

KAPITI COAST ECONOMIC DEVELOPMENT STRATEGY AND IMPLEMENTATION PLAN 2020-2023

Draft Report

18 June 2020

DRAFT

CONTENTS

Foreword	1
Executive Summary	2
Introduction	9
Our Economy and community	13
Strategic Framework	19
Implementation and Delivery	24
Governance and Accountability	31
Appendix 1 : Our Economy	33
Appendix 2 : Definitions	45

TABLES

Table 1: Positioning the Kāpiti Coast – Key Actions	25
Table 2: Open for Opportunity – Key Actions	26
Table 3: Growing Skills and Capability – Key Actions	27
Table 4: Strengthening Partnerships and Leadership – Key Actions	28
Table 5: Supporting Key Sectors – Key Actions	30

Table 6: Year 1 – Priority Key Actions	32
--	----

FIGURES

Figure 1: Our Strategic Pillars and Focus	5
Figure 2: Our Foundations for Success	10
Figure 3: Geography of the Kāpiti Coast	13
Figure 4: Population forecasts Kāpiti Coast 2013-2043	14
Figure 5: Ngā Pou	20
Figure 6: Kāpiti Coast Economic Development Strategy – Strategic Framework	22
Figure 8: Proportion of GDP 2019	33
Figure 9: Wellington Region Creative Industries Employment	36
Figure 10: Domestic and International tourism expenditure 2019	38
Figure 11: Tourism spending growth 2010-2019	38
Figure 12: Age demographics Kāpiti Coast District compared to New Zealand 2019	39
Figure 13: Unemployment rate, annual average 2018 and 2019	41
Figure 14: Percentage of school leavers with NCEA Level 2 or above 2018	41
Figure 15: Percentage of Māori school leavers with NCEA Level 2 or above 2018	42

Figure 16: Percentage of Māori school leavers with NCEA Level
2 or above 2009-2018

42

Figure 17: Consumer spending 2016 - 2019

43

Figure 18: Rental affordability index 2000-2019

44

DRAFT

HE WĀHINGA KŌRERO

Nō mātou te maringa nui kia whakaputa atu tēnei mahere rautaki, mahere whakamahinga. He mea whakawhanake tēnei nā ngā iwi o te kotahitanga ki te tonga (ART), ngā hunga whaipānga me te hāpori whānui. He kaupapa tāwharau tēnei i te koke whakamua o te ōhanga puta noa i te hāpori o Kapiti. He hononga tōna ki te mahere pae tawhiti ('Long Term Plan') o te Kaunihera o Kapiti, kia kotahi mai ngā hāpori katoa o te rohe.

Mā te Poari Whakawhanake Ōhanga Kotahitanga (Economic Development Kotahitanga Board) e whakahaere te rautaki nei. Mā te mahi tahi e tautoko ai i te whakamahinga me te tutukinga o ngā whainga matua. Me rite ka tika nā te nui o ngā wero, ngā piki me ngā heke, hei tautoko i tō tātou ōhanga me te hāpori mai i ngā wero pēnei i te Mate Urutā (COVID19), aha atu, aha atu.

Ko te anga whakamua o te mahere rautaki nei hei whakakotahi mai i te rohe whānui o Kapiti me ngā tari kāwana. Hei tūāpapa mō te oranga tonutanga mō te hāpori whānui mai Paekākāriki ki Ōtaki, mai i ngā maunga ki te moana.

Te Whakaminenga o Kāpiti

FOREWORD

I am pleased to present the Kāpiti Coast Economic Development Strategy and Implementation Plan 2020-2023 that has been developed, and will be delivered, in partnership with iwi, key partners, stakeholders, and the community. The strategy has been developed with the overarching priority of enhancing the economic wellbeing for all on the Kāpiti Coast. Our district is alive with opportunity and the vision and outcomes of this strategy align to that of our Long Term Plan, and focus on 'building a stronger Kāpiti Coast together'.

The implementation of this strategy will be overseen by an Economic Development Kotahitanga Board. This will be a collaborative governance model which will not only support the delivery of our priority actions but will also help ensure we can react to internal and external economic opportunities and impacts, such as the Covid19 pandemic. We need to be able adapt to these challenges and ensure that all participants in our economy are supported.

The next three years will see important and significant changes, including the opening of major new transport infrastructure, which will increase the attractiveness of the district to visitors, new residents, and businesses. As a community we need to ensure we can take advantage of this investment.

The approach outlined in the Strategy demonstrates the importance of partnership and working together as a district along with other regional and central government agencies to deliver on our proposed actions. These provide firm foundations, enhancing our district and the economic wellbeing of residents from Paekākāriki to Ōtaki, from the beachfront to the hillside. We will tread carefully but deliberately, which means taking specific, incremental steps that give us increased choices in the future.

Mayor K Gurunathan

EXECUTIVE SUMMARY

Introduction

As a district, the Kāpiti Coast is primed for growth, significant new infrastructure is nearing completion, our population is growing, and our attractiveness to the business and investment community is only increasing. Opportunities for local partners to work together and for the district to work more closely and strategically with our neighbouring regions are happening and these collaborations are necessary to ensure better economic outcomes and more inclusive growth.

This Economic Development Strategy and Implementation Plan (the Strategy) provides a framework for growing the Kāpiti Coast's economy for the benefit of current and future residents, iwi, communities and businesses. The Strategy covers the period 2020–2023 and replaces the previous Kāpiti Coast Economic Development Strategy 2015-2018. The Strategy has been developed in kotahitanga / partnership and will be delivered through kotahitanga / partnership. This will be fundamental to our success and to building strong foundations and community well-being over the next three years.

At this current moment, a key economic and well-being concern for us all is the Covid-19 pandemic and how this will impact our businesses and communities. The virus has already impacted many parts of our economy, and it is expected that further impacts will emerge over time. A separate recovery plan is being prepared for the district and this will be guided by our longer-term aspirations, as well as the immediate impacts in our community.

Wider strategic context

In developing this Strategy, we have also considered the wider strategic context and the need for strong cooperation and commitment at a national and regional level. This will be important to ensure effective implementation and delivery and we will continue to pursue opportunities associated with Central Government and other sources funding which can provide much needed investment in the district as we continue to grow.

The Strategy's objectives and actions also recognise the importance of delivering inclusive and sustainable growth and we are committed to enhancing the well-being of all our residents and communities in the district.

Areas of opportunity

There are significant opportunities to further grow and develop the Kāpiti Coast economy, including:

- increasing the awareness of the Kāpiti Coast as a great place to live, visit and do business; highlighting our quality of life, improved infrastructure, rich culture and resilience in order to attract more residents, businesses and investment, and increase visitor spend and guest nights
- enabling increased higher paying local job opportunities in our communities, creating more employment and training pathways for our young people / rangatahi including those not in education, employment, or training (NEET's), and facilitating opportunities for industry to

connect to the skills, talent and expertise of older people and people with disabilities in the district.

- highlighting our key sectors and environment, including what we have to offer in terms of manufacturing and service based industries, creative industries, productive lands and niche & artisan producers, attractions and parks, and working with iwi to unlock opportunities for Māori-owned land and businesses.
- supporting and encouraging more businesses to start up and establish in the district. Kapiti already has a high percentage of self-employed residents, 27.9% compared to 16.2% nationally and the opportunity exists to support further growth of these existing businesses, as well as helping new businesses establish and feel welcomed.

have the opportunity to contribute their skills and experience in a way that recognises the unique contribution that they can bring as we continue to grow and adapt.

- placing greater focus on growing and supporting our partnerships with iwi, business and the community and providing strong leadership and transparency, strengthening communication between groups and building trust.
- support for key sectors and having a better understanding of their potential for growth and how best to facilitate and support this in partnership with the sector. Initial focuses would include sectors such as Tourism and Creative Industries.

Areas we need to improve

There are also areas we need to improve, including:

- continuing to develop and make the case for additional efficient, effective, and resilient transport infrastructure across all of the Kāpiti Coast and improving our connectivity to other centres
- developing, attracting, and retaining a skilled and competitive workforce, based on an understanding of current and future workforce needs, addressing skills gaps and shortages and facilitating greater connections between businesses, education and training providers and our communities
- improving community well-being including providing pathways to higher income jobs and enabling local career progression, supporting our young people / rangātahi with sustainable pathways to employment and further training and encouraging entrepreneurship and innovation. Ensuring older people and people with disabilities in our community

Ngā Moemoea / Our vision

As a community we have developed a strategic vision, Ngā Moemoea, that is at the heart of this strategy and highlights the importance of partnership in our approach and inclusive growth for all members in our community.

Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all.

To achieve this vision, our partners, businesses, and communities have told us that we need to work together to:

- **Celebrate our rich culture and identity and highlight the opportunities and advantages of the Kāpiti Coast** and attract domestic and international visitors, residents, and businesses to the district.

- **Adopt a business-friendly focus** that enables all participants in the economy to operate to their full potential and contribute to a vibrant economy while protecting our natural environment.
- **Enable innovation, creativity and entrepreneurship** by continuing to build connections and networks with local talent and supporting sustainable pathways for our current and future employment requirements, with increased Maori employment pathways and business initiatives.
- **Strengthen partnerships and leadership**, providing increased opportunity for quality local entrepreneurship, growth and collaboration, while celebrating, protecting, and strengthening our unique and distinctive community.
- **Focus our efforts to grow those industries and sectors that provide the most potential** for the Kapiti Coast economy and our community.

Our strategic pillars

The above vision and priorities shape the five pillars, Ngā Pou, of this strategy, which are illustrated below in Figure 1.

Figure 1: Our Strategic Pillars and Focus

Ngā Moemoea / Vision	Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all				
Ngā Pou / Pillar	WHAKAPAPA / Positioning the Kāpiti Coast	KAITIAKITANGA / Open for opportunity	WHĀNAU / Growing skills and capability	KOTAHITANGA / Strengthening partnerships and Leadership	MANAAKITANGA / Supporting key sectors
Ngā Whāinga / Aim	Celebrate our rich culture and identity and highlight the opportunities and advantages of the Kāpiti Coast	Facilitate quality growth	Enable employment, innovation, creativity and entrepreneurship and improve capacity for mana whenua participation	Delivery and implementation through strengthened partnerships and leadership and recognises the significant relationship with iwi as mana whenua	Grow industries and sectors that provide the most potential for supporting improved economic well-being

Ngā Moemoea / Vision	Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all				
Ngā Mahi / Actions	<p>Develop and deliver the Kāpiti Coast Story</p> <p>Facilitate and support major events</p> <p>Build awareness of Kāpiti Coast's resiliency and our climate change focus</p>	<p>Ensure a welcoming and customer focused approach to council services</p> <p>Have a coordinated approach to the facilitation of key opportunities</p> <p>Ensure effective regulations that support growth and protect our environment, including the District Plan</p> <p>Attract new businesses and agencies to the Kāpiti Coast</p>	<p>Develop a Workforce Plan including a Youth Initiative and opportunities for Maori, older people and people with disabilities.</p> <p>Facilitate growth of international education</p> <p>Advocate for local tertiary and apprenticeship linkages</p> <p>Enhance business networking and training opportunities</p> <p>Develop a business investment and support matching programme</p>	<p>Establish an Economic Development Kotahitanga Board and finalise the monitoring and reporting framework for the Strategy</p> <p>Support the development and delivery of a Covid 19 recovery plan</p> <p>Support actions that enable mana whenua aspirations</p> <p>Advocate for new and improved essential infrastructure including electrification of rail to Ōtaki</p> <p>Support unique economic opportunities in our communities</p> <p>Advocate for increased access to affordable housing to support the growth and retention of local residents</p>	<p>Identify opportunities and barriers experienced by key sectors, including high growth sectors</p> <p>Develop a district wide Destination Plan to support the growth of the visitor economy, including strengthened air linkages and supporting infrastructure such as the Kāpiti Gateway.</p> <p>Support the development and delivery of a Kāpiti Creative Industries Plan</p> <p>Encourage the reduction of waste and emissions</p> <p>Support development of industry led groups</p>
Ngā whakaputa nga takawaenga / Medium term outcomes	<p>Increased awareness of the Kāpiti Coast as a destination</p> <p>Increase in number of attendees at major events delivered</p>	<p>Businesses recognise Kapiti as a great place to establish and grow</p> <p>Key industries and businesses feel supported</p> <p>More businesses and organisations actively considering the Kāpiti Coast</p>	<p>Improved match between workforce needs and skills available</p> <p>Increase in employment and training pathways for young people and Maori</p> <p>Increased business networking and awareness of training and support</p>	<p>Increased business engagement</p> <p>Increased advocacy for Kāpiti Coast</p> <p>Increase in Government investment into district</p>	<p>Targeted actions to support growth of key industries</p> <p>Growth of visitor economy</p> <p>Improved resilience and climate awareness across key industries and businesses</p> <p>Industry led business groups established</p>



Ngā Moemoea / Vision	Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all				
Ngā whakaputa nga roroa / Longer term outcomes	Increase in visitor numbers and expenditure Increase in new businesses establishing in district	Growth of key industries and businesses Economic impacts and opportunities of key projects understood and realised Relocation of Government Offices to Kāpiti Coast (combined 200+ FTE)	Increase level of qualification attainment Decrease in proportion of NEETs Decreased rates of unemployment Increase in investment into key industries and businesses	Increased infrastructure investment in Kāpiti Coast Manu whenua aspirations realised	Growth of key industries and businesses Reduction in emissions and increased climate resilience Sustainable multi-sector partnership and collaboration
Impacts	Employment Growth – increase in local employment options and pathways	Mean Income Growth – increase in higher paying local employment and income generating opportunities	Business Unit Growth – increase in businesses establishing, expanding and moving to the district	GDP Growth – increased growth of the local economy and key sectors.	

