

Waikato Regional Economic Development Strategy

TO	Economic Development Committee
FROM	Ben Dunbar-Smith - Economic Development Programme Manager
DATE	6 April 2016
SUBJECT	Waikato Regional Economic Development Strategy update

1 Purpose of Report

To brief the Committee on the latest information received regarding the Waikato Economic Development Strategy, and its proposed implementation

2 Background

In recent years, there have been moves afoot to develop a regional economic strategy for the Waikato. The strategy's development was initiated by the Waikato Mayoral Forum, which brings together the region's mayors and the Waikato Regional Council chairperson. This development was overseen by a Governance Group, acting as a sounding board to test and challenge assumptions made, and assist in engaging the wider Waikato business community.

The Governance Group has been renamed and is now known as the Waikato Means Business Steering Group. Its members for 2015/16 are:

- Chairperson John Cook (Stainless Design chairman)
- Deputy Chairperson Parekawhia McLean (Waikato Tainui CEO)
- Margaret Comer (Gallagher corporate services executive)
- Tom Findlay (Enterprise Great Lake Taupō board member)
- Mark Flowers (Wintec CEO)
- Julie Hardaker (Hamilton City Council)
- Traci Houpapa (Chairman of Federation of Māori Authorities)
- Don Scarlet (Hamilton and Waikato Tourism director)
- Bob Simcock (Waikato Regional Council)
- Michael Spaans (Fonterra director)

In February 2014, the Steering Group produced "An Economic Development Strategy for the Waikato Region" (attached).

The Strategy has five priority areas, namely:

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

The Steering Group instigated work on the Waikato Story, which aims to articulate the Waikato region's value proposition as a place to live, work, visit and invest in. The Waikato Story, which was workshopped with a range of stakeholders throughout 2015, is now at the stage of development of components of the Story, and is due to go out to an advertising agency for creation of draft promotional material.

In late 2015, the Steering Group also appointed a manager to undertake the implementation of the Waikato Economic Development Strategy. The Manager is Harvey Brookes, formerly of Auckland Council.

Mr Brookes and the Waikato Regional Council's Strategy Manager, Katie Mayes visited TCDC in March 2106to provide an update on the work, and also to seek TCDC feedback on projects proposed for the 2016/17 year.

3 Issue

Mr Brookes has identified the following projects as potentially regionally significant, and is seeking feedback on the major priorities from TCDC's perspective. These projects, which are currently ranked in order by the Steering Group are:

A) Location Advantage

1. **Waikato Plan** - Support the ongoing development of the Waikato Plan and advocate for alignment between the economic development objectives and actions of the plan and the Waikato Regional Economic Development Strategy
2. **Logistics Hub:** Support work to develop the Waikato's role as a place to invest and as a upper North Island freight and logistics hub, in particular:
 - ensure that the Waikato region has provision for appropriately located business land to accommodate spill-over from Auckland and induced demand from the Waikato expressway and Ruakura hub, and possibly act to revitalise towns currently experiencing depopulation and unemployment
 - Support NZTA and Waikato local authorities to optimise investment in Waikato Expressway through associated transport and land use activities (as identified in Waikato Expressway Network Plan)
3. **Commuter rail:** Advocate for an updated business case (including a full benefit: cost assessment) for a commuter rail connection between Hamilton and Auckland (and possible further extension to Tauranga) and any associated network upgrades such as double tracking in the Waikato and triple tracking of the Auckland rail network between Westfield and Papakura to provide the required capacity for both freight and greater inter-regional passenger trips
4. **Expressway to Tauranga:** Advocate to local MPs, the Ministers of Economic Development & Transport and NZTA to consider the benefits and timing of an extension of the Waikato expressway to Tauranga (Kamai Link) and for the completion of the Southern Links project
5. **Promote broadband:** Leverage the value of high speed fibre (both UFB and RBI) infrastructure to increase employment and business productivity outcomes in the Waikato. This could involve working with Crown Fibre Holdings, Ultrafast Fibre (UFB), Vodafone (RBI), fibre retailers, business associations, schools and iwi to maximise the economic value of fast broadband across the Waikato, especially in smaller towns.
6. **Ports of Auckland future:** Ensure the results of the future of the Port of Auckland study take a whole of upper North Island view and any changes have no negative (and preferably positive) effects on the Waikato's supply chains and economy.
7. **Freshwater resources:** Support the ongoing debate being led by the WRC about getting the best use of freshwater resources to ensure that economic development is not constrained by a lack of access to water.
8. **Alignment with ATEED and BOP:** Advocate for continued and improved levels of alignment between the Waikato, Bay of Plenty and Auckland in terms of economic development strategies, actions and projects via ATEED, Priority One and respective business umbrella organisations (Chambers, EMA etc).

