

*Summary:*

# Eastern Bay of Plenty REGIONAL DEVELOPMENT PROJECT

*Tuawhenua Provincial  
Growth Fund*



# A collaborative approach to regional development

The Mayors of the Eastern Bay of Plenty's three Councils – the Ōpōtiki, Kawerau and Whakatāne District Councils – have joined together with the Bay of Plenty Regional Council, iwi across the region and Toi-EDA (the sub-region's economic development agency) to form a Regional Growth Leadership Group (RGLG).

Led by Kiri Allan MP and Sir Michael Cullen, the purpose of the RGLG is to:

- Collaborate across the region and prepare a cohesive story for the EBOP in relation to economic growth development
- Prioritise economic opportunities
- Identify constraints/barriers
- Bring a united governance approach to decision-making
- Inform collaborative regional planning
- Collaborate with iwi and industry

AND

- Work with Government to facilitate Provincial Growth Fund applications for projects which will –
  - Create real, sustainable jobs
  - Lift the region's GDP
  - Address the factors which have placed the region at the top of Aotearoa's deprivation rankings.

A report on the Eastern Bay of Plenty's regional development opportunities, prepared by leading consultancy Stakeholder Strategies, was presented to Government Ministers during a recent visit hosted by the RGLG. It detailed a diverse range of significant projects, quantified the benefits that Provincial Growth Fund investment would generate in terms of jobs and GDP growth, and made the following recommendations for Government consideration.

## Recommendations

1. Support and progress the region's four catalytic infrastructure clusters (see pg 4)
2. Provide capability and capacity support for EBOP projects
3. Support the development of regionally-connected plans to alleviate labour, transport and housing constraints
4. Continue close working relationships across the region, including councils, iwi and communities.

RGLG members are working to integrate and quantify the region's investment opportunities, based on robust economic analysis, and that work will support the finalisation of business cases and funding applications for projects which will transform the regional economy.

# EASTERN BAY OF PLENTY

## Our Region at a glance

47,490  
**TOTAL POPULATION**  
 OF EASTERN BAY OF  
 PLENTY REGION

**MEDIAN INCOME**  
 \$25,600 WHAKATĀNE  
 \$20,700 ŌPŌTIKI  
 \$18,000 KAWERAU

**44%** OF  
 OUR POPULATION  
**ARE MĀORI**

Our Iwi

- NGĀITAI
- NGĀTI AWA
- NGĀI TŪHOE
- NGĀTI WHARE
- NGĀTI MANAWA
- NGĀTI RANGITIHI
- NGĀTI TŪWHARETOA
- TE WHĀNAU Ā APANUI
- UPOKOREHE
- WHAKATOHEA

## POPULATION

AGED OVER  
**65 YEARS**

15.3% WHAKATĀNE  
 17.2% ŌPŌTIKI  
 17.6% KAWERAU

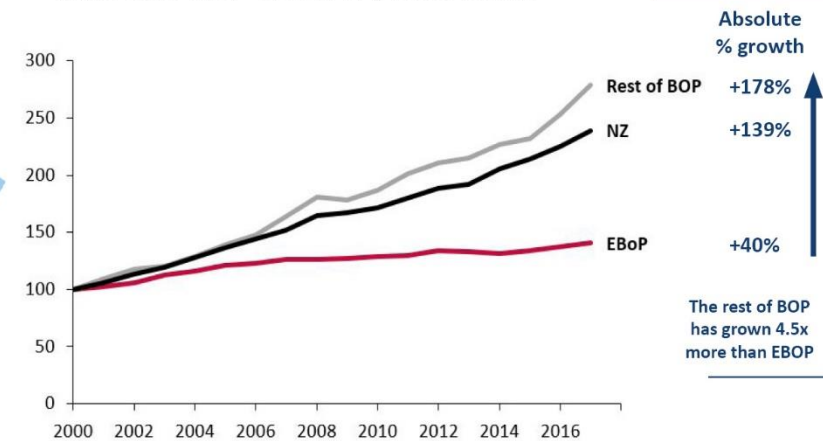
AGED UNDER  
**15 YEARS**

23.2% WHAKATĀNE  
 22.8% ŌPŌTIKI  
 25.8% KAWERAU

**12.6%**  
**UNEMPLOYMENT RATE**  
 OVER 5000 BENEFICIARIES, MANY AGED 18-24

## EBOP LAGS BEHIND

**EBOP VS BOP VS NZ ECONOMIC GROWTH**  
 (INDEXED GDP GROWTH, 2000-2017)



Notes: Each region's GDP was indexed to 100 in 2000, and growth tracked. Rest of BOP is BOP minus EBoP. Source: Stats NZ, Infometrics

