Western Bay of Plenty International Strategy
2016 - 2019

1. Overview and purpose

The Western Bay of Plenty sub-region, comprising Tauranga City and the Western Bay of Plenty District, aspires to be a great place to live, learn, work and play.¹

International activity – including trade, investment, tourism, skills and relationships – plays an important role in underpinning sustainable growth in the Western Bay of Plenty. This strategy will ensure the Western Bay of Plenty effectively supports and leverages its international connections, enabling a more systemic approach to our offshore activities.

The Western Bay of Plenty is a small area on the world stage, with limited resources to attempt a plethora of possible outcomes. However, the combined activities of internationally active sub-regional agencies including local authorities, Priority One, Tourism Bay of Plenty, Export Bay of Plenty and Education Tauranga, will have a significant impact on the sub-region’s prosperity, particularly when aligned with central government priorities.

This impact ranges from attracting inward investment, skills and students, to growth in the sub-region’s share of international tourism and trade, and the encouragement of migrant investors and businesses to relocate here. Collaboration across these activities will ensure sub-regional decision makers are better informed about likely outcomes from our international relationships and activity - and ultimately ensure that these relationships are leveraged to improve social, economic and community outcomes.

Overall, successful implementation of this strategy will result in improved sub-regional economic and social outcomes, achieved through an integrated, collaborative and coordinated approach to the sub-region's international relationships. The strategy will:

1. Describe the Western Bay of Plenty sub-regional context and need for an international strategy;

2. Identify the opportunities for investment, flows of people and offshore partners for the Western Bay of Plenty, along with some of the current activities that are underway;

3. Identify a range of activities that the sub-region could undertake;

4. Provide the basis from which stakeholders can identify the highest priorities to be developed over the next 12 months;

5. Clearly communicate the sub-region’s international relations activity and outcomes to key stakeholders; and

6. Ensure that international activities benefit existing residents and that as a community we are ready to host growing numbers of businesses, migrants, students and temporary workers.

¹ SmartGrowth strategy vision.
This strategy recommends a series of actions in the Western Bay of Plenty based upon three themes of:

1. **Investment and trade**
   Including foreign direct investment, business relocation, migrant investors, and trade.

2. **People**
   Including migrant attraction and settlement, tourism flows, international education, and temporary migrant worker flows.

3. **Relationships and partnerships**
   Including onshore and offshore relationships and partnerships.
1.1 The national context

Relationships are at the heart of New Zealand’s internationalism and future prosperity. As a small export-dependent nation, New Zealand depends on its ability to engage with a wide range of countries and international agencies. Both bilateral and multilateral arrangements are a priority. In the near-term New Zealand hopes to conclude the Trans-Pacific Partnership negotiations, and advance negotiations with the Association of Southeast Asian Nations (ASEAN) and its free trade agreement partners towards a Regional Comprehensive Economic Partnership.

Change is evident across the global landscape, as the lines between international and domestic environments are increasingly blurred. The shift in economic and political power taking place results in a more diverse range of players. China has established its presence as a significant economic and political force in the Asia–Pacific region. Emerging economies in Asia, Africa and Latin America are rapidly increasing in importance, but the Pacific region will always be of special importance to New Zealand. New Zealand is viewed as a trusted bridge builder between countries in the Pacific and the wider Asia–Pacific region. As the development of the Pacific becomes more closely linked with Asia, the government is focusing its efforts on optimising this opportunity.

A shift in the ‘centre of gravity’ towards the Asia–Pacific region is an advantage for New Zealand as our businesses continue to look offshore for growth opportunities. Traditional value and supply chains are transforming as the global economy becomes increasingly interconnected. Alongside this, more attention is being paid to supply chain risk and resilience.

A New Zealand Inc. approach has proved successful in getting the maximum benefit for New Zealand by combining the efforts of government and the business community. As a result of the New Zealand Inc. China strategy and the New Zealand Core Cities initiative, closer relationships between China and New Zealand are now being formed at a sub-national level - with the inaugural New Zealand-China Mayoral Forum held in China in September 2015.

Developing deeper, more strategic international relationships will support New Zealand’s economic growth. The government has set a number of national targets that will require international collaboration and exchange to achieve them, for example:

- New Zealand’s Business Growth Agenda has a goal of lifting the ratio of exports to gross domestic product to 40% by 2025\(^2\).
- The Tourism Industry Association of New Zealand has an aspirational goal to increase the contribution of tourism to the New Zealand economy from the current $24 billion to $41 billion in 2025.\(^3\)
- New Zealand has a target of doubling the value of international students to $5 billion by 2025\(^4\), at the same time as the Tauranga tertiary precinct is being developed in the city centre.
- As part of the proposed New Zealand Investment Attraction Strategy, there is a national goal to double the value of investment in the migrant investor category from $3.5 billion to $7 billion over the next three years, as well as to facilitate foreign direct investments with an economic value of $5 billion.\(^5\)

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• New immigration measures taking place from November 2015 will benefit regions by boosting the bonus points for skilled migrants applying for residence with a job offer outside Auckland from 10 to 30 points, and doubling the points for entrepreneurs planning to set up businesses in the regions under the Entrepreneur Work Visa from 20 to 40 points.\(^6\)

In July 2015, the government also announced Cabinet approval of a new national strategy to attract more international business investment and increase growth across the country. The New Zealand Investment Attraction Strategy sets out a common set of priorities, goals and key actions for government agencies to work with the private sector on investment attraction activities.

The national strategy sets out three priorities:

• The attraction of high-quality foreign direct investment in areas of competitiveness for New Zealand;

• The attraction of overseas investment in research and development, especially encouraging multinational corporations to locate their R&D activity in New Zealand; and

• Expanding New Zealand’s pool of smart capital by attracting individual investors and entrepreneurs to New Zealand.

The Government has noted the development of a national investment strategy as a key priority of the Business Growth Agenda, complementing other actions aimed at strengthening New Zealand’s investment environment, such as the Bay of Plenty Regional Growth Study.

1.2 The Western Bay of Plenty sub-regional context and key drivers

As one of New Zealand’s fastest growing economies, the Western Bay of Plenty is a great place to do business. New Zealand’s largest and most efficient port is based here, we have well-planned urban infrastructure, a fantastic climate, and we live in close proximity to New Zealand’s largest urban centre of Auckland. This makes the sub-region a logical choice for both people and businesses.

This strategy will ensure that the Western Bay of Plenty benefits appropriately from such economic growth, particularly where there are international connections.

An effective international strategy also starts at home. It is important that we are ready as a host community to welcome, accept and support the benefits of stronger international connections. We need to ensure that existing services have the capacity to support new arrivals and to develop more systemic support services especially to encourage international students or respond to investor interest in the sub-region.

Building and developing our international connections will make the Western Bay of Plenty more competitive. Targeted international relations activity provides the sub-region with opportunities to grow our business community, encourage appropriate investment, attract skilled migrants, welcome tourists and international students, and to make the most of our sister city relationships.

Many of these activities are interrelated. To build upon them, this strategy is based around three themes of:

- Investment and trade
- People
- Relationships and partnerships

Several key drivers influence these themes in our community:

- The attractiveness of the Western Bay of Plenty means that we have significant population growth as people discover us and choose to live here. This in turn puts pressure on both infrastructure and developing the industry and employment base of the sub-region to help retain people in good, well-paying jobs.

