

Report

Six Monthly Report
July – December 2020



Executive Summary

It was not that long ago that the saying “what a difference a year makes” seemed to sum up the speed of movement and change across the globe, however in a world battling COVID this no longer seems to capture the urgency and uncertainty our region’s communities and businesses are dealing with. Even as I write this six-month report, it’s worth acknowledging the substantial changes and associated learnings since July that we have all faced that will continue to impact and shape our collective approach to Economic Development facilitation across the region.

COVID and the government’s response provided us with significant additional resource to support our business communities in a way that we had not previously been resourced to do so. For Te Waka, this meant that the demand for our services put our Business Growth Team on steroids and into overdrive until December 2020. We distributed over \$8 million of support and are delighted that for many small and medium Waikato businesses these services and funding enabled them to not just keep their heads above water, but find new opportunities, build their capability, resilience, and confidence.

The relationships formed across the Waikato as part of this outreach, showcased the power of collaboration and for the Board, it prompted a drive towards a stronger partnership model in order to meet regional needs and opportunities going forward. In August, the Board committed to a refreshed strategy, which was socialised with key stakeholders throughout September. This was well received. Our refocussed approach saw our immediate priorities for the last six months being;

- **Improving stakeholder engagement** - Meaningful relations with key sectors and impact businesses, and clear positive connections with local and central government partners
- **Focusing our attention on creating impact** – Sector development, Maori Economic Development, Intelligence, and Insights

It’s important to note that while we’ve reset our organisation’s focus on building capacity through collective effort, we’ve facilitated key industries to do the same. Our Sector Development workstream has gained significant momentum as we have brought together key influencers/leaders across Logistics & Distribution, Construction, Education and IT/Innovation, gathered intel, scoped opportunities and identified shared barriers to growth. Industry Action Plans are now expected to be rolled out through 2021. Te Waka has sought to understand and support Māori economic development aspirations and is progressing our social procurement activities and strengthening our relationships and partnerships with Iwi and Hapu.

In September Michael Bassett-Foss finished with Te Waka after two years and Director Kim Hill stepped down from the board in October. Over the first quarter of 2021 we will commence the search for a new CEO and replacement director for the board.

It is without doubt that while we recognise 2021 will be another challenging year ahead, we look forward to working more closely with our local partners to support economic wellbeing across the Waikato.

Kiri Goulter

Interim Executive Director

Outlined below is a summary activity report aligned to Te Waka’s strategy –

Sector Development

Logistics and Distribution

The Logistics and Distribution sector contributed \$607M to the regional economy in 2019¹. The Waikato’s central location, proximity to the Ports of Tauranga and Auckland, central roading and rail networks, Ruakura Inland Port, Firth of Thames and Tokoroa Distribution Hub present potential for strong growth and is a key focus on Te Waka’s sector development activity.

Activities to date:

- October 2020, twenty industry leaders from some of New Zealand’s largest logistics and distribution companies met to discuss the future of Waikato and Bay of Plenty in New Zealand’s Golden Triangle.
- A sector advisory group has been established and are in the process of developing an industry led plan to strengthen the sector and coordinate and leverage investment in partnership with Central Government.

Looking Ahead:

- The plan scope will be finalised early 2021 and a commitment from partners sought to progress the development of the plan alongside local and regional government and national industry plans and a final plan is expected in April/May.

Construction

The construction sector contributed \$1.7M to the regional economy in 2019¹ and is recognised as a fast-growing sector for the region due to an increasing population driving residential building, the Waikato Expressway project and central and local government infrastructure investments. Te Waka is focussing on coordinating regional leaders to provide a voice for the region within national and local structures and enable and assist productivity and progress.

Activities to date:

- 40 industry leaders from Commercial, Residential and Horizontal businesses came together to identify and discuss opportunities and challenges for the sector
- Issues and opportunities include; skills shortages, workforce attraction, availability and cost of land and provision of timely infrastructure, increasing regulation and new environmental standards, security of future work programmes, tender and consenting processes, training and development as key areas of focus for the sector.
- A regional skills shortage survey has been completed with 70 construction sector respondents, highlighting, and clarifying the recruitment challenge in the industry.
- Regional collective opportunities have been identified to pursue in 2021.

Looking Ahead:

- A sector advisory will be brought together to guide implementation of a coordinated business led regional plan of work.
- A sector and industry profile will be published.

International Education

International education contributed \$280M in student tuition fees and tourism to the regional economy in 2018².

The sector provides a valued workforce for employees in the region and diversity and richness in our community.

Te Waka is working along the sector to coordinate regional partners, and support and enable the sector to provide economic, social and cultural benefits through greater collaboration and by enabling the sector to be more competitive for when international student attraction strategies recommence.

Activities to date:

- Te Waka is taking the lead contract with Education New Zealand to establish an international educational regional working group and advisory group.
- An International Education Plan has been developed that focuses on four key areas:
 1. Celebrating the region’s international education presence.
 2. Retaining our international students.
 3. Supporting Pathways in Education (Secondary to Tertiary and on to Employment) and
 4. Creating a COVID-19 recovery plan.
- A student summer experience programme supporting students remaining in the country over summer.
- A partnership programme of work and draft COVID-19 recovery plan.
- Shared communications on the value of the sector to the Waikato.

