



ECONOMIC DEVELOPMENT STRATEGY

TOWARDS 2028

A WORD FROM THE MAYOR

Our district is the best location from which to run a business as we are equidistant between the three major cities of Auckland, Hamilton and Tauranga.



We are a major tourist destination with a glorious environment people love. And as we look to the future our ultra-fast broadband rollout extends our digital highway to the world.

Planning is underway to build on existing infrastructure to further create the best business environment.

We want people to establish more of their businesses in our district, where work-life balance is a real factor, while at the same time achieving business success.

Partnering with others and developing relationships is a core focus at every level.

Being open to new ideas, creative thinking and being willing to adapt to changing needs is a constant.

As a council, change is not always easy, but we want to develop and grow, and that means being able to adapt and change.

Positive energy and enthusiasm are key drivers to help make that happen!

That is our bandwagon and we are excited, join us!

Her Worship the Mayor, Sandra Goudie

sandra.goudie@tcdc.govt.nz

Mercury Bay looking through to Cathedral Cove.



VISION

Through our actions the Thames-Coromandel will be a confident and vibrant business district.

We'll have an easy-to-navigate investment environment that enables positive business development and job creation.

We support our visitor economy and use our influence to identify what our District is good at and continue to drive those capabilities.

We'll focus on connecting the dots that will grow our business community and our local economy.



Whangamata Harbour (Moana Anu Anu River) entrance.

HOW WE DEFINE ECONOMIC DEVELOPMENT

Our Council defines economic development as actions that positively influence economic growth and improve the economic and social wellbeing of a community by providing jobs, sufficient income levels, and the resources required to achieve a healthy standard of living and quality of life.

OPPORTUNITY STATEMENT

Our District is approximately an hour and a half drive of Auckland, Hamilton and Tauranga. Concentrated population growth and increasing demand for housing has resulted in an inflated Auckland property market and increasing house prices in Hamilton and Tauranga.



The Thames-Coromandel area is currently experiencing higher than projected population growth from net migration as people look to districts, such as the Coromandel, for more affordable housing options and an improved lifestyle.

This unforeseen growth has inflated housing prices in the District and placed pressure on housing supply for permanent residents, as well as limiting the supply of short-term accommodation for seasonal workers. We are also observing a change in use of properties with increasing popularity of Airbnb reducing the supply of the permanent rental market, in addition to the more established Book-a-Bach and Bachcare providers who already account for a significant proportion of empty homes being used for private temporary accommodation.

As a popular holiday destination, the proportion of unoccupied dwellings in the District is projected to increase from 48% of total dwellings in 2013 to 53% in 2048. This may contribute to shortage of long-term rental accommodation for full time and seasonal workers.

Tourism is a large contributor to the economy and future growth for our District, however, increasing and peak period tourist numbers place pressure on our current infrastructure and environment. Visitor numbers do not necessarily correspond to visitor spend however, and more needs to be done to encourage domestic and international visitors to stay within the region.

The New Zealand Tourism Industry Association has set an aspirational goal of achieving \$41 billion in total tourism revenue by 2025¹, this requires that domestic and international spend grow by 4% and 6% year on year respectively. Assuming the Coromandel achieves the same level of growth, by 2025, we will deliver \$506 million in total visitor revenue. This is a significant (19%) increase on the current projections from our Regional Tourism Operator Destination Coromandel's 2025 Strategy.

Seasonality and dispersal marketing and infrastructure management will be critical for economic development direction in the future, to ensure quality of the tourism offering, and to ensure protection of our environment is not compromised.

Balancing the needs and preferences of our permanent residents alongside the requirements of tourists is also critical for the economic development direction.

Treaty of Waitangi settlements are predicted to come into effect in the Hauraki-Coromandel by 2020 and our Council will be considering how it can proactively adapt and improve the way we work with iwi (including co-governance and co-management frameworks) in supporting their economic direction.

Climate change is a challenge that could affect our District over the medium to long-term in line with predicted national changes of base value sea-level rise of at least 0.5m relative to the 1980-

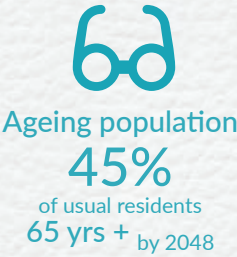
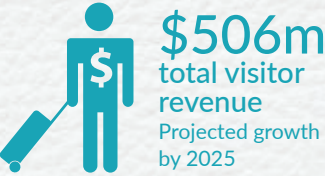
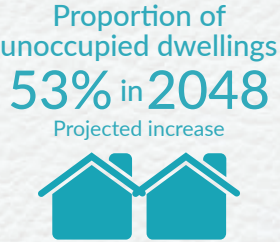


1999 average. Storm events can also impact on our roading and infrastructure. Changing climatic patterns around rainfall may challenge our agriculture and horticulture sectors, and the possible acidification of oceans and seas may present a threat to our aquaculture industries. Coastal erosion and rising sea levels could become a significant threat to our coastal towns.