- Skill and labour shortages will be a pervasive feature of the global and local economy in the coming years. In the Western Bay of Plenty we have an aging population and an aging workforce – issues that are common throughout New Zealand and the Western World. Skilled people will have a number of employment options nationally and internationally. For the sub-region to remain competitive we need to ensure there are great employment opportunities for skilled people here. Efforts to develop, attract and retain skilled labour need to support local industry needs, and be cognisant of the economic development aspirations of local Maori.

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8 http://www.bayofconnections.com/
Maori make up a significant proportion of the sub-region’s population and asset base. Maori investors are characterised by long-term horizons, social and cultural as well as economic purpose, and concern for the environmental and future consequences of economic activity. Joint venture developments of natural resources between iwi and private sector investors provide opportunities for economic collaboration.

Tourism and international education provide a major economic opportunity. In New Zealand, tourism is second only to the dairy industry in terms of foreign exchange earnings, and export education is our fifth largest export industry. Opportunity exists to attract tourists and international students in more substantial numbers to the Western Bay of Plenty, as well as in providing international students with options to pathway into skilled employment in New Zealand – thus helping alleviate inevitable skill shortages in the economy.

With over 250 export businesses across several industries including agriculture, horticulture, manufacturing, engineering and forestry, exports and international trade continue to bring a substantial amount of offshore currency into the local economy. The Bay of Plenty is also home to the largest export port in New Zealand with over 13.3 million tonnes being exported out of the port annually. New Zealand has Free Trade agreements in place with overseas nations including Australia, China, ASEAN and Taiwan. As a nation, New Zealand continues to negotiate further free trade agreements to remove trade barriers to foreign investment, as well as ensuring access of New Zealand products into offshore in markets, in turn resulting in opportunities for further inward investment for Western Bay of Plenty businesses.

We need to collaborate and combine our activities to make the most of our resources. There is potential to combine a number of business, investment, skills, tourism and student attraction activities while we are working offshore.

The power of relationships and personal connections remains a constant in a world increasingly powered by technological communication tools. We can increase the value of mutually beneficial arrangements with our existing overseas partners, as well as build new connections.

We must ensure that our international efforts connect with and benefit local iwi. The inherent principle of our international efforts is that they benefit both those who arrive and those who already live here. Stronger offshore connections can help aid Maori business development, especially those involved in tourism and export-focused industries. When new migrants and international students arrive in the Western Bay of Plenty, it is important for effective settlement that migrants develop a positive connection with local iwi, including an understanding of the role of the Treaty of Waitangi in the past, present and future of New Zealand.

Overall, the Western Bay of Plenty needs to be united as a sub-region, closely connected with the wider Bay of Plenty region, and effectively linked to whole-of-New Zealand activities and initiatives.

This will help us to show a cohesive system to our offshore partners, and ensure that we are a key partner for government-led opportunities in New Zealand.
1.3 Links to existing initiatives and strategies

This international strategy supports and interacts with a range of other local initiatives and strategies.

In particular, we acknowledge the community leadership of the Tauranga City Council and Western Bay of Plenty District Council. There is an interrelationship between our international activities and SmartGrowth - the spatial plan for the Western Bay of Plenty. Increased numbers of migrants, students, investors and businesses will all impact on infrastructure and growth in our community – issues which SmartGrowth was originally established to manage.9

Related initiatives and strategies include:

- Skilled labour needs of the Bay of Connections sector strategies10
- The international relationship activities of both councils and of Priority One
- Economic development activities of Priority One
- Tourism objectives of Tourism Bay of Plenty
- The spatial planning objectives of SmartGrowth
- Export activities of members of Export New Zealand Bay of Plenty
- Tertiary education and research initiatives of Priority One
- International education objectives of Education Tauranga
- Settlement of migrants into the wider community.

A list of related organisations and strategies is available in Section 5: Related documents, organisations, and activities.

1.4 Current trends and statistics

This section summarises some of the key international metrics in the Western Bay of Plenty. For a number of categories we do not have statistics available at a sub-regional level, and in some cases meaningful data is not available at a regional level. We will further develop our statistical knowledge of international activities in the Western Bay of Plenty as we implement this strategy, as this will be an important part of measuring our success.

1.4.1 Investment and trade:

Investment can take many forms - this strategy will focus on foreign direct investment, business relocation, migrant investment, and trade to and from the Western Bay of Plenty.

Foreign Direct Investment

Foreign direct investment measures the value of foreign-owned companies operating in New Zealand. Foreign direct investment in New Zealand was $97.3 billion at 30 June 2014, up $7.6 billion from 30 June 2013.

The value of direct investment from Hong Kong and Australia rose, while investment from the United Kingdom fell. Similarly, direct investment abroad measures the value of New Zealand-owned companies operating overseas. New Zealand’s stock of direct investment abroad was $23.1 billion at

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9 http://www.smartgrowthbop.org.nz/smartgrowth.aspx#Why
10 http://www.bayofconnections.com/sector-strategy/
30 June 2014, up $585 million from 30 June 2013. This was mostly due to a rise in direct investment in Australia (up $286 million) and the United States (up $214 million).

There is very little regional or sub-regional data available on FDI, however there is an opportunity for sub-regional agencies to work with New Zealand Trade and Enterprise (NZTE) to develop clearer metrics.

**Business relocation**

Priority One is the economic development agency for the Western Bay of Plenty and works with the business community and local government to attract businesses and the skills they require to the sub-region.

Priority One has run a successful business attraction campaign for several years, which has resulted in a number of business relocations to the area. There is an opportunity to further leverage the sub-region’s position as an attractive business destination to targeted international businesses as well as stepping up Priority One’s skills attraction initiatives.

**Migrant investors**

New Zealand offers two pathways to residence for migrant investors. We do not currently have data available on the number of migrant investors who are residing in the Western Bay of Plenty. However, research into the experience of current migrant investors in New Zealand is available through the Ministry of Business, Innovation & Employment (MBIE).

**International trade**

International trade and exports account for approximately 30% of New Zealand’s Gross Domestic Product (GDP) and this is an important part of the Western Bay of Plenty genetic makeup. We do not have current statistics regarding the value of exports to the Western Bay of Plenty economy. However, further research into this will be conducted.

### 1.4.2 People:

At the time of the 2013 Census, 114,789 people lived in Tauranga City and 43,692 people lived in the Western Bay of Plenty District – a combined total of 158,481 people.

The migrant population in the wider Bay of Plenty region tends to mirror that of the rest of New Zealand (excluding Auckland). We have a relatively small resident population who were born in the Pacific Islands, and a significant proportion of migrants who were originally born in the United Kingdom and Ireland – comprising 40% of all of the overseas born population of the Bay of Plenty.

