Briefing for the Incoming Minister for Regional Economic Development

27 October 2017
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1. **Portfolio Overview**

1. Regional Economic Development is a new portfolio and we are keen to discuss your views on how to invest in regional economic development. You have outlined that you wish to use a broader set of government levers, including:

   a. Major investments in infrastructure, rail, road, telecommunications, forestry, aquaculture and other regional opportunities.

   b. Location of government services and government procurement as a tool for regional economic development.

**New Zealand’s economy**

2. A strong economy is essential to be able to deliver good outcomes for New Zealanders: prosperity, higher wages, resilience and other aspects of wellbeing. The New Zealand economy will need to continue to adapt to the global megatrends of technological change, globalisation, demographic change and climate change as well as other drivers of change. There is a great deal of uncertainty about how these trends will affect economic activity. They can be seen as both an opportunity and a challenge. Ideally the response to these changes facilitates productivity-enhancing and environmentally sustainable activity which is shared broadly through higher wages and higher returns on capital. Such changes would lead to more inclusive and sustainable growth.

3. However, there is also a risk that while technological change and other trends will lead to an increase in opportunities, higher wages and better outcomes for skilled workers that may put downward pressure on working conditions and/or wages for middle-lower skilled workers. It is also likely that workers and businesses will face transitions more frequently in the future with the fast-changing nature of work. How these transitions are managed will be critical for ensuring the benefits of growth are shared broadly and for maintaining economic momentum. It will require both employment and business regulation to be fit-for-purpose. Alignment between the economic development levers, labour market, welfare and education settings will be important to support both workers and businesses through transitions.

4. An important perspective is the location of economic activity. New Zealand’s cities and regions face different challenges and have different resources and opportunities. Maximising New Zealand’s economic potential requires all regions to be achieving their potential. At the moment, performance is variable with some regions, for example, experiencing relatively high unemployment while other regions have a shortage of people. While there is some mobility of people between regions in response to economic conditions, there are many other factors that influence people’s location choices. Helping regions to identify opportunities for growth and constraints to development helps to improve both economic growth and well-being for people in the regions.
5. Ensuring the potential of all people is realised will be critical for New Zealand’s success. The Māori population is younger than average and increasing. Māori are currently 12% of the New Zealand workforce and this proportion will grow rapidly over the next twenty years. However, Māori unemployment rates in 2016 were high at 12% while median annual incomes in 2013 were below the national median by 21%. It is important that Māori people are skilled and motivated to participate in the future workforce and market place. There are opportunities to increase Māori household incomes by increasing the number of Māori people in employment and supporting Māori in employment to move into higher-skilled and higher-paid roles. Supporting Māori enterprises will also enable growth.

6. Iwi, Māori Authorities, Land Incorporations and other entities have grown a significant asset base across regional New Zealand based on traditional land-holdings and Treaty Settlements. There are opportunities to increase the productivity of these assets and to better connect Māori with regional economic development.

7. Another important focus for Regional Economic Development is improving aspects of the performance of local and central government. If government can improve the way it supports regional leaders, it can help to unlock investment opportunities leading to increased jobs and household incomes.

8. Encouraging diversification of economic activity will help enable greater economic development. A more diversified economy that is increasing the proportion of activity in knowledge-intensive, high-value businesses will be more resilient to shocks. These knowledge-intensive activities can involve innovations that evolve from our existing strengths like the move into infant formula and may also involve activities in new high-technology sectors like ICT. An economy that is built on a broad base of economic activity can also be more inclusive and can contribute to our environmental goals by increasing the location and type of economic activity and shifting towards activities with less impact on the environment.

9. The New Zealand economy is already diversifying. The changes in the structure of the New Zealand economy over the past 40 years have been similar to the changes that have occurred in other industrialised countries with a fall in the relative proportion of primary industries and manufacturing and growth in services (see Chart 1).
10. Within these broad categories there has also been a large degree of diversification, innovation and change. Even primary production is underpinned by a mature set of capabilities in science, infrastructure, regulatory settings and human knowledge and capability, which is the result of many years of private and public investment and endeavour. There is a significant shift towards the export of higher-value primary products which is expected to continue into the future.