The Thames-Coromandel District has an ageing population. In 2013 around 27% of our usual resident population was aged 65 and over. This is nearly twice the national average (14%). This trend is projected to continue with proportion of people aged 65 and over expected to increase to around 45%, of the usually resident population by 2048. The challenge is to timely facilitate the developments necessary to enable adequate housing and support services for our elderly population.

By recognising our District's unique attributes and leveraging the expertise available to and within the District, each of these challenges create opportunities that economic activity can address.

¹ <http://tourism2025.org.nz/>



Whitianga Township (and inset).



CONTEXT

The Coromandel Peninsula is a place of outstanding natural beauty with a proud history. Its many advantages can be seen in our soaring mountain ranges, white sand beaches, native forest and bush, as well as the Māori and early-European heritage evident in our older towns and settlements.



In more recent times, the wonderful climate and proximity to the population centres of Auckland and the Waikato has meant the Coromandel holiday settlements have thrived and are bustling over the summer months.

Our population

Thames-Coromandel District's four most populated towns are Thames, Coromandel Town, Whangamata and Whitianga. In addition, there are many smaller coastal townships.

Residents of the Coromandel are older than the New Zealand average with 27% aged 65 or older (almost double the national average). The number of people living in Coromandel as at June 2016 was 28,400. Personal income levels are lower than average; 43% of people aged 15 years and over received personal income of less than \$20,000, compared to 38% across New Zealand but the rate of home ownership is much higher at 70% compared to the average (55%) across New Zealand².



28,400
people living
in Coromandel
Peninsula
as at June 2016



43%
personal income
less than
\$20,000



70%
home
ownership



Our ratepayers

Approximately 55% of our ratepayers reside outside of the District – this varies from around 27% in the Thames Community Board area to around 71% in the Tairua-Pauanui Community Board area. This proportion of non-resident ratepayers is projected to increase in the future. There are 26,679 rating units in the District.

Population, housing and rating unit changes

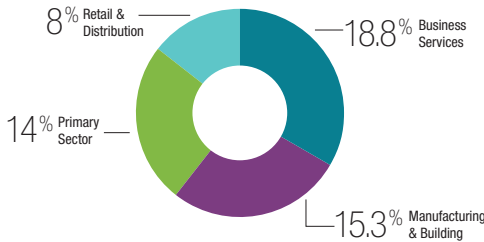
Over the next ten years there is projected to be low growth overall on the Coromandel³. While a gradual yearly increase of permanent residents is expected in Mercury Bay, small declines in resident population are expected in the Thames, Tairua-Pauanui and Whangamata areas through the next ten years. However, the popularity of all areas as holiday destinations means we are still projecting small increases in new houses and rating units in every community board area throughout the ten year 2018-2028 period and beyond.

² 2013 Census data, ³ Rationale TCDC Growth projections to 2048 (April 2017)

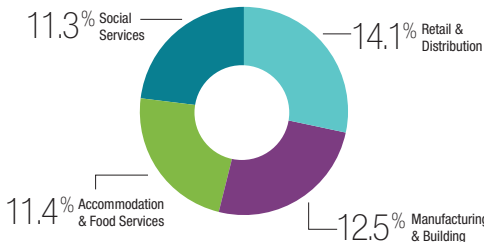
Our District's economy

In 2016⁴, the Thames-Coromandel District economy produced a total of \$986 million in real GDP, through 4,221 businesses, and providing employment to 12,189 full time equivalents.

By business type, the largest industry sectors in the Thames-Coromandel District are Business Services (Rental, hiring – any item rented leased or hired out – and Real Estate Services) (18.8%), Manufacturing and Building (15.3%), the Primary Sector (Agriculture, Forestry and Fishing) (14%), Retail and Distribution (8%).

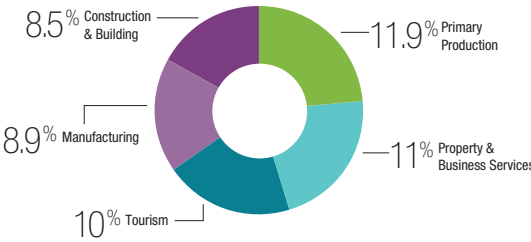


By employment, the largest sectors were Retail and Distribution (14.1%), Manufacturing and Building (12.5%), Accommodation and Food Services (11.4%) and Social Services (11.3%).



⁴Data from Infometrics 2016 annual results, ⁵Including aquaculture, agriculture and forestry

By GDP contribution to the District, the leading sectors are Primary Production⁵ (11.9%), Property and Business Services (11%), Tourism (10%), Manufacturing (8.9%), Construction and Building (8.5%).



There are several types of economic activity that are considered to be economic drivers for our District, and these include:

- Primary Production
- Property/business services
- Tourism
- Manufacturing, and
- Construction/building.

It should be noted that in addition to the above, the retail sector, the health sector

and the accommodation/café/restaurant sector provide a large proportion of the District's businesses and employment. The retail sector has not been included because it is considered as largely a secondary industry (responding to economic activity generated by other activities) rather than a primary economic driver. The health sector has not been included for similar reasons as investment and spending in this sector comes largely from government spending. The accommodation/ café/restaurant sector has not been included as it is considered to be strongly linked to the tourism sector.