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Table 1: Percentage of overseas-born population by region of origin in 2013

<table>
<thead>
<tr>
<th>Region of origin</th>
<th>Bay of Plenty</th>
<th>Rest of New Zealand (excluding Auckland)</th>
<th>Auckland</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK &amp; Ireland</td>
<td>40%</td>
<td>36%</td>
<td>17%</td>
</tr>
<tr>
<td>Asia</td>
<td>22%</td>
<td>23%</td>
<td>39%</td>
</tr>
<tr>
<td>Australia</td>
<td>10%</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Europe*</td>
<td>9%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>9%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Pacific Islands</td>
<td>6%</td>
<td>9%</td>
<td>21%</td>
</tr>
<tr>
<td>North America</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Census 2013, Statistics New Zealand
* Europe (excl UK & Ireland)

Of the overseas-born population living in the Bay of Plenty region, 23% have been in New Zealand for five years or less. Thirty-nine percent of the overseas born population have been living in the Bay of Plenty for 20 years or more; this proportion is slightly higher than for the rest of New Zealand, but much higher than in Auckland.  

International students

International students contribute to migrant flows into the Western Bay of Plenty. Some study here and return home, but a majority of tertiary students arrive in New Zealand with the intent of staying here permanently.

The Western Bay of Plenty is increasingly attractive to international students. Education Tauranga currently has 1134 international students enrolled in its member institutions (as at 1 April 2015). At the same time last year, the membership group had 858 students showing an increase of 32% from 2014. A breakdown of students between primary, secondary and tertiary study is displayed in Figure 1.

India is the source country that supplies the majority of students to the Tauranga region. This is solely due to the tertiary sector, which has attracted large numbers of Indian students in the past year for level 7 qualifications and above.\textsuperscript{18} This is consistent with trends across the country, with India and China being the two biggest growth markets as illustrated in Figure 2.

However, the national decline in student numbers from Korea (Figure 2) runs against the current trend in the Western Bay of Plenty. For over 60\% of member institutions of Education Tauranga, South Korea represents the source country from which their largest group of international students come from. There are roughly 180 Korean students currently enrolled in Education Tauranga schools, which has grown from 150 students in 2014.\textsuperscript{19}

\textsuperscript{18} Education Tauranga 2015 Snapshot
\textsuperscript{19} Education Tauranga 2015 snapshot
Employment outcomes

At the time of the 2013 Census, the unemployment rate in Tauranga City was 7.6% for people aged 15 years and over, compared with 7.1% for all of New Zealand, and in the Western Bay of Plenty District the unemployment rate was 7.3% for people aged 15 years and over. For the March 2015 quarter, the unemployment rate for the Bay of Plenty region as a whole was 7.8%.

Employment outcomes for Bay of Plenty residents born overseas are broadly similar to the outcomes for those born in New Zealand, as illustrated in Table 2.

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20 http://www.enz.govt.nz/sites/public_files/Overall%20full%20year%202014%20PDF.pdf
Table 2: Work and labour force status by birthplace and resident location

<table>
<thead>
<tr>
<th>Bay of Plenty</th>
<th>Employed full-time</th>
<th>Employed part-time</th>
<th>Unemployed</th>
<th>NILF*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas-born</td>
<td>46%</td>
<td>14%</td>
<td>4%</td>
<td>36%</td>
</tr>
<tr>
<td>NZ born</td>
<td>48%</td>
<td>15%</td>
<td>5%</td>
<td>32%</td>
</tr>
<tr>
<td>Rest of NZ (excl Auckland)</td>
<td>47%</td>
<td>14%</td>
<td>4%</td>
<td>35%</td>
</tr>
<tr>
<td>Overseas-born</td>
<td>47%</td>
<td>14%</td>
<td>4%</td>
<td>35%</td>
</tr>
<tr>
<td>NZ born</td>
<td>48%</td>
<td>15%</td>
<td>5%</td>
<td>32%</td>
</tr>
<tr>
<td>Auckland</td>
<td>47%</td>
<td>12%</td>
<td>5%</td>
<td>36%</td>
</tr>
<tr>
<td>Overseas-born</td>
<td>50%</td>
<td>14%</td>
<td>5%</td>
<td>31%</td>
</tr>
<tr>
<td>NZ born</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Not in labour force
Source: Census 2013, Statistics New Zealand

Tourism
For New Zealand as a whole, tourism is a significant industry:

- Tourism is one of New Zealand's biggest export industries, earning $10.3 billion or 15.3% of New Zealand's foreign exchange earnings (year ended March 2014)
- Tourism directly and indirectly contributes just over 7% GDP for New Zealand
- Tourism directly and indirectly employs nearly 8.3% of total employment in New Zealand - 166,800 full-time equivalent jobs

International arrivals to New Zealand are increasing, fuelled by the Chinese appetite for global travel, and the strong demand from traditional markets like Australia, America and Germany. Competitive airfares are helping make New Zealand attractive for long-haul markets. However, whilst the tourism pie is growing bigger, competition is intensifying.

Tourism Bay of Plenty aims to develop the coastal Bay of Plenty (Waihi Beach to Ohope Beach) as a leading domestic and international tourism destination, and has an aspirational goal for tourism in the region to be a $1 billion industry by 2030. Tauranga is currently third in the top port calls in call in New Zealand for cruise ships as of the 2012/13 season.

1.4.3 Relationships and partnerships:

The Western Bay of Plenty currently has three formal international city partnerships, which have been developed by Tauranga City Council. The city’s relations internationally enable Tauranga to engage with other countries and communities in the international arena. These connections help build social, cultural and environmental understanding and shared learning, and lay the foundation for mutually beneficial economic outcomes. By pursuing targeted international relations activity the sub-region can build effective relationships that enhance its reputation as an attractive city for skilled migrants, to do business or invest, to study or visit.

Specifically, Tauranga’s international relations activity:

26 Tourism Bay of Plenty Statement of Intent 2015/16 to 2017/18
• Provides economic development opportunities in areas such as education and research, trade and tourism development.
• Fosters linkages that provide local businesses with access to new markets and networks.
• Promotes the city by raising awareness of Tauranga as a great place to live, learn, work and play.
• Enhances Tauranga’s character and prosperity through well planned and managed relationships, partnerships and activities.
• Provides opportunities for international dialogue in areas of mutual interest, such as natural hazard management or promoting cultural diversity.

All local authorities and agencies in the sub-region have a role in maintaining and developing the sub-region's international relationships and reputation to further develop trade relationships.

Yantai, China
Tauranga City has a formal sister city agreement with Yantai which was signed in September 1986. Implementation plans are agreed every three years and focus on the development of education, research and trade opportunities.

Hitachi, Japan
Tauranga City has a formal sister city agreement with Hitachi which was signed in September 1988. Implementation plans are agreed every three years and focus on the development of education, tourism and trade opportunities.

Ansan, South Korea
Tauranga City signed a 'friendly city' Memorandum of Understanding with Ansan City, South Korea in November 2014 with several initial objectives agreed between the two city Mayors. These include:
• Sharing traditional Māori products and knowledge from Tauranga/NZ to assist in the development of a traditional healing centre in Ansan.
• An exchange of local government staff.
• Student exchange between the two cities.
• Exploring the potential for joint maritime research.

Shaanxi Province, China
Western Bay of Plenty District Council is party to a Friendship and Cooperation Agreement with the Agriculture Department of Shaanxi Province, China to support market promotion and technical cooperation.

