) and facilitate the identification of key issues between curriculum studies and the needs of business.

2. Attract and support innovative and export-focused SMEs/ corporate relocations, with emphasis on export sustainability

- (i) Target SMEs with export capability and run education programmes to assist them to identify and link to overseas markets.
- (ii) 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.
- (iii) Ensure that organisations offering small business support such as the Chamber of Commerce coordinate their programmes
- (iv) Provide "community good" business development services to give effect to Smart Economy outcomes and initiatives.
- (v) Document case studies of successful businesses as a marketing tool to attract business relocations.

LIFESTYLE

1. Invest in vibrant CBD and town centres

- (i) Develop a city centre marketing story and positioning that clearly articulates the unique retail, commercial and residential offer
- (ii) Ensure the adopted City Plan provides an enabling framework for residential and commercial development in the city centre
- (iii) Coordinate a range of regular activities in the city centre such as markets, exhibitions and events to increase vibrancy
- (iii) Provide support for the business associations in Katikati and Te Puke
- (iv) Develop a vibrant and sustainable town centre to support growth in Omokoroa

2. Provide high quality sports, arts, cultural and leisure facilities and activities

- (i) Provide high quality arts and cultural facilities

3. Provide high quality open space

- (i) 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
- (ii) Implement Regional Parks policy and provide mechanism to identify and purchase open space opportunities

BUSINESS ENVIRONMENT

1. Provide communication infrastructure

- (i) Facilitate the introduction of broadband infrastructure across the sub-region, with the speed and capacity that meets business and community requirements.

4. Improve air services

- (i) 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.

5. Promote the efficient, sustainable use of resources and encourage sustainable business practices and design

- (i) Establish a system to educate and assess businesses with respect to sustainable operating practices and provide necessary support to achieve desired standards

6. Complete Smart Transport Corridors network

- (i) Secure funding and commitment to complete Smart Transport Corridors.

EDUCATION & SKILLS

1. **Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy**
 - (i) Develop a regional tertiary education strategy that gives effect to the Smart Economy strategy and aligns with sub regional aspirations
 - (a) TEOs develop profiles to reflect their core business
 - (b) TEOs develop a three year plan for delivery based on an understanding of community needs
 - (c) Develop partnerships with providers outside the region to fill any gaps in required delivery (skills, training, & research)
 - (ii) Work with developers and tertiary institutions to encourage student housing in the city centre
2. **Address current skill and labour shortages and plan for future skill needs.**
 - (i) Implement strategies to address industry skill shortages, including the following priority actions:
 - 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).
 - INSTEP programme
 - Establish horticultural/agricultural degree courses
 - Develop horticultural management succession plans
 - (ii) Promote and expand trade and retail apprenticeships
3. **Improve literacy and business education in schools and encourage school leavers to gain school qualifications.** *(See also Innovation and Entrepreneurship)*
 - (i) Encourage learning institutions to link with business through programmes such as INSTEP, YES, Launchpad and Gateway.
4. **Promote on-going up-skilling and work-based training**
 - (i) Ensure relevant ITOs are aware of industry requirements (as defined by skill gaps analysis) and develop programmes to achieve them.
 - (ii) Meet industry needs with flexible delivery of relevant programmes

NETWORKED ECONOMY

1. **Facilitate business networks and cluster initiatives**

- (i) Continue current clustering programmes (eg food processing, ICT, TMIA, Hortitech) where effective, and identify new clustering opportunities (eg agribusiness, transport & logistics, professional services, manufacturing, engineering)
- (ii) 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

2. **Encourage liaison and information sharing between business economic development agencies and local & central government**

- (i) Convene quarterly CONNECT 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
- (iii) Coordinate existing economic monitoring undertaken by different agencies, such as Priority One and the local authorities

3. **Foster partnerships between business, local government, central government and education sectors**

- (i) Continue SmartGrowth partnership through implementation
- (ii) 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
- (iii) Develop a portal to business support and economic development organisations, providing a one stop shop for assistance and opportunities

5. **Develop community awareness of the importance of economic development built on sustainable business practices**

- (i) 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.

6. **Develop joint initiatives with the rest of the region/other regions**

- (i) Ensure on-going collaboration and liaison with rest of the region – for example continue joint cluster work

Completed Actions (2007 & 2012)

Through the consultation process undertaken for the 2007 and 2012 reviews of Smart Economy, the following actions have been identified as completed:

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 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		Tauranga City & Western Bay of Plenty Retail & Commercial Strategy (Property Economics) Built Environment Strategy (WBOPDC)
	Develop for the Tauranga City Centre a design and management framework together with detailed implementation plan.	TCC WBOPDC	Chamber, Priority One, Sport BOP, Main street, Tauranga, Creative Tga, Tsm BOP BOPRC		Tauranga City Centre Strategy completed and implementation commenced in 2009
	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.
	Produce a development plan for the town of Waihi Beach.	WBOPDC	Priority One Tourism BOP Creative Tga		Waihi Beach Town Centre Plan completed (WBOPDC)

Action Area	What	Lead Agency	Other	Measure	Notes
			NZTA Community Board		
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 BOPRC	BOPRC Forest & Bird DOC	TBD	<p>Following strategies developed and being implemented:</p> <ul style="list-style-type: none"> TCC continue to prepare and implement a programme of reserve management plans to outline future development and management requirements for our areas of open space. TCC have developed a Best Practice Guide for Open Space to ensure quality spaces are being provided. This was an action from the TCC Open Space Strategy.
	<p>Implement Regional Parks policy and provide mechanism to identify and purchase open space opportunities e.g.</p> <ul style="list-style-type: none"> Papamoia Hills Cultural Park (purchased 2003) <ul style="list-style-type: none"> Active Rural Park (under negotiation) Passive Coastal Park (Huharua) <ul style="list-style-type: none"> Inner Harbour Park (purchased 2004) Wilderness Park Cycling Walking Strategy 	TCC WBOP BOPRC	Sport BOP DOC Maori Tourism	TBD	<p>The following projects have been scheduled for construction or completed:</p> <ul style="list-style-type: none"> The Papamoia Hills Cultural Park was opened to the public in 2003. The TECT All Terrain Park (active rural park) has been purchased by WBOPDC and TCC and a management plan is now prepared to determine development requirements. The Huharua Harbour Park (inner harbour park) has been purchased by TCC and WBOPDC and a management plan has been developed and is in the process of being implemented. The rural wilderness park and the passive coastal park are yet to be secured. TCC Cycling Walking Strategy is now part of the Integrated Transport Strategy and being implemented through budgeted commitments in the LTCCP
Provide high class sports, arts,	Provide high class active recreation and sport	TCC	BOPRC WBOPDC	Facilities are built	The following projects have been scheduled for construction or

