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WAIKATO MEANS BUSINESS

WAIKATO ECONOMIC DEVELOPMENT STRATEGY IMPLEMENTATION PLAN

February 2015

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Foreword

It is a pleasure to present this implementation plan on behalf of the Waikato Economic Strategy Governance Group.

The Governance Group released the Waikato economic development strategy, *Waikato Means Business*, in February 2014. We signalled at the time that the next step would be to develop an implementation plan to set out how the goals and priorities are to be achieved and monitored.

The Governance 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.



Hon John Luxton

Chair

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

- Hon John Luxton (Chair)
- John Cook
- Traci Houpapa
- Parekawhia McLean
- Don Scarlet
- Frank Scrimgeour
- Paula Southgate
- John Tregidga
- David Trewavas

Introduction

The Waikato Economic Development Strategy (the EDS) was launched in February 2014. This followed a 9-month process to develop the EDS, which included significant research and evidence gathering, supplemented with interviews and workshops with industry and other stakeholders and public consultation.

The EDS sets out the issues, challenges and broad opportunities that face our region, and identifies strategic priorities and areas of focus to transform the economy. The strategy aims to guide regional economic development policy, investment and activities across our region.

The vision identified in the EDS is

'To improve standards of living in the Waikato region, where all people, communities and business reach their potential'

Key goals of the strategy focus on increasing household incomes and increasing value added per capita. Subsidiary goals were identified and focus on increasing productivity, increasing the proportion of the population with high level qualifications, lifting value added in key productive sectors and lifting the value of international exports.

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 has been required to identify and develop the actions that would contribute the most to these priorities and goals. That work has now been completed and forms the basis of this 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 will be measured.

Strategic Priority 1: Building on our location advantage

Our region is a nationally significant juncture for freight and transport and has good connections to the large and growing populations in Auckland and Tauranga, as well as to the central North Island. Freight between Waikato, Auckland and the Bay of Plenty represents over half of New Zealand's freight movements. Our region has excellent transport links to Auckland International Airport and the Ports of Auckland and Tauranga for imports and exports.

The flow of freight presents opportunities, not only for the region to be an integral part of New Zealand Inc's supply chain with the rest of the world, but to boost economic growth through the value-added process of transport and logistics (for example, through warehousing and distribution).

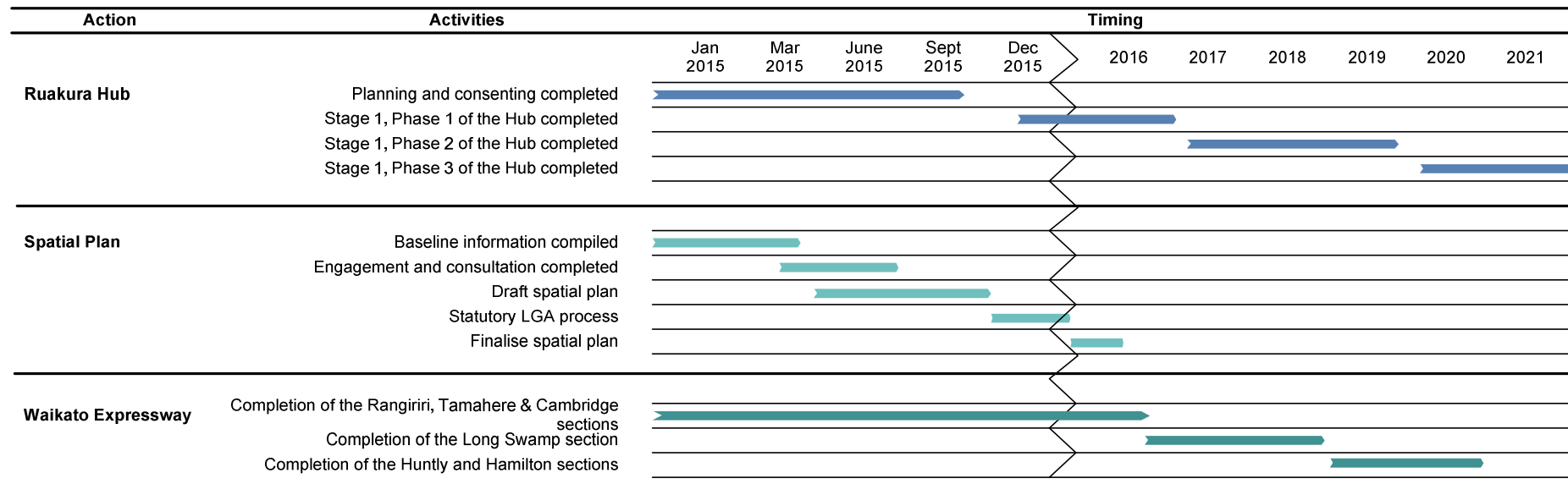
To capitalise on these advantages, Waikato needs to continue to improve connections through Auckland and Tauranga, and broader connections to the rest of the North Island. This priority is about investing in our local transport networks and infrastructure, developing the region as an inter-regional service hub, and improving the effectiveness and efficiency of our planning to provide certainty for infrastructure investment. There are three key actions associated with this priority:

Action	1. Development of the Ruakura Hub
Description	The development of a freight hub at Ruakura, with a staged development over 30-50 years. The hub will be a place where export and import containers can be transported and subject to value-added processes, including logistics. The site, over 500 hectares, is at the intersection of the main trunk railway and the Waikato Expressway. It is proposed that the freight hub will cover approximately one-third of the land, with the remainder being light industrial, commercial and residential.
Agencies involved	Tainui Group Holdings Ltd
Main outputs	<ul style="list-style-type: none"> • Stage 1, Phase 1 of Hub (commencing establishment of green open spaces, development of logistics and distribution zone, commencing establishment of residential development, commencing establishment of industrial development, establishment of drainage systems for storm water management) to be started by the end of 2015 • Stage 1, Phase 2 of the Hub (additional green open spaces, opening of the Ruakura interchange, establishment of road infrastructure to link with the Waikato expressway, increase in warehousing and logistics services, development of walkways and cycleways) by end of 2019 • Stage 1, Phase 3 of the Hub (more green spaces and complementary amenities, fully functional intermodal terminal, expansion of logistics and warehousing facilities) by end of 2021.
Key outcomes	<ul style="list-style-type: none"> • Increased investment in infrastructure • Increase in inter-regional freight flows • Reduced road freight intensity in the region
Status	Planning and consenting underway.

Action	2. Development of the Waikato Plan
Description	<p>The development of an overarching 30 year plan to shape the economic, social, cultural and environmental dimensions of the region. The Waikato Plan will:</p> <ul style="list-style-type: none"> • Provide leadership on issues of sub-regional or regional significance • Provide a common evidence base to align planning and investment • Identify regional infrastructure and service investment priorities • Provide a basis for engaging with the Crown to optimise the \$8 billion of investment made into the region each year by local and central government.
Agencies involved	Waikato Plan Committee
Main outputs	<ul style="list-style-type: none"> • Baseline information compiled, including demographic projections, industry sector forecasts, settlement pattern modelling, compilation of nationally and regionally significant areas and spaces by 31 March 2015 • Engagement and consultation by 31 August 2015 • Draft plan by 30 November 2015 • Final plan by June 2016.
Key outcomes	<ul style="list-style-type: none"> • Residents, businesses and developers have improved information about proposed land use and infrastructure investment • Lower cost and time requirements to invest in and develop infrastructure • Increased investment in infrastructure in the region • Improved resident and business perceptions of the quality of infrastructure in the region
Status	Project establishment completed, including appointment of joint committee, reference groups confirmed and project scope finalised.

Action	3. Development of the Waikato Expressway
Description	The Waikato Expressway will provide 102km of continuous divided four-lane highway and reduce the length of State Highway 1 by 6km. It will provide a further 12km of new or upgraded links and a new bridge over the Waikato River north of Hamilton. The expressway is being developed in seven sections.
Agencies involved	New Zealand Transport Agency
Main outputs	<ul style="list-style-type: none"> • Completion of the Rangiriri, Tamahere and Cambridge sections by 2016 • Completion of the Long Swamp section by 2018 • Completion of the Huntly and Hamilton sections (and the Expressway) by 2020.
Key outcomes	<ul style="list-style-type: none"> • Improved quality of roads • Reduced traffic congestion, particularly within smaller communities (e.g., Huntly, Ngāruawāhia and Cambridge) • Reduced road travel times on key routes (e.g., reduce travel times between Auckland and Tirau by 25 minutes) • Reduced fuel costs • Significantly reduced number of fatal and serious injury crashes • Growth in the number of commuters between Waikato, BOP and Auckland • Increase in inter-regional freight flows
Status	Pokeno and Mercer sections, Ohinewai section, Ngaruawahia section, Te Rapa section and Tamahere interchange complete and open. Longswamp section and Hamilton section being investigated and designed with a target opening of 2019. Rangiriri section and Cambridge section under construction and due to open in late 2016. Huntly section consenting being finalised and construction due to begin in 2015 with a target opening of 2019.