## HIGH DEPRIVATION

KAWERAU AND ŌPŌTIKI AND MANY WHAKATĀNE DISTRICT COMMUNITIES

**100%** of residents live in  
**DECILE 7-10**  
 DEPRIVATION AREAS

EBOP today generates

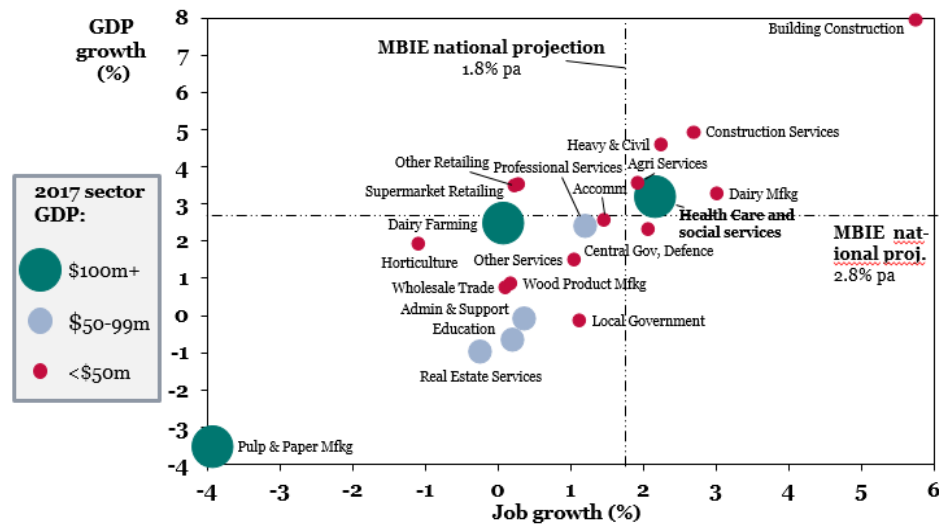
**\$1.9B IN GDP**  
 SUPPORTING 22,000 JOBS

# Immediate priorities

The Eastern Bay of Plenty's economic and non-economic statistics present a challenging situation for local and central Government. The region's GDP has lagged the rest of the Bay of Plenty's and New Zealand's by more than 70 percent, median incomes are between 15 and 40 percent lower than the national average, and unemployment is substantially higher. Kawerau and Ōpōtiki are highly deprived districts, where all residents live in DHB-assessed decile 7-10 areas (10 represents the highest level of deprivation). Most communities in the Whakatāne District are also considered to be highly deprived. The high levels of social dysfunction associated with high deprivation result in significant human and fiscal costs. For example, in the Eastern Bay, the Government currently spends \$88 million per annum on Jobseeker benefits and social services.

'Business as usual' projections for GDP and job growth for the five years until 2022 indicate that if nothing changes, Government-funded social services will be the single largest contributor to growth.

