

## Strategy Alignment Eastern Bay of Plenty

### Economic drivers

The draft implementation plan does not identify economic drivers as such. A SWOT analysis done by Australian planning consultants URS Australia Pty Ltd highlighted:

- The reliance of the regional economy on the success of a small number of primary industries with large export market exposure
- The risk of reliance on a small number of industries, and therefore the need to find ways to diversify the regional economy in order to reduce reliance on these industries
- The need to support the viability of major industries for as long as possible
- The need to develop industries that are likely to benefit the regional population including the Maori population and distinct iwi populations; and
- The need to ensure residents are well trained, educated, and motivated to participate in emerging opportunities.

Under the general heading of Challenges the Plan focuses on:

1. Retaining a unique, natural environment
2. Creating the lifestyle choices people expect
3. High unemployment rates in the sub-region
4. Mismatch between level of skills/qualifications and job requirements
5. High levels of social deprivation
6. The infrastructure of the region constrains growth, economic development and lifestyle choices
7. Need to consider how to support major economic development initiatives, given that the region is quite small
8. Threats to major industries e.g. exchange rate, relocation, commodity prices
9. Diverse range of iwi capacity and capability in the region
10. Need to ensure ongoing growth and creation of SME's.

Common factors across the Eastern sub-region are high reliance on export commodities via agriculture, horticulture and forestry; strong interest in and potential for tourism; very high proportions of Maori in the population and high levels of Maori-owned land, much of it in whanau and hapu ownership as whenua.

The region has high levels of unemployment well above the New Zealand average; income levels well below the New Zealand average. There are shared concerns across most districts about infrastructure, notably roading and transport, energy and communication, especially broadband; shared interest in encouraging population growth and improved levels of skills and education.

The districts that make up the sub-region do not have shared priorities, other than in most aspects of infra-structure improvement.

## Whakatane

### Current situation

The Whakatane-Ohope population is about 18,000. The district has within easy commuting distance, several major employers; Environment Bay of Plenty, Fonterra, Whakatane Hospital, Whakatane District Council, Eastpack, Carter Holt Harvey Whakatane mill and the mills at Kawerau.

An existing tourism sector supports some lifestyle infrastructure. Most tourism is centred around water-based activities, including recreational fishing and White Island tours.

The existing infrastructure is rated as fragile, with one broadband link, one main electricity link, and road access has been cut twice by floods in recent years.

As with all other areas, attracting and training skilled people is seen as a constraint on economic development. However, the development through Kawerau Enterprise Agency of MaintainNZ, around the Kawerau district engineering cluster, has also benefited Whakatane.

### Economic Development

The key areas of focus for Whakatane currently remain those from the 2007 Toi-EDA Strategic Plan. Although the original plan did not set clear objectives or a way forward it set out the following themes:

- Outdoor adventure playground
- Industry value chain – aquaculture/marine farming, local energy
- Maori resource utilisation
- Centre of maintenance excellence
- Ease of lifestyle – medium-sized conference centre, niche value-added businesses, area marketing plan
- High-quality, affordable infrastructure – harbour access in Whakatane and Opotiki, improve transport to Tauranga port.

Opportunities identified in addition to aquaculture and port development are:

- Cultural tourism, based around the establishment of the Mataatua whareniui in Whakatane, and also the development of history tours
- Creation of a medium-sized conference business in conjunction with development around the whareniui
- A 4-star, 70+ room hotel, needed both to attract tours as an extension of the Rotorua tour market and to support the proposed conference business
- Maori economic development through governance capability improvements and support for innovation
- Training and skills development.

## Opotiki District

### Current Situation

The Opotiki district covers a quarter of the Bay of Plenty land area, including almost half of the coastline, with a population of nearly 9000. Over 80 per cent of the land is in native vegetation.

The district is largely dependent on land-based primary production, consisting mainly of:

- Dairy farming, which is considered to be at or near capacity in the district
- Forestry, also considered to be at or near capacity and with no employment-generating value added processing in the district
- Kiwifruit, rated as offering the best economic growth potential due to high productivity, premium quality and early season fruit production due to climate and soils. Horticulture is expanding in the Te Kaha area, with not only kiwifruit but also a grape seedling nursery.

Tourism is the fastest growing economic sector, with visitor levels rising at 20 per cent - 30 per cent per year from a comparatively low base. Most visitors are domestic tourists, activity-based (walking, cycling, fishing, etc) and 80 per cent arrive through Whakatane (though the Opotiki tourism agency is linked to Gisborne and Eastland at present).

