State of the Hauraki District – Summary Environmental Scan

Hauraki District Council
November 2013
Purpose

Hauraki District Council is in the process of preparing its draft 2015-25 Hauraki Long Term Plan. To assist in the preparation for this planning process, an Environmental Scan has been prepared. The purpose of the Environmental Scan is to ensure as a Council we have an understanding of external factors within the macro environment. This document is a summary of the Environmental Scan and predominantly highlights the key social, environmental and economic factors at a National and Regional level and how these affect Hauraki District.

National context - Central Government Priorities

The national-led Government has in 2013 identified and reiterated four key priorities:

1. The first of the Government’s priorities is to get the Government ‘books in order’ to protect families and businesses, and stabilise the economy. It is focussing on:
   - returning to budget surplus in 2014/15, and beginning to pay down debt.
   - proceeding with government share offers to free up capital to reinvest in new assets.

2. The second of the Government’s priorities is to build stronger economic growth based on higher savings and productive investments. This will help businesses invest, grow and create more jobs. Through its Business Growth Agenda it is focussing on:
   - building export markets
   - supporting innovation
   - creating skilled and safe workplaces
   - investing in infrastructure
   - better managing our natural resources
   - growing capital markets

3. The third of the Government’s priorities is to achieve better results in the public sector, and better value for money for taxpayers. The 2013 Government budget included targets to:
   - boost skills and employment

---

1 As set out in its 2013 Budget and the National Party documentation (New Zealand Government, 2013) (National Party, Unknown)
2 Hauraki District Council Summary Environmental Scan – November 2013 – document 1152364
• reduce crime rates and offending
• reduce long-term welfare dependence
• better protect vulnerable children
• improve businesses’ and the public’s interaction with the Government through the digital environment,

The National Party has also identified the other following public sector priorities:
• deliver better, sooner, more convenient healthcare.
• help more Kiwis into warmer, drier, affordable housing.

The fourth of the National Party’s priorities is to help support the rebuild of Christchurch.

Implications for local government
It is clear that the policy and directional drivers that Central Government has adopted as its approach to the future will also form the basis of many of its legislative initiatives that it drives down through the various sectors, including that of Local Government.

Better Local Government Reforms
In March 2012 the Government announced an eight point reform programme for local government. This was part of the Government’s broader programme for building a more productive, competitive economy and better public services. The first phase of the programme culminated in legislation that was passed in December 2012. The Government has made decisions on the contents of a further piece of legislation, covering most of the topics that have been looked at during phase two of Better Local Government.

Phase two has involved a series of reviews of components of the local government sector:
• an efficiency taskforce looked at the effectiveness and efficiency of the planning, consultation and financial reporting requirements and practices local government faces.
• an expert advisory group looked at the efficiency of local government infrastructure purchasing, provision and maintenance.
• the Productivity Commission conducted an inquiry into local government regulation.
• the Productivity Commission conducted an inquiry into housing affordability which led to a broadened review of development contributions2.

A Local Government Bill which gives effect to the above changes has been drafted and is currently going through consultative processes and is expected to be enacted in mid 2014 year.

There are a number of additional legislative changes being progressed outside of the Better Local Government umbrella (e.g. Resource Management Act reforms) that will directly affect local government.

Responsibly Managing the Government’s finances
The Minister of Local Government has indicated that central and local government should ‘be on the same page’ with regard to having the books in surplus, cost control and borrowing control3. The financial prudence reforms introduced in the 2012 Local Government Amendment Act enabled the Government to introduce financial prudence measures to compare and contrast the performance of local government in New Zealand.

The measures are intended to provide elected members with early warning signals of risks, which will help to avoid the need for central government intervention as well as have the potential to shape a

---

2 (Department of Internal Affairs, Accessed 2013)
3 (Minister of Local Government Chris Tremain, 2013)
better public debate about local government finance. The financial benchmarks are intended to be ready to be used for the 2013/14 annual reports.

**Building a More Productive and Competitive Economy**
The Minister of Local Government has indicated that progressing economic growth across the country should be fundamental to both local and central government\(^4\). The Better Local Government reform package initiated by the various Ministers of Local Government, intends to signal to local government that creating an environment conducive to building a more competitive and productive economy is essential to the way it operates. This includes measures such as:
- reducing red tape
- limiting debt and reducing the rates burden on households and businesses
- ensuring that infrastructure is cost-effective and of good quality.

**Delivering Better Public Services within Tight Fiscal Constraints**
The Better Local Government reforms are focused very much on helping to deliver on this priority. According the current Minister of Local Government, “both taxpayers and ratepayers expect that their investment will return ongoing and better services for the same or similar funding. Unless we can demonstrate significant service improvements they will not (and should not) stomach significant cost increases\(^5\). According to the Minister, phase two of the Better Local Government initiatives aims to assist councils to reduce red tape, and, at the same time, better enable ratepayers and communities to understand what councils do on their behalf.

**Local Government Reform Reorganisation**
Local authority reorganisation has been topical of late. With changes to the Local Government Act creating new opportunities for local authority restructuring and amalgamations and with the new Auckland City structure in place, there has been much discussion about what this could mean for local government nation-wide.

While it is the role of the Local Government Commission to make decisions on the structure and representation of local government in New Zealand, it is sector groups and local authorities that are likely to push amalgamations and develop proposals themselves rather than central Government.

The Minister of Local Government has stated that council amalgamation will not be for everyone. The Efficiency Taskforce and the Infrastructure Expert Advisory Group noted the potential for efficiency gains by changing the scale at which services are planned, funded or delivered. This can be achieved by:
- the reorganisation of councils
- collaboration between councils (e.g. shared service arrangements)
- transferring responsibilities from territorial authorities to regional councils.

**Local Government Performance Improvement & Excellence**
- Fundamental to the achievement of the central government priorities is a culture of constant improvement. This culture requires both local and central government to benchmark themselves against others, to compare and contrast, to identify excellence and to replicate it where possible. This is intended to increase the transparency of performance, holds both levels more accountable to taxpayers, and allows for performance improvement in a positive way.
- The Minister of Local Government has also noted the following in relation to local government: the Minister is looking to work towards a Performance Improvement Framework specifically designed for local government in New Zealand (alongside the with the Centre of Excellence and the

---

\(^4\) (Minister of Local Government Chris Tremain, 2013)
\(^5\) (Minister of Local Government Chris Tremain, 2013)

---

Hauraki District Council Summary Environmental Scan – November 2013 – document 1152364
financial prudence measures). Volunteer councils will be asked to trial the framework to ensure that it does deliver for local government before it is rolled out on a wider basis.

- The Centre of Excellence for Local Government provides an opportunity to collaborate towards lifting the bar across the local government sector. A Centre of Excellence would bring together existing performance improvement tools and approaches, develop and deliver new ones in a co-ordinated way, and showcase best practice local government projects.

The national government elections are due to be held on 20 September 2014. Depending on any changes in the government makeup, there could of course be further policy changes which impact upon local government.

**Other Key National Trends Affecting Local Government**

**Drivers of Cost Increases**

Local government is faced with the need to deliver its services more efficiently in order to keep rates down in the face of significant cost increases. The costs of building and maintaining infrastructure alone are forecast to increase by 49 percent over the next ten years due to factors such as a constrained civil construction industry (post-Christchurch earthquake), international oil and commodity price movements, rising insurance costs (also post-Christchurch earthquake) and changing national standards (such as drinking water standards). Other costs will also increase due to factors including responding to changing legislation, population growth and decline and its effect on infrastructure demand and earthquake strengthening of public assets. The ongoing focus of the present government on ensuring that local government activity creates a favourable climate for businesses means that ongoing ‘unpalatable’ rate increases are unlikely to be tolerated.

**Climate Change**

Climate change is forecast to lead to changes in weather patterns including more frequent extreme weather events and wetter or dryer climates (depending on location). This has potentially significant implications for local government as it affects decisions on the location on infrastructure and nature of resource and building consents in some locations.

**Demographic Changes**

The ageing population of New Zealand will also have implications for local government and local communities. The profile of services required will likely expand as the needs of the ageing are better met. For example, demands for passenger transport and total mobility services may increase; open spaces may become less active (e.g. contact sports) and youth-focussed (e.g. playgrounds) and more passive in nature (e.g. walks). The older age cohort is also often ‘asset rich and cash poor’ as incomes decrease. Coupled with high demands for service, the perception of rates unaffordability may increase.

