



rodney
economic
development
trust

*October - December 2009
Quarterly Service Report*

1. Business Support

Actions	Outcomes																																				
1.1 General																																					
Work continues on extending business contacts and developing a comprehensive, stair-cased business support and training programme.	<ul style="list-style-type: none"> ◆ We have seen a decrease in training and mentoring numbers this quarter, probably due to end-of-year wind down 																																				
1.2 Training & Development Programmes																																					
<ul style="list-style-type: none"> ❖ We continue to work with government funded training and mentoring programmes and to trial our own. We have trialled charging for some of our courses, with little uptake, but will try to market more aggressively. 	<table border="1" data-bbox="801 560 1951 831"> <thead> <tr> <th>Activity</th> <th>Participants</th> <th>Year to Date</th> <th>Increase on 2008</th> </tr> </thead> <tbody> <tr> <td>NZTE Enterprise Training</td> <td>276</td> <td>265</td> <td>+181</td> </tr> <tr> <td>Business clinics</td> <td>7</td> <td>61</td> <td>n/a</td> </tr> <tr> <td>REDT Courses</td> <td>12</td> <td>103</td> <td>n/a</td> </tr> <tr> <td>New Business Mentor Clients</td> <td>17</td> <td>130</td> <td>+95</td> </tr> <tr> <td>Total Business Mentor Clients (active)</td> <td>190</td> <td></td> <td>not known</td> </tr> <tr> <td>Total Mentors</td> <td>70</td> <td></td> <td>+41</td> </tr> <tr> <td>TechNZ new clients</td> <td>tbc</td> <td>tbc</td> <td>+tbc</td> </tr> <tr> <td>Networking / individual contacts</td> <td>76</td> <td>296</td> <td>Not known</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ❖ REDT has developed a programme of continuous development. Branded 'BusinessBox' it will be marketed late January for launch on February 17th. Participants (businesses larger than 3 employees) choose one of three workstreams and complete at least 6 of 8 workshops developed to fit within a business framework. On completion, participants will be publicly acknowledged and receive a certificate to show 'membership' of 'BusinessBox'. Hopefully, participants will form an ongoing business support network overseen by a "champion". The 'BusinessBox' brand and membership will signify a 'lifelong learning' culture. Marketing continues to be a concern in attracting participants in the initiative. ❖ TechNZ targets in the Rodney district have increased, consequently REDT will host clinics to speed the selection process. 	Activity	Participants	Year to Date	Increase on 2008	NZTE Enterprise Training	276	265	+181	Business clinics	7	61	n/a	REDT Courses	12	103	n/a	New Business Mentor Clients	17	130	+95	Total Business Mentor Clients (active)	190		not known	Total Mentors	70		+41	TechNZ new clients	tbc	tbc	+tbc	Networking / individual contacts	76	296	Not known
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1.3 Support through regulatory processes																																					
<ul style="list-style-type: none"> ❖ Council previously requested REDT's assistance in managing key Council-business relationships. 	<p>Businesses assisted:</p> <ul style="list-style-type: none"> ❖ A small business wanting to establish on western side of Small Rd ❖ Established business wanting to set up a farmers market in Kumeu ❖ Silverdale manufacturing business very concerned about RDC volumetric water charge (especially visit fee) 																																				
1.4 Business Associations/BIDs																																					

<ul style="list-style-type: none"> ❖ RDC Economic Development Manager and REDT have a strategic approach to support and strengthen business associations to drive future BIDs developments. 	<ul style="list-style-type: none"> ❖ Currently, there is no action around implementing BIDs. Warkworth is investigating various opportunities and will discuss further on February the 4th with REDT CEO and Business Development Manager. ❖ After a successful Business Associations Forum in early December where business associations were asked to discuss the way forward, an initiative is currently being designed to ascertain associations' 'Vision' and benchmarking against the objectives identified. From this an action plan will be created. Research is being instigated on viability of a Rodney business hub, which may include a virtual office service for associations in the form of a Rodney Business Association. ❖ REDT has convened a forum to investigate potential for a Rodney wide business award. NZ government recommends the onerous Baldrige mechanism and would like all awards be standardised and probably include ISO, Investors in People and the Balanced Scorecard. We felt that small district driven business awards should be instigated to begin with – the implementation of a nationally recognised standard would then not seem so onerous. Discussion will be held with several organisations to ascertain the best way of implementing a programme of improvement and recognition thereof. This also has a tie in with the 'BusinessBox' programme.
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2 Sector / Industry Development