New Zealand Core Cities China
In addition to these individual city to city relationships, Tauranga has been a member of the New Zealand Core Cities China engagement project since 2013. This project involves New Zealand’s largest urban centres (Auckland, Hamilton, Tauranga, Wellington, Christchurch, and Dunedin) in partnership with Local Government New Zealand and government agencies such as Ministry of Foreign Affairs and Trade (MFAT) and NZTE, with the aim of establishing stronger collaborative relationships with Chinese partner cities that leverage trade and investment opportunities, including tourism and education.

As a result of this initiative, a Memorandum of Understanding was signed in November 2014 by Prime Minister John Key and Chinese President Xi Jinping to establish joint Mayoral forums between New Zealand and China as a key mechanism to further develop bi-lateral relationships at a sub-national level. The first of these forums was held in Xiamen, China in September 2015.
2. Major themes

The three major themes of this strategy are:

2.1 Investment and trade
2.2 People
2.3 Relationships and partnerships

This section expands on the opportunities available to the Western Bay of Plenty across each of these three themes, and identifies the actions that we can take to drive better economic and community outcomes for all.

Underpinning this strategy is the need for effective communication - between strategy partners, with our local community, and with our various communities of interest internationally. Up-to-date market research is also required to help target our actions to achieve maximum impact with relatively minimal resources (on a global scale). Therefore, three overarching actions to support this strategy are proposed:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Organisations</th>
<th>By when</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication</strong></td>
<td>The Western Bay of Plenty International Relations Working Group</td>
<td>Underway in year one, ongoing</td>
</tr>
<tr>
<td>1. Develop and implement a communications plan. This plan will have internal and external audiences.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intended outcome: Organisations involved with the strategy, ensure that key messages are agreed, understood, and that all parties are kept up-to-date. External audiences – including local residents, industry, tertiary providers and local service providers – are kept up to date with the strategy, particularly about opportunities for them to become involved.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market Research</strong></td>
<td>The Western Bay of Plenty International Relations Working Group</td>
<td>Year one</td>
</tr>
<tr>
<td>2. Conduct research to identify and confirm key markets of focus, including cities/regions internationally with an industry base likely to find the Western Bay of Plenty attractive, and/or with the labour market skills sets that meet the needs of local employers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This will include reference to existing national/regional strategies and industry plans.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intended outcome: To help determine whether the sub-region has the right level of resources, including skill sets available to maximise market opportunities.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Research and complete a database to identify the current</td>
<td>The Western Bay</td>
<td>Year one</td>
</tr>
</tbody>
</table>
international investors in the region. This would encompass all categories of investment and investor activity.

*Intended outcome:* The sub-region has a better understanding of who is currently investing here. This would enable a number of activities, including research into the motivation of current investors, and provision of support that may encourage future investment.

| of Plenty International Relations Working Group |
2.1 Investment and trade

International investment can help to create jobs, build a wider industry base, and grow the business, governance and export skills within our sub-region. It can also provide our current businesses with better access to capital and potentially drive philanthropic investment.

Business investment and business attraction is important for the Western Bay of Plenty. The sub-region has a higher unemployment rate than the New Zealand average. Growing our industry and employment base will help to generate more local jobs, create a deeper labour market with a wider range of employment opportunities, and help to retain more of our young people in the sub-region through providing better opportunities. Targeted appropriately, investment and business attraction could help generate higher average wages in the Western Bay of Plenty.

Within the overall investment theme there are three potential categories of investment that the Western Bay of Plenty could seek to target:

- Foreign direct investment
- Business relocation
- Migrant investors.

The greatest potential for the Western Bay of Plenty is through combining our attraction, settlement and aftercare activities across each of these areas.

2.1.1 Foreign direct investment:

Foreign direct investment (FDI) involves offshore interests investing into all or part of a business based in New Zealand.

It provides opportunity for businesses in the Western Bay of Plenty to raise additional capital, expand, build scale, enhance innovation and productivity, introduce new skills and technology, or benefit from offshore business expertise and networks. It is important the sub-region is adequately prepared to assess and support appropriate FDI opportunities that enable industry growth in the area.

There are three main forms that FDI can take:

1. Greenfield investment – establishment of new facilities
2. Expansion/reinvestment – expansion of already existing investments
3. Mergers and acquisitions – acquiring the existing assets of local firms.

FDI can benefit the sub-region through:

1. Increased capital to support growth of local firms
2. Connections to international markets for local firms
3. Superior management skills and business processes that can be adopted by local firms
4. Technology improvements or investment in R&D, which motivates innovation in local firms.

However, key to achieving these benefits is the attraction of high-quality FDI. Whilst the majority of FDI in New Zealand has been ‘market seeking’ (55%), much less is of it is ‘knowledge seeking’ (2-4%)

27 2013 Census QuickStats
or ‘high value-added efficiency seeking’ (20%). Evidence suggests that market seeking FDI does not usually produce the benefits required and therefore the focus of this strategy is to target high-quality FDI that will become embedded into the local economy and deliver spill-over benefits for local firms (i.e. knowledge seeking or high value-added activities).

Several key barriers have been identified that need to be overcome to deliver the benefits of high-quality FDI to the sub-regional economy. These include:

- Coordination problems between various local agencies
- A lack of understanding of the opportunities
- Perception of and constraints to investment
- Distance from markets
- Competition from other international cities/regions.

In addition to these barriers, there are certain risks associated with FDI that require careful management. These include:

- Adverse impacts on local firms – local firms are crowded out by large foreign companies
- Resources or firms move offshore – reducing opportunities for spill-over benefits
- The local community being used only as a resource base – reducing availability and increasing costs of resources for local firms
- The costs of attracting FDI outweighing the benefits.

Therefore, to deliver high-quality FDI at minimum risk to the sub-region, we should take a cautious approach that:

1. Builds an understanding of both the investment opportunities for which we seek high-quality FDI and our understanding of the investor community’s requirements.
2. Provides a single point of contact for inward investment enquiries and activities through Priority One, which will:
   a. Link investor groups, local authorities and businesses
   b. Work with other local agencies in an inclusive manner, as appropriate (e.g. Chamber of Commerce, Export BOP, Tourism BOP, Education Tauranga etc.)
   c. Partner with central government and other organisations to create leverage wherever possible (e.g. NZTE, MBIE, University of Waikato, KEA and relevant industry associations as appropriate).
3. Focuses our limited resources on (i) promoting FDI in key sectors of comparative advantage and (ii) proactively sourcing FDI from targeted countries. This includes working with NZTE and exploring partnership opportunities with other regional agencies, such as Auckland Tourism, Events and Economic Development (ATEED), to maximise the leverage we have offshore.
CASE STUDY – INTERNATIONAL BUSINESS ATTRACTION

Growing the sub-region’s industry and employment base is a strategic priority for Priority One. The ‘Tauranga business case’ business attraction campaign has successfully lifted the sub-region’s profile nationally, resulting in a number of business relocations. A logical next step is to consider more targeted offshore opportunities for attracting businesses.

FSP PACIFIC

FSP Group is an Australian company based in Brisbane that manufactures and exports rotational moulded plastic lockers, cabinets, safety equipment, mining equipment and marine products.

