

Economic Development Strategy

Direction of Travel: consulting with our
community



Purpose

Kāpiti Coast District Council is currently working with the community to develop a Vision 2060 for the Kāpiti Coast. Economic Development is one of five key operating strategies¹ supporting this Vision, which will respond to the highest order issues that current and future generations will face.

This document shares an approach to set a forward, collaborative agenda for economic development and wellbeing in the Kāpiti Coast District. We want to hear from the Kāpiti Coast District community whether we've got the right focus, before we land and finalise an updated Economic Strategy in 2024.

What we want to achieve

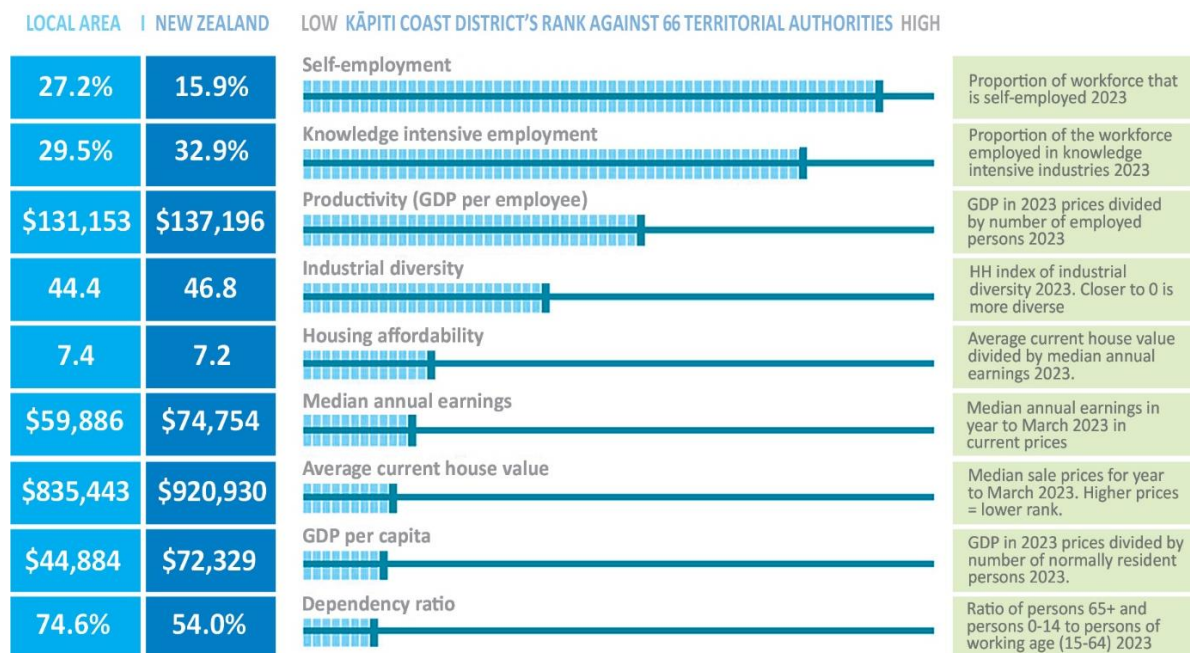
Our “Areas of Focus”

Regions with high economic mobility for all residents are characterised by high levels of social cohesion, lower income inequality, greater family stability, lower segregation, and better educational outcomes.

As illustrated in the structure indicators graph below, we know that not all members of the Kāpiti Coast community have equitable access to economic opportunities. Lower GDP and productivity levels generally correlate with lower levels of knowledge intensive employment, lower income levels and higher levels of dependency, with under-employment being a key issue for the district given the large older local demographic.

Limited pathways to employment for young people, Maori and people with disabilities and the lack of opportunities for people to retrain and upskill local are often key barriers and often means that local businesses struggle to recruit the staff needed to grow and prosper locally.

Structural Indicators, 2023



Data source: Infometrics and Statistics New Zealand. Downloaded: 7 February 2024.

¹ Housing, Health, Climate Change and Resilience, Environment and Economic Development.

