

THE TITLE SAYS IT ALL:

WAIKATO MEANS BUSINESS.

It's the name of the Waikato economic development strategy created in partnership with regional business, Māori and local government leaders.

There's weight behind this process - the strategy was initiated by the Waikato Mayoral Forum, which brings together the region's mayors and the regional council chair. The New Zealand government has also become a partner via its regional growth programme.

The strategy has identified five priorities where we will focus our attention.

- Maintaining and building our location advantage.
- Growing global industries.
- Making business easier.
- Building, attracting and retaining skills and talent.
- Telling the Waikato story.

Waikato people know that ideas are one thing, action is another. That's why each year we develop an implementation plan to spark those ideas into life and help ensure the region fully realises its economic potential. This document summarises progress after our second year.



2017 SUMMARY REPORT



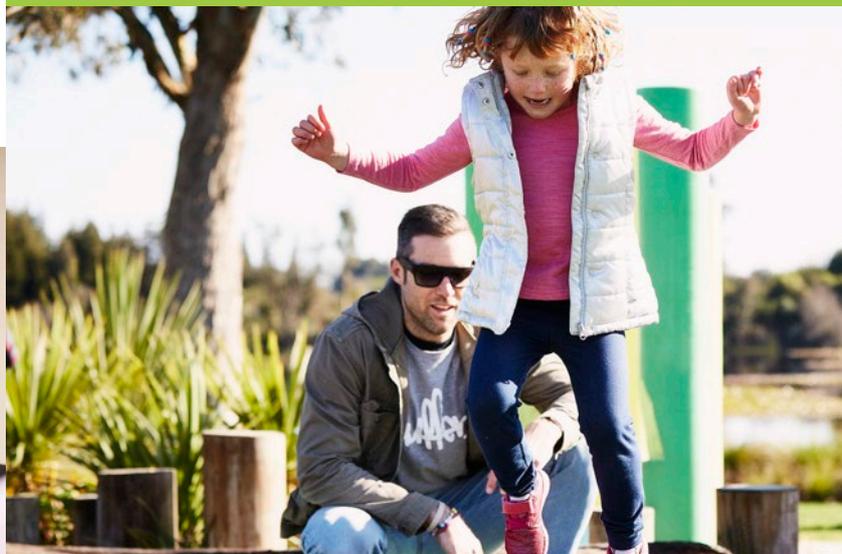
*Our economic development vision
We want to improve standards
of living in the Waikato region,
where all people, communities and
businesses reach their potential.*

The strategy sets two 20-year focus goals of:

- increasing median household incomes to above the New Zealand average
- increasing annual value add per capita growth to 2.8 per cent so Waikato is in the upper third of regions for economic performance.

A series of subsidiary goals provide more detail, including:

- Productivity grows at least 1 per cent per annum
- The proportion of the working age population with high level qualification is greater than the New Zealand average
- Lift the value of international exports by 1.5 per cent per annum.



HOW IS THE REGION PERFORMING?

\$20.9 BILLION

GDP, 8.3 percent of New Zealand's GDP(2016)

-2.5%

annual growth in regional exports (2015)

\$1486

Waikato median income

\$47,119

per capita gross domestic product (GDP).

7.3%

the average annual growth rate of key sectors 2015 (excluding agriculture)

4.8%

Unemployment Rate (2016)

-0.2%

Change in real GDP (2016)

\$300 MILLION

Collective earnings of Waikato Innovation Park companies

\$89,112

Waikato region's annual household income (2016) a decrease of 4.9% from 2015.

1.8%

Annual increase in per capita gross domestic product (GDP)

\$2.76 BILLION

GDP of manufacturing in 2015, growing at 28.7% per annum

13.2%

Youth aged 15-24 not in employment, education, or training

2.6%

Employment growth (2015)

OVER 70%

of the Park's companies are exporters

83.9 %

The proportion of 18-year olds with NCEA Level 2



KEY REGIONAL ACHIEVEMENTS 2016 - 17

STRATEGIC PRIORITY 1:

Maintaining and building our location advantage

- The Waikato Plan was signed off in June 2017 and an update of the FutureProof strategy is completed.
- In January 2017 the government announced that ultra-fast broadband (UFB and RBI) was being extended to 25 more towns in the Waikato meaning more than 335,000 people in the Waikato will be able to access UFB.
- The Rangiriri section of the Waikato Expressway is officially completed in December 2017.
- Construction has commenced on Stage 1 of the Ruakura development by TGH, along with its JV partner LINX Cargo Care Group Ltd. Construction is also underway on the POAL inland port at Northgate (Horotiu).
- A short-list of route options is publicly notified for the extension of the Waikato Expressway to Piarere.