DRAFT

Governance and delivery

The ongoing arrangements for governance and delivery of this strategy are as important as the proposed actions. This governance needs to be consistent, continuous, and effective.

Recognising this, it is agreed that:

- the Economic Development Kotahitanga Board is established
- an independent chair is appointed by Council to build trust, pull together a strong board and provide a unified strategic direction
- the board will be selected based on capability and board members need to be able to work productively with multiple partners and stakeholders within and outside the district
- a council representative will be an ex-officio member of the board
- local iwi will be fully represented on the board
- council will provide support to the board.
- A separate Terms of Reference Agreement will be developed and agreed with the Board.

It is proposed that the initial core responsibilities of the Board would focus on overseeing the Economic Development Strategy and Implementation Plan, advocating for Kāpiti Coast and for economic development activities in the district, and being a relationship broker, with a focus on the establishment of strategic relationships to progress economic development opportunities. The Board will also play an important role in finalising and agreeing the monitoring and reporting framework for the Strategy. This recognises that given the Covid-19 pandemic, there is a need to understand more fully the

economic impacts on the local economy and how these will effect our economic performance and growth.

Priorities for year 1

The implementation plan contains a significant number of actions that will be progressed by the Board, Council and its key partners over the coming years. In year 1 our priorities are to:

- **Deliver the Kāpiti Story** – which supports our positioning the Kāpiti Coast pillar.
- **Provide a coordinated approach to the facilitation of key opportunities, such as the attraction of new businesses and government agencies.** – which supports our open for opportunity pillar.
- **Develop a Kāpiti Coast Workforce Plan**– which supports our growing skills and capability pillar.
- **Establish an Economic Development Kotahitanga Board and support the development and delivery of a Covid 19 Recovery Plan** – which supports our strengthening partnerships and leadership pillar and recognises the significant relationship with iwi as mana whenua.
- **Develop a Kāpiti Coast Destination Plan, which includes a focus on increasing opportunities for Maori business and a strategy for one other key sector** – which supports our supporting key sectors pillar.
- **Finalise the monitoring and reporting framework for the Economic Development Strategy** - which will be agreed with the Board after the Covid 19 impacts are better understood and will provide a framework for ongoing performance measurement

INTRODUCTION

Purpose of this strategy

The purpose of Economic Development Strategy and Implementation Plan 2020-2023 (the Strategy) is to provide a framework for growing and developing the Kāpiti Coast's economy for the benefit of current and future residents, iwi, community, and business.

The objectives, actions and priorities proposed in the Strategy are based upon:

- engagement and discussion with iwi, other partners, and wider stakeholders to understand their perspectives and priorities for the future of the Kāpiti Coast's economy
- an understanding of the strategic and policy context, at a local, regional, and national level, and consideration of what these mean for the Kāpiti Coast
- analysis of the Kāpiti Coast's economy and well-being, as well as an initial understanding of the impact of the current Covid-19 pandemic.

The Kāpiti Coast is primed for growth, with significant new infrastructure being developed, and new amenities such as the Te Raukura ki Kāpiti (Kāpiti Coast Performing Arts Centre), recently completed. Our district has a lot to offer to new residents, businesses and visitors and the district provides significant opportunity to support the growth of a more resilient Wellington region.

Like all districts, there are also issues and challenges that we need to address, while our infrastructure is improving there is also a need to plan for the future and to consider what else is required to make our existing industries and communities more attractive and resilient. To continue to

support quality growth we need to better understand these opportunities and ensure these don't impact our future potential.

We need to understand our key sectors, and emerging opportunities, to strategically plan to enable sustainable growth. We need to support our existing business and enable new businesses to grow. We also need to attract more visitors, more talent, and more investment. We need to nurture entrepreneurship and innovation and grow the skills and capability of our industries. Critically, we also need to support our rangatahi/young people into sustainable pathways to employment and leadership, particularly those not currently in Employment, Education or Training (NEETs).

Our district, like others across the region and nationally, faces the unprecedented challenge of responding to and recovering from the Covid-19 pandemic. Understanding the ongoing and longer-term impacts of the pandemic will be a priority for our businesses and community alike and the District will prepare a recovery plan which will sit alongside this Strategy.

Despite the immediate impacts and uncertainties created by Covid-19, over the longer term, the Kāpiti Coast's economy is well positioned to grow and prosper, with opportunities for partners to work together and for the district to work more closely and strategically with our neighbouring regions. This collaboration will enable better economic outcomes and more inclusive growth, benefiting our residents, communities, and businesses.

These issues set the context for this Strategy which replaces our 2015-2018 Economic Development Strategy and provides the framework for the development of the Kāpiti Coast economy. A strong inclusive economy means more opportunity and greater well-being for all and allows individuals, whānau, and communities the freedom to pursue their own prosperity.

In this Strategy, we set out an implementation plan with clear actions that have been developed with iwi, other partners, wider stakeholders, and the community. These actions will be delivered through partnership. This partnership will be fundamental to our success and to building strong foundations with our communities across each of the wellbeing's over the next three years (Figure 2).

Figure 2: Our Foundations for Success



Wider strategic context

In developing the strategy, we needed to consider the wider strategic context for the district, which reinforces the requirement for strong cooperation and commitment at a national and regional level. The Wellington Regional Strategy (WRS), developed in 2007 and refreshed in 2012, sets out a regional approach to support economic development and focuses on six areas:

- commercialisation of innovation

- investment mechanisms for growth
- building world-class infrastructure
- attracting business, investment, and talent to the region
- education and workforce development to service regional economy needs
- being open for business.

The Wellington Regional Economic Development Agency, WellingtonNZ, is tasked with progressing these areas and are committed to supporting the implementation of this Strategy. Alongside the WRS, the Wellington Regional Investment Plan and the Wellington Regional Growth Framework (currently being prepared) have been developed in response to government's request to have a joined up approach on key issues such as housing, transport and supporting the growth of business support in the region. The Wellington Regional Growth Framework will provide a 30 to 100-year spatial plan for the region, alignment with these will be important if we are to ensure the best possible partnership with central government as a region including the Horowhenua District.

WellingtonNZ has also recently completed the development of a Wellington Regional Workforce Plan and Government is currently developing a National Workforce Leadership Group. To ensure that we can best leverage these initiatives we will be developing a Workforce Plan for the Kāpiti Coast as one of the key priority actions of this Strategy.

Greater Wellington Regional Council's Māori Economic Development Plan is also under development and is planned to be launched in 2020. Council has discussed with iwi the continuation of a separate Māori Economic Development Plan for the Kāpiti Coast or to be a partner to this Strategy, or both. Iwi have indicated that being a partner in this Economic Development Strategy and Implementation Plan was their preferred choice and provided

the best opportunity for a joined-up approach to realising the potential of our current and future economy.

At a national level, we have seen a concerted focus since early 2018 on unlocking productivity potential in the regions under the Government's Provincial Growth Fund (PGF). Kāpiti Coast was announced as being eligible for the PGF in 2018 and the fund has already supported projects in the district. More applications are being progressed and this opportunity is likely to evolve as Government responds to Covid 19.

The Government's focus on well-being brings an inclusive growth focus to issues facing the country such as the housing shortage and climate change.

Well-being is crucial to sustainable long term economic development and is a priority for the development and delivery of our strategy.

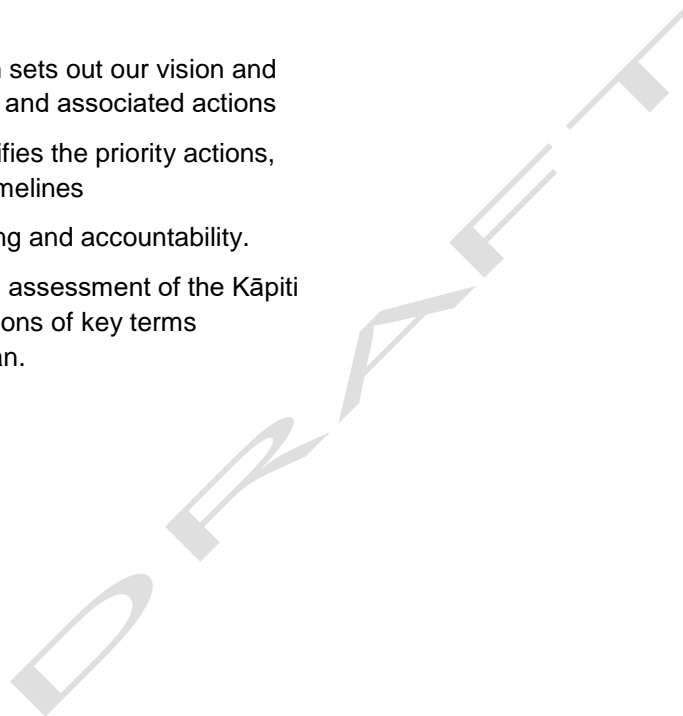
DRAFT

Introducing this strategy

The following sections of this strategy and implementation plan set out:

- an overview of the Kāpiti Coast's economy and community, together with an assessment of the key opportunities and challenges facing the district
- a strategic framework for the strategy which sets out our vision and identifies our key strategic pillars, Ngā Pou, and associated actions
- a detailed implementation plan, which identifies the priority actions, lead agencies, key partners, and delivery timelines
- our arrangements for governance, monitoring and accountability.

In addition, Appendix 1 provides a more detailed assessment of the Kāpiti Coast economy and Appendix 2 provides definitions of key terms contained in the strategy and implementation plan.



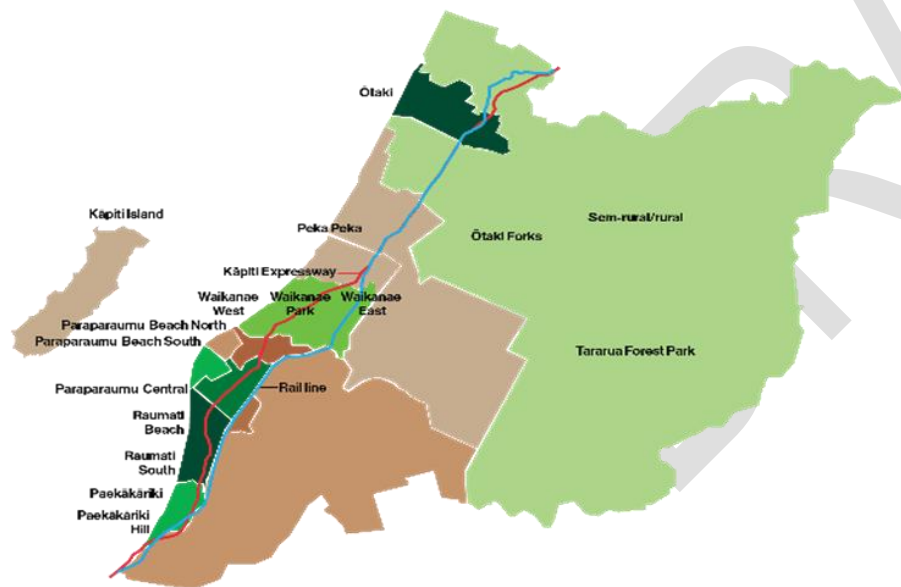
OUR ECONOMY AND COMMUNITY

People and place

We are a diverse, proud community - We are the Kāpiti Coast.

