



WAIKATO ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION PLAN- YEAR 2

August 2016



1. Foreword

It is a pleasure to present this second annual implementation plan on behalf of the Waikato Economic Development Strategy Steering Group.

The Waikato economic development strategy, *Waikato Means Business*, was released in February 2014. The governance group who developed the strategy signalled that at regular intervals, an implementation plan would be developed and published, to set out how the goals and priorities of the strategy are to be achieved and monitored.

The Steering Group thanks the partners who have undertaken to lead or contribute to the actions outlined in this implementation plan. This epitomises the collaborative and integrated approach between business and industry, iwi, education providers, local government and central government that is needed to help move the Waikato economy forward.

This implementation plan is a living document rather than an end in itself. We look forward to seeing it progress and evolve over time.

Parekawhia Mclean
acting Chair
August 2016

The development of the implementation plan was overseen by the Waikato Economic Strategy Steering Group:

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- Mark Flowers
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2. Introduction

Our vision is, over the next 20 years to improve standards of living in the Waikato region, where all people, communities and businesses reach their potential.

The title says it all: Waikato Means Business! Our region is blessed with a wonderful heritage, people and culture, great infrastructure and connectivity, some of the world's best businesses and a location at the apex of the North Island's "golden triangle". Of all the places in New Zealand, there is none better positioned to grow even more strongly in the future than the mighty Waikato. But it won't happen unless we have a plan and we work together to execute it.

Waikato Means Business is the name of the Waikato's economic development strategy, our 20-year economic plan built by the Waikato's civic, business and Māori 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. Launched in February 2014, Waikato Means Business provides an integrated strategy framework for economic development of the Waikato region.

As well as our big vision, the strategy sets two 20-year focus goals:

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

To reach these goals, we're focusing our efforts in 5 main areas:

- Maintaining and Building our Location Advantage
- Growing our global industries
- Making business easier
- Building, attracting and retaining skills and talent; and
- Telling the Waikato story to New Zealand the World

The strategy sets out the following growth goals:

- Value add per capita to increase to 2.8% per annum
- Productivity to increase to 1% per annum
- Grow international exports by 1.5% per annum- and increase by 35% by 2031
- Lift value add in key sectors by 3% per annum or 80% by 2031

The strategic priority areas identified to achieve the vision and goals are:

- **Maintaining and building our location advantage** – by increasing investment in infrastructure, improving the quality and reliability of roads, reducing road travel times and creating more efficient freight flows
- **Building, attracting and retaining skills and talent** – so that there is increased capability and capacity in our regional innovation system
- **Growing global industries** - by identifying and progressing opportunities that will grow incomes and jobs in key sectors
- **Making business easier** - by reducing compliance costs associated with interacting with Councils and improving lead times for providing services, and consequently the ease of doing business in the region
- **Telling the Waikato story** - so that there is improved information for potential students, employees, visitors and investors about opportunities in and the advantages of the region.

The EDS purposely focused on what we want to achieve, not the details of how we would achieve it. Additional work and consultation is required to identify and develop the actions that would contribute the most to these priorities and goals. That work forms the basis of annual implementation plans. In 2015 the first implementation plan was developed and approved by the Steering Group. This document presents the second annual implementation plan.

This implementation plan provides:

- clarity to partners involved about what is to be delivered, by when and what resources are required
- clarity to industry and wider public about who is responsible for implementation and when they can expect to see progress
- a base against which to measure progress and to determine whether changes in course are required.

The implementation plan is not an end in itself – rather it is the next step towards executing the EDS. It will also be a ‘living document’ – circumstances change and it is important that we review the actions and implementation regularly. Over time, an approach for achieving an action may have to change, an action may be too difficult to achieve, or an action may become less important than a new opportunity (monitoring and evaluation is discussed later in this plan).

The following sections of this plan focus on the currently identified key actions for achieving each strategic priority, the major tasks and milestones involved in completing them, the lead and partner organisations involved in their implementation, and how success has been measured.

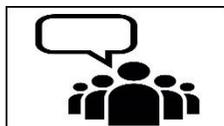
WMB is supported by an annual Implementation Plan, governed by a Steering Group made up of representatives and experts from the private and public sector (at elected representative level) Māori and the tertiary education sector.