**Expected EBOP GDP & Job Growth**



## Catalysts for job growth

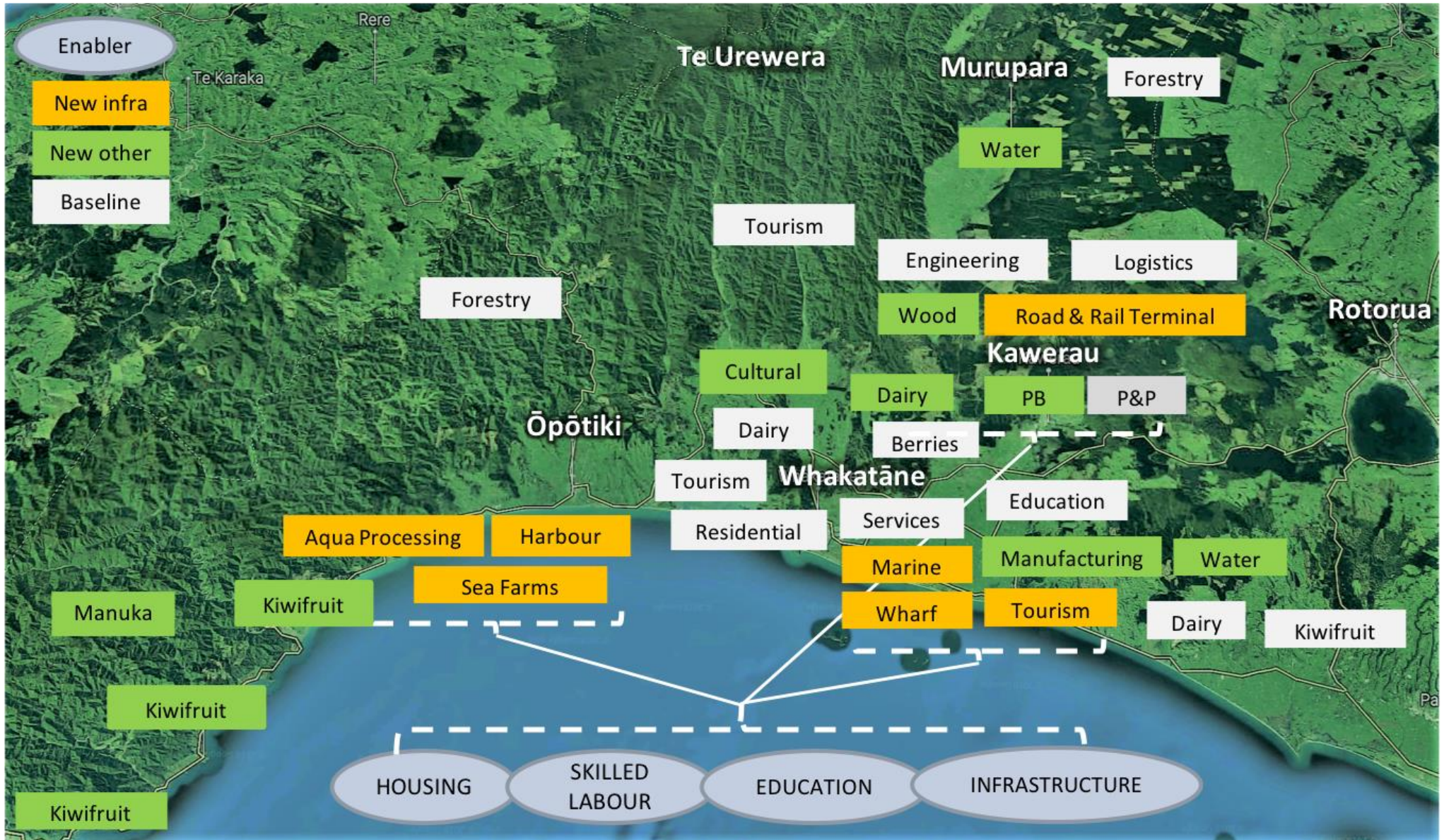
The region has a massive opportunity to lift jobs and growth, with more than 65 projects identified across the Eastern Bay (see facing page), in a range of existing and developing industry sectors.

Four clusters of catalytic infrastructure and connected development projects have been identified as immediate priorities for PGF investment, together with capacity support to facilitate future projects. Individually and in combination, the projects will be a catalyst for significant job and GDP growth.

Those clusters are:

1. Ōpōtiki Harbour and Aquaculture - the largest attributable job creator – is a relatively resource-efficient project; note that the development of the Whakatāne wharf is not a substitute for this project
2. Kiwifruit and other horticulture irrigation clusters are job-rich and provide high potential leverage to PGF investment
3. Kawerau Putauaki Industrial Development (KPID) supports a large-scale commercial manufacturing cluster, where PGF funding will create valuable job and output expansion
4. Whakatāne tourism and wharf development provides a long-term focus on regional tourism services development.

Capacity and capability support will be needed to facilitate the next tranche of projects, many of which are iwi-led. Investment is also required to address constraints in workforce development, housing and infrastructure.



# The future

Analysis of the 65-plus identified projects around the Eastern Bay of Plenty indicates that they have the potential to dramatically transform the region's economic future. Projects cover a diverse range of activities, including horticulture (kiwifruit and berries), mānuka processing, aquaculture (seafarms and processing), marine services, tourism and cultural developments, wood processing, dairy processing, water bottling, native forestry (nursery and re-forestation), and road and rail infrastructure.

In total, these projects represent a potential increase of more than 7000 local direct and indirect jobs, contributing an additional \$690 million a year to our GDP by 2030 and adding diversity and resilience to our economy.

The four core project clusters described on page 4 – Ōpōtiki Harbour and Aquaculture; High-value Horticulture on Māori land; Kawerau Putauaki Industrial Development; and Whakatāne tourism and wharf development – are well developed, with business cases being finalised for PGF funding. All are catalytic infrastructure projects which will unlock wider developments – materially advancing an estimated 32 other projects – and accelerate economic transformation in the region.