A quarter of visitors try to book to visit White Island, which is visible from the coast at Opotiki, but there is no service from the town because of the lack of harbour access. This lack of access also prevents Opotiki participating in the charter fishing market, with many Whakatane boats fishing off the Opotiki coast.

Opotiki's infrastructure situation is similar in most respects to that of Whakatane. Electricity supply is not reliable, depending on one line in with power cuts not uncommon. Road access is not secure in extreme weather events.

There have been no problems with the single broadband link which operates reliably as far as Te Kaha.

The urban infrastructure of Opotiki is capable of supporting about double the existing population without significant further investment in water supply, waste water, local roading, etc.

### Economic Development

The District Council's development planning is based on the statement "Strong community – strong future". The plan rests on four platforms:

1. Economic growth
2. Quality of life, based around service levels in such areas as recreation, health and education
3. A strong community spirit
4. Environmental quality.

Tourism, horticulture and aquaculture are seen as the main opportunity areas for economic growth and employment creation. Further kiwifruit development is the most promising focus area for immediate results.

Aquaculture is a major opportunity, with local iwi Whakatohea (54 per cent) Sealords (26 per cent) and New Zealand Sea Farms (20 per cent) planning a large mussel farm just off the coast. Some regulatory and technical issues are still to be settled, but there is understood to be potential for perhaps three more large mussel farms in the area, and possibly other aquaculture ventures.

The benefits of the planned farm will mostly by-pass Opotiki due to lack of harbour access to service the farm, bring the harvest ashore for processing and ship the processed catch to the port or a trans-shipment point.

Harbour access, both for aquaculture and tourism development, is therefore the highest priority economic development project for Opotiki.

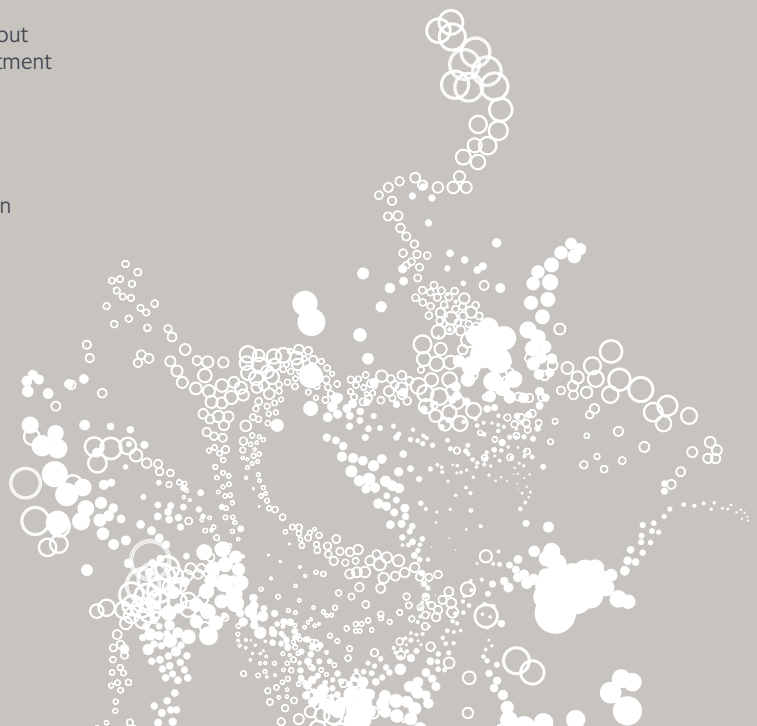
Like Whakatane, the district has a need for a greater population and skills.

### Kawerau

The Kawerau Enterprise Agency (KEA) is both an economic development agency and an investor in local business through seed funding and start-up support. KEA is also a landlord and provider of industrial land in industrial parks.

The main themes of KEA's 2006 Strategic Plan, with a 10 year horizon are the need to:

- Diversify the industry base
- Enhance the community's wealth through maximising the use of resources
- Attracting new business and grow and support those already there and
- Reduce unemployment.