3. How Do We Make Things Happen?

As a non-statutory group and strategy, Waikato Means Business uses a range of tools to achieve its goals. These include the following:



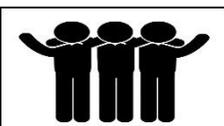
Monitoring and reviewing regional economic data and performance



Leading the conversation and debate on key regional economic development issues and opportunities through research and investigation projects which aim to better understand the way the regional economy works, and what actions are required



Acting as an **advocate and supporter** for key regional issues and initiatives, including where appropriate acting as a supporter for key projects seeking resources from other agencies



Collaborating and coordinating with other key actors to make progress in key strategic areas



Funding strategic projects which will advance the objectives of Waikato Means Business.

The projects selected are driven from the environmental scan, stakeholder feedback and the guidance of the Steering Group itself. The projects selected represent a balance reflecting the range of interventions above, and balancing projects which build greater understanding and capacity, with those which create more immediate action and results.

Funding

Waikato Means Business is primarily funded by an annual \$250,000 allocation from the Waikato Regional Council’s Regional Development Fund. This allocation provides significant seed funding for the projects undertaken by Waikato Means Business. These funds act to facilitate further in-kind and funding support from other regional and national economic development agencies including local government, regional community development trusts (such as the WEL Energy Trust). Most of the key WMB projects have significant co-funding support from our key partners.

4. 2015/16 Implementation Plan

The 2015/16 implementation plan identified seven major actions, and a number of subsidiary actions and projects. The seven major actions were:

1. development of the Ruakura hub
2. development of the Waikato Plan
3. development of the Waikato Expressway
4. Waikato regional growth study
5. making business easier
6. regional labour market strategy
7. development and promotion of the Waikato Story.

These projects are a combination of those developed and delivered by other agencies (projects 1,2,3 and 5) and those which it would either directly fund itself or in partnership with others (projects 4,6 and 7). As well these projects, the steering group identified and supported several other important projects, including the development of a Maori Economic Development Agenda and Action Plan and the preparation of a Waikato economic development monitoring and evaluation programme.

The results achieved in these key areas is briefly discussed in Section 7 of this report, and further information can be found on our website www.waikatomeansbusiness.nz

Relevant WMB Strategic Priority	Project	Contribution from WMB Fund 2015/16	Other Funding
Telling the Waikato Story	Waikato Story. Next stage following research and initial story development- especially the creative design process and development of a toolkit and collateral. Will allow development of education and investment elements.	\$124,600	\$88,890 from WEL Energy Trust As at March 2016, WRC had invested \$98,000 on the development of the Waikato Story
Building, attracting and retaining skills and talent	Secondary Schools Employer Partnership (SSEP). Following launch – engagement of 5 schools and employers to pilot the programme for 12 months. Followed by an evaluation and consideration of further rollout on 2017.	\$60,000	\$60,000 from WEL Energy Trust As at March 2016, Smart Waikato Trust had invested \$30,000 on the SSEP project
Cross Cutting Theme – Māori Economic Development	Development of a Māori Economic Development Agenda and Action Plan	\$30,000	Waikato Iwi and Te Puni Kōkiri As at March 2016, WRC, TPK and Waikato-Tainui had invested \$77,000 to develop the Māori economy report and facilitate a focus group of stakeholders
Monitoring and Evaluation of Strategy	Annual monitoring and evaluation report. Preparation by independent consultant	\$26,000	N/A
Total		\$240,600	

Table 1. 2015/16 Funded Implementation Plan Projects

5. 2016/17 Implementation Plan

In early 2016 the Steering Group undertook a desk-based scan and SWOT analysis of local, regional, national and international economic development factors affecting economic performance in the Waikato. This was supported by more than 100 conversations with key local, regional and national stakeholders groups, reaching more than 250 individuals.

The 2016/17 implementation plan was approved in by the Steering Group in June 2016. It identifies the actions that would contribute the most to WMB and its priorities and goals for the period 1 July 2016 to 30 June 2017.

