



PALMERSTON NORTH CITY COUNCIL

AGENDA

ECONOMIC DEVELOPMENT

COMMITTEE

9AM, WEDNESDAY 11 MARCH 2020

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH



MEMBERSHIP

Tangi Utikere (Chairperson)

Leonie Hapeta (Deputy Chairperson)

Grant Smith (The Mayor)

Brent Barrett

Susan Baty

Rachel Bowen

Zulfiqar Butt

Vaughan Dennison

Renee Dingwall

Lew Findlay QSM

Patrick Handcock ONZM

Ruma Karaitiana

Bruno Petrenas

Aleisha Rutherford

Agenda items, if not attached, can be viewed at:

**pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library**

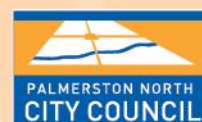
Heather Shotter

Chief Executive, Palmerston North City Council

Palmerston North City Council

W pncc.govt.nz | E info@pncc.govt.nz | P 356 8199

Private Bag 11034, 32 The Square, Palmerston North



ECONOMIC DEVELOPMENT COMMITTEE MEETING

11 March 2020

ORDER OF BUSINESS

NOTE: The Economic Development Committee meeting coincides with the ordinary meeting of the Planning and Strategy Committee meeting. The Committees will conduct business in the following order:

- Economic Development Committee
- Planning and Strategy Committee

NOTE: Prior to the commencement of the Economic Development Committee meeting, the newly appointed Member will be invited to make a Declaration of Office.

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. Public Participation at Meetings

Page 7

Memorandum, presented by Natalya Kushnirenko, Democracy & Governance Administrator.

5. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

6. Presentation - Agriculture and Investment Services, Ministry for Primary Industries

Page 11

7. Presentation - Central Economic Development Agency

Page 13

8. Summary report on the December 2019 Palmerston North Quarterly Economic Monitor, 2019 Annual Labour Market Report for the Manawatū region, Major Developments and Quarterly Retail Report for January 2020

Page 15

Memorandum, presented by Peter Crawford, Economic Policy Advisor and Linda Stewart, CEO, CEDA.

9. Manawatū Region Retail Health Check (2019) Report

Page 63

Memorandum, presented by Peter Crawford, Economic Policy Advisor and Linda Stewart, CEO, CEDA.

10. Timetable for Updating Sector Profiles Page 121

Memorandum, presented by Julie Macdonald, Strategy & Policy Manager.

11. International Relations 6-monthly update Page 125

Memorandum, presented by Toni Grace, International Relations Manager.

12. Housing Portfolio Update (February 2020) Page 167

Memorandum, presented by Councillor Susan Baty.

13. Committee Work Schedule Page 171

14. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the

meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Public Participation at Meetings

PRESENTED BY: Natalya Kushnirenko, Democracy & Governance Administrator

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Economic Development Committee set aside a public comment section of not more than 30 minutes at the commencement of each ordinary meeting of the Committee to provide members of the community the opportunity to comment.

1. ISSUE

Each newly established Committee needs to consider whether or not it wishes to have public participation at its meetings. The procedures to receive public comment are set out in this report.

2. BACKGROUND

It has been a decision by Committees and Subcommittees in the past to set aside a period of time to receive public comment at the beginning of the meetings for members of the public to comment on issues on the agenda, and if time permits, on other issues. This procedure has been proven to be effective in providing an opportunity for greater communication with the community.

Providing a public comment section at the beginning of the meeting enables any member of the public to come along to the meeting to make comment on any matters on the agenda or other matters if time permits.

This procedure also enables an opportunity for quick response from any Council officer who might be present and also facilitates the request for reports for subsequent meetings. In some cases, concerns raised by members of the public may well be resolved by Council officers present at the meeting.

The Council has previously adopted its own Standing Orders and in those Standing Orders provision has been made to allow for public comment at Committee and Subcommittee meetings should a Committee wish to adopt this practice. Please refer to the 'Public

PALMERSTON NORTH CITY COUNCIL

Participation' section as outlined in clause 3.23 of the Palmerston North City Council's Standing Orders, as appended to this report.

If a member or members of the public wish to comment on issues that do not appear on the agenda, they must do so with the Chairperson's approval in the public comment section of the meeting.

3. NEXT STEPS

If the Committee decide to allow public comment, this will be provided for in all Committee ordinary meetings for the following term.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 3: A Connected and Safe Community	
The recommendations contribute to the outcomes of the Connected Community Strategy	
The recommendations contribute to the achievement of action/actions in the Active Citizenship Plan	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Increasing opportunities for the community to contribute to Council decision making and for the Council to engage with the community.

ATTACHMENTS

1. Standing Orders - Public Participation [↓](#) 

3.23 PUBLIC PARTICIPATION

Period for public comment

3.23.1

A period of up to 30 minutes may be set aside at the commencement of each ordinary committee meeting for public comment, immediately following the notification of minor items.

[Council, 30 November 2005]

Content of public comment

3.23.2

Public comment shall be confined to those items appearing on the order paper for the particular meeting concerned, and, if time permits, any other matter.

[Council, 30 November 2005]

Advice of items on which public comment is intended

3.23.3

Persons wishing to make public comment shall advise the chief executive or chairperson and shall indicate those items or matters upon which comment is intended. Such advice shall be given either before the meeting or at the meeting at the commencement of the period set aside for public comment. The chairperson may determine that any person may not comment at any particular meeting, or that any comment made shall be confined to a particular item or matter.

[Council, 30 November 2005]

Time limit on public comment

3.23.4

Each person addressing the meeting may speak for a maximum of three minutes. This time limit may be extended at the discretion of the chairperson for a further three minutes. Each person may address the meeting once only, regardless of whether or not that person wishes to comment on more than one item or matter.

[Council, 30 November 2005]

Questions on public comment

3.23.5

With the permission of the chairperson, members may ask questions of speakers during the period set aside for public comment. Such questions by members shall be confined to obtaining information or clarification on matters raised by the speakers.

[Council, 30 November 2005]

Comment on item not on the agenda

3.23.6

Where public comment is made on an item that is not on the order paper, such comment shall be received or referred to the chief executive or another committee or sub-committee for report. Otherwise, such comment shall not be considered nor discussed unless the procedure for dealing with items not on the agenda is followed (see standing order 2.15.8).

[Council, 30 November 2005]

Termination of comment

3.23.7

The chairperson may terminate any public comment being made if it is irrelevant, repetitive, disrespectful, or offensive, or if the chairperson has reason to believe that statements made have been predominately motivated by ill will or otherwise take improper advantage of the occasion (see standing order 3.16 regarding qualified privilege).

[Council, 30 November 2005]

Public comment at extraordinary meetings of the local authority and its committees

3.23.8

The above procedures may, with the approval of the chairperson, also apply to extraordinary committee and extraordinary subcommittee meetings either generally or to particular meetings PROVIDED THAT at such meeting or meetings public comment shall be confined to those items appearing on the order paper for the particular meeting concerned.

[Council, 30 November 2005]

Application of public comment

3.23.9

Standing orders 3.23.1 to 3.23.8 shall apply only to those committees and subcommittees that adopt the above procedures. This order does not apply to meetings of the local authority.

[Council, 30 November 2005]

PRESENTATION

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Presentation - Agriculture and Investment Services, Ministry for Primary Industries

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Economic Development Committee receive the presentation for information.

SUMMARY

Alicia Caldwell, Senior Advisor, Regional Economic Development will update the Committee on MPI activity in the region.

ATTACHMENTS

Nil

PRESENTATION

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Presentation - Central Economic Development Agency

ITEM 7

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

- 1. That the Economic Development Committee receive the presentation for information.**

SUMMARY

Linda Stewart, Chief Executive, will provide an update to the Committee on CEDA's work on Talent and Skills.

ATTACHMENTS

Nil

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Summary report on the December 2019 Palmerston North Quarterly Economic Monitor, 2019 Annual Employment Report for the Manawātū region, Major Developments and Quarterly Retail Report for January 2020

PRESENTED BY: Peter Crawford, Economic Policy Advisor and Linda Stewart, CEO, CEDA

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Summary report on the December 2019 Palmerston North Quarterly Economic Monitor, 2019 Annual Employment Report for the Manawātū region, Major Developments, and Quarterly Retail Report for January 2020, are received.

1. INTRODUCTION

- 1.1 This memorandum presents a summary of:
 - a. the key themes in the latest Palmerston North Quarterly Economic Monitor for the December 2019 quarter;
 - b. the 2019 Annual Labour Market Report for the Manawātū region;
 - c. the outlook for major construction projects in the region; and
 - d. the latest CEDA retail report for the three months ended January 2020.
- 1.2 The latest Palmerston North Quarterly Economic Monitor report indicates weaker GDP growth in the city in the year ended December 2019 due to a decline in non-residential building consents. There may be a moderating in the rate of growth in economic activity over the next nine months due to the timing of major construction projects expected in the region.
- 1.3 It is difficult to estimate the impact of the coronavirus outbreak, but visitor spending from international visitors contributes just 17% of total visitor spending in the

region, while nationally the share is 42%. Visitor spending from China was \$9.4 million in the year ended December 2019.

- 1.4 There was a 0.8% increase in the number of people in the city registered for the job seeker benefit in the December quarter (from December 2018), which was significantly weaker than the 10.0% increase in national job seeker numbers. There was a 12% decline in the number of 18 – 24-year olds in the city receiving the benefit, but increases across all other age groups.

2. PALMERSTON NORTH QUARTERLY ECONOMIC MONITOR – DECEMBER 2019

- 2.1 Estimated annual gross domestic product (GDP) growth in Palmerston North was 2.2% in the year ended December 2019, compared with an increase of 4.2% in the year to December 2018 (the previous estimate was an increase of 3.3%). New Zealand GDP is estimated to have increased by 2.3% in the year to December 2019.
- 2.2 Annual salaries and wages paid in Palmerston North in the year ended December 2018 were \$3,709 million, increasing by 8.5% from the previous year, while earnings for New Zealand increased by 6.7%.
- 2.3 Total filled jobs in Palmerston North were 48,470 in the December 2018 quarter, increasing by 3.6% from the previous year, while filled jobs for New Zealand increased by 2.1%.
- 2.4 Annual median salaries and wages paid in Palmerston North in the year ended December 2018 were \$51,730, increasing by 4.4% from the previous year, while median salaries and wages for New Zealand were \$53,460, increasing by 4.1% from the previous year.
- 2.5 The average quarterly worker turnover rate in Palmerston North in the year ended December 2018 was 16.2%, increasing from 13.0% in the year to December 2017 year, while the average worker turnover rate for New Zealand was 17.2%, increasing from 15.8% in the previous year.
- 2.6 Electronic card retail spending in Palmerston North in the December quarter was \$332 million, an increase of 2.1% from the December 2018 quarter, while national growth was 3.0%.
 - a. Annual electronic card retail spending in Palmerston North for the year ended December 2019 was \$1,208 million, an increase of 3.2% from 2018. This compares with an increase of 2.3% for New Zealand.
- 2.7 The total value of building consents issued in Palmerston North in the December 2019 quarter was \$73 million, compared with \$67 million in the December 2018 quarter, an increase of 8%. National consent values increased by 4%.

- a. Building consents to the value of \$242 million were issued in Palmerston North in the year to December 2019, a decline of 19% from the previous year. The total in the year to December 2018 was the highest recorded since the building consents series began in 1990, with a 62% increase in the value of consents between 2017 and 2018. National consent values increased by 10% over the year to December 2019.
 - b. Consents for 128 new residential dwellings were issued in Palmerston North in the December 2019 quarter, compared with 108 in the December 2018 quarter, an increase of 19%. National consents increased by 13%.
 - c. Consents for 444 new residential dwellings were issued in Palmerston North in the year ended December 2019, compared with 477 in the previous year, a decline of 7%. National consents increased by 14%.
 - d. Non-residential consents to the value of \$79 million were issued in Palmerston North during the year to December 2019, a decline of 43% from the previous year. National consents increased by 5% over the same period.
- 2.8 The average value of dwellings in Palmerston North was \$483,695 in the three months ended December 2019, an increase of 13.7% from the December 2018 quarter. The average value for New Zealand was \$710,129, an increase of 4.0%.
- 2.9 Car registrations in Palmerston North declined by 3.6% in the year ended December 2019 (national registrations declined by 8.6%) while the number of commercial vehicles registered increased by 26.4% (compared to a national decline of 6.9%).
- 2.10 It is estimated the annual average unemployment rate in Palmerston North in the year ended December 2019 was 5.1%, which was above the unemployment rate of 4.1% for New Zealand.
- 2.11 The number of people in Palmerston North registered for the MSD Job Seekers benefit increased by 0.8% in December 2019 from December 2018, while the number in New Zealand increased by 10.0%. The MSD benefit numbers reported in the Infometrics report are based on the average of the last four quarters.
- 2.12 Traffic flows in Palmerston North in the year to December 2019 increased by 2.0% from 2018, while there was an increase of 1.7% for New Zealand.
- 2.13 Tourism spending in Palmerston North was \$486 million in the year ended December 2019 (\$433 million in Palmerston North and \$53 million in Manawātū district), increasing by 3.2% from the previous year (New Zealand also increased by 3.2%).
- a. Domestic visitor spending in Palmerston North was \$366 million in the year ended December 2019, increasing by 1.0% from the previous year (1.3%

increase for New Zealand). There was strong growth in spending in the December quarter from visitors from the rest of the Manawatū-Whanganui region, which increased by 9.0% from the previous year, and a 2.4% increase from Wellington. Declines in spending were recorded from the Hawkes Bay, Taranaki, Auckland and Bay of Plenty.

- b. International visitor spending in Palmerston North was \$71 million in the year ended December 2019, increasing by 7.8% from the previous year (6.7% increase for New Zealand). Countries contributing the most to the increase in spending in Palmerston North were the USA, China and the rest of Europe (other than the UK and Germany).

2.14 Population estimates, based on primary health organisation registrations, suggest Palmerston North's population increased by 3,808 people between December 2018 and December 2019, an increase of 4.9% (2.3% increase for New Zealand)

2.15 The Palmerston North Quarterly Economic Monitor report for the December 2019 quarter is attached.

3. 2019 ANNUAL EMPLOYMENT REPORT

3.1 The latest employment report shows a slowing in the rate of job growth in the region in 2019, but that followed a 3.3% increase in the year to February 2018. There were 60,400 people employed in a region in February 2019, an increase of 2.2% from 2018. National job growth over this time was 2.1%.

3.2 Quarterly earnings data to September 2018 (salaries and wages only) shows an acceleration in growth in the region in the first three quarters of 2018, with September quarter earnings for the region increasing by 9.3% from the September 2017 quarter.

3.3 Total earnings in the region (salaries, wages and self-employment income) was \$3,480 million in the year ended March 2018, increasing by 4.9% from 2017.

3.4 Census 2018 labour force data shows an unemployment rate of 7.0% in Palmerston North in March 2018 compared with an unemployment rate of 5.8% for New Zealand. The city experienced a 4.2% increase in the number of recipients of the MSD job seeker benefit in the March 2018 quarter while national benefit numbers declined by 0.5% in the year to March 2018. Growth in national job seeker MSD benefit numbers strengthened during 2019 while the rate of increase in Palmerston North weakened. The unemployment rate for Palmerston North is usually higher than the average for New Zealand because of its younger population compared with the average for New Zealand.

3.5 The 2019 Manawātū Region Annual Employment Report is attached.

4. MAJOR DEVELOPMENTS

4.1 Major development and construction projects announced for Palmerston North and the Manawātū region amount to at least \$3.0 - \$3.5 billion of construction activity to 2030. Projects which have been updated or added since the last report in September include:

- a. Four-laning SH1 Otaki to north of Levin highway (\$817 million), with construction expected to occur over 2024 - 2029.
- b. Funding for the expansion of the surgical services unit at Palmerston North Hospital (\$26 million).
- c. Confirmation of the start of construction of the Countdown supermarket in Pioneer Highway this year.
- d. Construction of a new Countdown distribution centre.

4.2 A summary of major developments in the Manawātū region is attached.

5. MANAWATŪ REGION QUARTERLY ELECTRONIC CARD RETAIL REPORT FOR JANUARY 2020

5.1 The latest CEDA quarterly retail report for the three months ended January 2020 shows continued growth in electronic card retail spending in the Manawātū region, which increased by 3.0% in the three months ended January 2020. New Zealand retail spending increased by 2.6% over the same period.

5.2 Spending by local residents at Manawātū region retailers increased by 3.9% in the three months ended January 2020 and was the largest contributor to the growth in total spending in the region. Spending by local residents in other regions increased, with a 4.4% increase in the three months ended January.





5.3 There was a 1.4% increase in domestic visitor spending in the region in the latest quarter. Visitor spending from the rest of the Horizons region increased by 7.6% in the three months ended January 2020, but visitor spending from the rest of New Zealand declined by 8.1%. Contributing to this weakness in growth from other regions was a 16.9% decline in spending from Auckland residents, 9.9% decline from the Waikato, 19.7% decline in spending from the Hawkes Bay, and a 7.6% decline in spending from the Wellington region. International cardholder spending increased by 22.3%.

- 5.4 Retail precinct data shows a 5.3% decline in spending in Broadway, while there was an increase of 2.3% in the rest of Palmerston North CBD. The rate of growth in spending remains higher in Manawātū District, with an increase of 6.4% across the district compared with 2.4% in the city.
- 5.5 Manawātū region residents spent \$30.9 million online in the three months ended January 2020, accounting for 7.8% of total electronic card spending by residents in the region. This remains below the 12.8% online share for all New Zealand residents. Manawātū region resident online spending increased by 27.6% in the three months ended January while national growth was 24.1%.
- 5.6 The Manawātū Region Electronic Card Quarterly Retail Report is attached.

6. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual 166		Yes
Are the decisions significant?		No
If they are significant do they affect land or a body of water?		No
Can this decision only be made through a 10 Year Plan?		No
Does this decision require consultation through the Special Consultative procedure?		No
Is there funding in the current Annual Plan for these actions?		Yes
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 1: An Innovative and Growing City		
The recommendations contribute to the outcomes of the Economic Development Strategy		
The recommendations contribute to the achievement of action/actions in the Economic Development Plan		
The action is: Attract investment expansion and new businesses		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Reporting on economic trends in the city and Manawātū region, and the longer-term outlook for growth, is important for encouraging local businesses to invest in growing their business and attracting new businesses to the city.	

ATTACHMENTS

1. Palmerston North City Quarterly Economic Monitor Report - December 2019 quarter [↓](#) 
2. Manawatū Region Employment Report 2019 [↓](#) 
3. Major Developments [↓](#) 
4. Manawatū Quarterly Electronic Card Retail Report for January 2020 [↓](#) 



Quarterly Economic Monitor

Palmerston North City December 2019

Overview of Palmerston North City

The Palmerston North City economy continues to track close to the national average, with Infometrics' provisional GDP estimate for the area growing 2.2% in the December 2019 year. This local growth was alongside the national average of 2.3% and a Manawatu-Whanganui regional average of 2.5%. Traffic flows, a good indicator of economic activity, were up 2.0% in Palmerston North City over the December 2019 year, and electronic card spending on retail purchases rose 3.2% over the same period.

Health enrolments, a proxy indicator of population growth, grew 4.9% in the December 2019 year – the highest growth rate since we started tracking this indicator back in 2014. The growing population is keeping a floor under house sales which, despite falling 5.5% in the December 2019 year, remain well above their 10-year average. House price inflation of 14% in December 2019 is also indicative of a busy property market in which demand may currently be exceeding supply. Residential consents have stepped in the past two years and a 6.9% decline in the December 2019 year belies the fact that consents are currently almost double their 10-year average. Non-residential consents fell 43% in the December 2019 year following particularly strong consent values in 2018.

Tourism expenditure in Palmerston North City continues to edge up, growing 2.0% in the December 2019 year. It's likely to be a tough year ahead with the COVID-19 outbreak expected to hit international visitor numbers, although domestic consumers remain relatively upbeat, and the outbreak could encourage more Kiwis to take their holidays closer to home.

The City's unemployment rate edged down to 5.2% for the December 2019 year, reflecting a tight labour market nationwide. However, the region's Jobseeker Support recipients continue to rise, growing 4.4% in the December 2019 year compared with 10.6% growth nationally. Our view is that the government's more lenient stance towards beneficiaries is encouraging more people to claim Jobseeker Support.

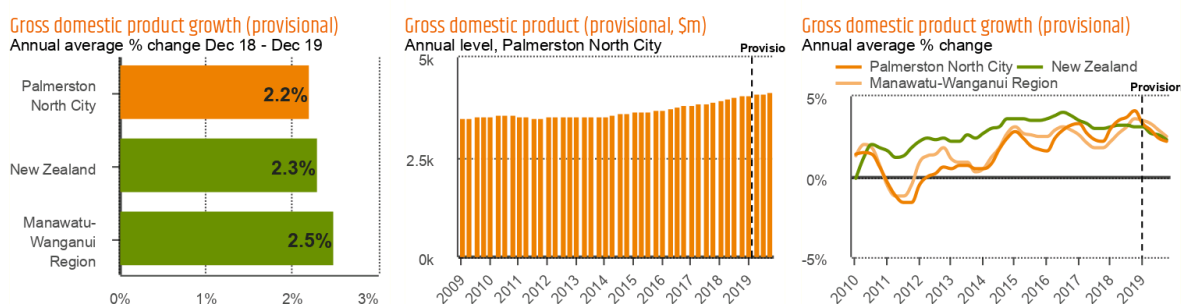
Indicator	Palmerston North City	Manawatu-Wanganui Region	New Zealand
<i>Annual average % change</i>			
Gross domestic product	↑ 2.2%	↑ 2.5%	↑ 2.3%
Traffic flow	↑ 2.0%	↑ 1.3%	↑ 1.7%
Health Enrolments	↑ 4.9%	↑ 3.5%	↑ 2.3%
Consumer spending	↑ 3.2%	↑ 4.4%	↑ 3.3%
Residential consents	↓ -6.9%	↓ -2.2%	↑ 13.8%
Non-residential consents	↓ -43.1%	↓ -18.6%	↑ 5.2%
House prices*	↑ 13.7%	↑ 17.8%	↑ 3.6%
House sales	↓ -5.5%	↓ -6.3%	↓ -1.0%
Tourism expenditure	↑ 2.0%	↑ 1.1%	↑ 3.5%
Car registrations	↓ -3.6%	↓ -4.0%	↓ -8.6%
Commercial vehicle registrations	↑ 26.4%	↑ 2.7%	↓ -6.9%
Jobseeker Support recipients	↑ 4.4%	↑ 6.4%	↑ 10.6%
<i>Level</i>			
Unemployment rate	5.2%	5.2%	4.1%

* Annual percentage change (latest quarter compared to a year earlier)

Overview of national economy

The economy looks to have turned a corner, at least temporarily, at the end of 2019. Although growth has slowed, some near-term indicators have shown an improvement. Traffic flows, tourism spending, and house prices have all shown renewed growth, and are set to provide a foundation for further growth in 2020. Government spending activity over the medium term also looks to support economic growth, but there remains little in the way of fundamental growth drivers over the next five years. With economic growth shifting down a gear in recent years, headline growth is likely to settle at a softer level. However, a significant risk to growth in 2020 is presented by the COVID-19 outbreak, which will restrain tourism and export activity, and could threaten consumer and business activity if the outbreak continues or spreads to New Zealand.

Gross domestic product (provisional)



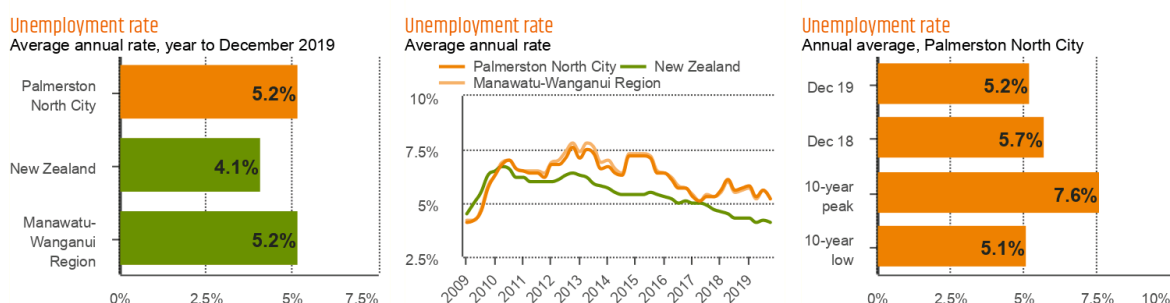
Highlights for Palmerston North City

- GDP (provisional) in Palmerston North City was up 2.2% for the year to December 2019 compared to a year earlier. Growth was lower than in New Zealand (2.3%) and lower than in Manawatu-Wanganui Region (2.5%).
- GDP (provisional) was \$4,143 million in Palmerston North City for the year to December 2019 (2010 prices).
- Annual GDP growth in Palmerston North City peaked at 4.1% in the year to December 2018.

National overview

Economic growth continues to soften, with the latest provisional estimates from Infometrics showing an expansion of 2.3%pa over the 12 months to December 2019. Global trade conditions remain uncertain, and domestic investment continues to disappoint. However, improved business and consumer sentiment shows a more upbeat view of the economy, and sets the foundation for sustained growth, albeit at a slower pace, in 2020. Government spending remains slow to roll out, but recent infrastructure announcements should support further regional growth over the next few years.

Unemployment rate



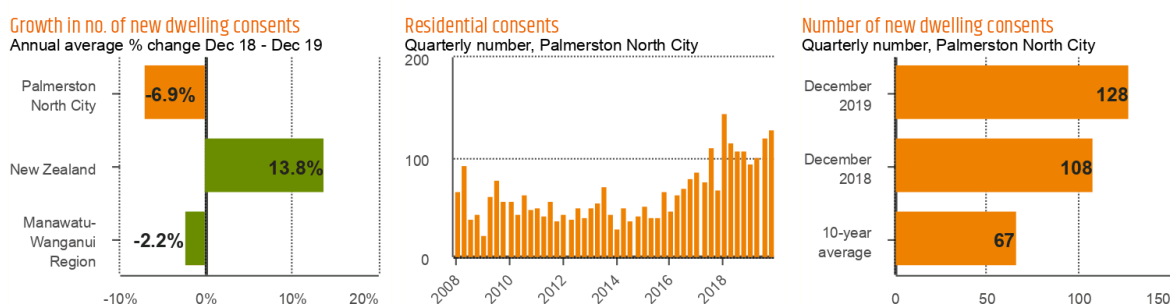
Highlights for Palmerston North City

- The annual average unemployment rate in Palmerston North City was 5.2% in December 2019, down from 5.7% a year earlier.
- The unemployment rate in Palmerston North City was higher than in New Zealand, where the unemployment rate averaged 4.1% over the year to December 2019.
- Over the last ten years the unemployment rate reached a peak of 7.6% in December 2012;

National overview

Unemployment remains low at an annual average rate of 4.1% for the December 2019 quarter. Labour market tightness persists with rising full-time employment and a slight easing in labour market participation ensuring that employers need to work hard to attract and retain staff.

Residential consents



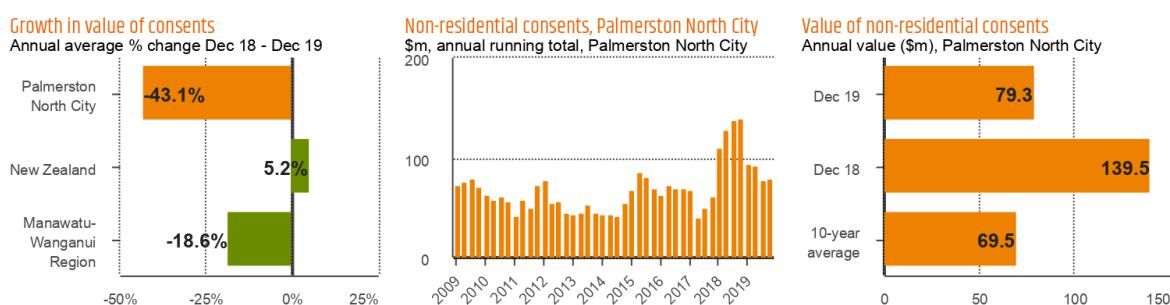
Highlights for Palmerston North City

- A total of 128 new residential building consents were issued in Palmerston North City in the December 2019 quarter, compared with 108 in the same quarter last year.
- On an annual basis the number of consents in Palmerston North City decreased by 6.9% compared with the same 12-month period a year ago. The number of consents in New Zealand increased by 13.8% over the same period.

National overview

Residential building consents have continued to grow strongly, up 13.8% in the December 2019 year, taking annual consents to 37,500 – doubling over the past eight years. Housing growth, especially for high density dwellings, has been strongest in regions most desperate for more housing such as Auckland and Wellington. While this is a strong supply response to the national shortfall of approximately 30-40,000 dwellings, we are sceptical that construction activity will grow at the same pace as consented intentions, given the current constraints in construction sector capacity.

Non-residential consents



Highlights for Palmerston North City

- Non-residential building consents to the value of \$79 million were issued in Palmerston North City during the year to December 2019.
- The value of consents decreased by -43.1% over the year to December 2019. By comparison the value of consents in New Zealand increased by 5.2% over the same period.
- Over the last 10 years, consents in Palmerston North City reached a peak of \$139 million in the year to December 2018.

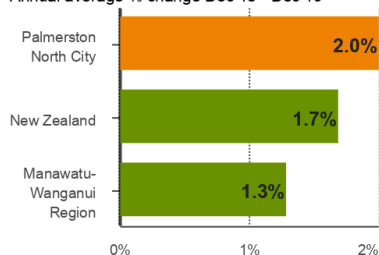
National overview

Non-residential building consents continue to track upwards, with values up by 5.2% in the year to December 2019. However, due to softer economic conditions and business investment generally, we expect private sector activity to continue easing into 2020. Public sector activity remains strong, and recently announced funding for education and hospital construction may help to sustain overall levels of activity.

Traffic flow

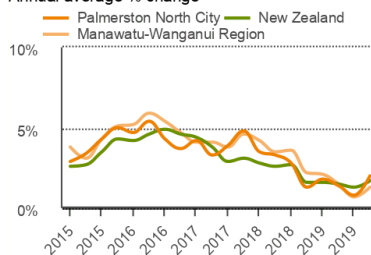
Annual change in traffic flows

Annual average % change Dec 18 - Dec 19



Traffic volume growth

Annual average % change



Highlights for Palmerston North City

- Traffic flows in Palmerston North City increased by 2.0% over the year to December 2019. This compares with an increase of 1.7% in New Zealand.

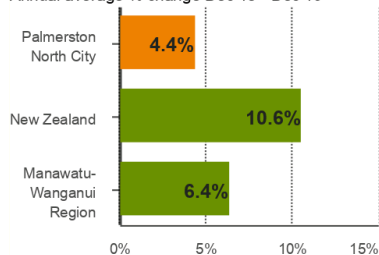
National overview

Transport activity showed some strength over the 12 months to December 2019, with traffic growth rising slightly to 1.7%pa. The revival in traffic flows reinforces a view of an economy that may be turning the corner, with more vehicle activity indicating both consumers and businesses are moving about – a good sign for economic growth. Activity on the east coast of the North Island spurred this uptick in traffic growth, with Gisborne, the Hawke's Bay, and the Bay of Plenty leading the way.

Jobseekers

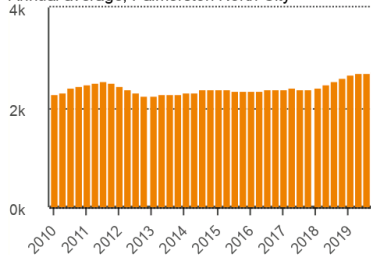
Annual change in Jobseekers

Annual average % change Dec 18 - Dec 19



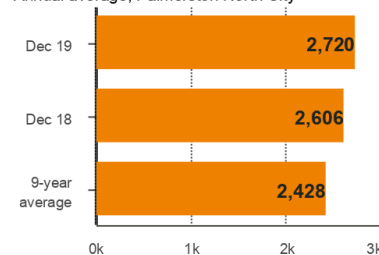
Jobseekers

Annual average, Palmerston North City



Jobseekers

Annual average, Palmerston North City



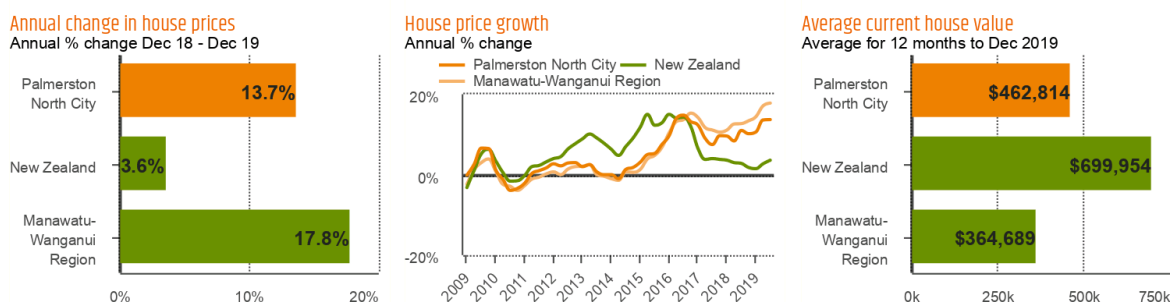
Highlights for Palmerston North City

- Working age Jobseeker Support recipients in Palmerston North City in the year to December 2019 increased by 4.4% compared with the previous year. Growth was lower relative to New Zealand, where the number of Jobseeker Support recipients increased by 10.6%.
- An average of 2,720 people were receiving a Jobseeker Support benefit in Palmerston North City in the 12 months ended December 2019. This compares with an average of 2,428 since the start of the series in 2010.

National overview

Benefit support levels continue to rise further, with the number of people receiving a Jobseeker Support benefit rising 10.6%pa on average over the year to December 2019. Jobseeker Support recipients have risen to 4.9% of the estimated working age population. The labour market remains tight, with sustained lower unemployment, but strong growth in those not participating in the labour force. It seems that the mismatch of skills that potential workers have, and that employers want, has seen an increase in people not being as active in seeking work.

House prices



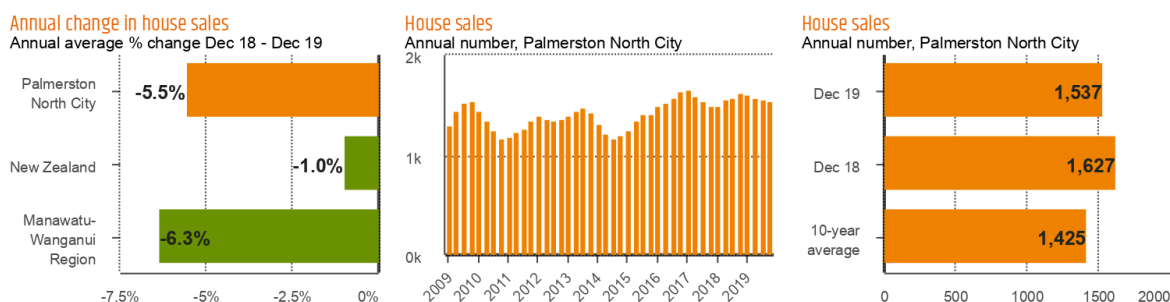
Highlights for Palmerston North City

- The average current house value in Palmerston North City was up 13.7% in December 2019 compared with a year earlier. Growth outperformed relative to New Zealand, where prices increased by 3.6%.
- The average current house value was \$462,814 in Palmerston North City over the December 2019 year. This compares with \$699,954 in New Zealand.

National overview

House price growth picked up in the year to December 2019, up 3.6% higher than the year before. While the rest of the country grew steadily throughout the year, Auckland's house price growth tipped back into positive territory in the final quarter, adding impetus to the national figure. While clouds of economic uncertainty hover over the business sector, low interest rates seem likely to spur on another strong year in the real estate market.

House sales



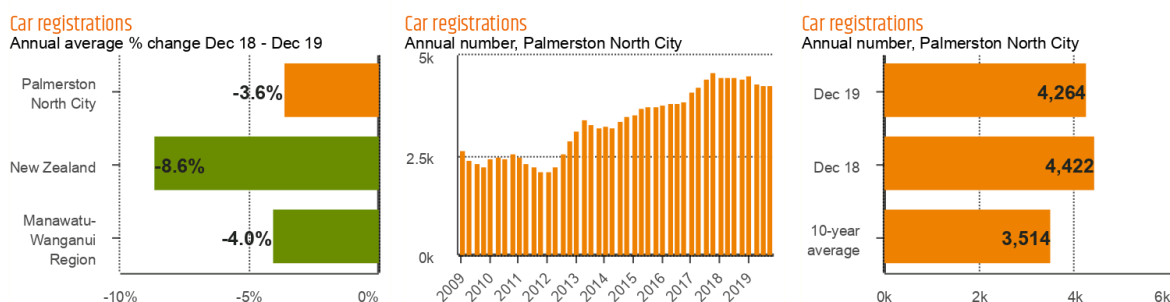
Highlights for Palmerston North City

- House sales in Palmerston North City in the year to December 2019 decreased by 5.5% compared with the previous year. Growth underperformed relative to New Zealand, where sales decreased by 1.0%.
- A total of 1,537 houses were sold in Palmerston North City in the 12 months ended December 2019. This compares with the ten year average of 1,425.

National overview

House sales across the country continue to ease, down by 1.0% in the year to December 2019. However, sales in the December quarter picked up, suggesting that market activity is heating up following reductions in interest rates.

Car registrations



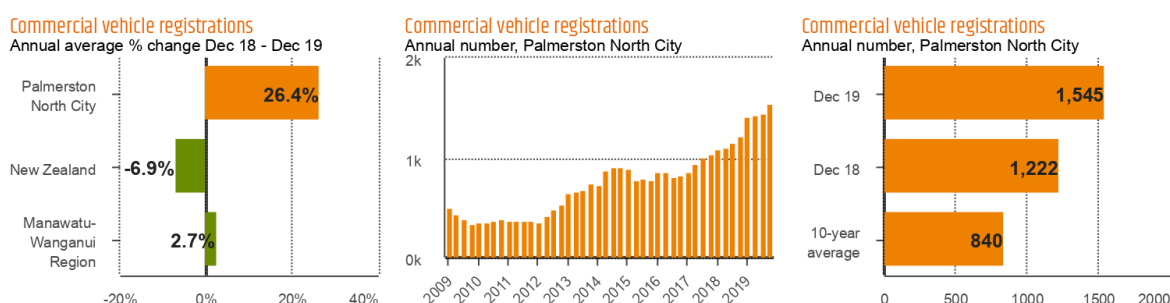
Highlights for Palmerston North City

- The number of cars registered in Palmerston North City decreased by -3.6% in the year to December 2019 compared with the previous 12 months. Growth was higher than in New Zealand, where car sales decreased by -8.6%.
- A total of 4,264 cars were registered in Palmerston North City in the year to December 2019. This compares with the ten year average of 3,514.

