PALMERSTON NORTH CITY COUNCIL

MINUTES ATTACHMENTS

ECONOMIC DEVELOPMENT COMMITTEE

9AM, WEDNESDAY 3 JUNE 2020

ELWOOD ROOM, CONFERENCE & FUNCTION CENTRE

354 MAIN STREET, PALMERSTON NORTH

ECONOMIC DEVELOPMENT COMMITTEE MEETING

3 June 2020

5 Presentation - RACE Incorporated

1. Presentation - RACE Incorporated 4

6 Presentation - Manawatu Chamber of Commerce

1. Presentation - Manawatu Chamber of Commerce 15

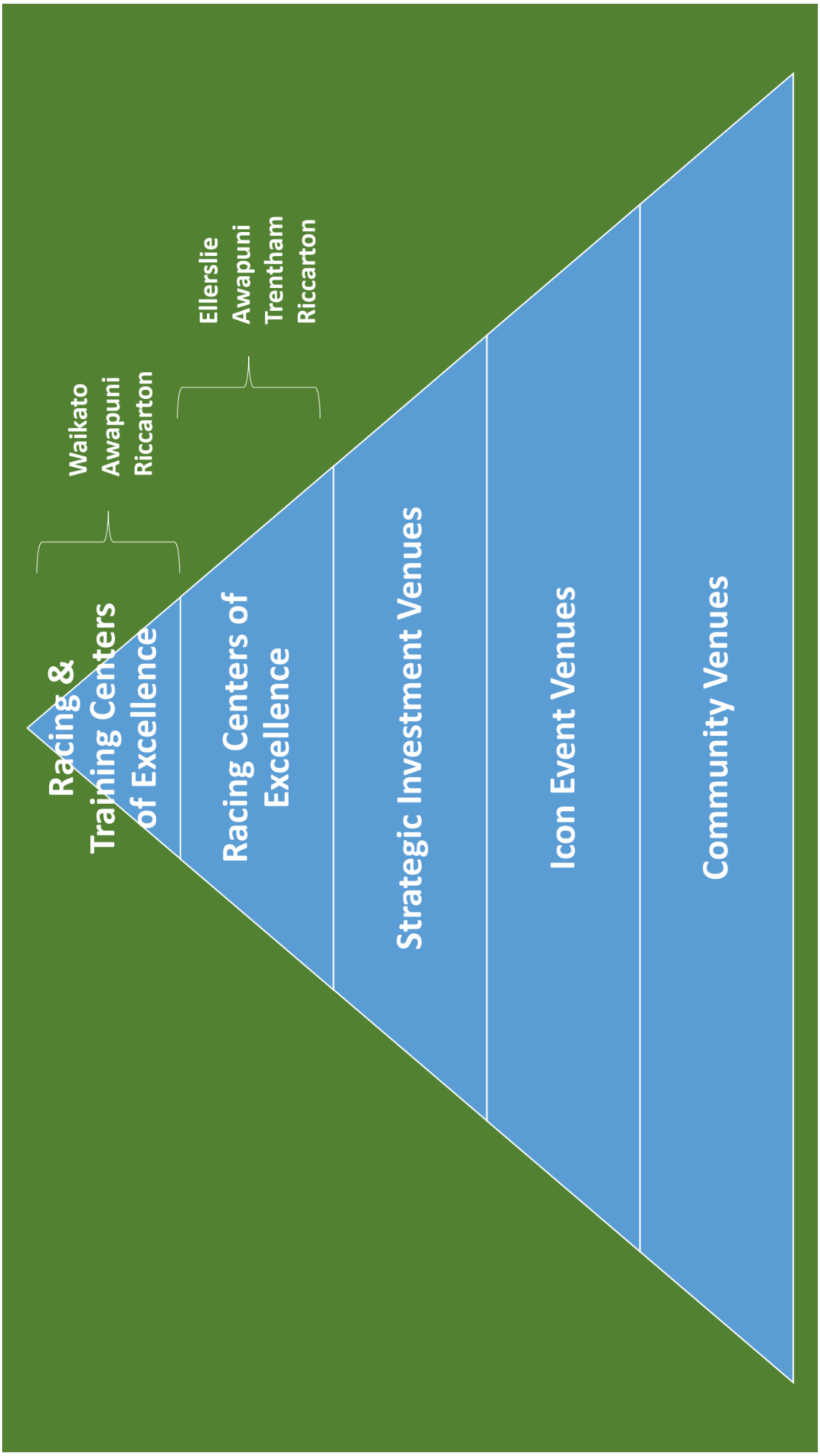
7 Presentation - Central Economic Development Agency

1. Presentation - Central Economic Development Agency 22

9 Summary report on the March 2020 Palmerston North Quarterly Economic Monitor, Major Developments, and Quarterly Retail Report for April 2020

1. Presentation - March 2020 PN Quarterly Economic Monitor, Major Developments, and Quarterly Retail Report for April 2020 36

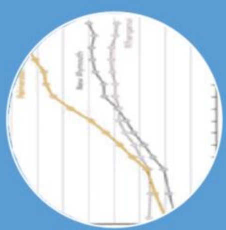
Awapuni Master Plan


Racing & Training Centers of Excellence
Racing Centers of Excellence
Strategic Investment Venues
Icon Event Venues
Community Venues
Waikato
Awapuni
Riccarton
Ellerslie
Awapuni
Trentham
Riccarton

Economic Value

Race meetings would go from 18 to 30-36 per annum

Horses in training would go from 280 to 450 + per annum



Direct gross domestic product generated would go from a calculated $17.5m to $25.6m per annum