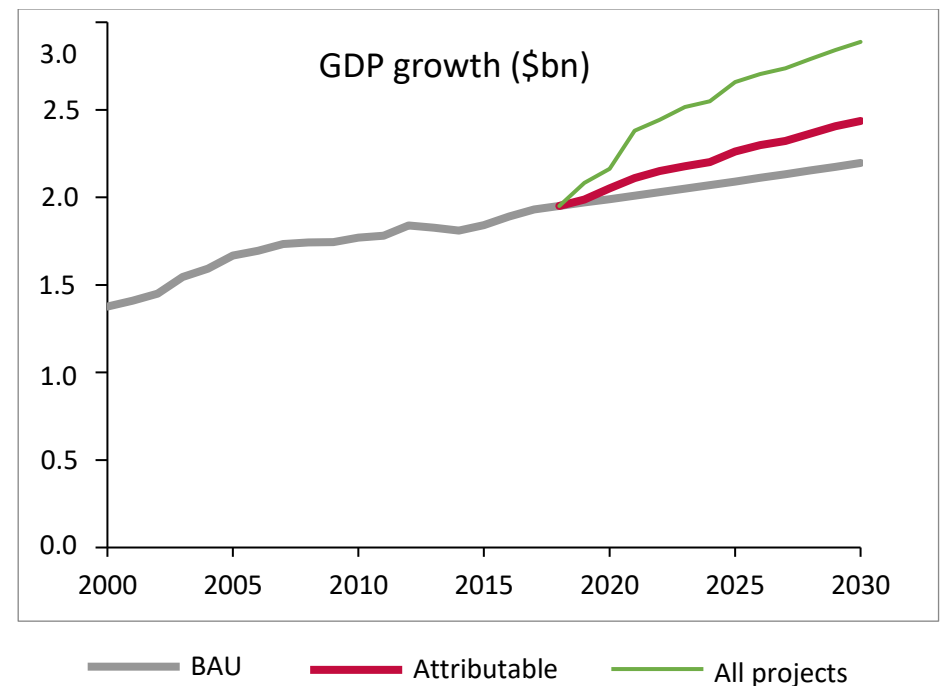
The graphs on the facing page indicate the direct and indirect impacts each of the core projects will bring to the region.

If all of the projects receive funding, their combined outcomes will have a profound effect on the Eastern Bay of Plenty's social, cultural, environmental and economic wellbeing, helping to alleviate the socio-economic deprivation felt by many local people. On the basis of the existing business cases for these projects, regional GDP growth is expected to accelerate from the current 0.9 percent to 3.3 percent over the 2018/2030 period.

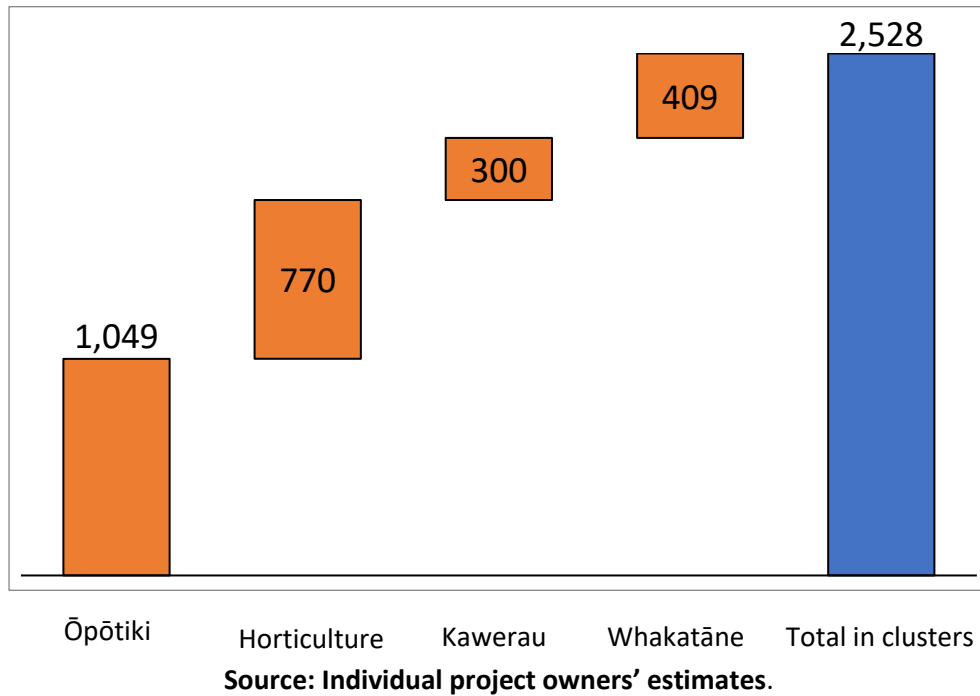
The projects also align with the aspirations of iwi seeking improved social and economic opportunities, following Treaty settlements.