National overview

Car registrations in the year to December 2019 were down 8.6%, finishing the year with the weakest result since 2014. Used small car registrations have remained at roughly the same level for the past two years, new small car registrations saw a brief resurgence in late 2019, while large new and used cars are in sharp decline. These conflicting trends in small and large car registrations reflect a mixed economic environment with robust consumer confidence, rising wages and a resurgence in house price growth contrasting with subdued business confidence and softening employment prospects.

Commercial vehicle registrations



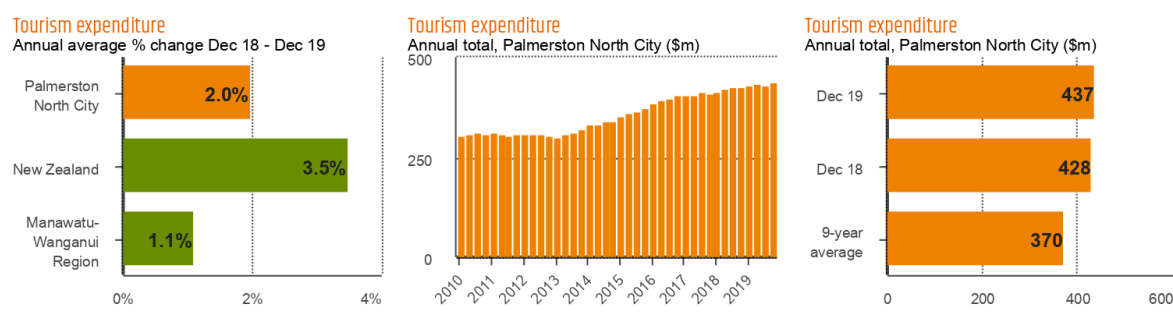
Highlights for Palmerston North City

- The number of commercial vehicles registered in Palmerston North City increased by 26.4% in the year to December 2019 compared with the previous 12 months. Growth was higher than in New Zealand, where commercial vehicle sales decreased by -6.9%.
- A total of 1,545 commercial vehicles were registered in Palmerston North City in the year to December 2019. This is higher than the ten year annual average of 840.

National overview

Commercial vehicle registrations fell 6.9% in the year to December 2019, driven mostly by a decline in light commercial vehicle registrations. Residential construction is maintaining demand for the movement of aggregates, timber and other construction products, and freight firms have benefitted from high commodity prices. However, concern about the domestic and global economic outlook continues to sap business confidence and, with construction activity expected to ease over the next few years, investment in commercial vehicles is an increasingly risky option.

Tourism Spending



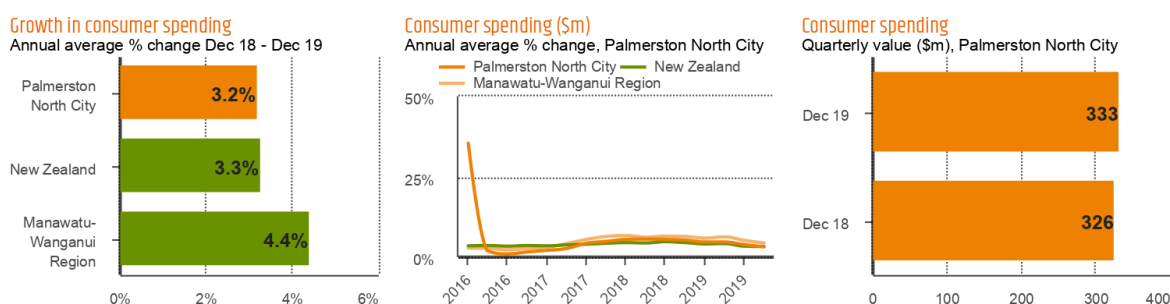
Highlights for Palmerston North City

- Total tourism expenditure in Palmerston North City increased by 2.0% in the year to December 2019. This compares with an increase of 3.5% in New Zealand.
- Total tourism expenditure was approximately \$437m in Palmerston North City during the year to December 2019, which was up from \$428m a year ago.

National overview

Tourism spending growth over the 12 months to December 2019 ticked up a touch, with spending rising 3.5%pa. Tourist spending on food and beverage purchases rose 6.4% over the period, while accommodation spending rose a measly 0.4%pa. This shift in spending growth is likely an indication of the rising importance of attracting domestic travellers as international tourist growth slow. Tourism activity generally over recent periods has been much softer than in previous years, with overseas arrivals growth slowing to 0.8%.

Consumer Spending



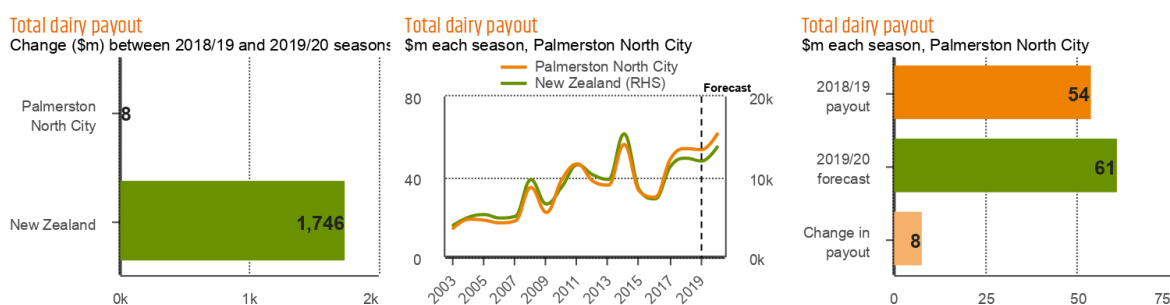
Highlights for Palmerston North City

- Electronic card consumer spending in Palmerston North City, as measured by Marketview, increased by 3.2% over the year to December 2019 compared to the previous year. This compares with an increase of 3.3% in New Zealand.

National overview

Consumer spending continues to grow steadily, however the rate of growth in 2019 proved weaker than in 2018. While good prospects for wage growth in the coming year should keep consumers perky, the prospect of a softer economic environment may weigh on their outlooks. Interest rate cuts will start to flow through to household budgets as they come to re-fix their mortgages, and may in turn flow through to increased spending.

Total dairy payout



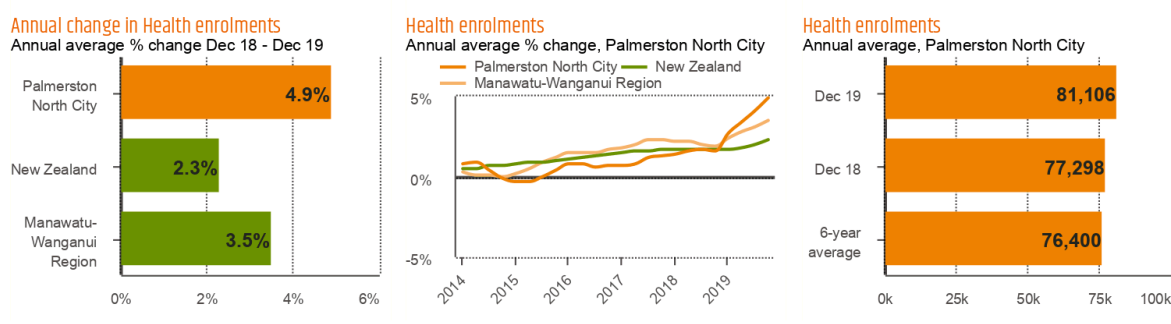
Highlights for Palmerston North City

- Palmerston North City's total dairy payout for the 2018/19 season is estimated to have been approximately \$53.5m.
- Palmerston North City's dairy payout for the 2019/20 season is expected to be approximately \$61.3m, \$7.81m higher than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately \$11,964m in the 2018/19 season, and is expected to be \$1,746m higher in the 2019/20 season.

National overview

The dairy outlook improved further towards the end of 2019, with Fonterra raising the farmgate milk price midpoint from \$7.05 to \$7.30/kgms for the 2019/20 season. Analyst expectations and our own analysis support this price at present, with evidence of a constrained milk supply both domestically and internationally. Concerns over the COVID-19 outbreak may see a near-term softening in dairy prices, but with dry conditions persisting, milk volumes are expected to remain below last season's collections. The higher milk price is expected to boost the national pay-out by \$1.7b from the 2018/19 season.

Health Enrolments



Highlights for Palmerston North City

- The number of people enrolled with a primary health organisation in Palmerston North City in the year to December 2019 increased by 4.9% compared with the previous year. Growth was higher relative to New Zealand, where the number of enrolments increased by 2.3%.
- An average of 81,106 people were enrolled with primary healthcare providers in Palmerston North City in the 12 months ended December 2019. This compares with an average of 76,400 since the start of the series in 2013.

National overview

Health enrolment growth towards the end of 2019 rose considerably, causing year-end growth in enrolments to speed up to 2.3%pa. Health enrolment growth has started to diverge from national population growth, which slowed back to 1.4%pa in December 2019. The sharp rise in enrolments in recent months is likely due in part to the measles outbreak, which will have seen more people enrol who hadn't previously done so. Although the divergence in enrolments and headline population estimates makes it difficult to track local population movements, this series still provides a useful and timely insight into those accessing health services in local areas.

Technical notes

Accommodation

The number of guest nights is sourced from Statistics New Zealand's Accommodation Survey. A guest night is equivalent to one guest spending one night at an establishment. For example, a motel with 15 guests spending two nights would report that they had provided 30 guest nights.

Building Consents

Building consents data are sourced from Statistics New Zealand. Non-residential consents include the value of both new buildings and alterations.

Consumer Spending

The consumer spending data is sourced from Marketview. It measures total electronic card spending using spending through the Paymark network and adding to it an estimate of non-Paymark network spending using the pattern of BNZ card holder spending at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

Dairy

Dairy data has been sourced from the "New Zealand Dairy Statistics", a publication co-owned by DairyNZ and LIC, as well as calculations made by Infometrics. The data accords to dairy seasons, which run from June to May. Total dairy payouts in each territorial authority have been calculated by Infometrics by utilising milk solids production in conjunction with Fonterra's farmgate milk price (excluding dividends) from the dairy season in question. For the current season, Infometrics calculates a payout forecast using our own expectation of the farmgate milk price and the assumption that milk solids production continues running at the same level from the previous season.

Earnings

The earnings data comes from the quarterly Linked Employer Employee Data (LEED) published by Statistics New Zealand. LEED publishes the mean earnings of full quarter jobs for each quarter. Full quarter jobs may include full time and part time jobs. Earnings include overtime and lump sum payments. We sum the mean earnings for the four quarters making up the year to arrive at an estimate of average annual earnings. Infometrics projects average annual earnings to the current quarter using growth rates in industry earnings measured in the Labour Cost Index.

Gross Domestic Product

Gross Domestic Product is estimated by Infometrics. A top down approach breaks national industrial production (sourced from production based GDP measures published by Statistics New Zealand) is broken down to TA level by applying TA shares to the national total. Each TA's share of industry output is based on earnings data from LEED. GDP growth in recent quarters is based on a model which uses the various partial economic indicators presented in this report as inputs. Estimates of GDP for these most recent quarters are provisional until Infometrics updates its annual GDP series in the Regional Economic Profile at the beginning of each year.

Health Enrolments

Health enrolments are sourced from the Ministry of Health. They record the number of people in each area who are enrolled with a Primary Health Organisation (PHO). Enrolment is voluntary, but most New Zealanders enrol at a general practice for health reasons and for the benefits of enrolment, such as cheaper doctors' visits and reduced costs of prescription medicines. Changes to how the Ministry of Health recorded this data led to Infometrics revising our approach to health enrolment figures for the March 2019 Quarterly Economic Monitor onwards. Our new approach completely revises our timeseries of health enrolments, so care should be taken when comparing the March 2019 report with previously downloaded reports.

Previously, the data provided was only for those people whose addresses are able to be accurately recorded by the Ministry of Health. We have now switched to breaking down TA-level health enrolments based on trends in stated health enrolments by area, to ensure that the total number of enrolees published in the Monitor align with the national-level figures published by the Ministry of Health. A new system for classifying and recording health enrolment addresses from March 2019 onwards by the Ministry means significantly higher numbers of unallocated enrolees, resulting in the need to review our model.

House Sales

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

House Values

House value (dollar value) are sourced from QVNZ. The levels quoted in the report are average current values over the past 12 months. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house's price between sales.

Jobseekers Support

In July 2013 the New Zealand's welfare system changed to better recognise and support people's work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can't work at the moment, for example, because they have a health condition, injury or disability.

Tourism Expenditure

Tourism expenditure data is sourced from the Ministry of Business, Innovation and Employment's (MBIE) Monthly Regional Tourism Estimates. These are estimated values for tourism spending that approximate values found in the International Visitor Survey (IVS) and Tourism Satellite Account (TSA), using modelling of a sample of electronic card spending throughout New Zealand from domestic and international accounts.

Traffic Flow

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

Unemployment

Regional level unemployment rates are sourced from Statistics New Zealand's Household Labour Force Survey. Trends in the number of Jobseekers are used to break down regional unemployment rates to TA levels. The TA level unemployment rates are benchmarked on census following the release of each census. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

Vehicle Sales

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas.

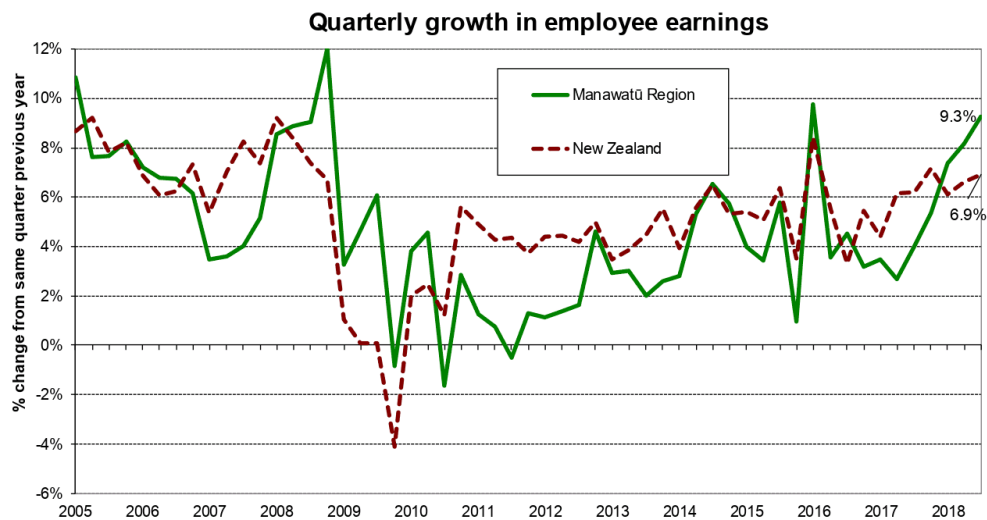


Manawatū Region Annual Employment Report 2019

Overview

The rate of employment growth in the Manawatū region in the year to February 2019 was slightly stronger than the average for New Zealand, with employee numbers in the region increasing by 2.2% from 2018 while national growth was 2.1%. Most economic indicators point to much stronger growth in region over the next two years due to significant growth in construction activity in the region. Between February 2016 and February 2019, 4,200 additional jobs have been created in the region.

Earnings (salaries, wages and self-employment income) in the Manawatū region in the year ended March 2018 were \$3,480 million, an increase of 4.9% from 2017 (\$162 million increase). National incomes increased by 5.4% over the same period. Income from salaries and wages in the region rose by 4.9% in the year to March 2018 while income from self-employment increase by 5.0%. Construction sector activity in the region increased strongly from the first quarter of 2018, which means to data for earnings in the year ended March 2018 does not capture the momentum of growth in the region. Salary and wages data for the region to September 2018 confirms this growth in the region, with annual growth of 9.3% in salaries and wages paid between the September 2017 and September 2018 quarters.



Source: Statistics New Zealand

The latest Infometrics estimates suggest the unemployment rate for Manawatū region residents aged 15 years and over in the region averaged 5.2% over the year ended September 2019 compared with 4.2% for New Zealand. The estimated unemployment rate for Manawatū District over the year to September 2019 was 3.5% and 5.6% for Palmerston

North. Ministry of Social Development (MSD) job seeker benefit numbers in the region increased by 3.7% in the year to December 2019 while national job seeker benefits increased 10.0%. Palmerston North job seeker benefits increased by just 0.8% over the year to December 2019 and there was a decline in the city in the number of people in the 18 – 24 years age group receiving the benefit.

Employee Numbers

Annual employment data for February 2019 shows there were 60,400 jobs in the Manawātū region, an increase of 1,300 jobs from February 2018 (2.2% increase). National employment increased by 46,300 jobs in the year to February 2019, an increase of 2.1%.

Data for the individual local authorities in the region shows that in February 2019 there were:

- 9,500 jobs in Manawātū District, an increase of 400 jobs (4.4% increase) from February 2018.
- 50,900 jobs in Palmerston North, an increase of 900 jobs (1.8% increase) from February 2018.

Sectors which contributed most to the increase in the number of jobs between 2018 and 2019 were public administration and safety (480 jobs), logistics (290 jobs), manufacturing (250 jobs) and health care and social assistance sector (180 jobs).

Manawātū region employment - February 2019					
Industry sector	Employee count	2018 - 2019 change		2000 - 2019 change	
		Number	%	Number	%
Retail	9,150	140	1.6%	1,410	18.2%
Health Care and Social Assistance	8,040	180	2.3%	2,560	46.7%
Public Administration and Safety	7,050	480	7.3%	2,950	72.0%
Education and Training	6,820	-120	-1.7%	1,240	22.2%
Logistics	6,280	290	4.8%	2,360	60.2%
Manufacturing	5,050	250	5.2%	200	4.1%
Construction	4,500	110	2.5%	2,080	86.0%
Professional, Scientific and Technical Services	3,190	130	4.2%	660	26.1%
Administrative and Support Services	2,690	-60	-2.2%	580	27.5%
Other Services	2,120	70	3.4%	550	35.0%
Agriculture, Forestry and Fishing	2,110	-60	-2.8%	300	16.6%
Arts and Recreation Services	1,010	0	0.0%	235	30.3%
Rental, Hiring and Real Estate Services	920	60	7.0%	305	49.6%
Financial and Insurance Services	840	20	2.4%	35	4.3%
Information Media and Telecommunications	400	-180	-31.0%	-640	-61.5%
Electricity, Gas, Water and Waste Services	280	50	21.7%	8	2.9%
Mining	31	0	0.0%	13	72.2%
Total	60,400	1,300	2.2%	14,700	32.2%

Note: Employee count data in this table does not include the self-employed

Source: Statistics New Zealand

Over the period from 2000 to 2019, total employment in the region increased by 32.2%, with 14,700 more jobs in 2019 compared with 2000. The public administration and safety sector accounted for the largest share of the increase in employment, with 2,950 more jobs at the end of the 19-year period, an increase of 72%. Other significant contributors were

healthcare and social assistance (2,560 jobs increase, 47% increase), logistics (2,360 jobs, 60% increase), construction (2,080 jobs increase, 86% increase), education and training (1,240 jobs increase, 22%) and retail (1,410 jobs increase, 18% increase).

Information media and telecommunications sector was the only sector to record a decline in employment between 2000 and 2019 (640 jobs decline, 62% decline).

Census employment status data shows that most of the growth in employment in the region between 2013 and 2018 came from an increase in the number of paid employees, while there was only minimal growth in the number of employers and the self-employed. Self-employment in the region has declined from 9.1% of the total workforce in 2006 to 7.8% in 2018. Manawātū District has a higher rate of self-employment because of the high contribution of agriculture to its economy, which has a high rate of self-employment. However there has been a greater decline in the self-employment share in the District from 13.8% in 2006 to 11.1% in 2018. Palmerston North has a low self-employment share, which is influenced by the high percentage of workers who are employed in the government sector.

Employment status for census usually resident population aged 15 years and over							
	Paid employee	Employer	Self employed and without employees	Unpaid family worker	Total stated	Not elsewhere included	Total
2006 Census							
Manawatu District	9,678	1,179	1,824	510	13,194	603	13,797
Palmerston North City	32,862	2,115	2,871	441	38,295	2,106	40,401
Manawātū region	42,540	3,294	4,695	951	51,489	2,709	54,198
New Zealand	1,511,250	142,881	234,954	39,567	1,928,655	57,123	1,985,778
2013 Census							
Manawatu District	10,185	1,029	1,728	507	13,446	219	13,665
Palmerston North City	31,545	1,893	2,802	405	36,642	690	37,332
Manawātū region	41,730	2,922	4,530	912	50,088	909	50,997
New Zealand	1,553,508	129,867	235,920	37,719	1,957,011	43,992	2,001,009
2018 Census							
Manawatu District	12,483	1,119	1,752	465	15,816	0	15,816
Palmerston North City	37,683	1,893	2,799	387	42,762	0	42,762
Manawātū region	50,166	3,012	4,551	852	58,578	0	58,578
New Zealand	2,021,400	137,706	250,062	35,970	2,445,141	0	2,445,141
2013 to 2018 percentage change							
Manawatu District	22.6%	8.7%	1.4%	-8.3%	17.6%		15.7%
Palmerston North City	19.5%	0.0%	-0.1%	-4.4%	16.7%		14.5%
Manawātū region	20.2%	3.1%	0.5%	-6.6%	17.0%		14.9%
New Zealand	30.1%	6.0%	6.0%	-4.6%	24.9%		22.2%

Note: Employment status data in this table is based on place of residence while the table on page 2 is based on place of work

Source: Census 2006, 2013 and 2018

Data from the annual Statistics New Zealand Business Demography series also includes data on the number of geographic units (business locations) in the region and the distribution of employment by business size. Data on the distribution of employment is limited because of the amount of business data that is confidentialised by Statistics New Zealand. However,

the data published shows growth in the number of people employed in the region in organisations which have 100 or more employees.

Distribution of employment by size in the Manawātū region (February 2019)			
	Geographic units	Employees	Average employees
zero employees	7,194	0	0
1 to 5	2,649	6,271	2
6 to 9	705	5,481	8
10 to 19	555	8,150	15
20 to 49	261	9,160	35
50 to 99	69	5,290	77
100+	51	18,860	370
Confidential	144	7,197	50
Total	11,655	60,481	5

Source: Statistics New Zealand

The proportion of employees who work part-time has been gradually declining (refer to the table on page 8). There has been a greater decline in the part-time share in Palmerston North compared with the overall trend for New Zealand, which might be influenced by the decline in tertiary student numbers in the city between 2013 and 2018.

Incomes

Statistics New Zealand data for incomes from salaries and wages and self-employment by industry sector has recently been released for the year ended March 2018. The data is drawn from monthly employer payroll records supplied to IRD and IR3 tax returns for the self-employed. There is an 18-month lag before the data is published so the latest data we have is for 2018.

The data shows that total earnings in the Manawātū region in the year ended March 2018 were \$3,480 million, an increase of 4.9% from 2017 (\$162 million increase). National incomes increased by 5.4% from the previous year. Income from salaries and wages in the region rose by 4.9% in the year to March 2018 while income from self-employment increased by 5.0%.

The main contributors to the \$162 million earnings growth in the year to March 2018 were:

- Agriculture, forestry and fishing sector, \$51.5 million increase (39.9% increase),
- Logistics, \$27.3 million (7.5% increase),
- Construction, \$24.7 million increase (9.1% increase),
- Professional, scientific and technical services, \$12.5 million increase (4.6% increase),

Annual Earnings for the Manawātū Region (salaries, wages and self-employment income)					
Industry sector	Year to March 2018 (\$m)	2000 - 2018 change		2017 - 2018 change	
		\$m	%	\$m	%
Health Care and Social Assistance	440	297	207.6%	8	2.0%
Logistics	390	249	176.3%	27	7.5%
Education and Training	374	149	65.8%	-6	-1.5%
Retail Sector	338	184	119.2%	11	3.3%
Manufacturing	294	119	68.3%	11	3.7%
Professional, Scientific and Technical Services	286	167	140.2%	13	4.6%
Agriculture, Forestry and Fishing; and Mining	181	89	97.2%	52	39.9%
Other Services	110	63	137.0%	3	3.0%
Administrative and Support Services	100	67	202.5%	-1	-0.9%
Financial and Insurance Services	77	36	86.2%	-8	-8.9%
Rental, Hiring and Real Estate Services	75	36	94.1%	6	9.0%
Arts and Recreation Services	36	21	133.8%	3	9.3%
Electricity, Gas, Water and Waste Services	18	4	30.9%	1	7.2%
Confidential ⁽¹⁾	760	468	160.4%	42	5.8%
Total	3,480	1,949	127.4%	162	4.9%

(1) Includes Construction, Information Media and Telecommunications, Public Administration and Safety, and Not Elsewhere Classified

Source: Statistics New Zealand

Education sector earnings declined for the second consecutive year, declining by \$5.7 million in the year to March 2018, a decline of 1.5%. There appear to be three main factors at play in the weakness in earnings in the education sector.

1. Until 2018, the Tertiary Education Commission was cutting the number of student places it funded in response to a decline in the number of births in New Zealand up until 2002. Total domestic university student numbers declined by 5% between 2012 and 2018.
2. Massey University national student enrolments declined by a greater extent, with a decline of 16% between 2012 and 2018
3. Massey Palmerston North campus recorded a larger decline in student numbers than at the Auckland and Wellington campuses.

National data shows domestic student numbers decreased by 2.3% (8,020), from 343,430 to 335,410 between 2017 and 2018. Student numbers decreased overall at polytechnics by 3.6 percent (4,995), at wānanga by 5.7 percent (2,275) and at private training education (PTEs) institutions by 5.4 percent (3,435), but increased overall at universities by 0.8 percent (1,405). Between 2017 and 2018 equivalent full-time student numbers (EFTS) at Massey University, UCOL, Te Wānanga o Aotearoa, and IPU dropped from 7,138 to 6,683 (a decline of 6.4%) while student head counts dropped from 2.8%. Student numbers in the city declined further in 2019, despite the free fees policy.

Between 2000 and 2018, total incomes in the region increased by \$1.9 billion, an increase of 127%, while national income growth was 151%. Major contributors to growth in the region

were the health care and social assistance sector (\$297 million increase, 208% increase), logistics (\$249 million, 176% increase), confidential sectors (\$468 million, 160% increase), professional, scientific and technical services (\$167 million, 140% increase) and retail (\$184 million, 119% increase). While growth in the education sector was just 66% between 2000 and 2018, it still contributed \$149 million to the total increase in income. The rate of increase in the consumer price index over this time period was 47.1%.

The education sector was replaced as the largest sector in 2012 with regards to earnings. Its share of total earnings in the region has declined from 14.8% in 2000 to 10.8% in 2018. The health care and social assistance sector had total earnings of \$440 million in the year to March 2018, making it the largest sector, while the education sector had total earnings of \$374 million. It is estimated that the Public Administration and Safety sector is the second largest sector in the region but earnings data for Manawātū District is confidential due to the size of Ohakea Airforce base. The logistics sector had total earnings of \$374 million, overtaking the education sector, and becoming the third largest sector in the region. Average annual earnings growth in the logistics sector was 5.8% between 2000 and 2017 while the growth rate for the education sector was 2.8%.

Data for the individual local authorities in the region shows that in the year ended March 2018:

- Annual earnings were \$619 million in Manawātū District, an increase of \$46 million (8.0% increase) from the previous year,
- Annual earnings were \$2,860 million in Palmerston North, an increase of \$116 million (4.2% increase) from the previous year.

Data for salaries and wages is published on a quarterly basis and is available to September 2018. Indicators from the salaries and wages series for the Manawātū region to September are:

- The number of filled jobs increased by 3.1% between September 2017 and September 2018 (2.3% increase for New Zealand)
- Total salaries and wages increased by 7.6% (6.7% increase for New Zealand)
- Average earnings from salaries and wages in the region (full quarter jobs) were \$56,850 in the year to September, an increase of 3.8% from the previous year (New Zealand increase of 3.6%, average salaries and wages of \$61,710),
- Median earnings from salaries and wages in the region (full quarter jobs) were \$50,527 in the year to September, an increase of 3.6% from the previous year (New Zealand increase of 3.7%, median salaries and wages of \$52,710),
- The average worker turnover rate in the region in the September 2018 quarter was 16.0% compared with 25.4% for New Zealand.

Unemployment

Unemployment data for the Manawātū Region is estimated by Infometrics using Manawātū-Whanganui region data from the Statistics New Zealand Household Labour Force Survey. Their September 2019 quarter estimates suggest the unemployment rate for residents aged 15 years and over in the region averaged 5.2% over the year ended September 2019 compared with 4.2% for New Zealand. The estimated unemployment rate for Manawātū District over the year to September 2019 was 3.5% and 5.6% for Palmerston North. Infometrics uses an average for the last four quarters because regional unemployment rates are volatile.

An alternative indicator of labour force trends is data on the number of people aged between 18 and 64 years receiving the Ministry of Social Development Job Seeker benefit. In December 2019 there were 3,500 people registered for the benefit in the Manawātū region, an increase of 3.7% from December 2018 (increase of 125 people). National Job Seeker benefits in December increased by 10.0% from the previous year. Job seeker numbers increased by 16.4% in Manawātū District and by 0.8% in Palmerston North.

Number of Palmerston North residents registered for a Job Seeker benefit										
	December 2016		December 2017		December 2018		December 2019		Dec 16 to Dec 19 change	
Age group	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change
18 - 24 years	695	-3.6%	730	5.0%	778	6.6%	684	-12.1%	-11	-1.6%
25 - 39 years	795	3.5%	793	-0.3%	918	15.8%	981	6.9%	186	23.4%
40 - 54 years	645	3.4%	641	-0.6%	681	6.2%	717	5.3%	72	11.2%
55 - 64 years	317	-0.6%	333	5.0%	363	9.0%	379	4.4%	62	19.6%
Total	2,452	0.8%	2,497	1.8%	2,740	9.7%	2,761	0.8%	309	12.6%

Number of New Zealand residents registered for a Job Seeker benefit										
	December 2016		December 2017		December 2018		December 2019		Dec 16 to Dec 19 change	
Age group	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change	Number	Annual change
18 - 24 years	25,306	-1.4%	23,808	-5.9%	26,406	10.9%	29,920	13.3%	4,614	18.2%
25 - 39 years	34,825	5.5%	35,588	2.2%	40,753	14.5%	46,245	13.5%	11,420	32.8%
40 - 54 years	38,191	-1.1%	37,304	-2.3%	39,249	5.2%	42,035	7.1%	3,844	10.1%
55 - 64 years	25,989	1.5%	26,341	1.4%	27,640	4.9%	29,264	5.9%	3,275	12.6%
Total	124,311	1.1%	123,041	-1.0%	134,048	8.9%	147,464	10.0%	23,153	18.6%

Source: Ministry of Social Development

Between December 2016 and December 2019 job seeker benefit numbers in Palmerston North increased by 12.6% while national job seeker benefit numbers increased by 18.6%. The strongest growth in benefit numbers over this time period was in the 25 – 39 years age group, where there was a 23.4% increase in Palmerston North and a 32.8% increase nationally.

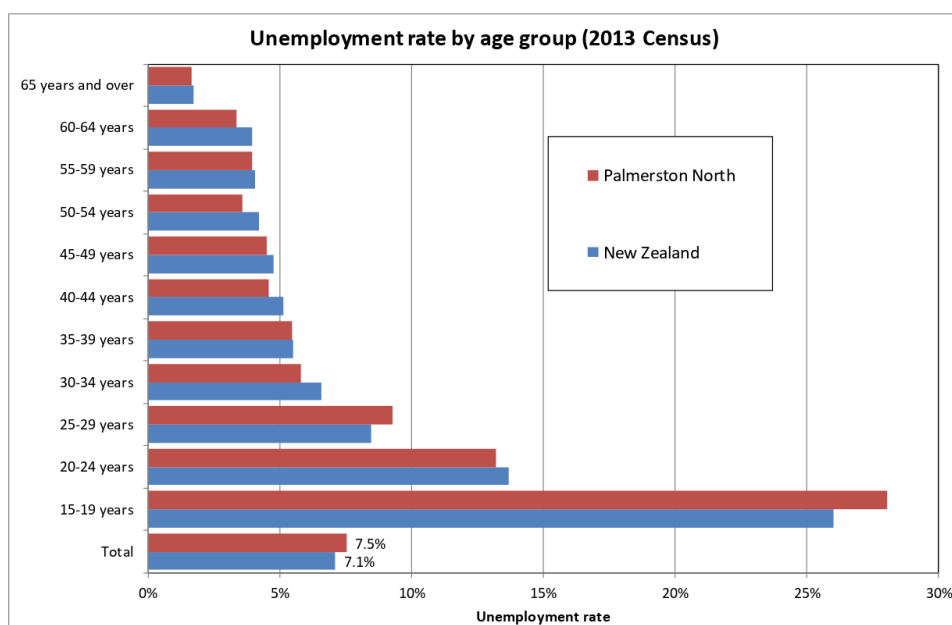
There was a small decline of 1.6% in the 18 – 24 years age group in Palmerston North between 2016 and 2019 while national benefit numbers for this age group increased by 18.2%. Annual school leaver numbers in Palmerston North in 2018 were 22% higher than in 2009 (an increase of 245 people) while across New Zealand the increase in school leavers was only 7%. The increase in Manawātū district was 3%. The decline in job seeker benefits for this age group in Palmerston North suggests more school leavers are having success finding employment.

Census 2018 data shows a decline in unemployment in the region between 2013 and 2018, but the decline was smaller than the decline across New Zealand. In 2013 the unemployment rate for the Manawātū region was 7.1%, the same as for New Zealand. By 2018 the unemployment rate for the region had declined to 6.3% while the rate for New Zealand was 5.8%. The unemployment rate calculated using Census data is higher than the rate published in the Household Labour Force Survey (HLFS) because the HLFS survey excludes some people who are considered to not be looking actively for work or not currently available for work.

Work and labour force status for census usually resident population aged 15 years and over										
	Employed Full time	Employed Part time	Unemployed	Not in the Labour Force	Total stated	Work and Labour Force Status Unidentifiable	Total	Unemployment rate	Labour force participation rate	Part-time share
2006 Census										
Manawātū District	10,485	3,312	549	5,475	19,824	285	20,109	3.8%	72.4%	24.0%
Palmerston North	30,606	9,795	2,232	17,964	60,600	1,260	61,860	5.2%	70.4%	24.2%
Manawātū region	41,091	13,107	2,781	23,439	80,424	1,545	81,969	4.9%	70.8%	24.2%
New Zealand	1,531,020	454,758	106,497	961,788	3,054,063	106,308	3,160,371	5.1%	68.5%	22.9%
2013 Census										
Manawātū District	10,545	3,123	846	6,504	21,018	651	21,669	5.8%	69.1%	22.8%
Palmerston North	28,413	8,916	3,048	20,814	61,197	2,871	64,065	7.5%	66.0%	23.9%
Manawātū region	38,958	12,039	3,894	27,318	82,215	3,522	85,734	7.1%	66.8%	23.6%
New Zealand	1,541,061	459,945	153,210	1,058,100	3,212,316	164,100	3,376,419	7.1%	67.1%	23.0%
2018 Census										
Manawātū District	12,321	3,498	726	7,335	23,880	0	23,880	4.4%	69.3%	22.1%
Palmerston North	32,877	9,882	3,204	21,969	67,932	0	67,932	7.0%	67.7%	23.1%
Manawātū region	45,198	13,380	3,930	29,304	91,812	0	91,812	6.3%	68.1%	22.8%
New Zealand	1,891,371	553,770	151,035	1,180,179	3,776,352	3	3,776,355	5.8%	68.7%	22.6%

Source: Census 2006, 2013 and 2018

Palmerston North usually has a higher unemployment rate than the average for New Zealand because of its younger population compared with the average for New Zealand. Statistics New Zealand has not yet published detailed labour market data from Census 2018, so the only breakdown by age we have is for Census 2013 (see graph below), which shows that the unemployment rate for most age bands in the city was below the rate for New Zealand. Labour force participate rates declined between 2006 and 2013 due to the impacts of the global financial crisis in 2009 but increased between 2013 and 2018.



Source: Census 2013

Major construction and development projects in Palmerston North and the Manawatū region

Summary

Major development and construction projects announced for Palmerston North and the Manawatū region amount to at least \$3.0 - \$4 billion of construction activity over the period to 2030. Some projects are still waiting for final approval, one of the largest being the construction of the MidCentral DHB acute services block. There are several projects under development where final values have not been put on the final value of the project, such as the construction of the new KiwiRail freight hub, but estimates have been included in the summaries below.

New capital projects and renewals in the Palmerston North City Council and Manawatū District Council 2018-28 10-year plans total \$877 million. The Palmerston North plan proposes that \$125 million (18%) of the capital budget of \$687 million will be funded externally. The Manawatū District plan proposed capital expenditure is \$190 million, primarily on roading and water supply, wastewater and stormwater projects.

Key projects identified in the region are:

1. \$397 million at Linton and Ohakea Defence Regeneration Plan 2016 – 2030 (\$176 million over 2016 – 2021).
2. MidCentral DHB investment plan (2016 – 2026) – timing of investment for the \$197 million acute services block still to be confirmed and has been delayed from the original plan. The investment is subject to Ministry of Health and Treasury approval. Smaller projects which have been given funding are:
 - a. \$30 million mental health services facility
 - b. \$26 million expansion of the surgical services unit.
3. \$256 million for the construction of 33 wind turbines for Mercury Energy at Turitea, with preliminary construction work underway and turbines due to be operating by the end of 2020. A further 27 turbines are planned at Turitea and 53 in the Puketoi Range in Tararua District, with a value of \$750 million, but Mercury hasn't committed to when construction will occur.
4. \$184 million Massey University Capital Plan (2016 – 2025). Construction projects in progress.
5. \$150 million Powerco (Manawatū and Tararua) - \$60 million over 5-7 years on growth and security projects, \$90 million renewal programme over five years.
6. Redevelopment of the Hokoahitu Campus – 130 housing lots over three stages, with an estimated value of \$90 - \$135 million - resource consent approved and work started to remove some of the existing buildings and construct infrastructure.