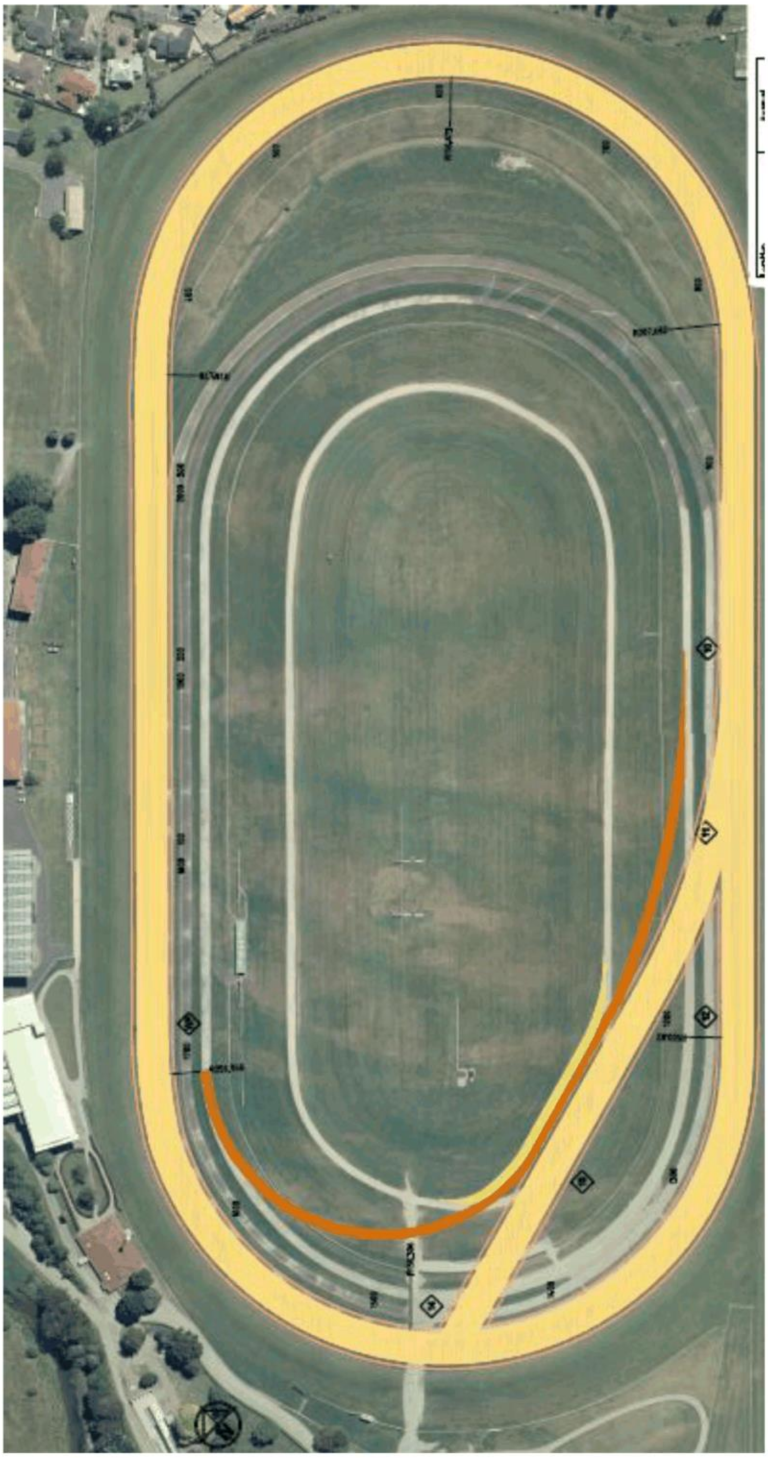
The Showcase week if 50% of Christchurch would generate 22,024 bed nights, $13.8m economic impact and $16.3m direct spending

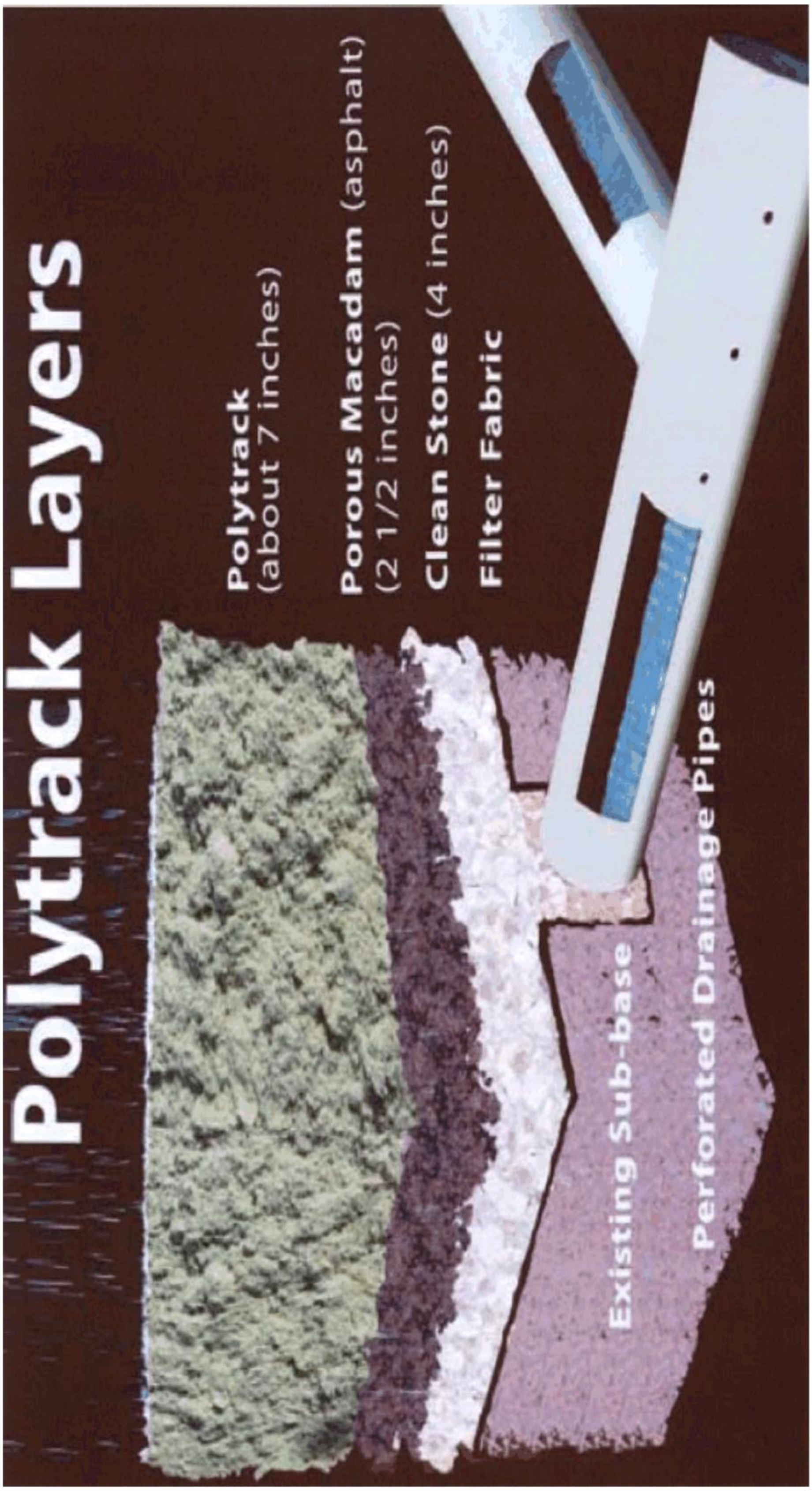
Downstream economic benefit would flow to accommodation, tourism, Massey, Ucol, Veterinary, Feed and other suppliers