Milestones and Timelines



Strategic Priority 2: Growing global industries

Growing global industries that extract greater value from our natural resources and draw on our region's strong base of science and research in the primary and manufacturing sectors will provide the foundation of improved economic outcomes for the Waikato region.

We need to understand where the best opportunities for value add and investment are, and what constraints exist to realising those opportunities – whether they relate to the availability or quality of skills, natural resources, infrastructure, capital or export markets. We also know that research, education and support organisations in the region could assist more businesses to help solve their technical and innovation problems.

The key action associated with this priority is to engage with key industries to identify investment, industry development and cross cutting opportunities that will help make a step change in value-add and jobs and to identify a clear path for achieving those opportunities:

Action	4 Waikato Regional Growth Study
Description	The development of a regional growth study that investigates the opportunities and constraints facing key industries and identifies significant commercial, industry development and cross cutting opportunities that will grow incomes and jobs in key sectors in the region. There will be strong focus on industry consultation and market validation.
Agencies involved	Subject to central government involvement, the project would be led by the Ministry of Business, Innovation and Employment, Ministry of Primary Industries and the Waikato Regional Council. A steering group involving industry, iwi, education and local government representatives would be formed.
Main outputs	<ul style="list-style-type: none"> Information about areas of regional specialisation that are most likely to catalyse economic growth and jobs in the Waikato region Obstacles to growth identified and recommendations as to how these obstacles may be able to be addressed Recommendations for investment, industry development and cross-cutting opportunities that should be progressed in the region Action plans for and implementation of specific investment, industry development and cross-cutting opportunities.
Key outcomes	<ul style="list-style-type: none"> Increased investment by business, local and central government in key industries Increased capability and capacity in the regional innovation system Growth in employment and estimated GDP in key industries Increased proportion of high growth businesses in the region Increased estimated innovation and R&D in the region.
Status	A case to central government for support for the Waikato regional growth study project is currently being prepared with confirmation expected in February 2015. Assuming central government involvement is confirmed, the project will commence in March.

Milestones and Timeline

Action	Activities	Timing										
		Jan 2015	Mar 2015	May 2015	Jul 2015	Sep 2015	Nov 2015	Jan 2016	Mar 2016	May 2016	Jul 2016	
Waikato Regional Growth Study	Case to central government for support for growth study	■										
	Confirm central government involvement		■									
	Updating the evidence base on key industry value chains		■	■								
	Interviews with industry informants			■	■							
	Identify and assess opportunities				■	■						
	Validate and test opportunities					■	■					
	Final recommendations on major opportunities						■	■				

Strategic Priority 3: Making business easier

Businesses in our region have asked for greater consistency in council engagement with industry, in consent processing and in the assessment of investment proposals. Councils are currently undertaking a number of initiatives that will assist in creating a more consistent and business friendly environment, but we know there is more to be done.

To determine what else would be effective and provide value for money, Councils will assess their activities and delivery systems against good principles of business engagement and service delivery (the Local Government NZ Business Friendly Council principles). This will help the Councils to identify any gaps in practices or activities and where there are inconsistencies that can be addressed.