The Kāpiti Coast District extends from Paekākāriki on the southern border through to Ōtaki, and includes Kāpiti Island / Ko te Waewae Kapiti o Tara Raua ko Rangitane, a nationally important nature reserve (Figure 3)

Figure 3: Geography of the Kāpiti Coast



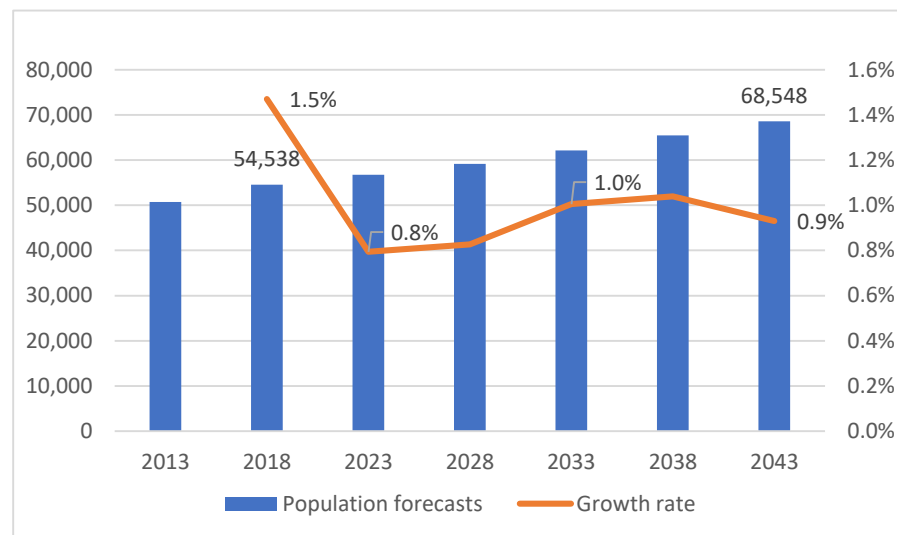
The mana whenua – the people with ‘authority and guardianship’ over the land’ – on the Kāpiti Coast are Te Āti Awa ki Whakarongotai, Ngāti Raukawa ki te Tonga and Ngāti Toa Rangatira. The Kāpiti Coast District Council works in partnership with these three iwi under a longstanding Memorandum of Partnership known as Te Whakaminenga o Kāpiti. We also recognise that some Māori on this land identify with iwi outside the rohe of the Kāpiti Coast.

Te Whakaminenga o Kāpiti first met on 8 March 1994 and stems from two core principles of the Treaty of Waitangi. The first principle, ‘partnership’, obliges both parties ‘to act reasonably, honourably and in good faith’. For that, consultation is vital. The second principle, ‘active protection’, requires the Crown to protect Māori in the use of their lands and waters to the fullest extent practicable.

Our population is growing, 2,500 people joined our community in 2019 alone, an increase of 1.3% on our 2018 population. At least 56,000 people will call the Kāpiti Coast District home in 2020, and this number is projected to continue growing as people are attracted into the district.

Forecasts from 2015 estimate that our population will reach 68,548 by 2043 (Figure 4). This is an increase of just under 1% growth per annum. Other districts such as Tauranga and Selwyn have experienced population surges, and there is the strong potential for our area to experience these same levels of growth. Any growth, if supported to be sustainable, provides opportunities for increasing our workforce, our talent pool, and growing our economy.

Figure 4: Population forecasts Kāpiti Coast 2013-2043



1 Source: idcommunity (<https://forecast.idnz.co.nz/kapiti>)

Our population is the second oldest in New Zealand, with 27% of us aged 65 or older, up from 24% in 2009. (Nationally this portion is 16%). Our working age population (15-64 years) is 10% smaller than the national average, and we also have a lower percentage of young people (0-14 years old) than the national average.

Our average household size is smaller than the Wellington Region and for the rest of New Zealand. Almost 30% of us live alone, while around 65% live in one family households.

We are within easy reach of the capital city, meaning a high proportion (46%) of our residents travel daily for work outside our district. We have pockets of wealth and pockets of deprivation. On the New Zealand Deprivation Index (NZ DEP), Ōtaki ranks as significantly deprived while

most of the semi-rural and rural areas in Kāpiti Coast are some of the least deprived in New Zealand.

Economy and industries

Alongside the strategic and demographic context set out in above, it is also important to understand the Kāpiti Coast economy. Appendix 1 provides a high-level overview of the economy and in the following section we provide a summary of:

- GDP and employment
- our key industries
- wellbeing.

GDP and employment

In 2019, GDP for the Kāpiti District was almost \$2 billion (2019 prices). On average economic growth has been increasing steadily over the past 10 years at 2.4% p.a., in line with national growth of 2.5% p.a. However, the districts economy is predicted to contract by 7% over the year to March 2021 as a result of Covid 19 impacts.

Employment figures were also positive in 2019 and our labour market was tight. A total of 17,693 people were employed in the Kāpiti Coast District in 2019. In the same year, our unemployment rate was 3.4% (compared to the national rate of 4.1%).

Self-employment in the district is high. A total of 27.9% of workers were self-employed in the Kāpiti Coast District in 2019, much higher than the national rate of 16.2%.

However, as a consequence of the impacts of Covid-19, employment growth is predicted to become negative 9.2% by March 2021, with over

1,600 jobs expected to be lost in the district and those in lower skilled jobs taking the largest hit (700). Despite this the unemployment rate is predicted to be less than the national rate (8.3% compared to 9%), and once recovery begins it is anticipated that there will be opportunities for workers who have lost their jobs to be redeployed.

A key priority of our strategy is to develop a Workforce Plan and to understand current and future workforce needs and the nature of the skills gap, this will help to inform the type of training and / or tertiary provider we need to attract to our District.

Achieving, and then maintaining educational parity between Māori and non-Māori is important, to ensure that young Māori have the skills and support to get well-paid sustainable employment and be leaders in industry and the community.

In 2018, 85% of Māori school leavers on the Kāpiti Coast left school with an NCEA Level 2 or above qualification. This percentage is much greater than the national average of 59% for Māori. However, Māori school leaver educational attainment on the Kāpiti Coast remains below the non-Māori result.

Initial estimates have indicated that young people and Māori are likely to be disproportionately impacted by the economic impacts of Covid 19 and support will be needed to ensure that this does not result in long term unemployment for these parts of our community.

Our key industries

A key set of industries continue to contribute to economic and employment growth in the district. These include:

- **Health care and social assistance** – the biggest contributor to growth over the past decade, worth 10.2% of the districts GDP in 2019 and accountable for 14.4% of all filled jobs in the district. The

strength of the industry is in part due to our elderly and aging population which has increased the demand for aged care services. While a small number of jobs (23, a reduction of 0.9%) are predicted to be lost because of Covid 19, the industry's strength will remain with GDP forecast to increase by \$0.61 million (or 0.3%) over the next year.

- **Rental, hiring and real estate services** – was worth 9.8% of the districts GDP in 2019, and employed 12.1% of those employed in 2019. Our district has become increasingly attractive and the growing housing market contributes to the strength of this industry. A decrease of activity is expected for this industry over the next year, with industry GDP falling by \$5.7 million (2.9%) but activity is likely to recover in the medium to long term.
- **Professional, scientific and technical services** – this was the second biggest contributor to economic growth over the past decade. In 2019 the industry contributed 9.8% to local GDP and accounted for 9.3% of filled jobs in the district. In 2019, 19% of those who were self-employed worked in this industry. Covid-19 will impact this industry in the short term, with 140 jobs losses (a reduction of 8.3%) predicted, with a reduction of \$12.6 million in GDP (or 6.3%) by March 2021.
- **Construction** – as a steady employer in the area, construction accounted for 15.9% of total filled jobs in 2019, and 9.1% of GDP. In 2019, almost a quarter of those who were self-employed worked in this industry. Construction activity is expected to decline in the short term, experiencing a reduction in GDP by 10.5% (the largest in the district), but will likely grow steadily between 2022-2025 and is a key response focus for government.
- **Manufacturing** – is a big contributor to GDP, worth 9.1% of total GDP in 2019, but employs a smaller portion of the local workforce, accounting for 6.1% of filled jobs in 2019. By 2021 only a small

number of jobs will be lost in the industry, but GDP is expected to fall by 5%.

- **Retail trade** – is significant as an employer, accounting for 12.1% of total filled jobs in 2019, but is less of a contributor to GDP, worth 6.4% of total GDP in 2019. By 2021 around 250 jobs will likely be lost due to Covid-19 (a reduction of 12%) and GDP is expected to fall by \$10 million (or 7.7%).
- **Education and training** - education on the Kāpiti Coast is reputable, strong, and growing. The industry made up 4.4% of GDP and accounted for 8.8% of total filled jobs in 2019. Covid 19 is expected to increase the demand for education and training as workers reskill themselves for the future with government announcing a number of schemes including apprenticeships to help address significant unemployment. Access to tertiary education courses has been impacted by the closure of the Whiteirea facility
- **Tourism** - tourism GDP was \$98.2 million, or the equivalent of 4.9% of the districts GDP in 2019. The accommodation and food services industry which contributes to tourism GDP is a big employer in the region accounting for 7.5% of filled jobs in 2019. In 2020 tourism has experienced significant reductions in activity due to Covid-19 however domestic visitor activity is predicted to help revive the industry as restrictions allow. The district only has a small reliance on international tourism and as a result has not seen the same level of impacts as regions like Queenstown or Rotorua
- **Creative Industries** – the district is recognised as a creative area, with 4.2% of the local workforce employed in the sector, and the fourth highest concentration of creative jobs nationally, in 2019. However, Covid-19 is likely to have a severe impact on most of this sector and efforts to revive jobs in the sector will be needed.

While recent economic performance has been good for many sectors, unfortunately as shown above, Covid-19 will likely reverse growth trends across most industries, with the full impacts not yet known. This will also impact incomes in the district either through wage reductions or job losses. As of 2019, mean annual earnings (a source of household income) for the Kāpiti Coast was \$48,805, which is already significantly less than the national average of \$63,000. More details are provided in Appendix 1.

Well-being

Sustainable economic growth is an important contributor, but many factors determine people's wellbeing such as housing affordability, household income and mental health. Just because a district or country is doing well economically does not mean all its people are. We want all of our community to have the ability to share in the benefits of a strong and growing economy. Making the best choices for current and future generations requires working together to look beyond economic growth on its own and consider social, environmental, and cultural implications.

While there is still no single and universally accepted definition or measurement of well-being there are a few clear areas where action is needed if we are to improve the well-being and quality of life of all our communities, including:

- **Jobs and earnings** – the Kāpiti Coast has a higher proportion of workers in industries that are forecast to decline, leaving these workers more vulnerable if these job losses do occur.
- **Skills** – the Kāpiti Coast has a lower proportion of workers who are classified as highly-skilled, reducing the potential for wage growth and higher paying jobs.
- **Young people Not in Education, Employment or Training (NEET)** – the district historically has a higher NEET rate than other parts of

the country, making pathways to employment more difficult and making it harder for employers to maintain existing workforce levels in the future.

- **Income and consumption** – on average our householders have lower household income figures, driven by a lower personal earning potential than experience in other parts of the country and resulting in reduced local consumption and increased pressures on housing and rental affordability.