A range of statistics tell us that Kāpiti Coast District is well behind national and Wellington City in per capita income, growth, and that we hold a high dependency ratio to the working age population due to the characteristics of our community (we have a higher than average over 65 population).

We have identified three Areas of Focus which we believe will lift the Kāpiti Coast economy and support a more liveable environment, where people have choice in how they make their living or choice to start and/or operate a business in Kāpiti that is both viable and feasible over time:

Kāpiti Coast District Economic Strategy 2024-2027: Areas of Focus



Our most significant challenges and opportunities

To shift the dial, and see ongoing progress and growth in our economic indicators, we have identified key challenges (green); and opportunities (blue), for businesses operating in the Kāpiti Coast District which will inform the priority actions we progress in our Focus Areas. In summary these are:



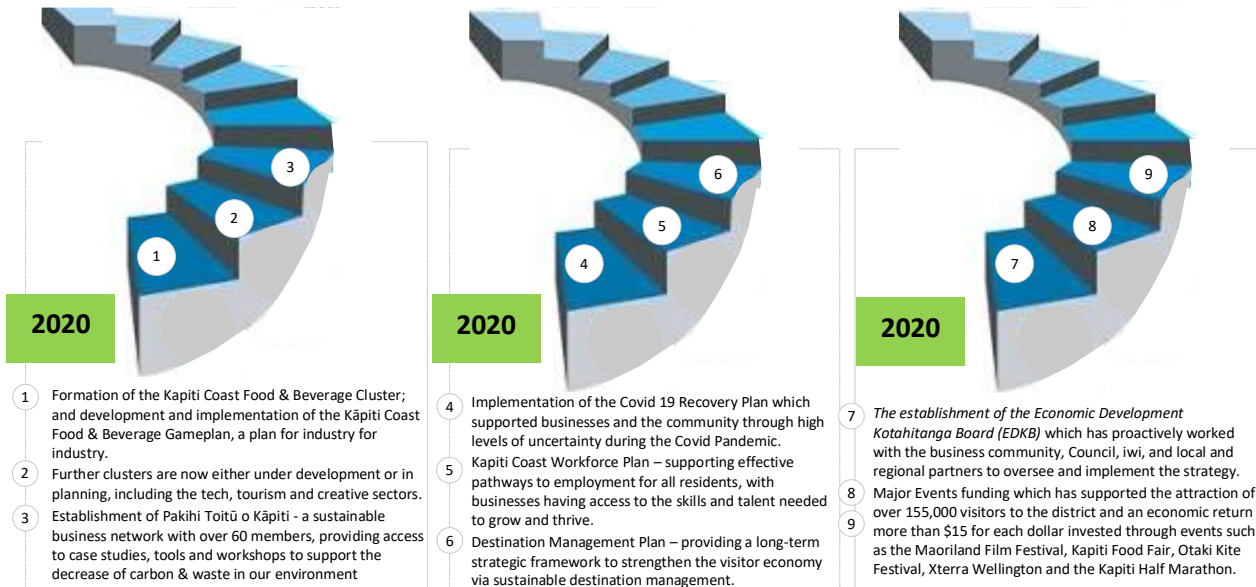
Where we have come from (2020 to 2023)

Significant progress has been made in the delivery of all 26 actions since the adoption of the current Kāpiti District Economic Development Strategy and Implementation Plan in 2020, which included managing for the impacts of COVID-19. The following are some of key highlights from the last three years:

A resilient Kāpiti Coast **economy** based on **productive** and **innovative** clusters that are **environmentally** Sustainable and **future focused**.

Kāpiti Coast residents and communities **benefit** from **local education** and **career opportunities**.

Kāpiti Coast is an **inclusive community** and is recognised as a **great and easy place to invest** and **do business**.



