

Subject: Annual Plan 2010/11 Activity Report - Economic Development

Prepared by: Phil Wauchop

Meeting Date: 5/6 May 2010

Report to COUNCIL for decision

SUMMARY

Ten submissions to the draft 2010/11 Annual Plan contained comments relating to the Economic Development activity. Detailed officer responses and recommendations to these submissions are attached. The issues covered by these submissions were grouped into the following areas:

- Issues around the Council's role in the Tairāwhiti Development Partnership (TDP) from not continuing to be involved, to ones recognising the positive outcomes around tourism, and that there is a need for greater consultation and decision making across all sectors on regional development
- A call for the Council to do more in the area of tourism, including improving the night time environment for all
- Support for the Navigational Traditions project and investment in light infrastructure
- Whether or not the Council should be involved in economic monitoring and development.

The following overarching issues/themes have emerged from the submissions:

- The knowledge within the community around the TDP initiative is variable
- The community is supportive of tourism initiatives
- Limited knowledge exists within the community around the Council's local government, its district and regional responsibilities.

RECOMMENDATIONS

That Council

1. receives the report
2. approves the officer responses contained in Attachment 1 - Economic Development submissions and responses
3. makes the following change to the draft Annual Plan 2010/11:
 - a. includes the sentence on page 47 (What we do) – "Supports the district's regional economic development through funding and promotion in tourism sector."
4. resolves to review Council's strategic outcomes in the tourism sector for the reason that they have not been clearly defined.

Summary and Response by Issue

For: Annual Plan 2010/11 - ECONOMIC DEVELOPMENT

| Issue | Submitter |
|---|------------------------------|
| Economic Development General | |
| 36 | Revington, Ross |
| What plan does the council have to work more closely with ECT? | |
| <i>Officer Response: The Council continues to work closely with ECT and has presented a number of initiatives/projects to the board for their consideration within their investment objectives guidelines. Foremost of these is the Navigational Traditions project which has received some initial encouraging support from some of the board. Final concept design and Quantity Survey are now required to enable further consideration to be given. Officer Recommendation: That there be no change to the draft Annual Plan.</i> | |
| 42 | Radomske, Clare Andrew |
| Objects to the councils continued support to the TDP. | |
| <i>Officer Response: Council continues to support the TDP given it provides the governance body still currently required by central government through which central government has directed its economic development strategy initiatives. The new government is reviewing their economic development initiatives and should they not continue to direct the national development initiatives regionally, then a review of the TDP will be required. While the Council is currently fully supportive of the TDP, the level of commitment by the five partners in time, and consequently resources, to the TDP is currently under review. Officer Recommendation: That there be no change to the draft Annual Plan.</i> | |
| 44 | Gisborne Chamber Of Commerce |
| The business community should run economic development, just like the Heart of Gisborne. Targeted rates have been going on for years and we need jobs, not reports. | |
| <i>Officer Response: One of the important functions of local government is to promote the economic well-being of their community, both in the present and the future. However, this needs to tie in with the other goals of promoting social, cultural and environmental well-being. In areas where there is growth, leaving the economy reliant on market and other forces can threaten the environment and quality of life. It is the responsibility of the council to ensure that there is balance, and also that the economic prosperity of the community is planned for and not simply left to chance. However, everyone should also be involved as much as they are able in economic development. In no way does the Council claim exclusivity in the role and will always be looking for those operating in all sectors to initiate, innovate and invest. As Gibbons said "If you don't know where you are going any road will take you there", therefore in the interest of the public good it is important to know as a community where we are and where we should be heading and therefore the reason for reports and the greater the likelihood of ensuring sustainable development and jobs. The business community provided significant advice and support towards the latest Economic Development Strategy Action Plan, with some of the sectors already taking up the challenges detailed therein. Officer Recommendation: That there be no change to the draft Annual Plan.</i> | |
| 47 | Creative Tairawhiti |
| Night-time Alcohol licences - Creative Tairawhiti ask that consideration be given to the fact that the night-time economy is of crucial importance to the performing arts sector, and the arts sector in general. We support anything that can be done to encourage more people to go out more regularly to these places. This includes anything that will make the experience safer, easier and more fun. Creative Tairawhiti is also most interested in helping GDC and other parties develop a "Night-time Economy Strategy" for the region that would further realise the Arts Sector's potential as an economic and social contributor. | |

