

HAWKE'S BAY REGIONAL COUNCIL

STRATEGIC PLANNING AND FINANCE COMMITTEE

Tuesday, 22 September 2009

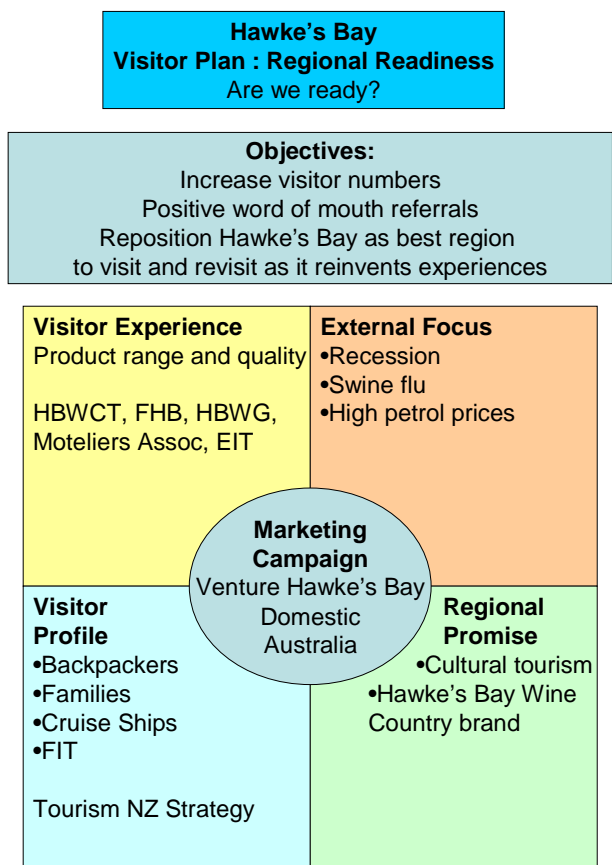
SUBJECT: VENTURE HAWKE'S BAY UPDATE

INTRODUCTION:

1. This report covers the activities of Venture Hawke's Bay for the first quarter of 2009/10 and presents an update of progress against the three platforms for growth. The recently released Work Programme for Venture Hawke's Bay provides the context for Council to consider the following comments.

Regional Promotion and Marketing

2. This area has had the most public attention in the first quarter with the challenge being to remain focussed on the strategic agenda. Substantial work in the past has been done on understanding the role visitors' play in the regional economy and this was recognised as a key theme in the 2007 Regional Economic Development Strategy.
3. Further work as a result of the recent attention on falling demand for accommodation has given rise to Venture Hawke's Bay developing a way of engaging with the visitor industry. The model below ensures that all elements that make up the industry are explored and plans put in place that move the debate from a single issue environment to one of collaboration. This approach is essential for the region as we start to gain momentum for Rugby World Cup and the influx of 60,000 cruise ship visitors expected to Hawkes Bay in 2012.



Domestic Marketing

4. In the past the region has participated in ad hoc marketing opportunities driven by external agencies such as the AA. As the above model illustrates we need to adopt a more strategic approach to marketing and promotion. A domestic Marketing strategy has been developed and work is underway to have a campaign launched for summer 2009. Another campaign for the winter season is also planned. The initial twelve month campaign incorporates television advertising as well as our more traditional activities such as the food shows held in Auckland and Wellington.
5. Full discussions have occurred with both Napier City and Hastings District Councils as well as iSites to ensure that we are as aligned to their marketing campaigns and that we are working together in marketing the region. Work to date was shared with Tourism sector leaders on the 14th September and there was a very positive response from all present.
6. The production for the regional Visitor Guide has gone through a tender process and has been awarded to Hawkes Bay Today. Up until now this has been done in house with the printing contracted out. Hawke's Bay Today has an experienced sales team and production facilities. Since awarding the contract further opportunities via the APN network into Australia have been opened up to the region.

International Marketing (Australian Focus)

7. The region continues to be aligned to two international marketing alliances namely the Classic NZ Wine Trail and the Great NZ Touring Route. The region shares a role in marketing the routes and each route has its own marketing strategy.
8. We have drafted a targeted marketing programme around attracting the Australian visitor. This includes direct to consumer advertising.
9. Our strong media hosting programme continues to show results, not only in the international market but also in New Zealand. We continue to host a wide range of writers, journalists and trade representatives both via direct relationships established by Venture Hawkes Bay and with off shore agencies when we are invited by Tourism NZ. Media results are tracked and include both articles in overseas magazines and also TV and radio programmes such as Korean TV and BBC radio.

Shanghai 2010

10. This project is also tracking well and the dates for our regional opportunity have been booked (13-18 August 2010). The VIP facilities have been booked and Xuzhou Regional Council Sister City has indicated that they would attend a formal dinner at the VIP Lounge at the NZ Pavilion on August 13th. This could provide a high profile opportunity for the relationship around the proposed Terra Cotta Warrior exhibition at the new Regional Museum to be formalised with a Heads of Agreement. Discussions are at an early stage on this and Napier City Council is involved. A tour of the Museum was hosted when Xuzhou were here earlier in 2009. Each day will be hosted by a Hawkes Bay company on behalf of the region and each company will represent a particular sector such as specialised manufacturing, primary sector, education, tourism and food and beverage. Export Hawkes Bay which is a consortium of Hawkes Bay Chamber of Commerce, Export NZ, Venture Hawkes Bay and New Zealand Trade and Enterprise are driving this under the Chairmanship of Murray Painter. Venture Hawkes Bay is acting as project manager.