Annual Gross Horse Domestic Product Generated

	$	Days	Current Awapuni	Projected Awapuni
Horses in Training			280	500
Race Meetings			18	36
Training product	$60	243	$4,082,400	$7,290,000
Vet Product	$100	12	$336,000	$600,000
Vet extraordinary (1:20 horses)	$5,000		$70,000	$125,000
Blacksmith ($160/6 weeks/8 months)	$160		$224,000	$400,000
Floating	$4,000		$1,120,000	$2,000,000
Employment				
(1 FT / 5 Horses)	$25	2920	$4,088,000	$7,300,000
1 PT / 7.5 Horses)	$25	1825	$1,703,333	$3,041,667
Direct Training Staff FT			56	100
Direct Training Staff PT			37	67
Stakemoney injected to local economy (Estimate 66%)	$3,346,000		$2,208,360	
(Additonal meetings stake injection $120,000)	$2,640,000			$3,950,760
Raceday miscellaneous estimate			$1,000,000	$1,500,000
Catering			$2,200,000	$2,700,000
Commissions on Wagering			$172,000	$200,000
Track fees			$300,000	$500,000
Rentals additional barns				$90,000
Sponsorships				$144,000
Raceday Grants				$20,000
Jumpouts / Trials				$20,000
Total Gross Horse Domestic Product			**$17,504,093**	**$25,930,667**
To add: (Contractors, seed merchants, other peripheral industries)				

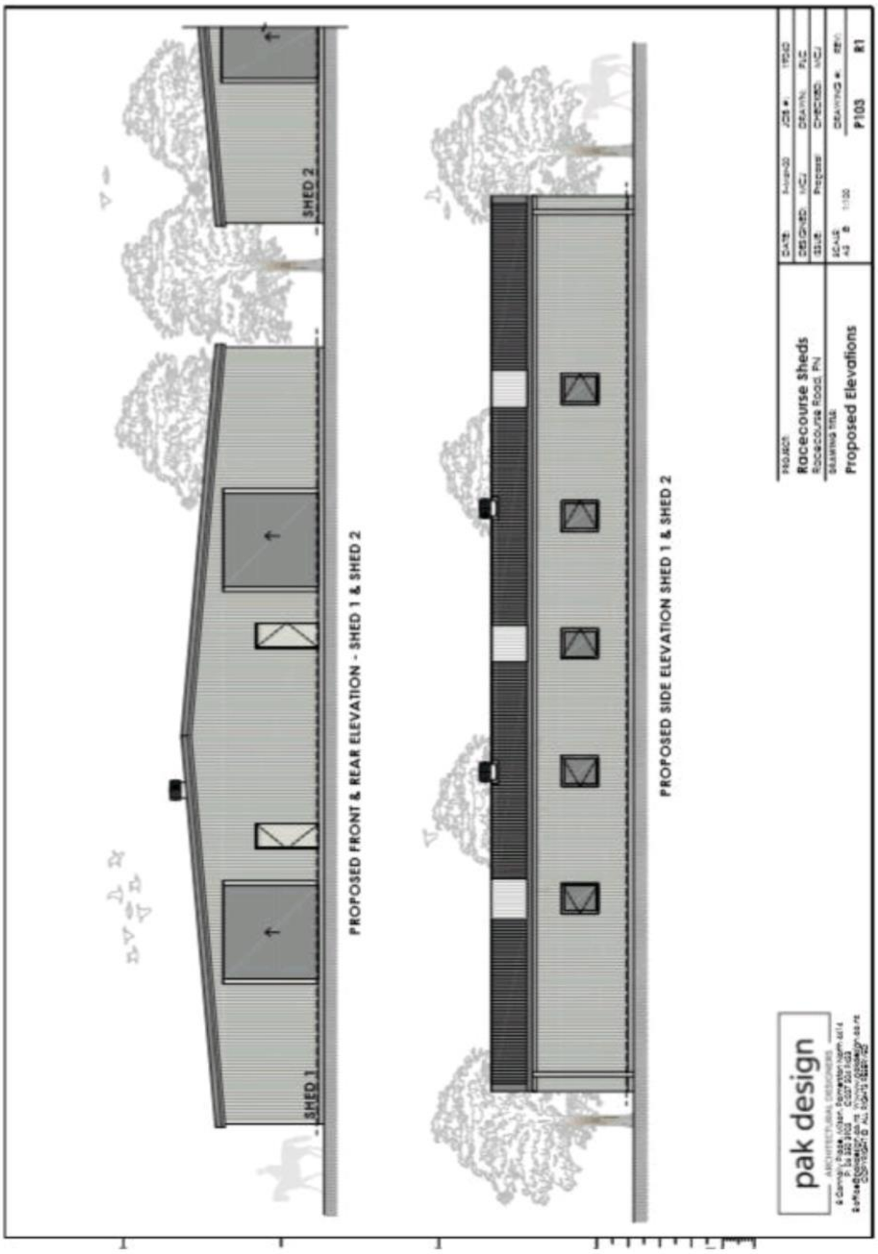
New Poly Track racing and training surface

