



ECONOMIC

ECONOMIC

OVERVIEW

Economic development focuses on promoting the standard of living and economic health of a specific area.

While most of Council's services, infrastructure and facilities featured in this Long Term Plan contribute to the economy this Strategy focuses on Council's role in supporting economic development, tourism, promotions, events and town centre development.

Council participates in regional and western Bay of Plenty economic development initiatives in recognition of our close relationship with Tauranga and the rest of the region. At a regional level there is a Bay of Connections Strategy which focuses on aquaculture, freight logistics, energy and forestry production and a Māori Economic Development Strategy (He Mauri Ohooho). Iwi and hapu are significant land owners and contributors to the District economy which is set to increase as iwi and hapu in the District complete their Treaty settlements. Closer to home we are a part of Smart Economy which focuses on innovation, entrepreneurship, social infrastructure which attracts people to the area, education and skill development, partnerships and joint initiatives and providing a business friendly environment.

Nationally the economy is looking more promising as it recovers from the global financial crisis while more locally the kiwifruit industry is emerging from the impact of the Psa-V disease which decimated much of the industry from 2010. As a result of the new strains of kiwifruit, in particular Gold3, and research which has led to radical changes to the management regime of kiwifruit orchards, the returns on kiwifruit and the volume of kiwifruit is projected to increase significantly in the future.

While kiwifruit continues to be the largest horticultural export from New Zealand, the avocado industry is also looking very promising having recently announced a five year partnership with the Ministry for Primary Industries to increase the productivity and capability within the industry aiming to increase sales to more than a quarter of a billion dollars by 2023.

Town centre development continues with the transformation of Jubilee Park in Te Puke which now provides a high quality space and a focal point for the community including a play ground, performance space and public art. Developments such as these are particularly important in attracting locals and visitors alike to Te Puke in light of the opening of the Tauranga Eastern Link in 2015 which bypasses Te Puke. Katikati has seen landscaping improvements to showcase the Katikati War Memorial Hall, in particular removing the car parks in front of the hall and improving the amenity of this space. Promotions and events organised by Council funded Katch Katikati and the Te Puke Economic Development Group also help to attract locals and visitors. Katch Katikati and the Te Puke Economic Development Group continue to support businesses by providing networking and training opportunities, promotions and events as well as advocating on their behalf.

In recognition that Waihi Beach is a popular tourist destination the Waihi Beach Community Events and Promotions Association has been established to provide visitor information facilities, networking opportunities for businesses and to organise promotions and events. The Waihi Beach Community Board are strong supporters of the Association and have provided the funding over the years, however

Council decided that they will fund Waihi Beach Community Events and Promotions at \$40,000 per year for the next 10 years. Please see Chapter One [page 24](#) decision on key issues for further information.

At a more strategic level Council is also a funder of Priority One, the Western Bay of Plenty subregion economic development agency who is focused on attracting businesses to the subregion and has been instrumental in progressing the development of a university campus in the central business district of Tauranga. Tourism Bay of Plenty, to which Council provides funding, has been instrumental in increasing the number of tourists to the District.

Council has given consideration to whether these service providers are appropriate for the future and whether collectively they maximise the services provided to the District. Increased communication, networking and joint initiatives will be encouraged between the providers to ensure there is a consistent approach taken throughout the District, while recognising the unique qualities of each area.

While Council still sees its role as supporting and promoting economic development it is proposing to change the focus of this work with more of an emphasis on:

- Working closely with businesses, industry and other agencies including the education sector
- The interconnections between economic, social, cultural and economic outcomes (e.g. adequate affordable housing for the workforce)
- Facilitating businesses and community organisations to learn from each other to improve both economic, social and environmental outcomes
- The importance of continuing to take an active role in growing healthy, thriving and vibrant town centres that service their communities, visitors and businesses
- Localised economic community development
- Encouraging and incentivising innovation.