Ngā pou



Kotahitanga



Manaakitanga



Whānau



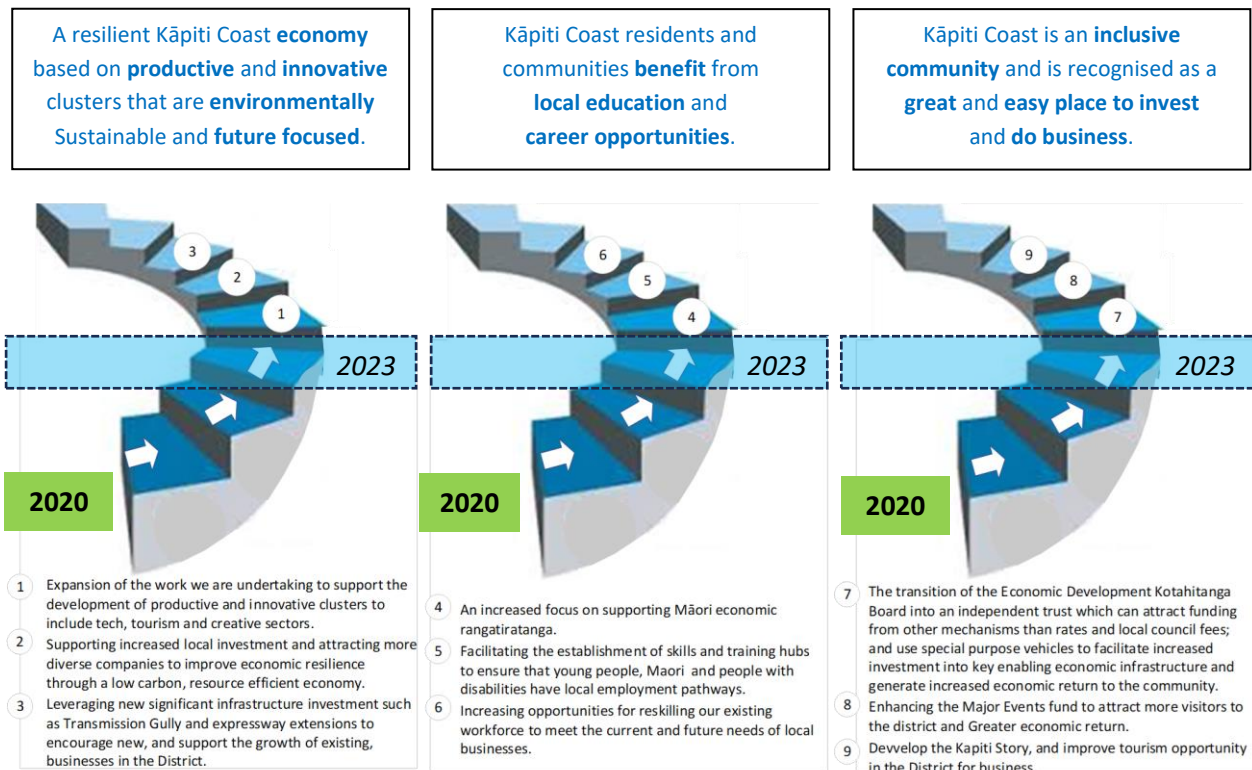
Kaitiakitanga



Whakapapa

Where we head next (2024 to 2027)

Significant During this next phase, the focus is about building on the solid foundation that is now in place, whilst reacting to any change in the local and wider macro environment to ensure that we have the structure and resourcing in place to deliver against the Areas of Focus:



Ngā pou



Kotahitanga



Manaakitanga



Whānau



Kaitiakitanga



Whakapapa

How we will drive change

Eight overall priority actions will shape the Economic Development strategy and its work programme, across the three Areas of Focus, and our Pou. More detailed actions will be set out in the implementation plan, following engagement with the community on this document and finalisation of the Economic Development Strategy (2024 to 2027).

For each Focus Area, we outline below a summary of: what we want to change, how we will know we're successful, and an overview of priority actions.