Areas of opportunity

There are significant opportunities to further grow and develop the Kāpiti Coast economy, including:

- increasing the awareness of the Kāpiti Coast as a great place to live, visit and do business; highlighting our quality of life, improved infrastructure, rich culture and resilience in order to attract more residents, businesses and investment, and increase visitor spend and guest nights
- enabling increased higher paying local job opportunities for our communities, creating more employment and training pathways for our young people / rangatahi including those not in education, employment, or training (NEET's), and facilitating opportunities for industry to connect to the skills, talent and expertise of older people and people with disabilities in the district.
- highlighting our key sectors and environment, including what we have to offer in terms of manufacturing and service based industries, creative industries, productive lands and niche & artisan producers, attractions and parks, and working with iwi to unlock opportunities for Māori-owned land and businesses.

- supporting and encouraging more businesses to start up and establish in the district. Kapiti already has a high percentage of self-employed residents, 27.9% compared to 16.2% nationally and the opportunity exists to support further growth of these existing businesses, as well as helping new businesses establish and feel welcomed.

Areas we need to improve

There are also areas we need to improve, including:

- continuing to develop and make the case for additional efficient, effective, and resilient transport infrastructure across all of the Kāpiti Coast and improving our connectivity to other centres
- developing, attracting, and retaining a skilled and competitive workforce, based on an understanding of current and future workforce needs, addressing skills gaps and shortages and facilitating greater connections between businesses, education and training providers and our communities
- improving community well-being including providing pathways to higher income jobs and enabling local career progression, supporting our young people / rangātahi with sustainable pathways to employment and further training and encouraging entrepreneurship and innovation. Ensuring older people and people with disabilities in our community have the opportunity to contribute their skills and experience in a way that recognises the unique contribution that they can bring as we continue to grow and adapt.
- placing greater focus on growing and supporting our partnerships with iwi, business and the community and providing strong leadership and transparency, strengthening communication between groups and building trust.

- support for key sectors and having a better understanding of their potential for growth and how best to facilitate and support this in partnership with the sector. Initial focuses would include sectors such as Tourism and Creative Industries.

Priorities for action

In order to take advantage of these opportunities and ensure we can make improvements where required there are a number of actions we need to take, key priorities include:

- **Addressing the skills gap** – skills gaps are impacting all industries and highly skilled people being the most competitively sort after. We need to understand our current skills gap and the type of skills we will need in our workforce and key sectors will need in the future.
- **Supporting our rangatahi/young people** – our young people are an important asset and we need to create sustainable pathways to employment and further training. Historically we have a relatively high proportion of young people not in Education, Employment or Training (NEET) and large proportion of the youth population leave Kāpiti Coast for education and employment opportunities in larger centres. We need greater diversity with employment opportunities for youth and greater connectivity to local businesses.
- **Creating greater connections for older people and people with disabilities into our economy** – connecting older people and people with disabilities to local businesses and key industries and creating

more opportunity to share their skills, experience and connections to support new and growing businesses, entrepreneurs and workers.

- **Growing higher incomes** – a high percentage of our workers are in low income jobs compared to the rest of New Zealand (retail trade, health care, social assistance, education, training, accommodation, food services). A greater proportion of households are in the low and medium income groups.
- **Attracting and utilising talent and skills** – a total of 46% of workers live in Kāpiti Coast but work outside the district, with 25% working in Wellington City where their earning potential is currently often greater. Growing more highly skilled local jobs is important as this large commuting workforce provides significant unutilised potential that is not benefiting the local economy and resulting in extended periods away from family and community which impacts overall wellbeing.
- **Developing better amenities and services** – while there have been improvements in our infrastructure, the district still has limited amenities compared to other regions (e.g. no tertiary education facilities compared to Wellington and Palmerston North; no hospital; no rail transport north of Waikanae, infrequent bus services).
- **Placing greater focus on growing and supporting our partnerships and providing strong leadership** – these issues need a collective response, this means providing leadership and transparency, strong communication, building trust and partnerships to deliver our Strategy.

STRATEGIC FRAMEWORK

Ngā Moemoea / Our vision

The above context and supporting analysis, has informed our vision for this Economic Development Strategy and Implementation Plan. As a community we have developed a strategic vision, Ngā Moemoea, that is at the heart of this Strategy.

Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all.

To achieve this vision, our partners, businesses, and communities have identified the need to work together to:

- **Celebrate our rich culture and identity and highlight the opportunities and advantages of the Kāpiti Coast** and attract domestic and international visitors, residents, and businesses to the district.
- **Adopt a business-friendly focus** that enables all participants in the economy to operate to their full potential and contribute to a vibrant economy while protecting our natural environment.
- **Enable innovation, creativity and entrepreneurship** by continuing to build connections and networks with local talent and supporting sustainable pathways for our current and future employment requirements, with a focus on Maori employment pathways and business initiatives.

- **Strengthen partnerships and leadership**, providing increased opportunity for quality local entrepreneurship, growth and collaboration, while celebrating, protecting, and strengthening our unique and distinctive community.
- **Focus our efforts to grow those industries and sectors that provide the most potential** for the Kapiti Coast economy and our community.

Action in each of these areas will be essential if we are to deliver our vision and enhance our economy. The benefits of an enhanced economy extend well beyond the direct financial benefits.

The bigger picture includes higher living standards, affordable housing, a sustainable environment and workforce and a district with access to services and amenities that support and improve our communities' health and well-being; delivered through greater social amenity and more choices for local residents.

By working together on these areas, we can expect to see a range of benefits, which could include:

- Attracting new businesses, and growing key existing sectors, will attract talent and new residents, develop our workforce skills, grow jobs, and generate increased higher income opportunities. This means there are more employment opportunities for residents which reduces the need to commute, as well as greater spend in our local economy enhancing wellbeing.
- Growing and promoting Kāpiti Coast as a destination, means that new businesses and visitors will have a positive knock on effect to our economic wellbeing through household income, local jobs, visitor spend, local services and amenities.

- More generally, the visitor economy allows Kāpiti Coast to maintain a larger economic footprint than the population could support by expanding the scale and range of commercial activities that can be sustained. This creates more choices for residents, for example, the food and beverage offering in Kāpiti Coast would be greatly reduced in the absence of the visitor economy.
- Supporting our youth / rangatahi population which not only offers a sustainable workforce opportunity for Kāpiti Coast but an opportunity to grow and support young innovators and entrepreneurs. This means Kāpiti Coast programmes such as Work Ready Kāpiti, Zeal, Startup Weekend (linked to Techweek), The Māoriland Hub and Pop Up Business School provide our rangatahi / young people with support, greater choice, opportunities and stepping stones to a bright future.
- Working in partnership with our community to shape our district's economy and environment. This means a more holistic and joined up approach to enhancing our wellbeing, environment and growing the Kāpiti Coast. Kāpiti Coast District Council is already the leading Council in NZ for sustainability and climate change, we reduced our footprint by 76% and will continue working to reduce this further. This means we will work with Manu Whenua, our community, and businesses to encourage best practice and continue to improve.

Our strategic pillars

The above priorities and vision, shape the five pillars, Ngā Pou, of this Strategy, and emphasise the need for the delivery of the Strategy in partnership and the importance of ensuring that all parts of our district can benefit from our actions over the next three years and beyond (Figure 5).

Figure 5: Ngā Pou

Whakapapa	Kaitiakitanga	Whānau	Kotahitanga	Manaakitanga
Positioning the Kāpiti Coast	Open for Opportunity	Growing Skills and Capability	Strengthening Partnerships and Leaderships	Supporting Key Sectors

Looking at the objectives of each of these strategic pillars:

- **Whakapapa / Positioning the Kāpiti Coast** – focuses on the actions required to enhance the visibility and attractiveness of the Kāpiti Coast as a destination.
- **Kaitiakitanga / Open for opportunity** – focuses on the actions that will make the district more responsive and open to quality growth.
- **Whānau / Growing skills and capability** – focuses on the actions that support workforce development, creativity, entrepreneurship and sustainability.
- **Kotahitanga / Strengthening partnerships and leadership** – focuses on the actions that will ensure we have robust mechanisms for working together at both a local and regional level.
- **Manaakitanga / Supporting key sectors** – focuses on actions that support the growth of key sectors and industries.

Under each of these pillars we have identified key actions which will be critical to delivering our objectives and overall vision (Figure 6). For each pillar we have indicated the medium-term outcomes which we will be reported and monitor against over the next three years. We have also identified longer-term outcomes, which we expect to see improvements against over the next five years, while there is a connection between the

medium and longer term outcomes, progress against the longer term outcomes will also be influenced by other external factors.

Finally, we have also identified impacts that align with the priorities of the Strategy and our vision for the Kapiti Coast's economy, progress against these impact indicators will largely be outside of our control but they will be important indicators to measure progress against and to ensure that the actions we are taking are contributing to growing our local economy for the benefit of all our community. Our overall approach to measuring outcomes and impacts recognises that, given the implications of Covid-19, the Kapiti Coast needs to ensure that it continues to maintain or improve its performance against national and regional averages and those of our neighbouring districts.

DRAFT

Figure 6: Kāpiti Coast Economic Development Strategy – Strategic Framework

Ngā Moemoea / Vision	Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all				
Ngā Pou / Pillar	WHAKAPAPA / Positioning the Kāpiti Coast	KAITIAKITANGA / Open for opportunity	WHĀNAU / Growing skills and capability	KOTAHITANGA / Strengthening partnerships and Leadership	MANAAKITANGA / Supporting key sectors
Ngā Whāinga / Aim	Celebrate our rich culture and identity and highlight the opportunities and advantages of the Kāpiti Coast	Facilitate quality growth	Enable employment, innovation, creativity and entrepreneurship and improve capacity for mana whenua participation	Delivery and implementation through strengthened partnerships and leadership and recognises the significant relationship with iwi as mana whenua	Grow industries and sectors that provide the most potential for supporting improved economic wellbeing
Ngā Mahi / Actions	<p>Develop and deliver the Kāpiti Coast Story</p> <p>Facilitate and support major events</p> <p>Build awareness of Kāpiti Coast's resiliency and our climate change focus</p>	<p>Ensure a welcoming and customer focused approach to council services</p> <p>Have a coordinated approach to the facilitation of key opportunities</p> <p>Ensure effective regulations that support growth and protect our environment, including the District Plan</p> <p>Attract new businesses and agencies to the Kāpiti Coast</p>	<p>Develop a Workforce Plan including a Youth Initiative and opportunities for Maori, older people and people with disabilities.</p> <p>Facilitate growth of international education</p> <p>Advocate for local tertiary and apprenticeship linkages</p> <p>Enhance business networking and training opportunities</p> <p>Develop a business investment and support matching programme</p>	<p>Establish an Economic Development Kotahitanga Board and finalise the monitoring and reporting framework for the Strategy</p> <p>Support the development and delivery of a Covid 19 recovery plan</p> <p>Support actions that enable mana whenua aspirations</p> <p>Advocate for new and improved essential infrastructure including electrification of rail to Ōtaki</p> <p>Support unique economic opportunities in our communities</p> <p>Advocate for increased access to affordable housing to support the growth and retention of local residents</p>	<p>Identify opportunities and barriers experienced by key sectors, including high growth sectors</p> <p>Develop a district wide Destination Plan to support the growth of the visitor economy, including strengthened air linkages and supporting infrastructure such as the Kāpiti Gateway.</p> <p>Support the development and delivery of a Kāpiti Creative Industries Plan</p> <p>Encourage the reduction of waste and emissions</p> <p>Support development of industry led groups</p>

Ngā Moemoea / Vision	Through partnership, support the growth of a vibrant, diverse Kāpiti Coast economy that provides increased opportunity, resilience, and well-being for all				
Ngā whakaputa nga takawaenga / Medium term outcomes	Increased awareness of the Kāpiti Coast as a destination Increase in number of attendees at major events delivered	Businesses recognise Kapiti as a great place to establish and grow Key industries and businesses feel supported More businesses and organisations actively considering the Kāpiti Coast	Improved match between workforce needs and skills available Increase in employment and training pathways for young people and Maori Increased business networking and awareness of training and support	Increased business engagement Increased advocacy for Kāpiti Coast Increase in Government investment into district	Targeted actions to support growth of key industries Growth of visitor economy Improved resilience and climate awareness across key industries and businesses Industry led business groups established
Ngā whakaputa nga roroa / Longer term outcomes	Increase in visitor numbers and expenditure Increase in new businesses establishing in district	Growth of key industries and businesses Economic impacts and opportunities of key projects understood and realised Relocation of Government Offices to Kāpiti Coast (combined 200+ FTE)	Increase level of qualification attainment Decrease in proportion of NEETs Decreased rates of unemployment Increase in investment into key industries and businesses	Increased infrastructure investment in Kāpiti Coast Manu whenua aspirations realised	Growth of key industries and businesses Reduction in emissions and increased climate resilience Sustainable multi-sector partnership and collaboration
Impacts	Employment Growth – increase in local employment options and pathways	Mean Income Growth – increase in higher paying local employment and income generating opportunities	Business Unit Growth – increase in businesses establishing, expanding and moving to the district	GDP Growth – increased growth of the local economy and key sectors.	