WHAT WE PROVIDE



TOWN CENTRE PROMOTION

Te Puke, Katikati Waihi Beach

SUPPORT FOR
EXTERNAL
ORGANISATIONS

**FOCUSED ON
STRENGTHENING**
our local economics

SUPPORTING
**ECONOMIC
DEVELOPMENT
& TOURISM**

WHY WE PROVIDE IT

OUR COMMUNITY OUTCOME

To encourage the sustainable use of local resources in a way which strengthens economic opportunities and improves social outcomes.

OUR GOALS

- Foster partnerships between organisations, including local and central government and businesses to support economic, social, cultural and environmental development.
- Council services are committed to being business friendly to encourage and enable businesses to flourish and contribute to building vibrant communities.
- Enable an environment where community groups and business can collaborate and work together on shared outcomes for communities.



DID YOU KNOW...

- BA5 (Business After 5) in Katikati, meets on the 3rd Wednesday of every month in Katikati. The venue is at a different business each month. Contact the co-ordinator for more information on 549 5250 or email info@katchkatikati.co.nz.
- BA5 (Business After 5) in Te Puke is held on the fourth Wednesday each month at various venues. Starting at 5.15pm and aiming to finish at 6.30pm, each session enables business owners to network and discuss a different theme each time. Contact 573 6772 or email coordinator@tepuke.co.nz for further information.
- A range of international speakers on relevant issues have presented to a wide range of community groups to inspire and motivate community action.
- An emerging focus on youth issues in both Katikati and Te Puke is evident and much work is being invested in these areas. In Te Puke there is a focus on making pathways to employment easier while Katikati is focusing on young people at risk

HOW WE WILL ACHIEVE OUR COMMUNITY OUTCOME

GOAL	OUR APPROACH	OUR ROLE
<p>Foster partnerships between organisations, including local and central government and businesses to support economic, social, cultural and environmental development.</p>	<ul style="list-style-type: none"> • Participate in existing networks (e.g. Smart Economy, Bay of Connections, Māori Business Network, SmartGrowth, and Sustainable Business Network) and encourage the inclusion of social, cultural and environmental perspectives to advance the sustainable economic development of our communities. • Improve the linkages between organisations that advance the economic development of the District. 	<p>Lead/Partner/Facilitator</p>
	<ul style="list-style-type: none"> • Work closely with primary industries (e.g. kiwifruit) and where necessary advocate to central government to accommodate the projected growth of these industries. • Work with educational institutions and relevant agencies to ensure all residents in the District, especially young people, have meaningful education, employment and training opportunities and are able to effectively participate in the workforce and community. • Recognise the importance of having sufficient affordable, healthy and safe housing to accommodate the workforce. • Recognise the increasing cultural diversity of our communities, workforce and employers and support their contribution to a sustainable District economy. • Work with iwi and hapu to support their economic development aspirations in line with the Māori Economic Development Strategy - He Mauri Ohoho. • Investigate initiatives that recognise and support the cultural diversity of the Western Bay of Plenty District economy. 	<p>Lead/Partner/Facilitator/ Advocate</p>
<p>Council services are committed to being business friendly to encourage and enable businesses to flourish and contribute to building vibrant communities.</p>	<ul style="list-style-type: none"> • Strengthen the 'business friendliness' of Council services. • Provide cost effective, sustainable and productive infrastructure to enable the District to function and prosper such as water, waste water, storm water, wi-fi and transportation. • Take an active role in growing healthy, thriving and vibrant town centres that service their communities, visitors and businesses with a quality experience that encourages them to keep coming back: <ul style="list-style-type: none"> - Work with the community, landowners, stakeholders and potential sponsors to develop and implement town centre plans. - Provide community and visitor information facilities in Katikati and Te Duke town centres. - Provide town centre promotion, support events and festivals and work with organisers to ensure successful event management within our towns and communities. - Develop the western Bay of Plenty as a leading domestic and international tourist destination. 	<p>Lead/Partner/Facilitator</p>