Actions	Outcomes
3.1. Aquaculture	
<ul style="list-style-type: none"> ❖ REDT sought and eventually obtained funding from Ministry for the Environment's Aquaculture Planning Fund, to develop a regional aquaculture cluster. APF was only available to regional councils and ARC made the application on our behalf. Funding of \$86,500 was approved for April – October to develop a business case and quadruple bottom line assessment. . 	<ul style="list-style-type: none"> ❖ A steering group workshop was held on the 12 November 2009, with James Obern from Cranleigh Merchant Bankers who would be rewriting the Business Case due to GHD Consultants not delivering the required outcome. ❖ AquA™ presented a submission in response to the Technical Advisory board (TAG) report 'Re-Starting Aquaculture'. ❖ Business Case and Quadruple Bottom Line reports were completed to meet MfE's deadline of Friday 18th December. Milestones and expenditure reports were submitted to meet required reporting dates. ❖ Highlights from the business case are attached. ❖ REDT now awaits response from MfE and hopefully funding opportunities will be available to continue this successful cluster concept.
3.2 Food & Beverage	
<ul style="list-style-type: none"> ❖ This sector has been on our radar for some time, but became a priority following meetings in Kumeu in relation to the Laminex closure at which strong community interest was expressed for developing this sector. 	<ul style="list-style-type: none"> ❖ A report on the Food & Beverage Sector in West Rodney was delivered to RDC Economic and Community Development Manager in October. ❖ Recommendations were <ul style="list-style-type: none"> • Identify potential farmers market sites and associated issues – eg traffic, resource consents. • Seek proposals and funding / sponsorship for a web-based growers register, with the aim of going live January 2010

	<ul style="list-style-type: none"> • Convene a forum to establish interest in and commitment to a small producer cluster. <ul style="list-style-type: none"> ❖ An existing business has already begun planning for a farmers market and REDT requested a pre-application meeting which was held in December. ❖ The Growers Register was delayed, but if funding is forthcoming the website will go live in early March.
3.3 Forestry	
❖ As with food and beverage, interest in the future of this sector in Rodney came out of the Laminex closure meetings.	❖ REDT carried out initial interviews with three forestry industry leaders with little positive outcome. It was agreed there was little benefit in pursuing any further work at this stage.
3.4 Equestrian	
❖ We have been in contact with Woodhill Sands over the past three years, and were approached in September to assist with development plans.	<ul style="list-style-type: none"> ❖ Further to discussions with Woodhill Sands and Clifton Eventers we became aware of moves at a regional level. As a result we consulted with Enterprise Franklin and decided to do a brief stocktake of equestrian activity in Rodney. Initial findings showed substantial economic contribution with social and environmental alignments. ❖ Consequently we began to compile a database of Rodney District equine industry businesses identifying the entire value chain. We are working with the RDC GIS Manager to map the businesses and once this is completed we will meet with Enterprise Franklin to explore potential for a joint project with a regional perspective.
3.5 Rugby World Cup	
❖	❖ REDT is assisting with RDC workstreams and project management, and is involved with regional economic development work notably engaging business in RWC opportunities.

3 Inward Investment / Business Attraction

Actions	Outcomes
3.1. Investment Strategy	
❖ Work on an investment strategy was put on hold as several projects were introduced that took precedence	<ul style="list-style-type: none"> ❖ REDT has presented a proposal to a key developer to try and attract industrial development in Wellsford. The proposal is currently being considered by the developer with whom we have met and discussed options. There may be opportunities to get investors working collaboratively to develop a site. ❖ We are investigating the Migrant Investor scheme and have facilitated an introduction of one Rodney company to a potential off-shore investor.
3.2 Wellsford Industrial Land / Corry Block	
❖ REDT worked with Council to establish the demand for industrial land in Wellsford and to	❖ Following the report on Wellsford Industrial Land, REDT continues to work with Council to provide some solutions for the Wellsford Community. In early December, REDT and Council officers with a representative from WINZ conducted a public

<p>gauge the need to rezone the Corry Block</p>	<p>meeting to discuss the report's outcome and possible projects that could be initiated with community support. This was a difficult meeting with no outcomes being agreed at this point in time. We presented some options that could create temporary employment partially funded by WINZ, and offered to return in the New Year to see if the community wanted to progress any of them.</p> <p>❖ One suggestion from the meeting was the possibility of a cycleway. This was referred to RDC.</p>
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4. Advocacy / Lobbying / Networking