STRATEGIC PRIORITY 2:

Growing global industries

- Global poultry giant Cobb-Vantress Limited has gained Overseas Investment Office approval to establish a \$58 million poultry farm and hatchery on 149 hectares at Rotongaro, just outside Huntly.
- A South Waikato ginseng producer, Maraeroa C Incorporation, is ready to approach potential investors to increase its production and exports with the help of funding of up to \$40,000 from the Ministry for Primary Industries (MPI).
- The Novotel Tainui Hamilton hotel will undergo a 40-room expansion next year to serve the hotel's growing customer base in the quality accommodation market. The hotel is owned by Waikato-Tainui through its intergenerational investment arm Tainui Group Holdings (TGH).
- The Ministry for Primary Industries will invest \$12.56m with the Spring Sheep Milk company based near Taupō investing \$18.83m in a Primary Growth Partnership (PGP) programme.
- Seventy-five high-tech jobs will be created in the Waikato with the construction of a corrugated packaging plant at Hamilton Airport. Visy Board New Zealand is behind the \$100 million factory.
- On 1 November 2017, the Te Awa Great River Ride Perry Bridge was opened to the public, allowing pedestrians to access a 70-kilometre cycleway which stretches alongside the river all the way to Horahora.
- Porter Group, New Zealand's largest construction equipment supplier, has completed construction of its new global headquarters in Hamilton. The new 8000-square-metre building will house more than \$40 million of parts for distribution in New Zealand as well as Australia, Papua New Guinea, and Southern California.
- Waikato Means Business completes a major report on the state of the region's innovation system and recommends major changes via a regional EDA.

Strategic Priority 3:

Making Business Easier

- The Local Authority Shared Services CCO has continued to deliver benefits across the Waikato region through more efficient procurement and service delivery
- The Aligned Planning Project has identified 20 actions to make the resource consenting process easier across the Waikato
- Examples of local actions to make business easier include:
 - Open Waikato (Waikato District Council) has developed a freight and logistics prospectus, a small business guide and streamlines its approach to support large business projects
 - Waikato, Thames Coromandel, Hauraki and South Waikato District Councils have partnered with Waikato Innovation Park to support local businesses and making doing business easier at seven locations across the region
 - Waikato District Council builds a new digital "back of house" system for improved consent handling performance
 - South Waikato District Council develops an investment prospectus - The South Waikato Solution. The prospectus aims to put the South Waikato District on the consideration list for businesses and investors looking to relocate or invest.

STRATEGIC PRIORITY 4:

Building, attracting and retaining skills and talent

- The proportion of 18-year olds with NCEA Level 2 or equivalent has continued to rise to 83.9 per cent in 2016 (73.5 per cent Māori and 78.6 per cent Pasifika).
- The secondary school employer partnership programme is now operating in 12 Waikato Schools, reaching over 2000 students.
- 1,000 fees-free places for young people were offered via Youth Guarantee in the Waikato in hospitality, construction, agriculture, early childhood education, tourism, automotive engineering, mechanical engineering, and performing arts.
- Over the past 12 months 2016/17 340 students have been through the the Waikato Maori and Pasifika Trades Training consortium . The programme is delivering around 60% employment with a large number of participants also moving on to further study.

STRATEGIC PRIORITY 5:

Telling the Waikato story

- The Waikato Story was launched by the Minister of Economic Development in December 2016
- Waikato tourism spend in year ended September 2017 grew by 5% to more than \$1,45b
- In 2017 Waikato Means Business collaborated with Hamilton Airport to celebrate the Waikato Story in the airport's main hall and lounge areas, using large format graphics from the Waikato Story.
- Hamilton City launched the "Hamilton Invest" website, complimenting Waikato District's "open Waikato" website. Both sites draw on Waikato Story collateral and material
- A new 43km section of the Hauraki Rail Trail from Kopu to Kaiaua has been completed and opens in late November 2017.
- Momentum Waikato Community Foundation and the Waikato Regional Theatre Governance Panel complete a comprehensive Feasibility Report for a 1,100-seat theatre, shared public spaces with a lifestyle art hotel and a public art gallery, to be located at the old Hamilton Hotel site on Victoria Street.
- Waikato Means Business completes a major report on regional economic development capacity and capability in the Waikato and proposes the establishment of a Waikato Regional Economic Development Agency.



THE WAIKATO MEANS BUSINESS STEERING GROUP

The Steering Group represents a new way of leading outcomes in the Waikato region. The group is an independent leadership group, composed of representatives from business (6), iwi Maori (2) local government (2), NZTA (1) and the government's economic growth programme (1)

The group is supported by an independent Programme Manager who works with local government, business and NGOs to advance and promote the goals, objectives and priority projects of the strategy and the Steering Group.

To read the full Annual Report and find out more about Waikato Means Business visit our website www.waikatomeansbusiness.nz



Dallas Fisher, Chair



Gray Baldwin



Donna Flavell



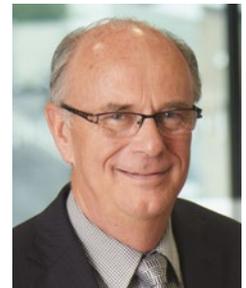
Tom Findlay



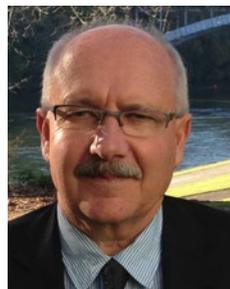
Mike Pohio



Parekawhia McLean



Mark Flowers



Don Scarlet



Bob Simcock



Traci Houpapa