Looking Ahead:

- Continue to advocate and partner with education providers for the safe return of international students.
- Development of collaborative marketing materials for providers in the region.
- Strengthening of pathway relationships from primary to secondary to tertiary education and on to employment.

IT/Innovation

The region’s IT and Innovation sector / eco system enables and underpins business and industry across the region. Te Waka in partnership with with Cultivate IT, Hamilton City Council and Gallagher Te Waka is working collaboratively to strengthen and support industry where appropriate.

Activities to date:

- An industry survey has been completed to better understand the size, scale and impact of the sector and their needs and opportunities.

Looking Ahead:

- Utilise the survey responses and available industry information to define the sector and define a sector development programme alongside the businesses to improve and optimise opportunities for the region.

Other sector activities:

Agribusiness

- The sector will play a critical role in the region’s COVID-19 recovery.
- Te Waka partnered with KPMG and BNZ to host the Annual Leaders Breakfast and will continue to strengthen our partnership to support the sector where appropriate in 2021.

Health

- Largest employer in the region, Te Waka is exploring the establishment of leader’s forums in partnership with Central Government. The forums will aim to understand opportunities and challenges for the region.

Manufacturing/Engineering

- Te Waka has provided support to WECA (Waikato Engineering Careers Association) and Pam Roa in her role as the lead for the Regional Skills Leadership Group to provide support for this sector.

Māori Economic Development

Te Waka’s goal is to work alongside Iwi, Hapu and Māori enterprises to realise economic aspirations for all Māori within the Waikato rohe. Māori represent 24% of Waikato’s population of 460,000 but are disproportionately represented in social statistics of need. By working alongside Iwi, relevant business networks and key central and local government agencies Te Waka looks to become an agent of change within this ecosystem.

Activities to date:

- Social Procurement. The work is supported by the Government’s recent announcement to have a procurement target of 5% of government contracts for Māori business. Specific work activities include:
- Engagement with procurement managers for corporate, government agency and council via Waikato LASS.
- Presentation to Waikato Plan.
- A procurement webinar series (engaging Auckland Transport, Kāinga Ora, Amotai – social procurement agency).
- The creation of a memorandum of understanding with Amotai, who have been selected by central government to lead the relationship building and framework required to meet the 5% procurement target.

Staffing changes

- August 2020 saw the departure of Ashleigh Turner to MBIE, Jason Nepia moved across from Te Puni Kokiri to fulfil the Māori Economic Development Role and started in December.

Iwi Engagement

- Engagement with the following Iwi has occurred, Ngāti Tūwharetoa, Waikato Tainui, Ngāti Hinerangi, Te Arawa River Iwi Trust, Raukawa. A partnership agreement was agreed to with Waikato Tainui in December, with a signing to occur in Jan 2021.

Looking ahead:

- The establishment of a regular resource for the delivery of social procurement via the Te Waka / Amotai partnership.
- The transition of the supplier centric role to Amotai, while Te Waka moves into the role of working with Iwi and relevant business networks identifying Māori businesses that are willing to participate within a supplier diversity framework. This work will include identifying and bridging any capacity and capability gaps that said businesses may have.
- Execution of agreed workplan with Waikato Tainui targeting Māori SME social procurement participation and their capacity and capability for exponential growth.
- Formalisation of partnerships and creation of agreed workplans with 2 more Iwi within Te Waka's boundaries.

Regional Business Support Network

Te Waka is the delivery agency for the Ministry of Business Innovation and Employment (MBIE) and New Zealand Trade and Enterprise's (NZTE) Regional Business Programme (RBP) and Callaghan Innovation Programme. The second half of 2020 saw a further extension of Government's Covid-19 business support package.

Activities to date:

- Over 3000 businesses were met, and the majority received some level of funding.
- A total of \$8.8m of support was provided to Waikato businesses. This was made up of RBP; \$260k, Tourism \$560k, COVID \$5.1m, Callaghan \$2.9m.
- Te Waka relied heavily on the ecosystem resources, pulling together a team of skilled advisors to support the region through this time and leveraging connections with the following, allowing TW to deploy services across all districts rapidly;
 - Hamilton & Waikato Tourism
 - Ahikōmako (Te Wānanga Aotearoa)
 - SWIFT
 - Enterprise Great Lake Taupo
- Callaghan Innovation activities across Waikato businesses continued at twice the pace of any previous year with project grants, student support and the R&D loan package all being delivered through this period.

- 58 Mentees were matched with Business Mentors.
- Hubs in Morrinsville and Te Aroha, Coromandel, Whitianga and Whangamata were re-launched once TW resumed face to face meetings.

Looking ahead:

- Covid-19 activities have provided a significant number of new connections to business and enhanced region wide engagement and opportunities to work smarter.
- Taking these lessons and building them into an enhanced regional delivery system to improve greater targeting and impact.