B) Growing Global Industries

1. Review innovation outputs within the Waikato region

A proposal to evaluate innovation within the Waikato region via a 6-month independent scoping study. This study is proposed to give better shape to the region's engagement with central government funding agencies and Ministers.

2. Scoping a Regional Investment Facilitation System

Undertake a stock-take of regional investment facilitation services, to better understand what the current landscape is, how it is working and what weaknesses and risks are present. The investigation would include representatives from Waikato TAs, Chambers, EMA, Property Council, NZTE, MBIE, representatives of banks and the venture capital and investment community

C) Making Business Easier

Investigate the Feasibility of a Waikato Special Economic Zone

An opportunity exists to evaluate the costs and benefits of a Special Economic Zone, or zones, in the Waikato region, primarily focused on the Hamilton-Auckland corridor.

D) Building, Attracting and Retaining Talent and Skill

Complete the workforce mapping with a focus on developing 3-5 year sector forecasts to determine what action, if any is required to ensure the supply of skilled labour meets the likely future demands of the key sectors of the Waikato economy. This work may include investigating the options to host a combined Waikato Labour Market Forum and Smart Waikato Leadership Summit in late 2016 early 2017.

E) Waikato Story

Complete the Waikato Story (the chapters) for strategic priority areas. Each chapter has an identified workstream champion to help facilitate development, for example the Waikato Regional Labour Market Strategy project team oversees the Work Waikato chapter, NZ Education oversees the Study Waikato chapter, NZTE/Waikato Chamber of Commerce oversees the Invest Waikato chapter. All of these agencies or groups will be supported by the Waikato Story project team.

Key areas of focus identified in the 2014 Strategy document include:

- Developing a credible visitor attraction offer
- Consideration of a regional tourism strategy
- A regional approach to talent, business and investment attraction and retention.

4 Discussion

TCDC is being invited to provide feedback to the Steering Group about priorities for development within the various workstreams.

It is important to note that TCDC is not being asked to provide funding towards the proposed work. The Steering Group is funded directly by the Waikato Regional Council, and has a \$250,000 a year budget to implement work programmes.

TCDC staff indicated to the Steering Group representatives that key priorities for the District include promotion of tourism, ongoing development of aquaculture (particularly the infrastructure required for wharfing), and creating greater links with ATEED.

In relation to the discussion about aquaculture, WRC's Katie Mayes indicated that she had held a subsequent discussion with her Council in relation to investment from the Regional Development Fund into projects such as aquaculture and wharfing.

Feedback from the Regional Council indicated that:

"Councillors reiterated their desire to build up the Regional Development Fund for a period of time so they can be make significant contributions to 'game-changing' projects in the future. For any project, they also stressed the importance of seeing that the project partner has real 'skin in the game' and that there are clear economic benefits to the region. They

therefore do not see funds being used for the Coromandel development (or any other current project), at least for some time."

This response is in line with the expectations of TCDC staff, who anticipated that funds would not likely be available for projects such as wharfing until resource consent applications had been completed and obtained. TCDC has asked WRC to support the Coromandel Marine Farmers Association with in-kind support in obtaining the resource consent.

5 Suggested Resolution(s)

That the Economic Development Committee:

1. Receives the 'Waikato Regional Economic Development Strategy' report dated 6 April 2016.
2. Requests staff to provide feedback to the Waikato Means Business Steering Group that priorities for the 2016-17 implementation process should be:
 - Advocating for improved cooperation between the Waikato, Bay of Plenty and Auckland in terms of economic development strategies, actions and projects via ATEED, Priority One and respective business umbrella organisations (Chambers, EMA etc).
 - Leveraging the value of high speed fibre (both UFB and RBI) infrastructure to increase employment and business productivity outcomes in the Waikato. This could involve working with Crown Fibre Holdings, Ultrafast Fibre (UFB), Vodafone (RBI), fibre retailers, business associations, schools and iwi to maximise the economic value of fast broadband across the Waikato, especially in smaller towns.
 - Fostering the development of tourism by ensuring that the tourist story is one of the priority projects implemented as part of the Waikato Story.
 - Development and support of aquaculture in the Waikato region.

References-Tabled/Agenda Attachments

Attachment A *Waikato Economic Development Strategy 2014*

Attachment B *Waikato Economic Development Strategy Implementation Plan 2015*

[WaikatoEconomicStrategy.pdf](#)

[WRC EDS implementation plan.pdf](#)