1) A Resilient Kāpiti Coast Economy based on productive and innovative Clusters that are environmentally Sustainable and Future focused

What we want to change	How we will know we're successful	
- Strong industry led clusters - Attracting more businesses - Job creation - Wage growth - Increased local GDP - More events in the region	- Number of businesses engaged in each cluster - Business unit growth per sector - Growth in FTEs per sector - Change in per capita income - Sector share of GDP growth - Economic impact of events	- Upward - Upward - Upward - Upward - Upward - Upward

Priority action: Sector and Cluster development

Having a sector focus enables us to tailor industry support in a targeted manner, assisting in ways particular industries find most helpful at the particular point of their development. Supporting the development of industry clusters, localised networks of interconnected businesses and institutions in key growth sectors, will drive sustainable economic development and leverage regional strengths to boost innovation, productivity, and competitiveness.

Clusters, existing and emerging include:

- Food and Beverage Cluster:– Food product manufacturers and associated support businesses.
- Tourism Cluster:– Visitor attractions, accommodation and food services and destination operators.
- Technology Cluster:– Businesses operating in Information and Communications Technologies (ICT) development and delivery.
- Creative Industries Cluster:– Encompassing film, music, broadcasting, design and digital technologies, performing and visual arts, and Ngā toi Māori.

Priority action: Sustainable Circular Economy

We will support the transition to a lower carbon and climate resilient economy by supporting and adopting [circular economy principles and business models](#) that design waste and pollution out at source, while enhancing business efficiency, profitability, and stimulate innovation and investment in new opportunities. Shifting away from our current linear economy to a more circular economy will position local businesses to better respond to changing consumer preferences, growing environmental pressures, and increasingly tighter environmental regulation.

Building on the existing natural advantages of the Kāpiti Coast, opportunities for sustainable businesses development and the circular economy are broad and growing. Supporting these opportunities include:

- Regenerative Agriculture – improving the sustainability of current practices will enhance the quality of substandard land, marketability of local produce, and support broader social, economic and cultural opportunities.
- Sustainable Tourism – showcasing our natural environment to provide incentives for environmental restoration and adoption of sustainable industry practices.
- Local value-adding – the emerging food and beverage sector is an example of local manufacturing with the potential to leverage local sustainably-sourced primary production and resource efficiency to reduce waste and economic losses in the supply chain.
- Sustainable enterprises – significant scalable opportunities existing for businesses focusing on solutions to supply chain shortages and environmental challenges such as sustainable packaging, materials reuse, recycling and recovery, and sustainable design and construction technologies.

Through *Pakihi Toitū o Kāpiti*, we will support local businesses to adopt best sustainable practice, promote their activities to the market, and attract new sustainable business investment.

2) Kāpiti Coast Residents and Communities benefit from local Education and Career opportunities

What we want to change	How we will know we're successful	
▪ Access to local training opportunities ▪ More people completing training	▪ Number of local training programs offered ▪ Number of people completed local training Monitoring rates of: ▪ Māori employment growth ▪ Youth NEET rate ▪ Unemployment rate for persons with disability ▪ Unemployment rate for persons aged 55-65	▪ Upward ▪ Upward ▪ Upward ▪ Downward ▪ Downward ▪ Downward

Priority action: Māori economic rangatiratanga

Māori aspirations and well-being are interdependent and focus on longer term priorities, within a context of a deep relationship with the natural environment. Māori use these approaches to increase participation and inclusion in decision making, which affects their approach to economic development.

We seek to understand and support greater economic opportunities for Māori based on their knowledge base – mātauranga Māori. Respecting and valuing Te Āo Māori worldview and Māori concepts is a first step to deliver and establish partnerships to support Māori business enterprise. We aim to help build capacity for Māori to connect with economic opportunities within and beyond the District. To do this we will:

- Work in conjunction with representatives of Ati Awa ki Whakarongotai, Ngati Toa Rangatira, Nga Hapu o Otaki and Te Ropu Pakihi - the Maori Business Network to inform a strategy that seeks out opportunities in a way that respects their mana and recognises local taonga.
- Acknowledge that Māori businesses can have multiple purposes beyond profitability, reflecting the social and cultural aspirations as their core purpose.
- Commit time, energy and resource to lift the Māori economy.