The plan identifies seventeen actions, including a number of advocacy opportunities, summarised in section 6 of this report. The plan sets out seven priority projects which WMB will lead and co-fund. The seven priority projects are:

Project	Project Name
1.	Modelling the Economic Costs and Benefits of Different Land Use Scenarios in the Cambridge-Auckland growth corridor
2.	Understanding the Waikato Innovation Ecosystem
3.	Waikato Regional labour Market Strategy- Mapping Future Workforce Needs
4.	Secondary Schools Employer Partnership- Stage 2
5.	The Waikato Story – Implementation Programme
6.	Towards Greater Regional Economic Development Capacity; and
7.	Implementing the Waikato Māori ED Agenda and Action Plan

The implementation plan has also provided an initial allocation of the \$250,000 available to WMB each year from the regional growth fund. These align with the above priorities. The exact funding for each project will be determined once project scoping and procurement (where relevant) is complete and discussions have been had with potential funding partners. All priority projects are expected to include a significant element of co-funding from key partners and stakeholders, and discussions are underway about this as part of the scoping process for each project.

- **Project One** responds to the strategic priority to “maintain and build our location advantage”. It seeks to better understand how the growth goals of the Waikato EDS could be achieved through different development scenarios in the Cambridge-Auckland growth corridor. As this area is expected to be where the vast majority of the Waikato’s economic opportunity and population growth will occur, it will be important to better understand what scenarios of change- especially in terms of land use, would achieve those goals. This work will be an important contribution to work on the Waikato Plan and the review of Future Proof.
- **Project Two** responds to the strategic priority to “grow global industries”. The project stemmed from the 2015/16 proposal to undertake a regional growth study in partnership with MBIE. Since this idea was proposed further analysis has shown that a standard regional growth study (as per Northland for example) is not necessary in the Waikato, as the Waikato EDS and implementation programme has achieved the same general aims, at least at a regional level. However some of the fundamental underlying economic competitiveness and performance processes in the Waikato are still poorly understood, especially those around R&D, innovation and commercialisation. This project will review and seek to better understand the current systems,

actors, incentives and interventions. From this it will identify strengths, weaknesses and opportunities for systematic improvement, which can then be incorporated into our implementation programme.

- **Project Three** responds to the strategic priority to “build, attract and retain skills and talent”. The project arises from the Waikato Regional Labour Market Strategy which was developed in 2015 by a cross-sectoral leadership group chaired by John Cook. It will provide better quality regional data on the future employment demand trends for the Waikato’s key employment sectors, helping to both profile these opportunities to people via the Waikato Story, and also to help educators and training organisations to make sure they are providing the necessary training and skills to meet that demand. This will complement the recent work done by Martin Jenkins for UNISA.
- **Project Four** also responds to the skills and talent priority, and continues the Steering Group’s support of the Secondary School Employer Partnerships (SSEP) programme run by Smart Waikato. The group co-funded (with WEL Energy Trust) five pilot schools in 2015-16:
 - Fairfield College
 - Hamilton Boys’ High School
 - Hauraki Plains College
 - Morrinsville College
 - Thames High School

In total 815 Waikato students, 50 plus employers and 30 educators are involved in the SSEP pilot. SSEP participants have been very positive in their feedback of the benefits and outcomes of their involvement to date. Smart Waikato envisages 10 new schools being involved in 2017, tripling the number of SSEPs in the region from 2016, and at least another 10 schools in 2018. The 2017 application period is 1 July 2016 to 29 July 2016 and on-boarding employers and schools will occur in the latter part of 2016 for 2017.

- **Project Five** continues WMB’s commitment to the further development of the Waikato Story, the fifth strategic priority of WMB. The ultimate goal of the Waikato Story is to drive growth in the Waikato region by consistently promoting the authentic attributes that make the Waikato a unique place to live and thrive, work and succeed, visit and enjoy and invest in for return. The story aims to reinforce local people’s pride in the region, while also helping to communicate the region’s value to potential business investors, visitors, students and families. Proposed activities for 2016/2017 can be summarised in three main areas of activity:
 - Completion of Content for Digital Platform
 - Launch and Roll-out Programmes; and
 - Ongoing Management

Within the Waikato Story programme, WMB has a particular interest in *invest Waikato*, *work Waikato* (as per projects three and four above), and *study Waikato* (and the development of a Waikato International Education Strategy led by Education New Zealand). *Visit Waikato* is also an important element although this is implemented more via the regional tourism operators (RTOs) and not so much WMB. As greater regional economic development capacity is developed for the Waikato region (refer to project 6 below), any eventual regional economic entity/function which might arise would take over the administration and management of the Waikato Story website.