HOW WE WILL ACHIEVE OUR COMMUNITY OUTCOME

GOAL	OUR APPROACH	OUR ROLE
<p>Enable an environment where community groups and business can collaborate and work together on shared outcomes for communities.</p>	<ul style="list-style-type: none"> • Advocate for and facilitate the establishment of an environment that builds the capacity and capability of community, voluntary and social enterprise sectors to effectively deliver services. <ul style="list-style-type: none"> - Investigate community ownership of asset models that builds the capacity and capability of community, voluntary and social enterprise sectors to effectively deliver services. • Encourage businesses to adopt sustainable business practices to improve community outcomes. • Encourage and facilitate collaboration between the ‘for profit’ sector and the community, voluntary and social enterprise sectors to create positive social and environmental outcomes. • Foster and recognise business innovation that incorporates economic, cultural, social and environmental benefits: <ul style="list-style-type: none"> - Recognise innovation by supporting awards for businesses that incorporate economic, cultural, social and environmental benefits. - Investigate ways in which Council could incentivise innovation which incorporates economic, cultural, social and environmental benefits. - Advocate to central government for increased funding and resources to undertake research and development to support innovation in the District. • Foster and encourage innovation within Council that incorporates economic, cultural, social and environmental benefits: <ul style="list-style-type: none"> - Investigate ways to encourage innovation internally. 	<p>Partner/Facilitator/Advocate</p>

WHAT WE ARE PLANNING TO DO

All information from 2017 - 2025 includes an adjustment for inflation.

PROJECT NUMBER	PROJECT NAME	\$'000									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
298901	Tourism Bay of Plenty Service Delivery Contract	186	190	195	200	206	212	219	226	234	242
299001	Priority One Service Delivery Contract	170	174	179	184	189	194	201	207	214	222
299101	Sustainable Business Awards	6	6	6	6	7	7	7	7	8	8
299301	Te Puke Town Centre Promotion Service Delivery Contract	90	92	95	97	100	103	106	110	113	118
299401	Katikati Town Centre Promotion Service Delivery Contract	60	51	53	54	56	57	59	61	63	65
305302	Waihi Land Drainage Society - Canal Investigation	20	21	21	22	22	23	24	24	25	26
313505	Waihi Beach Town Centre Development - Capital Work Program	-	308	-	-	-	-	59	-	-	-
326803	Katikati Town Centre Development - District Funded	180	185	-	-	-	-	-	-	-	-
326804	Katikati Town Centre Development - Ward Funded	86	89	93	97	101	106	111	116	123	130
326805	Katikati Town Centre Development - Capital Work Program	885	-	-	162	333	-	-	487	-	-
326903	Omokoroa Town Centre Development - District Funded	-	-	189	194	200	206	-	-	-	-
326907	Omokoroa Town Centre Development - Work Program	-	-	-	-	-	400	413	-	-	-
336501	Waihi Beach Promotion Service Delivery Contract	40	41	42	43	44	46	47	49	50	52

*Funded by a uniform annual charge levied over the ward

HOW OUR PLANS HAVE CHANGED

The timing and costs of some of our projects have been updated since we adopted our 2012 - 2022 Long Term Plan (LTP).

To see how our plans have changed click [here](#) for the complete list of the projects/programmes that have been revised or alternatively visit our website www.westernbay.govt.nz

HOW WE WILL TRACK PROGRESS TOWARDS OUR GOALS

OUTCOME

To encourage the sustainable use of local resources in a way which strengthens economic opportunities and improves social outcomes

GOAL	WE'LL KNOW WE'RE MEETING OUR GOAL IF	ACTUAL	TARGET				
		2014	2016	2017	2018	2019 - 21	2022 - 25
Foster partnerships between organisations, including local and central government and businesses to support economic, social, cultural and environmental development. Council services are committed to being business friendly to encourage and enable businesses to flourish and contribute to building vibrant communities.	Percentage completion of the annual work programme as identified in our Economic Strategy and Action Plan.	100%	≥90%	≥90%	≥90%	≥90%	≥90%
	Level of resident satisfaction with our role in promoting employment, tourism and business opportunities within the sub-region. Monitored by the Annual Residents' Survey, those residents that are 'satisfied' and 'very satisfied'.	62%	≥60%	≥60%	≥60%	≥65%	≥65%
Enable an environment where community groups and business can collaborate and work together on shared outcomes for communities.							