Skills and Training

Ensuring our people have the skills and education that are in demand benefits both local businesses and the communities they serve. It helps improve local productivity and improves access to new and better paying career options.

Facilitating the establishment of inclusive local skills and training hubs that meet the needs of our young people, those looking to retrain or with disabilities will help address the critical need for accessible education and training opportunities. Establishing these hubs will foster local talent, address workforce shortages and skills gaps and enhance the overall economic and social well-being of the Kāpiti Coast region.

To make this initiative a reality, we will:

- Collaborate with iwi, central government, education and training providers, businesses and community stakeholders.
- Locate hubs in areas that are accessible and have diverse spaces to support classroom-based and practical learning needs.
- Develop and deliver employability skills training.
- Facilitate education and training options that align with the workforce needs of the region.
- Secure on-going funding to develop training programs for rangatahi, older people and people with health conditions and impairments.
- Encourage workforce training opportunities that will benefit the growth of cluster businesses.

Priority action: Smart Investment Attraction

Attracting investment into the district, that is aligned with our community's social and environmental goals, will support economic vitality while enhancing our social and environmental well-being. By supporting job creation and economic diversification, we can nurture innovation and workforce development, embedding the principles of responsible growth into local commerce.

This would ensure that the infrastructure developments and the expansion of market opportunities that come with new investments contribute meaningfully to the community's wellbeing. This will also help provide a resilient foundation for an economy that thrives in harmony with its environment.

To attract aligned investment, we will:

- Support mana whenua to take advantage of business opportunities.
- Showcase the Kāpiti Coast as a great place to live, work, and invest.
- Support businesses to attract talent and investment and improve their capability and resilience.
- Support businesses to navigate local regulatory requirements.
- Support local and regional business networks.

3) Kāpiti Coast Is an Inclusive community and are recognised as a great and easy place to invest and do business

What we want to change	How we will know we're successful	
▪ Businesses understand and navigate council processes ▪ Higher approval rate, lower rejection rate, and a lower appeal rate	Business survey respondents: ▪ That feel supported by EDKB and Council economic development services ▪ That have good awareness of Council requirements for businesses, and agree that the process makes it easy to do business	▪ Upward ▪ Upward

Priority action: Supporting startups and emerging businesses

Many Kāpiti businesses are small or emerging micro businesses which collectively contribute to a diverse thriving economy. Startups are typically young, technology-focused and high-growth organisations that use scalable business models, to enable the creation of highly-skilled jobs and drive economic growth. By adding to the economic mix, start-ups can also reduce our vulnerability to industry-specific slumps and strengthen resilience in our local economy.

The Kāpiti Coast is well supported by its various stakeholder groups, industry clusters and networking events. To maximise the potential of new businesses to grow and emerge, we will foster a culture of collaborative innovation and support by:

- Enabling ease of access to investment channels and resources.
- Providing access to accelerator programs and relevant education.
- Championing success through marketing and profiling.
- Supporting Startups to navigate regulatory requirements.
- Supporting mana whenua to grow their economic development rangatiratanga.

Priority action: Thriving Visitor Economy

A thriving visitor economy is critical for supporting local wellbeing, providing jobs and opportunities that would not be economically sustainable if they were only supported by the local economy. Attracting visitors and increasing their length of stay, leads to higher visitor spending to the region but also encourages people to relocate into an area. A strong destination brand will also attract investment and business opportunities to other sectors.

To support a thriving Kāpiti visitor economy through sustainable development and visitation, we will:

- Build effective and collaborative leadership across iwi, industry, and community – with establishment of a tourism cluster with strong leadership and collaborative relationships, and data insights.
- Deliver the Kāpiti Destination Story to build awareness and position the district for sustainable visitation and growth – using marketing tools and collaborative relationships, highlighting experiences and our unique identity.
- Improve visitor experiences – providing opportunities to grow quality experiences and encourage new and existing offerings.
- Develop a destination that is well connected – Improving infrastructure, wayfinding, and visitor information.