11. In the short term, businesses will continue to seize the opportunities that are available in our historic areas of strength (subject to constraints such as environmental quality or labour availability). But in the future, the economy needs to sustain the momentum in the higher-value, more knowledge-intensive sectors so they eventually takeover as a driver of growth.

12. It is critical that this is supported by the smart use of *digital technology* across all sectors as it can allow our businesses to improve their output and international competitiveness, add value to the goods or services they produce, and achieve better environmental outcomes.

13. It is also necessary to be mindful of other *possible disrupters* which can change either consumer demand or production processes very quickly. A rapid increase in the consumer acceptability of plant-based proteins or new technology platforms that change the nature of competition in an industry like Uber could provide both challenges and opportunities for New Zealand workers, consumers or businesses as well as our regulatory systems. It is important for government to build a shared understanding of disruptive technologies, how they might impact on our economy, and how New Zealand may need to respond.
14. While the Regional Economic Development portfolio has a range of levers that can help the economy respond to the economic opportunities and challenges that New Zealand faces, it needs to be supported by actions in other portfolios. Most of the important areas of the economy are connected or overlap across agency and portfolio boundaries. So cross-portfolio co-ordination is vital for making decisions that support the Government’s economic vision. MBIE is able to support you and your colleagues with that co-ordination and would welcome an opportunity to have a conversation about options for doing so.

Regional contribution to the economy

15. A large portion of New Zealanders live in regions and make a significant contribution to New Zealand’s current economic performance. The regions outside of the main urban centres (Auckland, Wellington and Christchurch) are home to 2.29 million people, or 49 per cent of the national population.

16. The regions generate around 40 per cent of the country’s economic output. In 2016 the regions (areas outside of Auckland, Wellington and Canterbury) generated $101.8 billion, or 40.7 per cent of the national GDP (see chart below).

Regions underpin our primary sector which produces significant national export earnings

17. New Zealand’s export base has been diversifying over the last 40 years but the economy still relies on its primary sector for export earnings. The majority of New Zealand’s goods exports are in the primary sector - $30.644 billion worth, or 62 per cent of all exports, in the year to May 2017. Resources located and extracted in regions play a significant role in this part of the economy.
18. The regions are largely responsible for extracting and processing the materials that are turned into the primary sector products that are exported to the international market place. New Zealand’s reliance on its primary sector is unique amongst other OECD countries and Food and Beverage remains the engine of New Zealand’s exports. It is important that New Zealand continues to develop export categories outside of the primary sector and food and beverage. It is also important however that the country build on its comparative advantages and looks to increase the value of its current exports.

The regions are important to New Zealand’s efforts to build economic diversity

19. Many of New Zealand’s goods and services, especially in key export sectors, are likely to be produced by drawing components and services from different parts of the country. Using tourism as an example, the total revenue of the sector is made up of different components likely to be produced in different regions. While head office functions (research and development, communications, marketing etc.) are mostly located in a large urban centre, the actual experiences, transport and facilities are likely to be located in different regions.

20. Increasing exports is important to lifting national economic performance and living standards. Greater exporting helps New Zealand overcome its geographical disadvantages by reducing distances, increasing international connectedness and allowing New Zealand businesses a better chance to achieve greater scale and productivity. Increasing international connectedness is particularly important because that facilitates better technology diffusion. Research also shows that firms that trade internationally are generally larger, more productive, more skilled and pay higher wages.

21. The specific strengths of each region vary as well. Waikato and Bay of Plenty account for a large share of New Zealand’s forestry industry; the country’s pip fruit horticulture industry relies significantly on Tasman and the Hawke’s Bay; wine production is centred largely in Marlborough and Otago; a significant share of the national dairy sector is based in Taranaki, Waikato and Southland and a large proportion of the sheep and beef industry is located in Manawatu-Wanganui.