While urban and peri-urban areas face challenges in dealing with population growth, rural areas are facing slow growth or declining populations. This will inevitably have a flow on effect to undermining the population base for support services as the critical mass becomes lacking, reduction of community volunteer numbers as well as recreation and cultural opportunities.

**Digital Communications**

The increasing expectations regarding ‘real time’ digital communication, coupled with the Government’s priority to improve interaction through the digital environment will require local
government to change the way it communicates with the public. According to the Minister of Local Government, “transacting with local government digitally is still far from the norm”. The immediate challenge then involves providing for the digital environment but also providing for the traditional methods of engagement for those citizens that use them.

What This Means for Future Decision-Making

A number of trends are together significantly changing the local government environment

- The pressure for local government to demonstrate it is responding to the national government agenda by ensuring that (good quality) services are delivered at the lowest possible cost will remain high.
- There are a number of work programmes that will continue to have direct implications on the Hauraki District Council including local government reform, water and other RMA reforms, housing affordability and accessibility programmes and digitisation of services.
- International and national cost drivers will continue to place significant financial constraints on local government but their effect will be expected to be minimised through other actions (finding cost efficiencies, focussing on core services etc).
- Local authority amalgamation will remain on the radar although whether it provides the appropriate solution for Hauraki and its neighbours is yet to be determined. There is value in continuing to explore other opportunities such as shared services to build strategic capability and minimise costs.
- The way citizens wish to communicate and engage with their councils is likely to change to the extent that current community governance arrangements may no longer be regarded as the most effective option.
- The Hauraki District Council will need to ensure it is well placed to respond to these changes.

With a tight fiscal environment for both local and central government and changing population dynamics, there is a role for local authorities to take an increasing leadership role in shaping their communities

- While local and central government’s ability to increase investment in various services, local authorities can potentially add value by bringing together communities, service providers and government agencies to develop shared visions and locally-appropriate solutions. While this was the purpose behind the previous ‘community outcomes’ provisions of the local government act, in general it was not well implemented.
- Local authorities also have a role in helping communities be independent enough to do things themselves without financial council support or intervention given that that may no longer be an option for councils.
- Collaboration with other councils, government agencies and stakeholders is therefore increasingly important.

There is a lot for local authorities to keep a watchful eye on

- Further legislation changes are pending which will impact upon local authorities as noted above.
- The dynamics of population, digitisation, citizen engagement continue to change or evolve.
- The Hauraki District Council will need to ensure it is well placed to monitor any changes.

10 (Minister of Local Government, 2013) (East, 2013)
11 (Minister of Local Government, 2013)
Regional context
The Hauraki District sits within a number of areas that form ‘regions’, but these can be generally grouped into the following three:
1. the Waikato Region
2. the Hauraki Gulf and catchments
3. the rohe of Hauraki Iwi

Within these, there are often sub-regions.

Local Government and the Waikato Region
The Waikato Regional Council
The Waikato (as administered by the Waikato Regional Council) is the fourth largest region in New Zealand. It covers 25,000 square km (2.5 million hectares) stretching from the Bombay Hills and Port Waikato in the north down to Mokau on the west coast and across to the Coromandel Peninsula on the east coast. In the south it extends to the slopes of Mt Ruapehu and the Kaimai Range. The region has several lakes including the country’s largest, Taupō, and the country’s longest river, the Waikato, which passes through eight hydro-electric dams and flows into the Tasman Sea at Port Waikato after a journey of 425 km from Lake Taupō. The region has one city (Hamilton) and 10 district councils, three of which lie across the regional boundary12.

As a regional local authority, the Waikato Regional Council’s role (largely defined through statute) includes:
• using a mix of rules, plans, education and information to manage the region’s natural and physical resources, as well as
• natural hazards and hazardous substances
• providing, managing and maintaining flood control, drainage and soil conservation schemes
• managing and controlling animal and plant pests such as possums, wild ginger and privet
• planning and co-ordinating the region’s transport needs including passenger transport services, Total Mobility for People with disabilities and road safety
• responsibility for navigation safety within the region
• preparing and planning for managing the region in an emergency such as a flood, volcanic eruption or earthquake
• a partner in the governance of the Waikato river13.

Current Work Programme Priorities
On the 31st March 2011, the Waikato Regional Council adopted a new strategic direction that will see it take more of a leadership role in regional development. It identified three flagship goals for the 2010-2013 council term. As of writing these have not yet been updated for the 2014-2017 period. They are:
• sustaining land and water values -
• facilitating regional development
• meeting co-governance requirements

By focusing on these three areas, the Council believes it will be better placed to meet the big environmental and economic issues affecting the Waikato region14. These will no doubt be reviewed for the 2013-2016 term.

12 (Waikato Regional Council, 2012)
13 (Waikato Regional Council, 2012)
14 (Waikato Regional Council, 2010)
Major future projects identified in the Waikato Regional Council’s Pre-Election Report\textsuperscript{15} as they relate to the Hauraki District include the following.

- Water quality
- New regional policy statement (RPS)
- Healthy Rivers: Plan for Change/Wai ora: He Rautaki Whakapaipai
- Water take consents – Variation 6
- Stopbanks upgrade programme
- Significant natural areas (SNAs)
- Marine biosecurity
- Sea change: Hauraki Gulf Marine Spatial Plan
- Regional coastal plan
- Waikato spatial plan
- Economic strategy
- Regional land transport strategy (RLTS)
- Regional public transport plan
- Public Transport Operating Model
- Integrated regional information system (IRIS)

Waikato Triennial Agreement & Mayoral Forum\textsuperscript{16}

After each triennial local body election all local authorities within a region must enter into a Regional Triennial Agreement. These agreements contain protocols for communication and co-ordination among them over the period until the next triennial agreement. The Agreement is intended to provide opportunities for local authorities to work co-operatively and collaboratively together to advance regional community goals\textsuperscript{17}.

The Agreement in its current form identifies a general approach to consultation, including:

- holding a meeting of the Mayors, Regional Chairman and their Chief Executives at least annually, to discuss pertinent issues and review the performance of the agreement
- sharing resources for the purposes of preparing background information on communities
- continuing to develop and strengthen joint and collaborative approaches
- communicating and co-operating on decisions affecting other local authorities in the Region, including strategies, policies and plans.

The Waikato Mayoral Forum consists of the region’s mayors and the chair of the regional council. It is currently carrying out four work streams which are intended to “help get the best out of the regional economy and deliver multi-million dollar cost savings for ratepayers”.

1. Waikato Roading Collaboration
2. Waters
3. Waikato Planning
4. Economic Development

Shared Services\textsuperscript{18}

The local authorities of the Waikato Region have established the Local Authority Shared Services (LASS) council-controlled organisation. Its objective is to provide Waikato councils with a vehicle to develop and procure shared services.

\textsuperscript{15} (Waikato Regional Council, 2013)
\textsuperscript{16} (Waikato Mayoral Forum, 2013)
\textsuperscript{17} Local Government Act 2002, Section 15
\textsuperscript{18} (Local Authority Shared Services, 2013)
There are currently three shared services operating under the LASS umbrella:
1. Shared Valuation Database Service (SVDS)
2. Waikato Regional Transport Model (WRTM)
3. insurance brokerage services and policies

**Local Authority Reorganisation**

As noted in the National Context section, local authority reorganisation has been topical of late. With changes to the Local Government Act creating new opportunities for local authority restructuring and amalgamations and with the new Auckland City structure in place, there has been much discussion about what this could mean for the Waikato region. The Hauraki District Council will continue to work with the Waikato Mayoral Forum and neighbouring authorities as possible amalgamations arise.

**Central Government Investment in the Waikato Region**

A recent report by the New Zealand Institute of Economic Research provides estimates of central government spending (operational and capital) in each of New Zealand’s 16 regions in the 2011/2012 year.

The estimates are based on a direct expenditure approach and a measure based on services. The expenditure approach assigns spending to a region according to where money is spent and the service approach assigns expenditure according to the region for which a government service is provided.