IMPLEMENTATION AND DELIVERY

DRAFT

Detailed action plans

The following section details the specific actions that form the basis of the implementation plan for this Strategy. Each of the proposed actions have been prioritised using a rating of 1, 2 or 3, with those actions rated 1 being the top priority for delivery. For each action, we have identified the lead agency who will drive the delivery with identified partners that may have direct involvement or function in an advisory / information only capacity. We then describe how lead each lead agency will work with partners to deliver the key action. Finally, we have set out an anticipated timeline for the start and completion of each action.

Ngā Pou / Pillar: Whakapapa / Positioning the Kāpiti Coast

The aim of the **Whakapapa / Positioning the Kāpiti Coast** pillar is to celebrate our rich culture and identity and highlight the opportunities and advantages of the Kāpiti Coast to increase visitation, support the growth of new and existing businesses and grow the district's residential population. Proposed actions are detailed in Table 1.

Table 1: Whakapapa / Positioning the Kāpiti Coast – Key Actions

Nga Mahi / Action	Priority	Lead	Partners	How we will work	Delivery
Complete the development and implementation of the Kāpiti Coast Destination Story, including an update and refresh of the Kāpiti Coast destination website including business research, develop a set of marketing and promotional material - available for use by the Council, partners and stakeholders, including business and community. Secure dedicated marketing resource and budget.	1	KCDC	Iwi, WellingtonNZ, Chamber, Manaaki, Kāpiti Arts & Creative Industries group and other Industry Groups, Youth Council.	KCDC will lead this action with input and support sought from our partners. Further work with iwi, businesses and partners will be required on an ongoing basis to keep the story relevant and up-to-date.	Jul 20 - Ongoing
Facilitate and support the delivery of major events and encourage greater business connectivity and community involvement	1	KCDC	Iwi, WellingtonNZ, Chamber, Community Boards, Event organisers	KCDC will coordinate a process with partners to ensure greater awareness, support and leverage of our Major Events.	Ongoing
Building awareness of local resiliency and climate change opportunities in Kāpiti Coast, looking both at the opportunity to attract new businesses and to improve the resilience of existing industries in the district.	2	KCDC	Iwi, GWRC, WellingtonNZ, Chamber, Community Boards	Council will work with partners to enhance and promote the Kāpiti Coast's climate change and resilience opportunities.	Sept 20 – Sept 21

Ngā Pou / Pillar: Kaitiakitanga / Open for opportunity

The aim of the **Kaitiakianga / Open for Opportunity** pillar is to adopt a customer focus that enables all participants in the economy to operate to their full potential and contribute to a vibrant economy while protecting the natural environment. Proposed actions are detailed in Table 2.

Table 2: Kaitiakianga / Open for Opportunity – Key Actions

Nga Mahi / Action	Priority	Lead	Partners	How we will work	Delivery
Deliver a welcoming and customer focused approach to council services that works in partnership with others.	1	KCDC	Iwi, Industry, Chamber, Community.	KCDC to implement a process for evaluating improvement in our customer approach across the organisation that is reported to Council and Community annually.	Aug 20- Ongoing
Provide a coordinated approach to the facilitation of key opportunities	1	KCDC	Iwi, Industry Groups, WellingtonNZ, Chamber	KCDC will review its activities to ensure a coordinated approach is taken to facilitate key investment and business opportunities in the district.	Aug 20 – ongoing
Ensure effective policies and regulations, including the District Plan that support growth and protect our environment, ensuring they support quality growth outcomes and enables the effective and efficient utilisation of available land; that meets the requirements of all users, including business and housing.	2	KCDC	Iwi, Development Community, Chamber, Industry Groups, Housing Taskforce, Community, Youth Council	KCDC's will work with partners to encourage clear communication and understanding of new policies and regulations and that our community feel that they have had the chance to be part of this process. A newsletter to industry will be developed to support this.	Ongoing
Take a targeted approach to attract new businesses and agencies to the Kāpiti Coast, with an initial focus on increased Government presence and growing more higher paid jobs and skills.	2	KCDC	Iwi, WellingtonNZ, NZTA, Industry, Gvmt agencies	Council will work with partners to drive the importance of Kāpiti Coast as a District that offers resilience and diversity to businesses and to Government agencies.	Aug 20 – Ongoing

Ngā Pou / Pillar: Whānau / Growing Skills and Capability

The aim of the **Whānau / Growing Skills and Capability** pillar to enable innovation, creativity, entrepreneurship and growth, while building connections and networks with local talent in the community and supporting sustainable pathways for employment and improving capacity for mana whenua participation. Proposed actions are detailed in Table 3.

Table 3: Whānau / Growing Skills and Capability – Key Actions

Nga Mahi / Action	Priority	Lead	Partners	How we will work	Delivery
Develop and deliver a Workforce Plan including a youth initiative	1	KCDC / Iwi	Chamber, Industry, MSD, Work Ready Kāpiti, Youth Council.	KCDC will work with industry to understand workforce needs and skill gaps. KCDC will work with partners to co-design a Youth Initiative for PGF – He Poutama Rangatahi Fund and a programme to support connecting people with disabilities with suitable employers, business opportunities and training pathways.	Feb 20 – Jun 21
Develop in partnership with our older persons and industry a program that offers opportunities for older persons to re-enter the workforce e.g. contract, mentor in business and supporting young people.	2	KCDC	Iwi, Grey Power, Kāpiti Retirement Trust, Industry, Chamber, KEDA, Older Persons Council	Chamber will facilitate with partners the development of a programme for older persons to re-enter the workforce, mentoring, training, supporting young people into work etc	Feb 21
Facilitate the growth and attraction of international education	2	Kāpiti Coast College	KCDC, WellingtonNZ, Youth Council, colleges, and schools	Council and WellingtonNZ support Kāpiti's International Education Programme through promotion and identifying growth opportunities.	Ongoing
Deliver relevant business workshops and networking events. Create greater visibility and increase access to training and networking in Kāpiti and Wellington to support the growth and establishment of businesses in the district.	2	Wellington NZ / Chamber of Commerce	KCDC, Industry Groups and businesses	Wellington NZ and Chamber will work with partners to understand training, business workshop needs. Chamber will work with partners to promote networking events	Ongoing
Advocate for tertiary and apprenticeship linkages that enable pathways, upskilling and higher incomes linking with the Wellington Regional Workforce Development Strategy	2	KCDC / Iwi	Youth Council, Universities, Weltec / Whiteirea, Wananga WellingtonNZ, Chamber of Commerce, National Skills Academy	Co-designing fit for purpose programmes based on industry need, growth and demand working to enable a sustainable workforce and higher incomes.	Aug 20 – Ongoing

Develop a business investment and support matching programme to support the growth and establishment of businesses in the district..	2	KEDA	WellingtonNZ, KCDC, Chamber of Commerce	Kick Start Kāpiti will develop this programme with support from its partners by way of advice and promotion.	Aug 20 – Dec20
--	---	------	---	--	----------------

Ngā Pou / Pillar: Kohahitanga / Strengthening Partnerships and Leadership

The aim of the **Kohahitanga / Strengthening Partnerships and Leadership** pillar to achieve effective delivery and implementation of this Strategy through strengthened partnerships and leadership and recognise the partnership with iwi as mana whenua. Proposed actions are detailed in Table 4.

Table 4: Kohahitanga / Strengthening Partnerships and Leadership – Key Actions

Nga Mahi / Action	Priority	Lead	Partners	How we will work	Delivery
Establish an Economic Development Kotahitanga Board, which will be capability based and led by an independent chair and finalise the monitoring and reporting framework for the Strategy	1	KCDC / Iwi	Drafting Group, Chamber, KEDA	KCDC will work with Partners and Stakeholders to finalise an appropriate model and Terms of Reference to setup and implement.	Aug 20
Support the delivery of actions identified by iwi that enable the aspirations of mana whenua.	1	Iwi	KCDC, WellingtonNZ, industry, GWRC, DoC	Te Whakaminenga o Kāpiti will work with partners to shape actions and how they will be delivered for mana whenua.	Ongoing
Support the development and delivery of Covid 19 recovery plan for the Kapiti Coast	1	KCDC	Iwi, Industry, Wellington NZ, Govt, Chamber, Community	KCDC will work with Partners and Stakeholders to develop and implement a recovery plan	Aug 20 - Ongoing
Advocate for increased access to affordable and social housing to support the growth and retention of the local residents.	1	KCDC / Iwi	Community	Advocate to Government to increase investment and support for increased social and affordable housing by completing an analysis of the current housing availability and impacts on community and personal wellbeing.	Sep 20 - Ongoing
Advocate for improved transport infrastructure including the extension of the electrification of rail to Ōtaki as a priority to support growth.	2	KCDC	WellingtonNZ, NZTA, Elevate Ōtaki, Iwi, Community Boards, KEDA Chamber	Lobby GWRC and Government's Transport Minister, as a District on the significant economic impact.	Ongoing

Nga Mahi / Action	Priority	Lead	Partners	How we will work	Delivery
Support Elevate Ōtaki activities with the ongoing work pertaining to the expressway and future opportunities.	3	Elevate Ōtaki	KCDC, Iwi, Ōtaki Community Board	Elevate Ōtaki will continue to progress actions that came out of their Ōtaki Business Survey.	Ongoing
Support the redevelopment of the Waikanae Library in the Waikanae Town Centre	3	KCDC	Waikanae Community Board, Iwi, Businesses, Destination Waikanae	Establish a project advisory group inform the project vision, objectives and analysis of potential future building options	June 20 - Ongoing
Support the Wainuiwhenua project, Paekākāriki to understand the economic impact of the proposal.	3	Wainuiwhenua project	GWRC, Iwi, Paekākāriki Community Board, KCDC, DoC	We will support the Wainuiwhenua Project and partners to understand the economic impact of the proposal.	Ongoing

Ngā Pou / Pillar: Manaakitanga / Supporting Key Sectors

The aim of the **Manaakitanga / Supporting Key Sectors** pillar to grow industries and sectors that provide the most potential for supporting improved economic wellbeing. Proposed actions are detailed in Table 5.

Table 5: Manaakitanga / Supporting Key Sectors – Key Actions

Nga Mahi / Action	Priority	Lead	Partners	How we will work	Delivery
Undertake research to identify how best to support our high growth sectors, their potential for further growth and current constraints and opportunities for growth.	1	KCDC	Industry, WellingtonNZ, Iwi	KCDC will work with WellingtonNZ to identify and understand our high growth sectors which will inform an industry specific growth plan.	Aug 20 – Jul 21
Develop and implement a district wide Destination Plan which links into the Regional Destination Plan.	1	Wellington NZ / KCDC	Manaaki Kapiti, Iwi, Industry	KCDC will work with partners to develop and implement our Visitor Destination Plan including strengthened air linkages and supporting infrastructure such as the Gateway project.	Aug 20 – Mar 21
Support the Kāpiti Creative Industries cluster group to develop the Kāpiti Creative Industries Action Plan including attracting investment to assess the feasibility of establishing a Creative Hub, skills development and visitor attraction projects.	1	KACI	KCDC, Kapiti Chamber of Commerce, WellingtonNZ, MBIE, Iwi.	KACI will seek input, advise, and support from its partners to develop and implement their industry action plan, including the identified actions relating to the Creative Hub, skills development and visitor attraction projects.	Jun 20 – Mar23
Encourage the reduction of waste and emissions as both a way to cut costs but also have a positive environmental impact	2	KCDC	Industry/business, iwi, Chamber of Commerce	KCDC will work with partners to promote that we provide waste audits for businesses, support zero waste major events and will focus on working with developments / builders to reduce waste from building	Sep 20 – ongoing
Support the development and ongoing growth of industry led groups.	2	Industry	KCDC, WellingtonNZ, education providers, Chamber, KEDA	Support industry groups to identify their roadblocks to growth, training needs and wider support opportunities and lobby on their behalf.	Ongoing

GOVERNANCE AND ACCOUNTABILITY

Accountability

This section describes how the Economic Development Strategy and Implementation Plan will be delivered with transparency and accountability. This includes details on the approach to:

- Governance
- Prioritisation
- Monitoring and reporting
- Review
- Implementation timeline

Governance

For all partners and stakeholders, the ongoing arrangements for governance and delivery of this strategy and implementation plan are as important as the proposed actions. There is recognition that governance needs to be consistent, continuous, and effective.