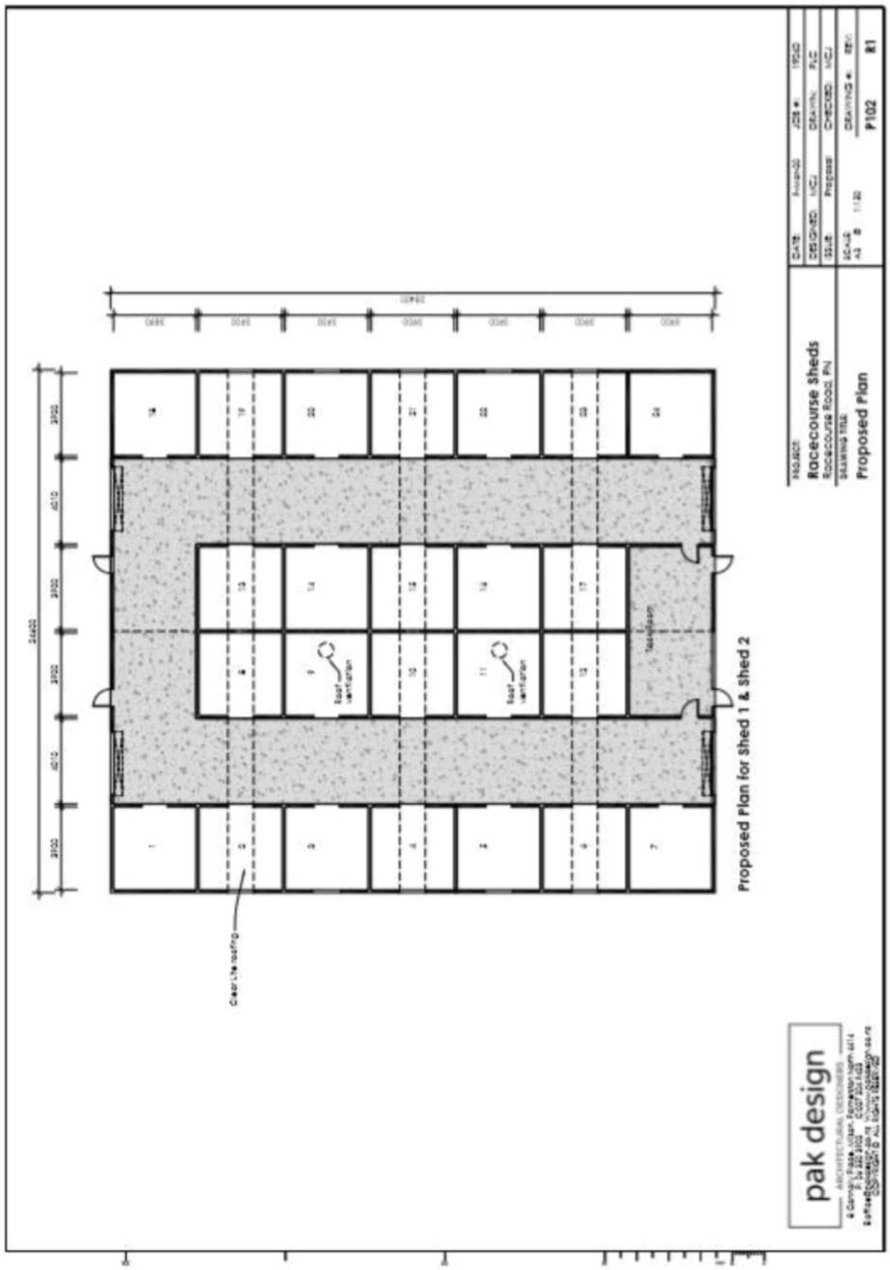


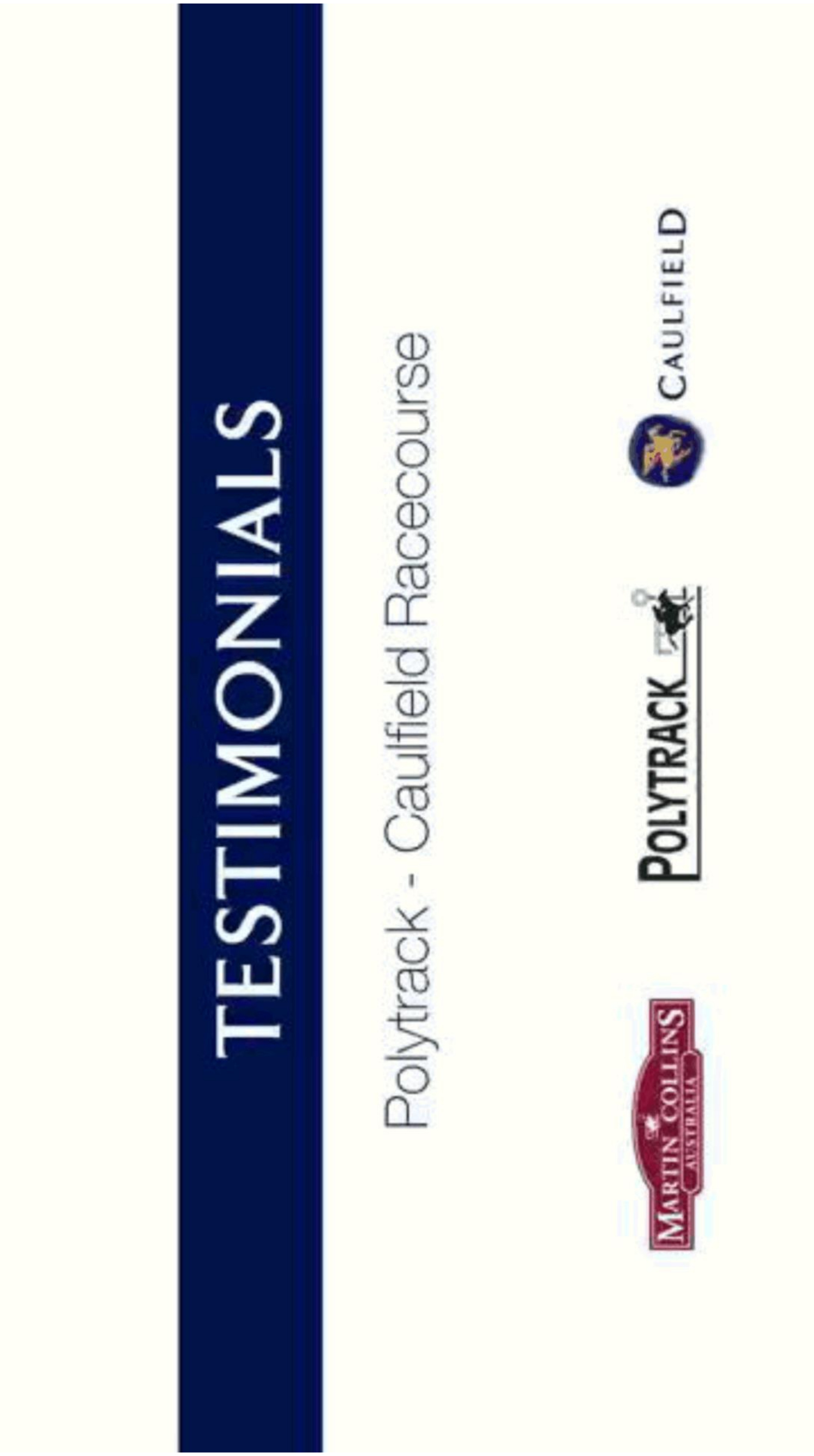

Polytrack Layers
Polytrack
(about 7 inches)
Porous Macadam (asphalt)
(2 1/2 inches)
Clean Stone (4 inches)
Filter Fabric
Existing Sub-base
Perforated Drainage Pipes


MARTIN COLLINS
ENTERPRISES


Racecourse Sheds
Proposed Site
pak design


SHED 1
SHED 2
PROPOSED FRONT & REAR ELEVATION - SHED 1 & SHED 2
PROPOSED SIDE ELEVATION SHED 1 & SHED 2
Racecourse Sheds
Racecourse Road, PN
Proposed Elevations
P103
R1
pak design


Proposed Plan for Shed 1 & Shed 2
Racecourse Sheds
Racecourse Road, PN
Proposed Plan
P102
R1
pak design


TESTIMONIALS
Polytrack - Caulfield Racecourse
POLYTRACK
CAULFIELD
MARTIN COLLINS
AUSTRALIA

NZ CHAMBERS OF COMMERCE

MANAWATŪ

Business Vitality

Amanda Linsley - CEO

NZ CHAMBERS OF COMMERCE
MANAWATŪ
Business Vitality

Who we are:

- Independent member funded organisation (Incorporated Society)
- 1 of 31 Chambers across NZ making up NZCCI, and world-wide
- Chamber in Manawatū since 1880's
- Board of 11 and Advisory Board of 15
- Represent over 400 businesses from large organisations such as Higgins, FMG, Toyota etc through to SME's and Not for Profits.
- Representing a large part of Region's GDP and Employment
- Small, agile team – 3 x FTE made up of 2 fulltime, part-time and casuals (Young Chamber)

NZ CHAMBERS OF COMMERCE
MANAWATŪ
Business Vitality

What we do: BAU

- Advocacy for Business Community - lobby both local & central government