Action Area	What	Lead Agency	Other	Measure	Notes
cultural and leisure facilities and activities	facilities <ul style="list-style-type: none"> • Aquatic Centre • Indoor Exhibition Space ▪ Outdoor Stadium improvements • Mount Reef ▪ Regional Indoor Stadium ▪ Blake Park Cricket Facility Development 	(as agreed by the three councils)	BOP Cricket commercial interests, relevant regional sporting bodies Tsm BOP	and operational	completed: <ul style="list-style-type: none"> ▪ Baywave TECT Aquatic and Leisure Centre (complete) ▪ <i>TECT Arena – complete and opened.</i> ▪ Blake Park Regional Cricket Oval (near completion) and associated cricket pavilion (to be constructed)
	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 BOPRC Commercial Interests	Facilities are operational	The Regional Art Gallery is complete and open to the public. The Kopurererua Valley Development continues through a staged construction process. The independent Tauranga Moana Museum Trust has been established to: foster community support for a museum; plan, fund and build a museum; and then operate the museum.
	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 BOPRC WBOPDC	Successful funding of projects within timeframes specified in strategy	City Partners Programme implemented in early 2003. Many partners are now signing up for their second contract term.
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 SBN	Strategy review and alignment completed.	SmartTourism strategy completed in 2006. Regular monitoring against Tourism Strategy reported to TCC and WBOPDC Joint Governance Committee. SBN: Has picked up the Sustainable Tourism Charter in the WBOP, delivering the Get Sustainable Challenge assessment to tourism operators and providing guidance and support around sustainable development with the focus on industry issues and regional opportunities (contract finished Dec 09). SBN: Working with Sustainable Tourism Charter in Rotorua to form a series of biodiesel hubs – or

Action Area	What	Lead Agency	Other	Measure	Notes
					dispense tanks around the BOP region to support biodiesel usage – this is ideal for Tourism operators to reduce their emissions. First meeting 18 th November 2010.
	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 and being implemented through that process. Guest nights in the Western Bay of Plenty area decreased 3.4 per cent for the year ended May 2009 to 984,280 (source Statistics New Zealand Commercial Accommodation Monitor) International guest nights in region up to 25% of total guest nights for May 2009 (source Statistics New Zealand Commercial Accommodation Monitor)
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	Sub-regional events strategy drafted and will be publicly consulted on late 2008 through to early 2009. Strategy adopted by WBOPDC and TCC and now being implemented. <i>TCC to review its Event Support Fund policy in late 2011.</i>
	Facilitate the development of a Conference Centre and major hotel.	TCC	Tm BOP Chamber Priority One	Hotel operational by Dec 2005 Conference centre established by 2010	On-going initiatives are underway to facilitate the development of both a conference centre and a major hotel. Priority One and Tourism Bay of Plenty completed a feasibility study during the reporting period, which will be used to attract investors and hotel operators. This now forms part of the City Centre Project Management role.
BUSINESS ENVIRONMENT					
Improve business-local government relationships and understanding	Establish formal communication channels between business and local government to ensure compliance costs are minimised, whilst upholding environmental standards.	Chamber Priority One	TCC, BOPRC, WBOPDC, cluster groups	Channels established Regulatory impact assessment methodology agreed and implemented	Development Working Party established in December 2004 comprising representatives from the developer/consultant community and the sub-region's local authorities develop efficient models for dealing with development issues over the

Action Area	What	Lead Agency	Other	Measure	Notes
					next decade.
Complete strategic roading network	Secure funding and commitment to complete Smart Transport Corridors. The main projects are: <ul style="list-style-type: none"> Northern Arterial Tauranga Eastern Motorway Hewletts Rd widening and flyover Harbour Bridge duplication 	Smart Transport	BOPRC, TCC, WBOPDC, Priority One, Chamber, Transit NZ	Network completed by 2010 within budget	Completed or partly completed and on work programme. Commitment and funding to Northern Arterial yet to be finalised.
Rezone land for business purposes	Local government to lead the rezoning of land as identified in SmartGrowth for business purposes. Priorities include: Rangiuru Pyes Pa Papamoa Omokoroa Katikati Te Puke	TCC WBOPDC	BOPRC Priority One TPFF	Land rezoned by 2007-2009	Rezoning scheduled or underway.
Ensure stable power supply with sufficient capacity	(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). (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.	Priority One Smart Growth Implementation Committee (monitoring)	Electricity Commission TrustPower Transpower Powerco Genesis Mighty River MED BOPRC, TCC, WBOPDC RDC, WDC	Study completed	Cross-region energy strategy developed by reps from the business community, regional EDAs and EBOP to deliver economic growth and wellbeing through the development and use of sustainable energy - Bay of Connections Energy Strategy
Provide communication infrastructure	Review Codes of Practice for Development to ensure provision for future broadband infrastructure.	TCC WBOPDC		New codes developed	Infrastructure codes completed Laying of fibre for broadband commenced in TCC in 2012. Rural broadband initiative also underway.
EDUCATION & SKILLS					
Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy	Develop a regional tertiary education strategy that gives effect to the Smart Economy strategy and aligns with sub regional aspirations. (a) TEOs develop profiles to reflect their core business (b) TEOs develop a three year plan for delivery based on an understanding of community needs (c) Develop partnerships with providers outside the region to fill any gaps in required	BOP Tertiary Education Partnership	TEC UoW Bethlehem Tertiary Institute Priority One Industry Sectors BOP Clinical School WBOP Tertiary Providers Forum	Strategy completed that reflects the sub-region's needs Increase in tertiary student numbers in the Western BOP Increase in commercialisation of	Regional Tertiary Needs Plan completed in 2010 and now being implemented.

Action Area	What	Lead Agency	Other	Measure	Notes
	delivery (skills, training, & research)			ideas through R & D	
Address current skill and labour shortages and plan for future skill needs.	Develop and implement strategies to address industry skill shortages.	Priority One	BoPP, UoW, TEC, PTEs, ITOs, industry reps, Chamber, Work & Income, TEOs, industry & sector clusters, schools (secondary and intermediate) BOP Clinical School	Positive change in skill supply	Skill gap strategy completed in November 2004. Implementation commenced in May 2005, in parallel with Smart Economy implementation reporting requirements. UoW, BOPP and P1 funded a study to update the skill needs analysis during Dec 09 & Jan 10 which resulted in the development of the Regional Tertiary Action Plan. <i>Enhanced Tertiary Provision Report completed Sept, 11</i>
	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 BOPRC WBOPDC		Kiwifruit Post Harvest Working Group established, WBOPDC Post Harvest Zones now in place.
Improve literacy and business education in schools and encourage school leavers to gain school qualifications. <i>(See also Innovation and Entrepreneurship)</i>	Identifies the literacy and numeracy levels required by business and works with schools to achieve these levels.	Work & Income	All learning institutions Chamber	Agreed standards in place.	Identification has been completed. Action has been modified in the plan to reflect implementation status. Numeracy and literacy in school is not the brief for Work & Income. However there are opportunities to purchase pre-employment programmes for youth that could include this. Work & Income's position has not changed in this area, however there has been a new product that will focus on up skilling of youth in the workforce
NETWORKED ECONOMY					
Encourage liaison and information sharing between business economic development agencies and local & central government	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.	SBN / EBOP COC	CONNECT Priority One Chamber SBN ExportNZ BOP Te Puke EDG Katch Katikati TCC WBOPDC BOPRC		CONNECT group established , meetings held quarterly.