It is the shared view of Council, our partners and stakeholders, that the governance of this strategy should be independently led, and council supported with future transition to a more independent model. All partners and stakeholders are committed to governance principles based on:

- Transparency
- Accountability
- Stewardship

- Integrity
- Trust

In this context, independence is critical, but there is a need to ensure that partners and stakeholders work together as a district to delivery this strategy. Recognising this, it is agreed that:

- the Economic Development Kotahitanga Board is established
- an independent chair is appointed by Council to build trust, pull together a strong board and provide a unified strategic direction
- the board will be selected based on capability and board members need to be able to work productively with multiple partners and stakeholders within and outside the district
- a council representative will be an ex-officio member of the board
- local iwi will be fully represented on the board
- council will provide support to the board.
- A separate Terms of Reference Agreement will be developed and agreed with the Board.

It is proposed that the initial core responsibilities of the Board would focus on overseeing the Economic Development Strategy, advocating for the Kāpiti Coast and for economic development activities in the district, and being a relationship broker, with a focus on the establishment of strategic relationships to progress economic development opportunities. The Board will also play an important role in finalising and agreeing the monitoring and reporting framework for the Strategy. This recognises that given the Covid-19 pandemic, there is a need to understand more fully the economic impacts

on the local economy and how these might effect our economic performance and growth

Prioritisation

The detailed action plans set out previously contain a significant number of actions that will be progressed by the Council and its key partners over the coming years. Looking across the strategic pillars, Table 6 sets out each of the priority actions for year 1.

Table 6: Year 1 – Priority Key Actions

Pillars / Ngā Pou	Year 1 Priority Action	Delivery Timeline
Positioning Kāpiti Coast / Whakapapa	Deliver the Kāpiti Coast Story	Ongoing
Open for Opportunity / Kaitiakitanga	Provide a coordinated approach for key investment and business opportunities	Aug 2020 – Ongoing
Growing Skills & Capability / Whānau	Develop a Kāpiti Coast Workforce Plan, including youth initiative	Feb 20 – Jun 21
Supporting key sectors / Manaakitanga	Develop a Kāpiti Coast Destination Plan and a strategy for one other key sector	Aug 20 - Jun 2021
Strengthening Partnerships and Leadership / Kotahitanga	Establish an Economic Development Kotahitanga Board and finalise the monitoring and reporting framework for the Strategy.	Aug 20

Monitoring and Reporting

Monitoring progress and making recommendations for the future is critical to a well-functioning Strategy and Implementation Plan. It helps us know what

is working and what might need to change. These are important mechanisms for managing risk and holding each other to account if implementation does not happen as it should.

A half yearly report will be prepared outlining progress to date against each of the actions, timeframes and issues and risks. This report will be published with immediacy after each meeting on the Council's website. Elements of the report may be withheld if there are reasons to do so, such as commercial-in-confidence information.

The Chair of the Governance Board will provide an in-person by-exceptions report to Council at least every six months to detail progress against the Strategy and Implementation Plan, and receive advice from elected members at this time on any improvements or additional actions (which would require sufficient resourcing).

The Chair of the Governance Board will oversee development of an annual report for publication at the end of Year 1 and Year 2 of operations, identifying progress, risks, and next steps. Council senior leadership and staff will make themselves available to work with community members on actions and provide updates, as is deemed reasonable and fair.

Review

The Chair of the Governance Board will commission a short (6 week) review mid-way through Year 2 to establish whether the Strategy and Implementation Plan are on track and the governance is working effectively. Recommendations will be provided to the Council and reported on publicly.

The Chair of the Governance Board will initiate planning for the next three years of the Economic Development Strategy and Implementation Plan (i.e. 2023-2026) from the beginning of Year 3. In addition, the annual reporting process will also serve as a mechanism for reviewing progress and establishing future year priorities.

APPENDIX 1: OUR ECONOMY

GDP and growth

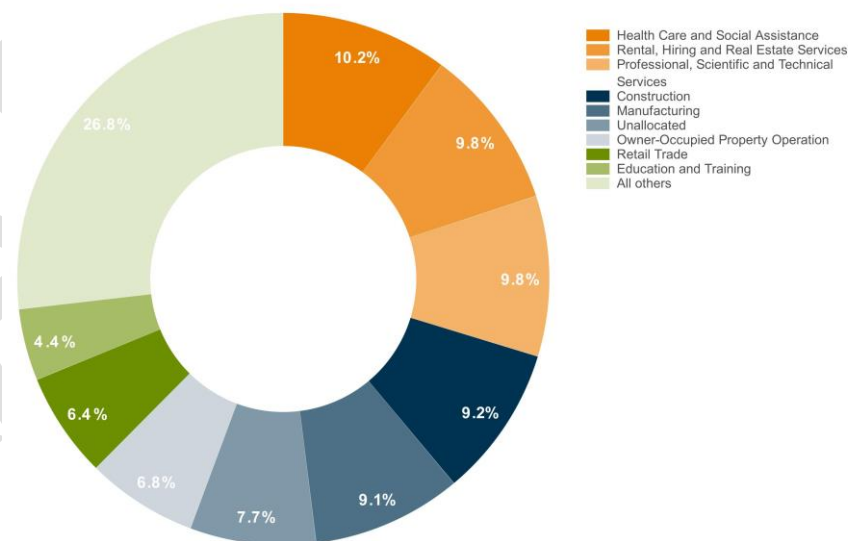
GDP for the Kāpiti Coast District was almost \$2 billion in 2019 (2019 prices), growing by 1.5% on the previous year. This was only half the rate of growth New Zealand experienced, with growth of 3% between 2018 and 2019.

Key sectors that contributed to our GDP in 2019 include:

- Health care and social assistance - 10.2%
- Rental, hiring and real estate services – 9.8%
- Professional, scientific and technical services – 9.8%
- Construction - 9.2%
- Manufacturing – 9.1%
- Retail trade – 6.4%
- Education and training - 4.4%

These industries are also our biggest employers, making up 70% of total filled jobs in the district. (More detail is provided in the following sections on key industries and employment).

Figure 7: Proportion of GDP 2019



Source: Infometrics

Over the last 10-years, economic growth in the district averaged 2.4% p.a. compared with an average of 2.5% p.a. nationally.

Health care and social assistance, and the professional, scientific and technical services industries were the two biggest contributors to economic growth during this time.

Immediate future growth is expected to be negative as a result of Covid 19 impacts. The districts economy is predicted to contract by 7% over the year to March 2021. While the national economy contracts by 8%. The construction and retail industries will experience the largest decline in GDP over this time period.

Key industries

Construction

Construction was the third largest contributor to economic growth over the past decade. In 2019, construction contributed \$184m to GDP (9.2% of total GDP).

In 2019, it was the largest industry employer in the area. 2,805 people were employed in construction, making up 15.9% of total filled jobs in the district.

Construction is also an important industry for those who are self-employed. 1,174 people were self-employed in the construction sector. This is 41.9% of total employment in the construction industry in 2019.

House construction was the largest employer within the construction industry in, comprising 594 of all jobs in the industry, an increase of 44 jobs in the last year to March 2019.

Large infrastructure investments in the area also contribute to construction's importance in the district's economy. Transmission Gully, a 27 km, 4 lane motorway which runs from Paekākāriki (in the Kāpiti Coast District) south to Linden (in Tawa), is likely to be completed by 2021. An expressway from Peka Peka to Ōtaki is also expected to be open to traffic by 2021.

Future projects include the construction of a four-lane highway from Ōtaki to north of Levin by 2029. Together these projects comprise a substantial portion of the Wellington Northern Corridor. They will provide increased connectivity to the coast and help support the construction industry long term.

In the short term, Infometrics expects that the amount of money spent on construction projects overall will continue to decline due to Covid-19 impacts. This is expected to rise between 2022-25 as investment begins after a period of historically low construction volumes and the government tries to stimulate the economy through infrastructure projects, and housing demands continue.

GDP for the industry is expected to fall by \$19.2 million between March 2020 and March 2021. Employment in the industry is expected to fall by 326 jobs between 2020 and 2021 (a decrease of 11.6%). With this lower construction work likely to see the largest reduction in Māori employment.

Health care and social assistance

The health care and social assistance industry is the largest contributor to GDP in the district worth \$203.3 million in 2019 (10.2% of total GDP). It

contributes a much higher percentage towards GDP in the Kāpiti District than New Zealand as whole, with the sector making up only 5.8% of national GDP.

The industry is our second largest industry employer, employing 2,540 (14.4% of total filled jobs) in 2019 and it continues to grow. While a small number of jobs (23, a reduction of 0.9%) are expected to be lost by March 2021 the industry's strength will remain over the next year and likely in the medium to long term. GDP of the industry, in the Kāpiti district is forecast to increase by \$0.61 million (or 0.3%) between March 2020 and March 2021.

Aged care and support

Aged care and support is the largest driver of growth within the health care and social assistance industry. Made up of aged care residential services, other residential services and other social assistance services. It employs almost 62% of those working in the wider health care industry (1,562 filled jobs in 2019).

Within this figure, aged care residential services remain the largest employer, employing 936 people in 2019. This accounted for 5.3% of total employment in Kāpiti Coast in 2019.

The aged care and support sub industry is expected to continue growing in Kāpiti. Pre-covid projections forecasted strong employment growth over the next 5-years for the industry.

Professional, scientific and technical services

The professional, scientific and technical services industry was the third largest contributor to GDP for Kāpiti, GDP for the industry was \$195 million in 2019 (9.7% of total GDP).

Between 2009 and 2019 the industry added \$67 million to the Kāpiti Coasts total GDP, making it the second largest contributor to economic growth over the last 10 years. This growth is reflected in employment growth figures which have averaged 4.0% since 2000.

The industry is currently our fourth largest employer, filling 1,650 (or 9.3% of total filled) jobs to March 2019. This figure is up by 2.9% on 2018 employment figures, ahead of the national growth of 1.8% for the industry.

Covid-19 will impact this industry in the short term. Over March 2020-2021, this industry is expected to experience around 140 jobs losses (a reduction of 8.3%). Early estimates for the year ended March 2021 see GDP in industry reducing by 6.3% (the equivalent of \$12.6 million).

Retail

The retail trade industry is the districts eight largest contributor to Kāpiti Coast's GDP, with GDP of \$128m in 2019 (6.4% of total GDP). This is growth of 3.6% on 2018.

Employment was 2,146 in 2019. This was 12.1% of total filled jobs for the district, making it our third largest single employer by industry. Employment growth has averaged 1.1% while industry growth has averaged 3.1% since 2000.

Unfortunately, retail will take one of the largest economic and employment hits due to Covid-19. By 2021 around 250 jobs will likely be lost due to Covid-19 (a reduction of 12%) and GDP is expected to fall by \$10 million (or 7.7%). This is a reflection of lockdown restrictions, reduced tourism activity and reduced household spending.

Education and training industry

The education and training industry is our 9th largest single industry contributor to GDP, contributing \$87 million to GDP in 2019 (8.8% of total GDP for the district).

1,559 people were employed in the industry in 2019, making education and training our fifth largest employer. 31 new jobs were created in the industry in the last year.

Education on the Kāpiti Coast is reputable and strong with 3 colleges, Ōtaki's tertiary institution Te Wananga O Raukawa, as well as two Māori immersion schools and two bilingual units within mainstream schools. We also saw a new primary school open in 2018, reflecting the growth of our district and this industry.

