

Quarterly Update

October - December 2021



Executive Summary

Our work program over the last quarter of 2021 has continued at pace, despite the impact and frustrations of the extended lockdown in Auckland and other parts of New Zealand. The impact of the lockdown on the Waikato economy is yet to be seen. As of writing, the results of Christmas trading are yet to be known and the move to take the country into a red traffic light level is creating significant concern.

We continue to actively watch two key areas – labour force and supply chain issues. Both are material and likely to deepen. Two further areas we are now monitoring are inflation and the impact on cashflow for businesses, particularly with credit supply tightening. Potential impacts on workforce availability and productivity with forced isolation resulting from the latest Omicron outbreak are also likely to be material.

A key issue presenting across all our sector work is a lack of available talent and resulting pressure on wage inflation. This is limiting growth for Waikato businesses, so together with our industry partners, we're working on talent attraction campaigns in several different sectors – starting with Construction and Technology sectors. We are also looking at targeted initiatives aimed at bringing fresh international students to the region once our borders are starting to re-open again. We are also continuing to make progress in our Logistics & Distribution sector workstream, with our Freight Action Plan nearing finalisation in partnership with EY and a range of key commercial partners. We expect this will be published in February.

As the economic environment continues to evolve, we have worked with Kanoa and other regional stakeholders to review the region's economic priorities over the next three years. This review will be shared in more detail next month, but has resulted in a modified approach, with six growth opportunities (Logistics & Distribution; Sustainable Food, Agriculture & Land Use; High Value Manufacturing; Technology, Digital & ICT; Energy & Sustainability; and Tourism), and four growth enablers (Housing & Construction; Education, Skills & Talent; Investment & Innovation; Enabling Infrastructure) identified.

As we head into 2022, we are also launching a proactive regional engagement programme aimed at bringing together key stakeholders from business, community and local government, and collaborating to build knowledge of - and bring support to key sub regional economic opportunities. A knowledge-based and more collaborative approach will be essential in helping focus our support to deliver impact.

Despite continuing uncertainties surrounding Covid, our intention is to stay focused on our work programme whilst remaining agile and able to adjust as necessary. Our goal of lifting economic performance of the Waikato region to enhance the wellbeing of Waikato people continues front of mind.

Ngā mihi,

Hamish Bell | Chair

Highlights of the past quarter across our 4 Pou

Sector and Industry Leadership

In the December quarter our Industry & Sector Development Manager was focussed on initiating and progressing several industry-led projects:

- **Logistics & Distribution:** Ernst & Young is nearing completion of the Freight Action Plan following two industry workshops, resulting in an expansion of the scope of the report to consider demand trends and the capacity of our regional freight networks in more detail. We expect to publish the final report in the March quarter.
- **Construction:** A Construction sector talent attraction campaign is now under development, co-funded by industry stakeholders. Our local agency partner (HGB) has completed initial strategy development and we expect to launch the campaign early in the March quarter.
- **Education:** Our key focus for the Education sector at present is the Destination Waikato project (developing a concept and collateral to promote the Waikato region as an international education destination). This work is ongoing, and our local agency partner (King St) is currently preparing for content production. We are aiming to complete this project by the end of March.
- **Tech & Innovation:** Te Waka continues to support the Cultivate Trust, with a particular focus on supporting their talent attraction campaign which will be launching in the March quarter. Te Waka is also continuing to work with NZTech to ensure the Waikato region is well represented in the NZ Tech Story, which will be promoting the NZ technology sector to an international audience.

In the quarter we also explored potential key sectors we could engage with in future, along with identifying key horizontal themes to help focus our industry and sector development activities. Key sectors we intend to start engaging in 2022 include the Agri & Food, High-value Manufacturing, and Energy sectors. The key horizontal themes we have adopted to focus our efforts are:

- Enabling Infrastructure
- Talent & Skills
- Investment & Innovation
- Sustainability

We are currently reviewing our industry and sector development activities to align our workplans and reporting to these horizontal themes. We will also use these horizontal themes to guide our engagement with our additional focus sectors over 2022.

Māori & Pacific Business

Jason Nepia's contract in the role of Kaihautu Ōwhanga Māori | Māori Economic Development Manager concluded at the end of 2021. We've found an exciting replacement in Hemi Ruru, who will join Te Waka at the beginning of February. Hemi has a diverse background spanning organisational learning & development, business development, and cultural advisory. We are looking forward to bringing him into team Te Waka and continuing the great work Jason has led so far.

Jason Nepia will continue to support Te Waka in a new contract role, focussed on building the capacity and capability of Māori enterprises to engage with social procurement opportunities, supported by the Ministry of Social Development (MSD) and Te Puni Kōkiri (TPK). We're pleased to retain Jason's expertise to support this important mahi (work) and appreciate the support from MSD and TPK for this project.

We are also looking forward to welcoming the Waikato Pacific Business Network (WPBN) at our hub at Perry House in the new year.

Regional Business Growth

The Regional Business Growth team continued to deliver the business partner network funding to our small and medium size businesses in the region. While we were well prepared for another surge in enquiries and need for support from the business community when the recent lockdown was announced, a large increase didn't eventuate, and our team was able to continue operating as normal and deliver the same high-quality support to regular clients.