Action Area	What	Lead Agency	Other	Measure	Notes
Foster partnerships between business, local government, central government and education sectors.	Develop a database of key contacts for industries sectors / clusters to enable cooperation and communication to occur	Priority One	Industry sectors	Database developed	Database developed.

Actions No Longer Relevant / Achievable (2012)

Through the consultation process undertaken for the 2012 review of Smart Economy, the following actions have been identified as being no longer relevant or unlikely to be undertaken by lead and support agencies. They have therefore been removed from the implementation plan, but retained in this section of the strategy as a record of these decisions.

Action Area	What	Lead Agency	Other	Measure	Notes
INNOVATION & ENTREPRENEURSHIP					
Promote and support innovation and entrepreneurship within learning institutions	Ensure learning institutions promote the principles of entrepreneurship, innovation and sustainability by identifying and profiling highly successful people who have attended their institution	SSPA BOP Tertiary Education Partnership TEOs	Priority One Chamber TEC Export NZ BOP ICT Cluster NZTE ITOs	Level of engagement in INSTEP & similar programmes Programme established at each institution	
Attract and support innovative and export-focused SMEs/ corporate relocations, with emphasis on export sustainability	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 development opportunities 	Chamber Export NZ BOP	Priority One NZTE		
	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	Commence in 2007 and repeat triennially	
Improve literacy and business education in schools and encourage school leavers to gain school qualifications	Develop, promote and maintain a database of scholarships offered by businesses and education providers in the sub-region	Priority One	BOP Tertiary Education Partnership Bethlehem Tertiary Institute Industry WBOP Tertiary Providers Forum	Database developed and regularly updated	
Promote on-going up-skilling and work-based training	(a) Define gerontology and breadth of the aged sector (b) Investigate and identify economic and employment opportunities in the gerontology	Priority One	TCC WBOPDC BOPRC BOPDHB		

Action Area	What	Lead Agency	Other	Measure	Notes
	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).		Tertiary Sector		
NETWORKED ECONOMY					
Facilitate business networks and cluster initiatives	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		
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. <i>This is better done at the SmartGrowth level</i>	Priority One	Chamber of Commerce SBN NZTE MBIE Te Puke EDG MSD DeL TPK	Forum held	
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 BOPRC TCC, WBOPDC NZTE TPFF WBOP Investor's Forum	Strategy completed.	

New Actions (2012)

The following new actions were identified through the 2012 review of Smart Economy:

Action Area	What	Lead Agency	Other	Measure	Notes
INNOVATION & ENTREPRENEURSHIP					
Promote research and development partnerships	Establish a tertiary and research campus in the Tauranga city centre to develop research initiatives to underpin competitive advantages in key industry sectors.	BOP Tertiary Education Partnership Priority One SmartGrowth	TCC TEC PTEs Industry Sectors BOP Clinical School Post Harvest Sector MBIE NZTE TechNZ Innovation Waikato		
Maori Economic Innovation and Development	Actively participate in the development of a Maori Economic Development Strategy by Bay of Connections and provide input in relation to the sub-region's aspirations. <i>Note: This section will be further reviewed once the Bay of Connections Maori Economic Development Strategy has been completed in 2013.</i>	Tangata Whenua Maori Business Network	TCC, WBOP, NZTE, Priority One, Chamber, BOPRC BOP Tertiary Education Partnership TPK TP EDG Creative Tga Tauranga Moana Collective Maketu Leadership Group		
LIFESTYLE					
Invest in vibrant CBD and town centres	Implement key projects in the Tauranga City Centre strategy, including: <ul style="list-style-type: none"> Waterfront upgrade International hotel Tertiary & Research Campus Conference centre Museum 	TCC Tauranga Moana Museum Trust BOP Tertiary Education Partnership	City Centre Action Group		
	Establish precinct groups in Tauranga's city centre and develop and implement specific strategies for individual areas: <ul style="list-style-type: none"> Strand entertainment precinct 	Priority One Mainstreet Tauranga	City Centre Action Group		

Action Area	What	Lead Agency	Other	Measure	Notes
	<ul style="list-style-type: none"> • Tertiary precinct • Arts, cultural & heritage precinct • Civic precinct 				
	Create easy access for people into and around the city centre by a variety of modes (eg pedestrian and cycling connections).	TCC	Priority One		
	Complete remaining stages of the Te Puke town centre redevelopment: <ul style="list-style-type: none"> ▪ Rework the roading network post TEL to mitigate effects on the town centre ▪ Re-orient the retail sector towards Jubilee Park 	WBOPDC	TP EDG TPFF		
	Complete all stages of the Katikati Town Centre Plan, including: <ul style="list-style-type: none"> • Town square development • Relocation of the library & council offices. • Car parking • Landscaping 	WBOPDC	Katch Katikati		
2. Provide high quality sports, arts, cultural and leisure facilities and activities	Develop a policy for art in public places (including private investment). <i>Note: This section will be further reviewed once the review of SmartArts has been completed in late 2012.</i>	Creative Tga	CCAG WBOPDC		
3. Provide high quality open space	<i>Note: This section will be further reviewed once the Bay of Connections Sport & Recreation Strategy has been completed in March/April 2013.</i>				
BUSINESS ENVIRONMENT					
1. Provide communication infrastructure	Establish a strategy to effectively communicate the benefits of ultrafast broadband to the business and wider community (urban & rural).	BOC	Priority One		
2. Promote the efficient, sustainable use of resources and encourage sustainable business practices and design	Develop key messages to sell the value proposition of sustainability based on scientific research and market the economic benefits to business.	SBN	Export NZ BOP Priority One Chamber		
	Develop linkages to the Bay of Connections Energy Strategy to maximise our competitive advantages in renewable, clean energy (incl solar energy).	SBN BOC	Export NZ BOP Priority One Chamber Community Energy		