Events

11. This is a key focus area for Venture Hawkes Bay and we have drafted an event development strategy. The strategy focuses on developing a balanced events portfolio that supports our marketing efforts in the shoulder and winter seasons. Events cover the following categories:
-

- 11.1 One off national events that are catalysts for regional development such as Rugby World Cup
 - 11.2 Ongoing events where there are established entities running them such as Horse of the Year, Art Deco and Mission Concert
 - 11.3 One off events that need to be bid for and won for the region such as Optimist Worlds and the Young Farmer of the Year
 - 11.4 Developing new events to try and even the visitor profile and remove the seasonality dip over winter months. For example although in its second year we have had discussions about what role Venture Hawkes Bay can play in getting information on the impact of the Lake to Lighthouse event for the Wairoa economy.
 - 11.5 One off opportunities for sponsorship at an event where there is a strong alliance with the agenda for regional development. This is an ad hoc process at the moment with a policy being developed for the Venture Hawkes Bay Board to consider.
12. We are working in different ways in all these categories of events

Conferences

- 13. The conference and incentive industry remains a key activity which Venture Hawkes Bay supports through its Convention Bureau role in the region. A Conference and Incentive Planner has been published and distributed to around 2,000 industry buyers interested to hold conferences. Support is provided by staff in assisting people wishing to hold conferences by linking them into regional services, facilities and other support such as accommodation.
- 14. We recently hosted a group from Auckland who have subsequently chosen the region for a large conference of 300 delegates and partners, Accommodation and facilities have been booked and a programme of activities developed to encourage delegates to stay longer in the region.
- 15. Venture Hawkes Bay has supported the regional iSites for example to host the annual conference here next year which has been successful. This will provide an excellent opportunity to have all iSite delegates across NZ hosted by the region and to experience first hand what we have to offer the visitor. They in turn will have firsthand knowledge of the region to market us to visitors across the national iSite network.
- 16. This is an important activity for Venture Hawkes Bay as we are a region suited to both the conference and corporate incentive market. Conferences also support our marketing efforts in the shoulder and winter seasons to counter-act the seasonality issue.

Innovation and Productivity

Grow the Bay

- 17. There will be a presentation made to Council at the meeting by Dr Ian Hunter. We are now half way through the project and have an interim report which has identified some key issues which Venture Hawkes Bay is taking up with specific companies.

Design Project

- 18. Venture Hawkes Bay is one of three agencies that have formed a consortium lead by Creative Hawkes Bay to work with up to 15 companies in the region on implementing a work programme that uses design as a way of improving productivity and innovation. This is a first for New Zealand and while there is a national programme called Better by Design www.betterbydesign.org.nz Hawke's Bay is the first region to be funded by NZTE to do this project. There is a close relationship with the work done to date with Grow the Bay. The consortia members are Karl Wixen, Jacob Scott, Creative Hawkes Bay and Venture Hawke Bay. This provides an exciting and new opportunity for the region.
 - 19. A regular series of articles on companies involved in the project have appeared in Hawkes Bay Today with positive feedback.
-

STAR

20. Work continues on promoting sustainable business practice to tourism operators. Funded by the Ministry of Tourism and contracted to Venture Hawkes Bay this project has been sub-contracted to Hawkes Bay Wine Country. A big goal of having 300 operators in place by Rugby World Cup has been set and Venture Hawkes Bay will be working with Hawkes Bay Wine Country to ensure this is achieved.

TECHNZ

21. Venture Hawkes Bay is one of 9 regions nationally with a Technology Partnership with TECHNZ. This has just been renewed for a further 12 months. The contract covers both Hawkes Bay and Gisborne regions in the first quarter of 09/10 Venture Hawkes Bay has been able to facilitate \$125,000 of TECHNZ funding into the region which represents 50% of the project spend. More projects are pending. This work has proven a key point in working with companies in the recession as they focus on retaining skilled staff and using any down time for post recession recovery work.

Investment and Planning

Cycle Hawkes Bay

22. Work is continuing at a regional level on ensuring that the region is well positioned to access any Government funding to give momentum to the investment already made in cycleway development by the Regional Council and groups such as Rotary. Phase 2 funding information is to be released later in September.

Regional Development Fund

23. An update on this will be included in the presentation by Dr Ian Hunter. The leadership role for this regional facility has moved from Venture Hawkes Bay to the private sector and excellent progress has been made. Grow the Bay interviews are also highlighting the role such a regional fund would play in generating both economic growth and new jobs.

Broadband

24. Venture Hawkes Bay is working on this along with a regional group involving Councils, private sector and potential providers. Hawkes Bay Regional Council has been involved in discussing options and in being introduced to key private sector parties such as Rod Drury.

Kea

25. Venture Hawkes Bay is working with Kea NZ to develop the first for New Zealand regional onshore Chapter for Kea. Both Kea and Venture Hawkes Bay are working towards the November launch set for Stephen Tindall in Napier in November. This partnership is proving to be a very positive move and at a national level Kea is acknowledged as a key player by Government in using the global network they have for Rugby World Cup and other activities. Grow the Bay stories and videos will be used to market the region.

DECISION-MAKING PROCESS:

26. Council is required to make a decision in accordance with Part 6 Sub-Part 1, of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within this section of the Act in relation to this item and have concluded that as this report is for information only and no decision is required in terms of the Local Government Act's provisions, the decision making procedures set out in the Act do not apply.

RECOMMENDATIONS:

1. That the Committee receives the update from Venture Hawke's Bay.
-

2. Note that you will receive a handout at the Council meeting enclosing all material supporting the report.

Janet Takarangi
General Manager