The tender for the Regional Business Partner RFP and the Business Mentor Programme has been extended to mid-February due to the ongoing Covid-19 developments.

Business Attraction & Investment Facilitation

A relationship has been developed with Auckland Unlimited and their Investment team in order to better work together in the future. Currently a specific investment strategy plan is being developed.

Connections & Partnerships

In November we supported stage one of an important piece of work led by the Waikato Regional Council on "Transiting to a low emission economy". This project is looking to develop a dynamic dashboard tool that would enable regional or district/city-level testing of pathways to net-zero GHG emissions. The tool is intended to utilise a range of variables to enable users to visualise long-term climate outcomes when different "pushes" and "pulls" occur – giving a clearer sense of the decisions and interventions that can support the region to continue moving on its Climate Action Roadmap.

Regional Voice

Intelligence & Insights

In October we published our [Quarterly Economic Radar](#) with support from Waikato Regional Council and Blair Keenan. This report showed that "the Waikato region is better off than most. But it's time to be bold and embrace change as pressures consolidate. Anticipated growth in the region is creating a talent shortage – turbo charging opportunities for skilled Aucklanders looking for good jobs, education and a better quality of life."

Regional Advocate

With support from WEL Energy Trust we are able to continue the development of the Waikato Story in 2022. For this we have recruited a Marketing and Communications coordinator to support us in this and ongoing communications work this year.

Regional Projects

Te Waka continues to be an active participant on several key regional forums, including the Waikato Regional Skills Leadership Group (RSLG), the Waikato Plan (Strategic Partners Forum and Leadership Committee), the Waikato Wellbeing Project, and the Waikato Housing Initiative.

During the December quarter Te Waka was actively involved in the creation of a regional 'priorities on a page' document through the Strategic Partners Forum, to provide a simple strategic overview of the Waikato region that gives context for regional and national initiatives, including Kānoa investments.

Te Waka also supported the drafting of the [Waikato RSLG aspiration statements](#) that went out for consultation in December, to support the creation of the Regional Workforce Plan in the first half of 2022.

Lastly, Te Waka is supporting Waikato Regional Council in the low emissions decarbonisation project.

Key points of focus for the upcoming quarter

As we head into the new year, our continued intention is to be very focused in our work programme in order to drive impact in our region.

Below are our key priorities for this quarter carrying us through to end of March.

90 Day Plan - Key Priorities to April



Business & Industry Growth	Business Attraction & Investment Facilitation	Connections & Partnerships	Regional Voice
<p>Sector & Industry Leadership:</p> <ul style="list-style-type: none"> Finalising and promoting Freight Action Plan, incl. confirming the specific actions for Te Waka Tech sector page launched on Waikato.com, in partnership with Cultivate Trust Successful delivery of Construction Talent Attraction Campaign Successful delivery of Destination Waikato project, including launch event (International Education) Education Leaders workshop held – priorities and path forward agreed with industry Initial planning for new sectors <p>Māori & Pasifika Business:</p> <ul style="list-style-type: none"> Onboarding Hemi, incl. review of Māori ED workplan Supporting onboarding of WPBN into our offices Initiating capacity/capability project, funded by MSD and TPK (Jason to lead) 	<p>Business & Investment Attraction:</p> <ul style="list-style-type: none"> Establish regular engagement with MFAT & Auckland Unlimited Investment teams. Establish InvestWaikato (including web presence and promotion) Review and promote Waikato Hotel investment opportunities <p>Vibrant Investment Ecosystem:</p> <ul style="list-style-type: none"> Develop simplified 'Why the Waikato' collateral 	<p>Connected Business Networks:</p> <p>Build / enable networks and people connectivity in priority sectors, incl.</p> <ul style="list-style-type: none"> Tech sector networking event Identifying key contacts for new sectors Consolidating our stakeholder databases into a single source <p>Establish Business Advisory Council and broader Waikato Business Leaders Forum</p> <p>Sub-Regional Engagement:</p> <ul style="list-style-type: none"> Launch new Regional Engagement Plan and schedule Monthly EDM Forum <p>Government Connector:</p> <ul style="list-style-type: none"> Ongoing liaison with central Government – MPs and Ministers Develop clear plan for managing Government agency relationships Representation on the Regional Strategic Partners Group (Kānoa) looking at regional investment 	<p>Gather Intelligence & Share Insights:</p> <ul style="list-style-type: none"> Publication of Quarterly Economic Radar – January and April Open Annual Business Sentiment Survey in January, publish findings in March Publish Quarterly Stakeholder Update – January and April <p>Regional Advocate:</p> <ul style="list-style-type: none"> Host Head of Mission Visit to Hamilton and Waikato with support from HCC Ongoing development of the Waikato Story <p>Contribute to Regional Projects:</p> <ul style="list-style-type: none"> Waikato Regional Skills Leadership Group (RSLG) Waikato Plan Waikato Wellbeing Project Waikato Housing Initiative WRC Decarbonisation Project Support