Priority action: increasing independence and support for the economic development ecosystem

Economic Development Kotahitanga Board

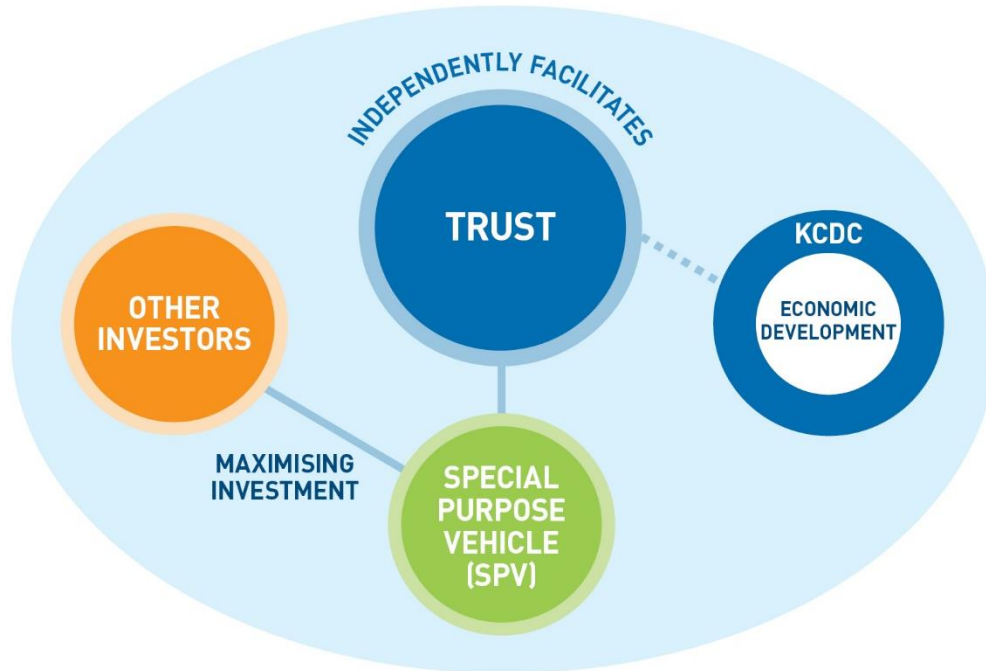
Comprising representatives from local business and iwi, the Board was established to oversee the implementation of the Kāpiti Coast Economic Development Strategy. The role of the Economic Development Kotahitanga Board is to:

- Provide a unified strategic direction for economic activity for the district
- Build trust with key partners and stakeholders in the district.
- Support the growth of a vibrant, diverse economy to provide increased opportunity, resilience and wellbeing for all.
- Oversee the development of the 2024-27 Kāpiti Coast Economic Development Strategy and Implementation Plan.

The Board supports transition towards a formalised operating structure, that would provide a greater ability to act flexibly and commercially. Delivery mechanisms include the establishment of an Independent Trust, for the Board, with the use of special purpose vehicles (SPVs). The SPVs will provide purpose-built investment structures for targeted activities with co-investment possible from: sector businesses, innovation and research organisations, property developers, Māori landholders, government agencies and Council.

An example of the use of an SPV would be the establishment of a Kāpiti Food Production and Innovation Hub. The SPV would help ensure that businesses have access to essential infrastructure while also providing the opportunity for an economic return to the community over time. This is outlined in the diagram below:

Proposed Trust Structure



Kāpiti Coast District Council

Supporting and enabling economic development activities is a role of Council as directed by the Local Government Act 2002 which *‘provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach’*.