HOW WE WILL TRACK PROGRESS - LEVELS OF SERVICE

WHAT WE PROVIDE	WE'LL KNOW WE'RE MEETING THE SERVICE IF	ACTUAL	TARGET				
		2014	2016	2017	2018	2019 - 21	2022 - 25
Council will support external organisations tasked with developing economic activity in the District.	Level of resident satisfaction with the promotion of town centres and events in Katikati, Te Puke and Waihi Beach. Monitored by the Annual Residents' Survey, those Residents that are 'satisfied' and 'very satisfied'.	67%	≥65%	≥65%	≥65%	≥70%	≥70%
	Number of service delivery contracts related to economic development activity.	4	4	4	4	4	4
	Percentage of economic contracts where contract requirements have been achieved.	NEW	≥90%	≥90%	≥90%	≥90%	≥90%
	Number of joint economic initiatives identified in the service delivery contracts that have been implemented.	NEW	2	2	2	3	4
Council will facilitate economic development through the community development plans that have been developed for the District's urban growth node towns or communities.	Satisfaction of businesses with Council's role in economic development (two yearly survey).	NEW	≥60%	No survey	≥65%	≥70%	≥70%
	Number of economic action plans derived from our Community Development Plans.	5	6	7	7	7	7

KEY ASSUMPTIONS

ASSUMPTION	DESCRIPTION	RISK
Economic sub-regional partner: Priority One	Priority One remains an effective organisation and the joint service delivery agreement between Tauranga City Council, Western Bay of Plenty District Council and Priority One continues on a three year rolling basis.	If an effective subregional economic development organisation no longer existed our strategies would be less effective and may cost more to implement.
Economic sub-regional partner: Tourism Bay of Plenty	Tourism Bay of Plenty remains an effective organisation and the joint service delivery agreement between Tauranga City Council, Western Bay of Plenty District Council and Tourism Bay of Plenty continues on a three year rolling basis.	If an effective regional tourism organisation no longer existed our strategies would be less effective and may cost more to implement.
Economic sub regional partnerships: SmartEconomy	Our strategic partners remain committed to the implementation of the SmartEconomy Strategy which we adopted in 2004 and reviewed in 2013. We remain committed to the Regional Economic Strategy, which is driven by the Bay of Connections Governance Group.	If the SmartEconomy strategic partners were no longer committed to the sub-regional strategy we would have to reconsider our own strategy. Similarly, should commitment towards the Regional Economic Strategy differ this connection/alignment would be reviewed.
Local economic development organisations	Town centre promotion and local economic development organisations in our District remain viable, effective and able to take part in joint projects with us.	If effective town centre and local economic development organisations did not exist we would need to consider alternative service delivery models, which may have higher operational costs.
Growth in visitor numbers	International visits are expected to increase from 252,483 in 2013 to 267,631 in 2017, representing growth of 6%. Domestic visitors are expected to increase from 797,300 in 2014 to 821,219 by 2017 representing a growth of 3%. The impact of visitors will be concentrated on our District's coastal communities.	If visitor numbers grow faster than expected there would be pressure on infrastructure and visitor facilities.

SIGNIFICANT EFFECTS OF PROVIDING THIS ACTIVITY

WELL-BEING	POSITIVE	NEGATIVE	HOW WE ARE ADDRESSING THESE EFFECTS
Social	<ul style="list-style-type: none"> + A strong, sustainable local economy is essential for our settlements and the District as a whole. A vibrant and viable town centre provides a focus for the community and provides jobs and services along with a destination for socialising and leisure. + The social well-being of communities is affected by its residents' ability to access employment and a range of goods and services. + Economic growth can stimulate provision of additional services and facilities so improving the social infrastructure on offer to our communities. + Social outcomes are inextricably linked to the economy which is recognised in the Economic Strategy. + Community organisations/non-government organisations provide a large number of jobs and significantly contribute to the gross domestic product of the economy, assisting these organisations in their day-to-day operations and management will improve their ability to contribute to the economy and communities. 	<ul style="list-style-type: none"> - Our role is relatively limited and, whilst we can support provision of the 'right conditions' for economic development, we cannot control all aspects. 	<ul style="list-style-type: none"> • Maximising what influence Council does have to support economic development.