22. Some regions have performed well over the last decade and improved their productivity and household income levels relative to national averages. However, some regions - particularly Northland, the East Coast and Manawatu-Wanganui that have been falling behind on key economic performance measures such as employment, productivity and household income.
The charts below illustrate employment and household income gaps and disparities. A heat map of regional economic performance is presented in Annex 1.

The challenges faced by the regions

23. New Zealand’s regions, like regions internationally, face a variety of challenges. Some of these vary from national level issues and urban development difficulties because of regions’ smaller populations, different demographics, relative geographic isolation and economic sectoral composition. Our research and experience indicates the key challenges facing regions include:

- globalisation has put pressure on regional economies;
- agglomeration forces can attract resources away from some regions;
- many regions have ageing populations;
- smaller regions can experience inconsistent growth; and
- employment patterns are shifting in favour of high-skilled occupations

24. Traditional economics assumes that people are mobile and will locate where employment vacancies exist. MBIE research shows that compared to other countries, inter-regional mobility levels in New Zealand are relatively high around 2.5 per cent of people moving between regions each year.

25. However, often people will not shift locations solely because there are potentially better employment opportunities elsewhere. Decisions to shift are complex and take into account a much wider range of factors than just employment opportunities. The presence of family/whānau and social support networks is an important consideration for many people.

26. This pattern is demonstrated by high unemployment rates in regions such as Northland and Gisborne and the high job low-skill vacancies in regions such as Otago and Canterbury. People are not moving. This is illustrated in the chart below.
2. Regions matter because people live there

The opportunity to increase investment, jobs and household income

27. All investments in the regions are seeking to make a difference for the people living there. This can be achieved by investing in projects that create jobs, lead to sustained employment and raise household incomes.

28. Regional economic development is critical to build a more inclusive economy, lift productivity and build economic diversity and can be a way to support Māori to achieve their economic ambitions. Regions have different characteristics, resources, strengths and weaknesses. Central government working with regions can assist them to identify constraints to development and opportunities for growth based on existing, adjacent or new activities. The Regional Growth Programme has been a key tool for working with regions but there is an opportunity to think more broadly about how regions can reach their potential.

29. The means that we had to achieve these objectives were modest i.e. $44m over 4 years. You have announced a $1bn per annum Regional Economic Development Fund. This will completely transform the types of investment that we are able to make.

30. The current model supporting the regions has key components that:
   a. Regionally-led identification and prioritisation of projects
   b. Coordinated government support
   c. Senior Regional Officials who understand the regional challenges and opportunities and communicate these in Wellington.

Supporting Māori economic development

31. As well as developing regional economies, investments can be targeted to develop key groups of people that have not benefitted from economic growth e.g. Māori and rangatahi.

32. Māori make up a significant and growing share of some regional populations and their economic influence (as custodians and investors) is substantial. As of 2013, there are 723,000 people, or 15 per cent of the New Zealand population that identifies as being Māori.¹ Much like the wider New Zealand population, the distribution of Māori across New Zealand is not uniform. Gisborne, Northland, the Bay of Plenty and Hawke’s Bay have the highest proportions of Māori as part of the wider population. These regions also have the highest unemployment levels and lowest household income levels.

33. The Māori asset base of iwi is often concentrated regionally. Figures below illustrate the level of Māori asset holdings in particular regions. As of 2013, the Māori economy was estimated to hold $50 billion in assets.² Māori are significant owners of many of the primary sector asset classes in New Zealand. Māori ownership makes up 50 per cent of all fishing quota, 40 per

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¹ Statistics New Zealand, 2013
² MBIE, He Kai Kei Aku Ringa, 2013
cent of all forestry assets, and 30 per cent of sheep, beef and lamb production in New Zealand.