7. \$110 million Totara Road Wastewater Treatment Plant - Consent Renewal Upgrade. Construction scheduled for 2024/25 to 2026/27.
8. \$58 million Te Manawa Upgrade - Option A. Construction scheduled for 2023/24 to 2027/28.
9. \$47.5 million urban growth projects to cater for increased residential and non-residential growth in the City. Projects planned throughout the 10-year plan.
10. \$41 million wastewater, stormwater and water supply renewal and growth projects in Manawātū District 2018-28 10-year plan.
11. \$40 million BUPA retirement village, Napier Road – construction started in 2019.
12. \$29.1 million City Centre Streetscape upgrade. Projects planned throughout the 10-year plan.
13. \$24.5 million Arena Master Plan. Construction scheduled for 2018/19 to 2022/23.
14. \$5 million Rangitāne o Manawātū Investment Trust and Wallace Development Ltd hotel on the former Blair Tennant hostel site – construction started June 2019.
15. \$20 million - construction of new Manukura School on Massey University campus.
16. \$20 million - two new primary schools in Palmerston North over the next ten years to cater for population growth – Potoua area unit has been identified as the priority area for the first new school.
17. Major regional roading investment:
 - a. Palmerston North rural ring road - the initial stage will improve two sections of State Highway 3, between Kairanga and Bunnythorpe, and Napier Rd, from Keith St to Whakarongo. Total project estimated to be over \$200 million.
 - b. Manawātū Gorge Road replacement –\$650 million – construction expected to begin in 2020.
 - c. Four-laning SH1 Otaki to north of Levin highway –\$817 million, construction expected to occur over 2024 - 2029.
 - d. Manawātū District Council 10-year plan - \$95 million.
18. P-8A Poseidon Maritime Patrol Aircraft – construction of hangers, runway improvements and other infrastructure – to be completed by 2023 – estimated to be \$300 million.
19. Rail investment:
 - a. KiwiRail regional freight hub – with an estimated value of \$300 million.

- b. Improvements to the Wellington, Wairarapa and Palmerston North rail network and beyond, including upgraded tracks for the Wairarapa and Capital Connection lines, safety connections and refurbishment of Capital Connection carriages - \$217 million
- 20. \$8 million – new building at Manawatū Prison – building consent application received.
- 21. Countdown Awapuni supermarket – construction beginning in 2020.
- 22. New Countdown distribution centre – timing to be confirmed.
- 23. Multiple consents already received and expected for earthquake strengthening and refurbishment of buildings for schools, churches and commercial buildings in the region.

Background Information for Key Projects

Defence Regeneration Plan 2016 – 2030

Linton indicative five-year programme

Drinking Water Network (<\$3 million)
 Multi-purpose Unit Facilities (<\$10 million)
 (Ammo) Hanger and Offices (<\$5 million)
 Ammunitions Storage Facility (<\$5 million)
 Logistics Warehouse (<\$15 million)
 Camp Workshop (<\$20 million)
 Camp Centre Multi-purpose Building (<\$25 million)
 Vehicle Shelters (<\$1 million)

Ohakea indicative five-year programme

Hangar Fire Suppression Deluge Tank (<\$3M)
 Hazardous Waste Storage Facility (<\$1M)
 Refuelling Section Facility (<\$1M)
 Temporary Multi-Purpose Office Accommodation (<\$3M)
 Covered Tanker Park (<\$3M)
 Taxiway Replacement (<\$20M)
 Air Terminal Freight Loading Area (<\$1M)
 Aircraft Safe Arming Area (<\$3M)
 Additional Taxiway Apron Entry/Exit Point (<\$3M)
 Warehouse (<\$10M)
 General Equipment Workshop (<\$5M)
 Flight Rations Store (<\$3M)
 Base Chapel Relocation (<\$1M)
 Base Multi-purpose Administration Building (<\$20M)
 Physiotherapy and Medical Facilities (<\$15M)

MidCentral DHB Draft Investment Plan

Buildings & Plant	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Capital Landscape											
Indicative Business Case Hot Floor	500	2,000	1,000	13,830	21,100	33,760	27,430	7,380	0	0	107,000
Provisional Strategic Rebuilds, Relifing & Future Ward Blocks	3,080	9,400	11,500	1,000	1,000	2,000	2,500	3,500	21,000	36,000	90,980
Major Known Issues-Mental Health	500	4,500	0	0	0	0	0	0	0	0	5,000
Mental Health-Contingency	0	15,000	0	0	0	0	0	0	0	0	15,000
Infrastructure Refresh/Seismic	12,666	10,920	8,000	6,850	6,700	5,050	2,920	6,720	1,795	2,395	64,016
Total	16,746	41,820	20,500	21,680	28,800	40,810	32,850	17,600	22,795	38,395	281,996

'Hot Floor' building¹

¹ MidCentral DHB propose to build a "Hot Floor" of theatres, procedure rooms, a critical care unit (CCU), cardiology interventional services, Sterile Support Unit (SSU), Emergency Department (ED), emergency radiology, and telephony within a new facility that meets seismic compliance.

Massey University Capital Plan

\$184 million over the next ten years. The projects which have been identified are:

Walter Dyer Hall \$4.4 million consented in November 2016

Refectory \$9 million

Remainder of vet upgrade and expansion \$50 million

College of Sciences \$11 million

Building rationalisation from the Hokowhitu Campus \$18 million

Social Sciences Tower upgrade

Whare Kai \$650,000

Palmerston North City Council 10-year Plan (current dollar values)

\$m	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
City Centre Streetscape Upgrade	2.9	4.1	3.3	3.9	2.6	2.6	2.9	4.3	2.0	0.5	29.1
Urban Growth	3.3	8.6	7.2	4.0	5.8	3.0	6.7	4.2	2.6	2.2	47.5
Arena Masterplan	6.0	5.6	4.7	6.5	1.7	0.0	0.0	0.0	0.0	0.0	24.5
Major roading network upgrades	1.5	5.6	6.2	3.0	2.2	0.8	1.2	0.0	0.0	0.0	20.5
Social Housing	3.9	1.1	0.5	2.4	2.7	0.7	0.7	0.7	0.3	0.0	13.0
Seismic Strengthening	0.0	1.4	3.7	1.8	2.0	0.0	2.6	0.6	1.7	0.0	13.8
628-Totara Road Wastewater Treatment Plant	0.0	0.0	0.0	0.0	0.0	20.0	40.0	30.0	20.0	0.0	110.0
1460-Te Manawa Upgrade - Option A	0.0	0.0	0.0	0.0	0.6	1.7	1.7	11.6	17.4	24.9	58.0
1518-Central Library Upgrade	0.8	3.5	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.5
He Ara Kotahi Bridge and Pathway	10.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2
Remaining capital new	13.5	19.5	21.9	17.9	12.1	13.0	6.0	6.4	5.8	5.0	121.1
Renewals	23.7	20.7	22.3	22.9	23.2	22.0	23.0	26.6	22.3	25.0	231.7
TOTAL	\$65.8	\$70.1	\$73.1	\$62.4	\$52.8	\$63.8	\$84.9	\$84.3	\$72.2	\$57.6	\$686.9
of which funded externally	13.3	9.0	7.9	11.8	6.9	8.8	6.2	15.3	19.2	26.6	125.0
% funded externally	20%	13%	11%	19%	13%	14%	7%	18%	27%	46%	18%



MANAWATU REGION QUARTERLY REPORT

For Period Ending January 2020

Central Economic Development Agency

Prepared for
Central Economic Development Agency

Date
February 2020

CONTENTS
JANUARY 2020 QUARTER



DATA SOURCE	3
RETAIL OVERVIEW	4
WHERE ARE THE RETAIL HOTSPOTS?	5
WHO IS SPENDING AT OUR RETAILERS?	6
WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?	7
HOW ARE OUR RETAILERS PERFORMING?	8
DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?	9
HOW DO WE COMPARE TO COMPETITORS?	10
HOW HAS RETAIL ACTIVITY VARIED BY WEEK?	11
WHEN ARE OUR RETAILERS BUSIEST?	12
HOW MUCH ARE LOCALS SPENDING ONLINE?	13
APPENDIX	14

SMALL PRINT

Privacy

No personal or household data is shown or can be derived, thereby maintaining the privacy of end customers.

Copyright

This report is protected by the copyright and trademark laws. No part of this report can be reproduced or copied in any form or by any means without the permission of Marketview. Any reproduction is a breach of intellectual property rights and could subject you to civil and criminal penalties.

Disclaimer

While every effort has been made in the production of this report, Paymark, the BNZ and Marketview Limited are not responsible for the results of any actions taken on the basis of the information in this report. Paymark, BNZ, and Marketview expressly disclaim any liability to any person for anything done or omitted to be done by any such person in reliance on the contents of this report and any losses suffered by any person whether direct or indirect, including loss of profits.

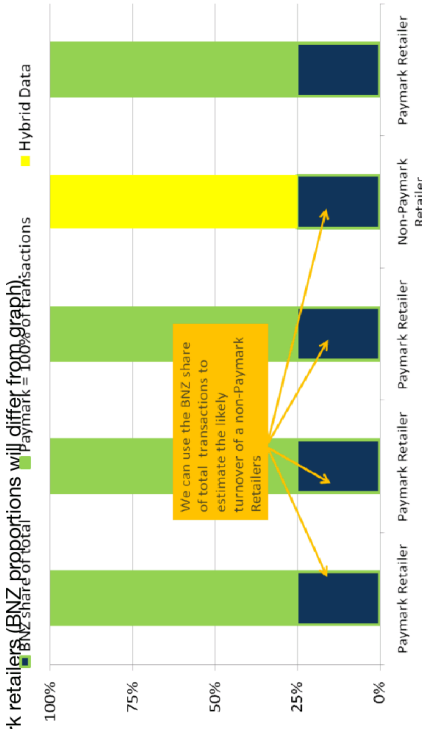
DATA SOURCE

The data included in this report represents the total value of electronic card retail transactions. For a frame of reference, Statistics NZ report just under 70% of total retail is paid with an electronic card (ECT publication and Retail Trade Survey). The rest is comprised of cash, hire-purchase and any other less-frequent method of payment. The data (referred to as Hybrid Data on the graph below) combines our two primary data sets in order to capture the complete quantity of retail spending.

The first of these is the Bank of New Zealand cardholder base. This set is based on the eftpos, debit and credit card transactions made by BNZ cardholders. BNZ has around a 20% share of the cards market, so on average BNZ Marketview accounts for one in five retail transactions. (As at July 1 2015, there were over 650,000 active BNZ cardholders).

The second is the Paymark merchant database. New Zealand has two eftpos networks. The largest of these is run by Paymark, a joint venture owned by ASB, BNZ, (formerly) the National Bank and Westpac. Approximately 75% of New Zealand retailers use the Paymark network. This data set provides a complete view of all eftpos, debit and credit card transactions made at merchants on the Paymark network, both from New Zealanders and international visitors. (As at July 1 2015, there were over 40,000 active merchants on the Paymark network).

For retailers which are not on Paymark network, there is no transactional data available from on the Paymark database. To fill this data gap we weight the BNZ cardholder spending at non-Paymark merchants. The weightings would be based on BNZ's share of the Paymark transactions. The underlying assumption would be that the BNZ cardholders would make up a similar share of spending at Paymark and non-Paymark merchants. The graph below illustrates how our Hybrid Data is used to account for spend at non-Paymark retailers. (BNZ proportions will differ from graph).





RETAIL OVERVIEW

FOR PERIOD ENDING JANUARY 2020 QUARTER

QUARTERLY ACTIVITY

Changes over same time last year

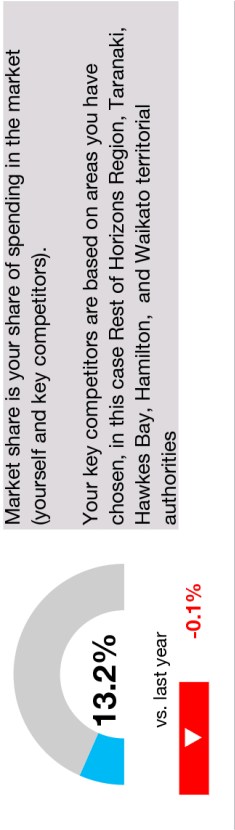
SPENDING		TRANSACTIONS	
\$383,858,685	▲ 3.0%	8,448,611	▲ 0.5%
Spending in your area grew by 3.0% over the same time last year. Transactions in your area grew by 0.5%. NZ spending grew by 2.6%, and transactions by 2.4%			

CARDHOLDER ORIGIN

	CARDHOLDER CONTRIBUTION	VALUE SPENT IN YOUR REGION	CHANGE (VS. SAME QUARTER LAST YEAR)
LOCALS	73.0%	\$280.35 mn	▲ 3.9%
REST OF HORIZONS	13.7%	\$52.67 mn	▲ 7.6%
REST OF NZ CARDHOLDERS	12.0%	\$45.95 mn	▼ -8.1%
INTERNATIONAL CARDHOLDERS	1.3%	\$4.88 mn	▲ 22.3%

MARKET SHARE

Your Share vs Key Competitors



FASTEST GROWING STORETYPES

Based on Spending

IN YOUR REGION

vs. last year ▲ 9.5%

Appliances

IN COMPETITOR LOCATIONS

vs. last year ▲ 8.5%

Hardware/Homeware

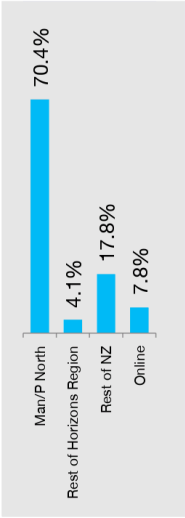
Appliances in your area had the largest growth amongst storetypes, up 9.5%.

Hardware/Homeware had the largest growth in Key Competitor locations, up 8.5%.

LOYALTY AND OUTFLOW

Destination of Locals' Spending

Manawatu / Palmerston North residents conducted 70.4% of their retail spending in Man/P North and 4.1% in the Rest of Horizons Region. They spent 7.8% online.



WHERE ARE THE RETAIL HOTSPOTS?

How does this affect planning? Is it happening where we want it to happen?

TOP PERFORMING LOCATIONS

Based on percentage change in spending from same period last year

FOR ALL CARDHOLDERS **SANSON** **INTERNATIONAL CARDHOLDERS** **FEILDING**



** Map insert in Appendix

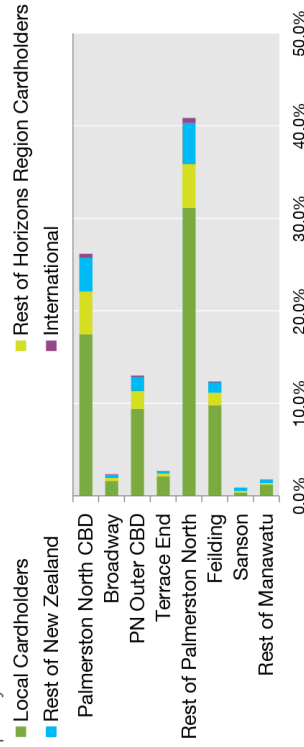
CHANGE IN SPENDING

Change in spending over same period last year

RANK	LOCATION	VALUE OF SPENDING	CHANGE IN SPENDING
1	Sanson	\$3,363,978	10.1%
2	Feilding	\$47,376,215	6.4%
3	Terrace End	\$10,327,637	4.6%
4	Rest of Manawatu	\$6,793,344	4.2%
5	Rest of Palmerston North	\$156,769,236	3.1%
6	Palmerston North CBD	\$100,425,798	2.3%
7	PN Outer CBD	\$49,821,368	1.3%
8	Broadway	\$8,981,109	-5.3%
	TOTAL	\$383,858,685	3.0%

DISTRIBUTION OF SPENDING

Split by cardholder location



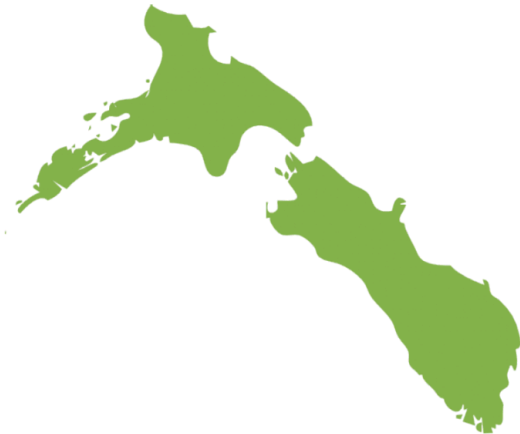


WHO IS SPENDING AT OUR RETAILERS?

Is this changing? How appealing are we to visitors/ tourists?

SPENDING BY CARDHOLDER LOCATION

Change in spending over same period last year

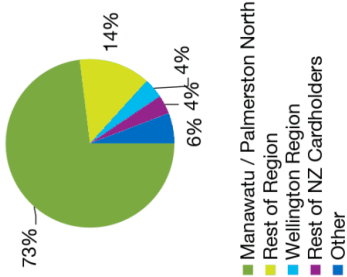


CARDHOLDER AREA	VALUE SPENT	CHANGE ON SAME QUARTER LAST YEAR
MANAWATU / PALMERSTON NORTH	\$280.35 mn	▲ 3.9%
REST OF REGION	\$52.67 mn	▲ 7.6%
WELLINGTON REGION	\$14.53 mn	▼ -7.6%
REST OF NZ CARDHOLDERS	\$13.96 mn	▼ -9.1%
AUCKLAND REGION	\$8.50 mn	▼ -16.9%
INTERNATIONAL	\$4.88 mn	▲ 22.3%
HAWKE'S BAY REGION	\$4.59 mn	▲ 19.7%
WAIKATO REGION	\$4.37 mn	▼ -9.9%

International cardholder spending within New Zealand is up 13.0% over the same period last year, and transactions are up 19.7%. Regions are chosen based on top spenders in Manawatu/Palmerston North for the quarter.

DISTRIBUTION OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CONSUMER GROUP

Based on spending change from the same period last year

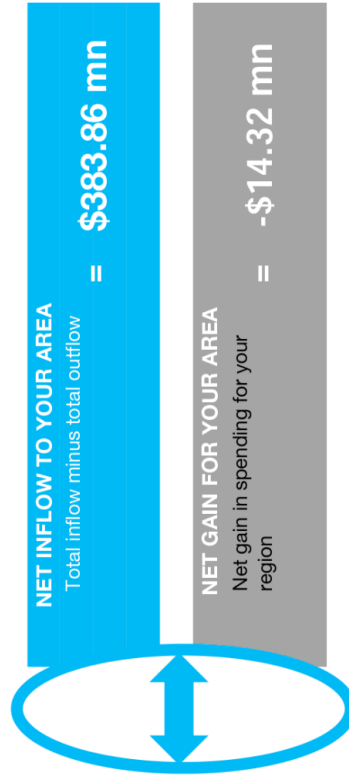


WHAT DOES OUR RETAIL CASHFLOW LOOK LIKE?

How much are we leaking to other areas?

OVERVIEW OF INFLOW AND OUTFLOW TO/FROM MANAWATU / PALMERSTON THE BREAKDOWN

Non-locals include international cardholders



LOCALS SPENDING LOCALLY

\$280.35 mn

LOCALS SPENDING ELSEWHERE

\$117.82 mn

This figure includes \$86.93mn spent in other areas, and \$30.89mn spent online"

ORIGIN OF INFLOW BY CARDHOLDER LOCATION

Breakdown of spending in your council

What's coming into your region

What's spent outside your region

CARDHOLDER LOCATION	YOUR REGION	ELSEWHERE IN NZ
Manawatu / Palmerston North	\$280.35 mn	\$86.93 mn
Rest of Region	\$52.67 mn	\$357.81 mn
Wellington Region	\$14.53 mn	\$1,852.93 mn
Rest of NZ Cardholders	\$13.96 mn	\$6,242.92 mn
Auckland Region	\$8.50 mn	\$5,930.29 mn
International	\$4.88 mn	\$897.43 mn
Hawke's Bay Region	\$4.59 mn	\$585.25 mn
Waikato Region	\$4.37 mn	\$1,492.49 mn
TOTAL	\$383.86 mn	\$17,446.06 mn






HOW ARE OUR RETAILERS PERFORMING?

Are we keeping pace? Are our retailers maximising the available opportunities?

RETAIL CATEGORY CHANGE IN SPENDING AND PERFORMANCE

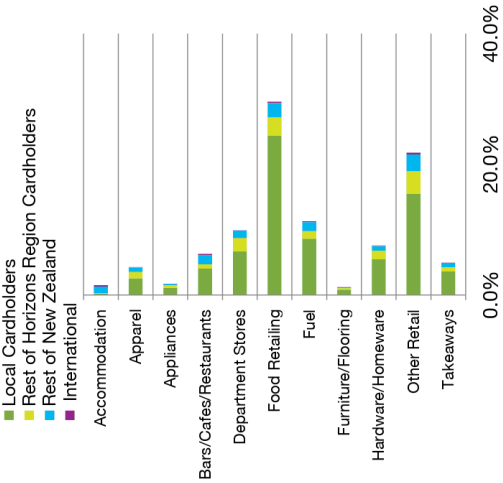
Spending change over same period last year

RETAIL CATEGORY	YOUR \$S SPEND	YOUR RESULT	YOU VS. COMPETITOR GROUP	
			RANK	CHANGE ON LAST
 ACCOMMODATION	\$5.69 mn	▲ 3.4%	3	0
 APPAREL	\$16.43 mn	▼ -2.1%	3	2
 APPLIANCES	\$6.49 mn	▲ 9.5%	2	1
 BARS/CAFES/RESTAURANTS	\$24.12 mn	▲ 2.8%	5	-1
 DEPARTMENT STORES	\$37.83 mn	▲ 1.7%	2	3
 FOOD RETAILING	\$113.68 mn	▲ 2.9%	4	-2
 FUEL	\$43.25 mn	▲ 3.8%	4	1
 FURNITURE/FLOORING	\$4.56 mn	▲ 2.2%	5	-3
 HARDWARE/HOMEWARE	\$29.12 mn	▲ 4.7%	5	-2
 OTHER RETAIL	\$83.72 mn	▲ 3.2%	2	1
 TAKEAWAYS	\$18.97 mn	▲ 3.1%	5	-2

The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

ORIGIN OF CARDHOLDERS

Including international cardholders



FASTEST GROWING CATEGORIES

Domestic/ International split



DOES OUR LOCAL RETAIL MEET THE NEEDS OF CUSTOMERS?

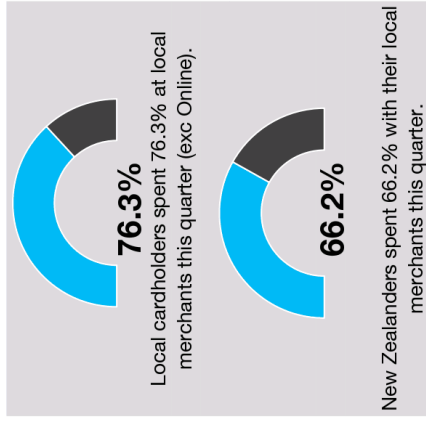
Have we got gaps? Where should be target development?

PROPORTION OF LOCAL CARDHOLDER'S SPENDING THAT GOES TO LOCAL MERCHANTS

High percentages presume that local cardholders are happy with local options



OVERALL LOYALTY



MOST LOYAL CATEGORY

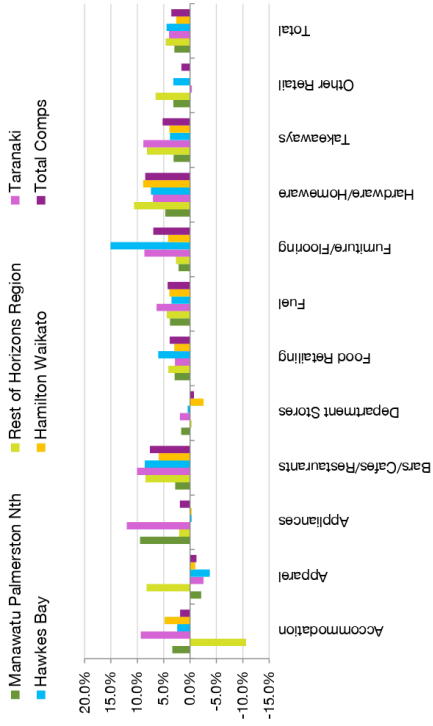




HOW DO WE COMPARE TO COMPETITORS?

Is your local offering sufficient? How to you compare against competitors?

CHANGE IN SPENDING BY RETAIL CATEGORY
Over Same Period last year



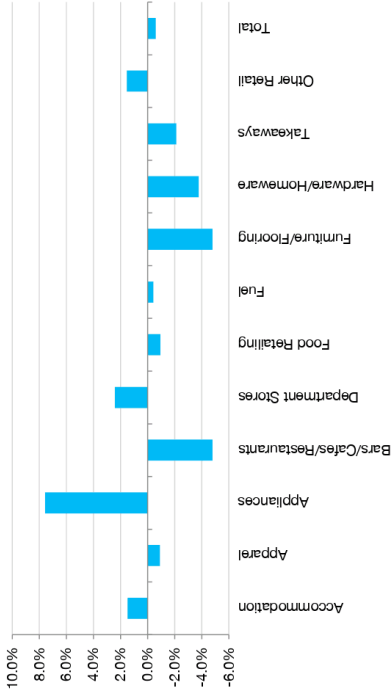
BEST COMPARED TO AVERAGE PEER

Based on change in spending this year over same time last year

APPLIANCES

The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

MANAWATU / PALMERSTON NORTH CHANGE COMPARED TO
PEER GROUP AVERAGE



WORST COMPARED TO AVERAGE PEER

Based on change in spending this year over same time last year

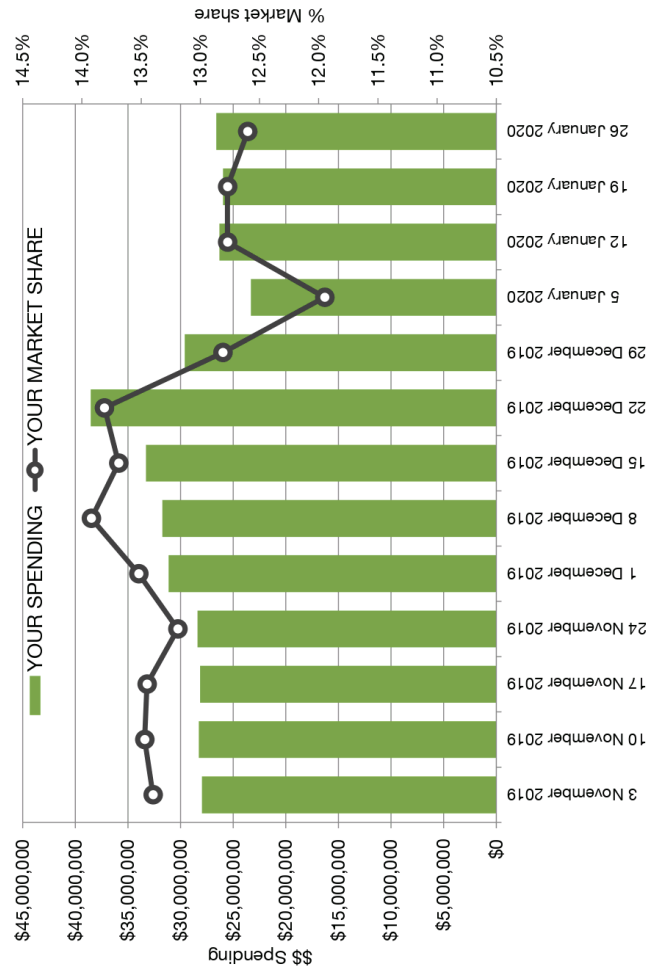
FURNITURE/FLOORING

HOW HAS RETAIL ACTIVITY VARIED BY WEEK?

How does this affect planning? Has any event stimulated activity?

SPENDING DONE IN MANAWATU / PALMERSTON NORTH AND SHARE OF THE MARKET

By Week Ending:



Total market is based on spending at yourself and competitors. The competitor group is made up of retailers in Rest of Horizons Region, Taranaki, Hawkes Bay, Hamilton, and Waikato, and based on similar and/or neighbouring regions.

BEST PERFORMERS

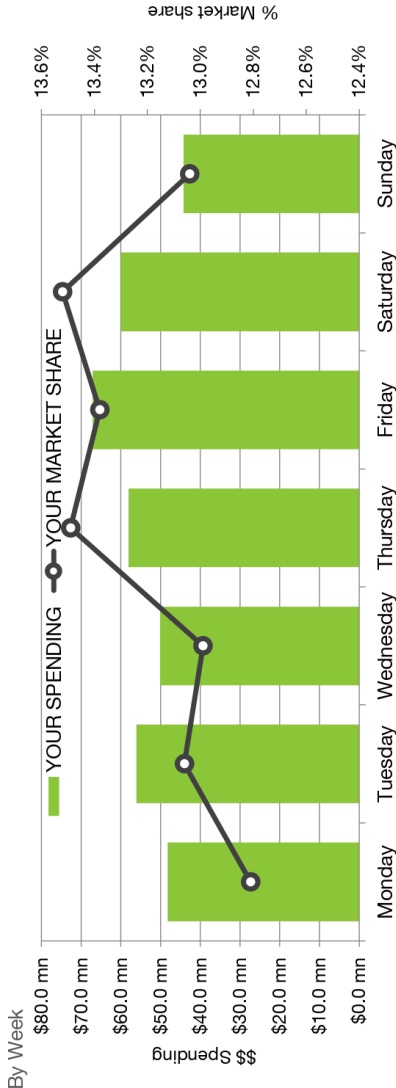




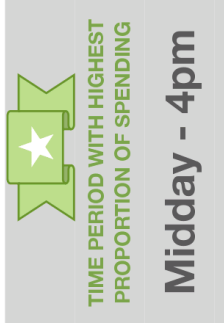
WHEN ARE OUR RETAILERS BUSIEST?

Are we managing council resources effectively to match these busy periods?

SPENDING DONE IN MANAWATU / PALMERSTON NORTH AND SHARE OF THE MARKET



YOUR BEST PERFORMERS



DISTRIBUTION OF SPENDING AT MERCHANTS IN YOUR REGION - BY TIME OF DAY

The darker the box, the higher the proportion of spending

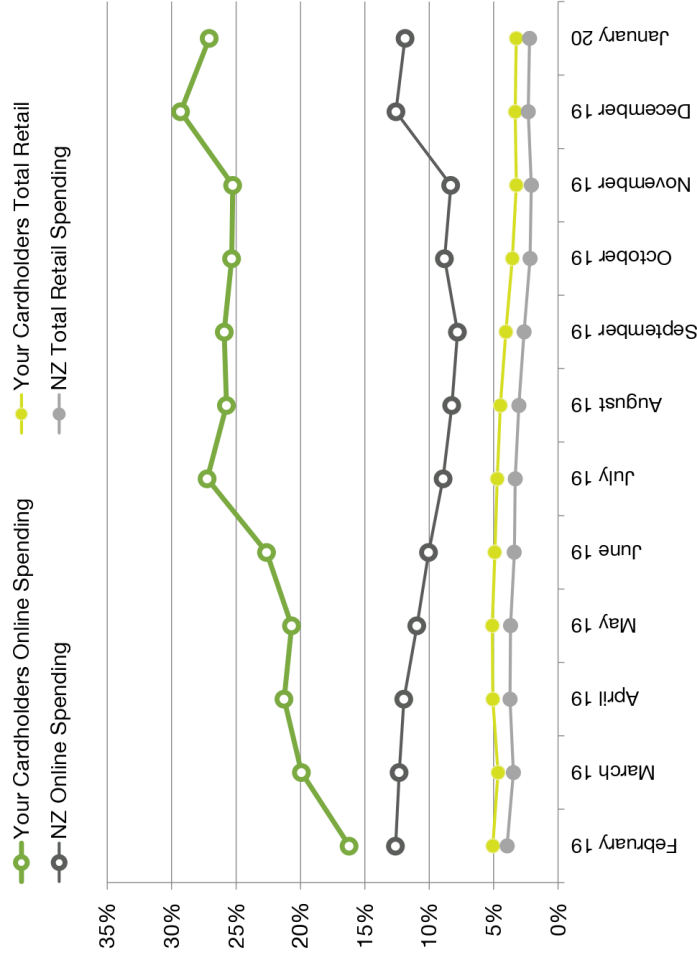
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	Avg. for Period
Midnight - 4am	0.2%	0.2%	0.4%	0.3%	0.3%	0.7%	1.2%	0.4%
4am - 8am	2.9%	3.1%	3.4%	3.4%	3.0%	1.8%	1.5%	2.7%
8am - Midday	27.4%	27.3%	25.0%	25.7%	25.7%	30.9%	27.6%	27.1%
Midday - 4pm	38.4%	37.1%	35.6%	36.5%	37.4%	39.2%	42.0%	37.9%
4pm - 8pm	26.2%	26.7%	29.1%	27.8%	26.9%	21.3%	23.2%	25.9%
8pm - Midnight	5.0%	5.5%	6.5%	6.2%	6.8%	6.2%	4.5%	5.9%
Avg. for Day	12.9%	14.8%	13.3%	14.8%	17.3%	15.2%	11.6%	100.0%

HOW MUCH ARE LOCALS SPENDING ONLINE?

Is your local offering sufficient? What does this mean for property prices?

CHANGE IN ONLINE SPENDING VS TOTAL NZ TRENDS

Rolling 12 months change in spending



GROWTH IN ONLINE SPENDING
(this quarter)



SHARE OF TOTAL RETAIL SPENDING



% SPENT ON OVERSEAS WEBSITES
(this quarter)



FASTEST GROWING ONLINE CATEGORY
(for local cardholders)

Fuel

Fuel may be the highest category as consumers pay fuel cards through credit card

APPENDIX



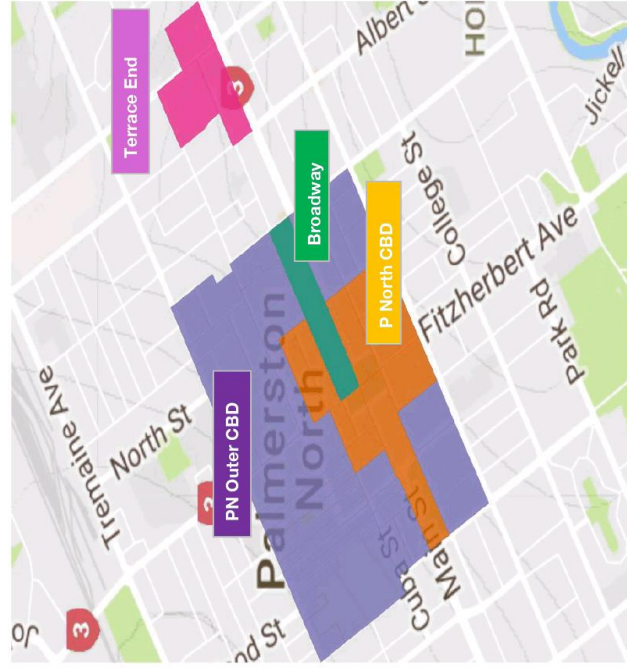
STORETYPE DEFINITIONS- BASED ON ANZSIC CATEGORIES

Accommodation:	Accommodation
Apparel:	Clothing Retail, Footwear Retail
Appliances:	Domestic Appliances
Bars/Cafes/Restaurants:	Cafes and Restaurants, Pubs Taverns and Bars
Department Stores:	Department Stores
Food Retailing:	Bread and Cake Retailing, Fresh Meat, Fish and Poultry Retailing, Fruit and Vegetable Retailing, Specialised Food Retailing, Supermarket and Grocery Stores
Fuel:	Automotive Fuel Retailing
Furniture/Flooring:	Floor Covering Retailing, Furniture Retailing
Hardware/Homeware:	Domestic Hardware and Houseware Retailing, Building Supplies
Other Retail:	Antique and Used Goods, Automotive Electrical Services, Automotive Repair and Service, Clubs (Hospitality), Fabric and Other Soft Good Retailing, Flower Retailing, Funeral Directors, Crematoria, and Cemeteries, Garden Equipment Retailing, Gardening Services, Hairdressing and Beauty Salons, Household Equipment Repair, Laundries and Drycleaners, Liquor Retailing, Marine Equipment, Newspaper, Books and Stationery, Personal and Household Goods, Personal Services, Pharmaceutical, Cosmetic and Toiletry Retailing, Photographic Equipment, Photographic Film Processing, Photographic Studios, Recorded Music Retailing, Retailing nec, Smash Repairs, Sport and Camping Equipment, Toy and Game Retailing, Travel Agency, Tyre Retailing, Video Hire Outlets, Watch and Jewellery Retailing
Takeaways:	Takeaways

APPENDIX



Map Insert for Palmerston North breakdown. The map is indicative and the boundaries may vary, due to street/meshblock split. Broadway is inline with council definitions.



MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Manawatū Region Retail Health Check (2019) Report

PRESENTED BY: Peter Crawford, Economic Policy Advisor and Linda Stewart, CEO, CEDA

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Manawatū Region Retail Health Check (2019) and Manawatū Region Retail Health Check Executive Summary (2019) are received.