<table>
<thead>
<tr>
<th>Table 1 Core Crown spending by region (capex and opex)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Northland</td>
</tr>
<tr>
<td>Auckland</td>
</tr>
<tr>
<td>Waikato</td>
</tr>
<tr>
<td>Bay of Plenty</td>
</tr>
<tr>
<td>Gisborne</td>
</tr>
<tr>
<td>Hawke’s Bay</td>
</tr>
<tr>
<td>Taranaki</td>
</tr>
<tr>
<td>Manawatu-Wanganui</td>
</tr>
<tr>
<td>Wellington</td>
</tr>
<tr>
<td>Tasman</td>
</tr>
<tr>
<td>Nelson</td>
</tr>
<tr>
<td>Marlborough</td>
</tr>
<tr>
<td>West Coast</td>
</tr>
<tr>
<td>Canterbury</td>
</tr>
<tr>
<td>Otago</td>
</tr>
<tr>
<td>Southland</td>
</tr>
<tr>
<td>New Zealand</td>
</tr>
</tbody>
</table>

Source: NZIER, various Government departments

The key results in the report are:
- $6.7 billion was spent by the government directly in the Waikato Region in 2011/2012.
- Regional expenditure broadly reflects the size of the population in each region. For example, Auckland accounts for 34 per cent of New Zealand’s population and 32 per cent of government spending. The Waikato Region accounts for 9 per cent of the population and 9 per cent of government spending.

---

19 (New Zealand Institute of Economic Research, 2013)

9 Hauraki District Council Summary Environmental Scan – November 2013 – document 1152364
• In all regions, most government spending is on social welfare, health and education. On average, these spending areas account for about 67 per cent of per capita expenditure in each region.

• higher than average transport spending in the Waikato Region reflects a significant road transport network which is the gateway between Auckland and all regions south of Auckland and also links Auckland to the Port of Tauranga.

**Key Regional Strategies**

There are a number of regional strategies which influence and impact upon our District. These are noted below.

**Spatial Planning**

Two major spatial planning initiatives are currently underway:

• the Waikato Regional spatial plan: being developed by the Waikato Mayoral Forum, this is intended to be a 20 year economic, environmental, social and cultural road map for the Waikato Region. It will contain a shared vision and collective voice on high priority issues.

• Sea Change: marine spatial planning for the Hauraki Gulf: set up to address the issue of increasing conflict between the uses of the Hauraki Gulf and sustaining its health. Although the plan developed through this process will be non-statutory, it is intended to provide a strong framework to guide the management of the Hauraki Gulf, and help shape future agreements and statutory plans. Information from the plan will be used to modify unitary, district, regional and coastal plans and any relevant policies, rules and regulations. It will also be used to develop sustainability measures under the Fisheries Act, such as aquaculture plans, as well as identify areas of recreational value. These statutory processes will follow after the development of the marine spatial plan. The marine spatial plan will also sit side by side with Iwi management plans.

**Regional Land Transport Strategy**

From a transport perspective, the Waikato region lies at the heart of New Zealand’s population and economic ‘growth triangle’ which consists of the Auckland, Waikato and Bay of Plenty regions. The Regional Land Transport Strategy (RLTS) sets the framework for long term development of the transport system in the Waikato region over the next 30 years and provides a strategic direction to various organisations such as city and district councils and the NZ Transport Agency. It also provides a framework to target transport investment.

The RLTS is a statutory document prepared under the Land Transport Management Act 2003 (LTMA) and is prepared by the Waikato Regional Transport Committee.

The Regional Transport Committee has identified a set of outcomes it wishes to achieve in the region:

• an integrated transport system that supports economic activity and provides for the efficient movement of people and goods within and through the region.

• a transport system that provides safety and security across all modes of travel.

• a people focused transport system that provides inclusive, accessible and affordable multi-modal journeys to enable people to live, work, and play.

• a transport system that connects communities, protects active modes and enables positive public health outcomes.

• an environmentally sustainable and energy efficient transport system that is holistic and adaptable, meets regional and local needs, and is resilient to long term global influences.

• an integrated multi-modal transport system supported by land use planning and enabled by collaborative

---

20 (Hauraki Gulf Marine Park, 2013)

21 (Waikato Regional Council, 2011)
The Regional Transport Committee considers a common approach cannot be applied across the entire region due to the diversity of the region and therefore the strategy looks at how the land transport system will be developed in the four sub-regions.

The Hauraki, Thames-Coromandel and Matamata-Piako sub-region has an extensive road network which provides the transport link between Auckland, Waikato and the Bay of Plenty. As well as providing a strong inter-regional connection, the sub-region:

- is a tourist destination generating significant volumes of tourism traffic
- transfers large volumes of freight through the area.

The network within the Hauraki and Matamata-Piako Districts provides freight and tourism links between Auckland and Tauranga and Hamilton and Tauranga. It also provides for the transport of agricultural goods (mostly dairy) from these Districts.

**Economic Development Strategy**

⇒ Refer to the Economy Profile section.

**Conservation Management Strategy**

⇒ Refer to the Environment Profile section.

**Regional Policy Statement**

⇒ Refer to the Environment Profile section.

**Regional Health Priorities (Statement of Intents)**

⇒ Refer to the Social Profile section.

**Regional Social Priorities (Statement of Intents)**

⇒ Refer to the Social Profile section.

Within the regional context, the Hauraki District has a number of sub-regional relationships. The more formal of these are represented through joint services, strategy, decision-making and representation.
What this means for the Hauraki District Council

The Hauraki District sits within a number of broader regions
- ‘The Waikato’ is the major region within which the District operates, with many regional government offices established and services provided. The Hauraki District also sits within the Hauraki Gulf catchment and the Hauraki Iwi rohe.
- This means multiple inter-regional relationships exist and inform council relationships, strategic direction and policy development.
- Differing priorities across the different regions may give rise to some tensions that the Council should have regard to. They also provide for cross-regional opportunities to be maximised.

There are a number of government players within the regions
- This means that there are a multitude of strategic drivers which affect what occurs in the District. These are not necessarily aligned. While it means that there may be a lot of agendas for the Council to maintain awareness of, it is also well placed to promote a whole of community approach and ensure policy programmes are well-targeted to local needs.
- The Government has signalled its intent that in future local authorities will develop 30-year infrastructure plans. These may go some way to linking to other local government, resource management and land transport legislation planning requirements however will not provide for whole-of-local government integrated planning unless its scope is voluntarily broadened. Some Councils have developed overarching spatial/integrated community plans to align the multitude of regional and local planning initiatives (such as Auckland’s spatial plan, the Coromandel Peninsula Blueprint). The Waikato region has begun looking at a spatial plan, however this is in the early stages.

The focus, and potentially role, of the regions is changing
- Because of the Hauraki District’s place within the regions, any major changes to focus or roles is likely to have a significant impact on the Council and its communities. For example:
  o Hauraki Iwi treaty settlements will have implications for future governance and resource management
  o discussions are likely to continue regarding potential Waikato local authority reorganisation options however, the nature and timing of any formal proposals is unclear
  o the Hauraki Gulf spatial plan may provide more tangible directions and actions for the Hauraki District Council.

Getting the balance right between regional effectiveness and local decision-making will continue to be important
- While the debate around the ‘right balance’ has been somewhat focussed on the nature of reorganisation to date, it is also clear that there is a drive for collaboration (at least by some agencies) across the Waikato Region. The Waikato Mayoral Forum’s joint projects are examples of this. Other examples highlight the importance of recognising district communities and sub-regions in regional policy, such as the Regional Land Transport Strategy and its recognition of the Hauraki, Thames-Coromandel and Matamata-Piako sub-region. Retaining a balance will be particularly important in the current political climate.

---

22 (Minister of Local Government, 2013)
Environmental Profile - Introduction
This section provides an overview of environmental matters that affect local government and the Hauraki District Council in particular. The use of the term ‘environment’ in this context means the physical environment and all the resources that are part of that environment including land, water and air.

What’s Happening Around Us
In New Zealand, environmental governance is shared between central government such as Ministry for the Environment (fulfills policy setter role), the Department of Conservation (fulfills stewardship of the national environment role) and the Parliamentary Commissioner for the Environment amongst others, and local government. Local government through regional Councils and Territorial authorities oversee environmental management at a local level. Iwi authorities, industry groups, community interest groups, and non-government organisations are also involved.

New and Upcoming National Work Streams
There are a number of significant national work streams and policy statements underway that will have a significant impact on environmental management, including the Hauraki District Council’s functions.

Freshwater Management Reforms\(^{23}\)
The Government is proposing wide-ranging, staggered and long-term improvements to how fresh water is managed in New Zealand. The full package of reforms is to be rolled out over the next few years as decisions are made and policy is developed. The Government is currently consulting on proposals to amend the National Policy Statement for Freshwater Management.

