

# **Regional Economic Development Agency**

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<b>TO</b>	Thames-Coromandel District Council
<b>FROM</b>	Angela Jane - Governance and Strategy Group Manager
<b>DATE</b>	6 October 2017
<b>SUBJECT</b>	<b>Regional Economic Development Agency</b>

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## **1 Purpose of report**

The purpose of the report is to seek approval from Council to fund a contribution towards the new Regional Economic Development Agency.

## **2 Background**

In implementing the 'Waikato Means Business' strategy (also known as the Regional Economic Development Strategy) Dallas Fisher and Harvey Brookes have been visiting all Waikato territorial authorities to raise awareness of a proposal to form a regional economic development agency. An objective of establishing a regional economic development agency is to become a significant regional growth partner with the government and partnering with the private sector.

The initial funding model has taken into account:

- Recognise need to identify potential investment by local government for purpose of Long Term Plan notification
- Funding model assumes a roughly 50/50 public-private split
- Taupo and Rotorua excluded from the model at this stage (as they are both part of the Bay of Plenty programme)
- Some government project funding but government will not fund core operating expenses
- Initial numbers now developed but subject to further analysis

## **3 Issue**

Funding contributions to external agencies that have not been considered for inclusion in the current Long Term Plan or current Annual Plan budget requires Council approval.

## **4 Discussion**

The benefits for Thames-Coromandel from the establishment of a regional economic development agency have been identified as:

- Access to far greater resources for local economic development projects-via Waikato EDA programmes, government growth programme and others
- Able to leverage resources by factor of 4+
- Support and services from a 11-person growth support agency
- Assistance to reach your goals –increase real exports real GDP, employment, a permanent population increase and an increase in visitor guest nights
- Funding assistance and support on key ED opportunities for example around aquaculture development, Coromandel Great Walks, Coromandel Harbour Strategy and further Rail Trail developments and extensions, ICT and manufacturing.
- Continued support for WMB funded projects such as SSEP, assistance for redeployment-as per AG Price

The value-add from a regional approach to economic development has been noted as:

- Everybody working together as partners and putting in a little bit each
- WMB already bringing in significant additional resources
- Becoming government's regional growth partner is significant
- Proposed contribution in 2017-18 from government \$582,000 (up from 85k)
- \$511,000 in additional funding pledged from other private sector sources
- In other regions where government has a strong regional partner-investment can be very significant, for example:
  - \$10m mineral research centre on Westport
  - \$11m -offshore aquaculture development and wharf facilities-Opotiki
  - Major investments in tourism, primary industries & forestry -Northland
  - \$30m Kiwifruit development-Bay of Plenty/Gisborne

The funding sources identified for the regional economic development agency include:

<b>Funding source</b>	<b>Annual amount</b>	<b>Local Government % of total funding</b>	<b>Other sources % of total funding</b>
Local government	\$770,000	36.75%	
Business support (subscription model, includes major Iwi support)	\$415,000		19.81%
Project Support (Regional Growth Programme, Regional Trusts) assumed	\$250,000		11.93%
Contribution from WIP for existing business support programmes	\$660,000		31.50%
<b>Total</b>	<b>\$2,095,000</b>	<b>36.75%</b>	<b>63.25%</b>

<b>Territorial Local Authority</b>	<b>Percent of Regional Population</b>	<b>Annual Contribution</b>
Hamilton City	38.55%	\$140,000
Waipa District	12.71%	\$50,000
Matamata-Piako District	8.59%	\$30,000
Waikato District	17.26%	\$60,000
Otorohanga	2.49%	\$10,000
Waitomo District	2.42%	\$10,000
South Waikato District	6.01%	\$20,000
Hauraki District	4.85%	\$20,000
Thames-Coromandel District	7.13%	\$30,000

## **5 Suggested Resolution(s)**

That the Thames-Coromandel District Council:

1. Receives the 'Regional Economic Development Agency' report, dated 6 October 2017.
2. Approves a funding contribution for 2017/18 towards the Regional Economic Development Agency of \$30,000 to be funded from the year end surplus/deficit and/or retained earnings reserve.