1. MANAWATŪ REGION RETAIL HEALTH CHECK (2019)

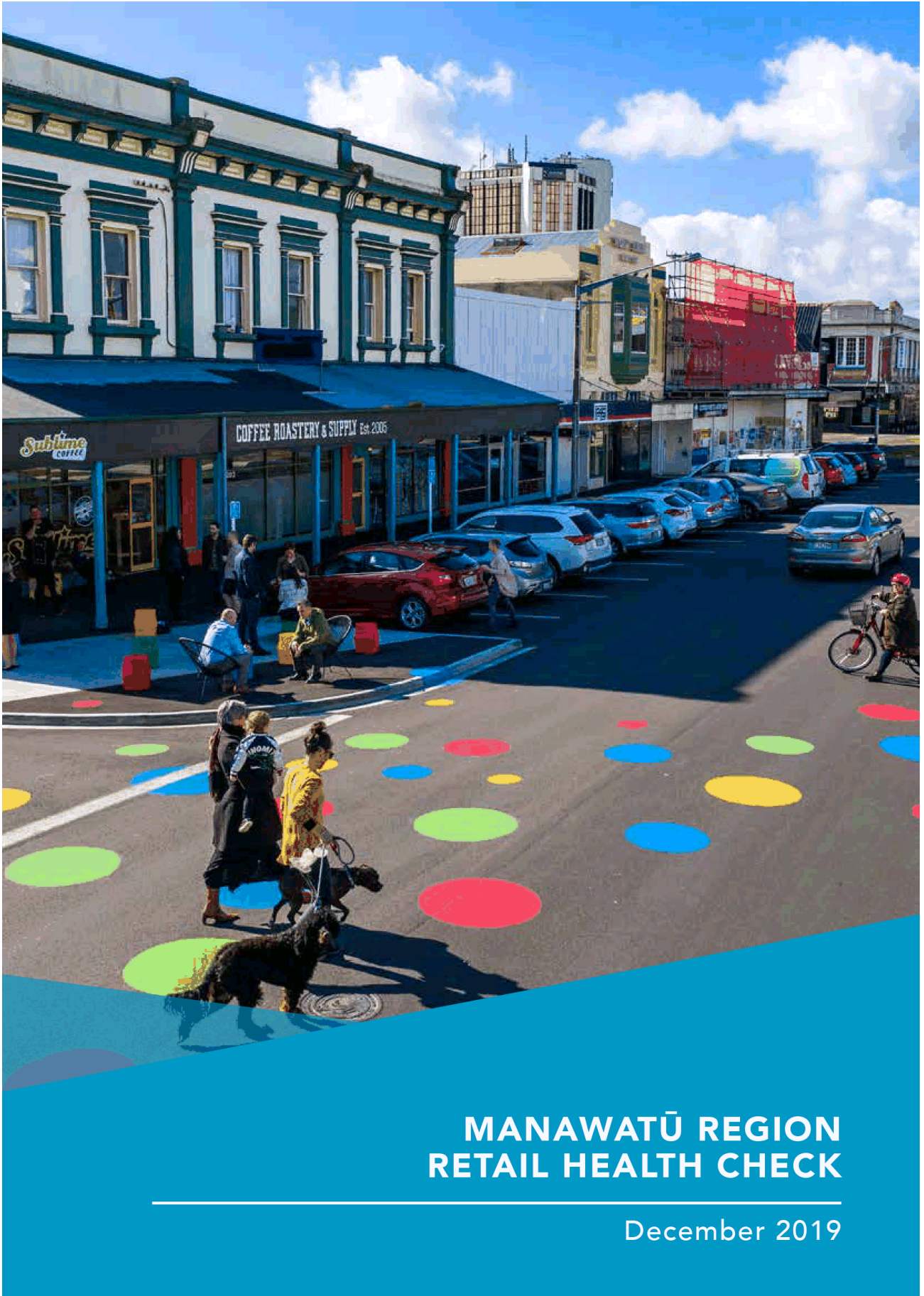
- 1.1 The attached Retail Health Check report has been prepared to update the first Retail Health Check report published by Council in 2013. The report concludes that the retail sector in the Manawatū region (Palmerston North and Manawatū district) is performing strongly compared to national indicators.
- 1.2 The retail sector is a significant contributor to regional GDP, with Infometrics estimates suggesting the sector contributed \$389 million to Manawatū region GDP in the year to March 2018, accounting for a 9.9% share of total GDP in the region. Palmerston North contributed 86% of retail GDP in the region, due to its role as a significant regional retail centre for the lower North Island.
- 1.3 The retail sector contributed 10.3% of Palmerston North GDP in the year to March 2018 and 5.6% of Manawatū district GDP. Statistics New Zealand GDP estimates for the year to March 2018 suggest the retail sector contributed \$17,479 million to national GDP, a 7.2% share of total GDP.
- 1.4 The sector is also a significant contributor to regional employment, with a workforce of 8,900 employees in February 2018, and 15.1% of total jobs in the region. Total earnings (salaries, wages and self-employment income) in the sector were \$327 million in the year ended March 2017, or 9.9% of total earnings in the region.

2. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual 166	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the outcomes of the Economic Development Strategy	
The recommendations contribute to the achievement of action/actions in the Economic Development Plan	
The action is: Attract investment expansion and new businesses	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Reporting on economic trends in the Manawātū region, and the longer-term outlook for growth, is important for encouraging local businesses to invest in growing their business and attracting new businesses to the region.

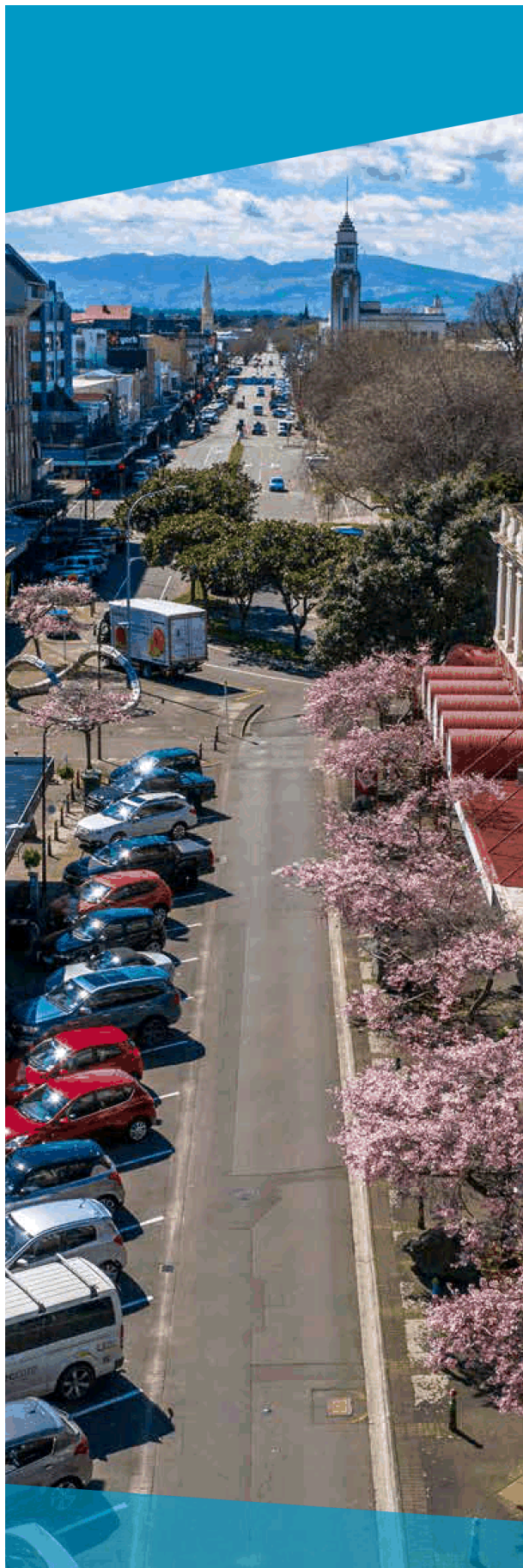
ATTACHMENTS

1. Retail Health Check (2019) [↓](#) 
2. Retail Health Check Executive Summary (2019) [↓](#) 



MANAWATŪ REGION RETAIL HEALTH CHECK

December 2019



The Retail Health Check report for the Manawātū region has been developed by the Palmerston North City Council to provide a better understanding of the Manawātū region retail sector and the contribution the sector makes to the demographic and economic growth of the region. This report provides an update on changes in the retail sector since the initial Palmerston North health check report in 2013.

This profile was compiled by Ben Mitchell. During the process of producing this report Ben was in his final year at Massey University Palmerston North studying towards a Bachelor of Business Studies majoring in Economics. Creating this report for the Palmerston North City Council was part of a Massey University internship paper, counting credits towards his degree while getting provided valuable work experience.

The data in the profile is drawn from a range of different sources, including Statistics New Zealand, Ministry of Business, Innovation and Employment (MBIE), Marketview, Palmerston North City Council, Manawātū Branch of the Property Institute of New Zealand, Reserve Bank and Blackmores.

Published by:

Palmerston North City Council

Private Bag 11034 | Palmerston North

Phone: 06 356 8199 | Fax: 06 355 4115

pncc.govt.nz



CONTENTS

Executive Summary	3
Overview	5
Background	7
Palmerston North retail trends	17
Manawatū district retail trends	45
Conclusion	50



EXECUTIVE SUMMARY

The retail sector in the Manawatū region (Palmerston North and Manawatū district) is performing strongly compared to national indicators. Retail spending at Manawatū region retailers increased by 4.7% over the 12 months ended July 2019, which was well ahead of the national growth rate of 3.4%.

The sector is a significant contributor to regional GDP, with Infometrics estimates for the retail sector suggesting it contributed \$389 million to Manawatū region GDP in the year to March 2018, accounting for a 9.9% share of total GDP in the region. Palmerston North contributed 86% of retail GDP in the region, due to its role as a significant regional retail centre for the lower North Island.

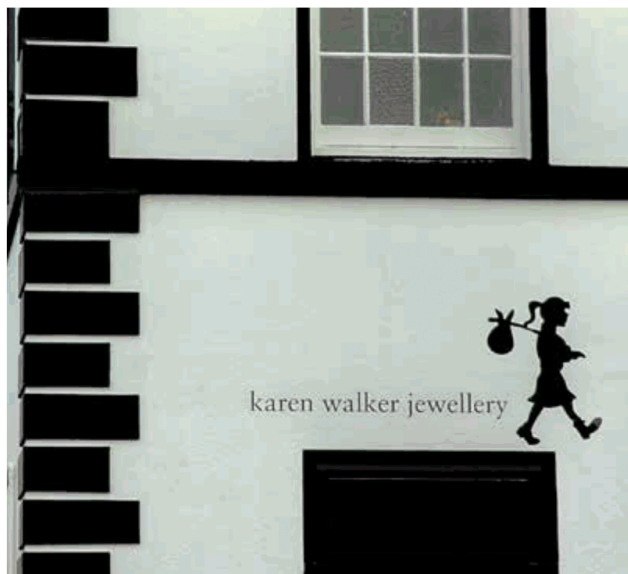
The retail sector contributed 10.3% of Palmerston North GDP in the year to March 2018 and 5.6% of Manawatū district GDP. Statistics New Zealand GDP estimates for the year to March 2018 suggest the retail sector contributed \$17,479 million to national GDP, a 7.2% share of total GDP.

The sector is also a significant contributor to regional employment, with a workforce of 8,900 employees in February 2018, 15.1% of total jobs in the region. Total earnings (salaries, wages and self-employment income) in the sector were \$327 million in the year ended March 2017, 9.9% of total earnings in the region.

The city has experienced strong growth in retail earnings (salaries, wages and self-employment income), which increased by 112% between 2000 and 2017. However, this was weaker than the national retail earnings growth of 139%. The growth in the region has been supported by Palmerston North's role as a significant regional retail centre and the success of non-store retail companies in the city, such as Ezibuy.

Visitor data shows Palmerston North is a significant domestic visitor destination, reflecting its central position in the lower North Island and its strong retail offering. The latest Marketview data shows a significant share of electronic card retail turnover in the city is made with non-resident cards, accounting for 28% of total spending at Manawatū region retailers.

Marketview retail spending estimates also shows a high level of loyalty by Manawatū region residents, with 77% of their annual retail spending going to local retailers (excluding online spending), a much higher share than the 66% loyalty score for New Zealand. Online spending data also shows that Manawatū residents spend a lower percentage of their retail spending through online retailers.



Manawātū district has experienced strong growth in retail spending over the past 18 months, but an important contributor to this growth has been an increase in fuel spending. The district is experiencing strong population growth, which is also supporting strong growth in the retail sector.

Over the last 10 to 15 years there have been major shifts in the retail sector in Palmerston North, which have resulted in growth in retail activity in some areas and periods of decline or weak growth in others. A high level of investment in the construction of new retail floor space has created significant additional competition for existing retailers in the City, and impacted property owners through increased vacancy rates. The increase in the total number of retail stores means that individual retailers have not experienced the rates of growth reflected in the overall data for the city. The most recent retail data shows strong growth in the value of retail spending in the central business district (CBD) despite increased investment in retail activity in the outer business zone.

The retail sector is a significant source of part-time employment in the region and employs a higher share of young people. Data from the 2013 Census shows that the 15 – 24 age group accounted for 36% of employment in the retail sector in the Manawātū region, while this group accounted for 17% of overall employment in the region. The sector also has an important role as the first paid job for many people, who go on to work in other sectors.

Councils have an important role to play in maintaining and supporting a healthy retail sector, particularly in the city or town centre, but retail property owners and retail businesses also play important roles in supporting the health of the sector.

The continual development of new administrative sources of data, such as income data sourced from tax records and visitor spending data sourced from electronic card transactions, provide significant improvements in the range of data available for the City. Data has become available to measure the amount of vacant retail space and the use of car parking within the Palmerston North CBD, but further improvements in pedestrian data would be helpful.

OVERVIEW

The purpose of this report is to provide an update on the status of retail health in the Manawātū region and to update the framework for future monitoring of the retail sector, reflecting the increased availability of data for the sector. It will be used to inform councils when making future decisions involving the development of Palmerston North's Inner Business Zone and Feilding Town Centre.

What is retail health?

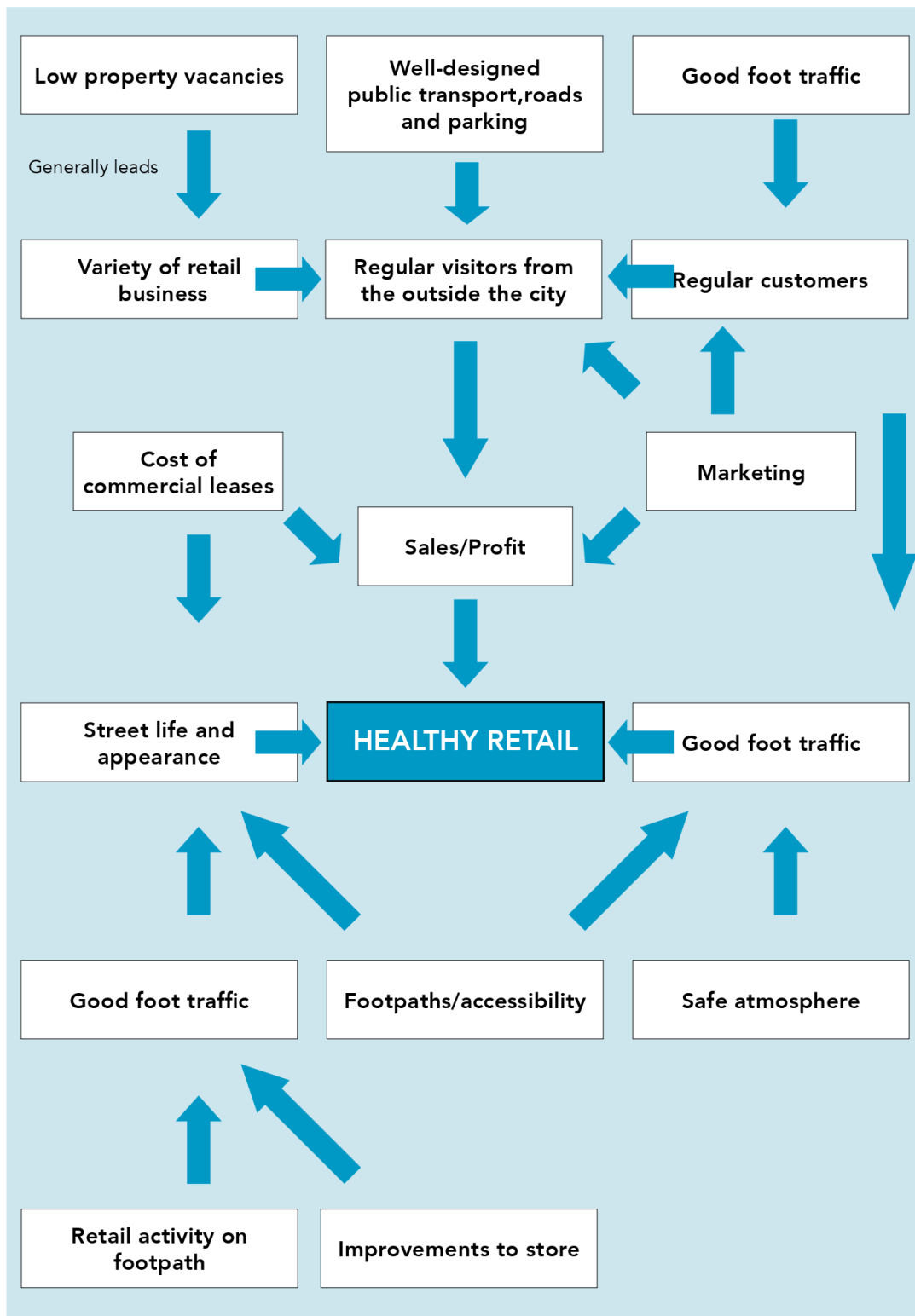
Healthy retailing can be shown through a thriving shop that is appealing, is full of customers and has a high level of sales and profitability. A measure of retail health aims to reflect the status of the retail sector in terms of these attributes.

In order for a community to have a thriving and healthy retail sector there has to be a number of factors working together. Key indicators that can be used to measure retail health are:

- Good foot traffic/pedestrian counts
- Sales and profit
- Parking
- Variety of retail businesses
- Property vacancies
- Rents
- Footpaths and accessibility
- Safe atmosphere
- Shop appearance
- Street Life
- Friendly service
- Number of visitors and visitor spending
- Public transport system and roads
- Digital maturity, including webpage and presence on social media
- Economic performance

Several of these factors are difficult to research and a number of assumptions can be made when gaining and producing the data. Of these factors the ones in this report that hold the heaviest weighting on current retail health are sales and profit, foot traffic, shop appearance and good friendly service.

Figure 1: Retail Health Check Framework



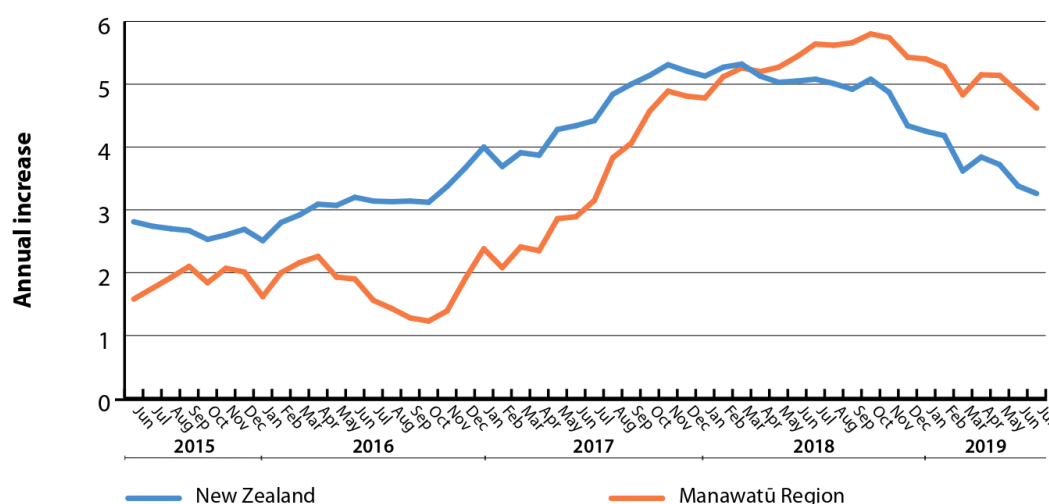
BACKGROUND

The Manawātū region had an estimated population of 119,600 people in June 2018, with 88,700 people living in Palmerston North and 30,900 in Manawātū district. There were 58,900 people employed in the region in February 2018, with 8,900 employees in the retail sector in the region. Palmerston North had a 74% share of the region's population but an 88% share of retail jobs in the region and an 85% share of electronic card retail spending, reflecting the city's role as a significant regional retail centre.

Assessing Retail Health

Electronic card retail spending in the Manawātū region was \$1,390 million in the year to July 2019. The rate of growth in retailing in the region increased during 2018, but weakened slightly during the period to July 2019. However, the rate of retail spending growth in the region has increased over the past 18 months, with spending at retailers in the region increasing by 4.7% in the year ended July 2019 compared with growth of 3.4% for New Zealand. The overall growth rate for New Zealand declined from 4.7% in the year to December 2017 to 3.4% by July 2019. Declining fuel prices have been a contributor to the decline in the rate of growth in spending. Growth in spending in Manawātū district was 7.7% in the year to July 2019 and 4.4% in Palmerston North. A 16.5% increase in fuel spending in the district has been a significant contributor to the stronger rate of growth in the district.

Figure 2: Annual change in Manawātū region electronic card retail spending



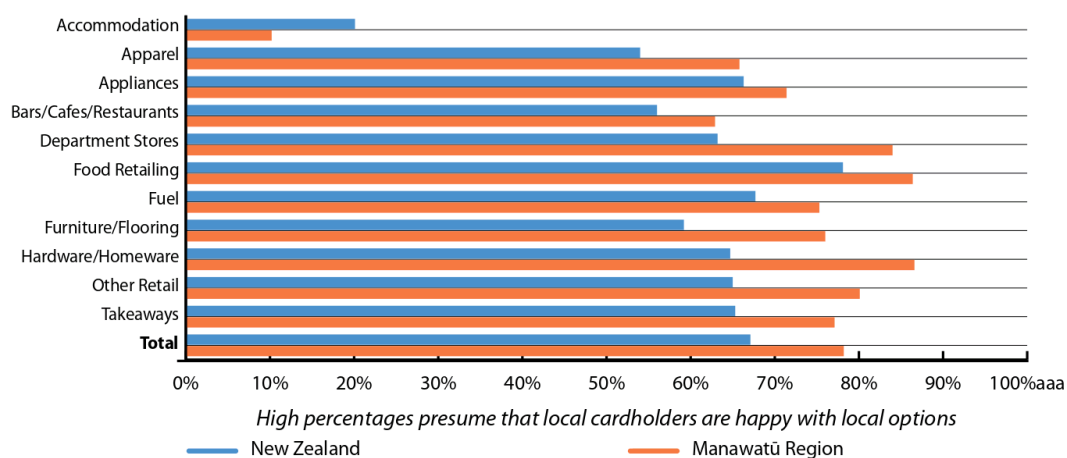
Manawatū region retailers enjoy strong loyalty from residents (the proportion of local cardholder's spending that goes to local merchants), who spent 77% of their total retail spending (in-store only¹) at Manawatū region retailers in the year to July 2019. Nationally, this is a high loyalty rate, as the average loyalty score for New Zealand is 66.2%. This support illustrates the importance of keeping a healthy retail sector in the region. Resident spending at Manawatū region retailers was \$1,004 million in the 12 months ended July 2019, increasing by 6.8% from the previous year. Manawatū region resident spending outside of the region (excluding online spending) in the year to July 2019 was \$300 million, a decline of 1.9% from the previous year.

Table 1: Manawatū region retail inflow and outflow

	Years ended		Annual Change	
	July 18	July 19	\$ M	%
Locals spending locally	940.0	1,004.4	64.4	6.8%
Locals spending in other regions	305.8	300.0	-5.8	-1.9%
Locals spending online	85.9	112.9	27.0	31.4%
Total spending by locals	1,331.7	1,417.2	86	6.4%
Visitor spending in region	382.1	385.4	3.3	0.9%
Net flow	76.3	85.4	9.1	11.9%
Total spending in region	1,322.1	1,389.7	67.6	5.1%
In-store spending loyalty by local residents	75.5%	77.0%		
Visitor share of total local merchant revenue	28.9%	27.7%		

Source: Marketview

Figure 3: Loyalty scores in July 2019 quarter



Source: Marketview

Food retailing has a high loyalty score, since most people shop at a supermarket close to their home. The accommodation sector has the lowest score, since most accommodation sector spending is related to travel away from home. Local accommodation spending by residents include meals and drinks purchased at local accommodation providers.

Manawatū region retail sectors with high loyalty scores relative to the average for New Zealand are:

- i. Hardware/homeware
- ii. Department stores
- iii. Furniture/flooring
- iv. Other retail
- v. Appliances
- vi. Apparel

Another useful indicator of local resident satisfaction with the offering from local retailers is the proportion of online spending. Marketview data shows a significantly lower share for online spending by Manawatū region residents compared with the overall average for New Zealand. (see figure 4)

During 2017 and the first part of 2018 there was a net outflow of retail spending from the region, with the rate of growth in spending by Manawatū region residents outside of the region above the rate of growth in visitor spending in the Manawatū region. Changes in fuel price discounting within the wider Manawatū-Whanganui region played a part in that outflow, with highly discounted fuel prices in Bulls attracting increased fuel purchases by Manawatū region residents. Palmerston North experienced very weak growth in food retailing spending from April 2016 through to the last quarter of 2018, with food retail developments in Bulls and Feilding having an impact on spending in the city

Visitors to the Manawatū region

The Manawatū region attracted \$360 million in retail spending by visitors in the year to July 2019, accounting for 26% of total retail turnover at retailers. The highest share of visitor retail spending came from residents in the lower North Island, who accounted for 65% of domestic visitor retail spending in the city (Manawatū-Whanganui, Wellington, Hawke's Bay and Taranaki regions).

Table 2: Annual domestic visitor retail spending in the Manawatū region by region of origin

Year ended July 2019	\$ million	% share
Lower North Island		
Manawatū-Whanganui	100	32%
Wellington	63	20%
Hawke's Bay	22	7%
Taranaki	20	6%
Total lower North Island	204	65%
Auckland	34	11%
Waikato	22	7%
Bay of Plenty	14	4%
Canterbury	11	3%
Gisborne	5	2%
Otago	4	1%
Northland	4	1%
Marlborough	2	1%
Tasman	2	1%
Southland	1	0%
Nelson	1	0%
West Coast	1	0%
Rest of New Zealand	101	32%
Region undefined	9	3%
Total	314	100%

Source: MBIE regional tourism estimates (excludes cultural, recreation, and gambling services, passenger transport, and other tourism products)

International visitor spending was \$48 million in the year to July 2019, with Australia accounting for 31% of total international visitor spending and Asia a 27% share.

Table 3: Annual international visitor retail spending in the Manawatū region by country of origin

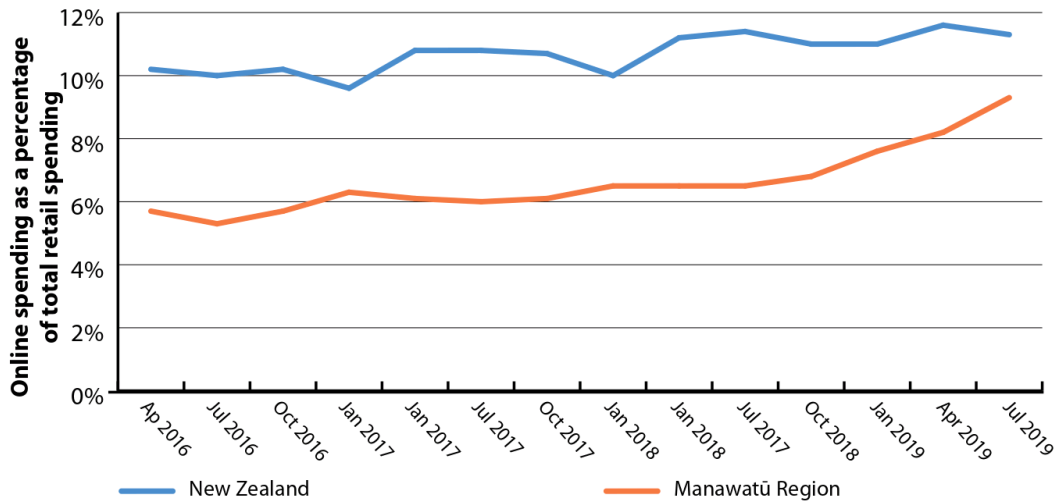
Year ended July 2019	\$ million	% share
Australia	14.7	31%
Asia		
China	6.0	13%
Japan	1.6	3%
Korea, Republic of	0.8	2%
Rest of Asia	4.3	9%
Total Asia	12.8	27%
Europe		
UK	4.3	9%
Germany	1.5	3%
Rest of Europe	3.4	7%
Total Europe	9.2	19%
America		
USA	5.1	11%
Canada	1.1	2%
Rest of Americas	0.5	1%
Total America	6.7	14%
Rest of Oceania	2.4	5%
Africa and Middle East	1.8	4%
Total	47.7	100%

Source: MBIE regional tourism estimates (excludes cultural, recreation, and gambling services, passenger transport, and other tourism products)

Online Shopping

Online shopping is on the increase, with 93% of New Zealand homes having some form of internet connection in June 2017, and more retail business expanding and enabling their customers to purchase their goods over the internet. The rate of growth in New Zealand electronic card retail purchases online was 1.9% in the three months ended July 2019, compared with the same period last year. Manawatū region resident online spending increased by 36.5%. While an increasing proportion of Manawatū resident spending is being made online, the 9.3% share of total resident's electronic card spending made over the internet in the year ended January 2019 is still low compared with the 11.3% average for New Zealanders.

There has been a significant increase in the share of Manawatū region resident online spending which goes to New Zealand-based retailers, increasing from 49.4% in the July 2016 quarter to 65.4% in the July 2019 quarter. Some of this growth in online spending will have been for goods that are selected and packed at a local store, for example, online grocery purchases.

Figure 4: Online retail spending as a share of total retail spending

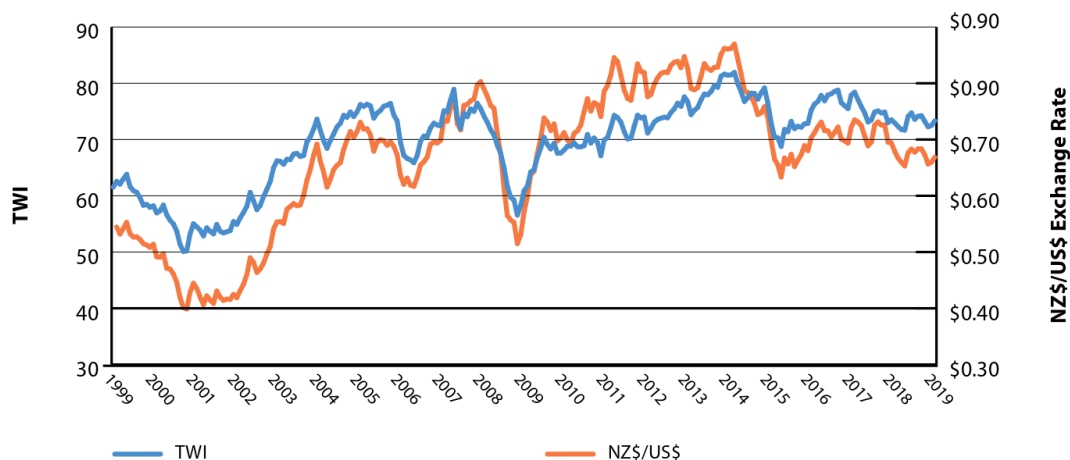
Source: Marketview

Online spending in the region increased by \$27 million in the year to July 2019 while total electronic card spending by Manawātū region residents increased by \$86 million. In-store retail spending in the region is still increasing therefore, despite the strong growth in online spending.

Local retailers with an online presence are competing with worldwide businesses and, therefore, face a high level of competition since overseas businesses can currently sell goods to New Zealand consumers on a GST free basis if they are valued below \$400. It still benefits retail business to have an online presence, as it means that they have an extra way of maintaining contact with regular customers and reaching out to new customers. Whether it is through a website, e-mail or Facebook page, the business can let consumers know about new stock, sales or even a change in the store location.

The long-term trend for the New Zealand dollar has been an appreciation against most other currencies, reducing the price of imports. Since 2014 the New Zealand dollar has dropped in value, but remains well above the long-term average for both the trade weighted index (TWI) and the United States dollar (\$US). The current exchange rate of NZ\$1 was US\$0.67 for the month of July 2019.

Figure 5: Reserve Bank trade weighted exchange rate index (TWI) and NZ\$/US\$ exchange rate (monthly average)



Source: Reserve Bank of New Zealand

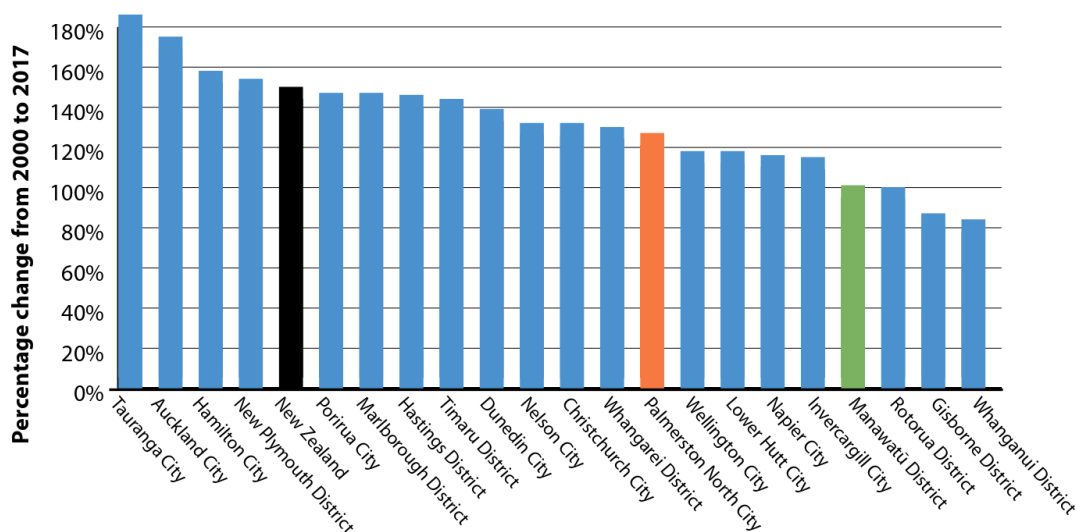
Manawatū region retail employment and earnings

Palmerston North has experienced weak growth in retail earnings (salaries, wages and self-employment income) relative to the overall growth rate for New Zealand, and a small decline in employee numbers between 2008 and 2018, following strong growth between 2000 and 2008. Retail earnings in the city increased by 116% between 2000 and 2017, Manawatū district earnings increased by 90%, while earnings for New Zealand increased by 139%. There are problems with the latest data for Palmerston North, due to the loss of Ezibuy from the employee count and earnings data, overstating the extent of the weakness in the data.

Two key sectors which have contributed to the weakness in employment:

- Supermarkets – increased use of self-checkout technology and other productivity improvements contributed to a decline in supermarket jobs in the city, despite the opening of new supermarkets at Summerhill and Kelvin Grove
- Clothing retailing - there was an increase in the number of clothing stores during the expansion to the Plaza, but there has since been a decline in store numbers and jobs. Store numbers peaked at 90 in 2013 but had declined to 60 by 2018
- Increased retail investment in other parts of the Manawatū-Whanganui region has also contributed to the weakness in employment and weak growth in retail spending in Palmerston North in 2016 and the first half of 2017.

Figure 6: Percentage change in retail sector annual earnings (salaries, wages and self-employment income) between 2000 and 2017



Source: Statistics New Zealand

Manawātū district retail earnings increased by 90% between 2000 and 2017, but the Statistics New Zealand earnings data has not been adjusted for the boundary change between Palmerston North and Manawātū district, which occurred in 2012. The boundary change resulted in Longburn and Bunnythorpe moving from the district into the city, but the small scale of retailing in these two settlements is unlikely to have had a significant impact on the overall growth rate for the district. All other data sets used in this report have been adjusted to take account of the boundary change.

At the time of the 2013 Census, the retail sector in Palmerston North had a high share of part-time employees, with 39% of employees working part-time compared with 24% for the overall City economy. The part-time share for the New Zealand retail sector was 36%. The retail trade sector is an important source of part-time and holiday employment for school students and students in tertiary education facilities in the region, reflecting the important inter-linkages which occur between sectors. Data from the 2013 Census also shows that the 15 – 24 age group accounted for 36% of employment in the retail sector in the Manawātū region, while this group accounted for 17% of overall employment in the region. The sector also has an important role as the first paid job for many people, who go on to work in other sectors.

Retail GDP

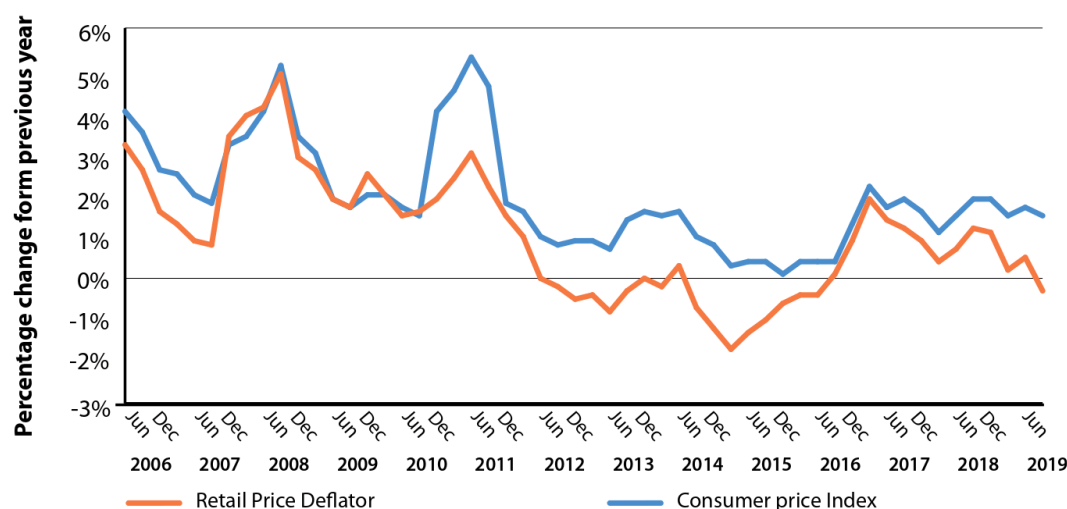
Infometrics estimates for the retail sector suggest it contributed \$389 million to Manawātū region GDP in the year to March 2018, accounting for a 9.9% share of total GDP in the region. Palmerston North contributed 86% of retail GDP in the region, due to its role as a significant regional retail centre for the lower North Island.

The retail sector contributed 10.3% of Palmerston North GDP in the year to March 2018 and 5.6% of Manawātū district GDP. Statistics New Zealand GDP estimates for the year to March 2018 suggest the retail sector contributed \$17,479 million to national GDP, a 7.2% share of total GDP.

Retail price inflation

Retail prices have been rising more slowly than for general consumer price inflation, reflecting the impact of the high New Zealand dollar on the price of imported goods, technology change and the increase in the share of retail goods being imported from low labour cost countries. The weakness in retail price inflation has occurred despite the inclusion of fuel sales in the retail trade data. Overall retail price growth was 2.6% between September 2010 and June 2019, while retail fuel prices rose by 27.8% over this period

Figure 7: Consumer price index (CPI) and retail price deflator



Source: Statistics New Zealand

The high New Zealand dollar and competition in the retail sector from lower cost imports resulted in declines in retail prices between June 2012 and September 2016. The electronic card retail data used in this report is not inflation adjusted, so the rate of growth in the volume of retail spending over this period was stronger than the nominal data suggests.

This deflation in retail prices has been the greatest in the electrical and electronic sector, where prices declined by 52% between September 2010 and July 2019. Other sectors also recorded declines over this period, with seven of the fifteen sectors recording declines in prices between September 2010 and July 2019. Apart from fuel, the strongest rises in prices were in tourism-related sectors, with a 24.7% increase in accommodation sector prices (includes drinks, meals and other services) and a 19.6% increase in food and beverage services. Supermarket and grocery stores prices rose by 12.5%.