Action Area	What	Lead Agency	Other	Measure	Notes
			Network		
	Establish programmes in educational institutions and the wider community to develop awareness of sustainability, including profiling case studies of successful businesses.	SBN	Priority One (Instep) BOP Tertiary Education Partnership TCC BOPRC WBOPDC NZAEE Environment Centre		
3. Complete transportation networks	Maintain up to date information on the movement of goods into and around the sub-region to enable central government to be informed on transport issues, where necessary.	BOPRC	TCC WBOPDC Priority One Export NZ BOP Chamber Freight Logistics Group		
EDUCATION & SKILLS					
1. Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy	Establish a tertiary and research campus in the Tauranga city centre to increase provision in programmes relating to key business sectors and regional strengths.	BOP Tertiary Education Partnership Priority One SmartGrowth	TCC TEC PTEs Industry Sectors BOP Clinical School Post Harvest Sector MBIE NZTE TechNZ Innovation Waikato		
	Establish strong linkages to the Bay of Connections sectors where we have competitive advantages	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum	Priority One BOC		
	Develop a collaborative sub-regional strategy to target and attract international students.	Education Tauranga	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum Export NZ BOP Priority One Tourism BOP WBOP Principals' Association Education New		

Action Area	What	Lead Agency	Other	Measure	Notes
			Zealand		
	Actively link tertiary students with business through internships.	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum	Priority One Chamber Export NZ BOP SBN		
2. Address current skill and labour shortages and plan for future skill needs.	Attract and develop the required skill resource to meet industry needs, specifically: <ul style="list-style-type: none"> • Understand short & medium term skill gaps. • Understand the impact of an ageing demographic. • Develop partnerships and innovative tools to develop and attract skills resources. 	Priority One	Chamber CONNECT BOP Tertiary Education Partnership WBOP Tertiary Providers Forum		
	Establish programmes to develop skills in the areas of commercialisation and sales/marketing for technical experts, incl promoting the benefits of advisory boards.	BOP Tertiary Education Partnership Export NZ BOP	Priority One Chamber		
	Develop programmes to encourage financial literacy and internationalisation for secondary school students.	Priority One (Instep)	Secondary Schools BOP Tertiary Education Partnership WBOP Tertiary Providers Forum		
	Investigate establishing additional programmes and activities to increase business capability and productivity.	Chamber	Priority One ExportNZ BOP SBN		
	Develop a skills training programme for youth	Construction Trade Training Centre	TP EDG		
3. Skill development for Maori	<i>Note: This section will be reviewed once the Bay of Connections Maori Economic Development Strategy has been completed in 2013.</i> <i>Ensure linkages to the Tertiary Action Plan.</i>				
NETWORKED ECONOMY					
1. Facilitate business networks and cluster initiatives.	Establish industry-led action groups to lead implementation of Bay of Connections strategies as they are developed.	BOC	Priority One		

Action Area	What	Lead Agency	Other	Measure	Notes
	Facilitate cross-sector collaboration to achieve a step change in export growth (eg scientists & engineers).	Export NZ BOP Priority One	Chamber SBN NZTE BOP Tertiary Education Partners WBOP Tertiary Providers Forum		

Actions and Implementation Plan (2012)

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 in their fields 4. The WBOP sub-region values and promotes innovation and entrepreneurship and sustainable business practices through a range of communications.

Action Plan

Action Area	What	Lead Agency	Support Agencies
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 are: <ul style="list-style-type: none"> ▪ Horticulture & food processing ▪ Marine discovery & aquaculture ▪ Specialised manufacturing ▪ Energy ▪ Marine services ▪ Education ▪ ICT ▪ Freight logistics ▪ Health ▪ Sport & recreation 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 (BOP Clinical School) Newnham Park Comvita TiDA	Marine: TMIA BOP Tertiary Partners Health: Auckland University Biofuels TP EDG Titanium TiDA
	Establish an innovation network to facilitate an export led economy through linkages to the R & D sector and access to funding streams.	Export NZ BOP NZTE MBIE	Chamber Priority One Innovation Waikato TechNZ
2. Attract and support innovative and export-focused SMEs/ corporate relocations, with emphasis on export sustainability <i>(Also see Networked Economy)</i>	Attract businesses with sustainable export capability and investment to facilitate business growth and commercialisation of ideas into the region.	Priority One	Chamber NZTE Export NZ BOP SBN Enterprise Angels TP EDG

Action Area	What	Lead Agency	Support Agencies
3. Promote research and development partnerships	Develop research partnerships between tertiary providers and industries.	BOP Tertiary Education Partnership PTEs TEC	Industry Sectors Priority One BOP Clinical School Post Harvest Sector MBIE NZTE TechNZ Innovation Waikato SmartGrowth
	Establish a tertiary and research campus in the Tauranga city centre to develop research initiatives to underpin competitive advantages in key industry sectors.	BOP Tertiary Education Partnership Priority One SmartGrowth	TCC TEC PTEs Industry Sectors BOP Clinical School Post Harvest Sector MBIE NZTE TechNZ Innovation Waikato
4. Maori Economic Innovation and Development	Actively participate in the development of a Maori Economic Development Strategy by Bay of Connections and provide input in relation to the sub-region's aspirations. <i>Note: This section will be further reviewed once the Bay of Connections Maori Economic Development Strategy has been completed in 2013.</i>	Tangata Whenua Maori Business Network	TCC, WBOP, NZTE, Priority One, Chamber, BOPRC BOP Tertiary Education Partnership TPK TP EDG Creative Tga Tauranga Moana Collective Maketu Leadership Group

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 its 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"> 1. Vibrant and interesting city and town centres created through public and private investment in a high quality built environment 2. Sufficient high quality open space— regional parks, walkways, beaches – create an attractive environment in which to live, work and play. 3. World class sports, arts, cultural and other leisure-related facilities and activities meet the diverse needs of a growing population. 4. The Western Bay of Plenty hosts a series of major events with national and international profile. 5. Attract sufficient investment capital to complete sporting and cultural facilities identified in strategy. 6. New opportunities developed within the marine recreation, heritage, and Maori culture, horticultural and aeronautical sectors.