- Business Support
- Training/Development, Lunch & Learn
- Networking (BA5's) , Events (Flagship Dinner of Provenance), B2B Expo, Speakers, Directory, Member 2 Member Benefits, National Benefits, Young Chamber
- Connections, Clusters (Manawatū Defence Hub and Contact Centre)
- Projects/Contracts, Business Mentors NZ, Business Improvement District
- Export Documentation

NZ CHAMBERS OF COMMERCE
MANAWATŪ
Business Vitality

The last 2 months:

- Supporting our businesses, calling our members, keeping people connected. Over 600 business interactions.
- Manawatu Business Support Group (FB) (Members & Non-Members), we became one of the 'go to places' during this time.
- Business Leaders Forum, connections and information, feedback to local and central government to inform decision making.
- Business Mentors – high match rate – over 80 in 6 weeks (usual kpi 63 p.a)
- Webinars, ours and others. VA5
- Connections
- Choose Manawatū – buy local/stay local


CHOOSE MANAWATŪ

NZ CHAMBERS OF COMMERCE
MANAWATŪ
Business Vitality

The Future

- Recovery
- BAU - providing advocacy and support, BA5's re-commence
- Opportunities
- Collaboration

NZ CHAMBERS OF COMMERCE
MANAWATŪ
Business Vitality

Gold Sponsors

HUMPHRIES CONSTRUCTION
Norwood
HIGGINS
FMG Advice & Insurance
UCOL Universal College of Learning – Te Pāe Mātauranga Ki Te Ao
Property Brokers
MASSEY UNIVERSITY – TE KUNENGA KI PŪREHUROA – UNIVERSITY OF NEW ZEALAND