Economic outlook for the Manawatū region retail sector

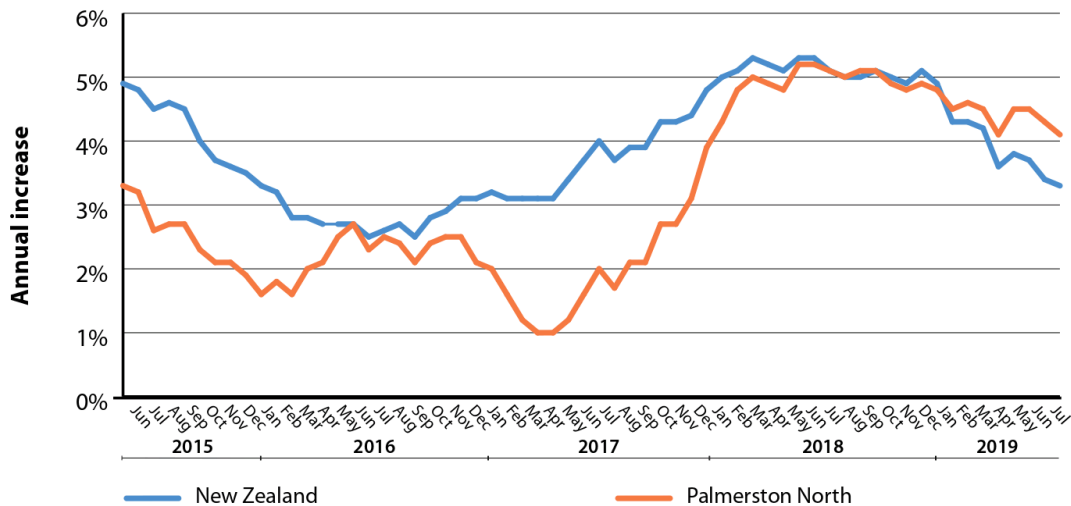
The Manawatū region is currently experiencing strong economic growth, which is contributing to much stronger population growth than the region has been experiencing for the past 40 years. The outlook for the retail sector over the next 10 – 15 years appears to be very strong, due to a range of factors, which are positive for economic growth in the region. A key contributor to this optimism is a significant increase in planned or indicative central government, local government and business capital investment in the region. Work already started or planned for major projects in the region includes:

- Manawatū-Whanganui region Defence Force capital investment at Ohakea and Linton
- MidCentral DHB investment plan
- Massey University investment plan
- Manawatū Gorge road replacement
- Palmerston North regional freight ring road
- KiwiRail freight hub in Palmerston North
- Mercury Energy construction of new wind turbines in Palmerston North and Taranaki
- Local authority capital growth and renewal programmes.

Palmerston North retail trends

Total electronic card retail spending in Palmerston North was \$1,184 million in the year ended July 2019, increasing by 4.4% from the previous year. This was ahead of the 3.4% increase across New Zealand. The growth rate in the city has mostly been ahead of the national growth rate since February 2018.

Figure 8: Annual change in Palmerston North electronic card retail spending



Source: Marketview

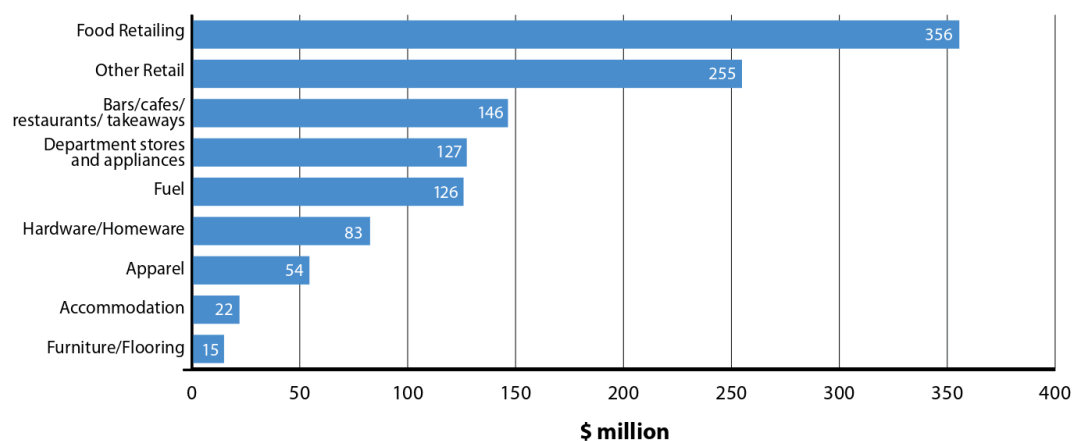
The city experienced weak growth in retail spending from mid-2015 to early-2018, which appears to have been mainly due the completion of a new retail development in Bulls. Significant fuel discounting by the new BP fuel station in Bulls resulted in a decline in the value of fuel spending in Palmerston North. There was also a small decline in food retailing spending in the city following the opening of a new Four-Square store in Bulls, as part of the new development.

Fuel spending in the city increased by 7.7% in the year to July 2019, a slightly weaker rate of increase than the 7.9% increase in the value of fuel spending in New Zealand. Sectors in the city that performed well compared with the growth rate for New Zealand include:

Hardware/homeware	8.9% (5.2% increase for New Zealand)
Takeaways	8.2% (7.1% increase for New Zealand)
Bars/cafes/restaurants	6.4% (5.5% increase for New Zealand)
Furniture/flooring	6.3% (1.2% increase for New Zealand)
Food retailing	3.8% (2.6% increase for New Zealand)

Sectors recording declines in spending were accommodation and apparel, which also experienced a decline in total New Zealand spending.

Figure 9: Palmerston North retail spending by sector (year ended July 2019)



Source: Marketview

Retail Businesses

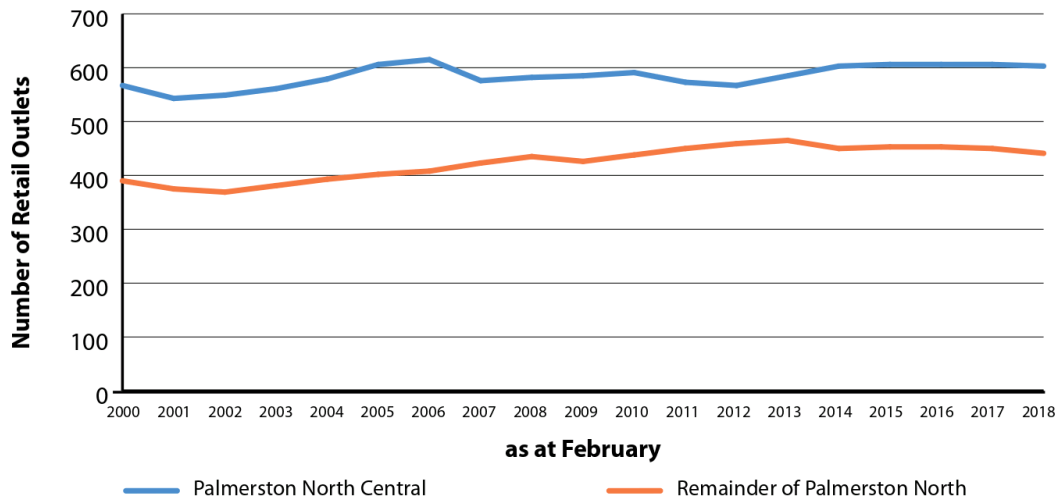
The number of retail stores in the Palmerston North Central area unit peaked in February 2013, when 309 retail business locations were recorded. In 2018, 279 stores were recorded. The number of stores in the remainder of the city has been stable between 2014 and 2018, with 603 stores recorded in 2018.

The number of retail businesses in the Palmerston North Central area unit declined by three between 2000 and 2018 while the number of retail employees increased by 200 over this period. Palmerston North Central is mostly comprised of the CBD inner and outer business zones, but includes a small area outside of the CBD.

The number of clothing, footwear and personal accessories retail stores in the Central area unit decreased by 18 between 2008 and 2018, while the number of employees decreased by 130. There was a significant increase in the number of clothing stores as result of the expansion of the Plaza, but a gradual loss of stores over the period since the expansion was completed.

The strongest growth in store numbers in the Central area unit is in cafes, restaurants and takeaway food services, with 54 more businesses in 2018 than in 2000 and 410 more employees. Declines in employment were recorded in supermarkets (100 fewer employees), motor vehicle retailing (100 fewer employees) and recreation good retailing (80 fewer employees).

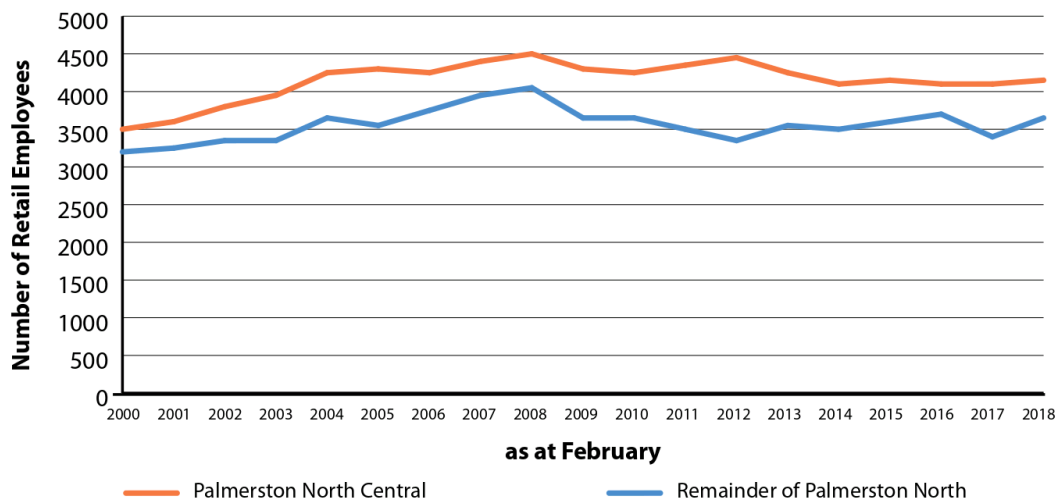
Figure 10: Number of retail stores in Palmerston North



Source: Statistics New Zealand

Palmerston North Central accounts for a higher share of retail employment in the city, with 4,150 employees in February 2018, and an average of 9.4 employees per store. There were 3,650 retail employees in the remainder of the city, with an average of 6.1 employees per store.

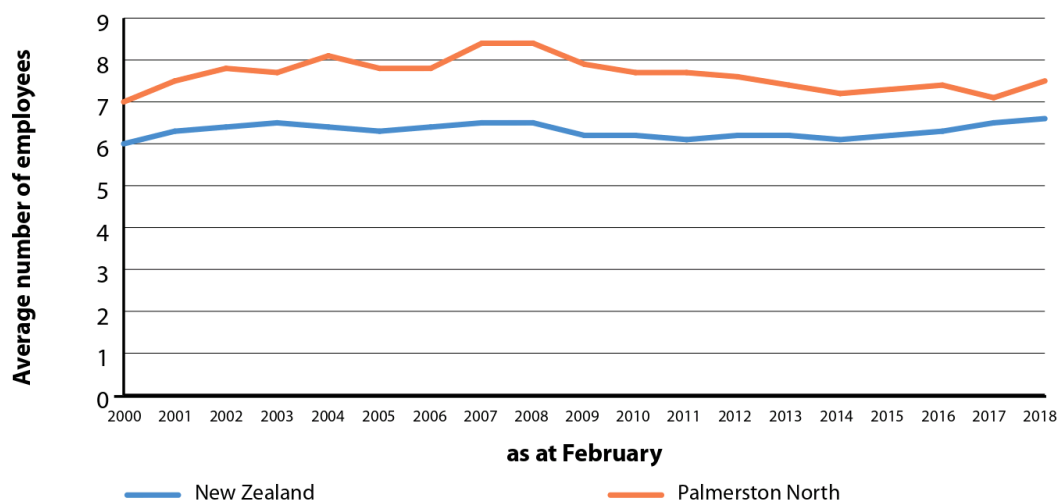
Figure 11: Number of retail employees in Palmerston North



Source: Statistics New Zealand

Employment data shows that Palmerston North retail businesses tend to be larger than average for New Zealand, with an average of 7.5 employees in 2018 compared with an average of 6.6 employees in New Zealand. The average size of New Zealand retail businesses has been relatively constant over the last 17 years, but the average for Palmerston North has declined since peaking in 2008.

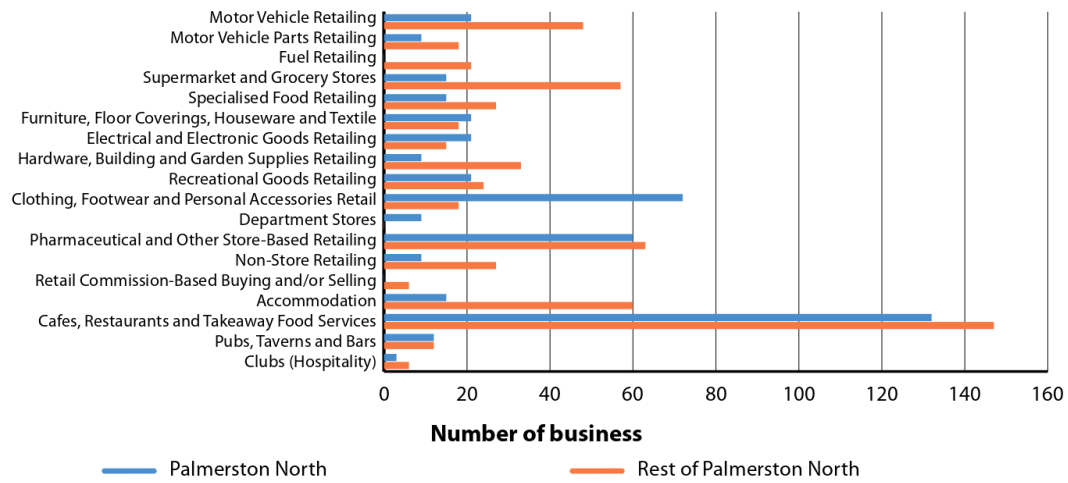
Figure 12: Average employee numbers for retail businesses



Source: Palmerston North City Council

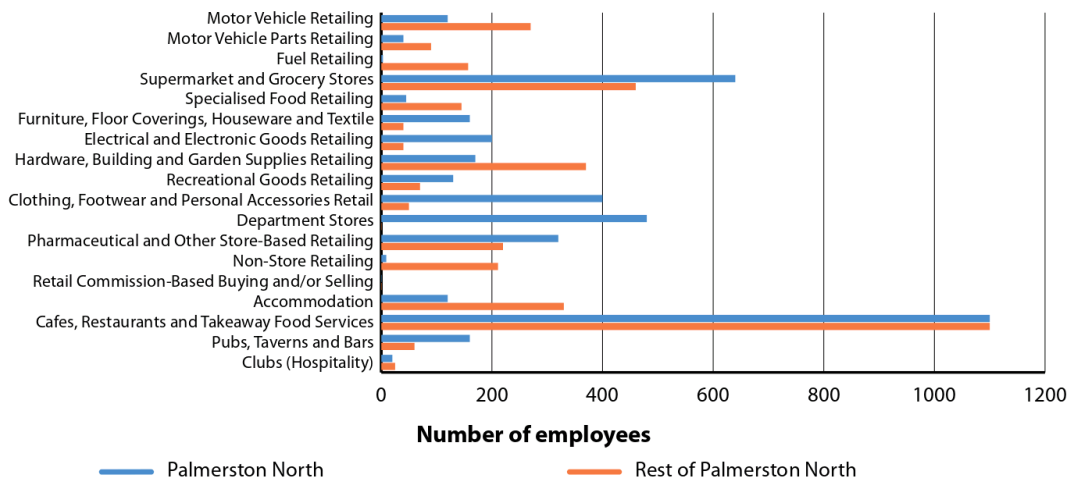
The number of retail employees in the city outside of the Palmerston North Central area unit increased strongly between 2000 and 2008, but declined by 9.9% between 2008 and 2018. Movement of stores, such as Mitre 10, Smiths City and Repco, into the Palmerston North Central area unit has contributed to this decline. The number of retail stores outside of the Palmerston North Central area unit has continued to increase, with growth in the number of takeaway stores and cafes the main contributor to the growth.

Figure 13: Location of Palmerston North retail businesses by sector



Source: Statistics New Zealand

Figure 14: Location of Palmerston North retail employment by sector



Source: Statistics New Zealand

Between the previous report in 2013 and this report, there has been significant growth in employment in the cafes, restaurants and takeaways sector outside of Palmerston North Central. This reflects investment in new takeaway stores on main arterial routes into and out of the city, particularly on Rangitikei Street.

Tourism

Palmerston North is a significant visitor destination, ranked 12th among the 67 local authorities in New Zealand in the 12 months ended July 2019. One of the factors that draws people from surrounding areas to Palmerston North is the extensive range of shops it offers that are not available in nearby urban areas and regions. It is also an important factor which keeps residents' spending in the region.

Previous electronic card data purchased in 2010 for electronic card spending in Palmerston North showed that the sectors listed on page 7 also attract high levels of visitor spending, reinforcing the strength of the retail offering in the city.

Table 4: Annual visitor spending in Palmerston North by sector and share of New Zealand visitor spending (year ended July 2019)

Sector	\$ million	% share of New Zealand tourism spending
Accommodation services	27	0.9%
Cultural, recreation, and gambling services	6	0.5%
Food and beverage serving services	53	1.1%
Other passenger transport	45	1.1%
Other tourism products	60	1.7%
Retail sales - alcohol, food, and beverages	37	1.5%
Retail sales - fuel and other automotive products	21	1.0%
Retail sales - other	183	2.3%
Total	433	1.5%

Source: MBIE

Over the last fifteen years there have been major shifts in the retail sector in Palmerston North. The Plaza finished its redevelopment in 2010, adding approximately 40 stores to the mall, along with additional 600 carparks and a larger food court. The expansion to the Plaza resulted in the transfer of Farmers from Broadway to its current site on Church Street. Farmers, K-Mart and Countdown continue to be the main anchor stores in the Plaza. The trend of businesses moving closer to the CBD has continued. Rebel Sports, Briscoes, Repco, Smiths City, Hunting and Fishing and Mitre 10 Mega have all made the move closer to the city centre in recent years. Rebel Sports and Briscoes relocated to the old Warehouse building near the corner of Cuba and Rangitikei Street while Mitre 10 Mega moved from John F Kennedy Drive to Featherston Street, opposite Boys' High School. Smiths City and Hunting and Fishing both moved from John F Kennedy Drive, with Smiths City relocating to the former Briscoes store in Main Street, and Hunting and Fishing to Grey Street by the new Farmers Home store.

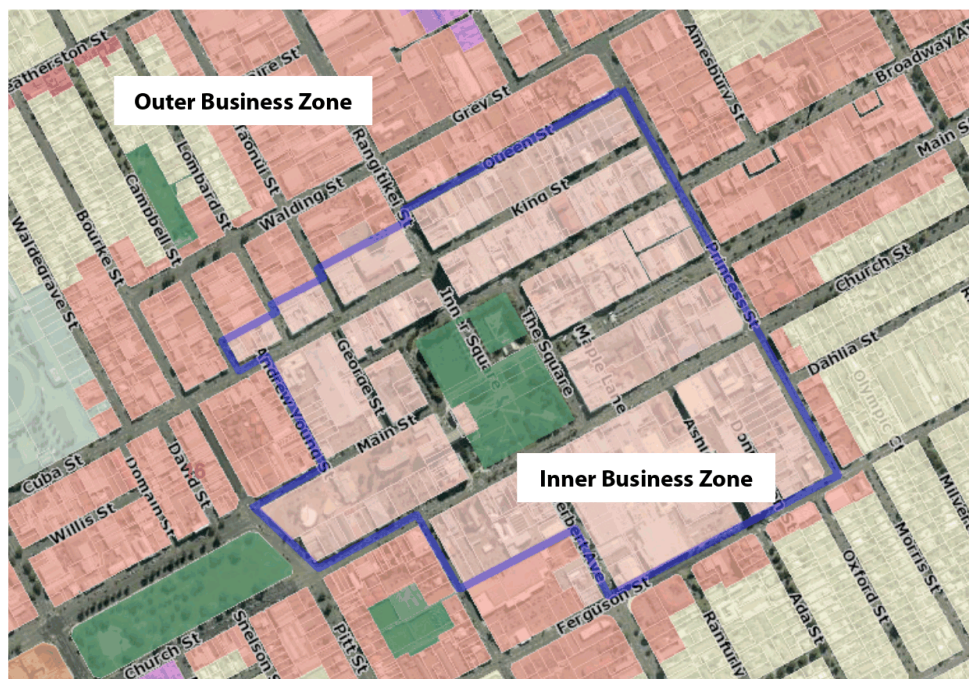
The improvements made to the footpaths and road on George Street and eastern end of Cuba Street, along with the arrival of the Briscoes store, saw increases in business activity on that side of the central business district (CBD). Developments made to the Downtown Mall included improvements to the food court and Cotton On moving to a larger site on Broadway from within the mall. These changes, along with the place-making improvements, have increased traffic flow to the area.

Centres Based Policy Planning

Palmerston North City Council uses a centres-based approach when it comes to the District Plan rules for the Inner Business Zone. This zone encourages a significant concentration of commercial buildings and retail activities in the zone. There are limited barriers to new business establishing in the Inner Business Zone (IBZ), due to an adequate level of vacant floor space, along with the absence of strong competition from competing suburban retail centres. In some other New Zealand cities, the presence of suburban shopping malls has been destructive to retail activity in their CBDs, driving consumers to shop in the suburbs. Current Council policy in Palmerston North results in a wide range of retail activities within the Inner Business Zone, which attract residents and visitors into the heart of the city.

The City's business areas provide a pedestrian-orientated city centre, fringed by larger, more directly vehicle-orientated business areas, supported by peripheral suburban centres. The Commercial Land Use Strategy identifies the inner business zone as the highest-level business area hierarchy and seeks to ensure retail and office activity is concentrated in the Inner and Outer Business Zones and not dispersed to the industrial fringes of the City.

Figure 15: Palmerston North CBD



Inner Business Zone (IBZ)

The Palmerston North Inner Business Zone is illustrated in Figure 16. The large businesses and activities that are contained in this area include the Plaza (which incorporates Farmers, Kmart and Countdown), Briscoes/Rebel Sports, Central Library, Te Manawa Museum and Art Gallery, Downtown Cinemas, The Regent and Pak'n Save.

Approximately 24,109m² of retail gross floor area, predominately large floor-plate in nature, has located in the Inner, Outer and Fringe Business Zones in the period 2011 to 2018. Importantly, the retail sector is increasingly seeing the commercial value of being centrally located in the city's Inner, Outer and Fringe Business Zones. When the 2008 Plaza expansion of 11,425m² is included, then approximately 35,534m² of retail gross floor area has been established in these Business Zones over this period.

The centres-based Commercial Land Use Strategy was given effect to in the District Plan through Plan Changes 1, 5, 9, 11, and 20 of the Sectional District Plan Review (SDPR) over the period 2011 to 2018. Development on the ground demonstrates the District Plan is achieving the goal of the Strategy which is to maintain retail and office activity in the core of city and discourage dispersal of these activities to the industrial fringes of the city.

The Inner Business Zone is facing a number of challenges relating to vacancy levels for office space, building seismic issues and a lack of investment in new building stock. The demand for new fit-for-purpose office space in the outer business zone (see Figure 15) is hollowing out office activity in the IBZ and the growth in the retail market sits in the large format sector. For these reasons there does not appear to be a need for additional land to meet the needs of pedestrian-orientated comparative retail or office activity in the IBZ in the short to medium term (0-10 years) and potentially over the long-term (10 to 30 years).

The recently completed Palmerston North Housing and Business Capacity Assessment report (May 2019) suggests a further targeted review of Business Zone District Plan land use provisions may be required to further refine and manage the approach to retail and office activity. Further work may also be required to the Council's rating policy for Business Zone land and policy regarding the purpose of Council's lease car parking in the Business Zones.

Outer Business Zone (OBZ)

There has been a significant movement of large format retail spend in the Inner and Outer Business Zones in the following sectors:

- Electrical and electronic goods' retailing have increased their market share in the Outer Business Zone from 63% to 76% in the period 2012 to 2018
- Furniture, floorcoverings, housewares and the textiles sectors have increased from 37% to 44% over the same period

Examples of this trend over this period included developments on Rangitikei Street such as Farmers Home Centre, Stevens, Bed Bath and Beyond and Harvey Normans and Smiths City on Main and Princess Streets.

There appears to be ongoing supply of land that meets the functional and locational need of these activities. However, the Zone has suboptimal development yield, and significant ongoing development capacity that includes 3.5ha of land rezoned in 2011 that is yet to transition to commercial use.

The targeted review of the District Plan will need to consider whether the policy and development settings of the OBZ remain appropriate in the context of maintaining the on-going hierarchy of Business Zones.

Fringe Business Zone (FBZ)

The 13,829m² of development in the Fringe Business Zone since 2008 has occurred in the northern part of the FBZ. The rate of development in the FBZ was suppressed by the start of the Global Financial Crisis, which started at the end of 2007/early 2008. Development in the Zone has picked up since 2011, however across the Zone development uptake has been subdued.

It is 10-years since the FBZ became operative in the District Plan and the Zone is now due to be reviewed. An assessment of the FBZ planning provisions will be required to ensure it is fit for purpose and its role continues to sit comfortably within the overall hierarchy of business zones in the District Plan. The assessment will need to consider whether the mix of activities provided for in the Zone remains appropriate or whether a wider range of activities should be provided for to ensure the natural and physical resources of the Zone are efficiently utilised.

There may be an opportunity to consider promoting increased mixed-use to occur in the FBZ, including residential use. There are several locations in both the northern and western areas of the FBZ that could offer opportunities for residential use in close proximity to the central city and recreational activities such as the Esplanade and the river pathway.

The assessment will also need to consider whether a tightening of regulatory control on large format retailing and associated activities is required in the OBZ, or whether the status-quo remains appropriate.

Local Business Zones (LBZ)

The fourth level of business activity within the hierarchy is the City's local business areas. The primary purpose of the City's local business areas is to provide for the day-to-day shopping and service needs of surrounding residential areas. The City's local business areas are local centres that include a range of small shops, professional services, and community facilities. Local centres have established in new residential areas such as Aokautere and Kelvin Grove and have included smaller supermarkets focused on serving their surrounding suburbs.

Anchor Stores

Anchor stores are the large retail shops that draw consumers to the area, and help surrounding retail business by increasing the amount of foot and vehicle traffic. The opening or relocation of these businesses can make and/or break parts of retailing in the City. In Palmerston North, recent changes in the location of major stores have been:

- Farmers opening up another store in Rangitikei Street in 2017
- Cotton On moving into a larger site Broadway from within the Downtown Mall
- Smiths City, Hunting and Fishing and Repco moving closer to CBD
- Mitre 10 Mega moving closer to CBD from John F Kennedy Drive to Featherston Street in 2011
- Rebel Sport and Briscoes moved closer to the CBD from Main Street to Cuba and Rangitikei Street in September 2010
- Farmers moving from Broadway Avenue to the Plaza in 2010
- The Warehouse moved away from CBD from Cuba Street to between Main Street and Church Street in 2005

Many businesses around Cuba and George Street welcomed the opening of Rebel Sport and Briscoes, as the building they now occupy had been empty for five years after The Warehouse moved out. Since then the area has thrived, with increased foot traffic between Rebel Sports and Briscoes and Harvey Norman, as these stores offer the closest free parking to the CBD.

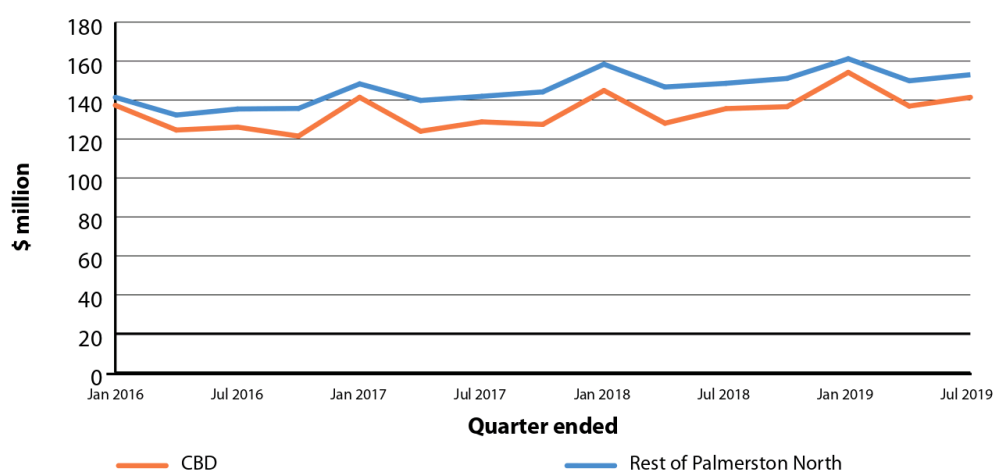
Downtown Mall and Rangitikei Street have also benefited from the recent changes. The completion of the revamped food court and new health hub in Downtown have brought pedestrian and traffic flow back to the area.

The changes in location for some anchor stores have continued to keep retail healthy in Palmerston North. In some other cities the development of malls and multiple anchor stores in the suburbs have resulted in the decline in retail business in the CBD. This is because they draw the consumers out into the suburbs where these anchor stores are located, but there are few small retail businesses located there. For example, in Hamilton, two big shopping malls have been built in the suburbs (Westfield and The Base). In 2013, Property Economics reported that vacancy rates were 16% in the Hamilton CBD.

Palmerston North main shopping areas

Palmerston North retail data by precinct shows that around 48% of retail spending in Palmerston North occurs within the CBD and 52% is in the remainder of the city. Supermarkets and fuel outlets account for a significant share of the retail spending that occurs outside of the CBD. The rate of growth in spending in the CBD was weak during 2017, but since July 2019 has been stronger than the overall growth rate for the city.

Figure 16: CBD and non-CBD retail spending in Palmerston North



Source: Marketview

The Plaza

The Plaza remains the primary shopping mall in the CBD, containing three banks (BNZ, Westpac and ASB, which are the only banks in Palmerston North open seven days a week), Kmart, Countdown and Farmers. The redevelopment completed in March 2010 added 40 stores, many of which were new to Palmerston North. It also led to the development of a larger food court and 600 new car parks were added in a new multi-level car parking building. Following the redevelopment, the Mall changed the cost of parking, from two hours free parking to a free first hour, with a maximum daily fee of \$10. These charges remain today, despite the controversy it caused at the time. Other malls like Auckland's Sylvia Park and St Luke's, The Base and Chartwell centres in Hamilton, and Bayfair at Mt Maunganui are all free. It has been possible for the Plaza to successfully apply parking charges because the streets around the Plaza are also subject to parking charges, unlike the suburban malls in these other centres.

Two bird's eye views of the Plaza before and after the redevelopment are shown in Figures 17 and 18.

Figure 17: Plaza 2007 (before redevelopment)

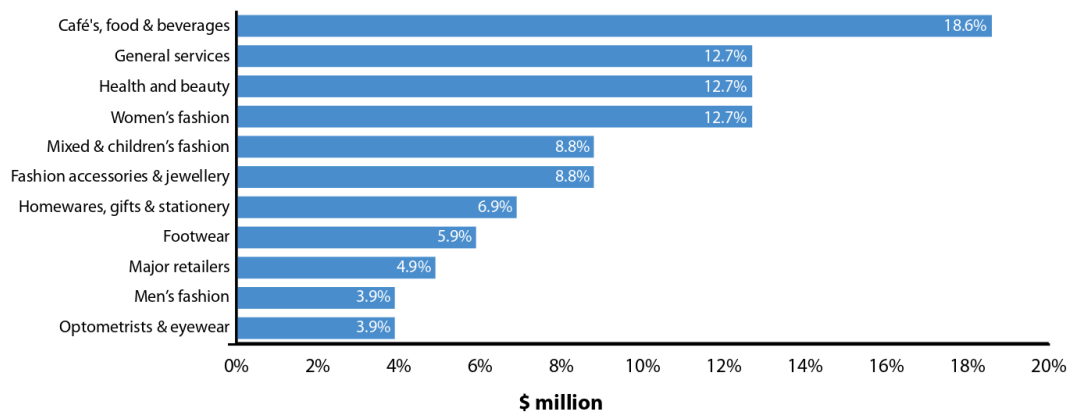


Figure 18: Plaza 2012 (after redevelopment)



The Plaza's wide variety of shops makes it very successful. Figure 19 on next page illustrates the wide range of stores in the Plaza which attract different people, benefiting all retailers in the Plaza through high pedestrian counts past their stores.

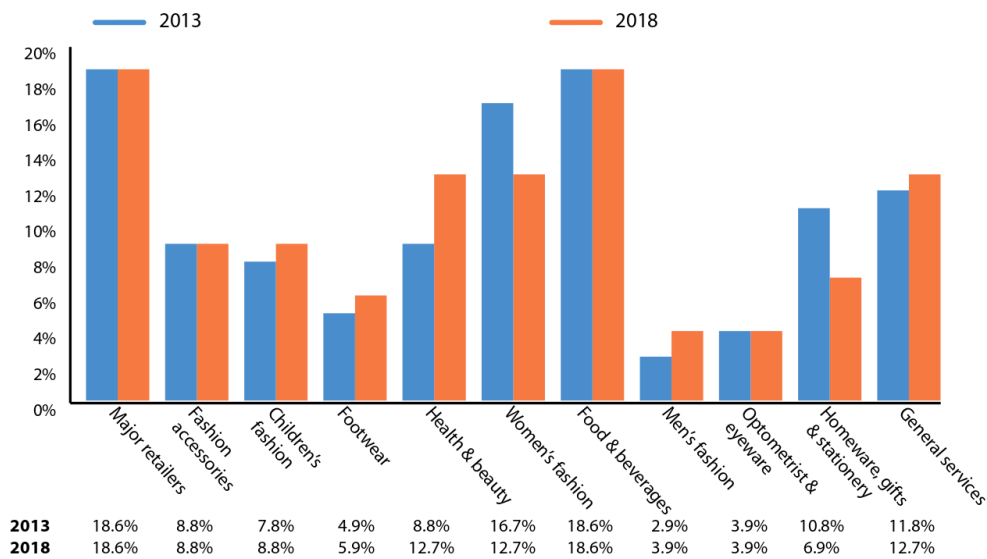
Figure 19: Types of retail stores in The Plaza



Source: Palmerston North City Council

Figure 20 shows the comparison between 2013 and 2018 in terms of the change in retail storetypes in the Plaza.

Figure 20: Comparison of Plaza retail store types in 2013 and 2018



Source: Palmerston North City Council

George Street

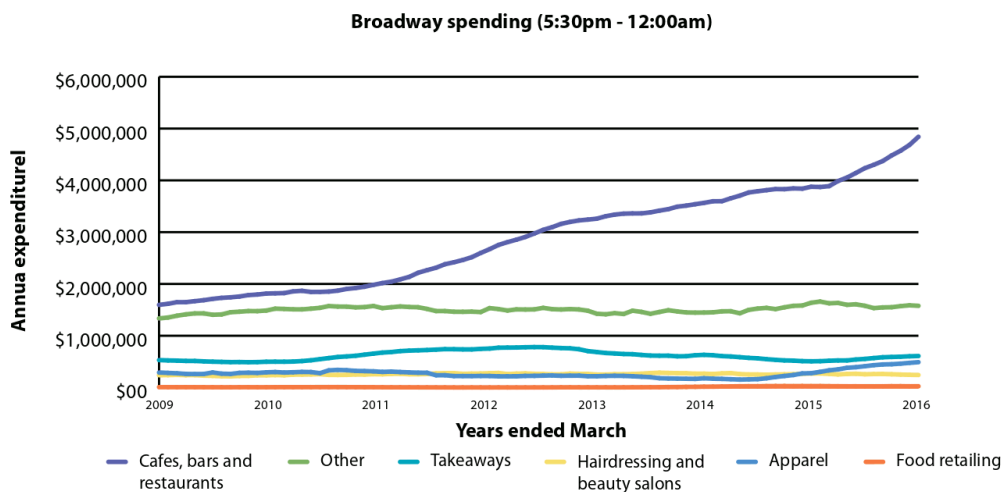
George is still a prime retail street, benefitting from the foot traffic between the anchor stores (Harvey Norman, Rebel Sports and Briscoes) and the Central Library. The movement of Rebel Sport and Briscoes from Main Street East to Cuba Street has helped to support activity in George Street.

One thing that continues to differentiate George Street businesses from the rest of the businesses in the CBD is the use of the footpath and road in front of their stores. Of the 41 businesses located down the street, at least 24 have footpath signs, chairs and tables parklets to liven up the atmosphere of the street and encourage shopping. Recently Downtown has taken the same approach as George Street. Small developments over time continue to make George Street an important retail hotspot in Palmerston North.

Broadway Avenue

Broadway Avenue had the biggest decline in activity out of the entire shopping area in the Inner Business Zone. This was mainly caused by Farmers moving to the Plaza from Broadway. The two main attractions on the street are still The Regent and Downtown Mall. Because of these two anchor activities, the focus of Broadway Avenue has increasingly been on night activity, resulting from more restaurants and cafes opening.

Figure 21: Annual electronic card spending in Broadway by storetype (5.30pm - 12.00am)

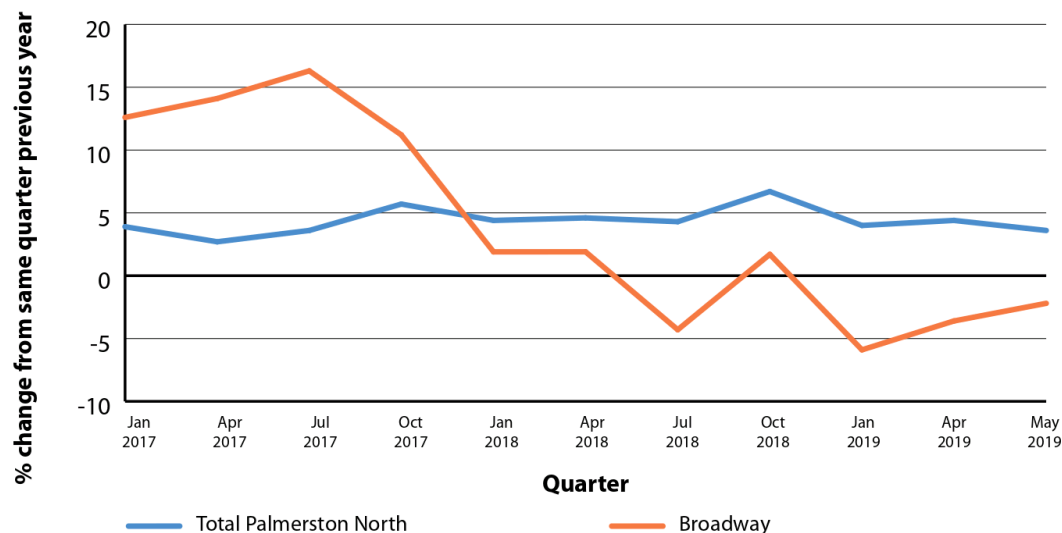


Source: Marketview

Because some of these restaurants are closed during the day or open later in the day, the street is quieter during the day. However recent redevelopment has had a positive impact on the street. More footpath signs, chairs and tables, and parklets have been put in to liven up the atmosphere and improve the appearance. Cotton On moving onto Broadway from within the Downtown Mall, and the updating of the food court have brought much needed traffic flow back to the area. Friday remains the busiest week night, with people making use of the late-night shopping, movies and bars/restaurants.