Action Plan

Action Area	What	Lead Agency	Support Agencies
LIFESTYLE			
1. Invest in vibrant CBD and town centres	Implement key projects in the Tauranga City Centre strategy, including: <ul style="list-style-type: none"> • Waterfront upgrade • International hotel • Conference centre • Tertiary & research campus • Museum 	TCC Tauranga Moana Museum Trust BOP Tertiary Education Partnership	City Centre Action Group
	Establish precinct groups in Tauranga's city centre and develop and implement specific strategies for individual areas: <ul style="list-style-type: none"> • Strand entertainment precinct • Tertiary precinct • Arts, cultural & heritage precinct • Civic precinct 	Priority One Mainstreet Tauranga	City Centre Action Group
	Create easy access for people into and around the city centre by a variety of modes (eg pedestrian and cycling connections).	TCC	Priority One
	Complete remaining stages of the Te Puke town centre redevelopment: <ul style="list-style-type: none"> ▪ Rework the roading network post TEL to mitigate effects on the town centre ▪ Re-orient the retail sector towards Jubilee Park 	WBOPDC	TP EDG TPFF
	Complete all stages of the Katikati Town Centre Plan, including: <ul style="list-style-type: none"> • Town square development • Relocation of the library & council offices. • Car parking • Landscaping 	WBOPDC	Katch Katikati
2. Provide high quality sports, arts, cultural and leisure facilities and activities	Provide high quality active recreation and sport facilities. <i>Note: This section will be further reviewed once the Bay of Connections Sport & Recreation Strategy has been completed in March/April 2013.</i>		
	Support the establishment of the Sports Training Excellence Programme (STEP) in Te Puke, including the Sevens Training Excellence Programme	TP EDG	

Action Area	What	Lead Agency	Support Agencies
	Complete the development of key arts and cultural institution projects for the sub-region within the CBD. This includes the art gallery, Hairy Maclary waterfront installation, Artsville precinct and museum projects.	Tauranga Art Gallery Trust TCC Tauranga Moana Museum Trust Creative Tauranga	Other Funders
	Develop a policy for art in public places (including private investment).	Creative Tga	CCAG WBOPDC
	<i>Note: This section will be further reviewed once the review of SmartArts has been completed in late 2012.</i>		
3. Provide high quality open space	<i>Note: This section will be further reviewed once the Bay of Connections Sport & Recreation Strategy has been completed in March/April 2013.</i>		

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 development⁴</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. (e.g roading) has significant economic multiplier effects and in many cases leads, economic development.</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. Provision for Sustainable business practices

⁴ Note that the actions regarding community awareness of economic development are included under the last theme “Networked Economy.”

Action Plan

Action Area	What	Lead Agency	Support Agencies
BUSINESS ENVIRONMENT			
1. Provide communication infrastructure	Establish a strategy to effectively communicate the benefits of ultrafast broadband to the business and wider community (urban & rural).	BOC	Priority One
2. Promote the efficient, sustainable use of resources and encourage sustainable business practices and design	Develop key messages to sell the value proposition of sustainability based on scientific research and market the economic benefits to business.	SBN	Export NZ BOP Priority One Chamber
	Develop linkages to the Bay of Connections Energy Strategy to maximise our competitive advantages in renewable, clean energy (incl solar energy).	SBN BOC	Export NZ BOP Priority One Chamber Community Energy Network
	Establish programmes in educational institutions and the wider community to develop awareness of sustainability, including profiling case studies of successful businesses.	SBN	Priority One (Instep) BOP Tertiary Education Partnership TCC BOPRC WBOPDC NZAEE Environment Centre
3. Complete transportation networks	Maintain up to date information on the movement of goods into and around the sub-region to enable central government to be informed on transport issues, where necessary.	BOPRC	TCC WBOPDC Priority One Export NZ BOP Chamber Freight Logistics Group
4. Improve business-local government relationships and understanding	Local authorities to put in place internal systems to assist businesses working through local authority processes (including consents).	WBOPDC TCC BOPRC	Priority One Chamber SBN TP EDG Katch Katikati TPFF Waihi Beach Events & Promotions Omokoroa Business Network

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 region’s 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 Plan

Action Area	What	Lead Agency	Support Agencies
EDUCATION & SKILLS			
1. Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy	Establish a tertiary and research campus in the Tauranga city centre to increase provision in programmes relating to key business sectors and regional strengths.	BOP Tertiary Education Partnership TCC PriorityOne SmartGrowth	TCC TEC PTEs Industry Sectors BOP Clinical School Post Harvest Sector MBIE NZTE TechNZ Innovation Waikato
	Establish strong linkages to the Bay of Connections sectors where we have competitive advantages	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum	Priority One BOC
	Develop a collaborative sub-regional strategy to target and attract international students.	Education Tauranga	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum Export NZ BOP Priority One Tourism Bay of Plenty WBOP Principals' Association Education New Zealand
	Actively link tertiary students with business through internships.	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum	Priority One Chamber Export NZ BOP SBN
2. Address current skill and labour shortages and plan for future skill needs.	Attract and develop the required skill resource to meet industry needs, specifically: <ul style="list-style-type: none"> • Understand short & medium term skill gaps. • Understand the impact of an ageing demographic. • Develop partnerships and innovative tools to develop and attract skills resources. 	Priority One	Chamber CONNECT BOP Tertiary Education Partnership WBOP Tertiary Providers Forum
	Establish programmes to develop skills in the areas of commercialisation and sales/marketing for technical experts, incl promoting the benefits of advisory	BOP Tertiary Education Partnership	Priority One

Action Area	What	Lead Agency	Support Agencies
	boards.	Export NZ BOP	Chamber
	Develop programmes to encourage financial literacy and internationalisation for secondary school students.	Priority One (Instep) Secondary Schools	BOP Tertiary Education Partnership WBOP Tertiary Providers Forum
	Investigate establishing additional programmes and activities to increase business capability and productivity.	Chamber	Priority One Export NZ BOP SBN
	Develop a skills training programme for youth	Construction Trade Training Programme	TP EDG
3. 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 Maori Business Network	Tangata Whenua Collective WBOP Tertiary Providers Forum TP EDG BOP Tertiary Education Partnership
	<i>Note: This section will be reviewed once the Bay of Connections Maori Economic Development Strategy has been completed in 2013.</i>		

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, 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.