Silver Sponsors

NZP
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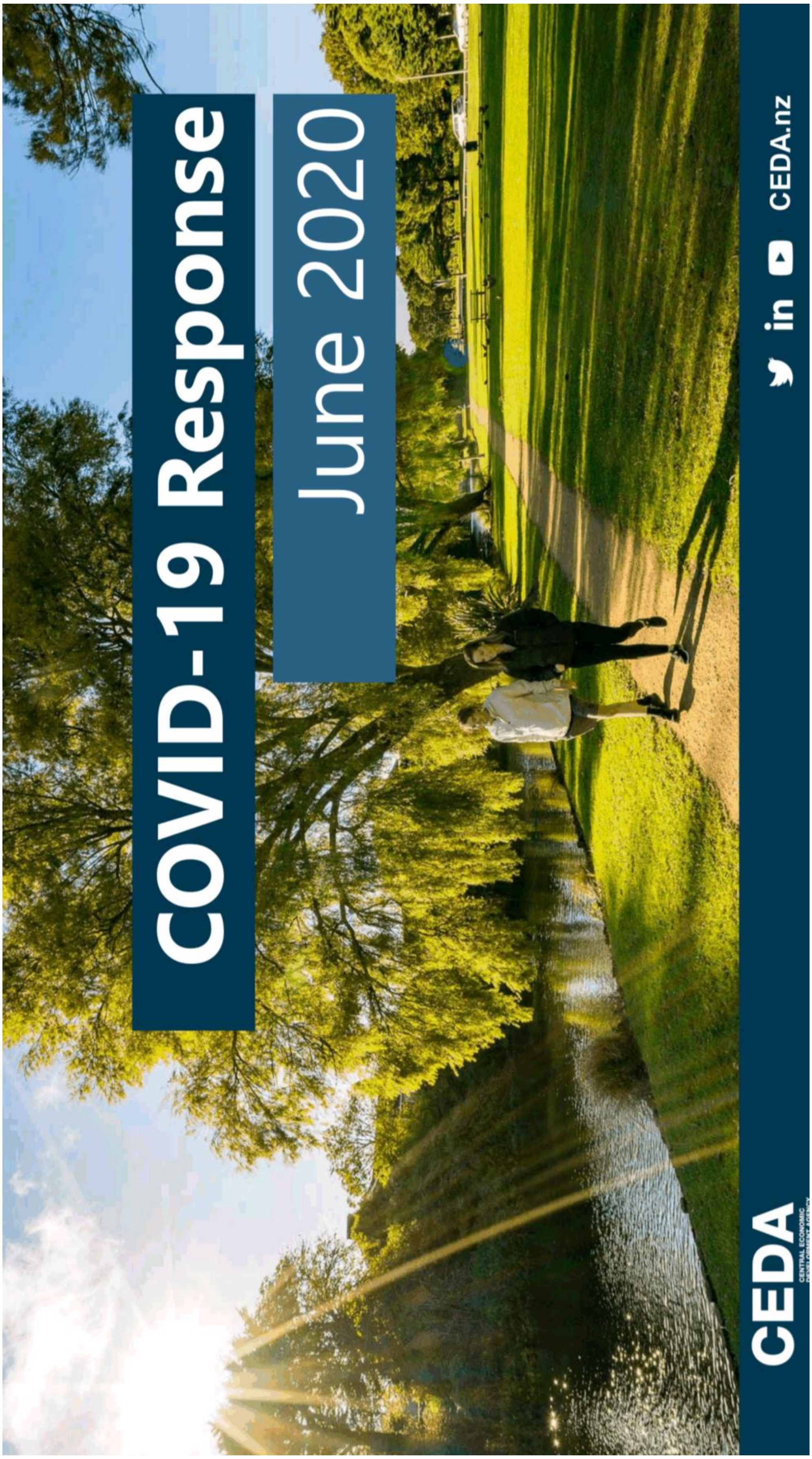
CRAIGS INVESTMENT PARTNERS
ALLANMcNEILL Chartered Accountants
TOTALLY VETS ANIMAL CARE & EXPERTISE
Fonterra
IPU NEW ZEALAND TERTIARY INSTITUTE
Beca

Bronze Sponsors


COVID-19 Response
June 2020
CEDA.nz
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COVID-19 What to plan for
It is not possible to forecast; scenario planning will ensure flexibility, resilience and preparedness
How do we think about this?
Break it down into the stages that are coming – and the risks and opportunities within each of these
Lockdown:
Economy is in deep freeze.
We must protect health, but it comes at significant cost
Lower economic activity
High risk that many jobs and businesses and will be lost in the coming months
Transition:
Restricted Borders
We will operate differently (until we have increased confidence of elimination)
We will begin to operate freely within New Zealand
We will have a purely domestic economy – it will be small, and it will be different
New Normal:
Optimistic
Positive change and disruption
Alternate business models
Changed consumer behaviour
Resilient supply chains
Improved social, welfare and economic infrastructure
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CEDA.nz

COVID-19 What to plan for

Uncertainty; we don't know how this will unfold across the world

We will see variation in its impact across New Zealand

- Regionally (economic structure)
- Industries (essential vs non-essential, dependency on f2f)
- Jobs (numbers, ease of retraining and redeployment)

Timeframe: Long

- Until a health solution (vaccine) is available
- 12-18 months are current estimates
- Our economy will be different to usual
- Our economy will be smaller

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Lockdown Phase

Priority is health; restrict movement

Support and protect businesses:

- Good, but not good (or big) enough
- Wages are only a small part of costs to business
- Increase lockdown period = increase business failure rate = increase job losses

✓ *We must get a clear understanding of what is working to help prevent business failure and job losses*

✓ *We can't save all businesses – we will still have closed borders, so some businesses and sectors will do it tough*

Near term risk: Our SME's

- They are the nervous system of our economy
- Wages are 20% of their outgoings, all other expenses are eating into cash reserves (90% reduction in cashflow)
- High risk sectors are retail, accommodation, hospitality, and some professional services
- We need more generous loan and grants available

✓ *We must ensure that access to this support is as easy as possible*

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Response and Recovery

What are our drivers?

- Improving business performance
- Supporting priority sectors
- Raising skills and reducing unemployment
- Stimulating investment
- Maximising connectivity; destination promotion, identity, visibility and branding
- Enhancing quality of life

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Response and Recovery Plan:

RESILIENCE

0-3 months	RESOLVE: Address the near-term challenges and impacts, and support broader business/sector resilience plans		
IMPACT MITIGATION (continue, adapt, respond)	Triage businesses	DATA & INSIGHTS (dashboard to inform decision making)	Impacted sectors (hospitality, retail, accommodation, professional services, likely importers)
	Ensure ease of access to CG, Banks, LG, EDA support		Number of businesses closed
	RBP: Access to part/fully funded expertise		Number of people made unemployed
	RBP: Access to fully funded business mentor		Vulnerable sectors from import supply chain impact (international)
	RBP: Access to skill development via fully funded webinars		Vulnerable sectors from import supply chain impact (domestic, flow on)
	Business and affected employee matching		Maori economy vulnerabilities
	Maori Economic Alliance established		Domestic and International student numbers
	Marketing and comms to ensure businesses know where to find help available		Visitor numbers, spend, where coming from
	0800 support number and chat bot to ensure ease of contact with CEDA		Flights and passenger numbers
	ID what is working and communicate to others, develop rapid support packages		Number of jobs (and type) advertised
	Business survey - ID pain, issue, needs and the scale of these		Business revenue impact