## Appendix III

Issues and key goals in the plan are:

CRITICAL ISSUES	KEY GOALS
<b>I. SUPPORT CURRENT VENTURES</b>	
Reduce reliance on the mills and wood processing for employment, economic growth and project funding	Explore opportunities for redeployment of resources – energy, labour, industrial land, buildings
Grow new business opportunities	Attract new key investors/players and build upon regional collaboration
Growth of existing business	Expand SMEs and existing business and encourage development of infrastructure eg., energy, road, rail, housing, educational facilities
Relationships with key players	Enhance working relationships with key players and identify potential risks
Receive increased funding for Social Development	Facilitate additional services for youth and the ageing population Develop community self help/sustainability
<b>2. ACT AS BROKERS OF NEW VENTURES</b>	
Commercial operations designed to maximise employment opportunities Existence of under-utilized resources and availability of resources	Facilitate and support new business opportunities Facilitate and support the growth of existing local business opportunities Identify these resources, develop and tap their potential
<b>3. PROMOTION AND MARKETING OF KAWERAU</b>	
Contribute to the overall promotion and marketing of Kawerau	Enhance Kawerau's profile/image: · Facilitate Marketing and Promotions role incl events Calendar · Co-ordinate Event Management · Develop Additional activities eg., Tourism, Arts & Crafts, Film
<b>4. KEA BUSINESS VENTURES</b>	
Commercial operations designed to maximise employment opportunities (distanced from KEA Inc)	Seeding of local business opportunities Start-up of local business opportunities Seeding of existing local business opportunities
Lack of knowledge of regulatory environment and compliance issues within SME's	Improve business compliance through training and advice
Extensive local wealth generated here, but not spent here	Encourage local investors to build up local companies
<b>5. LANDLORD/LANDOWNER</b>	
KEA must remain viable Maximise return on current assets Develop KEA land and facilities Develop new land opportunities	Manage and maximize building occupancy, develop good management systems Suitable industrial land is available for large and small scale projects

## Murupara

### Current Situation

With 3,000-3,500 people in the wider area, including Minginui, Te Whaiti and Kaingaroa, Murupara has a median income per person of about two-thirds the national average, around triple the national rate of unemployment and double the national proportion of one-parent families. The district has a higher than average proportion of young people.

Murupara is part of the Whakatane district, but its residents typically look to Rotorua for most services. Isolation – distance from urban centres – is a key issue for Murupara. A key strength is its position as the gateway to Te Urewera Forest Park.

The district economy is based around agriculture and forestry. Some log processing is done in the area.

Murupara township has land and infrastructure suitable for a larger population, but basic infrastructure services such as water reticulation and sewerage piping have been allowed to deteriorate as the population has fallen.

### Economic development

A community-based planning and discussion process led to the production of Murupara Dreaming, a community planning document, and the creation of Network Murupara to administer and advance the plan. Murupara Dreaming includes the following economic development initiatives:

- Develop niche tourism enterprises to complement and work in conjunction with Rotorua's tourist flows. These initiatives centre on eco-tourism and cultural tourist ventures based on Te Urewera National Park and Whirinaki Forest Park. Network Murupara is also pursuing plans for local arts and craft products for sale to tourists. Historical tourism is also being considered, with Te Runanga o Ngati Manawa leading a project to restore Fort Galatea to capitalise on the district's history during the New Zealand Wars
- Aquaculture is also being actively investigated, using the district's waterways and lakes to farm eels for processing and export.

A high proportion of land in the district is Maori-owned, and this will increase with the settlement of Treaty claims over the next year, particularly the Ngati Manawa and Ngati Whare claims.

Although the Murupara Dreaming plan does not address the issue, the authors of this report are aware of a pressing need to develop governance and business skills to enable the owners of existing and future Maori assets to make the most of their holdings. In the past, Network Murupara and Government agencies have attempted to organise and run training courses to develop work skills in the district, but without any significant success. Both recruitment of trainees and retention of those recruited have led to courses being abandoned. However several organisations in the district would welcome trained local staff to reduce their present reliance on staff who commute from Rotorua, and other businesses suffer from being unable to find trained staff.

### Eastern Sub-region - Plan Alignment

All the districts in the Eastern Bay of Plenty sub-region have some common economic development challenges and high-level objectives.



## Appendix III

The following table sets out each district's economic development plans and priorities, grouped according to a small number of high-level strategic objectives. Murupara is included as a separate entity due to its isolation from the rest of the Whakatane district and its markedly individual concerns and approach to planning.