Action Plan

Action Area	What	Lead Agency	Support Agencies
NETWORKED ECONOMY			
1. Facilitate business networks and cluster initiatives.	Establish industry-led action groups to lead implementation of Bay of Connections strategies as they are developed.	BOC	Priority One
	Facilitate cross-sector collaboration to achieve a step change in export growth (eg scientists & engineers).	Export NZ BOP Priority One	Chamber SBN NZTE BOP Tertiary Education Partnership WBOP Tertiary Providers Forum
2. Encourage liaison and information sharing between business economic development agencies and local & central government	<i>Note this is business as usual for all Smart Economy lead and support agencies</i>		
3. Foster partnerships between business, local government, central government and education sectors.	<i>Note this is business as usual for all Smart Economy lead and support agencies</i>		
4. Develop community awareness of the importance of economic development built on sustainable business practices.	<i>Note this is business as usual for all Smart Economy lead and support agencies</i>		
5. Develop joint initiatives with the rest of the region/other regions	Actively work with others collaboratively to achieve economies of scale and maximum impact (eg Bay of Connections, Core Cities, Sister Cities, UNISA). <i>Note this is business as usual for all Smart Economy lead and support agencies.</i>		

Smart Economy Summary (2012)

Vision: A thriving, growing, diverse and sustainable economy

HIGH LEVEL TEN YEAR OUTCOMES

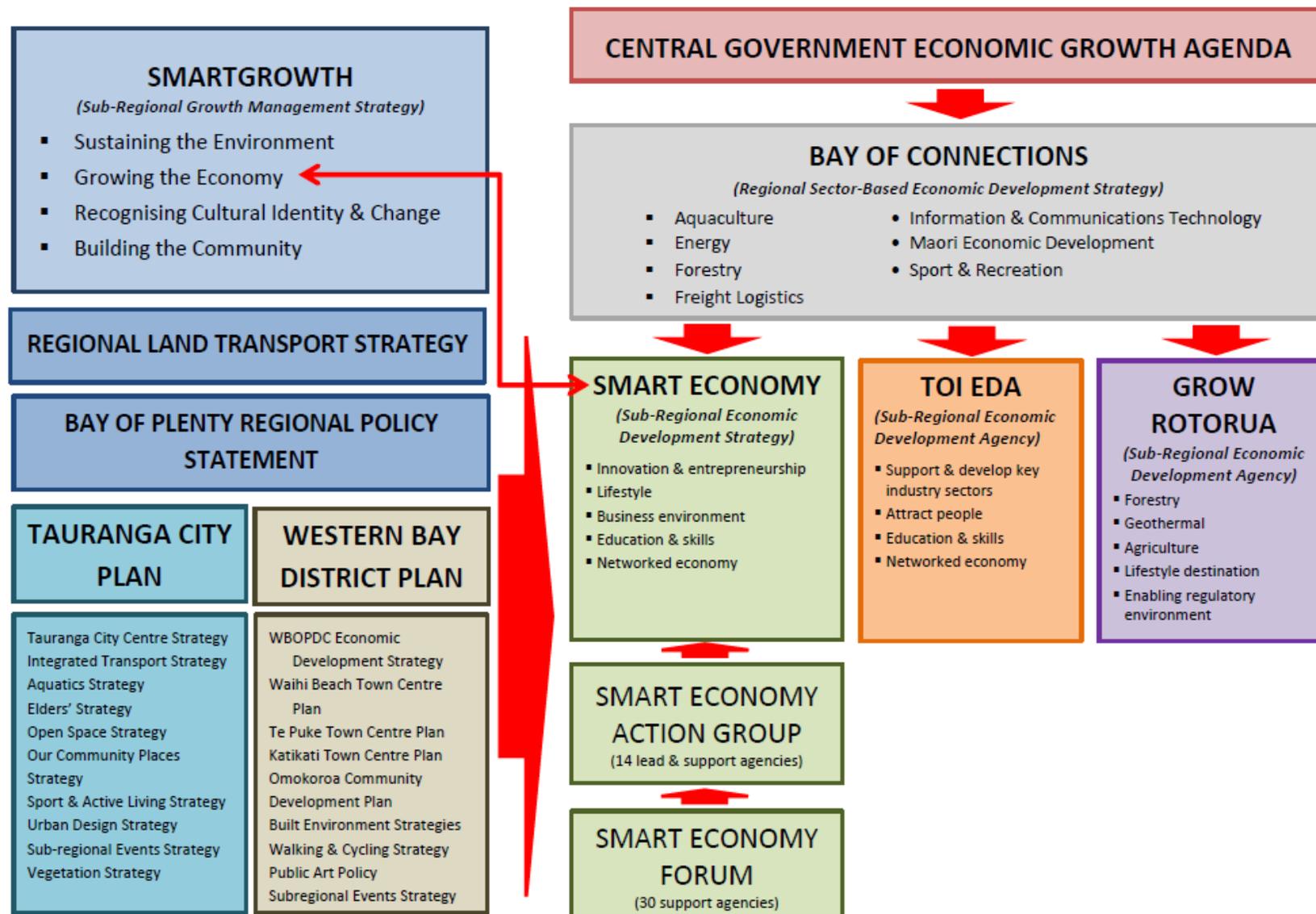
8. Per capita GDP has grown faster than the national average
9. The value of the sub-region's exports as a proportion of total output has increased
10. A survey of businesses shows that business profitability has increased
11. Average household income has increased faster than the national average
12. There has been a reduction in the percentage of households in the bottom quartile of national income
13. The level of skills of the workforce has increased relative to the national average.
14. 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"> 6. Promote and support innovation and entrepreneurship in the sub-region 7. Promote and support innovation and entrepreneurship within learning institutions 8. Attract and support innovative and export focused SMEs/corporate relocations with emphasis on export sustainability 9. Promote research and development partnerships 10. Promote Maori economic innovation and development 	<ol style="list-style-type: none"> 4. Invest in vibrant CBD and town centres 5. Provide high class sports, art, cultural and leisure facilities and activities 6. Provide high quality open space 	<ol style="list-style-type: none"> 8. Ensure stable power supply with sufficient capacity 9. Provide communication infrastructure 10. Improve rail infrastructure 11. Improve air services 12. Promote the efficient, sustainable use of resources and encourage sustainable business practices and design 13. Complete the strategic roading network 14. Improve business – local government relationships and understanding 	<ol style="list-style-type: none"> 5. Expand and promote tertiary opportunities to improve the sector's contribution to the sub-region's economy 6. Address current skill gaps and plan for future skill needs 7. Improve literacy and business education in schools and encourage school leavers to gain school qualifications 8. Promote on-going up-skilling and work-based training 5. Skill development for Maori 	<ol style="list-style-type: none"> 7. Facilitate business networks and cluster initiatives 8. Encourage liaison and information sharing between business, economic development agencies, local and central government 9. Foster partnerships between business, local government, central government and education sectors 10. Maintain and develop relationships with central government 11. Develop community awareness of the importance of economic development built on sustainable business practices. 12. Develop joint initiatives with the rest of the region/other regions 	

IMPLEMENTATION & GOVERNANCE

Strategies with Relevance to Economic Development



Appendix – Workshop Outcomes (2012)

On 8 August 2012 Priority One held a workshop session with around 150 business and civic leaders around four key themes to feed into the review of Smart Economy. The themes were emerging sectors and export, sustainability and productivity, Maori economic development and tertiary education and research. Summary notes from workshop discussions follow:

1. EMERGING SECTORS & EXPORT

Opportunities for Export Growth

- Important to ensure a diverse export base so we are not overly reliant on one sector and therefore vulnerable (eg the impact of Psa).
- There are many opportunities in the areas of marine discovery/bioactives, aquaculture, titanium, freight & logistics, waste management and energy (including distributive).
- We need to make use of what we have by adding value to our key sectors (eg kiwifruit, agriculture, forestry, medical, honey).
- Turn resources into export commodities (eg forestry, energy, waste management).
- There are significant opportunities with the planned growth of Port of Tauranga.
- There are opportunities with international students at primary, secondary and tertiary levels if the connection between schools and overseas students is increased. Often a parent or the whole family relocates for the duration of study.
- With a number of FTAs now in place, the Ministry of Foreign Affairs & Trade should focus on non-trade barriers and then on new market development.
- Ensure we have the appropriate infrastructure in place to manage future growth.