Originally there were concerns about the decline of Broadway Avenue, which had been variously attributed to council actions or inaction and to lack of efforts by landlords. However, the recent redevelopments have benefited the area greatly. Strong growth was recorded in retail spending in Broadway during 2017, but a decline in spending occurred following the Whitcoulls closure in Broadway in May 2018.

Figure 22: Quarterly rate of change in retail spending



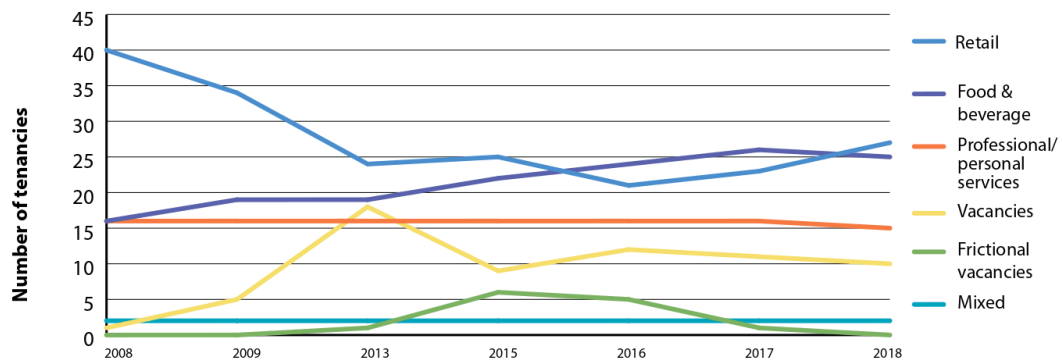
Source: Marketview

Currently on Broadway Avenue, between the Square and Princess Street, the mixture of stores is:

- 35% Retail
- 32% Food and Beverage
- 19% Professional services
- 13% Vacancies
- 1% Mixed

Figures 23 – 25 show the trends in tenancies in the three CBD sections of Broadway Avenue. The frictional vacancy category in the graphs refers to tenancies that are vacant but have been leased or are undergoing renovation or strengthening work.

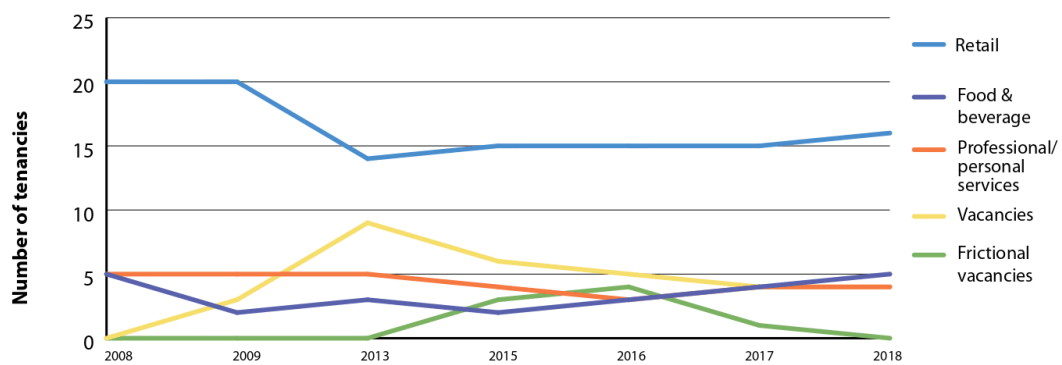
Figure 23: Trends in tenancy numbers in Broadway (The Square – Princess Street) 2008 - 2018



Fictional vacancies - tenancies that are vacant but have been leased or are undergoing renovation or strengthening work

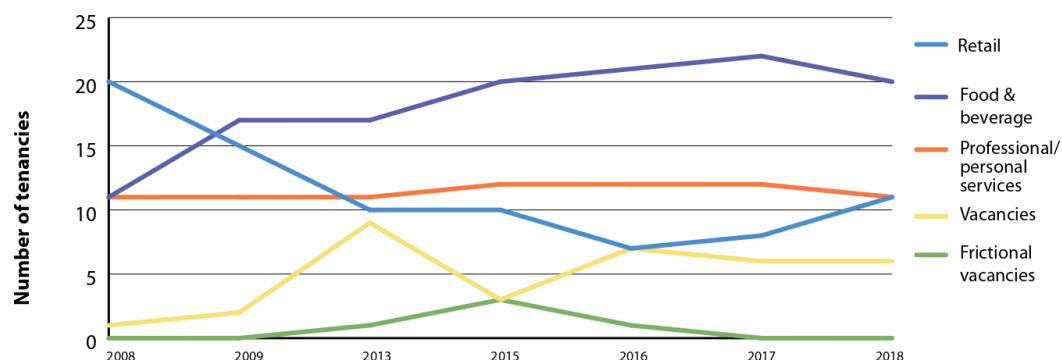
Source: Palmerston North City Council

Figure 24: Trends in tenancy numbers in Broadway (The Regent – Princess Street) 2008 – 2018



Fictional vacancies - tenancies that are vacant but have been leased or are undergoing renovation or strengthening work

Source: Palmerston North City Council

Figure 25: Trends in tenancy numbers in Broadway (The Square – the Regent) 2008 - 2018

Fictional vacancies - tenancies that are vacant but have been leased or are undergoing renovation or strengthening work

Source: Palmerston North City Council

Footpaths and accessibility

Footpaths are the routes that pedestrians take to get from A to B. If a CBD footpath is designed poorly then it can discourage pedestrians from going to a specific area of the CBD and, therefore, affect retailers in that area. Changes affecting pedestrian flows in the CBD have been:

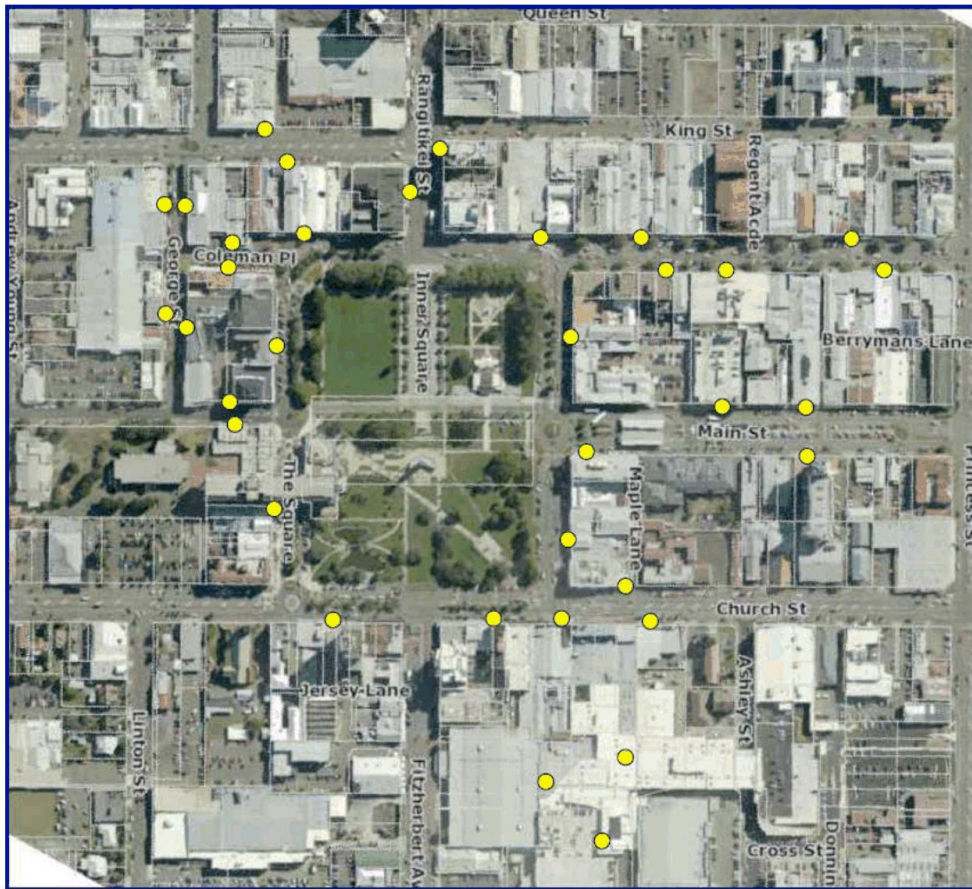
- The loss of access to Broadway Avenue from King Street through Farmers, which has contributed to loss of foot traffic and business in Broadway and King Street
- At the corner of George and Cuba Street the roundabout has been removed and the footpath and grass area widened
- The redeveloped Plaza has four entrances and, therefore, an increase in its accessibility for the public
- Redevelopment of the Downtown Mall, making it more appealing and increasing pedestrian flow.
- Redevelopment of paths and roads around CBD to improve accessibility

Pedestrian counts

Pedestrian count data show the routes that shoppers take while walking through the CBD and the popular areas for pedestrians. These are used by retailers and landlords to determine whether there is good foot traffic going past their business and are one factor in determining the amount of rent that is charged for premises.

Pedestrians are defined as adults over the age of 15 (excluding Police, construction and delivery workers) who are considered to be likely genuine shoppers. Figure 27 shows the locations where pedestrian counts were taken in 2018.

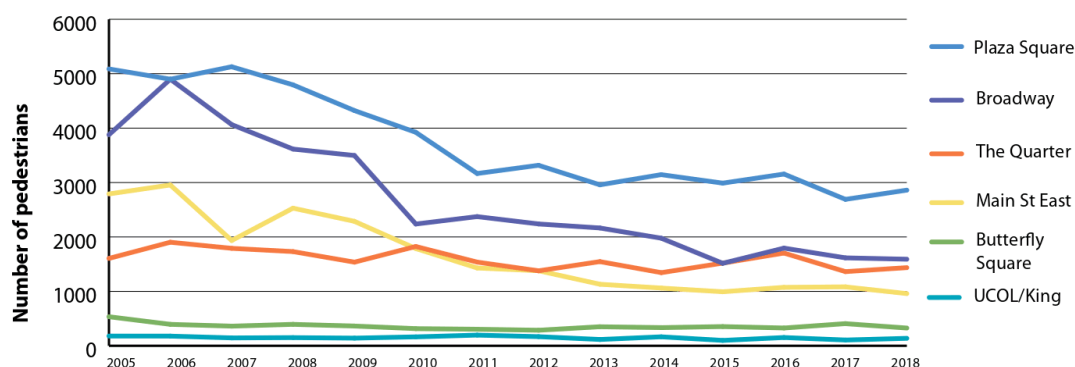
Figure 26: Sites where pedestrian counts take place



Source: Property Institute Palmerston North

The Manawātū Branch of the Property Institute of New Zealand (PINZ) conducts the annual inner-city pedestrian survey for Palmerston North in November. This pedestrian survey has been undertaken by the branch since 1985. In 2018 the pedestrian counts were conducted for a period of half an hour at the following times:

- Wednesday 7th November
 - 10.30-11am in the morning
 - 2.15-2.45 in the afternoon
- Saturday 10th November
 - 11.30-12.00pm

Figure 27: Pedestrian counts by place

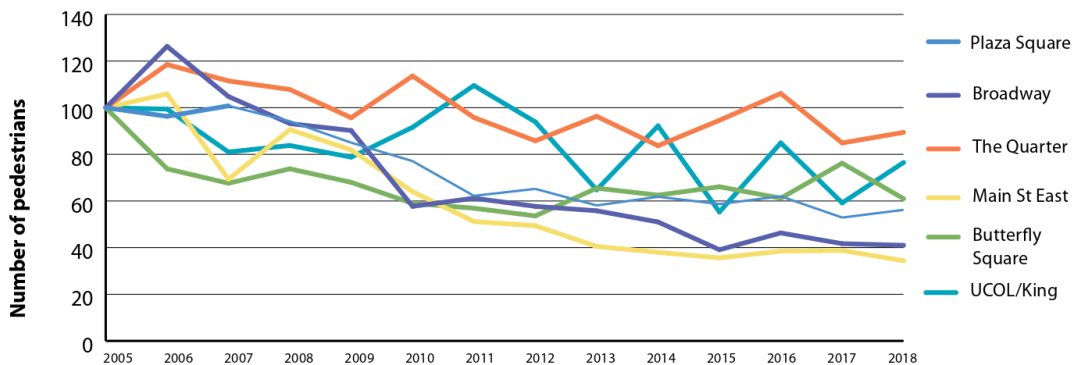
Source: Property Institute Palmerston North

In Figure 27, Butterfly Square refers to the pond side of The Square and The Quarter is Coleman Place, Rangitikei, Cuba and George Streets.

Between 2005 and 2013 all areas saw a decrease in pedestrian counts. The 43% decline in the overall pedestrian count across all sites had a major negative impact on all retail in the CBD. The significant increase in car parks within the Plaza complex, and the increase in the number of stores in the Plaza, were the main factors in the decline in the pedestrian count at the entrance to the Plaza from the Square. Another reason for the decline in other areas was the greater availability of street parking spaces, making it more convenient for customers to drive from shop A to shop B instead of walking there.

Since 2013, pedestrian counts have generally decreased in all areas, but the rate of decline has slowed. Broadway had a significant drop between 2013 and 2015 and then again in 2017. This could be due the redevelopment occurring during this time, as well as the closure of parts of Downtown Mall for construction. The weather on the day of the counts has an influence on the annual change in count numbers, and events held in the city, particularly on Saturdays, also influences the outcome.

Since the volume of pedestrian counts at each location differs, an indexed graph (Figure 28) is used to show changes in the volume of counts in each area within the CBD.

Figure 28: Index for pedestrian counts by place

Source: Property Institute Palmerston North

Earthquake Risk and Earthquake-Prone Buildings Policy

The Canterbury and Kaikoura earthquakes of 2011 and 2016 provided a stark reminder that New Zealand is seismically active, and the impact of a significant earthquake event in an urban environment can be huge. Palmerston North is in a moderate-high risk seismic zone. It lies between the collection zone between the Indo-Australian and Pacific tectonic plates. In July 2017 the Building (Earthquake-prone Buildings) Amendment Act 2016 took effect.

The Palmerston North City Council is implementing a multi-year project to assess which buildings are likely to be earthquake-prone. Buildings must be individually identified and assessed, meaning there is still no authoritative dataset yet of all buildings in Palmerston North.

Rents and vacancy rates

Rents and capital values for retail sites indicate what shop owners are willing to pay to operate their business and can be a good indicator of retail health. Low rents and capital values may indicate that there is not much interest in opening retail outlets or that there is a high vacancy rate. However, it may also mean higher profits for retailers if the fixed cost of rent is lower.

The Blackmores June 2018 Palmerston North Regional Market Snapshot for the commercial and industrial sector showed a wide variation in inner and outer business zone rents and vacancy levels, due to differences in the quality of buildings. In the inner business zone leasing trends data showed a range of \$100 to \$800 per m2 (total occupancy cost basis).

Table 5: Inner business zone leasing trends and demand/supply (June 2018)

Property quality	Rents - \$ per m ²		Building grade		Demand	Supply	Gross floor area (m ²)
	Low	High	Grade	Quality			
Grade A	\$300	\$100	A	Good - post-2000	Flat	Sufficient	72,750
Grade B	\$150	\$400	B	Average - 1960s - 1990s	Flat	Sufficient	222,271
Grade C	\$100	\$200	C	Poor - pre-1960	Weak	Surplus	77,444
Total							372,465

Average rents (total occupancy cost basis) at either end of range, without extreme

Source: Blackmores

The highest rents were in Grade A buildings, where the vacancy rate was 0.6%, while the lowest rents were in Grade C buildings, where the vacancy rate was 32.2%. The overall vacancy rate for the inner business zone was 11.9%, with a total of 44,508 m² vacant space in June 2018 (see Tables 5 and 6).

Table 6: Inner business zone vacancy levels (June 2018)

Property quality	Ground floor			Upper floors			Total	
	Gross floor area (m ²)	Vacancy		Gross floor area (m ²)	Vacancy		Gross floor area (m ²)	Vacancy (%)
		%	Trend		%	Trend		
Grade A	56,032	0.0%	Flat	16,718	2.6%	Flat	72,750	0.6%
Grade B	100,051	5.4%	Flat	122,220	11.2%	Flat	222,271	8.6%
Grade C	53,245	30.4%	Up	24,199	36.1%	Up	77,444	32.2%
Total	209,328	10.3%		163,137	14.0%		372,465	11.9%

Source: Blackmores

As shown in Table 7 and 8, rents were much lower in the local and outer business zones than the inner business zone, with a range of \$100 to \$300 per m². Overall vacancy rates in the local and outer business zones were lower than for the inner business zone, averaging 7.0%. The vacancy rate in Grade A buildings was 0.7% while the vacancy rate in Grade C buildings was 12.6%. There was total vacant space of 29,620 in the local and outer business zones.

Table 7: Local and outer business zone leasing trends and demand/supply (June 2018)

Property quality	Rents - \$ per m ²		Building grade		Demand	Supply	Gross floor area (m ²)
	Low	High	Grade	Quality			
Grade A	\$200	\$300	A	Good - post-2000	Strong	Scarce	96,803
Grade B	\$150	\$250	B	Average - 1960s - 1990s	Flat	Sufficient	213,713
Grade C	\$100	\$150	C	Poor - pre-1960	Weak	Sufficient	111,074
Total							421,590

Source: Blackmores

Table 8: Local and outer business zone vacancy levels (June 2018)

Property quality	Ground floor			Upper floors			Total	
	Gross floor area (m ²)	Vacancy		Gross floor area (m ²)	Vacancy		Gross floor area (m ²)	Vacancy (%)
		%	Trend		%	Trend		
Grade A	73,848	1.0%	Down	22,955	0.0%	Down	96,803	0.7%
Grade B	168,842	5.3%	Flat	44,871	13.5%	Flat	213,713	7.0%
Grade C	93,404	11.3%	Up	17,670	19.0%	Up	111,074	12.6%
Total	336,094	6.0%		85,496	11.0%		421,590	7.0%

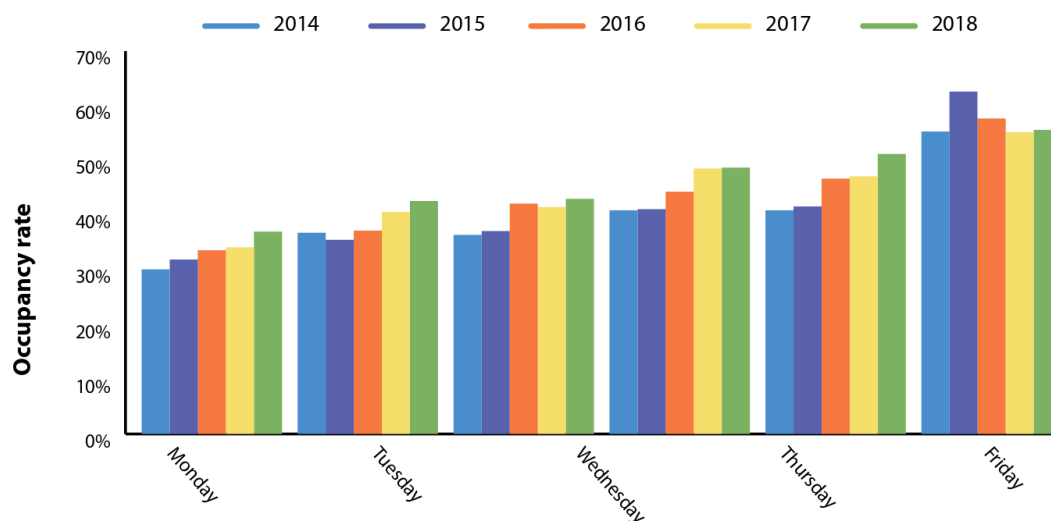
Source: Blackmores

Capital values

The latest three-yearly revaluations by Quotable Value (QV) show strong growth in land values and capital values in the QV central commercial zone. Land values for commercial properties increased by 26.0% between September 2015 and September 2018, while total capital values increased by 12.2%. The previous revaluation in 2015 showed declines of 13.8% in commercial land values and a decline of 6.8% in capital values in the central commercial zone.

Parking

Parking has a significant effect on the health of the retail sector. Too much free parking or too many available parks decreases the amount of foot traffic as most consumers will drive from shop A to shop B instead of walking, decreasing the number of 'impulse purchases'. If there is too little parking, it will discourage consumers from visiting and shopping in the CBD.

Figure 30: Parking occupancy by day of week in November

Source: Ezicom/Parkmanager

Data for parking occupancy by street (Table 10) shows a wide variation in occupancy rates across metered areas, ranging from 95% in Cross Street to 6% in the Campbell Street car park. The high occupancy rates in Cross Street and Queen Street are likely to be due to workers taking advantage of the removal of time limits and very low hourly parking rates. However, there are a few areas with low hourly rates and low occupancy, particularly the Selwyn/Pitt Street car park and Campbell Street carpark.

Table 10: Parking occupancy by street in November 2018

Location	Number of parking spaces	Hourly rate	Occupancy rate
Cross Street	12	\$0.50	95%
Queen St	52	\$0.50	84%
Coleman Place	16	\$1.50	70%
Donnington Street	27	\$0.50	70%
Ashley Street	7	\$1.00	66%
George St	37	\$1.50	64%
Church St	140	\$1.00 or \$1.50	59%
Linton car park	51	\$1.00	59%
Globe car park	42	\$0.50	58%
Church St car park	10	\$1.00	55%
Broadway Ave	158	\$1.50	54%
The Square	283	\$1.50	49%
Princess St	11	\$1.50	49%
Civic Centre car park	56	\$1.00	49%
Main St East	149	\$1.00	47%
King St car park	47	\$1.00	47%
Cuba St	44	\$1.50	46%
King St	100	\$1.50	43%
Central Square car park	47	\$1.00	40%
Main St West	61	\$1.50	32%
Fitzherbert Ave	82	\$1.50	30%
Selwyn/Pitt car park	25	\$0.20	25%
Walding St	29	\$1.00	20%
Rangitikei St	75	\$1.50	19%
Linton St	41	\$1.00	12%
Cambell St car park	38	\$0.50	6%
Total CBD	1,640		46%

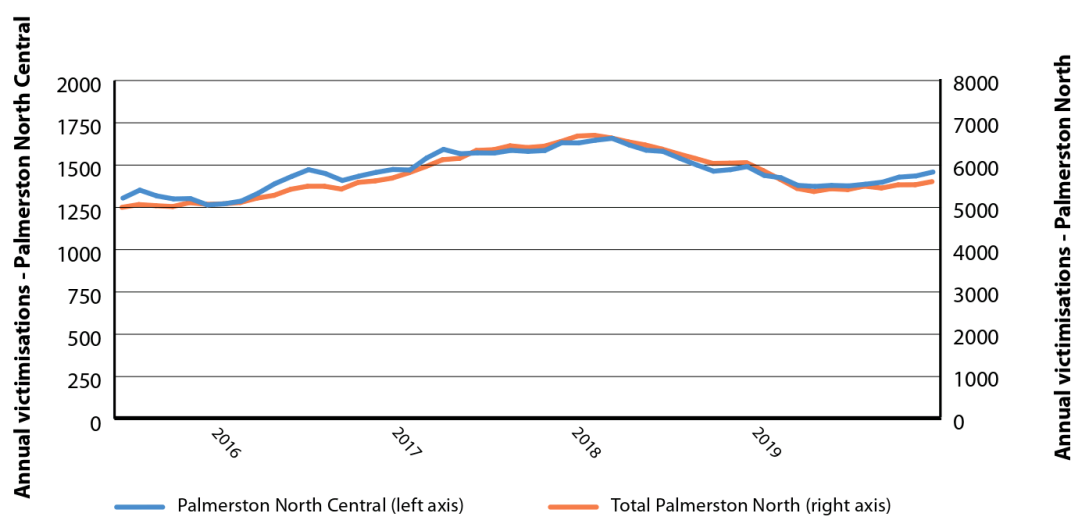
Source: Ezicom/Parkmanager

Safe atmosphere

If consumers feel safe both during the day and at night time in the CBD they will be more likely to return to the CBD to shop. They are also more likely to walk from Shop A to Shop B as they are not frightened or concerned about being harassed. If a shop is constantly being broken into or vandalised, it is an extra cost for businesses and affects the appearance of the CBD.

Police recorded crimes data shows an increase in recorded crime levels in the Palmerston North Central area unit and in Palmerston North between June 2015 and mid-late 2017. The peak in Palmerston North Central was 1,658 in the year ended November 2017.

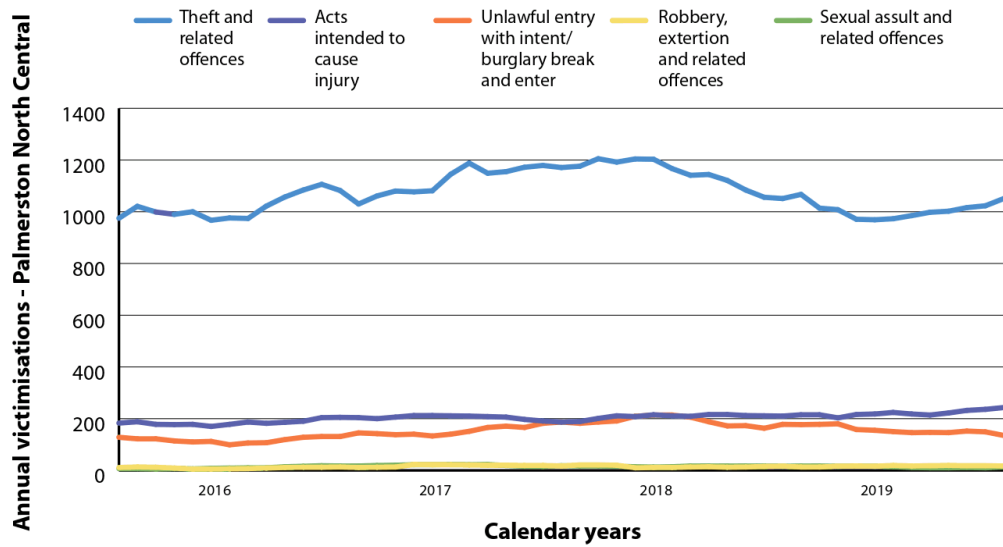
Figure 31: Recorded annual crime in Palmerston North



Source: New Zealand Police

The majority of victimisations recorded in Palmerston North Central are for theft and related offences. These increased during 2016 and 2017, declined during 2018, but began to rise again during 2019. There has been a slow increase in acts intended to cause injury.

Figure 32: Recorded crime by type in Palmerston North Central area unit



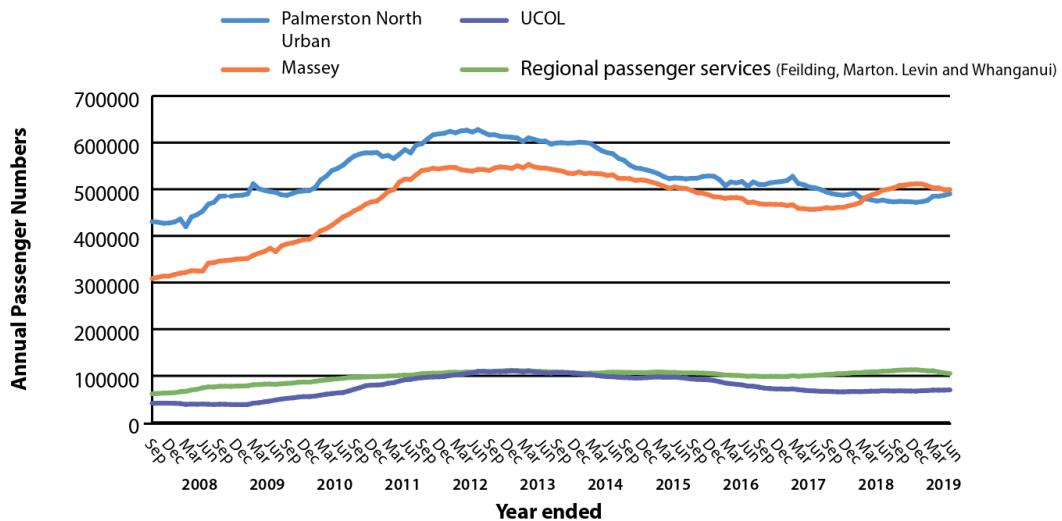
Source: New Zealand Police

Transport

Transport and transport systems are significant when measuring the liveliness of a city. The availability of public transport, roads and footpaths enable people to travel effectively and influence how much traveling they do. Most people in Palmerston North live in the suburbs which means they have to travel into the CBD, whether for work or leisure, and therefore a good transport system can be related strongly to good retail in the CBD.

Palmerston North has a reliable public bus transport service and free buses for Massey, IPU, ETC and UCOL students and staff. This free bus service encourages students living on the Massey campus to come into town and shop. It also reduces the daily amount of traffic going in and from Massey along Fitzherbert Avenue.

Figure 33: Palmerston North urban and regional bus patronage



Source: Horizons Regional Council

Figure 33 shows annual Palmerston North urban and regional bus patronage. Massey and UCOL patronage declined due to a decline in student numbers up to 2019 and the resulting reductions in staff levels in response to lower student numbers. Massey numbers have been increasing since the beginning of 2019. The growth in urban services during 2017 and 2018 was influenced by higher fuel prices and the introduction of new trial services. All services terminate at the city bus terminal in Main street, and so bring a significant number of people to that part of the CBD.

Recent building development in the CBD

Building consents data shows where construction activity has occurred in the city, so is useful for monitoring where investment is occurring. Building consents issued by the Council include the construction of new retail stores, store-fit-out prior to occupancy, refurbishment between tenancies, and strengthening of earthquake prone buildings. The Palmerston North Central area unit accounted for 50% of the value of commercial building consents issued in Palmerston North between 2003 and 2018.

Table 11: Value of building consents for commercial buildings (new buildings and additions and alterations) (total for 2003 - 2018 December years)

Area unit	Value of consents (\$)	% share
Palmerston North Central	171,323,302	50%
Papaioea	46,814,120	14%
Milson	26,633,292	8%
Takaro	15,878,400	5%
Roslyn	14,445,371	4%
Kelvin Grove	13,346,307	4%
West End	11,095,000	3%
Palmerston North Hospital	10,691,769	3%
Cloverlea	8,663,585	3%
All other area units	23,653,761	7%
Total Palmerston North	342,544,907	100%

Source: Statistics New Zealand

The Square

One strength that Palmerston North has is the large park in the middle of its CBD. Not many cities in New Zealand and around the world have this area in the centre of their city. On a sunny day this can create an excellent vibe to keep current and potential shoppers in the city. This area, if used properly, can draw people from the suburbs into the CBD. Over the years we have seen different ways the area has been used. The Ice skating rink during the winter and a wide range of events held in the Square help maintain vitality in the City Centre.

Urban Design Plan

Urban design is the process of changing the physical features of a city by creating connections between places and buildings. This encourages people to visit and enjoy an area and stimulates activity in retail. For urban design to be effective it must enhance the natural environment and use resources efficiently.

The Creative City Index

The Creative Cities Index assesses the creative pulse of places by exploring their urban dynamics, processes and projects. It differs from most indexes by looking at the city as an integrated whole from an insider and outsider perspective through a series of ten broad cross-cutting domains.

In 2013 Palmerston North invited international urban expert and author of the Creative Cities index Charles Landry to undertake a two-week residency to undertake an initial index of the city. An online survey was carried out while Charles undertook intensive interviews, site visits and presentations. The survey was repeated in 2019, using an online questionnaire only between February 8th and April 26th 2019.

Overall Palmerston North score for Palmerston North in 2019 was 55.9%, a slight increase from the score of 55.4% in 2013, although there were differences in the demographics of the people completing the survey in 2013 and 2019.

The index scores cities across 10 domains, comparing Palmerston North against 14 other cities globally. Differences in the demographics of the people who completed the Palmerston North survey in 2013 and 2019 means the changes reported may not be a true reflection of the change over time.

Table 12: Comparison of key domain results - Palmerston North 2013 & 2019 Creative Cities Index

Domain Changes above CCI average:	CCI Average 2013	PN Average 2013	CCI Average 2019	PN Average	MOVE
1. Political & Public Framework	45.7%	53.9%	48.9%	59.6%	+5.7
2. Openness, Tolerance & Accessibility	57.8%	60.8%	60.4%	63.7%	+2.9
3. Strategic Leadership, Agility & Vision	47.1%	53.0%	51.1%	53.2%	+0.2
4. Professionalism & Effectiveness	57.3%	58.4%	60.1%	62.0%	+3.6
Domain Changes below CCI average:	CCI Average 2013	PN Average 2013	CCI Average 2019	PN Average 2019	MOVE
5. Distinctiveness, Diversity, Vitality	59.0%	50.3%	60.9%	52.7%	+2.4
6. Entrepreneurship & Innovation	47.2%	44.5%	49.8%	41.3%	-3.1
7. Talent & Learning	52.9%	50.3%	55.0%	50.5%	+0.2
8. The Place & Placemaking	56.0%	46.7%	57.0%	54.4%	+7.6
Domain Changes from above to below CCI average:	CCI Average 2013	PN Average 2013	CCI Average 2019	PN Average 2019	MOVE
9. Communication, connectivity & networking	58.4%	66.5%	59.0%	57.6%	-8.9
10. Liveability & Wellbeing		66.4%	69.6%	68.9%	63.8%

Source: Palmerston North City Council

Manawatū district retail trends

Total electronic card retail spending in Manawatū district was \$206 million in the year ended July 2019, increasing by 7.7% from the previous year. This was well ahead of the 3.4% increase across New Zealand. The quarterly growth rate in the district peaked at 16.3% in the three months ended October 2018. This peak in growth was influenced by the short-term closure of the Caltex in Feilding for refurbishment in 2017. This explains the brief decline in spending in 2017.

Changes in the level of price discounting across fuel outlets in the wider Manawatū-Whanganui also appear to explain the strong growth in fuel spending in the district. Fuel spending in the district increased by 38% in the year to December 2018, a significantly stronger increase than the 13% increase in total fuel spending in New Zealand. By July 2019, the annual growth rate had slowed to 16.5% but was still well ahead of the national growth rate of 7.9%.

Figure 34: Annual change in Manawatū district electronic card retail spending

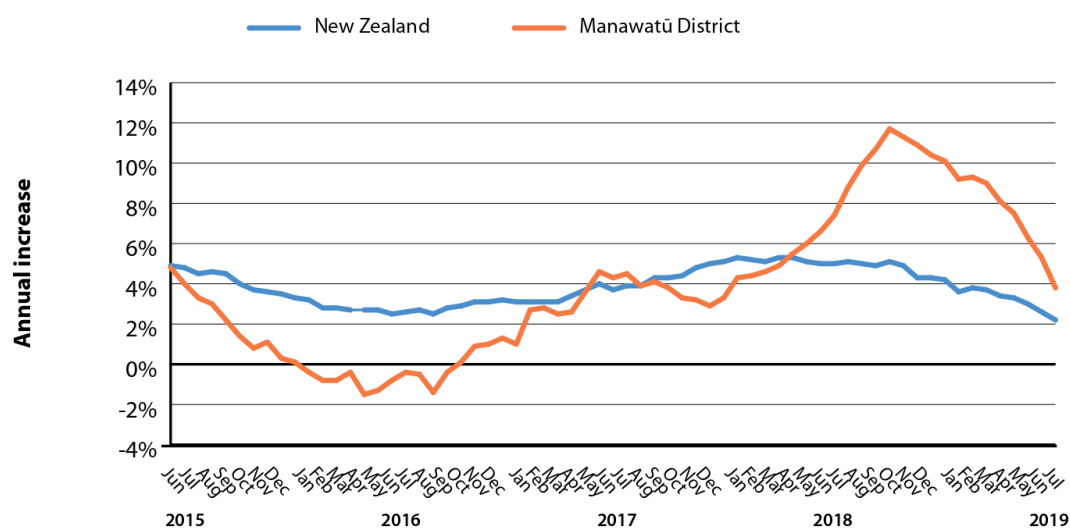
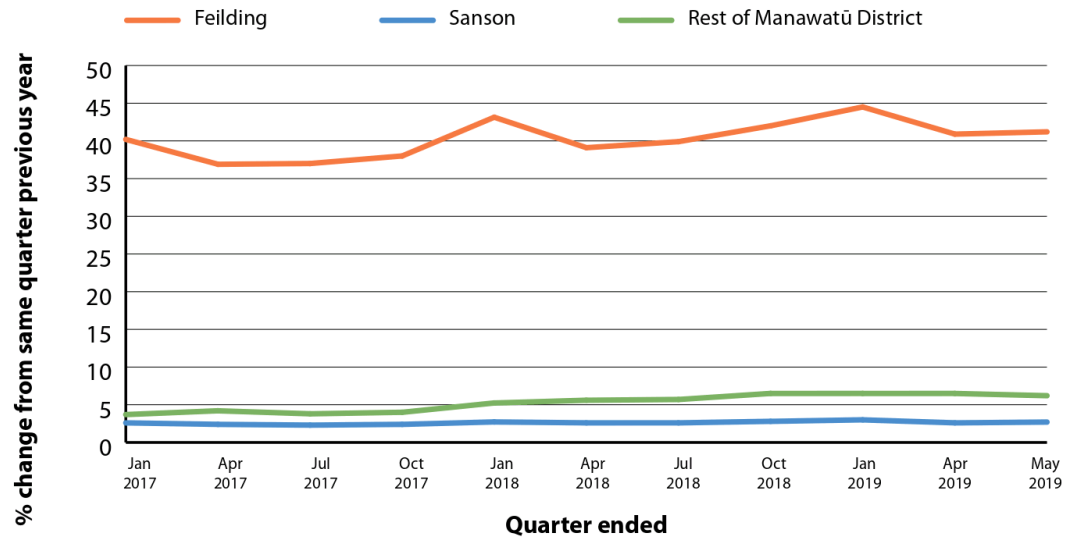


Figure 35: Manawātū district spending by retail precinct

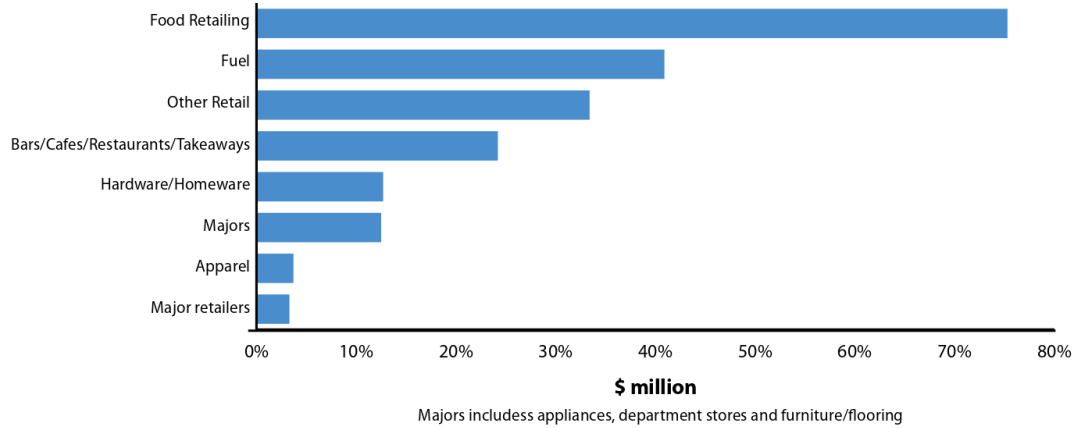
Source: Marketview



Source: Marketview

Spending outside of Feilding and Sanson has grown strongly since late 2017, with the growth likely to be due to growth in fuel spending.