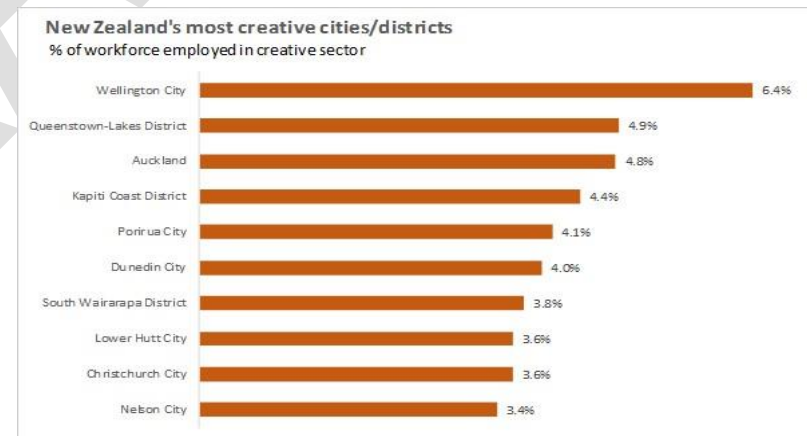
Education and training is relatively immune to the impacts of Covid-19 and growth of the industry in the district is expected to continue. Employment is expected to increase by 1% (15 new jobs) between 2020 and 2021, while GDP for the industry is predicted to increase by 0.2% (or \$0.19 million).

Creative industries

In New Zealand, the creative industries do not have a dedicated industry division for statistical purposes but are calculated based on activity within Arts & Recreation, Manufacturing and Professional, Scientific and Technical Services. In 2017, the New Zealand Institute of Economic Research calculated that the creative industries sector cumulatively contributed \$17.5 billion to New Zealand's GDP, and its 130,000 workers made up 6% of the national workforce.

In 2019, the Kapiti Coast was identified as having the fourth highest percentage of our workforce employed in the creative sector in New Zealand, which is consistent with previous years (Figure 8).

Figure 8: Percentage of workforce employed in Creative Industries



The creative industries have been significantly impacted by Covid-19 and support is needed to revive the jobs that are likely to be lost within the sector. Modelling by Treasury suggests that without government intervention, the cultural sector will be hit roughly twice as hard as the rest of the economy, and 11,000 jobs could be lost within a 12-month period.

The Kapiti Arts & Creative Industries cluster group has a key role in supporting the resilience of the sector and delivery of recommended actions.

Tourism

GDP and employment

In New Zealand tourism does not have its own industry division for statistical purposes but is calculated based on activity within several measured industries including accommodation and food services, transport, retail trade, and arts and recreation services.

In 2019 Kāpiti Coast's GDP attributable to the tourism industry was \$98.2 million. This equates to 4.9% of total GDP for the district, compared to a 5.4% nationally.

Both international tourist arrivals and domestic tourism has increased in New Zealand over the past decade and this increase has also been captured by the Kāpiti District. Growth in tourism GDP for the Kāpiti Coast has averaged 6.5% over the last decade compared to 8.1% in New Zealand. In absolute

terms, tourism GDP in 2019 for the district was 1.9 times what it was 10 years prior (\$52m to \$98m).

In 2019, the tourism industry employed an average of 1,199 people, which equates to 6.8% of the Kāpiti Coasts total employment in 2019. Employment growth has averaged 0.2% per year over the last decade.

Tourism in 2020 has experienced significant reductions in activity due to Covid-19. Accommodation and food, and retail services relying on tourism will experience job losses and reduced spending in the district. Employment in accommodation and food alone is expected to fall by 30% by March 2021 (the equivalent of 388 jobs).

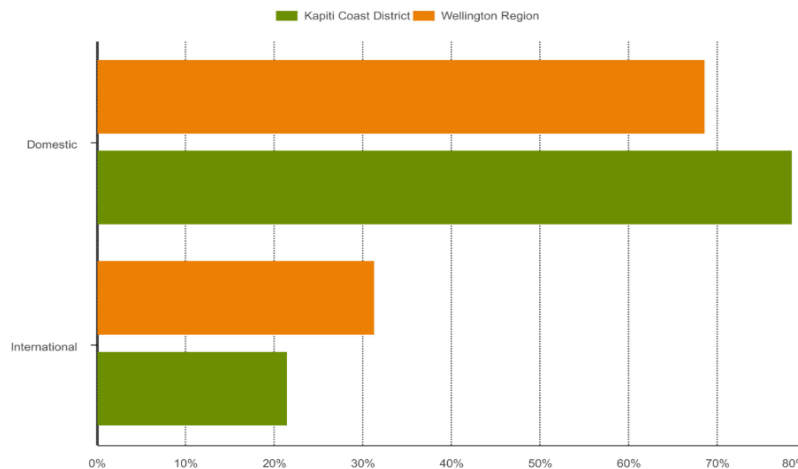
Tourism expenditure

Tourism expenditure captures the amount of money visitors to the district spend while in the area (it is not the same as tourism GDP).

In 2019 both domestic and international visitors spent \$177 million in the Kāpiti Coast District, an increase of 1.3% on 2018 spend.

Domestic visitors make up a larger portion of spending in Kāpiti (78.5%) than the Wellington Region (68.6%). Conversely, international expenditure for Kāpiti (21.5%) as a portion of total visitor spend is lower than the Wellington Region 31.4%. The following figure illustrates this breakdown.

Figure 10: Domestic and International tourism expenditure 2019



Growth in tourism expenditure has fluctuated over the past decade and has recently plateaued. Covid-19 is likely to further cement this trend. Infometrics projects that foreign tourism will fall by 91% on pre-covid levels, over the next coming year with border restrictions remaining in place. However domestic spending may only drop by 21%.

Kāpiti's relatively high portion of domestic visitor spend (even compared to New Zealand figures) signals that the area is an attractive area for New Zealanders to visit and so despite poor economic conditions, there are opportunities to capture domestic traveller spending over the coming year.

Figure shows how total tourism spending growth in the Kāpiti Coast District has changed between 2010 and 2019, relative to the rest of the country.

Figure 11: Tourism spending growth 2010-2019



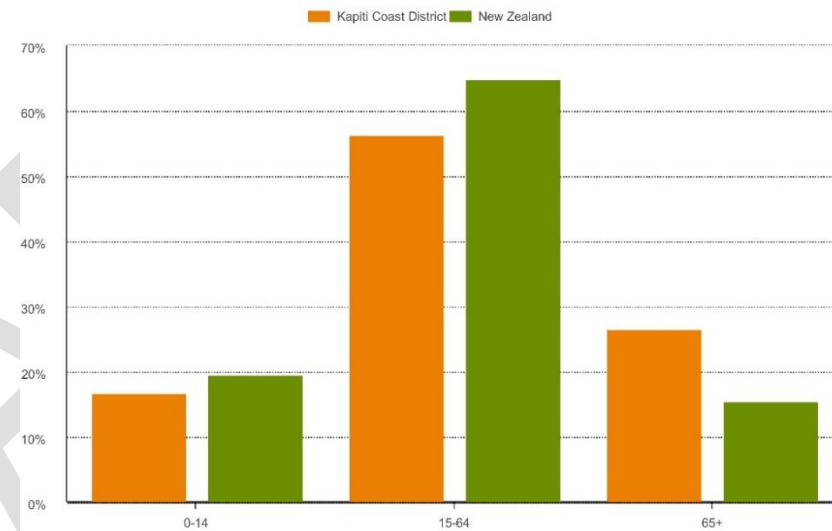
Labour market and skills

Working age population

In 2019, 31,570 people were between the ages of 15 and 64, meaning 56.4% of our population was of working age (compared with 64.9% nationally).

This work age population is said to support a non-working age population of 24,430 people (those between 0-14 and 65+ years of age). This means our dependency ratio is 77.3%. Much higher than the national ratio of 54.1%.

Figure 9: Age demographics Kāpiti Coast District compared to New Zealand 2019



Notes on population generally:

- Total population in 2019 was 56,000.
- Our young people (0-14) represent 16.9% of the district's population compared to 19.5% within the national population.
- Our district has a significantly higher proportion of people 65 years and older, compared with New Zealand (26.7% compared to 15.6%).

Employment

There were a total of 17,693 people employed (total filled jobs) in the Kāpiti Coast District in 2019, up 1.7% from last year.

Employment is concentrated in several key industries that are strong contributors to the districts economy. Over 60.5% of employment is attributed to the following industries:

- Construction – 15.9% of total filled jobs in 2019
- Health care and social assistance – 14.4%
- Retail trade – 12.1%
- Professional, scientific and technical services – 9.3%
- Education and training – 8.8%

Employment growth in the district has remained positive over the past 6 years. However, Covid-19 is expected to reduce this growth to 1% in 2020 and contract in 2021, with negative 9.2% growth predicted. These levels have not been witnessed at all over the past 20 years.

Just over 1,600 jobs are expected to be lost in the district, with those in lower skilled jobs taking the largest hit.

Māori are expected to be disproportionately impacted by these job losses. Māori employment experienced growth of 5.3%, 3.6% and 3.8% in 2017, 2018 and 2019, but this is expected drop to 0.7% in 2020 and contract by 13% in 2021, with 215 Māori estimated to lose their jobs by 2021. 97 of these lost jobs are in low skilled employment.

Self-employment

A total of 4,938 workers were self-employed in the Kāpiti Coast District in 2019. 43% of these workers worked within the construction, and professional, scientific, and technical services industries.

While the percentage of self-employed workers has decreased from 28.8% to 27.9%, since 2015, this is still a significantly higher self-employment rate than the 2019 national rate of 16.2%.

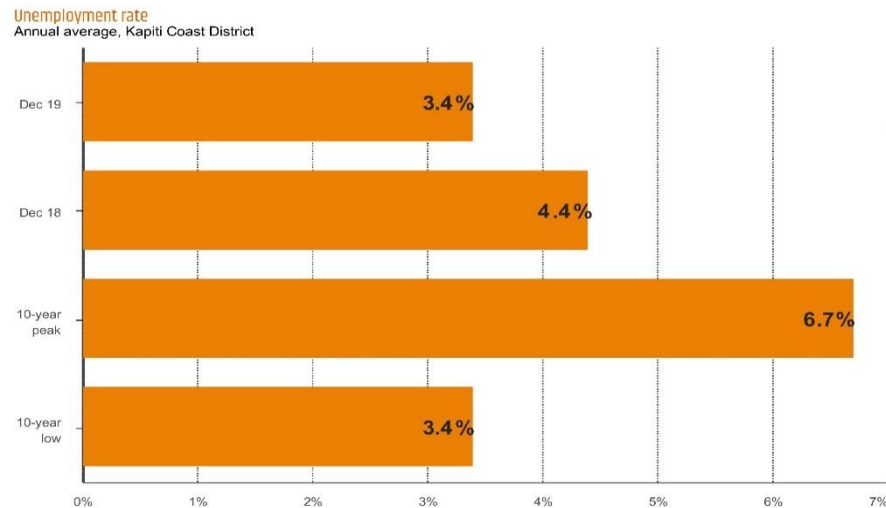
Unemployment

The unemployment rate for the district has been steadily declining since 2013 when it reached a 10-year peak of 6.7%. In 2019 the unemployment rate sat at 3.4% compared to the national rate of 4.1%, indicating a tight labour market in the district.

Unfortunately, Covid-19 will reverse this trend. The unemployment rate is expected to be 8.3% by March 2021, slightly lower than the national rate of 9.0%.

Annual average Jobseeker support recipients had been declining until 2019, when an average of roughly 1,500 people received Jobseeker Support each quarter. Recipients of Jobseeker Support grew by 10.8% between 2018 and 2019 compared to national average growth by 10.6%, largely following national changes in benefit policies. Unfortunately, this rate of growth is likely to continue due to declining economic conditions.