When the company wanted to expand its global footprint it developed comparative business cases for establishing a manufacturing plant in Indonesia, Thailand and New Zealand. Competitive manufacturing costs, accessibility and frequency of import and export services and the availability of skilled labour made New Zealand the most attractive location of the three.

Close proximity to a major port was an important aspect in the senior management team’s decision making. After seeing a business attraction campaign billboard in Tauranga when they were checking potential locations, they contacted Priority One, which resulted in them settling on Tauranga as the new site for their business.

2.1.3 Migrant investors:

Immigration offers two potential investment pathways for migrants to achieve residency in New Zealand. 28 There are several benefits to attracting migrant investors to New Zealand, and to the Western Bay of Plenty. These include:

- The capital that they are required to invest to meet Immigration New Zealand (INZ) visa conditions;
- The capital they freely choose to invest in addition to the above (follow-on investment);
- Their business networks and access to value chains offshore that may benefit existing local exporters;
- Their governance skills and business development ability;
- Potential access to new technologies; and
- Potential philanthropic interests.

Under current Immigration New Zealand regulations, it is important to note that migrants may invest in a different part of New Zealand from where they choose to reside. It could be that one region benefits from their investment, while another area where they reside benefits from their networks and skills.

For migrant investors, the key attraction of New Zealand is lifestyle. They see New Zealand as a great place to live - and as a business destination subsequently. 29 To ensure that the Western Bay of Plenty derives full value from the migrant investor category, it is essential that we support migrant investors to:

Settle successfully in our community;

- Encourage their required investment to be in active rather than passive;
- Provide access to active investment options to attract and encourage follow-on investment;
- Identify the best local networks to connect them with and explore how to help local exporters make the most of the contacts that our migrant investors have offshore; and
- Make an appropriate return on investment so that their investment stays and grows within New Zealand once their residency within New Zealand becomes permanent.

Sub-regionally we could explore attraction of international entrepreneurs via the Immigration New Zealand entrepreneurship category. This would be in conjunction with international business relocation activities, which are discussed in section 2.1.3.

**2.1.4 Investment related actions for the Western Bay of Plenty:**

The following table identifies a range of activities to be undertaken in the Western Bay of Plenty. None of these will override business as usual by the organisations involved. Some activities will assist the Western Bay of Plenty to be more proactive across our combined international activities, whereas others will assist us to react effectively to the international opportunities that arrive through happenstance.

*The list of organisations involved with each activity will grow over time as discussions are held throughout the Western Bay of Plenty. For the moment, only organisations involved in the Working Group are listed next to activities. Any specific sequencing of these actions is yet to be finalised.*

<table>
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<tr>
<th>Activity</th>
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</thead>
<tbody>
<tr>
<td><strong>Overarching activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Conduct targeted offshore campaigns and activities that will offer opportunities in more than one key area. Combining skilled migrant attraction activities with business relocation, migrant investor, and/or international student activities when offshore will maximise our regional budget and resources.</td>
<td>All</td>
<td>Year one and ongoing</td>
</tr>
<tr>
<td>2. Work with central government to monitor current policy, investment and immigration settings to ensure that they are working to the best effect in the Western Bay of Plenty, and meeting the needs of our offshore partners.</td>
<td>MBIE, Priority One, Export NZ BoP, Education Tauranga, Tourism BOP</td>
<td>Ongoing</td>
</tr>
<tr>
<td>3. Investigate and develop the use of tourism and international education activities to promote and encourage international investment.</td>
<td>Priority One, Tourism Bay of Plenty, Education Tauranga</td>
<td>Year one and ongoing</td>
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<tr>
<th>Activity</th>
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<th>By when</th>
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<tbody>
<tr>
<td>4. Develop a vision and measurable goals for FDI in the sub-region over the next 10 years.</td>
<td>Priority One, Tauranga City Council, Western Bay of Plenty District Council</td>
<td>Underway in year one.</td>
</tr>
<tr>
<td>5. Agree on the investment opportunities/sectors for which we seek high-quality FDI and produce targeted promotional material.</td>
<td>Priority One, Export BOP</td>
<td>Year one</td>
</tr>
<tr>
<td>6. Develop closer ties with NZTE’s offshore networks to explicitly promote FDI opportunities within the Western Bay of Plenty, including greater contact and visibility with offshore staff engaged by NZTE, MBIE and ATEED.</td>
<td>Ongoing throughout the life of the strategy</td>
<td></td>
</tr>
<tr>
<td>7. Plan targeted FDI attraction activity for FY2016/17, including resourcing and measurement.</td>
<td>Priority One</td>
<td>Year one</td>
</tr>
<tr>
<td>8. Priority One to work together with local councils to discuss and agree on the types of industries and individual businesses that the sub-region wishes to attract.</td>
<td>Priority One, Tauranga City Council and Western Bay of Plenty District Council</td>
<td>Completed in year one.</td>
</tr>
<tr>
<td>9. Development and resourcing of a whole of sub-region approach to attracting, transitioning and settling migrant investors into the Western Bay of Plenty. This includes: Partnerships with government agencies to target the most effective offshore events and activities Reviewing the NZTE investment overview of the Bay of Plenty, including key contacts, sectors and major opportunities from a Western Bay of Plenty perspective. Identification of a response team for the Western Bay of Plenty, who will be the first contact for MBIE and NZTE when they have investors interested in the sub-region. Appropriate settlement support and aftercare for investors.</td>
<td>Priority One, MBIE, All</td>
<td>Ongoing throughout the life of the strategy</td>
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</table>
including support for the settlement needs of their family.

Development of a local events programme for existing resident migrant and visiting investors, including civic and networking events to better connect local exporters and migrant investors.

Development of investment links to benefit iwi economic development, considering the offshore markets and investor approaches that would be most beneficial for them.

Identification and encouragement of relevant migrant investors to use their governance and business development skills with local businesses.

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<tr>
<th>Activity</th>
<th>Organisations</th>
<th>By when</th>
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<tr>
<td></td>
<td><strong>Trade</strong></td>
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</tr>
<tr>
<td>10. Conduct a local campaign and promotional events programme within the Western Bay of Plenty to upskill and educate local export business about offshore markets, inward investment and opportunities.</td>
<td>Export NZ BoP, Priority One</td>
<td>Year one and ongoing throughout the life of the strategy</td>
</tr>
<tr>
<td>11. Capture and promote trade opportunities across international markets (including discussions around Free Trade Agreements), where economic outcomes for the Western Bay of Plenty and the business community are evident and valuable.</td>
<td>Export NZ BoP, Priority One</td>
<td>Ongoing throughout the life of the strategy</td>
</tr>
<tr>
<td>12. Facilitate research to understand and confirm measures of export-related activity in the Western Bay of Plenty.</td>
<td>Export NZ BoP, Priority One, MBIE</td>
<td>Year one and two</td>
</tr>
<tr>
<td>13. Actively promote Western Bay of Plenty products and services to international markets.</td>
<td>Export NZ BoP, Tourism Bay of Plenty, Education Tauranga</td>
<td>Ongoing throughout the life of the strategy</td>
</tr>
</tbody>
</table>
2.2. People

This strategy focuses on four key flows of people for the Western Bay of Plenty:

1. Attracting and retaining skilled migrants and their families;
2. Growing our international tourist visitor numbers; and
3. Attracting and appropriately retaining international students;

Skilled workers and international students will be increasingly sought after in the western world. New Zealand has an aging population, especially in regional areas and including the Western Bay of Plenty.