3 Waters Programme\(^{24}\)
The purpose of the 3 Waters Programme is for local government, as a sector, to establish a clearer picture of the performance of drinking and waste water assets and services and to use a robust framework for building on best practice.

Resource Management System Reform\(^{25}\)
The Ministry for the Environment (MFE) is currently leading a series of reforms of the Resource Management Act (RMA) which is being carried out in two phases.

According to Local Government New Zealand, key areas where there will be significant implications for the local government sector including: alternative plan making processes; a requirement for a “single resource management plan” and a template to encourage standardisation; implementation timeframes to adopt the template and prepare a “single resource management plan”; prescription of the use of independent commissioners for plan hearings; changes to consent processing – a requirement to process some applications for resource consent within 10 working days – the introduction of a “technical exemption” which would exclude/provide an alternative pathway for some activities; and fee setting.

State of the Environment National Reporting\(^{26}\)
In February 2014, the Environment Minister introduced an Environmental Reporting Bill that will make explicit who has responsibility for environmental reporting, set the broad framework for the scope of reporting, and set out timing for reporting products.

\(^{23}\) (Local Government New Zealand, 2013) (Ministry for the Environment, 2013)
\(^{24}\) (Local Government New Zealand, 2013)
\(^{25}\) (Local Government New Zealand, 2013) (Ministry for the Environment, 2013)
\(^{26}\) (Ministry for the Environment, 2011) (Ministry for the Environment, 2013)
**Housing Affordability**

The Productivity Commission Inquiry into housing affordability in New Zealand identified a range of factors the Commission believes are limiting housing affordability. Including recommending a review of regulatory processes with the aim of speeding up and simplifying consent processes.

**The Regional Context - The Waikato Regional Council**

Managing and enhancing the Waikato region’s natural and physical resources forms a large part of the Waikato Regional Council’s work.

Major future projects identified in the Waikato Regional Council’s Pre-Election Report and as they relate to the Hauraki District include:

- Water quality - determining what the Council can do to address water quality and land use, and the rules, targets and limits we put in place to protect natural resources
- New regional policy statement (RPS) – responding to appeals to the adopted RPS
- Water take consents – Variation 6 - Processing dairy farm water take resource consents
- Stopbanks upgrade programme – including maintenance and improvements throughout the region
- Treaty Settlement Outcomes - Implementation of any co-governance post settlement entity established for the Waihou and Piako catchments
- Catchment Plans – Completion of integrated catchment plans for the Waihou and Piako catchments
- Significant natural areas (SNAs)– working with local councils to identify all SNAs by 2017 and then identify the best ways to manage them
- Marine biosecurity – developing a co-ordinated approach to biosecurity needs to better control marine pests
- Sea change: Hauraki Gulf Marine Spatial Plan – focussing on the Gulf’s water space and activities in contributing catchments that affect it and setting out planning which activities should take place where and what areas should be protected. The project will run until 2014/15
- Regional coastal plan – drafting a new plan in 2015/16, following the Hauraki Gulf marine spatial plan
- Waikato spatial plan – developed by the Waikato Mayoral Forum, this is intended to be a 20 year economic, environmental, social and cultural road map for the Waikato Region. It will contain a shared vision and collective voice on high priority issues.

**Conservation Estate**

DOC’s Waikato Conservancy manages most of the Waikato regional council area although some key conservation sites differ in catchments, including the Hauraki District’s Karangahake Gorge which is located in the Bay of Plenty DOC Conservancy and Kaiaua Coast located in the Auckland Conservancy. It has sub-areas akin to sub-regions, of which part of the Hauraki District area is administered within the Conservancy’s Waikato Area Office.

The draft Waikato Conservancy Conservation Management Strategy 2014-2024 identifies a number of ‘places’ for the purposes of integrated conservation management and which require some specific management direction. Two DOC ‘places of interest’ are located (in part) within the Hauraki District:

- The Firth of Thames/Tīkapa Moana Wetland Place (located in the marine areas adjacent to the Hauraki District), and
- Freshwater Wetlands Place (including the Kopuatai wetland).

---

27 (Local Government New Zealand, 2013)  
28 (Waikato Regional Council, 2013)  
29 (Department of Conservation, 2012)
**Hauraki Treaty of Waitangi Settlements**

The Hauraki Collective (the mandated body formed by Hauraki Iwi to negotiate the Collective Hauraki claim) and the Crown, via the Office of Treaty Settlements, are now well advanced in progressing the Treaty Settlement negotiations and a draft Deed of Settlement is expected to be finalised in mid 2014. Concurrently with these negotiations individual Hauraki and the Crown are negotiating settlement of the individual Iwi claims and the majority of these are expected to reach a draft Deed of Settlement in the same timeframes. Once the Deeds of Settlement have been signed the next step is for the Crown to draft legislation to give effect to these Deeds of Settlement.

**What’s Happening in Our District**

Hauraki District stretches in the west from the top of the Haupuakohe Range eastward across the Hauraki Plains to the central Kaimai-Mamaku and Coromandel Ranges, and then over the Waihi Basin to the coastal hills lining the Pacific Ocean.

**Issues & Challenges**

**Climate Change**

Council has carried out extensive work on preparing the underlying assumptions for climate change to assist in asset planning for the 21st century. The main effects of climate change anticipated for the Hauraki District are:

- Temperature in Hauraki will likely rise 2.5°C in the next 100 years, although will most likely not alter significantly during the life of this plan.
- Rainfall will be likely to decrease by 10 mm in the plains, 20 mm in Waihi and 10mm in Paeroa as an annual average over the next 100 years. During the life of this plan, there is likely to be little change.
- Major rainfall intensity will be likely to increase by 20% in the next 100 years in Hauraki. This will be a gradual increase, and only minor effects will be likely during the life of this plan.
- Sea Level is likely to rise by 0.5m over the next 100 years. There is likely to be little change seen during the life of this plan.

**Natural Hazards**

The natural hazards of existing or potential threat to the Hauraki District have been identified as follows:

- river and stream flooding: River and stream flooding is the most common natural threat to the Hauraki District, with most rivers and streams posing a potential hazard.
- coastal erosion and flooding: Whiritoa and the northern part of the Hauraki Plains are most at risk of coastal erosion and flooding hazards.
- severe storms: The western side of the Kaimai Mamaku and Coromandel Ranges has historically been renowned for the cyclonic winds the topography engenders.
- earthquakes: The most known earthquake threat to the Hauraki District is the Kerepehi Fault; an active fault running through the Hauraki Plains south from Kerepehi.
- tsunami: The east coast and Firth of Thames are both at risk from tsunami.
- volcanic eruptions and debris flow: Mayor Island, a caldera volcano 25km east of Whiritoa is the most significant volcanic threat to the Hauraki District. Debris flow hazards arise from intense rainstorms in short steep sided gullies on the flanks of the Ranges.
- Tidal Surge – Tidal surges in the Firth of Thames can cause issues inundation issues as they move up between the stopbanks in the Waihou and Piako rivers.

**District Directions**

Looking forward, some clear aspirations have been signalled for our District's environment. The Council has identified its own goals to work towards on behalf of the District based on community input in its Community Outcomes. Council, in its Community Outcomes that are detailed in its 2012-22
Hauraki Long Term Plan, has identified environmental outcomes that it wishes to progress in its current and future planning. The relevant Outcomes are:

**Sustainable Hauraki:** We plan for the wise use and management of all land and resources for the continued benefit of our District.
- Our natural and physical environments are sustainably managed.
- We have a shared respect for both economic growth and environmental protection.
- We support the protection of the District’s significant natural habitats and ecosystems.

**Prepared Hauraki:** We provide a range of services and facilities to meet our District’s needs and expectations for a safe environment.
- We provide ongoing safe, well-managed and maintained core infrastructure.
- Our waste is collected, reduced, reused and recycled responsibly.
- We are organised and prepared to deal with natural hazards.

**Current Council Strategy - District Plan Review**
The Council is in the appeal stage of the review of its District Plan with all but parts of four appeals have been resolved. It expects all appeals to be fully resolved in early 2014.

The review of the Plan has introduced consideration of climate change and landscape assessment and has included a much more comprehensive assessment of remnant indigenous vegetation, with many more sites now identified as SNA.

In recognition of the Resource Management Act requirements relating to the coastal environment and Outstanding landscapes, Specific Zones have been created to cover these areas (rather than just having policy overlays over the Rural zone in those areas – as in the Operative District Plan).