	WHAKATANE	OPOTIKI	KAWERAU	MURUPARA
INFRASTRUCTURE	<p><b>Roading</b></p> <ul style="list-style-type: none"> <li>· Improve security of links to neighbouring districts</li> </ul> <p><b>Energy</b></p> <ul style="list-style-type: none"> <li>· Improve electricity supply security</li> </ul> <p><b>Port</b></p> <ul style="list-style-type: none"> <li>· Improve port access</li> </ul>	<p><b>Roading</b></p> <ul style="list-style-type: none"> <li>· Improve security of links to neighbouring districts</li> </ul> <p><b>Energy</b></p> <ul style="list-style-type: none"> <li>· Improve electricity supply security</li> </ul> <p><b>Port</b></p> <ul style="list-style-type: none"> <li>· Redevelop to restore access for aquaculture, tourism</li> </ul>	<p>Geothermal energy development</p>	
EDUCATION & TRAINING	<p>Enterprise training for business operators</p> <p>Develop skills training</p>		<p>Maintain &amp; develop skills training - MaintainNZ</p>	<p>Enterprise and skills training required – not currently planned</p>
TOURISM	<p>Develop cultural tourism</p> <p>Develop conference business</p> <p>Develop accommodation to support group tours, conferences</p>	<p>Develop fishing, White Island tours via port</p> <p>Maintain activity and events-based tourism growth</p>		<p>Develop eco-tourism, cultural tourism and historical tourism</p>
PRIMARY PRODUCTION		<p>Aquaculture – deep sea marine farming</p> <p>Develop &amp; expand horticulture – kiwifruit, etc.</p>		<p>Aquaculture – eel farming</p>
MAORI RESOURCES	<p>Develop Maori capability</p>	<p>Develop Maori capability</p>		<p>Develop Maori capability</p>

