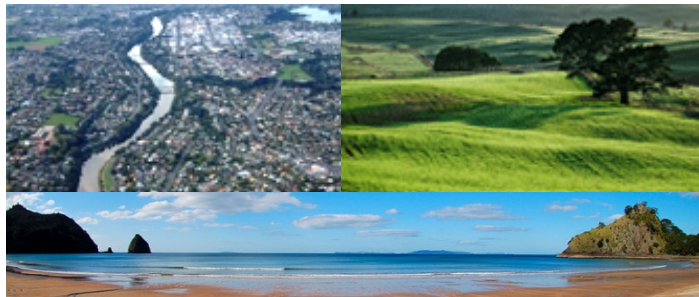


Waikato Spatial Plan Summary Report



High-Level Executive Summary

Updated to May 2015

Summary

Purpose and Context

The purpose of this Report is to summarise the findings of the work undertaken to date and to identify high priority issues which the Waikato Region can have a collective voice on. This report is a summary of comprehensive technical reports which have been developed for the Waikato Plan project on people / demographics, economic, social, cultural and environmental well-being, infrastructure and connectivity. These reports were first completed in 2013 and updated in 2015.

This Summary Report will be an important communication for the Waikato Region. It will inform discussions on strategic collaboration between local authorities, infrastructure providers, communities and the Crown, and can be considered the Joint Committee's communication to the Waikato on the rationale for a Waikato Plan, including the core strengths, challenges and opportunities that should be considered.

The Waikato Plan is being developed in a context of central government objectives around building a more productive, competitive economy and better public services. It is also being developed at a time of Local Government legislation changes and reorganisation proposals. The consistent themes that have emerged from these reforms are:

- Improving the efficiency and effectiveness of local government
- Enhancing economic development
- Providing value for money

Benefits of Spatial Planning

There is a need to provide a mechanism within which efficiency and effective collaboration on priority issues and responses across the Waikato can be achieved – that mechanism is the Waikato Spatial Plan.

There are significant gains to be made and potential benefits in undertaking spatial planning for the region. This includes:

- Enhanced coordination of 'Whole of Government' investment – efficiency savings by acting collectively with central Government on high priority issues
- Improving coordination of Government, Regional and Local policy
- Consistency with where the Local Government Commission is heading in terms of speaking with one region-wide voice, strategic long-term planning, simplified and streamlined processes and efficiency initiatives such as shared services
- Efficiency savings for NZ Inc and Waikato Ratepayers (cost savings could be anywhere from 40 to 50 million over 10 years just for having fewer plans, policies, bylaws and common planning procedures)¹

¹ A Business Case for Completing the Waikato Plan, January 2013

- A framework for central government engagement (eg to increase awareness of the implications of rural depopulation and the economic and social impacts of rural service decline)

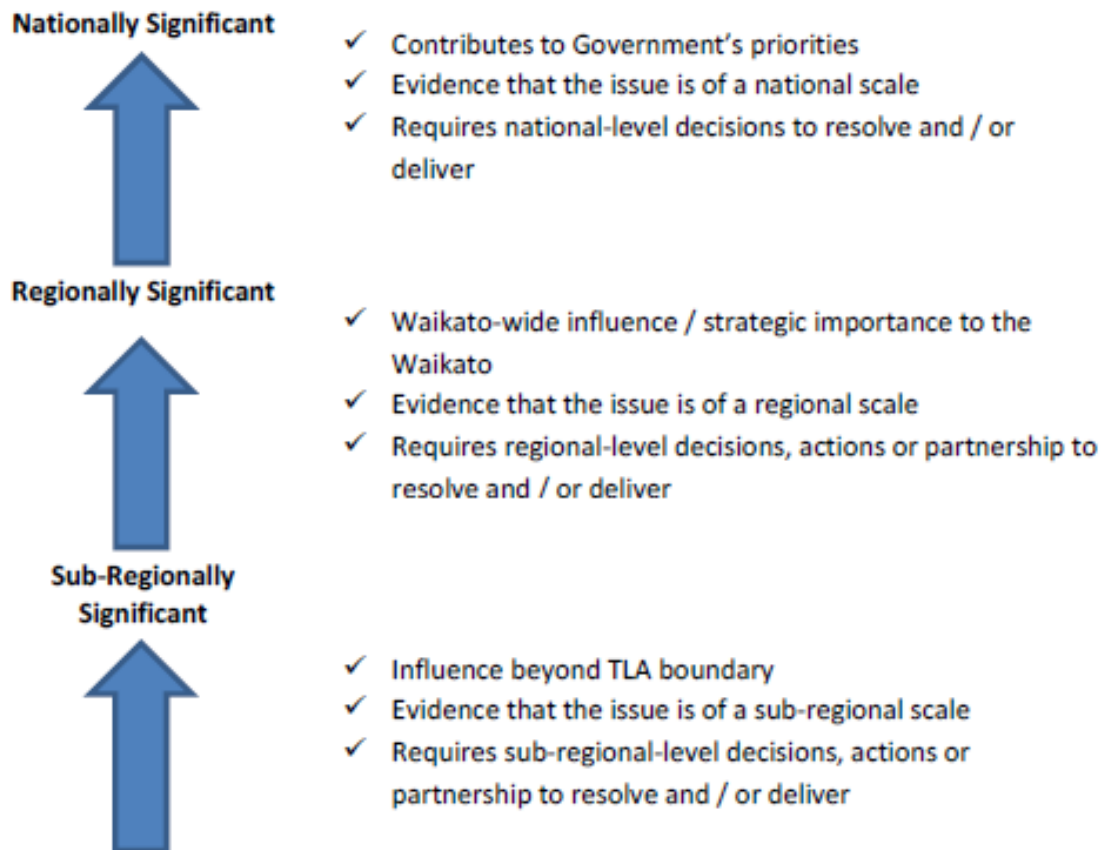
When the Waikato Region has acted in a collective manner, this has proven to be effective when seeking additional Government investment. Recent examples include:

- ✓ Collective action by the Waikato Regional Transport Committee secured \$215M of Crown Funding for land transport initiatives, which has been largely invested in the Waikato Expressway and doubling the capacity of the East Coast Main Trunk Line.
- ✓ Consistent advocacy over 15 years or more that the \$2 billion Waikato Expressway is the region's number one transport priority – the Expressway is a Road of National Significance and is targeted for completion in 2019.
- ✓ Doubling the capacity of the East Coast Main Trunk Line as a result of the Crown Grant – a \$13 million project which has supported Fonterra expanding capacity at the Crawford St inland port and provides important links to Ruakura supporting the business case for an inland port.
- ✓ Lake Taupo Protection Trust secured a combined fund of \$81M to reduce nitrogen leaching into Lake Taupo over 15 years.
- ✓ Waikato-Tainui's River Settlement with the Government – the Waikato River Authority administers a combined fund of \$220M to restore and protect the health and wellbeing of the Waikato River – this is unique to the Waikato and is an example of collaborative relationships to achieve better service delivery.

Headline Regional Strengths, Challenges and Opportunities

The Waikato region is diverse, with different issues, conditions and interests across the region. Consequently, opportunities for strategic local government collaboration exist on three different levels; the macro or national level, regional level, and sub-regional level.

The technical reports which underpin this Summary Report have identified key strengths, challenges and opportunities for the Waikato region. A methodology has been developed which identifies the matters which are nationally, regionally or sub-regionally significant. This will help the Waikato Plan to identify priority areas for local government to collaborate on. The methodology used is as follows:



The assessment undertaken using the methodology has identified a number of strengths, challenges and opportunities. While they are all important there are too many for the region to focus on at once. The table below identifies some 'headline' strengths, challenges and opportunities that the region can focus on now and that can be used as the basis for developing the Waikato Plan. The methodology for determining the headline strengths, challenges and opportunities is as follows:

- Has significance both nationally and regionally
- Has an impact on other well-beings
- Is an issue of high importance to the community or of significant potential benefit to the community

‘Headline’ Strengths, Challenges and Opportunities

Strengths	<ul style="list-style-type: none"> <p>▪ Nationally significant transport juncture and connections to Auckland and Tauranga</p> <p>The region is a nationally significant juncture for freight and transport, and has good connections to large and growing populations in Auckland and Tauranga. The transport network in the Waikato region is vital to the nation’s economic prosperity as it provides important access for freight and people to key destinations including major urban centres, ports, industry, sub-regional employment centres and tourism locations. The Waikato has a good quality road transport network including two of the busiest rail lines in New Zealand.</p> <p>▪ Contribution to national economy through important industry sectors which rely on the Waikato’s natural capital</p> <p>The Waikato region has a significant proportion of New Zealand’s export-facing industries, most of which are based around the region’s natural capital. Dairy, meat, forestry, aquaculture, agri-business, tourism, education, energy and mining/quarrying, are already the largest contributors to economic growth. The Waikato region is responsible for about a third of New Zealand’s dairy production.</p> <p>▪ Hamilton as the Waikato centre for innovation, employment and services, with a mutually beneficial economic relationship with the region’s rural areas</p> <p>Hamilton city makes the most significant contribution to the region’s gross domestic product (GDP), at an estimated 45 per cent and its estimated GDP per capita in 2012 was both the highest in the region and higher than the national average. It is the region’s “central business district” with concentrations of employment, research, tertiary education and manufacturing. Hamilton’s industry strengths are linked to the primary production of the surrounding region and its location advantage in the Upper North Island.</p>
Challenges	<ul style="list-style-type: none"> <p>▪ Declining rural populations and associated decline in services, impact on infrastructure and affordability issues</p> <p>Ongoing rural depopulation is leading to altered local demand and consumption patterns affecting the provision, location and affordability of services (eg schools, retail, health care, leisure and transport).</p> <p>▪ An ageing population and shrinking skill base</p> <p>Except for a handful of territorial areas, all foreseeable growth in New Zealand will be at 65+ years, and most will see decline in other age groups. Every year for the next 15 years a successively larger cohort will retire (or reduce its participation) and will be 'replaced' by a successively smaller cohort at labour market entry age, driving an increase in competition for labour and presumably labour costs.</p> <p>▪ Water allocation and land use impacts on water quality</p>