WELL-BEING	POSITIVE	NEGATIVE	HOW WE ARE ADDRESSING THESE EFFECTS
Environmental	<ul style="list-style-type: none"> + Sustainable economic development considers its potential impact on all four of the well-beings, including the environment. + Supports innovation which maximises the use of local resources and minimises waste that occurs in the production of goods. + Minimising the impact of economic growth on the environment while considering the benefits and need for such growth are important. 	<ul style="list-style-type: none"> - There is often a tension between environmental protection and economic progress. 	<ul style="list-style-type: none"> • We consider the impact of economic development on the environment. Our approach to sustainable development and our legislative framework and guidelines indicate our mechanisms for regulating the impacts of this growth, where this is possible. • We resource community development staff to work with environmental care groups to enhance and improve the environment, particularly in areas where growth has had negative impacts on the natural environment. • Our District Plan has introduced incentives such as Environmental Protection lots to offset some of the impacts of growth on the environment. • We provide educational literature (leaflets, signage) to help our communities appreciate the impacts of growth/ human disturbance on the environment.
Economic	<ul style="list-style-type: none"> + A strong local economy is a key part of a robust, attractive, sustainable community. + Supporting the provision of the right conditions for economic development, including employment land, accessible town centres, supporting infrastructure and a quality lifestyle, is vital. + We provide visitor information facilities which encourage more visitors and more spending within the local economy. 	<ul style="list-style-type: none"> - The local economy is driven by many external factors. Our role is therefore limited and while we can seek to create desirable conditions for economic growth we cannot control the direct creation of employment opportunities and continuation of local economic development. 	<ul style="list-style-type: none"> • We understand the need to support economic development and are keen to improve those processes which have an impact on those delivering economic development, for example building and consent processes and our planning framework. • We encourage businesses, landowners, developers and communities to have input our planning and policy development frameworks. We encourage feedback from our communities.

WELL-BEING	POSITIVE	NEGATIVE	HOW WE ARE ADDRESSING THESE EFFECTS
Cultural	<p>Our cultural and historic heritage is a considerable asset and adds to the high quality landscape and built heritage our District offers, all part of a favourable location for economic development.</p> <p>We support protection and enhancement of this asset and are also aware of the economic opportunities available from cultural and historic tourism.</p> <p>The Māori economy is significant in the district and has great potential to grow and positively impact on the overall economy, particularly as Treaty settlements are concluded.</p>	There is often tension between the protection of our cultural heritage and economic progress.	<p>We are aware of the sensitive cultural and historic heritage within our District and seek to work with Tangata Whenua and historic protection agencies to ensure that economic development positively impacts our cultural and historic assets.</p> <p>Where possible we will work to enhance and support opportunities for our communities to learn more about our cultural and historic heritage.</p> <p>Council will support, as appropriate, the development of the Māori economy.</p>