Collaboration

- With strong collaboration we are ahead of the game, but we can do more work to connect better with agencies, industries and businesses to better lobby government on key issues.
- Cross sector collaboration (eg between engineers and scientists) would add value in terms of knowledge that may be applicable to both, including taking products off shore and linking the value chain.
- There are good strategies in place for export growth through Bay of Connections, and R&D support through an active Ministry of Business, Innovation and Employment and Enterprise Angels.
- Increased collaboration between New Zealand businesses in a ‘think tank’ concept would increase productivity.

Barriers to Export Growth

- It is difficult to fund the 'proof of concept' phase, which is essential for a new industry, product or service, but often expensive. There needs to be a better appetite for 'risk capital' for this phase.

Skill Development

- There is too much emphasis on R&D as this is only a third of the equation. Commercialisation and sales and marketing are essential to the viability of a product/business. Sales and marketing are increasingly being done by the technical experts (ie engineers and scientists), but often these people are not skilled in this area.
- Increasing we are moving away from good sales and marketing people with some technical skills, to needing technical people with sales skills (ie good knowledge of the industry/product is essential).
- Financial literacy is important for young people. It is of concern that secondary school students are dropping maths as a subject.
- Need science and technology expertise to add value to primary sectors and develop new products.
- Companies need to invest in strategy and export knowledge in market development. This may mean that they bring in outside expertise to assist create a strategic vision and understanding of markets that can be clearly communicated internally to technical people.
- There has been a change from traditional marketing mediums to technical marketing, so skills are required in this area.

Business Attraction

- Knowledge based industries critical for export dollars and have a small footprint (eg medical, Trident, TiDA).
- Specific businesses that we want here should be shoulder tapped, nationally and internationally.
- We need to develop a compelling brand with a long term focus (2050) to grow the economy and attract businesses and jobs.
- A key to this is having a culturally rich area that is attractive to high growth business and skilled people.
- Develop a positive relationship with Auckland – their land shortage is our opportunity.
- A Tauranga QR code could be put on all promotional material leaving the Bay.
- SME attraction relies on the decision of an individual whereas the attraction of big business is a board decision, so they need to be dealt with differently. Lifestyle and education are more likely to influence SME decisions, whereas boards will be influenced by business advantages only.

2. SUSTAINABILITY & PRODUCTIVITY

Business Attraction

- The region needs to move to the ‘three pillars of sustainability’ model (economic, people and environment) to attract businesses here.
- Sustainability should form part of case studies on The Tauranga Business Case website.

Communication / Education

- Essential to sell the value proposition and create better understanding of the meaning.
- Sustainability is about more than being green – economic, social and environmental wellbeing.
- Communication based on scientific research rather than an emotive angle.
- Actively market the economic benefits of sustainability and productivity.
- Multi-level communication to individuals, households, business, students and young people.
- Need to celebrate and publicise successes and profile role models.
- Need for programmes in secondary and tertiary education to develop awareness of sustainability (eg a Federated Farmers Day so knowledge of agriculture can be passed on to students).
- Sustainability sometimes has negative connotations - align with productivity.
- Leadership needs to understand ‘lean’ and the value it brings to business in order to effect change.
- Sustainability is the responsibility of everyone, not just SBN.
- Stronger promotion of waste exchanges.
- Sustainability is an integral part of planning and provides a competitive advantage to businesses, for example:
 - The Sharp Tudhope building - corporates are demanding this standard.
 - Trevelyan’s Pack & Cool transformed their business, including cost savings and positively impacting on their people and community.
- Encourage/place more positive stories and messages in the media.

Brand

- Make it part of Tauranga and the Western Bay of Plenty’s brand through simple messages.
- Let the sub-region become the centre of excellence for sustainability and a showcase for the rest of the country.
- The goal is for the Bay and for New Zealand to be seen as ‘renewable’ or a model of ‘good’ practice to in turn validate the 100% Pure Brand which we rely on.

Opportunities

- Let us be a showcase – ‘No waste in the Bay of Plenty’.
- Incorporate into purchasing policy.
- Tauranga has a competitive advantage in solar energy production due to the high sunshine hours. Japan is moving to solar, so this is a huge opportunity.
- Develop some flagship projects that involve all parts of the community.
- Innovation is the key with active R&D.
- Look at waste streams as opportunities rather than barriers.
- Look at other cities nationally and internationally for examples of best practice.
- Need champions in business at management level.
- New technology is affecting the ways we manufacture (eg 3D printing).
- Te Puke: waste management (Maketu wetlands); feasibility study to turn solid waste into biofuels; and aquaculture/king fish farming opportunities.
- The Port of Tauranga and kiwifruit industry are great models of increasing productivity.
- Create linkages with like-minded people.
- Showcase businesses through the Priority One Young Professionals Forum.
- SBN Trailblazer Forums – ‘think tanks’ on critical topics - suggestion to open these out beyond SBN members.
- Use technology and the internet to make the community more productive and sustainable.
 - New technologies and clean tech.
 - Maximise opportunities on Maori land, which is currently under-utilised.
 - Funding is available through the Regional Council’s Enhancement Fund.
 - Scion has good research into forestry – focus on our key sectors.
- The Bay of Connections Energy Strategy could position the Bay as the centre for renewable energy in New Zealand.
- Investment in R&D to expand expertise in automation and robotics to increase productivity.
- Ministry of Business, Innovation and Employment may be able to assist with funding.

Barriers to Sustainability

- Financial literacy.
- Housing affordability.
- Capital availability and cost to implement (eg science and technology).
- Some people view it as a cost rather than a benefit to business.
- Our geography and distance from Europe/UK in terms of food miles.
- Sustainability and productivity are long journeys and take commitment.
- Local government should reduce layers of bureaucracy to enable rather than constrain (eg Building Code, RMA, resource consents).
- Local authorities need to support sustainability overtly and provide businesses with confidence terms of processes, policies and decisions.
- Not valuing long term life cycle costs.
- Lobby central government to be more proactive, eg reduction in the use of plastic/packaging, stronger penalties.