34. This portfolio can support Māori economic development through initiatives that:
   - Lift the performance of Māori owned assets.
   - Create jobs.
   - Raise skills levels that lead to better employment and income outcomes.

35. The current approach has a particular focus on supporting Māori employment outcomes (increased employment and increased productivity within the workforce). There is a focus on growing the capability of the public sector to engage iwi and Māori with a view to ensuring programmes and services are fit for purpose. This has been done through He Kai Kei Aku Ringa, the Crown-Māori Economic Growth Partnership.

Youth Employment - He Poutama Rangatahi, moving young people into employment

36. He Poutama Rangatahi (HPR) seeks to directly match young people at risk of long term unemployment with jobs now and over the next 4 years, and to trial ways to significantly reduce New Zealand’s NEETs rates as long-term goal. Budget 2017 included $50m to support the development and implementation of He Poutama Rangatahi over four years, and specifically to target those young people who are not succeeding with current interventions and need more tailored support, or who are not currently accessing support services.

37. The He Poutama Rangatahi strategy is a trial to move 15-24 year olds most at risk of long term unemployment into sustained employment. It has been led by a core group of seven agencies who all have responsibility for part of the pathway to employment, and is coordinated by MBIE to ensure a systems-level approach, shared responsibility for outcomes, and to keep a direct line of sight to employment as the goal. The trial has started by focusing on the 5,280 young people (identified by MSD data) in the four regions which have both a) the highest proportions of NEET youth and b) clear and pressing labour market demand for more workers. These are Te Taitokerau, Eastern Bay of Plenty, Te Tairāwhiti, and Hawkes Bay.

38. The strategy will do this by supporting regions – businesses/employers, community leaders, iwi and trusts, local government and of course young people themselves - to develop their own Youth Employment Plans which central government can then facilitate and fund where needed.

Communities have reacted positively to He Poutama Rangatahi

39. Since the July announcement, a significant amount of engagement has occurred with focus communities to socialise the purpose of HPR, to seek community’s response to it and to test how ready they are to move. The response has been overwhelmingly positive – and has proved the assumption behind HPR that there is a very strong demand in communities to move their young people into work and lift their aspirations beyond dependence, that a more coordinated approach across government interventions is needed, and that employers also
REGIONAL ECONOMIC DEVELOPMENT

see young people as key to their growth, but also need support to be able to invest in employing them.

40. Strong emerging findings from communities include:
   a. Communities are keen to own the problems and opportunities – many employers want to employ local people for the benefit of their community and also know it is critical for their growth, but also know there are financial risks in doing so. Local communities are keen to move their young people into employment and the wider economic and social stability that brings to those individuals, whānau and communities.
   b. Communities and regions endorse youth employment plans as the logical mechanism to identify priorities for action – all support the development of YEPs to address the needs of young people at risk of long term unemployment and to connect them to employment.
   c. Improved access to pastoral care for young people - to provide support and guidance on navigating the benefit, support, and training system, and to develop life skills to build work resilience. However, this takes time and dedicated resource.
   d. Effective alignment of programmes and services – there are a large number of services and programmes but the pathways through them to the goal of sustained employment is complex, often confusing and at worst can even be contradictory.
   e. Addressing complex issues individuals’ face – many of the 5,280 young people in our focus communities have complex needs and face a unique set of realities. They need individual support – finding them, finding those that can support them, and resourcing their pathway to work necessarily takes time and trust. This is where Youth Employment Plans can be most effective as specific to community circumstances and community capacity.

41. Information withheld consistent with s9(2)(f)(iv) of the Official Information Act 1982

3. How government has approached regional economic development to date

42. Over recent history central government has sought to improve regional economic performance primarily using national level policy settings and sector based approaches. This approach has been largely agnostic about location and geography.