\$555m
Aquaculture
GDP
Projected growth
over 25 years

Aquaculture is one of our biggest contributors to economic development. Over 25 years, the impacts for growth are substantial with *national* GDP gains amounting to \$1.62 billion⁶. This is broken down into district GDP gains in the order of \$555 million for Thames-Coromandel and \$1,064 million for the rest of New Zealand.

Other business streams flowing from the aquaculture industry are charter fishing tours, and recreational fishing users utilising the popular mussel farm areas in Tikapa Moana, the Hauraki Gulf. These have created a need for solid economic and infrastructure strategies to support these popular tourist/visitor activities for the future⁷.

^{6,7}The economic contribution of marine farming in the Thames-Coromandel District A computable general equilibrium (CGE) analysis NZIER report to Aquaculture New Zealand February 2017

Coromandel Harbour.



STRATEGY

Council has a range of tools that it can use to influence economic activity.

These include

- setting of local bylaws, policies and regulations
- land use and natural resource planning rules
- administering national regulations, including building and planning regulations
- advocating for and on behalf of our communities and businesses
- bringing government agencies together
- gathering and providing information
- providing infrastructure,
- providing funding for certain activities, such as major events,
- accessing government funding for infrastructure, research and planning.

Our Economic Development strategy is to *positively influence and facilitate economic growth.*

We want to:

- be flexible enough to respond to opportunities as they arise;
- To ensure that we are providing the framework and business focus to engage with business effectively;
- provide or facilitate the infrastructure necessary to cater for economic activity, and
- ensure that our policies support, not hinder.



Inset: Hannafords Wharf
Coromandel and Thames
Indoor Gym [above] .

STRATEGIC THEMES

To drive our economic strategy, we have identified three themed influencers.

- ① Being business friendly
- ② Advocating and networking
- ③ Supporting tourism and events



1. Being Business Friendly

Our goals

Creating a culture within Council of supporting the needs of business.

Implementing measures that support a conducive and friendly business environment.

Providing exceptional customer service to the business community.



Whangamata main street.

What we'll focus on

Cutting red tape.

Providing staff members for potential business developers to create a clear pathway through the planning processes of Council.

Establish cross-departmental project teams for developments of scale.

Facilitating local infrastructure developments and improvements, such as broadband, strategic planning and development investigations, i.e.: land use reports/strategy, land use identification.

Facilitating initiatives to address local inhibitors that impact on business and industry development and growth, and co-ordination.

Communicating the needs of business to the Council.

Collecting and making available key district information for investors.

Ensuring our policies continue to support local business and community well-being.

2. Advocating and Networking

Our goals

Growing key relationships with central and local government.

Creating strategic relationships between business, government and communities.

Identifying regional economic development opportunities and priorities.

Building partnerships with iwi.

Advocating for our District at a regional and national level.

What we'll focus on

Building key central government relationships to secure support and direction for District initiatives and funding.

Partnering with our neighbouring Councils on joint projects.

Collaborating with Waikato Innovation Park to continue to further business confidence and growth.

Proactively adapting and improving the way we work with iwi in a way that supports their economic growth.

Linking to and participating in the Waikato Regional Economic Development direction for the benefit of the District and region.

Networking to identify potential investors.



Hauraki Rail Trail (inset Kopu Bridge carving).

3. Supporting tourism and events

Our goals

Ensuring that the Coromandel is well promoted as a tourist destination.

Encouraging business opportunities that attracts domestic and international tourists

Ensure tourism facilities are adequate to demand.

Funding and supporting major events on the Coromandel.

What we'll focus on

Continuing to jointly fund Destination Coromandel.

Continuing to fund our information and i-SITE centres.

Continuing to support the Hauraki Rail Trail.

Continuing to market our District as a great place to live, visit and do business in.

Ensuring destination marketing directions are communicated to ensure infrastructure needs for increased tourism numbers are identified.

Continuing to take advantage of government funding to provide tourism related infrastructure.

Continuing to support major and community events across our District in a variety of ways, through major and community group funds, promotion, marketing and coordination support.

Encouraging shoulder season occurrence of major events.



Cathedral Cove (inset Beach Hop Whangamata).

Contacts

For further information, or to inquire how we can assist you with a new business project please contact us.

Thames Service Centre

(includes AA Service Centre)

515 Mackay Street, Thames

Hours: 8am - 5pm: Monday to Friday (excludes public holidays)

Phone: 07 868 0200

Coromandel Service Centre

355 Kapanga Road, Coromandel

Hours: 9am - 4pm: Monday to Friday (excludes public holidays)

Phone: 07 866 1001

Mercury Bay Service Centre

10 Monk Street, Whitianga

Hours: 8.30am - 4pm: Monday to Friday (excludes public holidays)

Phone: 07 867 2010

Whangamata Service Centre

620 Port Road, Whangamata

Hours: 8.30am - 4pm: Monday to Friday (excludes public holidays)

Phone: 07 865 0060