3. MAORI ECONOMIC DEVELOPMENT

Collaboration - General

- Three iwi of Tauranga Moana have an opportunity to come together to understand/maximise their collective potential and provide one point of contact for opportunities.
- There is an opportunity to develop a wider sub-regional Western Bay of Plenty iwi collective.
- Collaboration needs to be driven by iwi, underpinned with a collective vision.
- Mainstream organisations need a go-between that relates to Tauranga Moana Iwi to take non-Maori onto marae and help develop relationships.
- Identify good models of how Maori and mainstream organisations work together.
- Ensure language in strategies and other documents is understandable, relevant and non-threatening.
- Establish a housing affordability think tank.
- Host an economic summit on a marae to start developing understanding and relationships with a focus on science, innovation and education.

Mentoring / Information Exchange

- Mainstream business people nurture/mentor Maori business people.
- Maori trusts and Maori businesses share information and expertise – each have different strengths (eg governance/management and commercial).
- Invite advisory board members or independent directors onto trusts to assist.
- Invite Maori onto other boards as associate trustees to gain experience.
- Tap into the Chamber mentor programme.
- Provide ‘cultural connections’ programmes to educate non Maori on tikanga, marae protocol, Maori structures, basic Te Reo and other cultural aspects.

Timing

- Maori need to work things out themselves before establishing other partnerships.
- Need to better understand what ‘settlement mode’ means – transition from governance role on trusts to facilitating economic growth which requires a different skill set.

Increase Awareness of Maori Economic Opportunities

- Undertake a stocktake of opportunities to better understand:
 - The drivers, priorities and values iwi subscribe to (eg economic, cultural, environmental and social considerations and the balance between these).
 - The different levels of preparedness of iwi and hapu.
 - The implications of a long term, intergenerational view in terms of risk.
 - Risks that could compromise environmental or cultural values.
 - Different land ownership models.
 - The Maori investment horizon.
 - The Maori board dynamic.
 - The size and scale of significant land and harbour resources.

Bay of Connections Maori Economic Development Strategy (currently underway)

- The completed strategy will drill down into the sub-regions to inform decision making.
- It will ensure Maori economic development is aligned with Bay of Connections key sectors.
- The completed strategy will be action based.

Education / Skill Development

- Undertake a stocktake of education and cultural training available locally to identify gaps.
- Trust capability building courses to ensure governance and commercial expertise sufficient for the responsibilities required in the conservation and development of the asset base. These should be practical in terms of understanding the role and responsibilities of governance and how to participate.
- Business management programmes for small business owners that meet iwi rather than university requirements and reflect the Maori culture and way of thinking. *[Note the University of Waikato is a leader in business education in New Zealand.]*
- Capability and capacity development for young Maori in areas such as science, engineering and planning.
- Internships and medium/long term mentoring within mainstream business.
- Programmes to increase understanding of banking and investment opportunities. *[Note Craigs Investment Partners is running a course targeted to Maori investment.]*
- Encourage entrepreneurial thinking in young people and train/develop to board level.

Issues

- There is a conflict between preservation and development of land.
- There is a conflict between a collaborative approach and an independent approach for iwi / hapu.
- Government R&D funding goes to companies rather than trusts.
- Decision making will take time as many people are likely to be involved.
- What are the implications of the Te Ture Whenua Māori Act review?
- There is a gap in SMEs in the mid-range that needs to be built up.

Economic Opportunities

- Diversification – eg retirement village development.
- Opportunities for developments on leased land for affordable housing.
- Biodiscovery opportunity, iwi are cornerstone to this. Need a strong iw leadership team.

- Renewable energy conversation
- The Huka Pak story into the Japanese market - cultural connections were very important.

4. TERTIARY EDUCATION & RESEARCH

Delivery

- Consider the four well-beings in terms of tertiary education, eg environmental, social and cultural impacts as well as economic.
- Need to continuously review future needs, balanced with current requirements in terms of skills required in the labour market.
- Highlight the importance of multi-level entrance points and pathways into tertiary education from school and then on into employment (eg potential for internships with local companies).
- The community needs educated people to do ordinary jobs as well as innovative jobs.
- Strong linkages required to the Bay of Connections sectors in which the region has a competitive advantage – must be unique.
- There are barriers to people entering tertiary education – how do we overcome them?
- Recognise online access to offshore tertiary providers, but face to face interactions are important, particularly to Maori students (eg marae at Bay of Plenty Polytechnic). This is the first step and then provide pathways.

Gaps in Provision

- Horticulture / kiwifruit: opportunity to develop to a higher level in the application of science and the development of value added products.
- Energy and waste management.
- Biosecurity.
- Food manufacturing.
- High tech manufacturing.
- Sports and culture - link into lifestyle and retain youth.
- Maori education – needs to be appropriately packaged and taken into the communities. Also opportunities to train our own ‘storytellers’.
- Commercialisation and sales & marketing focusing on export markets - teach scientists to participate in industry.
- Social work, ageing demographic.
- Pathways from tertiary to employment lacking, eg internships, and also pathways for international students doing entry courses into further tertiary education and/or jobs.

Linkages to Schools

- The importance of science needs to be communicated to secondary schools.
- Parents are key influencers and are often not aware of the variety of careers or training opportunities available.
- Teachers need to build relationships with industry. The linkages through Priority One's Instep programme were seen as critical.
- Better engagement in primary schools is required to inspire students from an early age around community needs and opportunities.
- Potential to link teachers in industries over the holidays.
- Clear communication on pathways from secondary school is required.

International Students

- Potential to increase the number of international students studying in the region.
- Need a clear collaborative strategy to target and attract international students. Potential for Education Tauranga to facilitate this (23 members).

Successful Linkages with Industry

- Titanium powder metallurgy.
- Marine discovery / aquaculture.

City Centre Tertiary & Research Campus

- Strong support for this initiative, which will be a significant driver of city centre investment.
- Provide a unique point of difference that will build the region's identity as a tertiary destination.
- Courses in which we have a competitive advantage (eg horticulture, food including marine and fishing, research aligning to key sectors, titanium, marine).
- Need to consider the wider infrastructure needed to support tertiary education, eg student accommodation (low budget, central).
- Need to improve communication about the Bay of Plenty Tertiary Partner's intentions and benefits.

Contact Information

Priority One is the administrative agency for Smart Economy

Phone: (07) 571 1401

Fax: (07) 571 1402

Email: info@priorityone.co.nz