- **Project Six** is a cross-cutting project, acknowledging that greater regional economic development capacity and capability is most probably required to not only convene the various stakeholders involved in regional economic development, but to also provide the capacity which is often required in order

to keep things moving. The absence of this capacity has become apparent in some of the WMB work streams, where progress cannot be made because of limited in-house capacity and the limited ability of partners to do work over and above their day to day roles.

The sheer scale of the Waikato region and its dispersed governance (10 territorial local authorities and a regional council) means that an off the shelf/plug-in EDA model is probably not appropriate. This project will develop options for greater regional economic development capacity and capability. Once developed these will be evaluated and reported to the Steering Group, who will then provide advice to this committee and the Waikato Mayoral Forum.

- **Project Seven** is a second cross-cutting project which continues the project commenced by the Steering Group along with Waikato Tainui and Te Puni Kokiri to develop a Waikato Māori economic development action plan and agenda. BERL have been contracted to deliver a document consisting of a:
 - **Short-term Action Plan** – to include actions, milestones, implementation accountabilities, outcome indicators and monitoring and evaluation plan for these indicators, for the next 1 to 3 years; and
 - **Long-term Economic Agenda** – to include: goals, outcome indicators and monitoring and evaluation plan for these indicators, for the next 10 years plus.

The final Waikato Māori economic development agenda and action plan will be completed by 31 March 2017.

Partnership

As discussed above, partnership and collaboration is essential to the success of the Waikato Economic Development Strategy and meeting our growth goals. While there are many very significant local partners including many government agencies, until recently the Waikato region has not had a formalised economic development relationship with the New Zealand government. Through its economic development ministry, MBIE, the government has developed a national economic development programme called the Business Growth Agenda (BGA).

Furthermore the government has commenced growth programmes with a number of regions, each tailored to the unique circumstances and opportunities of that region. These programme then provide the framework for central government funding and support for regional economic development programmes and projects. The Waikato and the New Zealand government have now formally agreed to bring the region into the regional growth programme. This will help facilitate a joint approach to the economic development priorities identified in this project, as well as other national-scale initiatives in the Waikato in areas such as infrastructure, housing, social services, education and health, all of which have an important influence on economic development and growth.



New Zealand Government

Te Kāwanatanga o Aotearoa

6. Full Summary of 2016-17 Waikato Means Business Implementation Plan Projects

Project		WMB Funding
	<i>Priority Project</i>	
Maintaining our Location Advantage		
1.	Modelling the Economic Costs and Benefits of Different Land Use Scenarios in the Cambridge-Auckland growth corridor	TBA
2.	Supporting Economic Connectivity Projects	-
3.	Promoting Hamilton's Role in the Waikato Economy (includes regional business hub supported by MBIE)	-
4.	Supporting Broadband Connectivity	-
5.	The Economic Importance of Water	-
Growing Global Industries		
6.	Innovation Ecosystem Review	\$40,000
Building, Attracting and Retaining Skill and Talent		
7.	Waikato Regional labour Market Strategy- Programme Management	-
8.	Complete Mapping Future Workforce Needs	-
9.	Secondary Schools Employer Partnership	\$45,000
10.	Waikato Labour Market Forum & Smart Waikato Leadership Summit	\$5,000
The Waikato Story		
11.	The Waikato Story – Implementation Programme	\$64,400
12.	Waikato Story- Work Waikato	Included in 15/16 funds
13.	Waikato International Education Strategy	-
Cross Cutting Projects		
14.	Towards Greater Regional Economic Development Capacity	TBA
15.	Implementing the Māori ED Agenda and Action Plan	\$20,000
16.	Green Growth	-
17.	2016-17 Waikato Means Business Annual Report- data collection	\$5,000

7. Monitoring, Evaluation and Reporting

The outcome and evaluation framework for the implementation of the Waikato EDS links the actions supported in the strategy and the impacts and outcomes of those actions, including:

- short-term changes in awareness and access to resources (first 1-2 years) – these will be most directly attributable to the actions of the strategy
- medium-term changes in behaviours, practices and investments (2-7 years)
- long-term changes in industry and economic performance (7 years plus).