Actions	Outcomes
4.1 Government Departments and Agencies	
<p>❖ Regular contacts maintained with various central government departments.</p>	<p>❖ Central government contacts included MFish, MfE (Aquaculture), MSD (Youth Transitions). REDT CEO and RDC Economic and Community Development Manager met with NZTE over a potential aviation project for Rodney.</p> <p>❖ A meeting with John Key is scheduled for late January.</p>
4.2. Auckland Region	
<p>❖ REDT maintains working relationships with Auckland Plus and other regional groups.</p>	<p>❖ Meetings were held with the Auckland Transition Authority and the CE attended workshops on implications of the third bill. ATA representatives will meet with REDT board in January 2010.</p> <p>❖ After discussion and consultation, REDT and RDC have agreed to participate a productivity project being run by Auckland Plus with funding from NZTE.</p> <p>❖ REDT is represented on</p> <ul style="list-style-type: none"> ▪ Rugby World Cup economic development work stream ▪ Auckland Plus Investment Working Party ▪ Auckland Regional Research Network ▪ Pathways to Employment
4.3 Iwi	
<p>❖ REDT board recognises the importance of working with local Iwi on economic development particularly in the primary sector, employment and training projects for young people.</p>	<p>❖ Discussions continued with Ngati Whatua Nga Rima o Kaipara with regard to youth employment and training.</p> <p>❖ Mook Honeck of Ngati Manuhire has joined the aquaculture cluster steering group.</p>
4.4 AREDA / EDANZ	
<p>❖ REDC CEO is a director of AREDA</p>	<p>❖ Regrettably, no board meetings have taken place for some months, however the EDA chief executives are maintaining</p>

	informal contact. Main topics of discussion have been the Auckland restructure and A+s productivity project
4.5 Submissions	
❖ REDT is taking a collaborative but selective approach to identifying on what issues it should make submissions.	❖ No submissions made this quarter although REDT was heavily involved in compiling a submission on behalf of the aquaculture cluster in response to the Aquaculture Technical Advisory Group report.

5 REDT / RDC

Actions	Outcomes
5.1. Governance	
❖ As requested by RDC during contract negotiations, REDT has completed a governance review	❖ We were disappointed that due to business demands, Jim Dollimore resigned from the REDT board in December. However, he committed to continuing as a member of the Aqua Steering group and offered help to the REDT board whenever required.
5.2 Annual Accounts	
❖ Audit of REDT's annual accounts was completed in December	❖ The board approved the annual accounts at the December board meeting. The Trust made a loss of \$25,555 in the 2008-09 financial year. This was due to relocation costs together with legal, professional and other costs associated with the organizational restructure and charitable status registration.
5.3 Administration – Database	
❖ As required by funding and service agreement with RDC, the Trust has renewed efforts to establish a comprehensive business database.	❖ The Microsoft CRM has proved difficult to work with, but an admin review in November-December revealed that the training and support provided had been inadequate. This is being remedied and should result in a much more efficient functioning by mid-February.

6 Employment Programmes

Actions	Outcomes
6.1 Rodney Youth Transitions to Trades	
❖ After four years, this programme was discontinued as the relevant funding had been withdrawn. Work and Income worked extremely hard to find alternative funding.	<p>❖ After much discussion a restructured youth transitions programme was agreed, effective from 7th September. Unfortunately it has been made clear that this funding cannot be extended beyond this financial year.</p> <p>❖ Eleven young people were enrolled for the first intake and of these nine are now employed. This first quarter was extremely challenging as a 4 – 6 week training programme had to be established, new enrolment and reporting procedures designed and implemented,</p>

	<p>participants recruited and employment outcomes achieved. Thanks to magnificent work from Stephen Ryder and Donna Dudely, with support from Debbie Wainwright, we exceeded the required targets and comfortably achieved the milestone. We are extremely grateful for the support from Chris Denly at Work and Income and from the local Work and Income brokers.</p> <ul style="list-style-type: none"> ❖ We partnered with YMCA to deliver a core training component, and this has worked very well. .
6.2 Gateway	
<ul style="list-style-type: none"> ❖ The Gateway Broker model for Rodney concludes its third year in November. Rodney colleges applied to the Tertiary Education Commission to continue the funding. ❖ On their own initiative, several Industry Training Organizations also approached TEC for the cluster model as delivered in Rodney to be extended. 	<p>This quarter saw the termination of the Gateway Cluster Broker model. Requests from colleges to continue the funding were declined.</p> <p>The schools chose to use the broker model for 89 students and referred 95% to the broker of which 95% of those referrals were placed.</p>

6.3 Apprenticeship Graduation	
<ul style="list-style-type: none"> ❖ This event arose from the Employment and Employability Strategy 2005-08, and is associated with the Mayors Taskforce for Jobs which has recommended that achievers in trades and technical training should receive the same recognition as that accorded to tertiary graduates. ❖ This Ceremony honours both the graduates and their employers, indicating that Rodney District Council and the Rodney Economic Development Trust recognize the importance of the trades and service industries in the community. 	<ul style="list-style-type: none"> ❖ This was the most successful graduation to date. It was held in the Orewa Performing Arts Centre on 22nd October and 30 apprentices graduated. Certificates were presented by the Mayor following an inspiring speech from Keynote Speaker Darryl Soljan. ❖ The event was sponsored by RDC, Mayors Taskforce for Jobs, Westbrook Winery, King's Plant Barn, Industry Training Federation, Chi Chi Florist.