Summary and Response by Issue

For: Annual Plan 2010/11 - ECONOMIC DEVELOPMENT

| Issue | Submitter |
|---|-----------------------------|
| <p><i>Officer Response: The night time economy has been addressed by the Heart of Gisborne. The Heart of Gisborne is a rate payer and CBD member funded body tasked with promotion and the development of the CBD. Last year the Heart of Gisborne developed a draft Evening Economy Strategy which is currently before the Heart of Gisborne Executive. A number of other initiatives have been developed as a result of ensuring a safer and more appealing night time experience within the CBD like security camera installation, Citywatch Scheme and improved and attractive shop lighting. A copy of the draft strategy can be obtained from the Heart of Gisborne office situated at 44 Childers Road, on which the Heart of Gisborne would welcome feedback and assistance to ensure its effective implementation in due course. Officer Recommendation: That there be no change to the draft Annual Plan.</i></p> | |
| 52 | Ben Gibson - Eastland Group |
| <p>To bring about growth the council needs to invest in infrastructure. The airport supports the idea of "hubbing" at Matawhero to encourage development. Encouraging the utilisation of the land parcels by industry can only bring further economic and commercial spinoffs for the community.</p> <p><i>Officer Response: Council agrees with the submitter. Council has a significant investment in land appropriately zoned with full services to the gate for light to heavy industry development located in the Dunstan/Willows Road area of Matawhero. Council is very keen to see a movement of related industry to this area and the development of new hubs based on industry sectors present in this area. Officer Recommendation: That there be no change to the draft Annual Plan.</i></p> | |
| 60 | Kapai Kaiti |
| <p>We do not agree with some of content in the Tairāwhiti Development Partnership sponsored Regional Economic Development Strategy. Further, we have concerns about how the subsequent Action Plan, that the Draft Annual Plan makes reference to Council supporting, has been developed and agreed upon. We are particularly interested in how this significant piece of public policy could be finalised without a proper process for the general public to have a say and take any ownership of the goals and actions the region is being committed to focusing on. In addition to organisations like trade unions and environmental and social development organisations, we would have thought that ordinary citizens should also have the opportunity to have this kind of plan translated into a language and format they can relate to. From our particular perspective, we would like to see action being put into: the Action Plan recognising and providing resources to develop the economy through upcoming community renewal projects; articulating the perceived relationship between social, cultural and economic development; investigating the benefits of establishing local micro-enterprise and community financial institutions; further clarifying the relationship that Eastland Community Trust is expected to have with the Action Plan and Development Strategy; establishing some infrastructure to support employee and worker ownership opportunities, particularly in situations where a manufacturing business is threatened with closure or where owners want to provide employees with more of a stake in the business; exploring opportunities for a local currency and/or exchange system to encourage more local economic activity that benefits local business owners; confirming how the stakeholders listed in the Action Plan are to agree on what the economic, social and environmental needs of its community are, given that meeting these needs form the Development Strategies Vision and Action Plans Implementation Framework. We do not think the Strategy or the Action Plan place enough weight on attracting high value, and knowledge-based business to the region. These new businesses are needed to revitalise the local economy. Appendix C, which lists potential Funding Sources for the plan, is optimistic and inaccurate. First, while COGS might have \$11M nationally, they rarely give out more than \$3,000 and do not fund business initiatives. Second, the DIA Community Development is not going to support the kind of actions listed, and it is unlikely the Tindall Foundation would either. The Research & Development component of the Action Plan is limited to the establishment of a research forum. We support this, but believe that a number of other priorities should be included under the current work stream. These include: working towards establishing an R&D awards scheme; investigating a mechanism to match potential investors together with local entrepreneurs who have good business ideas and R&D inputs; investigation of a business incubator for local start-up companies; investigating conducting a survey on priority infrastructure to assist R&D in the region; establishing a business mentoring scheme to link people establishing new businesses with people who can give them advice (especially with people who have experience in developing businesses); attract entrepreneurs to the region through funding advertisements and meetings that describe the regions benefits; learning from other districts who were similar to Gisborne's current economy and have revitalised their local economies; work with Maori/iwi businesses to identify how they can grow their asset bases in a way that contributes to the cultural, social and economic revitalisation of their communities; building regional partnerships between Crown Research Institutes, universities and other research and development institutions, and local businesses. This should enable training to help meet employers needs, and for research to benefit local businesses.</p> | |

Summary and Response by Issue

For: Annual Plan 2010/11 - ECONOMIC DEVELOPMENT

| Issue | Submitter |
|---|-----------|
| <i>Officer Response: The Regional Economic Development Strategy (REDS) and its subsequent Action Plan are not Council initiated documents. These documents were undertaken by consultants contracted to the Tairāwhiti Development Partnership. The Council is one of the five partners in the partnership. The Council has the appropriate mandate to work with the TDP and report back to Council on aspects that may impact on the District and/or the operations of Council. REDS focuses on economic development within the region of Tairāwhiti and the development of the regions competitive advantage and in particular, how it will (a) support enterprise and innovation; and (b) improve the quality of the regional business environment to support the development, attraction and retention of globally competitive firms. Consequently, the strategies have a regional business focus, therefore the consultation was with the business community and not the community at large. The entrepreneurship and commercialisation action plan from the REDS report identified initiatives that provide entrepreneurs opportunities to build viable enterprises within the region. These include innovation and research support, training programmes, mentoring services and other enterprise support services. A paper outlining the Council commitments with respect to the REDS Action Plan was presented in a paper to the Community Development Committee meeting in April 2010. In this paper it was shown that the Council were only required to lead on one aspect and this was on the industrial wastewater separation action. The Council was already working in this area prior to the Action Plan being released. In addition Council staff examined the Plan and identified those actions where the Council can be involved. These areas have been selected through consideration of Council's contractual relationships, the cross-sector multi-disciplinary focus and areas that are not necessarily the sole responsibility of private enterprise. In considering the Action areas identified for Council and the appropriateness of them, the following were taken into account: Council's contractual relationship responsibilities; the cross-sector multi-disciplinary focus of the action areas; whether or not the action areas are the responsibility of private enterprise. In summary, the Actions identified seem to be appropriate to support. The actions that will be addressed under the REDS Action Plan programme incorporate a broad range of business initiatives, a number of which are part of the Districts Economic Development Strategy. As such, the District Strategy can be amended to focus on those areas which will not be addressed on a regional basis. Officer Recommendation: That there be no change to the draft Annual Plan.</i> | |