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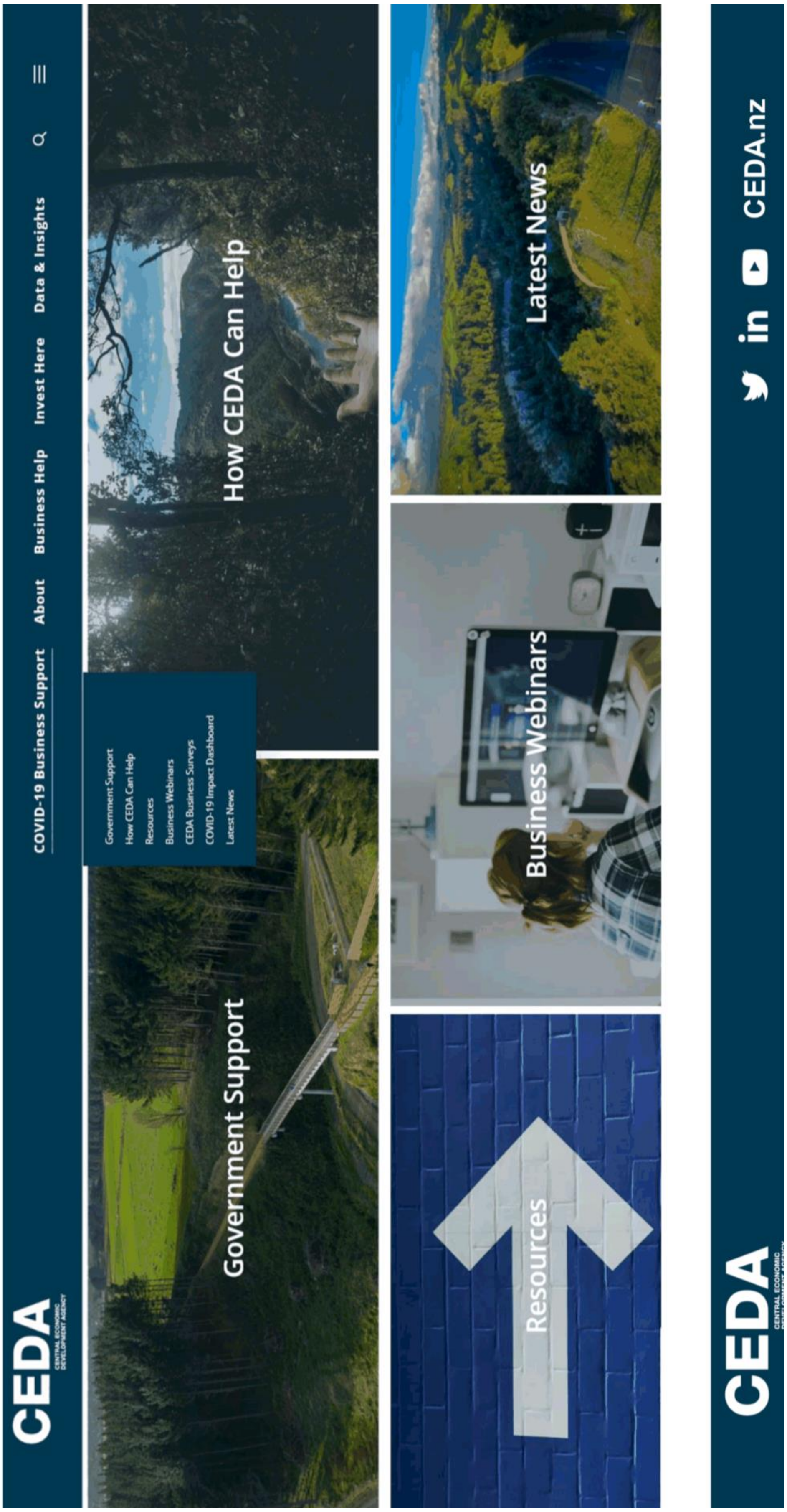
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COVID-19 Business Support
About
Business Help
Invest Here
Data & Insights
Government Support
How CEDA Can Help
Resources
Business Webinars
CEDA Business Surveys
COVID-19 Impact Dashboard
Latest News
Government Support
How CEDA Can Help
Resources
Business Webinars
Latest News
CEDA
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COVID-19 Business Support
About
Business Help
Invest Here
Data & Insights
Number of Engagements by Sector - COVID-19 Impacted Businesses*
*Engagements
148
* CEDA COVID-19 business engagements to 27th May 2020
Businesses
Construction 23
Manufacturing 21
Accommodation/Food Services 18
Retail 17
Health 12
Other 12
Professional Service 11
Digital/Technology 10
Distribution/Logistics 9
Education 8
Visitor/Tourism 4
Agriculture/Food-tech 3
Average % Reduction in Revenue by Sector*
* CEDA COVID-19 business engagements to 27th May 2020
% Impact on Revenue
Accommodation/Food Services 92.06%
Visitor/Tourism 85%
Manufacturing 84.48%
Retail 82.94%
Digital/Technology 78.57%
Professional Service 78.45%
Other 77.92%
Construction 77.52%
Agriculture/Food-tech 76.67%
Education 68.38%
Health 66.6%
Distribution/Logistics 62.86%
Average % reduction in Revenue and Staff by Size of Business (Turnover)
* CEDA COVID-19 business engagements to 27th May 2020
% Impact on Revenue
% Impact on Staff
0-250,000 81.96% 0%
250,001-500,000 85% 21.37%
500,001-750,000 69.67% 0%
750,001-1,000,000 73% 0%
1,000,001-1,250,000 80.5% 0%
1,250,001-1,500,000 77% 0%
1,500,001-5,000,000 82.16% 1.82%
5,000,001-10,000,000 70% 0%
10,000,001-30,000,000 88% 0%
MarketView Weekly Card Transaction Measure*
* MarketView data for the week ending 24th May 2020
Category | Weekly Spend $ | Weekly Spend # | Cumulative $ | Cumulative #
Food, Liquor & Pharmacies | 18.4% | -4.5% | 17.1% | -11.7%
Hospitality & Accommodation | -23.1% | -29.6% | -43.1% | -45.2%
Fuel & Automotive | -9.4% | -6.9% | -23.5% | -21.3%
Clothing, Footwear & Dept. Stores | 41.6% | 33.4% | -47% | -48.1%
Home & Recreational Retailing | 68.6% | 49.8% | -23.1% | -31.4%
All other | -4.1% | -14.5% | -41.5% | -45.8%
Totals | 11.3% | -9.2% | -16.4% | -28.2%
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CEDA.nz

COVID-19 Business Support | About | Business Help | Invest Here | Data & Insights

Visitor Sector Webinar Series: Demystifying Qualmark

Visitor businesses need to be look carefully at their business health and safety, quality standards and how they can deliver a sustainable visitor experience in response to the current climate. Hear from Gregg Anderson, Qualmark GM, as he shares the benefits of being a part of this important accreditation, and Jacinda Cole, owner of The Martinborough Hotel, as she shares her honest experience of the Qualmark process.