The rules, assessment criteria and other provisions relating to these matters have been reviewed and amended as necessary. With the majority of appeals now settled the provisions of the Proposed District Plan are to be treated as operative in relation to the majority of resource consent applications.

**Current Services & Projects**
The Council is required to implement its responsibilities under the Resource Management Act, 1991 (RMA), in a number of ways, in particular:
- Administering its Operative and/or Proposed District Plans.
- Processing and monitoring of resource consents.
- Processing of ‘notices of requirements’ for designations for public works (e.g. road and sewerage plants).
- Monitoring and enforcement provisions, including noise.

Regulatory Services are also required to issue Land Information Memoranda (LIMs) under the Local Government Official Information and Meetings Act, 1987.

In its 2012-2022 Long-Term Plan, the Council has committed to delivering on these services above and identified additional actions including:
- Implementing what is required from the RMA review.
- Following completion of the District Plan review, monitoring of the District Plan itself is required.
What This All Means for Future Decision-Making

National fiscal constraints will affect the way environmental work is carried out at the local level

- DOC has highlighted the importance of collaboration with other agencies including local government in order to make the most efficient use of resources. It particularly notes this with regard to the Firth of Thames wetland priorities.
- DOC is also looking to increase revenue opportunities from the conservation areas it manages.
- Sites of significant conservation value will continue to provide recreation and economic opportunities especially the Karangahake Gorge, Firth of Thames and broader Hauraki Gulf. This is consistent with existing Hauraki District Council initiatives like the Hauraki Rail Trail.

Significant work will likely arise out of national environmental work programmes, especially in relation to the District Plan

- The pending RMA reforms signal significant changes to the way resource management planning is undertaken including the development of a single plan, following a national template, better engaging with Iwi, providing for projected population growth, changes to consent processing timeframes and so on. This will also have implications for long-term planning in terms of ensuring projection alignment and service level changes.
- The Hauraki District may well be affected by the national fresh water reforms, particularly when given effect to by the regional council. The Council will have an interest in ensuring that adequate long-term provision is made for water to its communities and therefore engage in any regional freshwater take policy and planning.
- The Environmental Reporting Bill will likely require changes to the state of the environment reporting undertaken by the Hauraki District Council (which in turn informs future resource management decision-making).

Regional planning initiatives will likely require subsequent action by the Hauraki District Council

- The RPS has to be given effect to which may require District Plan or other changes. The Proposed District Plan review has proceeded almost in parallel though slightly ahead of the RPS review. The Council has therefore been aware of the Regional Council’s intended policy directions and has been involved in the RPS review process as a submitter and now as a 274 party. Where there has been agreement between the two Councils on policy direction, alignment of the Proposed District Plan and the Proposed RPS has been achieved. Unless the Proposed RPS changes significantly through its appeal process, it is not anticipated that significant or extensive changes will be needed to the District Plan.
- The Council will need to, at minimum, consider alignment to Hauraki Gulf marine spatial plan and Waikato regional spatial plan once developed.
- The progress of other regional workstreams such as the Healthy Rivers project and regional coastal plan review should be monitored.
- The implementation of the RPS Variation 6 may impact on local rural communities.

There may be greater value in taking an integrated or ‘joined up’ approach to planning

- Given the multitude of mandatory environmental planning workstreams under various statutes and a large number of pending national and regional planning changes (the pending RMA reforms, new regional spatial plans, and new LGA infrastructure planning requirement) to ensure alignment and efficiencies, there may be value in adopting a comprehensive and integrated approach to future local planning initiatives. This could aid in ensuring alignment and cost-efficiencies by avoiding duplication. Such an initiative however is not statutory.

Open space is important for a variety of reasons but is continuing to come under pressure
- Open space provides for recreation, amenity and conservation – sometimes these values are competing against each other. The promotion of public access without compromising sensitive areas will continue to be important.
- The effect of fiscal constraints are being seen here in the case of conservation service delivery.

Catchments will change as the effects of climate change are experienced
- Climate change impacts such as change in temperatures or weather patterns can affect biodiversity by changing the habitats of native species. We might need to look at ways of allowing these ecosystems to adapt.
- Climate change impacts may also allow for additional crops to be grown. This could result in farm land being more cost effectively managed as arable and therefore crop varieties may increase and/or change.

The nature of our economy can impact on biodiversity and landscapes
- Economic activities such as farming can change vegetation, soil stability, water quality and the visual character of catchments. Landscape and natural character are also key values that attract visitors and tourists to the area, as well as contribute to Brand New Zealand, so are also economically important.
- In some places, trade-offs between economic growth and environmental conservation may continue to be necessary.
Social Profile – Introduction

This section provides an overview of social matters that affect the Hauraki District Council.

What’s Happening Around Us

Social Wellbeing

The national Social Report 2010 looks at the state of social wellbeing in New Zealand as at 2010. In monitoring a number of social indicators since the mid-1990s it found the following.

- Overall, social wellbeing in New Zealand has improved since the 1990s, with most indicators showing positive trends. Obesity, housing affordability and voter turnout indicators however show deterioration.
- Health outcomes have generally improved.
- Progress has been made in education participation and achievement.
- Paid work outcomes have improved but the impact of the recession is showing.
- Economic standard of living outcomes are mixed.
- Some improvement has been made in civil and political rights outcomes.
- There has been no change to leisure and recreation outcomes.
- Safety outcomes have improved.
- There have been some improvements in the social connectedness outcomes.
- New Zealanders’ overall life satisfaction is high.
- For most indicators, outcomes have improved for Māori and Pacific peoples since the mid-1990s, but are mixed for Asian and other ethnicities.

National Priorities for the Social Sector

The Ministry of Social Development (MSD) leads the Government’s priorities for the social sector. Its purpose is to ‘help New Zealanders be safe, strong and independent’. Its Statement of Intent sets out the major priorities for the Ministry over the 2013-2016 period as follows.

1. Reforming the welfare system to reduce long-term welfare dependency
2. Reforming how the government protects vulnerable children
3. Investing in services for outcomes (ISO)

Policing

The New Zealand Police are seeking to achieve the following high-level outcomes:

1. Be Safe: less crime and road trauma and fewer victims
2. Feel Safe: confident, safe and secure communities.

The Police have identified four areas of strategic focus to drive targeted change to achieve these outcomes and the Government’s priorities:

1. less crime: reduced recorded crime
2. improved road safety: reduced hospitalisations from road crashes
3. protected communities: reduced repeat victimisations
4. more valued services: maintained trust and confidence in Police.

Health

The Government has identified two desired outcomes for the national health system.

1. New Zealanders live longer, healthier and more independent lives.
2. The health system is cost-effective and supports a productive economy.

---

30 (Ministry of Social Development, 2010)
31 (Ministry of Social Development, 2013) (Ministry of Social Development, 2013)
32 (Ministry of Health, 2013)
As the leader of the health and disability system, the Ministry of Health has three high-level outcomes that support the achievement of the above health system outcomes:

1. New Zealanders are healthier and more independent
2. health services are delivered better, sooner and more conveniently
3. the future sustainability of the health system is assured.

**Education**

The Ministry of Education is the Government’s lead advisor on the education system, shaping direction for education agencies and providers and contributing to the Government’s goals for education. Its priorities for the 2013 to 2018 period are:

- Improving education outcomes for Māori students, Pasifika students, students with special education needs and students from low socio-economic areas
- Maximising the contribution of education to the economy

**Te Puni Kokiri**

Te Puni Kōkiri (TPK), the Ministry for Māori Development, leads Māori Public Policy and advises on policy affecting Māori wellbeing. As a multi-disciplinary agency, TPK is also committed to facilitating effective working relationships between Māori, communities and stakeholders, investment in Māori-led development policy and programme approaches and implementation of Whānau Ora. Whānau Ora is an inclusive interagency approach to providing health and social services to build the capacity of all New Zealand families in need.

The focus of its performance is on achieving gains against three long-term outcomes.

1. He Ara Whakamua: The Crown, Iwi and Māori collectives enjoy relationships that support their shared and respective duties, interests and aspirations.
2. Whāinga ki Mua: Māori are more secure, confident, and expert in their own language and culture.
3. Ōranga a Mua: Whānau Māori are pursuing and realising an improved quality of life and citizenship for their members.