43. A sectoral approach is commonly used in New Zealand and internationally to lift economic development performance. These are approaches that focus on a single industry, such as tourism or agriculture, or a single economic resource, such as labour or transport infrastructure. In New Zealand sector orientated policy interventions have been employed
REGIONAL ECONOMIC DEVELOPMENT

consistently by governments to influence national and regional economic outcomes. These approaches should continue.

44. However, different regions face different circumstances and have different assets. This means the effectiveness of national policies on people in different places varies. National level policy frameworks can overlook important strengths and weaknesses of a particular place.

45. A ‘regional lens’ allows both regions and Government to identify these and collectively develop plans and actions to better unlock the region’s potential. Over the past three years government has partnered with and supported regions to identify their particular economic challenges and opportunities. The overall goals have been to increase the number of jobs, income and investment in those regions. Government originally focused on five regions – Northland, Bay of Plenty, East Coast, Hawke’s Bay and Manawatū-Whanganui. Government has broadened its focus over the past two years though to include Waikato, Taranaki, Canterbury, West Coast and Southland and Nelson/Marlborough/Tasman.

The current partnership process

46. A consistent approach has been used to work with each of these regions and it has been overseen by a group of senior Ministers. This group met monthly and was chaired by the Minister for Economic Development. It included a wide range of portfolios; Primary Industries, Māori Development, Transport, Social Development, Small Business, Conservation, Internal Affairs and Communications were key members.

47. The first step in these regional engagements has typically been establishing a local governance group which usually comprised influential members of local government, the local business community and local iwi. These groups have driven the engagement with central government. Central government has then supported each region to identify its own key economic opportunities. For Northland, Bay of Plenty, Manawatū-Whanganui and West Coast, central government assisted the process by initiating and funding independent Growth Studies to prioritise economic development opportunities.

48. After opportunities have been identified, each region then develops an Action Plan. These have been economic blueprints for their respective regions and identify specific activities that will leverage their opportunities help increase employment opportunities, household income and investment. Central government agencies support regions, where appropriate, to develop their plans and implement them. The Northland economic Action Plan is attached as Annex 2 as an example.

49. While the economic circumstances and natural asset bases of regions vary there some important common themes between the regions’ respective Action Plans and their potential growth paths. Industries within the primary sectors for example have been identified as comparative advantages and opportunities for further development in each region. Forestry is a focus for Northland and the Bay of Plenty for example, while Aquaculture is a key industry in Southland, Nelson/Tasman/Marlborough and Bay of Plenty. Tourism is also a key opportunity that is being focused on by every region.
50. Central government support for the Action Plan implementation was largely enabled by the Regional Growth Initiative Multi-year Appropriation. This was created in 2016 and was allocated $44 million over four years ($11 million per annum). To date, $10.386m of this appropriation has been committed to support a wide variety of Action Plan initiatives. We have also applied funding from other sources such as the Tourism Infrastructure Fund (TIF) the Māori Innovation Fund (MIF) and the National Cycle Ways Fund.

51. This budgets used to date are significantly smaller than the level of investment the new government has announced. The ambition and scale of the Action Plans, to a degree, has been shaped by this level of resourcing. We are keen to discuss with you the positive impact that the government’s newly announced regional economic development fund could have on the ability for regions to lift their ambition and explore a broader range of development projects - such as large infrastructure projects.

What regions have told us about our approach

52. Regions have provided us with feedback about the strengths and weaknesses of the current partnership approach. An independent evaluation of the government’s partnership approach is also being finalised. The interim findings of evaluation have been shared with government and generally align well with the feedback we’ve received from regions. It’s important to acknowledge the views and findings are about an approach that was relatively small in scale compared to what the new government is planning. We think, though, that this feedback could help to shape the governments new large-scale and more broadly scoped investment approach to regional economic development.

A focused and well-connected governance structure has been valuable

53. A key aspect of the government’s support has been an influential governance structure. A group of senior ministers was established to oversee the government’s engagements. Beneath this a ‘Senior Regional Official’ (SRO) has acted as a single representative for government at the regional governance level. The Senior Regional Official has been a deputy chief executive from a government agency who works with the region and coordinates government support. The SROs are more aware of regional challenges and able to develop solutions and/or provide relevant support at a quicker pace.