Over the next 20 years, people entering the labour force from study will barely replace those who exit the labour force for retirement. In some areas of New Zealand, labour market exits will exceed entries. The western world faces similar demographic trends, therefore migrants and international students in relevant fields of study will play a key part in solving local skill shortages. The Western Bay of Plenty will be competing for these skills on an international stage. Figure 3, sourced from the Invest Bay of Plenty spatial plan, illustrates the growth in the 65+ population in New Zealand and the wider Bay of Plenty region until 2031.

**Figure 3: Change in the population structure of New Zealand by Region**

![Map showing the change in the population structure of New Zealand by Region](image)

Source: Invest Bay of Plenty
Tourist visits to the sub-region generate increased spending, guest nights and local employment. The rapid growth of cruise ship arrivals over the past decade has been impressive and could help to drive additional tourism ventures – further increasing the attractiveness of our sub-region.

### 2.2.1 Skilled migrants:

Skill and labour shortages were a persistent feature of labour markets in the Western Bay of Plenty and New Zealand during the early to mid-2000s. The global financial crisis alleviated skill shortages for several years, but with a return to consistent economic growth and an aging labour force both locally and nationally, the war for talent will resume in earnest.

The Western Bay of Plenty has a range of labour force needs and opportunities. The Bay of Connections sector strategies\(^\text{31}\) help with our mid to long-term planning for the labour needs of the sub-region – for the attraction of skilled migrants and for the training of local residents and international students. There is also ongoing pressure on a number of industries in the short term, especially those that have an aging workforce.

Key sectors and occupational groups for international are likely to include health, information and communications technology, and specialised engineering. Labour shortages are also prevalent within horticulture and the aged care sector.

Important sources of skilled migrants will include Australian citizens and permanent residents, as well as international students who may study here and subsequently remain.

The Western Bay of Plenty has competitive advantages in attracting skilled migrants from other parts of New Zealand, whether these people are New Zealand citizens or migrants who have recently arrived in the country. We have an opportunity to develop a ‘whole of sub-region’ approach to the attraction, transition, welcoming and retention of skilled migrants. Key elements to include will be:

- A combined effort across the sub-region to be welcoming to newcomers;
- Networking of local service providers to ensure a seamless ‘no wrong door’ experience for newly arriving migrants in the sub-region;
- Stronger education and support for employers, including their responsibilities through the immigration process (if they are sponsoring a worker into New Zealand), through to successfully integrating their new migrant arrivals into their existing workforce;
- Effective online communication channels and ongoing support for migrants; and
- Employers and agencies understand the importance of the whole family settling successfully

2.2.2 International students:

Export education is the fifth largest export industry in New Zealand and the Western Bay of Plenty has potential for significant growth in this area. The government is targeting significant growth in the export education industry and is resourcing the sector accordingly.

We have the opportunity to increase the number of international students studying in the Western Bay of Plenty. To do so, we need to expand the support systems and networks that are in place.

There are opportunities for our current educational providers, and for the Tauranga city centre tertiary precinct that is under development. With a targeted opening date of 2020 for the new education precinct, there is a significant lead time for ensuring appropriate student support systems are in place across the city. This would enable the precinct to attract a significant number of international students when it opens, as well as benefiting all tertiary providers in the Western Bay of Plenty.

There are opportunities to retain international students upon the completion of their studies, should they be trained in fields with skill shortages. There are several advantages to doing so:

- International students will have developed their skills within a New Zealand educational environment;
- Student retention will help to bring new people into the sub-region on a permanent basis and alleviate aspects of our aging labour force;
- All students studying at the new Tauranga city centre tertiary precinct (upon opening) will be focusing on programmes and research directly relevant to the needs of local employers; and
- International students have already successfully settled into the community, resulting in lower attraction and transition costs than for skilled workers attracted directly from abroad.

Many international students do want to stay in New Zealand once they have completed their initial studies. In a 2014 survey, 72% of all international students reported an intention to stay in New Zealand for either further study or work, with 62% indicating that they aimed specifically to work in New Zealand after the completion of their current studies. Students from India were the most likely to intend to stay in New Zealand, whereas doctoral students were most likely to intend to leave New Zealand upon the completion of their studies.  

Barriers to employment for international students can include a lack of New Zealand-based work experience and referees, and limited fluency in the social English required in a workplace. Volunteering is a great way for students to engage with the community, support great causes, develop and showcase their skills, and gain local work experience and New Zealand-based referees for their CV. Volunteering is also an opportunity for students to practise their social English skills and ideally to develop their knowledge of Te Reo.

For this to happen on a larger scale in the Western Bay of Plenty, a systems-based approach is required. This will ensure effective pathways for students, and that our volunteer sector has the capacity to successfully work with people from a diverse range of cultures.

Where English is not the first language, spoken English may be the slowest skill to develop. This is especially so where students are flatting or studying with a number of their compatriots – a situation where it is entirely logical to speak in their first language. We can develop a 'whole of city' approach

in the Western Bay of Plenty to careers advice, volunteering networks and English language opportunities that will assist the effective retention of international students. There are examples of this elsewhere in New Zealand, such as in Dunedin, where Project Stay aims to develop a new graduate retention pathway.

We can improve the connections made between employers and international students through a ‘whole of sub-region’ approach. This would streamline contact with employers, reduce the number of approaches that employers would receive from individual education institutions, and improve the employment capacity and reach of our smaller educational institutes. It would also ensure that employers are supported to successfully engage graduates from a range of cultures with their existing workforce.

The international education sector also contributes to increased tourism flows, for example friends and families of students who may travel here for visits and significant events such as graduation ceremonies.

### 2.2.3 Tourism:

Growth in international tourism will have a strong economic impact on the Western Bay of Plenty. Evidence of this is seen in the rapid growth of cruise ship visitors through Port of Tauranga in the last decade, and there is further potential in a number of international markets. Combined with domestic tourism, this will assist the region to reach the aspirational target of a $1 billion tourism industry by 2030.

In particular, the growth of inbound tourism and international students from China provides an opportunity to maximise our marketing approach and presence in China. This would focus on the Western Bay of Plenty as a great place with a fabulous lifestyle – ‘Visit or Study Here’ – and would be a cost-effective approach. Growth in free independent travellers from China will have advantages for the Western Bay of Plenty.

The sub-region is also positioning itself as a venue for major sporting events, in particular, mountain biking, multi-sport and rugby sevens. Local regional tourism organisations (RTOs) have collaborated on a regional cycle network for the Central North Island. In addition, the Bay of Plenty Rugby Sevens strategy was launched in 2013 to bring more visitors to the sub-region through the hosting of sports events, the maintenance of the training base for the national rugby sevens team in Tauranga, and through establishing a rugby high performance facility and offering training courses for national and international sports teams.

### 2.2.4 Temporary worker flows:

Temporary worker flows are important in seasonal industries throughout New Zealand. In the Western Bay of Plenty, the kiwifruit industry benefits significantly from the Recognised Seasonal Employer (RSE) scheme, with approximately 1,500 RSE workers in the sub-region at the peak of the season.