**The Role of Local Government in the Social Sector**

Where local government is increasingly seen as being able to add significant value is in bringing together communities, service providers and government agencies to develop shared visions and locally-appropriate solutions (refer to the national context section). Collaboration with other councils, government agencies and stakeholders is therefore increasingly important, as is community capacity building to develop locally-led solutions.

**Regional Priorities**

The Waikato Regional Plan for 2010 - 2012 outlines the priorities for our region and what we are doing to address them below. There has been no release of further publications for the period post 2013 as of yet.

1. More people get into work and stay in work
2. More children are safe
3. More young people stay on track
4. Reduced reoffending by young people
5. Improved quality of life for older people
6. Communities are better able to support themselves.

---

33 (Ministry of Education, 2013)
34 (Te Puni Kokiri, 2013)
Health
The WDHB strategic priorities were identified in 2006 (in effect until 2015) so have now been in place for some time:

- the 4 population priorities
  - People of low socio-economic status
  - Māori people
  - Older persons
  - Pacific people
- the 5 health priorities
  - Reduce the rate and effects of heart disease and stroke
  - Reduce the rate and effects of cancer
  - Reduce the rate and effects of smoking-related lung disease (COPD)
  - Reduce the rate and effects of diabetes
  - To improve the health status of people with severe mental illness and addictions

What’s Happening in Our District

Current Services
The Hauraki District Council delivers on its strategy by delivering the following services:

- providing motivation in the District by recognising and acknowledging achievements towards social wellbeing
- working with social service agencies in the District to progress agreed social initiatives
- working with other agencies to encourage youth to contribute to Hauraki communities in a positive and meaningful way
- providing or managing funding to ensure community initiatives can progress.

Current Strategy
The Hauraki District Council’s strategy for contributing to the social development of the District is largely set out in its 2012-2022 Long-Term Plan.

Its overarching aim is to ‘promote the District as an area that encourages vibrant communities and an enhanced quality of life’. In essence, its strategy is one of community empowerment and capacity building – ‘helping the community help itself’. The Council seeks to pursue collaborative and partnership approaches and initiatives between the Council and appropriate organisations and agencies that all have a common theme of promoting a better quality of life and living environment for the Hauraki District. It intends to do this via its community development activities. Through its community initiatives activity in particular, the Council supports and encourages groups and initiatives that benefit the greater community and its wellbeing. The Council also has issue-specific social strategies and policies:

- Positive Ageing Strategy
- Gambling Policy
- Youth Policy
- Domestic Violence Policy
- Contestable Social Fund Policy

Issues & Challenges
Local Socio-Economic Levels & Income

---

35 (Hauraki District Council, 2012)
36 (Hauraki District Council, 2012)
The Hauraki District has a higher proportion living in households with incomes below 60% of the 2006 median, higher proportion of residents earning $20,000 or less per annum and lower median incomes than the national rate (2013).

The Hauraki District has communities of significant deprivation according to the deprivation index (2006).

One quarter of Hauraki District school students attend low decile schools (2012).

**Health**

- The Hauraki District has higher incidences of COPD hospitalisation, lung cancer-attributed deaths and ischaemic heart disease than New Zealand as a whole (2013).
- The Hauraki District has higher rates of smoking for people aged over 15 years than New Zealand as a whole (2013).
- One-fifth of Hauraki citizens have said that there was a time that they wanted to go to a GP but didn’t (2010).
- The Hauraki District has higher rates of hazardous drinking and alcohol related deaths and injuries than New Zealand as a whole (2013).
- Gambling (particularly on poker machines continues to take millions of dollars out of the local economy and is an area of concern37.
- In the past a higher than average proportion of Hauraki babies have been born to teenage mothers (10% compared to 7% nationally) (2004).

**Education**

- The Hauraki District has lower rates of under-5 year olds enrolled in early childhood education than nationally (2006).
- The Hauraki District has the same rates of school leavers with higher qualifications as New Zealand as a whole (2013).
- A 2012 report found that the level of school student stand downs and suspensions were higher than the national rate.
- Just under half of Hauraki citizens were satisfied with the availability of community/tertiary education in the area (2013). In 2005, social service groups identified the need for an improved range of tertiary education and training options as requiring urgent attention by social service providers.

**Labour Force**

- Between 2007 and 2012, employment declined slightly each year (2012).

**Civic and Political Engagement**

- The Hauraki District has lower voter turnouts at local body elections.

**Social Connectedness**

- The Hauraki District has lower levels of access to the internet and telephone than nationally.

**Housing**

- In 2005, social service groups identified the need for more emergency housing options, improved housing for people on low incomes and people with disabilities, and improved respite and home-care support as requiring urgent attention by social service providers. Nationally this is on the agenda to improve.

**Council Involvement**

37 (Hauraki District Council, 2010)
The Council has noted that the current demand on its social and community development activities is high given the recent economic down-turn and the limited resources that are available. This may put pressure on the Council’s resources as numerous agencies vie for Council funds.

Council notes that there is continues to be a preference from the community for it to continue to sponsor such activities.

Future Opportunities

- While Hauraki is a small district with some significant social issues, there is a willingness among providers to think about the issues in a holistic way and to do things differently. All of these factors contribute to a feeling of optimism that some tangible changes can be made for the children and young people of this district.
- New programmes have a much better chance of success if they are supported by a wide range of community responses, including attitude change programmes.

District Directions

Looking forward, some clear aspirations have been signalled for the social development of the Hauraki District. First, the Council has identified its own goals to work towards on behalf of the District based on community input (in its Community Outcomes).

The following two outcomes are particularly relevant to social matters and the state of society in the District. These outcomes are programmed to be reviewed in the 2014 year in the lead up to the 2015-25 Long Term Plan.

Interactive Hauraki
We are a proactive Council that provides leadership and communicates effectively with all sectors of our District.
- We advocate for the benefit of our District.
- We keep our District well-informed and ensure information is available.
- We consider our District’s views when making decisions.

Lifestyle Hauraki
- We provide an environment that encourages vibrant communities and an enhanced quality of life.
- Our unique communities are protected while balancing the needs of alternative lifestyles.
- We are advocates for the provision of quality social, educational, health and training services.
- We encourage partnerships within the District for the delivery of services.

What This All Means for Future Decision-Making

There are areas of social wellbeing where the Hauraki District is performing above average or showing improvement.
- Household crowding: lower than the national rate.
- Voter enrolment: slightly higher than the national rate (although turnout is lower).
- Injuries from assaults: a decline in assaults resulting in ACC injury claims over the previous five years.
- Household tenure: a higher home ownership and freehold ownership rate than nationally (although the former is falling).
- Household rentals: lower than national average rental prices.

There are also a number of issues where the District is underperforming (refer issues and challenges above for more information).

38 (Hauraki District Council, 2012)
• Beneficiaries: The District has almost 2,000 people receiving a main benefit which is a significant proportion of the Districts population.
• Household deprivation: communities of significant deprivation.
• Health: chronic diseases, smoking, drinking, gambling, teenage mothers, inability to see a GP.
• Education: early childhood education, school leaver qualifications, student suspensions and stand-downs, community/tertiary education availability.
• Labour force: declining employment.
• Civic and Political Engagement: voter turnout.
• Social Connectedness: internet and phone access.

There are clear commonalities between some regional/national priorities and the Council’s own goals
• Keeping children safe
• Enabling young people to succeed in the labour market, including improving education outcomes
• Ensuring better, earlier and more convenient health services are delivered
• Quality of life of the aged
• Building capacity of communities

Changes to national priorities may impact on local government and their communities
• The way in which government agencies interact with non-government organisation providers and with communities is changing.
• This includes changes to the way the funds and contracts non-governmental social service providers (via the ISO programme). This may have a flow on effect to what activities are funded, changes to local: central roles and relationships, subsequent pressures on local government funding and so on.
• It also includes a greater cross government-community approach. There may be a greater potential role for the Hauraki District Council in acting as an advocate for its communities and engaging in new programmes.
Economic profile - Introduction
This section provides an overview of economic development as it affects the Hauraki District Council.

What’s Happening Around Us

The National Economy\textsuperscript{39}
New Zealand is described as having ‘a small, open economy’ that is far from most of the world’s markets. New Zealand has a high share of its economy devoted to services and manufacturing as do other advanced industrialised countries. By OECD standards, New Zealand also has a relatively large agricultural sector, and a substantial proportion of exports based on primary production. New Zealand’s merchandise exports are still heavily weighted toward food and beverage exports. A relatively small share of exports come from high-tech sectors such as ICT and pharmaceuticals. New Zealand’s economy can also be significantly affected by climatic conditions.