Long-term outcome measures have been selected based on a review of a list of potential measures against several criteria (e.g., validity, reliability, timeliness, relevance, comparability, efficiency, coverage). Short and medium term outcomes have been selected based on the action planning done to date and the intended impacts of key actions.

It is important to note that there will be multiple pathways between actions and outcomes, although the more direct bottom-up 'logic' between actions, short and long-term outcomes is emphasised in the diagram. A particular action may impact on a range of outcomes and there will be linkages between different outcomes. In addition, changes in long-term and economic outcomes will not simply be attributable to actions because they will be influenced by a range of other initiatives and external factors, including changes in economic conditions, changes in demands in key markets, competition, new technologies, changes in customer tastes, changes in resource availability and national policy and regulatory conditions.

There are three main types of monitoring and evaluation activity undertaken:

- Monitoring of progress of actions against milestones and short-term outcomes
- Implementation/process evaluation – focused on testing the reach, relevance, quality and efficiency of the actions undertaken
- Impact evaluation – focused on whether the actions are effective and having the desired impact on medium and long-term outcomes.

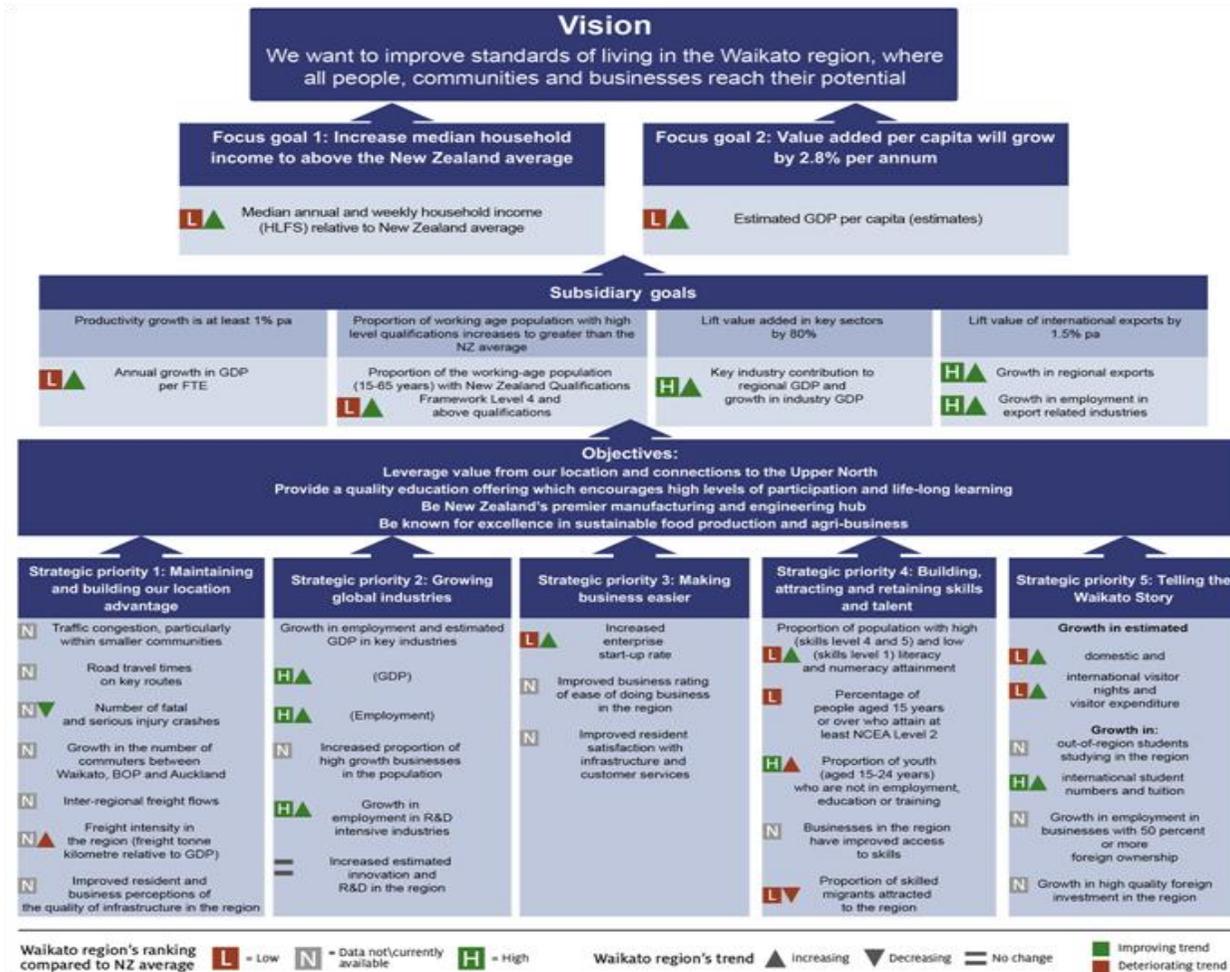
Monitoring is undertaken on a regular basis and reported to the governance group every six months. An initial implementation evaluation will be undertaken after the first three years. An impact evaluation will be undertaken after seven years – assessing the extent to which the actions have influenced medium and long-term outcomes should be left until sufficient time has passed in which changes in these outcomes can occur. However, indicators associated with long-term outcomes and goals (e.g., GDP, employment, productivity) will be tracked annually.