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33 Tourism Bay of Plenty Statement of Intent 2015/16 to 2017/18
Other visa pathways that assist our seasonal industries include the working holiday scheme. Temporary migrants on the working holiday scheme may work in any region in New Zealand - there were 31,533 people in New Zealand as part of the scheme in 2014, an increase of 12% on the previous year. Some international students also work part time in seasonal roles.

2.2.5 People-related actions for the Western Bay of Plenty:

A major opportunity for the Western Bay of Plenty is to combine our attraction activities across sectors. This would minimise cost and maximise impact.

The following table identifies a range of activities to be undertaken in the Western Bay of Plenty. None of these will override business as usual by the organisations involved. Some activities will assist the Western Bay of Plenty to be more proactive across our combined international activities, whereas others will assist us to react effectively to the international opportunities that arrive through happenstance.

The list of organisations involved with each activity will grow over time as discussions are held throughout the Western Bay of Plenty. For the moment, only organisations involved in the Working Group are listed next to activities. Any specific sequencing of these actions is yet to be finalised.

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<td><strong>Overarching activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Monitoring growth in demand for migrant support services in the Western Bay of Plenty.</td>
<td>MBIE, Tauranga City Council, Western Bay of Plenty District Council</td>
<td>Ongoing, with annual reviews to take place</td>
</tr>
<tr>
<td>Larger numbers of migrants and students arriving will increase demand for services, ranging from one-to-one migrant support, through to English language training. Local government, central government, and other funders will need to evaluate funding and appropriate service provision as demand grows.</td>
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<tr>
<td><strong>Migrant attraction and settlement</strong></td>
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cover several purposes.

Effective online communication channels, including web and social media locally and nationally.

Inclusion of settlement information in the early stages of offshore recruitment.

Development of a local settlement services map to give employers a quick access guide.

3. Ensuring that our local community is prepared to welcome, accept and support students and migrants from a range of cultures. Including elements such as:

- Supporting existing migrant events such as the Tauranga Multicultural Festival and encouraging additional events to help our local community embrace our growing ethnic diversity.

- Ongoing development of good-news case studies for local websites and the media.

- Creating a map of local service provision for use by agencies and migrant employers.

- Ongoing support for the Tauranga Migrant Settlement Network and for the activities of council community development teams with ethnic communities.

<table>
<thead>
<tr>
<th>International students</th>
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</thead>
<tbody>
<tr>
<td>4. Ongoing support for the Education Tauranga business plan, with an expanded number of student/employer support activities, including:</td>
</tr>
<tr>
<td>Development of a local education/employer network to increase collaboration between institutions and to streamline the graduate recruitment process for employers (both domestic and international students).</td>
</tr>
<tr>
<td>Cross-institution support on careers and employability to help international students to become work ready in New Zealand. Including seminars, publications and volunteer pathways.</td>
</tr>
<tr>
<td>Support for Volunteer Western Bay of Plenty to further develop the capacity of local organisations to work with volunteers from varying cultures and ethnicities.</td>
</tr>
</tbody>
</table>

**Tauranga City Council, Western Bay of Plenty District Council, MBIE.**

Ongoing throughout the life of the strategy

**Education Tauranga, MBIE, all.**

Ongoing throughout the life of the strategy
Resources and seminars to help employers appropriately recruit and integrate international students with their existing workforce.

Ongoing support of an annual civic welcome for all new international students.

Improved support for international students to pathways from primary to secondary education in the Western Bay of Plenty and also from secondary to tertiary education.

### Tourism and investment

5. Collaboration with the international activities of Tourism Bay of Plenty and Export NZ BoP:
   - Identification of joint marketing opportunities in markets likely to provide high numbers of both tourists and international students, with a focus on the Western Bay of Plenty as a great place to visit, study and stay.
   - Development of a welcome pack for cruise ship passengers, which includes study, migration and investment information for the Western Bay of Plenty.
   - Tourism Bay of Plenty to provide support for international delegates and investors through facilitating itineraries and identifying familiarisation opportunities.

| Tourism Bay of Plenty, Export NZ BoP, Education Tauranga, Priority One | Ongoing throughout the life of the strategy |

6. Explore and develop opportunities to link high-end tourism activities with the attraction of migrant investors and inward FDI.

| Tourism Bay of Plenty, Priority One | Ongoing throughout the life of the strategy |

### Temporary workers

7. Ongoing monitoring of temporary labour flows and needs in the Western Bay of Plenty, including RSE workers. This includes research into the importance of temporary worker flows to sectors such as retail, hospitality, and the wider horticulture sector in the Western Bay of Plenty.

| MBIE, Tauranga City Council, Western Bay of Plenty District Council, Priority One | Ongoing throughout the life of the strategy |
2.3 Relationships and partnerships

Developing and maintaining strong relationships both on and offshore takes time, but is the basis on which to build enduring, and mutually beneficial, trade and investment relationships.

Given the size and scale of the New Zealand economy, the Western Bay of Plenty will be more successful offshore if we engage as a cohesive sub-region, rather than as a series of individual agencies. Building relationships around the globe can be an expensive exercise, so it is important to ensure such relationships are appropriately considered, and that time and effort invested in them are effectively utilised.

2.3.1 Onshore:

Strong connections locally and across New Zealand will be the foundation for our international efforts. These will help us build scale for Western Bay of Plenty initiatives through partnerships and sharing of resources. Closer links with government agencies are important. NZTE and MBIE have staff regionally and nationally to help with all aspects of international attraction, transition and settlement - ranging from help with FDI through to issuing visas.

Enhanced networks and partnerships with other regions will prove valuable. With migrant investors able to live in one region and invest in another, cooperation will be important to generate the greatest value for a New Zealand Inc. approach. We have strong links throughout the wider Bay of Plenty region via Bay of Connections, and closer links should also be explored with the Waikato region. This could be via the Upper North Island Strategic Alliance (UNISA), an especially beneficial connection given the number of migrant investors who choose to reside in Auckland.

There is significant potential in linking our migrant and international investors with local exporters - especially utilising their offshore networks and expertise. Export New Zealand (BoP) will play a key role in these relationships through their approximately 300 members.

Local connections are vital. Closer links between education providers, agencies and employers are essential to many of the actions identified throughout this strategy.

2.3.2 Offshore:

The formation of long-term, trusted relationships is more important for many people and cultures than short-term business deals. Tauranga City Council currently has two sister cities - Yantai in China, and Hitachi in Japan. In addition, Tauranga City Council signed a ‘friendly city’ agreement with Ansan, South Korea in 2014. Western Bay of Plenty District Council has a Friendship and Cooperation Agreement with the Agriculture Department of Shaanxi Province, China.

Historically Tauranga also had a sister city link with San Bernardino, California and the relationships formed during that era are still proving highly beneficial to both places today. While sister city relationships come under significant scrutiny for short-term results and the cost of funding, the serendipitous results of personal relationships - such as those formed between Paul Adams and

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Bruce Varner - may have positive economic outcomes for the Western Bay of Plenty in the long term.