Figure 36: Manawātū district spending by sector - year ended July 2019



Source: Marketview

Food retailing and fuel accounted for 56% of total retail spending in the district in the year to July 2019, significantly higher than the 44% share for New Zealand. While that is in part due to the spending by visitors driving through the region, it also reflects Manawātū district spending in Palmerston North at apparel, hardware/homeware, department and appliance stores.

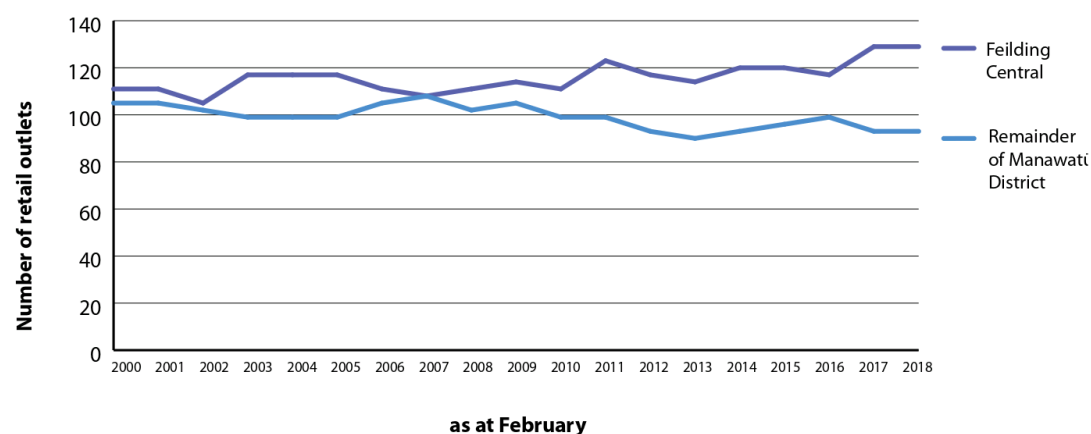
Other sectors in the district that recorded strong growth compared with the growth rate for New Zealand included:

Accommodation	3.6% (2.1% decline for New Zealand)
Apparel	3.8% (2.6% decline for New Zealand)
Bars/cafes/restaurants	8.7% (6.0% increase for New Zealand)
Majors ¹	2.7% (0.6% increase for New Zealand)
Other retail	9.9% (3.1% increase for New Zealand)

Retail businesses

The number of retail stores in the Feilding Central area unit peaked in February 2007, with 108 retail business locations recorded. The number of businesses declined to 90 in 2013 and has been largely stable since then. The number of stores in the remainder of the district has increased from 108 in 2013 to 129 in 2018.

Figure 37: Number of retail stores in Manawātū district

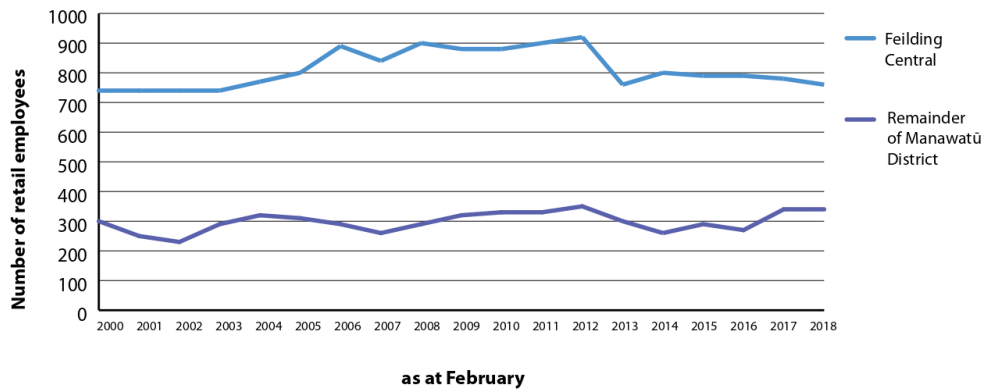


Source: Statistics New Zealand

¹ Majors includes appliances, department stores and furniture/flooring

Employment data shows a much greater share of retail employment in the district is in Feilding Central, which had 760 employees in February 2018, with an average of 8.4 employees per store. There were 340 retail employees in the remainder of the district, with an average of just 1.6 employees per store. The main contributor to the decline in employment in Feilding Central was a decline in supermarket employees from 320 in 2012 to 170 in 2018.

Figure 38: Number of retail employees in Manawatū district

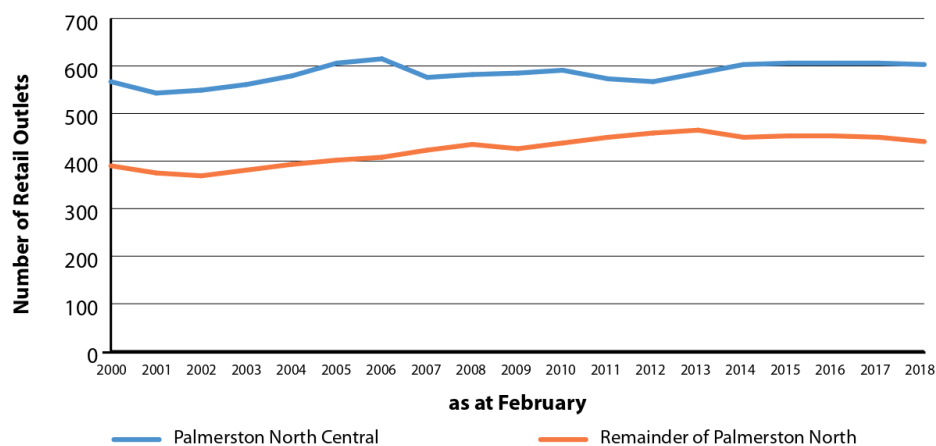


Source: Statistics New Zealand

Police

Police-recorded crimes data shows an increase in recorded victimisation levels in the Feilding West area unit and in Manawatū district between June 2015 and late 2017. There has been a gradual decline in the number of victimisations in Manawatū district since December 2017 but the number of victimisations in Feilding West has remained stable. The peak in victimisations in Feilding West was 261 in the year ended March 2019.

Figure 39: Occurrence of recorded victimisations in Manawatū district



Source: New Zealand Police



CONCLUSION

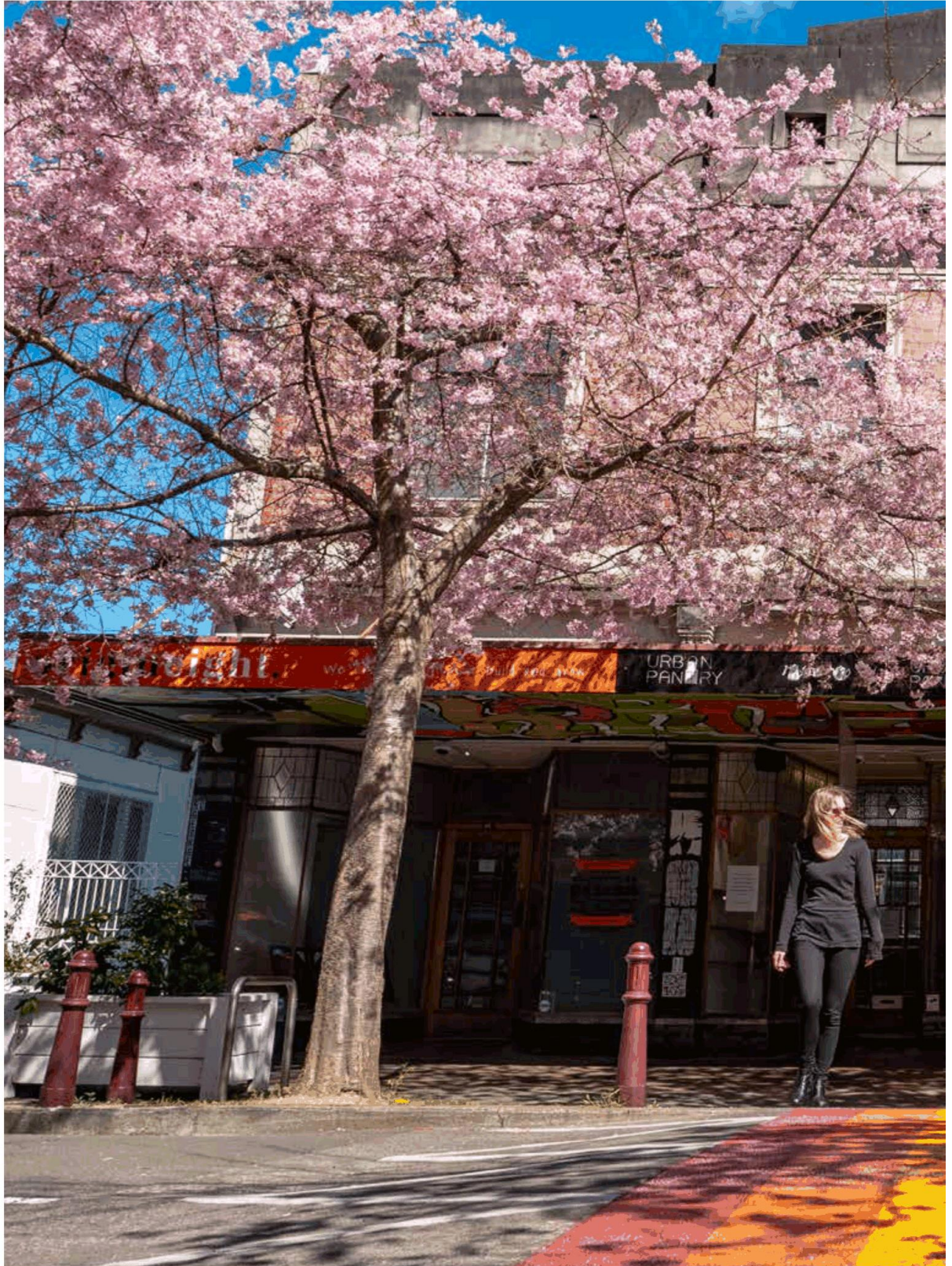
The Manawātū region has experienced strong growth in retail sales over the period since the first Retail Health Check report was produced in 2013. Growth in spending has been supported by stronger growth in incomes, faster population growth and increased visitor spending from the rest of the Manawātū-Whanganui region. Feilding has been experiencing stronger growth in spending than the Palmerston North CBD. The rate of population growth in Manawātū district has been stronger than the growth rate for the city between 2013 and 2018, so is an important contributor to this growth. However, the city's growth rate has accelerated over the past two years, and this is being reflected in the strong retail growth now being recorded.

A focus of the 2013 report was on the health of retailing in Broadway Avenue, due to the impact of the 2010 expansion of the Plaza and the transfer of several retailers from Broadway to the Plaza, which contributed to a decline in Broadway retail activity. The trend for retail spending in Broadway has been mixed between 2013 and 2019. One of the positive impacts on the street has come from the relocation of Cotton On from a store within the Downtown Mall to a larger shop on Broadway. This move initiated a period of strong growth retail spending in the street. Spending declined again in the street in 2018, following the closure of the Whitcoulls store, but Broadway is likely to record growth in the second half of 2019.

Palmerston North City Council centres-based planning policy has been successful in keeping the mall and large format retail developments close to the CBD. Since 2013, there have been several large retailers move back closer to the CBD and further establishment of new businesses in the outer business zone.

Both Palmerston North CBD and Feilding town centre will face disruption due to the need to replace or strengthen earthquake prone buildings. This will result in temporary loss of retail activity when buildings are demolished or closed temporarily during refurbishment and disruption for neighbouring retailers. However, this will be occurring during a period of strong economic growth and expansion of retail activity in the region, providing increased impetus for redevelopment.

Growth in online spending has been seen as a threat to physical retail stores, but Marketview electronic card retail data shows physical stores are continuing to experience growth in spending.





51

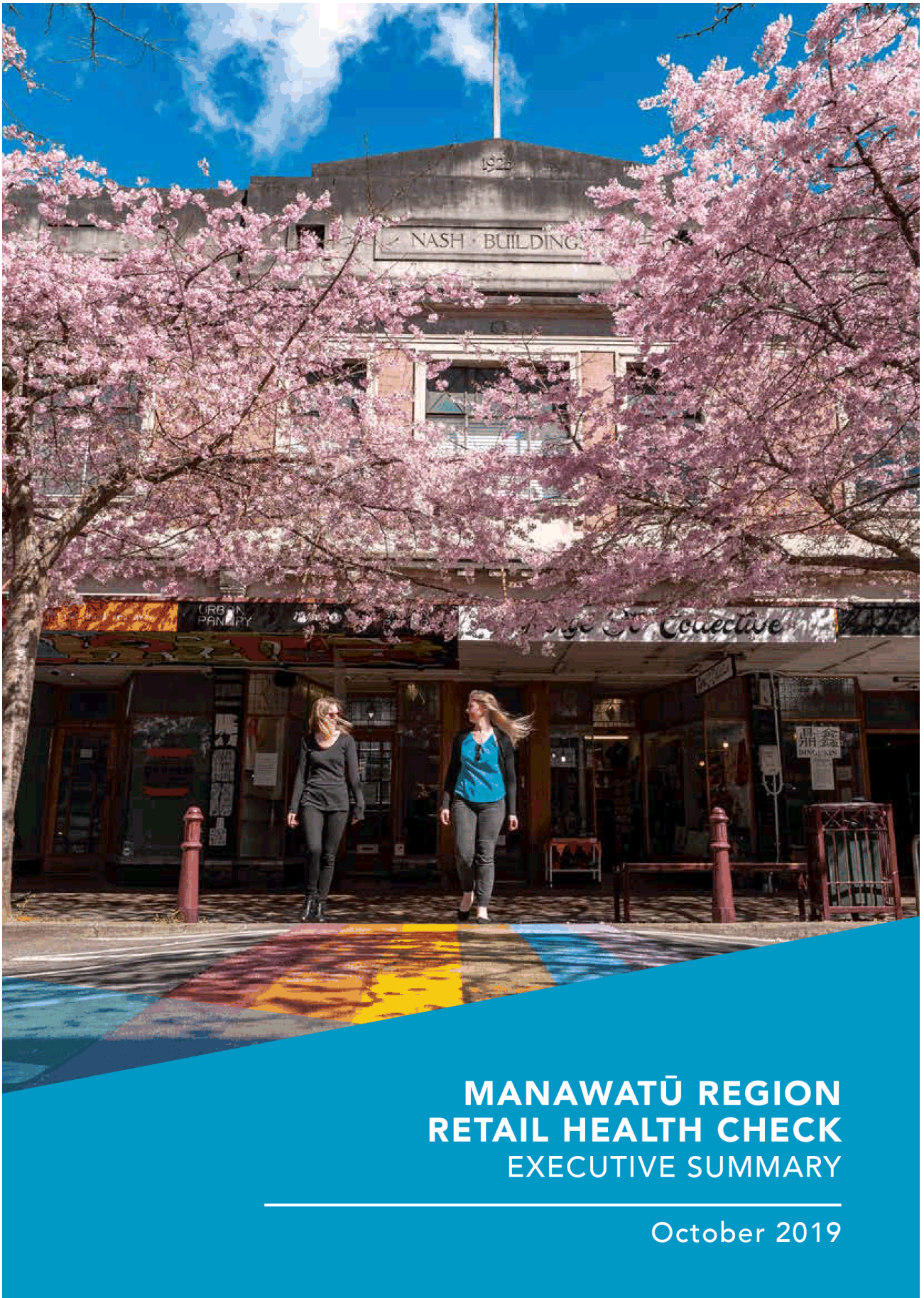


Te Kaunihera o Papaioea | Palmerston North City Council

pncc.govt.nz | info@pncc.govt.nz | 06 356 8199

Private Bag 11034, The Square, Palmerston North, 4442





MANAWATŪ REGION RETAIL HEALTH CHECK EXECUTIVE SUMMARY

October 2019



Executive Summary

The retail sector in the Manawātū region (Palmerston North and Manawātū district) is performing strongly compared to national indicators. Retail spending at Manawātū region retailers increased by 4.7% over the 12 months ended July 2019, which was well ahead of the national growth rate of 3.4%. Growth in online spending has been seen as a threat to physical retail stores, but Marketview electronic card retail data shows physical stores in the region are continuing to experience growth in spending.

The sector is a significant contributor to regional GDP, with Infometrics estimates for the retail sector suggesting it contributed \$389 million to Manawātū region GDP in the year to March 2018, accounting for a 9.9% share of total GDP in the region. Palmerston North contributed 86% of retail GDP in the region, due to its role as a significant regional retail centre for the lower North Island.

The retail sector contributed 10.3% of Palmerston North GDP in the year to March 2018 and 5.6% of Manawātū district GDP. Statistics New Zealand GDP estimates for the year to March 2018 suggest the retail sector contributed \$17,479 million to national GDP, a 7.2% share of total GDP.

The sector is also a significant contributor to regional employment, with a workforce of 8,900 employees in February 2018, 15.1% of total jobs in the region. Total earnings (salaries, wages and self-employment income) in the sector were \$327 million in the year ended March 2017, 9.9% of total earnings in the region.

The city has experienced strong growth in retail earnings (salaries, wages and self-employment income), which increased by 112% between 2000 and 2017. However, this was weaker than the national retail earnings growth of 139%. The growth in the region has been supported by Palmerston North's role as a significant regional retail centre and the success of non-store retail companies in the city, such as Ezibuy.

Visitor data shows Palmerston North is a significant domestic visitor destination, reflecting its central position in the lower North Island and its strong retail offering. The latest Marketview data shows a significant share of electronic card retail turnover in the city is made with non-resident cards, accounting for 28% of total spending at Manawātū region retailers.

Marketview retail spending estimates also shows a high level of loyalty by Manawātū region residents, with 77% of their annual retail spending going to local retailers (excluding online spending), a much higher share than the 66% loyalty score for New Zealand. Online spending data also shows that Manawātū residents spend a lower percentage of their retail spending through online retailers.

Manawātū district has experienced strong growth in retail spending over the past 18 months, but an important contributor to this growth has been an increase in fuel spending. The district is experiencing strong population growth, which is also supporting strong growth in the retail sector.

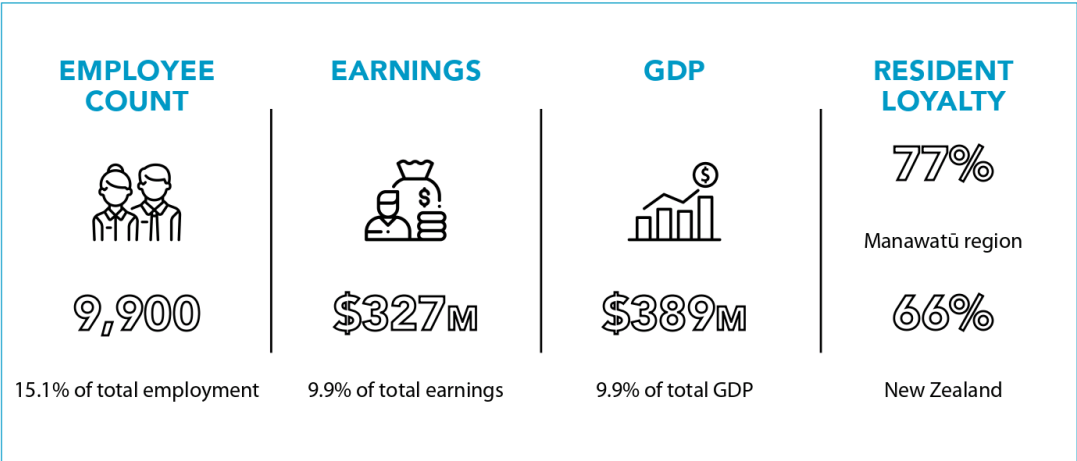
Over the last 10 to 15 years there have been major shifts in the retail sector in Palmerston North, which have resulted in growth in retail activity in some areas and periods of decline or weak growth in others. A high level of investment in the construction of new retail floor space has created significant additional competition for existing retailers in the City, and impacted property owners through increased vacancy rates. The increase in the total number of retail stores means that individual retailers have not experienced the rates of growth reflected in the overall data for the city. The most recent retail data shows strong growth in the value of retail spending in the central business district (CBD) despite increased investment in retail activity in the outer business zone.

The retail sector is a significant source of part-time employment in the region and employs a higher share of young people. Data from the 2013 Census shows that the 15 – 24 age group accounted for 36% of employment in the retail sector in the Manawātū region, while this group accounted for 17% of overall employment in the region. The sector also has an important role as the first paid job for many people, who go on to work in other sectors.

Councils have an important role to play in maintaining and supporting a healthy retail sector, particularly in the city or town centre, but retail property owners and retail businesses also play important roles in supporting the health of the sector. Palmerston North City Council centres-based planning policy has been successful in keeping the mall and large format retail developments close to the CBD. Since 2013, there have been several large retailers move back closer to the CBD and further establishment of new businesses in the outer business zone.

Both Palmerston North CBD and Feilding town centre will face disruption due to the need to replace or strengthen earthquake prone buildings. This will result in temporary loss of retail activity when buildings are demolished or closed temporarily during refurbishment and disruption for neighbouring retailers. However, this will be occurring during a period of strong economic growth and expansion of retail activity in the region, providing increased impetus for redevelopment.

The continual development of new administrative sources of data, such as income data sourced from tax records and visitor spending data sourced from electronic card transactions, provide significant improvements in the range of data available for the City. Data has become available to measure the amount of vacant retail space and the use of car parking within the Palmerston North CBD, but further improvements in pedestrian data would be helpful.



The Retail Health Check report for the Manawātū region has been developed by the Palmerston North City Council to provide a better understanding of the Manawātū region retail sector and the contribution the sector makes to economic growth in the region. It is useful to understand which sectors are growing, and are likely to grow in the future, as well as their overall contribution to jobs and incomes in the region.

For further information please contact:

Peter Crawford, Economic Policy Advisor, Palmerston North City Council, Private Bag 11034, Palmerston North.
E peter.crawford@pncc.govt.nz



Te Kaunihera o Papaioea | Palmerston North City Council
pncc.govt.nz | info@pncc.govt.nz | 06 356 8199
 Private Bag 11034, The Square, Palmerston North, 4442



Published by:

Strategy and Planning Unit

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Timetable for Updating Sector Profiles

PRESENTED BY: Julie Macdonald, Strategy & Policy Manager

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the timetable for updating sector profiles is received.
-

1. BACKGROUND

- 1.1 This email presents a summary of progress on updating sector profiles for key sectors in the Manawātū region. The first profile was published in 2009 on the Defence sector, and over the following five years profiles were produced for all key sectors in the region.
- 1.2 The sector profiles were developed to highlight sectors that have the greatest potential to attract economic growth to the region, rather than simply responding to growth in the region. The construction sector was added to the list because of its size and the growth that was expected to occur as a result of increased housing investment and increased central and local government capital investment.
- 1.3 Benefits from developing the profiles include:
 - a. attracting inwards investment and encouraging additional investment in growth by local business,
 - b. helping the Council and CEDA to better understand the importance of the sector to the region and the different activities occurring within each sector, and
 - c. creating the opportunity for CEDA to work with local businesses/organisations to develop a strategy for supporting growth in the sector and addressing impediments to growth.

- 1.4 Work has begun on a schedule of updates to the profiles over the next two years. This programme has been assisted by new data provided by Statistics New Zealand on government and non-profit sector employee numbers and earnings. Infometrics long-term employment projections to 2050, which will be finalised in early March, will be provided as additional information to the profiles.

2. NEXT STEPS

- 2.1 Infometrics has recently supplied March 2019 GDP and total workforce estimates for all the key sectors, which will be incorporated into the profiles that are in the process of being updated. Significant work has already been done on updating the mini profiles for:
- a. Construction;
 - b. Education;
 - c. Health care and social assistance;
 - d. Logistics;
 - e. Manufacturing.
- 2.2 A draft of the full Education Sector Profile has also been developed and will be circulated to key organisations in the region for feedback once the latest Infometrics GDP and workforce estimates, and its long-term employment projections, have been added to the draft.
- 2.3 A draft of the full Non-profit Sector Profile has been prepared but will be revised once Statistics New Zealand publishes its updated 2018 non-profit institutions satellite account on 27 March. Statistics New Zealand has also, for the first time, provided data on employee numbers and earnings from salaries and wages in the Manawātū region non-profit sector. This data has not previously been available and has been provided separately for Palmerston North and Manawātū District.
- 2.4 A summary of the latest publication dates for existing profiles and planned updates to full and mini profiles is shown in the attached table.

3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
If Yes quote relevant clause(s) from Delegations Manual 166	
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No

Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the outcomes of the City Development Strategy	
The recommendations contribute to the achievement of action/actions in the Economic Development Plan	
The action is: Attract investment expansion and new businesses	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Reporting on economic trends in the city and Manawatū region, and the longer-term outlook for growth, is important for encouraging local businesses to invest in growing their businesses and attracting new businesses to the city.

ATTACHMENTS

1. Publication dates for sector economic profiles [↓](#) 

ITEM 10 - ATTACHMENT 1

Current publication dates and update schedule for sector profiles				
	Date published or to be updated			
Sector	Full Profile	Mini Profile	Status	
Agriculture	2012	2018	Infographic only	
Construction	NA	2020	In draft	
Defence	2016		To be updated in 2021	
Education and training	2020	2020	Waiting for feedback from major institutions on draft	
Health care and social assistance	2017	2020	Mini profile in draft, full profile in 2021/22	
Logistics and Supply Chain Sector	CEDA 2016	2020	Mini profile in draft, full profile in 2020	
Manufacturing	2011	2020	In draft	
Non-profit	2020	2020	Statistics New Zealand Non-profit institutions satellite account 2018 will be published on 27 March, allowing update to existing draft	
Government	2020	2020	Employee and earnings data has recently been purchased from Statistics New Zealand	
Research and development	2018	2018	To be updated in 2023	
Retail (Retail Health Check)	2019	2019	To be updated in 2024	
Tourism	2011	2011	To be updated in 2021	

Publication dates for sector economic profiles (7633464)

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: International Relations 6-monthly update

PRESENTED BY: Toni Grace, International Relations Manager

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Committee notes the progress of International Relations activity over the past six months, contributing to the International Relations Plan and Economic Development Strategy.

1. ISSUE

The purpose of this memorandum is to update the Economic Development Committee on the development of Palmerston North's key international relationships and outcomes over the past six months, and their contribution to the relevant goal, strategy and plan.

2. BACKGROUND

Effective international relations help to build bridges and open doors to opportunities for international trade, business, tourism, education, cultural exchange and investment.

Palmerston North is a growing hub of international activity and networks. We are home to world-class education and research institutes, international firms and businesses in trade. We welcome students from all over the world and speak over 130 languages in our community.

Palmerston North City Council has an important role in helping our city become more internationally connected, competitive, and vibrant. We do this in a number of ways:

- We work to build strong relationships with Embassies, High Commissions and national organisations that support international connections. These include the Ministry of Foreign Affairs and Trade, Sister Cities New Zealand, New Zealand Trade and Enterprise and the Asia NZ Foundation. The Mayor and Council also formally welcome international visitors who have economic, social or cultural significance for the city.

PALMERSTON NORTH CITY COUNCIL

- We also build relationships and cooperation with cities around the world where we share common interests and can build networks that support our regional needs and priorities.

On the establishment of the PNCC International Relations Office, the Council agreed that a six-monthly report to the Economic Development Committee was an appropriate mechanism for keeping Council informed of general progress and developments.




3. NEXT STEPS

The International Relations Office will continue to deliver actions as outlined in the report and International Relations Plan.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the outcomes of the Economic Development Strategy	
The recommendations contribute to the achievement of action/actions in the International Relations Plan	
The action is: All actions	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The International Relations 6-month report outlines the progress of actions in the International Relations Plan, which contributes to the Economic Development Strategy of Goal 1: An innovative and growing city.

ATTACHMENTS

1. March 2020_International Relations report to Economic Development Committee [↓](#) 
2. Articles related to Palmerston North Sister City activity August 2019 - February 2020 [↓](#) 
3. Missoula Council Presentation [↓](#) 

Update on International Relations Activity

Palmerston North City Council - Economic Development Committee

Wednesday 11 March 2020

This report provides an update on international relations activities and outcomes managed through Palmerston North City Council's (PNCC) International Relations Office, over the past six months.



Building and managing
key relationships

Global City Partnerships

Missoula, Montana, United States of America

What we've been up to

- Missoula and Palmerston North have been sister cities since 1982, after a partnership between the University of Montana (UM) and Massey University;
- This year, PNCC's International Relations Manager was invited by Missoula and the University of Montana to take part in an eight-week exchange programme to learn more about the city and advance new areas of cooperation;
- The objective of the visit was to establish stronger networks across government, education, and community groups in the city. Areas where it makes sense for Palmerston North and Missoula to work together will be identified;
- More detailed information about the exchange can be found in the attached presentation given to the Missoula City

Where we're going

- Opportunities through ongoing support for several promising education and best-practice sharing initiatives include:
 - The relationship between Te-Putahi-a Toi (Massey University School of Māori Knowledge) and the UM Native American Studies Department to encourage indigenous studies and student mobility;
 - A new sustainability enterprise initiative under development between the Massey Student Enterprise Hub and UM Innovation Factory;
 - Connections established between PNCC and Missoula City Council planning teams to share experience and best practice;
 - The inaugural recipients of the PNCC/Massey University Sister City travel grant (traveling to UM from June

International Relations report to the PNCC Economic Development Committee – March 2020

Council and related Sister Cities New Zealand article;

- Separate to the official exchange, the visit also resulted in education and best-practice sharing initiatives.

to December 2020) to support the above initiatives;

- UCOL's intended visit to Missoula College to explore joint programmes.

Guiyang, Guizhou Province, China

What we've been up to

- Guiyang and Palmerston North have been sister cities since 1992, originating from a relationship between Guizhou University and Massey University;
- The recipient of the Mayoral Guiyang Travel Grant visited Palmerston North in August. CEDA worked with local high schools to develop the visit programme, which included study experiences at several high schools. The student's visit was captured and shared on social media channels in China by the education agency. Awatapu College matched the travel grant with an additional scholarship, allowing another student and teacher from Guiyang to visit;
- The Mayor met with a senior delegation from Guiyang University in November in support of their growing relationship with UCOL.

Where we're going

- A group of 14 students from Guizhou University (Guiyang) were due to take part in a recent course at Massey University's School of Agriculture and Environment, however this visit is being postponed due to the Covid-2019 epidemic response;
- The next official city visit to Guiyang is likely to be aligned with the 2020 China New Zealand Mayoral Forum in May. The International Relations Office is in the early stages of planning this;
- PNCC is in discussion with CEDA and stakeholders about the opportunity to leverage this visit to promote regional priority sectors, including international education, agriculture, and aviation.

Kunshan, Suzhou Region, China

What we've been up to

- Kunshan and Palmerston North have been sister cities since 1994, which began from our local business and trade relationships. An official delegation visited Palmerston North in May 2019;
- The Palmerston North Youth Ambassador to Kunshan (Krista) is in her second year of studies at Duke Kunshan University

Where we're going

- A letter from the new Mayor of Kunshan, Zhou Xudong, invites Palmerston North's Mayor to lead a delegation to visit Kunshan this year to advance cooperation;
- The next official city visit to Kunshan is likely to be aligned with the 2020 China New Zealand Mayoral Forum in May. The

International Relations report to the PNCC Economic Development Committee – March 2020

(DKU), supported by a Friendship City scholarship from Kunshan and DKU;

- Krista was profiled nationally as a 2019 New Zealand Chinese Language Week 'Mandarin Superstar' and also organised a presentation at DKU about New Zealand and Palmerston North during the university's cultural festival.

International Relations Office is in the early stages of planning this;

- PNCC is in discussion with CEDA and stakeholders about the opportunity to leverage this visit to promote regional priority sectors, including international education, agriculture, and aviation.

Mihara, Hiroshima, Japan

What we've been up to

- Mihara and Palmerston North have enjoyed community cooperation for several years and formalised the partnership at the national Sister Cities Conference last year;
- The Hiroshima New Zealand Friendship Society generously sponsored Palmerston North triathlete David Martin to travel to Japan and take part in the Mihara Sagishima Triathlon in August 2019. David came first in the triathlon, generating some media attention (see attachments);
- The Mayor has received a large Daruma doll gift from Mihara on behalf of the city - this will be featured for the public at the Festival of Cultures World Fair alongside the replica Samurai regalia that was gifted to Palmerston North by Mihara last year.

Where we're going

- IPU's Japan Campus is advancing a comprehensive English language teaching programme to Mihara preschools, primary and secondary schools attached to Hiroshima University, which aims to increase future international education pathways;
- Skype connections between Mihara and St Peters College are occurring in February and March;
- Freyberg College is planning a music group visit to Japan in 2021 which will include a visit to Mihara
- The PNCC International Relations Office is supporting these initiatives and exploring suitable opportunities for a return visit to Japan in the near future.

Wageningen, Gelderland, The Netherlands (scoping strategic relations)

What we've been up to

- PNCC is continuing discussion with Massey University, Food HQ, and other stakeholders about ways to develop this strategic relationship, including student mobility opportunities in food science.

Where we're going

- Visitors from Wageningen City & Wageningen University and Research (WUR) are currently in Palmerston North on sabbatical and are in active discussion with the PNCC International Office on identifying further common interests and links between the cities.

Contribution to the International Relations Plan objectives and actions:

- *Develop agreements with existing international partner cities, and support their implementation;*
- *Promote our city's interests, objectives, and brand to international partners;*
- *Facilitate the establishment of Sister School relationships between local schools and international partner cities;*
- *Welcome and encourage quality overseas international education providers that are partnering with institutions in our city;*
- *Coordinate with community partners (e.g. Massey, UCOL, IPU, business networks, firms and community groups) to organise international activities and visits, and to identify ways for PNCC to add value to local efforts;*
- *Acquire valuable knowledge and insight from international partners in areas of mutual interest (e.g. city management, environmental sustainability, and emergency management); and*
- *Help local businesses to access new export markets, integrate with global value chains, and connect to international knowledge networks.*

Activity highlights overview

2019 SCNZ Forum & Core Cities Network

Palmerston North continues to be an active member of Sister Cities New Zealand and has also joined the newly re-established Core Cities International Relations Network (the Network). In the Network, several New Zealand cities with active international relations functions – including Auckland, Wellington, Christchurch, Tauranga, Hamilton, Dunedin, and Palmerston North – communicate regularly to share information, developments, and best practice. The PNCC International Office was heavily involved in the August 2019 SCNZ national forum – Investing in Relationships – and the Mayor also recently participated in the SCNZ regional networking forum in Wellington, attended by members of the diplomatic corps.



Members of the Core Cities International Relations Network

Contribution to International Relations Plan objectives or actions:

- *Partner with national agencies to align objectives and make the most of central resources and networks.*

Presentations in North America

The International Relations Office has given a number of international presentations over the past six months, including:

- Cultural Mosaic Conference, University of Montana, Missoula ;
- International speaker series – Missoula delegation discussion, Roxy Theatre, Missoula;
- Sister City and Palmy Global Ambassador presentation, AFS Global Conference, Montreal;
- Presentation to the Kiwani's Club Missoula (with Cr Jordan Hess, Cr Heather Harp) ;
- Presentation to Missoula Downtown Association Board meeting;
- Presentation to Climate Smart Missoula; and the
- Presentation to Missoula City Council (attached).

These presentations are aimed at raising awareness about Palmerston North, promoting our city and regional strengths, and sharing our unique PNCC programmes.



PNCC presentation to Cultural Mosaic Conference, Montana, by Toni Grace and Keegan Aplin-Thane

Contribution to International Relations Plan objectives or actions:

- *Promote our city's interests, objectives, and brand to international partners;*
- *Strengthen international relationships to support the flow of ideas and initiatives, allowing us to "Think Global, Act Local";*
- *Seek out valuable international networks and innovators and share ideas and knowledge with these international partners which can be usefully applied to local issues of interest.*

Global Ambassador programme – second cohort

The International Relations Office, in conjunction with the Student City and Welcoming Communities coordinators, launched a young Palmy Global Ambassador's programme in October 2018. The past six months has seen the 'graduation' of the first cohort and the recruitment of a second cohort of enthusiastic ambassadors.

The aim of the Palmy Global Ambassador Programme is to actively involve young people in support of the city's international partnerships, welcoming community efforts, and in telling our region's story to the world. It also gives local and international students the opportunity to access work experience and skills relevant to a global community and marketplace.

Eight local students (both domestic and international) have been accepted into the second cohort of Global Ambassadors. As part of the programme, they have the opportunity to be involved in a range of exciting projects including sister city activities and visits, welcoming community initiatives, and the Festival of Cultures.



The Global Ambassadors gain valuable international skills, networks, and knowledge through their voluntary work experience and are awarded an official Palmy Global Ambassador certificate at the conclusion of their annual programme.

The first cohort of Palmy Global Ambassadors receiving their completion certificates

Many of the Ambassadors from the first cohort have gone on to forge their own social and business enterprises, participate in international United Nations programmes, and apply for a range of internships and scholarships.

The Palmy Global Ambassador programme has captured the attention of other Councils and was recently replicated by Ashburton City Council.

Contribution to International Relations Plan objectives or actions:

- *Young people have the opportunity to learn about other cultures and languages through our international relationships and education providers, supporting their future participation in the global community and economy.*

Support for Latin American Tourism connection

Palmerston North-based travel company 'Take me to the World' was seeking to expand to new tourism destinations and customer markets. Company founder Nats Subramaniam spoke to the International Relations Office about an interest in expanding tourism channels to South America, in places like Argentina (where increasing airline channels are being established) and due to the strong local Palmerston North Latin American community interest. The International Relations Office already had plans to meet with the Argentinian Embassy and invited Nats along to make introductions.