Gather Intelligence Share Insights and Advocate

Te Waka in partnership with Waikato Regional Council has continued to gather and disseminate data, insights and intelligence to monitor the Waikato's economic progress including insights into the labour market, unemployment figures, job advertisements, business indicators, trade indicators, exchange rates and housing market indicators.

Activities to date:

- The first Regional Business Sentiment Survey was completed in August with 589 responses received. Overall Waikato businesses felt more confident in their own business performance and less confident when considering either their sector or the region's performance. Confidence was lowest when considering the performance of the national economy as a whole.

Looking Ahead:

- Te Waka will continue to track the region's economic progress. The Economic Radar will move to a quarterly profile alongside the Quarterly Economic Insights.
- The Sentiment Survey will be repeated in February 2021 and then on a six-monthly basis.
- Continue to profile and celebrate Waikato's success via Waikato.com.

The Waikato Story

A key focus of Te Waka is to advocate strongly for the region ensuring a clear and compelling "Why the Waikato" proposition. This requires telling /selling a integrated regional economic story - aimed at attracting talent and business.

Activities to date:

- Waikato.com was launched in July 2020, bringing together Waikato Story, Te Waka and Waikato Business Support into one platform and a one stop shop for business in the Waikato. Functionality within the site offers users the ability to submit their own story and business capability events to the site for approval. The Waikato.com platform now hosts over 500 news stories; Te Waka is sharing these stories through various platforms and engaging with others to access the platform to share content.

- As part of the website development a 'Why Waikato' pitch was developed with 5 USPs developed; Well-Connected, Cost Competitive, Ambitious Workforce, Thriving Industry Sectors, Liveable.

Looking Ahead:

- Continue to develop content for the Waikato Story aligned to the sector activities and in collaboration with partners to meet the needs of industry in profiling the Waikato.

Build Connections and Partnerships; and Drive Collaboration

Te Waka's goal is to implement a proactive stakeholder management program to build relationships based on trust and mutual respect to enable partnerships and collaboration across a broad set of stakeholders including central and local government, Iwi, Hapu, Māori and business and industry.

Activities to date:

- Local Government - Meetings with all Mayors & CEs to explore opportunities for strategic alignment.
- Presentations to Councils to socialise new Te Waka strategy which was well received.
- District priorities explored in preparation to develop collaborative work programme for 2021.

Regional projects

- Interim Regional Skills Leadership Group – Michelle Hollands is Te Waka's representative on the iRSLG. The iRSLG is part of Central Government's Review of Vocational Education and the Leadership Group (Sector, Community, Iwi and Workforce Leaders) provides advocacy on behalf of the region to Central Government and guides initiatives and investments to improve the Waikato's Labour outcomes. Over the last six months the iRSLG has refined its understanding of the size, shape and progress of the Waikato Labour Market since COVID-19 through tracking and monitoring.
- Regional Housing Initiative – Michelle Hollands is Te Waka's representative on the RHI Working Group. A one-page strategy has been refined and strengthened relationships with Central Government re the importance of housing (affordable and social) to New Zealand/Waikato.
- Waikato Wellbeing Project – Youth and Employment Manu Taki. Te Waka has partnered in the Waikato Wellbeing Project as a Manu Taki (Leader) in the Youth and Employment Project workstream. The community work programme for this workstream has seen a number of highlighted partnership actions form over the last six months.
- Te Waka will continue to support these three targeted regional projects. The aim: to connect Central Government agency and Ministers to the programmes; to leverage funds to enable outcomes; to connect and collaborate with partnered initiatives to drive change.

Regional Partnerships and Collaboration

- The Regional Engagement Strategy has been developed and adopted.
- An Outreach Plan has been designed to look at the delivery of Business support services into districts.
- Communities of Learning have continued and been reviewed to enhance region-wide relationships within the Economic Development community.

Well Managed and Financially Sustainable

A key focus over the past six months has been to sharpen Te Waka's focus to ensure we add value and achieve impact. Te Waka's refreshed strategy has been discussed with central/local/regional government partners to reconfirm Te Waka's mandate as the Regional Economic Development Agency for the Waikato. All territorial local authorities have confirmed their support for Te Waka and willingness to partner and collaborate to achieve improved and shared outcomes across the region.

With limited financial and human resources, Te Waka has worked to firm up its financial position through tight budgeting and focussed allocation of resources aligned to strategy. This has meant carefully managing expectations and adopting a collaborative approach to delivery with partners as we cannot do it all.

CEO and Board changes

- Michael Bassett-Foss finished with Te Waka at the end of September after two years in the role.
- Director Kim Hill stepped down in October. Kim was a member of the establishment board and Te Waka Board for two years.
- Kiri Goulter (Deputy Chair) has stepped into an interim Executive Director (part time) until a new CEO is recruited.

Looking Ahead

- Confirmation of funding support from local/regional government through the long-term planning process.
- Discussions with Central Government re their regional economic development strategy/priorities and partnership support.
- Appointment of a new director.
- Appointment of a Chief Executive.
- Ensuring board, management and team are fit for purpose.
- Securing additional funding to enable Te Waka to deliver on its strategy and purpose more effectively.