Labour productivity levels differ substantially across the New Zealand industries. GDP per hour paid is highest in electricity, gas, and water supply; forestry and mining; finance and insurance; and transport, storage, and communication services. New Zealand had higher labour productivity growth rates than Australia in agriculture, forestry, and fishing; electricity, gas, and water supply; retail trade; transport and storage; and communication services.

Impact of the Global Financial Crisis
New Zealand’s small size as well as its dependence on foreign investment and trade means that it is usually particularly affected by developments in the global economy. The world economy appears to be slowly recovering from the global financial crisis however as with previous financial crises, it is likely that the recovery in the rest of the OECD will be slow and protracted. This will impact on New Zealand’s own performance over the next few years and New Zealand to grow more slowly than would otherwise have been expected. The Government notes however that its conclusions are by no means certain. The outlook for the world economy is more uncertain than usual, and New Zealand is still vulnerable to new shocks (New Zealand Government, 2011).

National Priorities
The Government’s ‘Business Growth Agenda’ is a programme of work that intends to support New Zealand businesses to grow, in order to create jobs and improve New Zealanders’ standard of living. The Business Growth Agenda focuses on six key “ingredients” businesses need to grow: Export markets, innovation, infrastructure, skilled and safe workplaces, natural resources, and capital. Each of these has its own programme of work.

The Business Growth Agenda also includes a 120-point economic development action plan that remains a priority for the Government. Underlying this plan is the proposition that ‘lifting New Zealand’s trend growth is about a series of good policy decisions and reforms applied consistently over an extended period’ rather than a short-term solution\textsuperscript{40}.

The Regional Context\textsuperscript{41}
The Waikato Region makes up around nine percent of New Zealand’s economy in employment terms.

The Waikato Region is considered important to the national economy because of its scale, location and contribution to national export sectors and infrastructure. It has been characterised as follows:

- the region is the fourth-largest regional economy in New Zealand, accounting for 8.5\% of GDP
- several of its sectors are part of the national value chain, including:

\textsuperscript{39} (New Zealand Government, 2013)
\textsuperscript{40} (Office of the Minister for Economic Development & Office of the Minister of Finance, 2011)
\textsuperscript{41} (Waikato Regional Council, 2012) (New Zealand Government, 2013)
high value food manufacturing (dairy, meat, aquaculture potential and other food)
forestry and wood product manufacturing
high value manufacturing (agritech, aviation and materials and equipment)
high value services (agriculture, geothermal energy, information and communications technology)
the region is an important centre of primary production, and it the country’s most important
milk supply to the country’s largest export
growing, processing and exporting meat and horticultural products is also important in the
its central location makes it a nationally significant corridor for infrastructure
almost a quarter of total national land freight movements travel within, to, from or through the
Waikato region
it is the most important minerals-producing region in New Zealand
Hamilton is the region’s central business district with concentrations of employment, research,
tertiary education and manufacturing
aquaculture in the Firth of Thames is poised to be an important export sector
Waikato generates more electricity than any other region and exports around 75% of it to other
regions.

In terms of the Hauraki District intra-regional relationship, the following is noted.

Several Hauraki District sectors are part of national value chains and/or align well with national
priorities:
dairy, meat and other food manufacturing
high value manufacturing (including materials and equipment)
cycle trails
The region relies on the Ports of Auckland and Tauranga and Auckland Airport for international
connections. Intra-regional transport is vital to ensure access to these connections and the
Hauraki, Matamata-Piako and Thames-Coromandel sub-region collectively hosts such transport
networks
The District contributes to making the Waikato the most important minerals-producing region in
New Zealand through its gold mining
Hamilton City’s role as the regions central business district with concentrations of employment,
research, tertiary education and manufacturing presumably services the Hauraki District
The aquaculture potential will be serviced primarily by the Coromandel Peninsula.

Regional Strategy
In March 2011 the Waikato Regional Council (WRC) adopted a new strategic direction that sees it
taking more of a leadership role in regional economic development. The vision “competing globally,
caring locally” recognises that being able to take advantage of global opportunities requires strong
local communities with healthy environments.
In addition, a regional economic development strategy project has also been initiated by the Waikato
Mayoral Forum. A discussion document was released in October 2013. It proposes that the Waikato
focus on five strategic priorities which aim to improve standards of living and allow all communities
and businesses to reach their potential:
maintaining and building our location advantage
building, attracting and retaining skills and talent
growing global industries
making business easier

42 (Waikato Economic Strategy Governance Group, 2013)
5. telling the Waikato story - articulating the Waikato region’s value proposition as a place to live, work, study in, visit and invest; promoting natural assets, business successes, strong events calendar and good infrastructure.

What’s Happening in Our District

In 2012, the Hauraki District economy provided an average of 6,655 jobs at any point in time through 2,582 business units producing a total of $361.3 million in GDP. 6.4% of the population were unemployed.

Business Units

In 2012 the largest economic sector by business units in the Hauraki District was agriculture, forestry and fishing by far at 39%. This was followed by rental, hiring and real estate services (16%) and construction (8%).

Employment Sectors

By employment, the largest sectors were more evenly spread in proportion including agriculture, forestry and fishing (18%), health care and social assistance (12%), construction (10%) and retail trade (10%) in 2012.

Value Added

By GDP, the leading sectors were agriculture, forestry and fishing (21%), rental, hiring and real estate services (13%) and manufacturing (9%) in 2012.

Labour Force

62% of Hauraki District residents aged 15 and higher were participating in the labour force in 2006 (compared to 66% nationwide). The 2013 Census data will provide more current information once available.

With the Waikato Region’s general population ageing (with a high proportion of people in the 35 to 55 year age group), the Hauraki and Thames-Coromandel Districts are expected by the Waikato Regional Council to be among the top ten New Zealand territorial authorities with the highest median age in 2026. It is predicted that the Hauraki District population median age will be 52 years of age in 2026.

Employment Trends

Between 2007 and 2012, employment declined by, on average, 0.5% per annum. The number of businesses in the Hauraki District also declined, at a rate of 0.8% per annum.

In 2006, 72% of usual residents worked in the District. Of those who worked outside of the District, the Thames-Coromandel District was the most common workplace destination (14%). Matamata-Piako District, Western Bay of Plenty District and Hamilton City also attracted a number of commuters (3%, 3% and 1% respectively).

Unemployment increased between 2007 and 2012 from an average of 3.9% per annum to 6.4%. The unemployment rate remains slightly lower than the national rate of 6.9% in 2012.

---

43 Measured by the number of jobs.
44 Sourced from Statistics NZ
45 (Waikato Regional Council, 2012)
46 Information in this section sourced from (Infometrics, 2013) (Hauraki Coromandel Labour Market Forum, 2010)
Current Strategy

Hauraki District Council’s Economic Development Strategy

The Hauraki District Council’s economic development strategy focuses on the role of the Council in economic development and has recently been reviewed. Its vision is “that the Hauraki District is a place where business wants to locate, talent wants to live and people want to visit because of our vibrant communities, great lifestyle options and the enabling business environment.”

The following focus action areas have been identified:

- “Business Ready Sustainable Hauraki” refers to the belief that a quality regulatory environment makes it easier for business to grow, invest and create jobs.
- “Connected Hauraki” recognises that local government should set, support and drive a vision, strategy and plan for economic growth through partnerships at all levels.
- “Destination Hauraki” recognises that there are economic benefits to creating a place where talented people want to live, work and play. Council plays a key role in creating the environments that attract, retain, and grow economic activity, thus influencing the choice people make about opening business and living in an area.
- “Built for Business Hauraki” acknowledges that local government has a significant role in ensuring that the physical and built environment is conducive to economic growth.
- “Skilled Hauraki” is about developing a skilled workforce and filling the identified skill gap between secondary school education and tertiary education in the District.