Navigational Traditions

| | |
|---|---------------------------|
| 4 | Bramwell, Pamela Isobella |
| Would love to know more about the Tairāwhiti Navigational traditions project. | |
| <i>Officer Response: The Navigational Traditions Project is described as coordinated light infrastructure and story development at key sites in the region to acknowledge our heritage, generate business opportunities and affirm the appeal of Tairāwhiti as a great place to live and visit. The proposed infrastructure will provide the hooks for private sector businesses to develop additional services that will be sustainable because they enrich the visitor stay and provide a total experience around the creation of a nation with Captains Cooks arrival and first meeting with Maori. The full Pre-feasibility Study report by Tourism Resource Consultants can be accessed on the Gisborne District Council web site http://www.gdc.govt.nz/major-projects/. Officer Recommendation: That there be no change to the draft Annual Plan.</i> | |

| | |
|--|------------------------|
| 54 | Sheridan, Todd Raymond |
| This is a wonderful opportunity to promote Gisborne's cultural duality of sea-faring captains. What is the makeup of the steering committee, and who will design this project? How do artists contribute towards the project and/or has any thought been given to this question? | |
| <i>Officer Response: The make up of the Steering Committee is by organisational group and these are as follows: Museum; GDC; WDC; Eastland Infrastructure; Eastland Port; ECT; Kahungunu ki te Wairoa; TROTAK; TRONP; Ngati Oneone; Historic Places Trust; DoC; Tourism Eastland; RTOs MRTO; plus Historians as required. The project involves a number of light infrastructure works, these, and associated signage, will undergo final design once each has passed through the feasibility stage of the project. This stage will look at generally engineering and QS with decisions then to be made on infrastructure feasibility and funding. Once funding has been confirmed, design options will then be considered. The final option around how the final designs will be developed has yet to be decided by the Steering Group. It has however been indicated by the group that local artist should be involved. Officer Recommendation: That there be no change to the draft Annual Plan.</i> | |

Tourism

| | |
|----|-----------------------|
| 26 | Larkins, Darren Peter |
|----|-----------------------|

Summary and Response by Issue

For: Annual Plan 2010/11 - ECONOMIC DEVELOPMENT

| Issue | Submitter |
|---|-----------|
| <p>Need to work on tourism, tourism and more tourism.</p> <p><i>Officer Response: Council through its membership of the Tairāwhiti Development Partnership (TDP) is currently working on three areas to provide a lift in tourism for the region and the district. The first of these is the Navigational Traditions Project which is currently in the feasibility stage of concept design for funding. The working group for this initiative is being chaired by His Worship the Mayor, Meng Foon. This is a significant project which will require a \$4 million investment in light infrastructure over the next two to four years. The project will provide the hooks for tourism operators to develop new and innovative business focusing on meeting visitor needs. The TDP is also sourcing funds to assist in the branding refresh of the Gisborne wine industry to enable the more effective promotion of the regions wines and visitor service outlets. Third will be the creation of a brand strategy that will enable business products and events to collaboratively leverage off the region image for their own benefits and to grow the global awareness of the region. On a district level the Council has negotiated a refreshed contract with Tourism Eastland to incorporate a number of additional KPIs or contractual outcomes. In addition, Tourism Eastland has had a review of its processes and will move this forward with a review of its marketing strategy. The later has seen the appointment of a marketing manager to enable this to be progressed. However, it is noted that the Council has not specifically indentified its outcomes for tourism in relation to regional economic development. Officer Recommendation: That the following change be made to the draft Annual Plan - the inclusion of the following sentence on page 47 (What we do) - "Supports the districts regional economic development through funding and promotion in the tourism sector." That Council resolves to review Council's strategic outcomes in the tourism sector for the reason that they have not been clearly defined.</i></p> | |

| | |
|---|-------------------|
| 63 | Federated Farmers |
| <p>Federated Farmers recognises and appreciates the change to the funding stream relating to tourism and economic development with its targeted focus and reduced reliance on the UAGC.</p> <p><i>Officer Response: The Council notes Federated Farmers acceptance of the change to the funding of tourism and economic development and the reduced reliance on the UAGC. Officer Recommendation: That there be no change to the draft Annual Plan.</i></p> | |