Action	5 Making Business Easier
Description	An assessment of Waikato local authorities against “Business friendly Council Principles” (and the Business Growth Agenda), a gap analysis of what activities or practices are either missing within each council or inconsistent between councils, and the development of an action plan to address the identified issues.
Agencies involved	Led by Matamata-Piako District Council A Steering Group comprising Hauraki District Council, Waitomo District Council and Waikato Regional Council
Main outputs	<ul style="list-style-type: none"> An assessment of Waikato local authorities activities against “Business Friendly Councils” principles (and Business Growth Agenda priorities, where appropriate) A gap analysis of what activities or practices are either missing within each council or inconsistent between councils An action plan (e.g., developing a community of practice, shared data etc.) and a monitoring and evaluation mechanism/framework A validated reference framework to assess regional customer service activity and delivery systems that can be used to improve the performance of regulatory service delivery and other customer facing activities.
Key outcomes	<ul style="list-style-type: none"> Councils have better information about the quality of their regulatory practices and customer services and opportunities for improvement Efficiencies created through shared resources (e.g., policy, business rules, processing methods, standards, training, systems) Increased quality, consistency and cost-effectiveness of regulatory and customer services Reduction in business compliance costs associated with establishing businesses and interacting with councils Improved business rating of ease of doing business in the region Improved customer and resident satisfaction with customer services.
Status	A contractor has been appointed to undertake the assessment.

Milestones and Timeline

Action	Activities	Timing												
		Jan 2015	Feb 2015	March 2015	April 2015	May 2015	June 2015	July 2015	Dec 2015	July 2016	Dec 2016			
Making Business Easier	Appointment of contractor to undertake project	█												
	Assessment of activities against business friendly council principles		█											
	Gap analysis of activities			█										
	Creation of action plan and monitoring framework				█									
	Commitment by Council's to proceed with the actions					█								

Strategic Priority 4: Building, attracting and retaining skills and talents

Skills and talent are critical to improving productivity and hence incomes in the Waikato. Despite a strong education sector, our businesses struggle to attract, develop and retain the right people. This not only includes people with the right formal skills and qualifications but also a workforce that has broader capabilities such as language and problem solving abilities.

We need to increase levels of literacy, numeracy and educational attainment in our youth, promote clear pathways for youth and potential employees into jobs and careers, and work with the business community to identify the skills they need now and in the future and support them in attracting and retaining those skills. The key action to do this is to develop a regional labour market strategy to map out the supply and demand of skills for key sectors and how supply and demand can be improved.

Action	6. Regional Labour Market Strategy.
Description	The development of a regional labour market strategy that maps the future skill needs of key sectors and identifies initiatives to increase educational achievement, increase investment in training, attract skills to the region and improve transitions between education and the workforce.
Agencies involved	Led by Waikato Institute of Technology (WINTERC) A steering group comprising the University of Waikato, WINTERC, Te Wananga o Aotearoa, Smart Waikato Trust, Te Puni Kokiri and Waikato Regional Council.
Main outputs	<ul style="list-style-type: none"> • A description of the future workforce needs of selected sectors, which will include a description of the quantum of jobs and identify the skills pathways required • The development of a communications plan to ensure all participants in the labour market (including adults, children, employers and education providers) understand the skill requirements of different industries and jobs over time and make education choices that reflect these • The development of a monitoring and evaluation framework.
Key outcomes	<ul style="list-style-type: none"> • Improved information about training and employment opportunities, the demand for skills, and the benefits associated with education and training • Increased collaboration between education and training providers and key industries • Increased investment in and improvement of the quality and relevance of education and training in the region • Increasing proportions of the population with literacy and numeracy and educational qualifications • Increased attraction of skills from outside the region • Reduced proportion of youth not in employment, education or training.
Status	Draft actions and resourcing requirements have been identified and are being consulted on. The strategy is due for completion in March 2015.

Milestones and Timeline

Action	Activities	Timing										
		Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	
Regional labour market strategy	Workshops to determine priority actions	■										
	Working group meetings to generate action plans and budgets		■									
	Project Steering Group collates action plan			■								
	Feedback sought from local and central government			■								
	Final strategy developed					■						
	Funding agreements made						■					
	Labour market forum event							■				

Strategic Priority 5: Telling the Waikato story

The Waikato is in a prime position to attract visitors, international students, workers, businesses and investment. The region forms two points of the domestic and international tourism triangle of Auckland, Waitomo and Rotorua/Taupo and has good amenities for ensuring a high quality of life such as excellent infrastructure, affordable housing, and a good range of educational options. There are many innovative businesses in the region that would be able to grow internationally with further investment and connections offshore.