Cross-government co-ordination has improved

54. Drawing the Senior Regional Officials (SROs) from a range of different government departments has helped to mobilise resources to regions in a more nimble and efficient way. It has also helped to ensure relevant central government agencies are engaged quickly in issues within their span of control. The SROs have significantly improved the nimbleness of central government – senior officials are more aware of regional challenges and able to develop solutions and/or provide relevant support at a quicker pace.

The approach has improved inter-regional co-ordination and collaboration

55. The regional governance groups that drive the regions engagement with central government have helped improve communication between the respective district councils, between local
government and their business communities. Communication on economic development issues between local stakeholders and iwi has also improved although further improvement is generally required.

Capability and capacity in the regions hinder progress

56. Nearly all regions and councils have acknowledged that their ability to capitalise on their opportunities is limited by their current resources – both in terms of funding and personal. There are a range of factors behind this including a lack of experience in the economic development policy space. It would be useful to examine ways to build the economic development capacity and capacity of regions to drive their own economic development so they can play a fuller role in driving economic development activities.

The small scale of current funding has limited the ability to invest and improve regional outcomes

57. Although the partnership approach is popular it has been supported by a modest appropriation. The Regional Growth Initiative Multi-year Appropriation was created in 2016 and was allocated $44 million over four years ($11 million per annum). Government’s ability to effectively support the implementation of each regional Action Plan is constrained by this level of funding. Also the small scope of programme made investment in significant regional infrastructure challenging.

58. We are keen to discuss with you the positive impact that the governments newly announced regional economic development fund could have on the ability to regions to more effectively address their challenges and explore a broader range of development projects – such as the large infrastructure projects you have signalled.

Government funding is overly bureaucratic

59. It has been challenging for regions to access funding from the Regional Growth Initiative appropriation in a timely way. The paths to funding can be long with a range of central government agencies involved in some review and approval processes. These should be simplified.

Connect the RGP more effectively with iwi/Māori

60. One clear area for improvement is the engagement with local iwi/Māori. Iwi/Māori are critical contributors to this programme – both as custodians of resources and potential investors. Some regional engagement processes have not properly communicated with local Māori or effectively integrated and reflected their economic development ambitions.

Government and regions need to focus on a broader range of policy areas and levers
61. The current partnership approach has focused mainly on the needs of sectors and business within each region and has a limited capacity to influence substantive investments in regional infrastructure (particularly within the transport area).

62. We also acknowledge that there is already a substantial investment in skills led by the education and social sectors. However, an area to focus on in the future may be to consider whether a greater focus on skills and innovation may be required. The long-term success of regions depends on the skills and talents of their people.

63. Going forward we would like to discuss with you as soon as possible how you want to construct your regional economic development portfolio and the extent to which you may wish to use or not use existing approaches.
4. How MBIE Assists You

Key contacts
64. The broad range of responsibilities within the Economic Development portfolio are supported by a number of different groups within MBIE. The following table provides a summary of key initial contacts related to the topics identified above:

<table>
<thead>
<tr>
<th>Contact</th>
<th>Role</th>
<th>Topic</th>
<th>Contact details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolyn Tremain</td>
<td>Chief Executive, MBIE</td>
<td>All</td>
<td>E <a href="mailto:carolyn.tremain@mbie.govt.nz">carolyn.tremain@mbie.govt.nz</a></td>
</tr>
<tr>
<td>Paul Stocks</td>
<td>Deputy Chief Executive, Labour, Science and Enterprise</td>
<td>Sectors, Regions, NZTE, NZVIF, Space, Major Events</td>
<td>E <a href="mailto:paul.stocks@mbie.govt.nz">paul.stocks@mbie.govt.nz</a></td>
</tr>
<tr>
<td></td>
<td>General Manager, Tourism, Sectors, Regions and Cities</td>
<td>Tourism, Sectors, Regions, Major Events</td>
<td>E: <a href="mailto:iain.cossar@mbie.govt.nz">iain.cossar@mbie.govt.nz</a></td>
</tr>
<tr>
<td></td>
<td>Manager, Regions and Cities Team</td>
<td>Regional Economic Development</td>
<td>E:<a href="mailto:john.doorbar@mbie.govt.nz">john.doorbar@mbie.govt.nz</a></td>
</tr>
</tbody>
</table>