The ‘Top 10 Priorities’ for the Council in the new triennium include *‘enable residents to earn a living in Kāpiti through increased tourism and economic development’* with the following targeted actions:

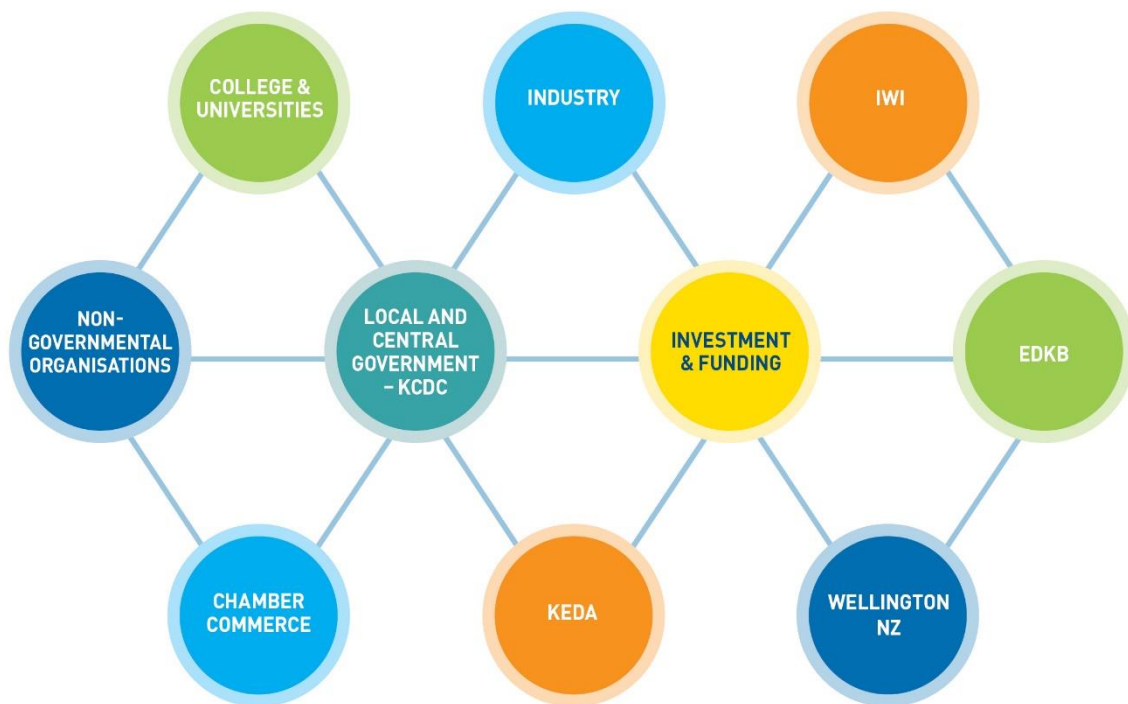
Targeted action 2023/24	Targeted action 2024/25	Targeted action 2025/26
Land the Kāpiti story. Refresh our destination management plan (DMP) to refocus effort and increase tourism. Increase support for the tourism and hospitality industry.	Refresh the economic development strategy. Implement the workforce strategy.	Implement the economic development strategy. Support and nurture the Economic Development Kotahitanga Board (EDKB). Review regulatory fees structure.

The Economic Development Business Unit within Council supports the delivery of the following activities in alignment with the Economic Development Strategy:

- Business support and facilitation
- Business attraction
- Cluster development and implementation
- Destination marketing and promotion
- Major Events Fund
- Workforce and skills development
- Districtwide economic infrastructure projects and initiatives
- Research and insights

The Wider Ecosystem

The EDKB and Council are part of a wider economic development ecosystem, which includes a mix of local, national and international participants. Successful ecosystems are those that are well connected, with strong levels of collaboration and inclusion to allow innovation and creative amongst participants to thrive. The following diagram outlines the wider ecosystem context for the Kāpiti Coast:



Community feedback

Engagement

The purpose of this Direction of Travel document is to gather feedback, from the community and stakeholders, on the proposed focus and approach. The key questions we are seeking feedback are:

Questions for our Community

- **Do you think the priority focus areas are the right ones to build on the success to date and progress further towards our vision? Is there anything missing?**
- **Do you support the use of SPVs to help attract increased external investment for economic development activities?**
- **Are we measuring the right things to know if we are having an impact? Do you know of other measures that might be appropriate?**

Next Steps

Following engagement, a revised economic development strategy and implementation plan will be prepared for endorsement by Council and the Economic Development Kotahitanga Board in mid-2024.