	<p>The health of the region’s fresh water bodies is declining - particularly in terms of nutrient concentrations and health for aquatic organisms. Competition for water is also an issue. A significant proportion of the region’s surface water resources are already fully allocated meaning that there is little available for additional users.</p> <ul style="list-style-type: none"> ▪ Economic and social inequalities across the region Economic growth has been uneven across the territorial authorities in the region. There has been variation in GDP growth, employee counts and income levels. This poses a challenge if we want economic growth in the region to raise the living standards and well-being of all residents and economies, not just a select few. ▪ The impact of climate change Climate change will impact increasingly on economic productivity, public safety, infrastructure costs, frequency and severity of natural hazards and biodiversity. The projected effects of climate change on the Waikato may see changes in the region’s climate which could impact on the community’s ability to provide for their long term wellbeing.
<p>Opportunities</p>	<ul style="list-style-type: none"> ▪ Maximising opportunities, including investment, through aligned planning The Region currently has over 640 non-RMA strategies, policies and plans, and a wide range of policies and standards within existing District Plans. There are opportunities, including through the development of a Spatial Plan, to align the planning frameworks which will assist local authorities and key stakeholders to identify strategic opportunities, recognise any trade-offs and make strategic policy decisions on high priority issues. There are potentially significant cost and service delivery efficiencies to be achieved through an aligned planning approach. ▪ Leveraging Maori development Māori economic participation and investment offers significant potential for the Waikato region. Waikato iwi are active investors in the region. There are opportunities to partner with Māori/iwi for economic development due to their unique advantages and long-term commitment to the future of the region and its people. ▪ Connectivity to the Upper North Island and building on the Waikato’s role as a centralised freight and logistics hub The Waikato region lies at the productive heart of New Zealand’s economic engine room, the population and economic growth area of the Upper North Island (Waikato, Bay of Plenty, Auckland and Northland). The Waikato’s transport connections in particular can facilitate the growth of the Upper North Island. The region has nationally significant road and rail infrastructure and important connections to the Ports in Auckland and Tauranga. ▪ Capitalising on the Waikato’s relationship with Auckland The Waikato and Auckland have a strong interdependent relationship and are connected physically, as well as socially, economically, culturally and environmentally. Auckland is growing and will continue to grow in the

	<p>future – there is substantial growth planned to the south which impacts on the Waikato. There are significant opportunities between the two regions. These include strong transport links (eg the Waikato Expressway and the NIMT), international connections, linkages between industries, water management (eg the demands being placed on the Waikato River), land use and infrastructure integration, which are all priority areas for the Waikato. Substantial benefits will arise where these matters are managed in a collaborative, mutually beneficial manner.</p>
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These headline strengths, challenges and opportunities have been updated to reflect the reviewed technical reports for 2015. They were originally adopted by the Waikato Mayoral Forum in February 2014.

Conclusions

The research work undertaken to date indicates that a spatial plan for the Waikato region with a number of specific outcomes clearly defined, will provide a useful tool for performance improvement, speaking with one voice and having a clearly agreed regional direction.

The Plan provides a process which will provide a framework for ongoing joined up thinking.

The Waikato Plan represents a significant opportunity for the Waikato region and its communities, and one which may not arise again given the current operating climate. Failure to collaborate strategically may potentially expose the region to a number of risks and costs.

The Mayoral Forum and the subsequent Joint Committee has received a significant amount of quality information and advice. However, unless there is commitment to moving forward, particularly in terms of the headline strengths, challenges and opportunities identified, the benefits of having completed all of the technical work and the opportunity to align with the Government’s policy and operational context, will be lost.

The 2015 updates to the evidence base have reconfirmed the need to proceed with the Waikato Plan.