Progress against this implementation plan is published in an annual report. The first 2-3 reports will focus on monitoring information and reporting how actions are being progressed against the milestones identified in this plan, and the short-term outcomes that are being achieved. The scope of the annual report will then expand over time, to cover reporting on the medium and long term outcomes and goals and related indicators.

The Waikato Regional Council will oversee monitoring of progress against the plan and commissioning the preparation of the annual reports, in consultation with the governance group and the lead organisations for each action.

2015/16 Key Results

As part of the monitoring and reporting programme set out in section 7 above, Waikato Means Business has produced its first annual monitoring and implementation report. The table below summarises progress on the main priorities of the 2015/16 Implementation Plan. The full report and summary can be viewed at the Waikato Means Business website www.waikatomeansbusiness.nz



Progress of Key Actions 2015-16

Strategic priority	Key actions	Status	Key Points
Maintaining and building our location advantage	1. Development of the Ruakura hub		<p>Resource consents for the first stage of the Ruakura development were granted by Hamilton City Council in March 2016. The resource consents are for a total area of 78 hectares, including provision for 48 hectares of freight and logistics facilities, as well as a balance of open space, site buffers and screening, stormwater reserves and roads.</p> <p>Waikato Regional Council consents were approved by May 2016.</p> <p>Hamilton City Council notified the Ruakura Variation to its Proposed District Plan (PDP) on 11 November 2015 for public consultation and submissions. The purpose of the variation is to rezone approximately 822ha of land in Ruakura, ensuring a consistent approach to managing development in the area.</p> <p>Ruakura Limited is expecting Hamilton City Council to conclude the further submissions, hearings and decisions in 2016, with appeals likely to be either late 2016 or early 2017.</p> <p>The whole Ruakura project is tracking on schedule, with detailed design work for engineering and infrastructure solutions aiming to be completed and approved before the end of 2016. Construction work is therefore likely to begin before the end of 2016.</p>
	2. Development of the Waikato Plan		<p>The joint steering group leading the development of the plan has agreed to four priorities for the first plan to focus on:</p> <ul style="list-style-type: none"> • responding to population change • connecting our region • partnering with iwi Māori • addressing water allocation and quality • <p>Project plans have been developed for these and work is being completed to meet a new 2017 target.</p>
	3. Development of the Waikato Expressway		<p>Excellent progress is being made with the development of a transport network and supporting land use pattern to make the most of our location advantage. Key milestones achieved to date are:</p> <ul style="list-style-type: none"> • The confirmation of a settlement pattern and supporting transport network as part of the Future Proof growth strategy that ensures industrial nodes are located in places that can be well supported by the strategic transport network (e.g. Horotiu, Ruakura). • Completion of the Te Rapa, Cambridge, Tamahere and Ngāruawāhia sections of the Waikato Expressway. • Significant progress with the Rangiriri section and construction underway for the Huntly section. <p>Significant progress with development of the key components of the local road network necessary to support realisation of the Waikato Expressway benefits, such as the Hamilton Ring Road, confirming form, function and management of the old State Highway 1 through Te Rapa and Ngāruawāhia.</p>
Growing global industries	4. Waikato Regional Growth Study		<p>This did not proceed as further analysis showed that much of the benefits of a regional growth study had already been captured through the development of the Waikato Means Business Strategy and Implementation Plan. Medium term outcomes expected under this strategy mainly centre on enhancing innovation capability and capacity and increased investment by businesses in the region. These two areas are now the focus of investigation and activity for the upcoming implementation plan.</p>
Making business easier	5. Making Business Easier		<p>An independent Business Friendly Assessment was undertaken on Matamata-Piako, Hauraki and Waitomo district councils and Waikato Regional Council in 2015.</p>