# Acknowledgements

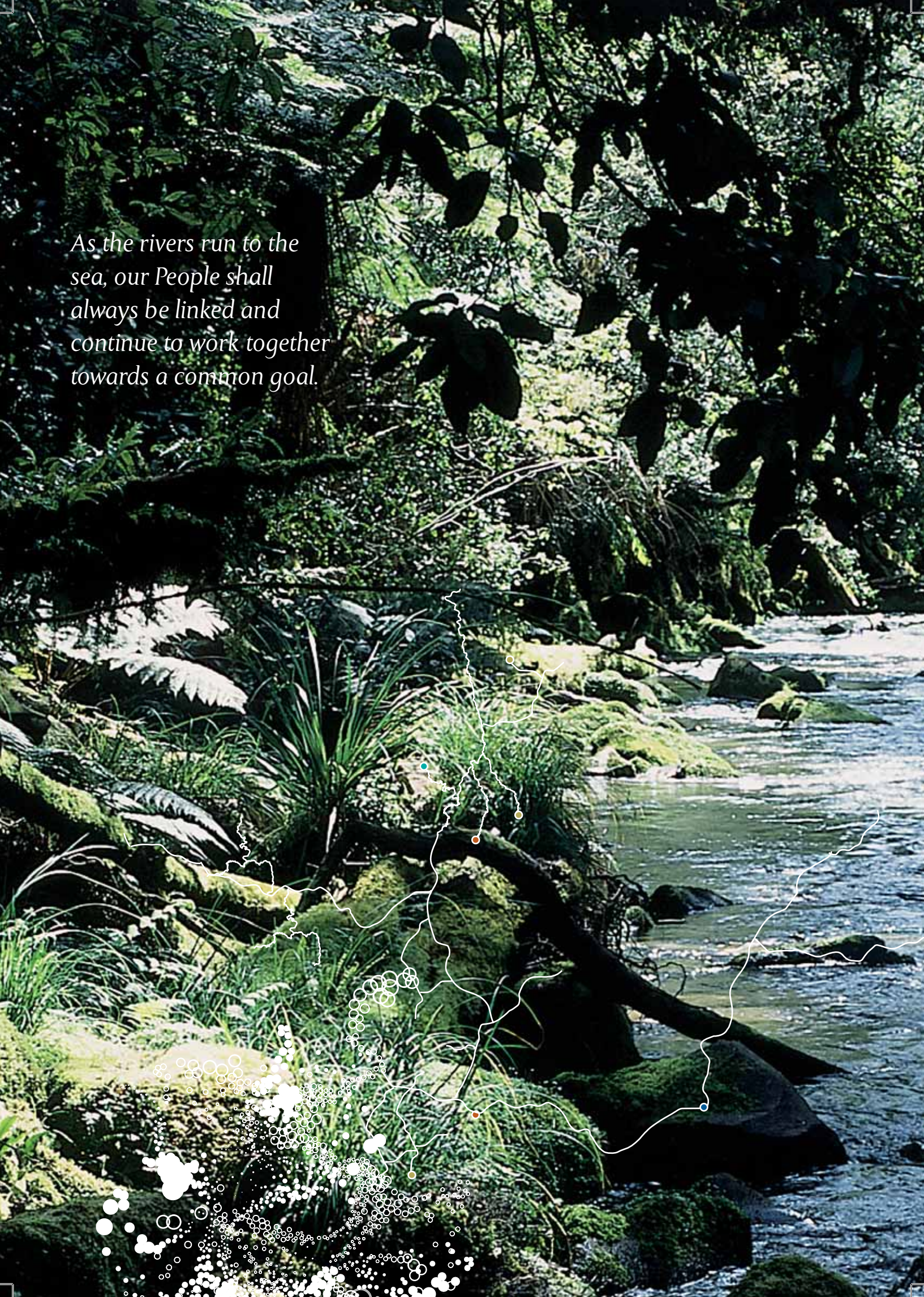


This Bay of Plenty Regional Economic Strategy is a synthesis of information from various individual and group sources and data studied and extracted from several different reports. Those contributions are gratefully acknowledged and in particular:

- The Analysis of the Eastern Bay of Plenty, prepared for Whakatane District Council by Infometrics Ltd March 2004
- New Zealand's Regional Economic Performance, a report to the Ministry of Economic Development by NZIER (New Zealand Institute of Economic Research, September 2004
- The Rotorua Economic Development Strategy 2005, prepared by Bright Economy
- Destination Rotorua Business Confidence Survey, June 2005
- The Eastern Bay of Plenty Regional Economic Development Report, 2006 prepared for Eastern Bay of Plenty Economic Development Trust and Toi Economic development Agency, prepared by URS Australia Pty Limited
- The Bay of Plenty Region Situation Analysis by Business and Economic Research Limited (BERL) May 2007
- Rotorua Chamber of Commerce Survey on Issues Important to business, May 2007
- Smart Economy, The Western Bay of Plenty Economic development Strategy, dated 25 August 2004 and prepared by Priority One and the 2007 update
- The contributions made by members of Community Outcomes Bay of Plenty (COBOP) at a workshop in Rotorua on 10 October 2007
- COBOP and The Answer Company Ltd report, December, 2007 – Bay of Plenty Regional Economic Profile
- PMA Asset Management Ltd (Forum facilitator) and contributions made by eighty key regional stakeholders from business/industry sectors, iwi, science, education, regional economic development staff and representatives from the Ministry of Economic Development and NZTE, local body staff and elected members who attended a Regional Economic Forum in Rotorua on 6 May 2008
- Wasley Knell Consultants Ltd report, 23 May 2008 – Strategy Alignment Analysis, Smart Economy and Bright Economy
- Zeal Partners Ltd report, 17 June 2008 – Bay of Plenty Economic Development Strategy Alignment – Eastern sub region
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*As the rivers run to the sea, our People shall always be linked and continue to work together towards a common goal.*





## COMPANY DIRECTORY

### THE GOVERNANCE GROUP

Anthony Olsen – **Toi-EDA**

Frank Aldridge – **ABN AMRO Craigs Ltd**

Murray Davies – **Priority One**

John Cronin – **Governance Group Chair,  
and Environment Bay of Plenty Chair**

Rick Vallance – **Ngati Whakaue Tribal Lands**

Sandra Kai Fong – **Bright Economy Board**

Tony Hawken – **Eastpack Ltd**

### THE MANAGEMENT GROUP

Andrew Coker – **Priority One**

Grant Kilby – **Rotorua Economic Development**

Mary Hermanson – **Toi-EDA**

Mary-Anne MacLeod – **Environment Bay of Plenty**

### ADVISOR

Cheryl MacGregor – **Environment Bay of Plenty**

Telephone: 0800 368 267

Email: [cheryl.macgregor@envbop.govt.nz](mailto:cheryl.macgregor@envbop.govt.nz)



The background features a high-speed photograph of water splashing, with a large vertical column of water on the right and a horizontal splash at the bottom. A decorative horizontal bar is positioned across the middle, containing a circular icon with a downward arrow and the text 'November 2008'. The bar is divided into sections with diagonal hatching and a solid orange stripe. In the bottom right corner, there is a cluster of white circles of varying sizes, resembling bubbles or a particle trail.

 November 2008