The RGLG members and iwi and industry partners are committed to advancing the region's outstanding development opportunities and addressing the manifest deprivation factors afflicting our people.

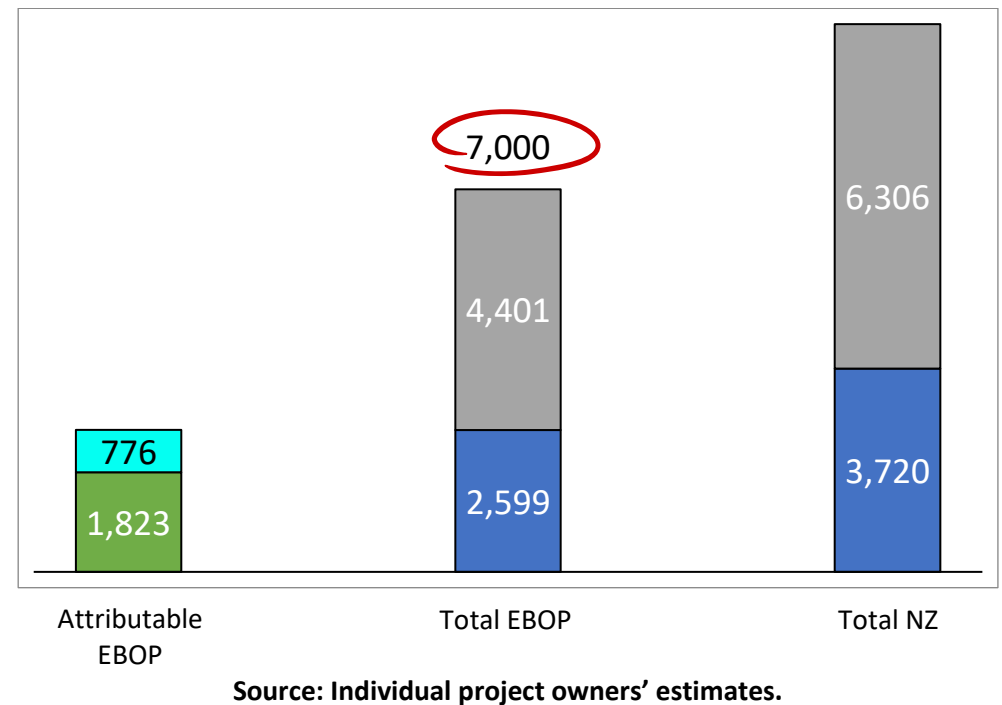
**Estimated Eastern Bay of Plenty economic growth**  
(2000-2017 actuals, 2018-2030 projections)



### Estimated attributable EBOP jobs unlocked by infrastructure investments (by 2030)



### Estimated new NZ jobs in 2030 related to EBOP PGF funding



## Constraints

To deliver the next tranche of growth projects, a number of capacity constraints will need to be addressed. The constraints and proposed solutions include:

#### Capability and Capacity

Seed funding requested to build local organisations' capability and capacity, as part of a central-local Government partnership;

#### Labour Supply and Workforce Development

Further investment recommended in EBOP workforce development projects, to ensure local employment benefits are maximised and aligned to education/training strategies;

#### Transport and Logistics Infrastructure

Funding of the Kawerau Pūtauaki Industrial Project required to address transport and logistics issues, as part of an integrated regional strategy;

#### Housing Supply

Development of an EBOP housing and accommodation plan recommended, to ensure that a growing workforce can be housed, without impacting local workers' ability to buy homes.

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*How the Provincial Growth Fund could shape the Eastern Bay of Plenty's future*

More than  
**7,000**  
*DIRECT & INDIRECT*  
**FULL-TIME**  
*JOBS BY 2030*

More than  
**\$690M**  
**PER ANNUM**  
**GDP BY 2030**



Opportunities for  
**EDUCATION,  
EMPLOYMENT  
AND CAREER  
PATHWAYS**



Support of Iwi aspirations  
**AND DEVELOPMENT  
OF MĀORI LAND**

Promotion  
**OF MĀORI  
TRADITIONS,  
VALUES AND  
BELIEFS**



Enhanced  
**VISITOR**  
*EXPERIENCES*



Vibrant,  
**CONNECTED  
COMMUNITIES**

Motivated  
and healthy  
people 



Protection and enjoyment of  
**NATURAL HERITAGE**



A vibrant  
**WATERFRONT**  
*ENVIRONMENT*



Improved  
**TRANSPORT  
LINKS AND  
INFRASTRUCTURE**

Enhanced  
**HOUSEHOLD  
INCOME**  
and reduced  
**DEPRIVATION**