The advice and support MBIE provides to you
65. MBIE provides a range of support and advice to you in your role as the Minister for Economic Development. This includes:

- **Policy advice** on each of the areas identified above as well as advice on the broader economic development goals.
- **Management of the regional economic development appropriation.**
- **Data collection and analysis** to support decision making, including providing detailed analysis at a sectoral and regional level as well as developing tools and products to provide easy access to information.
5. **Regional Economic Development Work Programme**

**Focus for the first 100 days**

66. We would welcome an early meeting with you to discuss your priorities for the first 100 days.

67. We will provide you with a list of all of the regional projects that have either been funded or which likely could be raised as proposals for the new Regional Economic Development appropriation.

68. As part of the Coalition Agreement, you have announced a number of commitments within the Regional Economic Development portfolio including a $1 billion per annum Regional Development (Provincial Growth) Fund and reform of government procurement rules. MBIE would like to have an early conversation with you about the implementation of these commitments and other priorities.

69. In addition, the table below lists the major decisions and actions that will arise during your first 100 days as the Minister for Regional Economic Development.

**Key decisions and appointments**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
<th>Driver</th>
<th>Timing</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Things that are going to happen</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget 2018</td>
<td>We would welcome an early meeting with you to discuss your priorities for the first 100 days.</td>
<td>Budget 2018</td>
<td>At your earliest convenience.</td>
<td>Finance</td>
</tr>
<tr>
<td>October Baseline Update for 2017</td>
<td>The October Baseline Update is an in-year revision of the Budget, where variances against the previous set of forecasts are charged against the operating allowance. We don’t believe you will need to make any decision regarding OBU. If this changes we will alert your office immediately.</td>
<td>Public Finance</td>
<td>Vote submissions to be provided to the Minister of Finance by 15 November</td>
<td>Finance</td>
</tr>
<tr>
<td>Decisions to be made on the existing regional development programme</td>
<td>A number of regions have made applications to the existing RGI Fund. It would be helpful to discuss if and how you’d like to consider these and the relevant sign off process.</td>
<td>Request for funding from regions</td>
<td>Prior to November</td>
<td>Regions</td>
</tr>
</tbody>
</table>

*Information withheld consistent with s9(2)(f)(iv) of the Official Information Act 1982*
Upcoming meetings, events, publications, workshops and announcements

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
<th>Driver</th>
<th>Timing</th>
<th>Area</th>
</tr>
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<tbody>
<tr>
<td><strong>Launch of Taranaki Economic Action Plan</strong></td>
<td>Note the Taranaki region recently released its regional economic development strategy. The Action Plan will present specific actions that will leverage economic growth opportunities in Taranaki.</td>
<td>Release of report</td>
<td>Late November/early December 2017</td>
<td>Regional Economic Development.</td>
</tr>
<tr>
<td><strong>Regional Governance Group Meetings</strong></td>
<td>Note the Regional Governance Group meetings generally occur monthly. You may wish to attend these meetings to learn about each region’s priorities and opportunities.</td>
<td>Possible meeting</td>
<td>November - December</td>
<td>Regional Economic Development.</td>
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Annex 1: Key Regional Economic Performance Indicators

Compound Annual Growth Rate - Average annual household income [2007 - 2017]

Compound Annual Growth Rate - GDP per capita [2006 - 2016]