As a result of the Embassy visit, Nats gained a number of useful contacts to establish a strong supplier network in South America, and now has tourism networks into Argentina, Peru, Brazil and Bolivia. The company is operating active inbound and outbound tours in the market, including niche interest tours for local language, culture and dance clubs. 'Take me to the World' joined the Tourism New Zealand South America Roadshow, promoting Palmerston North along the way. The company has also since hosted a successful local Latin American promotional event with the Argentinian Ambassador at Caccia Birch house.

International Relations report to the PNCC Economic Development Committee – March 2020

This is a good example of how strong Council relationships with the diplomatic corps can support local businesses to connect and thrive internationally.



Contribution to International Relations Plan objectives or actions:

Help local businesses to access new export markets, integrate with global value chains, and connect to international knowledge networks.






Coordinating international visits

Since the establishment of the International Relations Office in October 2016, PNCC has been involved in hosting over 78 international visits or meetings. These meetings have supported a range of important international connections for Palmerston North, including business (11 visits), education (33 visits), government (17 visits), diplomats (12) and community delegations (5 visits). Since the last report in August 2018, PNCC has been directly involved in the following 9 international visits/meetings:

When	Description	Country/region
August 2019	 <p>Deputy Mayor met with Guiyang Mayoral Scholarship students - supporting local high school efforts to connect with Guiyang</p>	China
	<p>Mayoral hosting of students from the Singapore Institute of Technology - Supporting the Massey University – SIT joint Food Science degree</p>	Singapore
September 2019	 <p>EU Ambassador met with Mayor Grant Smith to discuss city and regional linkages and give a public presentation about EU trade and Brexit</p>	EU
	<p>Israel Ambassador meeting with Mayor to discuss city and regional linkages</p>	Israel
Sept-Nov 2019	<p>International Relations Office exchange to Missoula (multiple visits/meetings). See attached presentation</p>	USA

International Relations report to the PNCC Economic Development Committee – March 2020

Oct 2019		Rugby Museum and Palmerston North City display at the Rugby World Cup exhibition in Toyota City – led by GM MarComms	Japan
Nov 2019		Guiyang University Visit – supporting relationship with UCOL	China
Feb 2020		Mayor, Deputy Mayor and International Office hosting Indonesian Mayoral delegation	Indonesia
		Japan Council of Local Authorities for International Relations visits PNCC to learn about best practice from Welcoming Communities and multicultural relations programmes	Japan

Contribution to the International Relations Plan objectives and actions:

- Promote our city's interests, objectives, and brand to international partners;
- Effectively manage inbound and outbound official delegations, and relationships with embassies and high commissions;
- Encourage and support international partners to actively participate in our local economy; and
- Coordinate with community partners (e.g. CEDA, Massey, UCOL, IPU, business networks, firms and community groups) to organize international activities and visits, and to identify ways for PNCC to add value to local efforts.

Palmerston North triathlete triumphs in Japan



SUPPLIED

Palmerston North athlete David Martin crosses the line to win the Sagishima Triathlon in Mihara City, Japan.

A Palmerston North triathlete is heading home in triumph after a big win in Japan.

David Martin won the 30th Sagishima Triathlon at Mihara City, in the Hiroshima Prefecture, last weekend, improving on his second place performance at the event last year.

About 300 Japanese athletes, alongside foreign guest athletes such as Martin, compete in the event each year.

Martin is in his final semester at Massey University, working towards a bachelor in business and is part of the university's Academy of Sport scholarship programme.

READ MORE:

- * [Triathlon newcomer off to world championships](#)
- * [Palmerston North planners honoured](#)
- * [In-form triathlete David Martin on the podium twice at World Championships](#)
- * [Palmerston North friendship formed with Mihara](#)

The programme aims to support elite athletes, such as Martin, who won two medals at the 2018 International Triathlon Union World Championships in Australia.

Martin came second in the sprint distance event and third in the standard distance event, standing out from the crowd of 5000 of the world's best triathletes.

He has also been training in Europe this year and recently competed in his first World Cup event in Hungary.

Palmerston North City Council international relations manager Toni Grace said the Sagishima Triathlon was one of many growing connections between the city and Mihara, and the council was delighted by Martin's win.

Martin's efforts were sponsored by the Hiroshima New Zealand Friendship Society.

Earlier this year, a delegation from Mihara visited Palmerston North as part of an arrangement between the two cities, leading to Martin's invitation to the Sagishima Triathlon.



SISTER CITIES

NEW ZEALAND

Connecting people globally for peace and prosperity

NEWSLETTER

October 2019



SISTER CITIES CONFERENCE

Growing Cultural Diversity in Regions

Ashburton, 30 April – 2 May 2020

See sistercities.org.nz for more information

Investing in relationships - SCNZ Forum

By Toni Grace, SCNZ Director

This August SCNZ held a special working forum for SCNZ Council and Corporate members. The forum built on the 2019 conference theme of Prosperity through Partnership and enabled participants to delve further into the opportunity to increase the benefits of international relations.

A diverse group of around 25 participants represented a number of SCNZ members actively engaged in managing international relationships at a working level, particularly in international relations or economic development roles.

The group heard first from James Hogan, author of the recent NZIER report on the economic benefits of Sister City relations, about the best-practice models, opportunities and bottlenecks to progress that were identified in the findings.

Workshop questions identified some common themes and questions among SCNZ members, including:

- That local government international relations increasingly engage in activities beyond Sister Cities, including engagement with the diplomatic corps and other global strategic partnerships, and the opportunity to share our experiences and networks;
- How some Councils have managed to achieve multi-sector involvement in Sister City/region relationships, and the benefits that this brings;
- How to work together across regions and sectors to make the most of a comparative advantage or export market abroad;
- How do our Sister Cities view us and the benefit that partnership with NZ brings?

The forum also included time for sharing best practice case studies and models between members. The group heard from Wellington City Council about the Kurimoto pipeline project, from Marlborough District Council about

their developing viticulture relationship with Ningxia China, and from The Institute for Global Engagement about the NZ-China Youth Leadership Summit.

In the afternoon, Forum participants engaged with LGNZ and the Ministry of Foreign Affairs and Trade about a number of upcoming opportunities and events, including an update about plans for the 2020 New Zealand China Mayoral Forum (NZCMF). LGNZ confirmed the next NZCMF will be hosted by the city of Chengdu on 18 May 2020 and held a workshop to allow participants to give feedback on the draft agenda.

The group also heard more about the PacificTA programme, a local government technical assistance for Pacific Island Countries funded by MFAT and run by LGNZ, which provides technical exchanges and secondments between New Zealand and the Pacific.

The Forum wrapped up with a presentation about the 2020 SCNZ conference being held in Ashburton from 30 April – 2 May next year, and final closing remarks from LGNZ CEO Malcolm Alexander. Anyone keen to access presentations from the August SCNZ Forum can contact admin@sistercities.org.nz. SCNZ wishes to thank LGNZ for their support in providing the venue for this forum.



SCNZ Council and Corporate members attending the August 2019 Forum at the LGNZ Boardroom in Wellington

There's this place...

By Toni Grace, International Relations Manager, Palmerston North City Council

Name a University city with rural surroundings, a city population under 100,000, a strong research and bio-science sector, and a river running through the middle... Your first guess might have been Palmerston North, but I'm actually talking about its Sister City of Missoula, Montana!

Missoula and Palmy have been sister cities since 1982, starting with a partnership between the University of Montana (UM) and Massey University.

This year I was invited by Missoula and UM to take part in an 8-week exchange programme to learn more about the city and advance some new areas of cooperation.

The extended visit allowed me to get to know our Sister City a lot better, create strong networks across government, education & community groups in the city, and to identify areas where it makes sense for Palmerston North and Missoula to work together.

City management:

Missoula and Palmerston North have similar typographies, population sizes and pressures, meaning the cities can easily learn from comparing policies and initiatives. The distance is advantageous, as often one city has developed a completely original solution to an issue that the other has never considered, so both cities are doing things that the other can really learn from. For example, Palmerston North can learn a lot from Missoula's well-developed Downtown Partnership, while Missoula is really interested in Palmerston North's new approach to strategy, planning and organisational transformation. Throughout my time in Missoula, I was able to connect city council teams across both cities on issues like affordable housing, transport, downtown development, urban design, sustainable infrastructure and practices, and liveable communities – all of which are high on the agenda for both cities and have massive potential for best-practice exchange.

Education:

The relationship between Missoula and Palmerston North started with links between Massey University and the University of Montana (UM). The UM Global Engagement Office was involved in the hosting of my visit, as they were keen to explore Sister City opportunities for departments, staff and students. As well as the recent renewal of the student exchange agreement, both universities are also

making new connections between the Massey School of Māori Knowledge (Te Pūtahi-a-Toi) and the UM Native American Studies Department, as well as the Student Enterprise and Innovation hubs of both campuses. On the vocational training front, Missoula College and UCOL are also in discussions about joined up study and exchange opportunities as a result of the visit.

Sustainability:

During my visit I also met with the Missoula City Climate Change Officer and was invited to give a presentation to Climate Smart Missoula. I was struck by how much the community was taking inspiration from New Zealand in their city and community efforts. There was a lot of interest in working together under the Sister City framework on common issues such as waste reduction, river restoration and reducing carbon emissions. For many, it seemed like a really feasible and practical way to connect globally on these issues.

Economic development:

Our cities are also facing a lot of the same opportunities and challenges around sustainable and equitable economic development. I attended the Innovate Montana Conference and also spent time with the Missoula Economic Development Agency, Montana High Tech Business Alliance and Montana World Trade Centre. As part of this, I had the pleasure of helping to welcome a visit from Wellington-based company Peoply – which was interested in opening an office in Missoula as a US market pilot city. This is a great example of how our city-to-city connections and outreach can not only help facilitate business and export opportunities between sister cities, but to other parts of Aotearoa.

The sights, sounds & culture!

And best of all, my family and I had the opportunity to really immerse ourselves in the community of Missoula, Montana. It is a beautiful place with a generous community spirit. We may have endured a few snowfalls along the way (which the kids loved), but we also had the opportunity to visit Yellowstone National Park, Glacier National Park, carve pumpkins, take part in an American Halloween, and see a Griz Football Game. We made many friends and lost count of the number of people who invited us around for a meal. Most sister city visits in this job are usually short and fleeting, but I'd really recommend that people consider



Top: Glacier Park Visit, Bottom: Griz Football Game

taking a longer exchange-type visit like I did, in order to really get to know the communities we have long-standing relationships with.

In summary, my 8 weeks in Missoula gave me a much stronger understanding of what our Sister Cities have in common, what makes each unique and what the most promising areas of collaboration could be. All of this will help inform the development of a cooperation roadmap for our sister city relationship, that sets out a clearer set of goals, ambitions and steps for making our relationship more intentional and beneficial to both communities.



Selwyn Volunteers visit Indonesian Sister City

By Allison Rosanowski, Selwyn Sister City Committee Chair

Three Selwyn residents recently went on a volunteer trip to our sister city in North Toraja, Indonesia. Nick Konijn, Joan Gomez-Douglass and Pam Reveley, all retired teachers, were able to respond to a request from North Toraja for help in strengthening their English teaching programme. Preparation for the trip was overseen by the Selwyn Sister Cities Committee, in liaison with officials in Toraja.

The relationship between the two cities began when some Selwyn farmers became involved in a coffee project in North Toraja. With this support and local input, a co-operative was formed where the growers truly benefit from the coffee sales, without middlemen or multinational companies taking a cut. In later years, a European NGO has also helped with the project and the relationship with Selwyn has diversified into wider spheres. Some Toraja officials visited Selwyn in May 2019 and the proposed English exchange took shape.

After weeks of preparation, the volunteers set off on September 4th, travelling via Singapore, Makassar and Palopo, before reaching Rantepao, the main centre of North Toraja. They were warmly welcomed with an introductory dinner by the Bupati (Mayor), support personnel and the staff at their picturesque hotel accommodation. Another wonderful welcome followed when they started their workshops at a local boarding school, which hosted them for the first week.

The volunteers were, by this time, keen to start and began

their six days of intensive workshops with 30 enthusiastic, pre-selected Junior Secondary School English teachers. Some topics had been pre-arranged, but fine-tuning occurred as the needs and wants of the teachers were better understood. More communicative and interactive teaching techniques were the main emphasis and as these were modelled, rather than just explained, the workshops became rather rowdy at times but definitely engaging. Local facebook gossip meant some unannounced extras arrived to look in the door – something the volunteers found unnerving! It was wonderful to see teachers re-enthused about their subject, as students there find spoken English very difficult and this affects enjoyment and proficiency.

In the second and third weeks, the participant teachers were observed and supported as they incorporated new practice into their teaching. Feedback at the closing ceremony was extremely positive from all involved, with requests that teachers of other subjects got similar support. The English teachers were keen to share their experiences with other colleagues at local professional development days which means the programme will have a much wider impact.

The volunteers did a little sightseeing as well, made all the more enjoyable by superb weather.

North Toraja hopes to continue this relationship with more exchanges, including sending four English teachers to Selwyn in 2020.



Sister City IPA: Missoula, New Zealand breweries team up for new beer



Draught Works Brewery in Missoula unveiled the new Sister City IPA this week. The beer includes Montana barley and New Zealand hops, and marks a partnership with Brew Union Brewing Co. in Palmerston North, New Zealand – Missoula's sister city. (Photo courtesy of Draught Works)

Montana barley and New Zealand hops have collided in a new beer at Draught Works Brewery, and it celebrates Missoula's sister city partnership with Palmerston North, New Zealand.

The international collaboration marks a growing economic pairing between the two cities and the businesses that call them home. The new beer is a blended effort between Draught Works and [Brew Union Brewing Co.](#)

"The beer is basically a celebration of our two cities," Jules Grace, who co-owns Brew Union, told the Missoula Current. "We've used 100% Montana grown and malted barley, and then 100% New Zealand hops. New Zealand and Montana have a lot of similarities, as do Missoula and Palmerston North."

[Draught Works](#) described the beer as "dank, floral, and brewed with love using all Montana grown and malted barley from Gallatin Valley Malt Co., and all New Zealand grown hops."

Recently, a delegation from Palmerston North traveled to Missoula. The visit sought to explore ways the two cities might collaborate on tourism, economic development and cultural enrichment.

Earlier this year, Missoula returned the favor by sending a delegation to Palmerston North. It included members of Arts Missoula, the Montana World Trade Center, the Missoula City Council and other delegates. The new beer marks one of the first economic collaborations between the two cities.

"It's a great international collaboration on many levels," said Grace.

While Draught Works is well known to connoisseurs of Missoula beers, Brew Union may mark something new. The brewery was established in 2017 "to bring good beer (and food) to the people of Palmerston North," according to Grace.

The brewery brews six core beers with several seasonal brews on tap at any given time.

"We brew on a 10-barrel system and are draught/keg only for our product," said Grace. "We focus on fresh and local ingredients and supporting our community."

The new Sister City IPA was unveiled this week at Draught Works.

Sister Cities International has worked since 1956 to create exchanges that connect communities and cultures for mutual benefit. As a member of the network, Missoula belongs to one of the oldest and largest networks of citizen diplomacy in the world.

Udo Fluck, who manages the Missoula's sister city partnerships, said the program looks to share cultures and insight through long-term community partnerships, friendships and understanding.

"Traditionally, sister city connections have primarily focused on cultural and educational enrichment, but this extended stay shows that there might well be economic potential to the twinned city connection as well," said Fluck.

Missoula also has a sister city partnership with Neckargemünd, Germany. It dates back to 1993.

Contact reporter Martin Kidston at martin@missoulacurrent.com

US - NZ Breweries make a 'Sister City IPA'

By Jules Grace, Co-owner Brew Union Brewery, Palmerston North

In October this year the first US-NZ Sister City beer was brewed in a collaboration between Draught Works Brewery in Missoula, and Palmerston North-based Brew Union Brewing Company.

The aptly named 'Sister City IPA' was brewed onsite at Draught Works combining ingredients from both countries. This is the second Sister City beer for New Zealand, the first having been made between BentSpoke in Canberra and Fork Brewcorp in Wellington.

What was unique about this brew was really drilling down into local ingredients. Malt for the beer was sourced entirely from one farm 3 hours drive southeast of Missoula in Bozeman - Gallatin Valley Malt Co. - who have recently constructed their own malting facilities and all the Hops for the beer were sourced via NZ Hops which grows in the Nelson region.

The recipe was developed over a couple of weeks with head brewer Kyle after much emailing back and forward between the both of us and the beer was brewed in October with myself on site assisting (or getting in the way, depending on who you talked to). It was a great opportunity to talk about different ways that not only our two breweries tackle the task of brewing beer, but what industry norms are in different environments - the NZ and USA brewing scene are both very different but very similar.

The new Sister City IPA was unveiled with a launch party at Draught Works in November, bringing together many

people in the community with links to New Zealand and Palmerston North. We also had the pleasure of hosting Montana Lt Governor Mike Cooney just before the party started giving him a taste of the beer, as well as an introduction into what the sister city partnership meant to the people attending, including the owner/operator of Gallatin Valley farmer who grew all the malt.

While flying over to Missoula, Montana, to make a batch of beer is not economically viable for us, I enjoyed being introduced to a range of different individuals and business, both New Zealanders working in Montana, or Americans who had lived and worked in Palmerston North. It's always thrilling to be tapped on your shoulder in a busy bar by an American in a Manawatu Turbos Jersey and told of the good times that he had in Palmerston North working at the hospital, or university lecturers at the University of Montana who are well connected with research that is happening at Massey University in their areas of expertise.

Making a beer and releasing it to the local community were a small part of the trip through Montana for me and my family, but it was one of the most memorable events for us of our time over there. It reinforced what sister city relationships are all about, and we have made lifelong connections with a number of people, many of those met brewing, or planning the beer, or at the release party. Our family looks forward to hopefully hosting some of those people that we met in Montana back here in New Zealand.



Left: Mike Cooney, Lieutenant Governor of Montana (centre), joins the brewers and malt company owner for a taste of the Sister City IPA. Right: The Sister City IPA Tap Badge

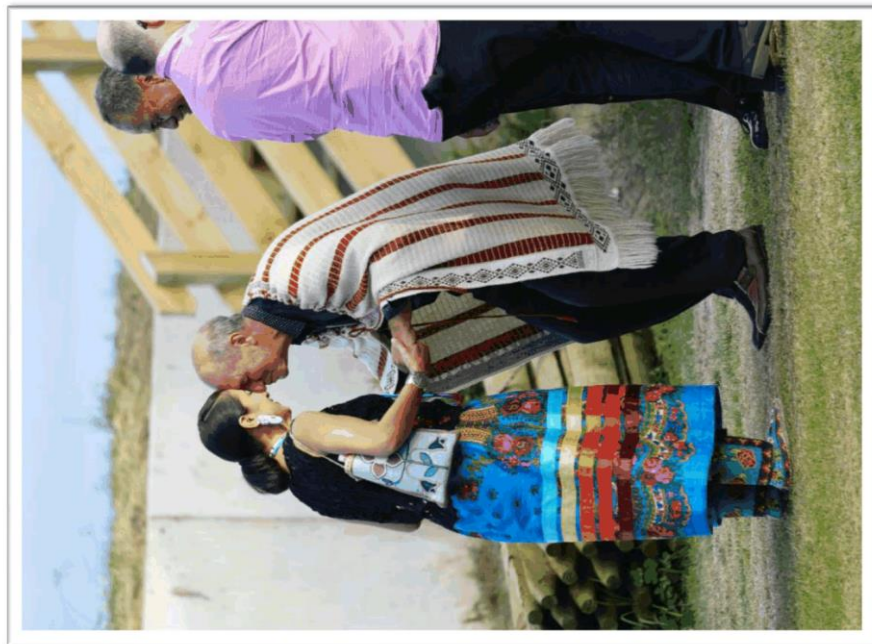
Long white cloud to the rising sun: two worlds never apart

By Luke Qin, SCNZ Board

Having spent my formative years watching Dragon Ball, Yu Yu Hakusho, Saint Seiya and Slam Dunk, and owning Japanese electronics like most boys from middle class families in China, while being exposed to perhaps more than my fair share of various history books and war movies, I always knew one day I would visit Japan to see it with my own eyes, and experience the culture deemed so close to my own, yet so far apart. As we say in Chinese, seeing once is better than hearing a hundred times.

That interest grew stronger after my arrival in New Zealand as a teenager, having first studied with a couple of Japanese

international students, and then worked with some Japanese subsidiaries in my day job and many NZ-based Japan experts and expats through my various commitments. I have a friend who is of Japanese heritage and currently heads up SCNZ. Even people who know her may not know she adopted two orphans from China (a boy and a girl who are now university students) and is actively encouraging them to learn Chinese. Shortly after I tried to talk her into leading a delegation to Japan, I found out the Asia New Zealand Foundation was offering its Leadership Network members the opportunity to participate in a Japan Leadership Hui.



The importance of international trade & connections

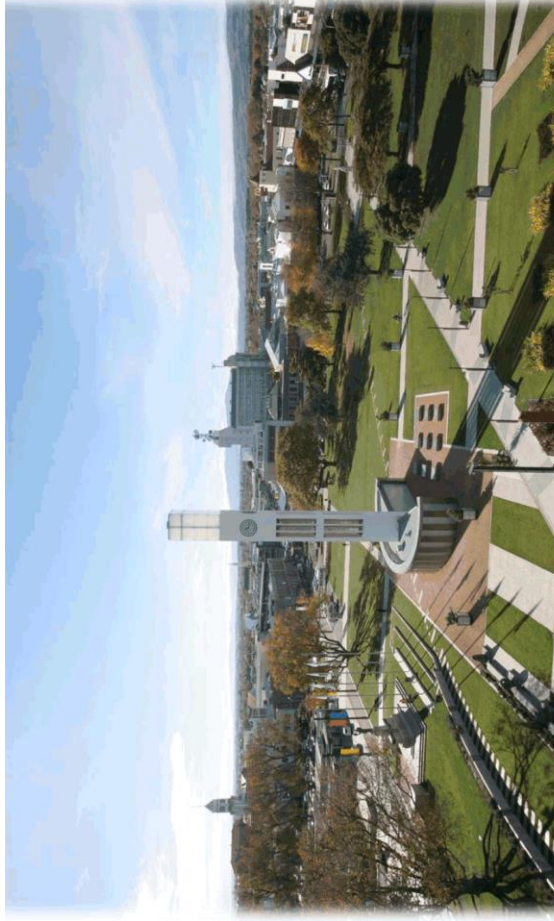
Toni Grace
International Relations Manager
Palmerston North City Council
New Zealand



Palmerston North, Manawatū, New Zealand - Sister City since 1982!







Palmerston North:

Approx. 89,000 city population
Or 119,000 regional population

Massey University

Key economic sectors: Higher education, healthcare, retail, logistics & distribution, agribusiness, agri-tech
Named NZ's best creative place 2018

Missoula:

Approx. 74,000 city population
Or 118,000 county population

University of Montana

Key economic sectors: Higher education, Healthcare, tourism, bioscience, retail
Top 5 medium-sized US cities for Arts & vibrancy



Similar Downtown opportunities/challenges

- ▶ Both cities are aiming for downtowns that are:
 - ▶ Pedestrian & cycle friendly, intimate, accessible, social interaction
 - ▶ Have a series of places with unique identities that people can connect to ('more than one postcard')
 - ▶ Better use of public spaces & supporting more placemaking activities
 - ▶ Increase public art & preservation of heritage sites
 - ▶ Reorient towards the rivers and improve access
 - ▶ Business improvement districts (BID)

Both cities also grappling with:

- ▶ Housing issues, sustainable growth, infrastructure & land-use planning



Global relations... not just for central
government diplomats

*“Nations talk,
cities act”*



How cities are leading

Facing global economic uncertainty, cities are working proactively to maintain economic and political ties through city-to-city diplomacy, identifying ways to capitalize on the disruption, and cultivating local economic ecosystems focused on innovation to attract and retain investment.



Direct dialogue and human connection are more important than ever.

CITY-TO-CITY DIPLOMACY MORE IMPORTANT THAN EVER

City leaders are engaging in direct diplomacy for a variety of reasons: to deepen economic ties, demonstrate credibility, and instill confidence in old and new trading partners. Mayors, local government officials, business leaders, and local stakeholders are increasingly meeting with each other directly, in order to cut through political rhetoric and identify where their business interests still align. This city-to-city and inter-regional diplomacy is playing a crucial role in maintaining business ties.

In interviews, business leaders throughout the world underscored the importance of doing business face-to-face. In an uncertain economic and political climate, they contend, direct dialogue and human connection are more important than ever.

IDENTIFYING WAYS TO CAPITALIZE ON THE DISRUPTION

Cities are working to become more agile, using their geography, language, political ties, and other strengths to seize new trade and investment opportunities created by economic turmoil. According to Neil Kidd of WTC Perth, "Cities have to lead. Yes, uncertainty creates more



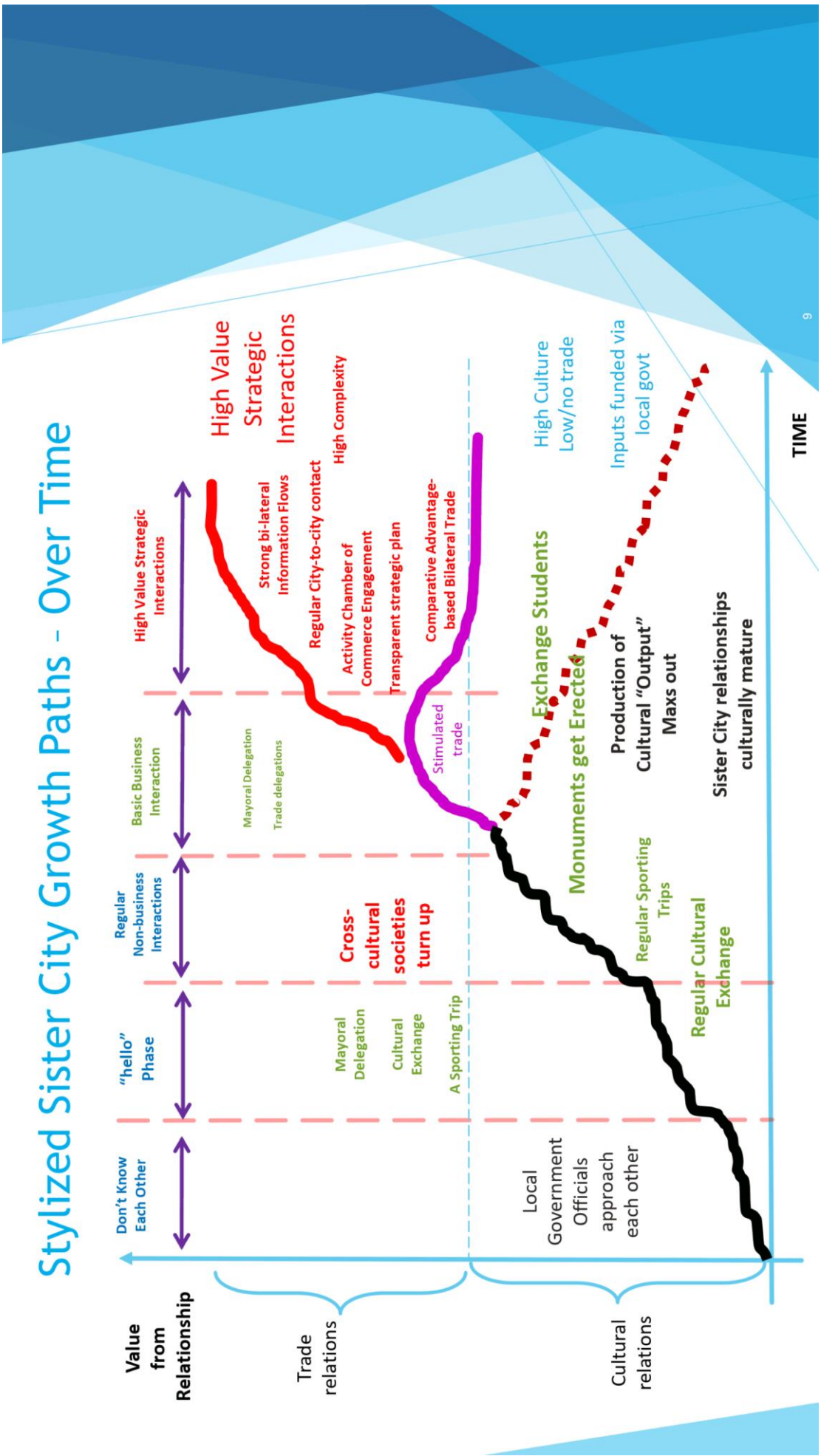
The economics of Sister City relationships:

“Sister City relationships operate between pairs of local government councils and their communities.

They produce two types of *trust-generating economic outputs*:

- ▶ Bilateral cultural-enhancing activity between city communities that creates and enhances community trust.
- ▶ Trust and assurance between cities that reduce transaction cost at the international level.”





Findings from 2003 and 2019 reports

- ▶ Create TRUST
 - ▶ Cultural outputs matter
 - ▶ Personal relationships matter
- ▶ Wanting to Commercialize your Relationship?
 - ▶ Business networks matter
 - ▶ Be strategic
 - ▶ Focus on regional Comparative Advantage





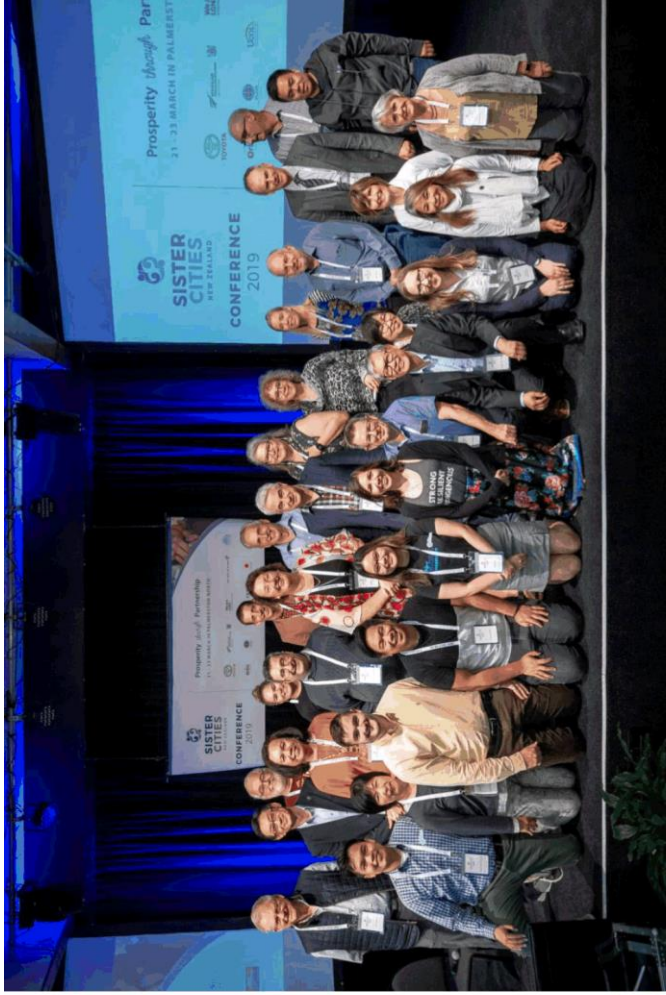
Palmerston North Visit to Missoula October 2018



Missoula visit to Palmerston North March 2019



<https://spark.adobe.com/video/Q8mINSseLvusB>







Current CLIP program: Professional exchange

A busy 7 weeks...

Education

- ▶ University of Montana:
 - ▶ Vice President for Research & Scholarship
 - ▶ Office of Global Engagement
 - ▶ Native American Studies Department
 - ▶ Blackstone Launchpad & Innovation Factory
 - ▶ Missoula College
- ▶ Inspired Classroom
- ▶ Missoula County Public Schools

City planning

- ▶ Missoula City Council
 - ▶ Leadership & planning teams
 - ▶ Office of Housing & Community Development
 - ▶ Energy & Climate Change
- ▶ Missoula Downtown Association
- ▶ Montana Downtown & Main St conference

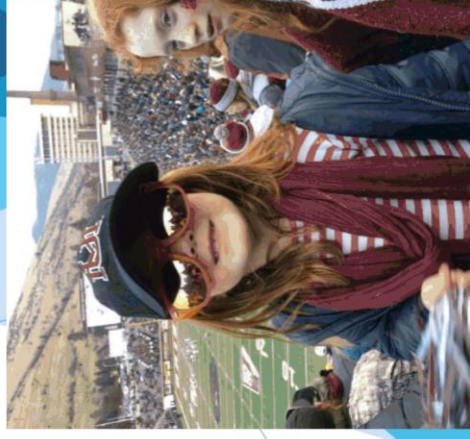
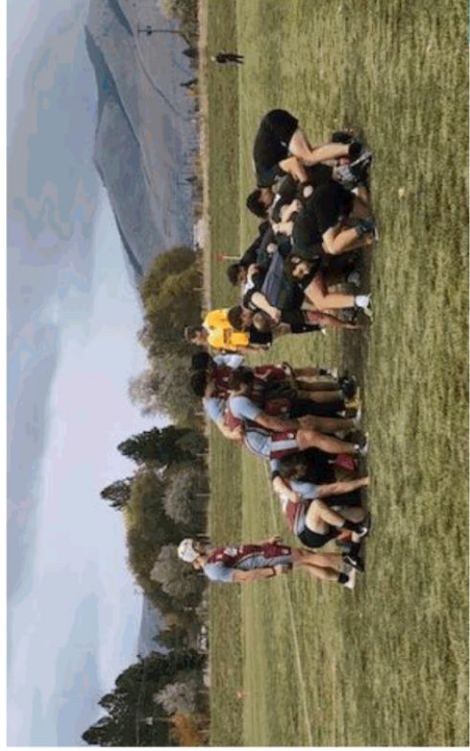
Economic Development

- ▶ Destination Missoula
- ▶ International Trade Office, Montana State
- ▶ Montana High Tech Business Alliance
- ▶ Missoula Chamber of Commerce
- ▶ Montana World Trade Centre
- ▶ Montana Bioscience Cluster Initiative
- ▶ Missoula Economic Partnership
- ▶ Innovate Montana

Community & civic

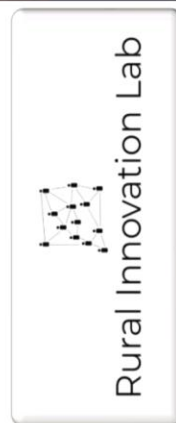
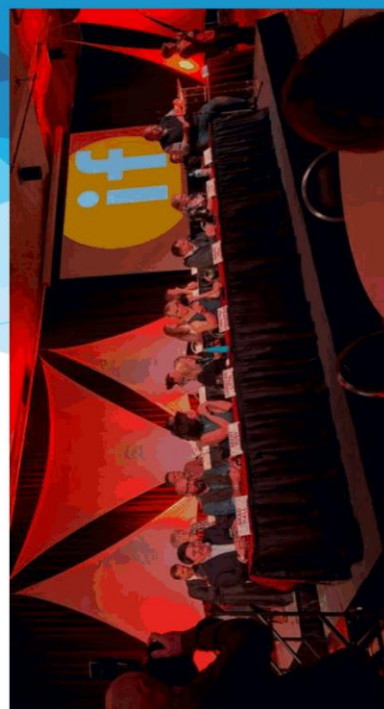
- ▶ Kiwanis club
- ▶ Soft Landing Missoula
- ▶ Missoula Food Bank
- ▶ Climate Smart Missoula
- ▶ NZ Day Roxy International Speaker panel
- ▶ 2019 Cultural Mosaic Conference

And many personal experiences...



Key themes

- ▶ Indigenous studies & tribal relations
- ▶ Sustainable economic & city development
- ▶ Complementary Bioscience & Agrifood clusters / Innovation ecosystems
- ▶ Arts, creativity & cultural exchange
- ▶ Service & tech industry / Saas companies





Cities will shape our future

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Housing Portfolio Update (February 2020)

PRESENTED BY: Councillor Susan Baty

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Housing Portfolio update report for February 2020 be received for information.

1. ISSUE

The Housing portfolio is reporting to the Economic Development Committee for March 2020.

2. BACKGROUND

The Housing portfolio members are encouraged to continue to update their goals and activities throughout the year.

3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 3: A Connected and Safe Community	

The recommendations contribute to the outcomes of the Connected Community Strategy	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Active Citizenship Plan – the portfolios provide an opportunity for Elected Members to report on their engagement with organisations in their sector.

ATTACHMENTS

1. Housing Portfolio Update_February 2020 [↓](#) 



PORTFOLIO UPDATE

TO Economic Development Committee

CC Mayor

FROM Susan Baty
Lead Councillor - Housing

DATE 26 February 2020

SUBJECT HOUSING PORTFOLIO UPDATE FEBRUARY 2020

Portfolio membership

Councillors Susan Baty, Lorna Johnson, Renee Dingwall and Pat Handcock.

Portfolio scope

Social and public housing; development community relationship; PN City Housing Steering Group

Portfolio goals

To increase Council's role as a housing provider and advocate for housing, and enable more first homes to be built.

Activity summary

(note activity related to Portfolio only)

	Stakeholder (group, individual, etc.)	Engagement type (event, discussion, etc.)	Members (note who attended)
Attended Housing Monitoring Needs Group Meeting	Cross-section of the housing providers group	Monthly discussion meetings	All
PN Housing Steering Group Meeting	Iwi, MPIF, HNZ NZ Real Estate Institute	Discussion on spatial plotting of housing stock. Presentation from Ruma Karaitiana	Susan

Issues summary

- Current waiting lists
- PNCC Waitlist 312 as at 13/02/2020

14171396

SMALL CITY BENEFITS | BIG CITY AMBITION

- 2 -

- HNZ Waitlist 439 as at 30/09/2019 – official December quarter results are due to be released within the next two weeks.

Next steps

The portfolio membership will consider financial modelling on the possibility of retaining some sections at Whakarongo for public rental housing at market rates.

Oasis #14171396

COMMITTEE WORK SCHEDULE

TO: Economic Development Committee

MEETING DATE: 11 March 2020

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Economic Development Committee receive its Work Schedule dated March 2020.

ATTACHMENTS

1. Committee Work Schedule  

ECONOMIC DEVELOPMENT COMMITTEE

COMMITTEE WORK SCHEDULE – MARCH 2020

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1.	March 2020 June 2020	Quarterly Economic Report	General Manager – Strategy and Planning		
2.	March 2020 October 2020	International Relations Six Monthly Report	General Manager – Strategy and Planning		