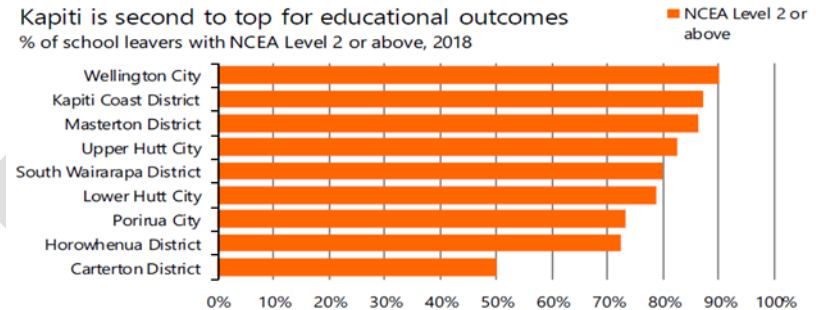
Figure 10: Unemployment rate, annual average 2018 and 2019



School leaver attainment

Nearly 600 students from Kāpiti Coast high school leavers in 2018, had achieved NCEA Level 2 or above. This is the second highest proportion of school leavers with this attainment level in the broader Wellington area (Figure). Second only to Wellington City which had the highest proportion of high school leavers with NCEA Level 2 or above, at 90%.

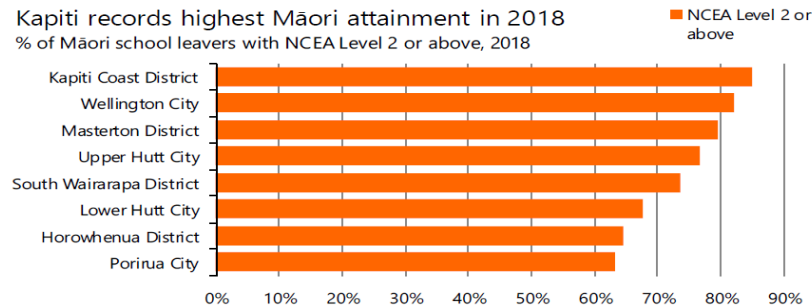
Figure 14: Percentage of school leavers with NCEA Level 2 or above 2018



A focus on maintaining strong educational attainment for Māori will continue to be important on the Kāpiti Coast. In 2018, 85% of Māori school leavers on the Kāpiti Coast left school with an NCEA Level 2 or above qualification. This percentage is much greater than the national average of 59% for Māori.

Kāpiti Coast's Māori school leaver attainment at NCEA Level 2 and above was the highest rate of attainment in the broader Wellington area in 2018 (Figure).

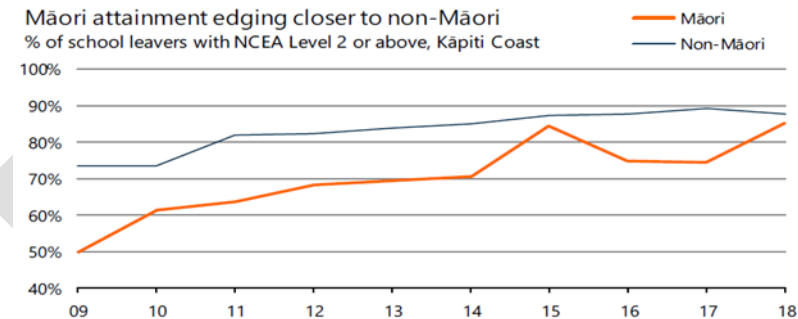
Figure 15: Percentage of Māori school leavers with NCEA Level 2 or above 2018



Wellington City had the second-highest level of Māori attainment, with 82% of Māori leaving school in Wellington City in 2018 having achieved qualifications for NCEA Level 2 or above.

Despite Kāpiti Coast's leaver attainment rates being higher than the national average, Māori school leaver educational attainment on the Kāpiti Coast still remains below the non-Māori result (Figure).

Figure 16: Percentage of Māori school leavers with NCEA Level 2 or above 2009-2018

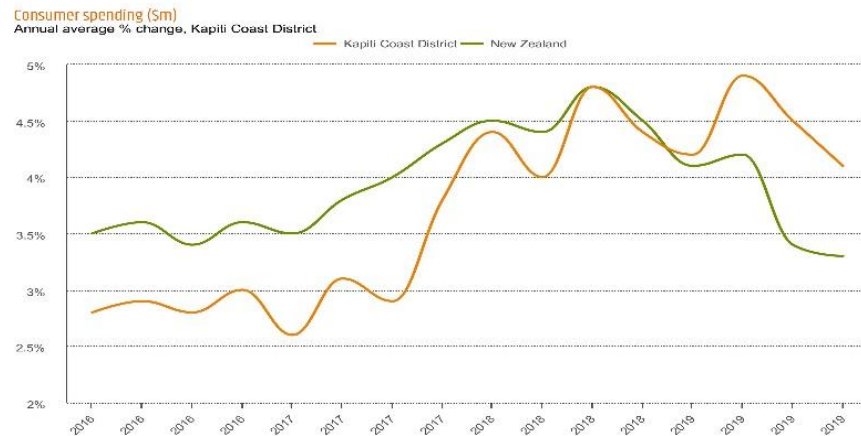


Consumer confidence

Household confidence in the district appeared strong at the end of 2019. Consumer spending was up 4.1% from 2018 figures, ahead of a 3.3% increase nationally.

Spending in the district fell from about \$8.6 million per week between January and mid-March 2020 to just under \$5 million during April 2020, during the lockdown period. Despite lockdown being lifted, Covid-19 will likely continue to have impacts on this spending with job losses expected.

Figure 17: Consumer spending 2016 - 2019



Incomes

Mean average household incomes have been steadily increasing year on year since 2009. In 2019, mean average household income for the Kāpiti Coast District (2019) was \$92,086, an increase of 5.4% on 2018.

For comparison, this is lower than Porirua (City) and New Zealand which had average household incomes of \$133,000 and \$111,000, respectively. It is however higher than the Horowhenua District where annual average household incomes were \$80,000 in 2019.

Mean annual earnings (a source of household income) for the Kāpiti Coast was \$48,805 in 2019, a 3.5% increase on 2018 figures. Nationally mean annual earnings were \$63,000 in 2019, (a 3.8% increase on 2018).

Housing

Housing market

Kāpiti Coast's housing market remains strong, with house values growing 10% over the year to September 2019 as the number of houses sold eased by 2.0%. As of December 2019, the average house value was \$620,275 for the district. This compares with the New Zealand average of \$699,954.

It appears house values are growing at a much faster rate in the Kāpiti Coast than the national average. Values in Kāpiti increased by 8.1% between December 2018 and 2019, compared to an increase by 3.6% for average national values over the same period.

A buoyant housing market may make home-owning households feel wealthier, providing a further boost to consumer spending. However, renters and those looking to buy are struggling as the tight Wellington housing market continues to influence prices and rents on the Kāpiti Coast.

The area becoming more attractive to those living and working outside the coast could increase the workforce in the district, potentially adding to the skills and talents of this workforce. However, this is dependent on which demographic is attracted to the area and whether people can afford increasing prices. Increasing house prices could also push current residents and those within the current workforce out of the area. Inequities are likely to become more apparent if this is not managed.

Covid-19 now brings a lot of uncertainty into the housing market. Current low interest rates are hoped to reduce the burden for mortgage payments which could encourage some people to buy. However, job losses, pay cuts and

tightening spending generally could reduce the demand in the housing market overall. The economic downturn could also increase inequality within the area as those on lower incomes tend to be disproportionately affected. This could influence who is able to buy and rent within the districts housing market.

Housing affordability

As house values rise, and average incomes in the area don't keep pace, houses in the district are becoming less affordable. The ratio of current average house values to average household income, the housing affordability index, was 6.0 in the year to March 2019 for the district, which was slightly lower than the national index of 6.1.

This index has been rising since 2016, indicating that housing is becoming less affordable in the district. By 2019 the ratio had converged to the national ratio, however COVID-19 now brings a lot of uncertainty as to how affordable housing will be.

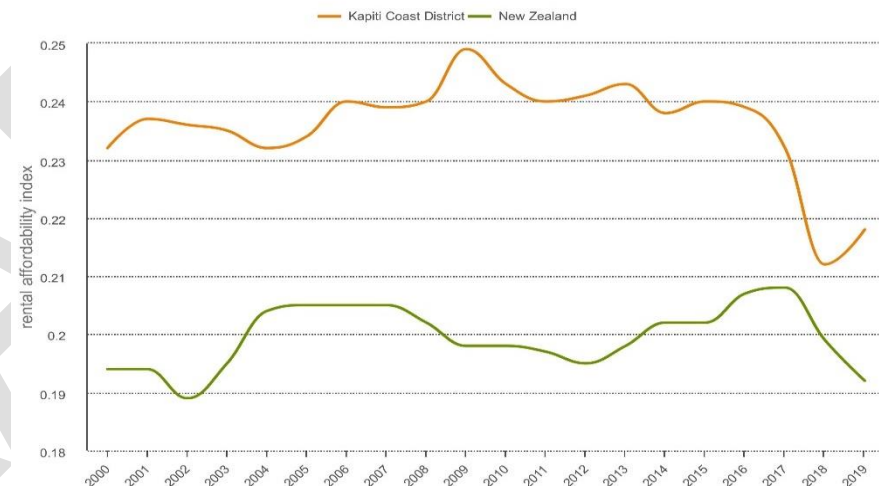
Rental affordability

Rentals have generally become more affordable in the Kāpiti Coast since 2000, however affordability is still less than the New Zealand average. COVID-19 is also likely to reduce affordability as average incomes drop.

The table below shows how the rental affordability index has changed over the past 20 years. This index is the ratio of average weekly rent to average household income. A higher ratio suggests that average rents cost a greater multiple of typical incomes, which indicates lower rental affordability.

The Kāpiti Coast had a rental affordability index of 0.226 in 2019, higher (and therefore less affordable) than the New Zealand average of 0.195.

Figure 18: Rental affordability index 2000-2019



APPENDIX 2: DEFINITIONS

ANZSIC06 industry classifications

This document refers to key industries throughout. These industries are based on the 1-digit industry categories from the 2006 Australia New Zealand Standard Industrial Classification (ANZSIC).

The ANZSIC is a hierarchical classification of industries with four levels, namely divisions (the broadest level also referred to as 1-digit categories), subdivisions (3-digit), groups (4-digit) and classes (7-digit). There are approximately 500 7-digit industries.

Statistical information, such as GDP and employment, is collected for each of these industries which are then collated to provide overviews of. These

Note: tourism and the art and creative sectors are not part of these industry classifications but are derived from these industries and their subdivisions, groups, and classes.

Gross Domestic Product

Gross Domestic Product (GDP) measures the value economic units add to their inputs. Total GDP is calculated by summing the value added to all goods and services for final consumption i.e. it does not include the value added to goods and services used as intermediate inputs for the production of other goods as this would result in double counting. As a result, GDP estimates should not be confused with revenue, turnover or gross output. Where referred to in this report GDP is measured in 2019 prices.

Filled jobs

Is simply the number of people in paid work i.e those employed.

Tourism expenditure

Tourism expenditure captures the amount of money visitors to the region (both domestic and international) spend while in the area. It is not the same as tourism GDP but is an input into calculating tourism GDP.

Tourism GDP and employment

Tourism is not classed as its own industry under the ANZSIC but figures for tourism GDP are derived from various sources which collect information on tourism related activity (e.g. Statistics New Zealand's Tourism Satellite Account, and guest nights, and visitor expenditure data from MBIE).

Tourism GDP is used as a basis to calculate tourism employment. Within each industry it is known roughly how much of the industries output is associated with tourism. This portion is applied to the underlying employment levels in each industry to give tourism employment for each industry. Then summed to provide an indication of the total number of jobs in a region that are attributable to the tourism industry.

Dependency ratio

Is the number of under 15 year olds and over 65 year olds as a ratio of the rest of the population (the working age population). A higher dependency ratio signals that there is a higher burden on the working age population to support the non-working population.

Household income

Household income captures labour market earnings (wages, salaries and self-employment) as well as allowances (e.g. Disability Allowance), benefits (e.g. Jobseeker Support) and superannuation. Investment income is excluded. Figures for the Kāpiti Coast District are determined by apportioning income information at a national level to the district, based on various sources of administrative data.

House values

Is the current average value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not the same household price i.e what is sold in the market, but growth in each house's prices do influence the measured house value.

Housing affordability

Is the ratio of the average current house value to average household income. A higher ratio suggests that median houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

Rental affordability

Is the ratio of the average weekly rent to average household income. A higher ratio suggests that average rents cost a greater multiple of typical incomes, which indicates lower rental affordability.