SUMMARY FINANCIAL FORECAST

ECONOMIC

All information from 2017-2025 includes an annual adjustment for inflation

FOR THE YEARS ENDED 30 JUNE	ACTUAL	BUDGET	FORECAST									
	\$'000	\$'000	\$'000									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Analysis of expenditure by activity												
Economic support	518	548	424	437	452	463	477	496	511	528	551	569
Visitor information	54	55	58	60	61	63	64	66	67	69	72	79
Town centre promotion	596	103	163	155	157	156	159	165	165	168	175	175
Waihi land drainage*	287	294	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	1,455	1,000	645	651	671	682	700	727	742	765	798	824
Analysis of expenditure by class												
Direct costs	1441	975	603	608	623	640	658	678	699	722	747	779
Overhead costs	126	137	124	127	136	133	136	146	143	147	158	156
Interest	(112)	(114)	(83)	(84)	(89)	(92)	(94)	(97)	(100)	(103)	(107)	(111)
Depreciation	1	2	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	1,455	1,000	645	651	671	682	700	727	742	765	798	824
Revenue												
Targeted rates	513	575	276	274	282	291	301	311	323	336	350	365
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Other income	88	4	2	2	2	2	2	3	3	3	3	3
Total revenue	602	579	278	276	285	294	304	314	326	338	353	368
Net cost of service - surplus/(deficit)	(854)	(421)	(367)	(375)	(386)	(388)	(397)	(413)	(417)	(427)	(445)	(456)
Capital expenditure	746	737	1,151	581	282	453	634	712	583	604	123	130
Total other funding required	(1,600)	(1,158)	(1,518)	(957)	(668)	(841)	(1,031)	(1,124)	(999)	(1,030)	(568)	(586)
Other funding provided by												
General rate	928	801	715	733	757	771	792	821	627	646	675	697
Investment in associates	345	-	-	-	-	-	-	-	-	-	-	-
Environmental protection rate	-	-	-	-	-	-	-	-	-	-	-	-
Reserves and future surpluses	327	357	802	223	(89)	70	239	303	372	384	(107)	(111)
Total other funding	1,600	1158	1,518	957	668	841	1,031	1,124	999	1,030	568	586

* Waihi Land Drainage has moved to Natural Environment

COUNCIL'S ADDITIONAL ASSET REQUIREMENTS

ECONOMIC

All information from 2017-2025 includes an annual adjustment for inflation

CAPITAL EXPENDITURE	\$'000									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
To meet additional demand (capacity for future residents - growth)	1,151	581	282	453	634	712	583	604	123	130
To improve the level of service	-	-	-	-	-	-	-	-	-	-
To replace existing assets (renewals)	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	1,151	581	282	453	634	712	583	604	123	130

WHERE THE MONEY COMES FROM

ECONOMIC

COMMUNITY OUTCOME

To encourage the sustainable use of local resources in a way which strengthens economic opportunities and improves social outcomes.

GOALS

- Foster partnerships between organisations, including local and central government and businesses to support economic, social, cultural and environmental development.
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DISCUSSION / RATIONALE

Economic development

The public benefits from a strong and sustainable local economy, increased prosperity and the availability of a wide range of employment opportunities provide third party benefits to the public.

The promotion of the region as a desirable place to work and do business and the facilitation of investment and training opportunities in the District also provide benefits to the whole District.

The marketing, development and management of the region as a tourism destination benefits both the tourism industry and other businesses in our District. The community may receive third party benefits because, if tourism is growing, facilities can be developed to cater for visitors that are also enjoyed by residents of the region.

In considering the practicality of charging businesses a targeted rate for economic development, it was noted that it would be technically difficult to identify 'businesses' located on land zoned rural or residential. In addition, horticultural and agricultural businesses also benefited from economic development expenditure as they are also businesses.

Town centre promotion

Council support for town centre promotion programmes benefits the respective communities. Individuals cannot be excluded from receiving the benefit. The town centre business community derives a greater benefit from town centre promotion than the community as a whole.

Visitor information

This service is provided in anticipation of visitors' needs for information. There are public benefits from the existence of the service and from the option of using it when they need it.

Some individuals benefiting from the visitor information service can be identified and charged. Some commercial tourism operators may benefit from referrals by the service.

It is not our policy to charge users for the provision of visitor information. Volunteers provide some of this service.

FUNDING APPROACH

Funding is provided from:

General Rates (Uniform Annual General Charge):

- Economic development
- Tourism support.

General Rates on capital value:

- Visitor information services.

Uniform annual charges on Community Board areas of growth centres:

- Town centre plan implementation
- Economic and community development projects.

Ward uniform annual charges (UACs) for:

- Town centre promotion
- Service delivery contracts.

Uniform annual charges on commercial and industrial zoned and post harvest zoned properties:

- Town centre promotion
- Service delivery contracts.

Uniform annual general charge (UAGC) for:

- Town centre development projects across our District.

Funding sources - Economic 2015/16

Other income includes selling guides such as Katikati mural guides.