Auckland Regional Aquaculture Cluster

Rodney Economic Development Trust and Rodney District Council have been working with local industry and key stakeholders to develop an aquaculture cluster since 2006.

In 2009 funding was granted, via an application sponsored by Auckland Regional Council, from the Ministry for the Environment's Aquaculture Planning Fund to develop a business case and quadruple bottom line assessment for an Auckland Regional Aquaculture Cluster.

The business case and quadruple bottom line assessment were delivered to MfE on 18th December. A copy is attached. Below is a summary of the financial impact and anticipated employment benefits were the cluster able to continue.

1) Economic Benefits to the Auckland Region

- ❖ A recent economic impact assessment and industry survey, commissioned by ARC, has determined the following economic impacts from the industry.¹ All prices are shown for 2009, expressed in 2004 equivalent dollars.²

	Marine Aquaculture Farming Impacts ^a	Marine Aquaculture Processing Impacts ^b	Total Economic Impact
Output (\$_{2004m})			
Direct	6.6	42.2	48.7
Indirect	4.5	14.2	18.7
Induced	0.8	4.1	5.0
Total	11.9	60.5	72.4
Value Added (\$_{2004m})			
Direct	3.1	13.7	16.8
Indirect	2.2	6.7	8.9
Induced	0.4	2.0	2.5
Total	5.7	22.4	28.2
Employment (FTEs)			
Direct	66	275	341
Indirect	37	104	141
Induced	4	21	25
Total	107	400	507

Notes:

^a Excludes impacts already captured in Aquaculture Processing.

^b Excludes impacts already captured in Aquaculture Farming.

Source: Auckland Regional Council and Market Economics (2010 forthcoming), Economic Impact Assessment of Aquaculture in the Auckland Region.

¹ Source: Auckland Regional Council and Market Economics (2010 forthcoming), *Economic Impact Assessment of Aquaculture in the Auckland Region*.

² Note: Input-output tables used to prepare this analysis were developed in 2004 and cannot readily be inflated to 2009 dollar values, due to the complexities of input-output tables and the ratios presented therein.

- ❖ Companies engaged in the Cluster initiative have made substantial investment in Auckland region's aquaculture industry. Collectively the **current and projected resources** of companies engaged in the Cluster represent:

<ul style="list-style-type: none"> ▪ An estimated \$32.5m to date (including land acquisition and development, plant and equipment purchasing, redevelopment/upgrades to plant and equipment and reinvestment of profits to support growth).
<ul style="list-style-type: none"> ▪ Over \$20m in annual revenue
<ul style="list-style-type: none"> ▪ More than 100 employees
<ul style="list-style-type: none"> ▪ Plans for significant further investment in new production, processing and research and development capacity over the next five years:
<ul style="list-style-type: none"> ▪ Total planned investment of \$14.5m, with other planned investment also indicated but not quantified.
<ul style="list-style-type: none"> ▪ Total expected employment growth of 66 jobs over this period, and at least a further 20-30 jobs in the five years following.

2 Innovation Demonstration Projects

We have identified the following companies as offering strong potential for initial demonstration projects, in which Aqua™ will play a coordinating and supporting role. These innovative projects will provide measurable results in a short trial period.

2.1 New Zealand Waterways Restoration Ltd - Dairy Wastewater Remediation

New Zealand Waterways Restoration is currently in discussion with several dairy farmers in the Auckland region around the potential to use White and Silver Amur to treat dairy shed wastewater in effluent pond environments. NZWR has previously employed these species to remediate severely polluted and weed infested lakes for 23 different Territorial Local Authorities nationwide and the company is confident that use of Amur provides a sustainable and low-cost method of treating dairy wastewater, thereby mitigating some of the substantial environmental impacts of dairying.

2.2 Eelco Glass Eel - Supply for Hapu on-Marae Cultivation

Eelco, a private hatchery company that works closely with MTI, is currently involved in hatching and cultivating glass eels, the juvenile form of the New Zealand short finned eel. Glass eels are sufficiently mature to be relocated to aquaculture grow-out facilities where they can be farmed to maturity as table fish. Eelco is in negotiation with a local hapu that has expressed strong interest in cultivating glass eels to maturity on their marae site, as a traditional and sustainable food source. This provides an excellent opportunity to commercially pilot eel aquaculture on a small scale and optimise the grow-out process while also delivering value to the local community.

2.3 BioMarine

Biomarine, the region's largest oyster farmer, is currently working in collaboration with the University of Auckland, NIWA and Bay of Plenty Polytechnic to assess the commercial potential for cultivation and export of sea cucumbers, targeting the Asian market (particularly Japan) where these are a both a delicacy and a traditional medicine. The project includes polyculture of sea cucumbers within Biomarine's oyster farms, as there are apparent synergies between the two species, with sea cucumbers feeding on oyster waste.