Local organisations and government agencies have also built up strong networks offshore. The offshore agents built up by our education providers and offshore employees of NZTE and MBIE are potentially strong advocates for the Western Bay of Plenty. In addition, our local exporters will also have strong relationships and partnerships in their major offshore markets that are of long-term benefit to the sub-region.

CASE STUDY – SISTER CITY SCIENCE COLLABORATION

Tauranga Coastal Marine Field Station and Yantai Institute of Coastal Zone Research, China
A Tauranga City Council Mayoral Delegation visited China in April 2014 to strengthen business, education and tourism linkages with Tauranga’s sister city Yantai. During the visit a statement of intent to establish a new coastal biotechnology research centre with bases in both Tauranga and China was signed by the University of Waikato and Yantai Institute of Coastal Zone Research, Chinese Academy of Sciences. The China-New Zealand Coastal Biotechnology Joint Research Centre will focus on bio-medicinal and agrichemical discovery and development, aquaculture, and environmental bioremediation and restoration. Following this visit scientists from both cities have made reciprocal visits to progress marine research and commercialisation opportunities in these areas.

2.3.3 Partnership-based actions for the Western Bay of Plenty:

The following table identifies a range of activities to be undertaken in the Western Bay of Plenty. None of these will override business as usual by the organisations involved. Some activities will assist the Western Bay of Plenty to be more proactive across our combined international activities, whereas others will assist us to react effectively to the international opportunities that arrive through happenstance.

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<tbody>
<tr>
<td>Onshore</td>
<td></td>
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</tr>
<tr>
<td>1. Collaborate with MBIE, Export NZ BoP, and NZTE to develop promotional material, resources and contacts to enable them to proactively promote the Western Bay of Plenty offshore.</td>
<td>Priority One</td>
<td>Year one</td>
</tr>
<tr>
<td>2. Work with our business community and iwi to help them develop powerful long-term relationships offshore, and especially to understand the value of long-term relationship building within Asian cultures.</td>
<td></td>
<td>Ongoing throughout the life of the strategy</td>
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<tr>
<td>Activity</td>
<td>Organisations</td>
<td>By when</td>
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<tr>
<td>Develop resources to help our business community appropriately promote the sub-region while they are working offshore.</td>
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<tr>
<td>3. Formalise partnerships with government agencies where appropriate. The Regional Partnership Agreement (RPA) approach being undertaken by MBIE is an example of this.</td>
<td>Priority One</td>
<td>Year one</td>
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### Offshore

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<thead>
<tr>
<th>Activity</th>
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<tr>
<td>4. Conduct a review of our sister city relationships to identify whether our current arrangements are achieving their full potential. Evaluate the opportunity and value for additional sister city or friendly city relationships - particularly within China.</td>
<td></td>
<td>Year one</td>
</tr>
<tr>
<td>5. Explore partnerships with other offshore initiatives led from around New Zealand. The Mayoral Forum visits to China illustrate the potential in this area, as well as major offshore events that have a New Zealand focus, such as future Rugby World Cup tournaments.</td>
<td>Priority One, MBIE</td>
<td>Year one, and ongoing</td>
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<td>throughout the life of the strategy</td>
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<tr>
<td>6. Build relationships with offshore representatives of NZTE and MBIE and test collaborative offshore investor/FDI events in China or the USA. This will help identify the most effective partnership opportunities.</td>
<td>Priority One, Education Tauranga, Export NZ BoP, Tourism Bay of Plenty</td>
<td>Year two, and ongoing</td>
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<td>throughout the life of the strategy</td>
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</table>
3. Summary

The Western Bay of Plenty can enhance its economic and social development through a wide range of international opportunities. We have significant potential to improve community wellbeing through targeted investment, the arrival of new people and skills and from building enduring relationship offshore.

This strategy identifies a number of actions to promote tourism, trade and to help attract and retain investment and skilled people to the Western Bay of Plenty. A shared understanding of our individual and collective objectives internationally will ensure that opportunities are effectively recognised, implemented and resourced.

4. Review

This strategy is owned by the Western Bay of Plenty International Relations Working Group and will be reviewed in 2018. Implementation metrics will be determined and monitored for each action area.

*Future case studies may be included in this strategy document itself, or published separately as they arrive.*
5. Related documents, organisations, and activities

Bay of Connections
http://www.bayofconnections.com/

Bay of Connections Maori Economic Development Strategy

Bay of Plenty Regional Growth Study

Bay of Plenty Tertiary Intentions Strategy 2014 – 2019
http://www.bayofconnections.com/sector-strategy/tertiary-intentions-strategy/

Education New Zealand Bay of Plenty
http://www.enz.govt.nz/

Education Tauranga
http://www.educationtauranga.co.nz/

Export New Zealand
http://bayofplenty.exportnz.org.nz/

Immigration New Zealand
http://www.immigration.govt.nz/

Ministry of Business, Innovation & Employment
http://www.mbie.govt.nz/

Ministry of Social Development
http://www.msd.govt.nz/

Multicultural Tauranga
http://www.trmc.co.nz/

New Zealand Investment Attraction Strategy (Cabinet Paper)
http://www.beehive.govt.nz/release/strategy-targets-international-investors

New Zealand Migrant Settlement and Integration Strategy

New Zealand Kiwifruit Growers Incorporated
http://www.nzkgi.org.nz/

New Zealand Newcomers Network
http://www.newcomers.co.nz/regions/bay-of-plenty/

New Zealand Now
https://www.newzealandnow.govt.nz/
New Zealand Trade and Enterprise
https://www.nzte.govt.nz/

Priority One
http://www.priorityone.co.nz/

Smart Growth and Smart Economy
http://www.smartgrowthbop.org.nz/

Tauranga City Council
https://www.tauranga.govt.nz/

Tauranga Tertiary Campus
http://www.boptertiarypartnership.ac.nz/campus.html

Tourism Bay of Plenty
http://www.bayofplentynz.com/

Tourism New Zealand
http://www.tourismnewzealand.com/

Volunteer Western Bay of Plenty
http://www.volunteerwbop.com/online/welcome.csn

Western Bay of Plenty District Council
http://www.westernbay.govt.nz

Work and Income
http://www.workandincome.govt.nz/
Key international markets for members of the Western Bay of Plenty International Strategy Working Group

<table>
<thead>
<tr>
<th>Tourism Bay of Plenty</th>
<th>Export New Zealand (Bay of Plenty)</th>
<th>Education Tauranga</th>
<th>Priority One</th>
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<tbody>
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<td>1. Australia</td>
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<td>2. India</td>
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<td>3. Europe/United Kingdom</td>
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<td>Emerging:</td>
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<td>4. China</td>
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<td>1. China</td>
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<td>5. South America</td>
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<td>2. Korea</td>
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<td>Emerging markets include:</td>
<td>3. India</td>
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<td>4. ASEAN</td>
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<td>5. Korea</td>
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Tauranga City Council, Western Bay of Plenty District Council, and MBIE work with people and organisations from all countries given the nature of their respective roles.

However, it is important to acknowledge the sister city connections that Tauranga City Council has with China, Korea, and Japan – and the strong links that Western Bay of Plenty District Council has to the Pacific Nations through the RSE scheme, migrants from India in the wider horticulture sector, as well as its agreement with the Agriculture Department of Shaanxi Province, China.