Issues & Challenges

Identified issues and challenges associated with the Hauraki District economy to date include:

- under-representation in high income generating jobs
- flat population growth is a concern for ongoing consumer demand
- an ageing population will have implications for future workforce development
- retention of the working age population, attraction of new migrants, further education and increased labour force participation will be crucial to retain and increase employment rates
- labour market barriers identified include high transport costs for staff, high property costs (both rental and purchase) for staff, lack of available accommodation and seasonality of demand
- lower levels of access to telecommunications may restrict business development and reduce the attractiveness of business relocations into the region
- the area is highly reliant on the agriculture sector and should ensure that it is operating as efficiently and effectively as possible. However, as dairy farms become more automated, larger herds can be run with fewer staff. Dairy farming is therefore unlikely to be a large source of employment growth. However, employment growth may occur in linked sectors such as services to agriculture and dairy processing
- lifestyle is a significant part of the economy having a major impact on the construction, retail, and health sectors
- the potential of the New Zealand Transport Agency to shift heavy traffic use away from State Highway 2 and move it to State Highway 1 and the Karapiro-Tauranga highway. This would remove congestion, but may reduce the service centre activity in townships along this route
- infrastructure in terms of roading, water, waste, electricity and broadband has been identified as a major issue for the region. Upgrades of infrastructure to meet first-world business conditions (eg, broadband) will be critical for existing businesses and for lifestyle/entrepreneurial migrants and their ability to transact business in the region

---

47 (Hauraki District Council, 2013)
48 Information in this section sourced from (Hauraki Coromandel Development Group, 2007) (Hauraki Coromandel Labour Market Forum, 2010) (Waikato Regional Council, 2012)
49 Note: a number of the issues listed were identified for the wider Hauraki and Thames-Coromandel sub-region.
a dispersed population centred on small communities makes it difficult to achieve scale in many businesses servicing local and regional needs
• a focus on primary industries makes it difficult to achieve higher value incomes apart from owner-operator businesses
• migration outflows of 15-30 year olds, in part attributed to lack of tertiary opportunities
• while the Waikato Region makes a reasonable contribution to GDP, national value chains and inputs such as electricity, there is evidence to suggest that the people of the region are not achieving their potential. Indicators such as GDP per capita, income and educational attainment are lower than the country as a whole and there are a number of communities with high social deprivation.

Future Opportunities

To date, the following potential areas for economic expansion, growth and development in the Hauraki District have been identified:

• the manufacturing of primary products - comparative information from other districts has shown niche opportunities in dairy, aquaculture and wood processing as well as providing products to service primary industries
• increased population and services for an aging population will continue to play an important role in the services sector of the economy
• ensuring a mix of high growth industries would help promote future economic growth in areas of low population growth
• the transport sector has shown to be important. The future positioning of parts of the region (e.g., Thames and Paeroa) as transport hubs may provide further opportunities for regional development opportunities for sustainable marine activities such as aquaculture, including processing aquaculture products within the area. With the introduction of fish farming, production of 6,000 tonnes of kingfish per annum is estimated to add an additional $34.9 million to GDP. Assuming that the processing can be done on the Peninsula, this will create an additional 354 full-time equivalent jobs. In terms of employment, there are an estimated 432 full time equivalents resulting from aquaculture and its supplying industries located in the Waikato Region. These are comprised of 297 direct farming and processing jobs, 73 indirect jobs as a result of activity in other industries, and 62 induced jobs
• the potential for further mineral development opportunities
• opportunities to process all forestry and woods products produced locally
• sustainable forms of development will be critical to the region and each of the smaller townships and communities within the region. Developments that process local produce, enhance regional capability and build on the strengths of the region will likely have a higher probability of occurring
• realising the untapped economic potential of the Hauraki Gulf which could be achieved via an improved state of the environment (including tourism and marine activity).

Although not being consulted on at this stage, the Council is currently investigating and assessing a proposal to develop a “Food Hub” approach on the industrial land available at Kerepehi. This would include the possible development of a wastewater treatment system to cater for food processing and manufacturing industries that would add value to some of the District’s primary production. It is expected the proposal will be presented to the community mid 2014 for consideration.

The Hauraki Rail Trail is a major project that the Council has been working on, in conjunction with Matamata-Piako and Thames-Coromandel District Councils and the Department of Conservation (DoC) which has seen an 82km cycle trail developed and completed from Thames to Paeroa, Paeroa

51 Note: a number of the issues listed were identified for the wider Hauraki and Thames-Coromandel sub-region.

Hauraki District Council Summary Environmental Scan – November 2013 – document
1152364
to Waihi and Paeroa to Te Aroha. A large amount of work has gone into the development of the Hauraki Rail Trail by the three Councils, DoC and by community groups.

**What This All Means for Future Decision-Making**

**Population changes will impact on our economy**
- The labour pool shortage will continue to impact on the number and type of businesses in the district. Current labour market barriers identified include high transport costs for staff, high property costs (both rental and purchase) for staff, lack of available accommodation and seasonality of demand. The availability of workers might be further limited by the ageing population.
- These population changes may also mean that the aged population in particular will expect and require greater service-levels, which may in turn give rise to new business opportunities.

**The District’s residents continue to be under-represented in higher value and income jobs**
- The Council may at some point wish to consider whether to, and if so how, to address this through supporting growth in higher value sectors.

**Our economy does not function in isolation**
- Some District sectors are part of sub-regional, regional and national value-chains. These include dairy and other agriculture, mining, tourism (including the national cycle trail) and potentially aquaculture.
- The location of the Hauraki District between Auckland and Tauranga provides freight and tourism links. Together with the Thames-Coromandel and Matamata-Piako Districts (forming a transport sub-region) this provides strategic transport advantages including proximity to markets, transport distribution centres and pass through traffic.
- Other important sectors cross council boundaries including for example the visitor catchment of ‘the Coromandel’ including both the Hauraki and Thames-Coromandel Districts, dairy and other farming, and aquaculture potential.
- Existing collaborative initiatives, particularly at the sub-regional level, intend to provide a means for pursuing collaborative opportunities, share funding of services and develop economies of scale.
- The Council may wish to consider how it can continue to maximise the potential of cross-boundary relationships and sectors.

**There are also clear commonalities between some regional and national priorities and the Council’s own goals**
- These include:
  - creating an environment conducive to economic development including:
    - ensuring appropriate infrastructure is in place to support sustained economic growth
    - providing regulatory services that make ‘doing business’ easier.
  - ensuring the local population provides for a skilled and strong labour market including:
    - improving skills and qualification levels
    - retaining and attracting staff
  - articulating and selling the areas business value proposition.
- There may then be increasing opportunities to build on and maximise benefits of related programmes at the local level.
- There may also be other opportunities for the District that would be consistent with the national agenda, including building innovation (investment in research and development).
There may be opportunities for potential involvement of the Council in new and growing sectors

- These include:
  - aquaculture related opportunities for the Hauraki District and/or Hauraki residents who might commute outside of the District to work
  - opportunities to cater for the growing aged population and associated service expectations (for example, retirement villages)
  - capitalising on the economic potential of the Hauraki Gulf (which suggests that active involvement in the Hauraki Gulf spatial planning initiative may be of benefit).

The future role of local government in some facets of economic development is not entirely certain

- As with social development, the validity of council involvement in areas of ‘soft services’ such as economic development, particularly in business and industry development and facilitation, is somewhat uncertain and warrants careful assessment by each council.
- Despite this, local government have a mandate to perform some functions which are regarded as conducive to economic development:
  - councils are obliged to provide regulatory functions in accordance with national statute. The Government is currently reforming such statutes to enable a more ‘business-friendly’ approach to regulation. It has also signalled that local government has a key role in implementing such an approach
  - councils are provided with a mandate to deliver some forms of infrastructure that support effective economic development including for example, local transport networks and water supply
  - local government is regarded as being well placed to facilitate ‘place-making’ whereby councils actively create the environments that attract, retain, and grow economic activity— influencing the choice people make about opening business and living in an area
  - in their roles as local leaders and advocates, local government is increasingly seen as having an important role in building community capacity to develop locally-led solutions. This is particularly the case in times of the reduced ability of central and local government to allocate funding
- Overall, the above approach appears to align strongly with the Hauraki District Council’s current commitment to economic development services as outlined in its 2012-2022 Long-Term Plan.

As noted in the Environmental Profile section, there may be greater value in taking an integrated or ‘joined up’ approach to planning

- Given the multitude of mandatory environmental planning workstreams under various statutes, a large number of pending national and regional planning changes (the pending RMA reforms, new regional spatial plans, and new LGA infrastructure planning requirement) to ensure alignment and efficiencies, and the local economic development strategy action of developing structure and town centre plans to attract people, and a desire to streamline regulation, there may be value in adopting a comprehensive and integrated approach to future local planning initiatives. This could aid in ensuring alignment and cost-efficiencies by avoiding duplication. Such an initiative however is not statutory.