While local businesses and residents have a positive image of the Waikato region, the economic development strategy identified that the region has not yet been able to project this nationally and internationally. Waikato's advantages are not well known. The outcome is that foreign investment, visitor numbers and spending, and international students are not growing to the extent we would like.

The action associated with this priority is about developing and consistently articulating Waikato's value proposition to potential students, visitors and investors:

Action	7. Develop and promote a 'Waikato Story'
Description	The development of 'The Waikato Story' that describes the tourism, education and investment propositions for the Waikato region and provides print, web and presentation material to support the story. The story will be developed and tested with stakeholders, including consumers and business audiences. The story will then be targeted to key audiences to attract more visitors, students and investors to the region.
Agencies involved	Led by Waikato Regional Council A steering group is to be formed.
Main outputs	<ul style="list-style-type: none"> • The Waikato Story, including the tourism proposition, education proposition and investment proposition • Development of collateral to support the story including print, web presentation images etc. • Action plan for marketing of collateral and story to potential students, visitor markets and investors • Identification of investment prospects for the region
Key outcomes	<ul style="list-style-type: none"> • Increased awareness of the Waikato as a visitor destination; as an education destination; as an investment destination • Increased number of visitor enquiries; international and domestic student/trainee enquiries; investment enquiries • Increased number of investment prospects identified in the region • Increased number and value of investment matches and deals facilitated • Growth in regional visitor nights and visitor expenditure (domestic and international) • Growth in international student numbers and the value derived from international education.
Status	<p>The project commenced in January 2015 with a project team undertaking research into the perceptions of Waikato as a place to live, visit, study and invest in and how it compares to other regions.</p> <p>Principals brand agency, which developed the New Zealand Story with national business and government leaders, has been engaged to :</p> <ul style="list-style-type: none"> • facilitate three 2.5-hour workshops with public and private sector stakeholders to identify Waikato's natural, cultural and commercial attributes • pull together the many different views into <u>one</u> compelling and authentic Waikato Story that will be used to develop the creative assets. <p>The workshops will be held in Te Aroha, Taupo and Hamilton on over February and March.</p>

Milestones and Timeline

Action	Activities	Timing											
		Dec 2014	Feb 2015	April 2015	Jun 2015	Aug 2015	Oct 2015	Dec 2015	Feb 2016	Apr 2016	Jun 2016		
The Waikato Story	Appoint brand agency	■											
	Undertake research and survey on perceptions of Waikato and other regions		■										
	Workshops to develop story elements		■										
	Compile Waikato story			■									
	Test the story with consumers and business audiences				■								
	Develop collateral and presentation packs			■									
	Launch the Waikato Story					■							

Oversight of implementation

The implementation of the Waikato economic development strategy will be overseen by a public-private partnership organised as a steering group.

The role of the implementation governance group will be to:

- be accountable for the overall achievement of actions and/or recommend resources for the delivery of actions
- approve project/implementation plans for each action proposed by project teams
- be a forum to bring questions, ideas and distance to project/action teams, i.e., a sounding board for those working on the details of projects
- convene or facilitate industry forums or advisory groups where necessary for project guidance
- encourage and strengthen linkages between the economic development strategy actions and relevant stakeholders within and outside the region (such as industry and government)
- monitor the progress of actions against the action plan and goals and report to the Waikato Mayoral Forum
- communicate progress with the economic development strategy actions to stakeholder groups and the wider public.

The implementation governance group will have a membership of seven to nine, made up of:

- five regional business members
- two regional Māori business members
- up to two members appointed by the Waikato Mayoral Forum.

The governance group will include members with:

- representation from those organisations or groups most affected by the implementation of the actions in the strategy
- evaluation and performance measurement expertise
- wide relationships with key industry and stakeholder groups
- expertise and experience most relevant to economic development strategy priorities
- an understanding of, and networks in, Māori business.

The implementation governance group will meet quarterly, with members undertaking additional engagements throughout the year as required.

Decisions on initial representation on the governance group will be made by the Waikato Mayoral Forum in February 2015.

Monitoring and evaluation

Figure 1 depicts the outcome and evaluation framework for the implementation of the Waikato EDS. The diagram illustrates the links between the actions that are proposed and the intended 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).

The proposed 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 will be 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 will be 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 will be 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.

Figure 1. Waikato Economic Development Strategy outcome and evaluation framework