			<p>Resource consenting was considered to be the most business friendly across the "key touch points". Some of the lowest scores recorded in the region are in district/regional planning and economic development.</p> <p>Councils in the region are working more collaboratively to ensure consistency, and so that resources and capability are shared. However, more can be done. There are range of collaborative activities occurring including:</p> <ul style="list-style-type: none"> Local Authority Shared Services policy consolidation project (policy and bylaw alignment). To achieve greater consistency and quality in regulatory instruments across the region. It also involves councils working together to produce these documents. Unnecessary and out-of-date policies will also be deleted. Matamata-Piako and Hauraki district councils have agreed to align consenting processes for the broadband rollout to make the process easier for network suppliers. The Waikato Plan's "aligned planning" focus area. Councils have recently started pooling capability and resources on Section 17A (Local Government Act 2002) Service Delivery Reviews. It allows councils to use work that has already been commissioned or done in the region, and identifies areas where councils could work together. Most councils in the region have signed up to BuildWaikato. BuildWaikato aims to achieve consistency and excellence in customer services, and to gain and maintain building consent authority accreditation. It includes standardised forms and information for customers and residents, and a public information portal.
Building, attracting and retaining skills and talent	6. Regional Labour Market Strategy		<p>To address the lack of information about future workforce needs, students not taking the required subjects that will enable them to be employed, and mismatch of employee skills and employer needs, the region is undertaking a workforce mapping project for key sectors of the Waikato. The workforce mapping project will provide students and trainees with better information about training and employment opportunities, and changing skills requirements, in the region. Outputs from the project will be presented by sector, in infographic format with a series of snapshot narratives, in the Work Waikato chapter of the Waikato Story website (www.waikatostory.nz).</p> <p>Collaboration between education and training providers, and key industries, is occurring and increasing. The Waikato Regional Labour Market Strategy project group has established the Secondary School Employer Partnership (SSEP) project. The aim of this project is to provide school leavers with relevant technical and soft skills necessary to ensure they are able to secure jobs and provide the skills demanded by employers. This involves secondary school faculties and local employers working together, and ensuring knowledge is shared. SSEP will be piloted in five secondary schools by the end of 2016.</p> <p>Collaboration also occurs through the Waikato Labour Market forum. The forum is a key communication vehicle to present Waikato Regional Labour Market Strategy initiatives and secure commitment and buy-in with businesses, councils, government agencies, members of parliament, secondary schools and tertiary education organisations to support implementation.</p>
Telling the Waikato Story	7. Develop and promote a 'Waikato Story'		<p>The Waikato Story provides businesses and residents with the tools to talk with 'one voice' when describing the diversity, opportunity and rich quality of life Waikato offers. Its approach and design has been strongly backed by community and business leaders. The authenticity and effectiveness of the values and narrative have been extensively tested through qualitative and quantitative research. The story aligns with the New Zealand Story and expands on key themes of our people and communities, environment, connections and economy. The story will be told in five chapters: Live, Work, Study, Visit, Invest.</p> <p>The information, story, branding and collateral will be available on www.waikatostory.nz.</p>