Watch the webinar below.

Webinar 13: Master Your Cash Flow

Join Hector Bassett of Davidson Fraser as he teaches you how to structure your cash flow to strategically maximise profit and forecast your cash flow for the next few months. Free Resource – a customised cash flow spreadsheet will be explained as part of the webinar, designed for non-accountants who want to learn a little more about how their cash flow works, and is available via Google docs here.

Watch the webinar recording below and view the slides here.

Webinar 14: Financing Business Cashflow & Accessing Recent Tax Changes

In light of the recent announcements of support for businesses affected by the COVID-19 responses, it is a good time to familiarise ourselves with the support available and the mechanisms through which it can be accessed. In this informative webinar, Russell Bell CA and Craig McKinnon CA of Balance Chartered Accountants, will walk you through the support packages announced pre and post Budget 2020. This Webinar is brought to you in partnership with Whanganui and Partners.

Watch the webinar recording below and view the slides here.

Webinar 15: Practical Implementation of Lean Practices to Improve SMEs' Productivity

Webinar 16: Focus or Pivot? Strategies to Navigate Through COVID-19 and Beyond

Webinar 17: Blasting a Recession with Tech!

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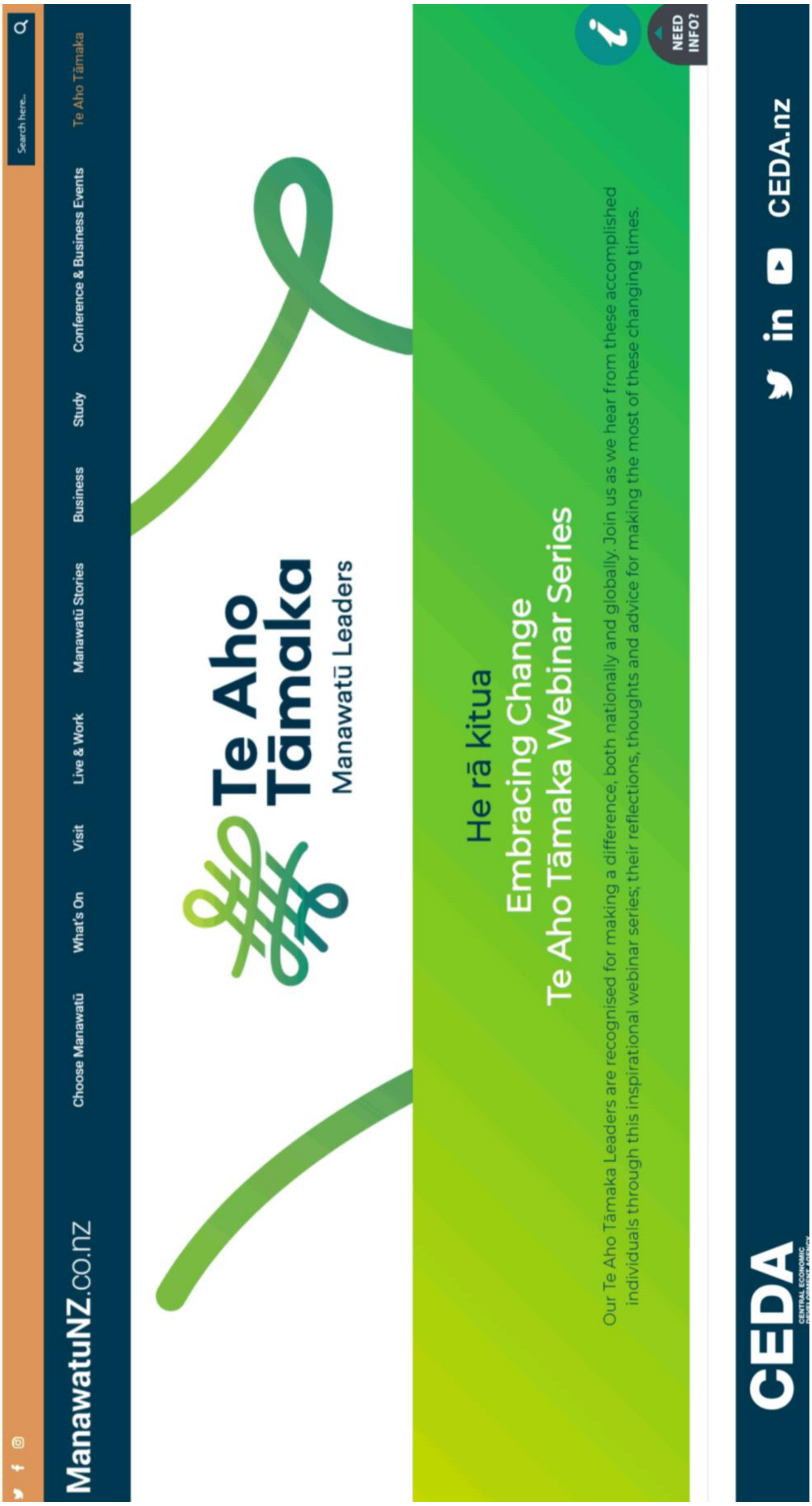
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Live & Work
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Business
Study
Conference & Business Events
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Manawatū Leaders
He rā kitua
Embracing Change
Te Aho Tāmaka Webinar Series
Our Te Aho Tāmaka Leaders are recognised for making a difference, both nationally and globally. Join us as we hear from these accomplished individuals through this inspirational webinar series; their reflections, thoughts and advice for making the most of these changing times.
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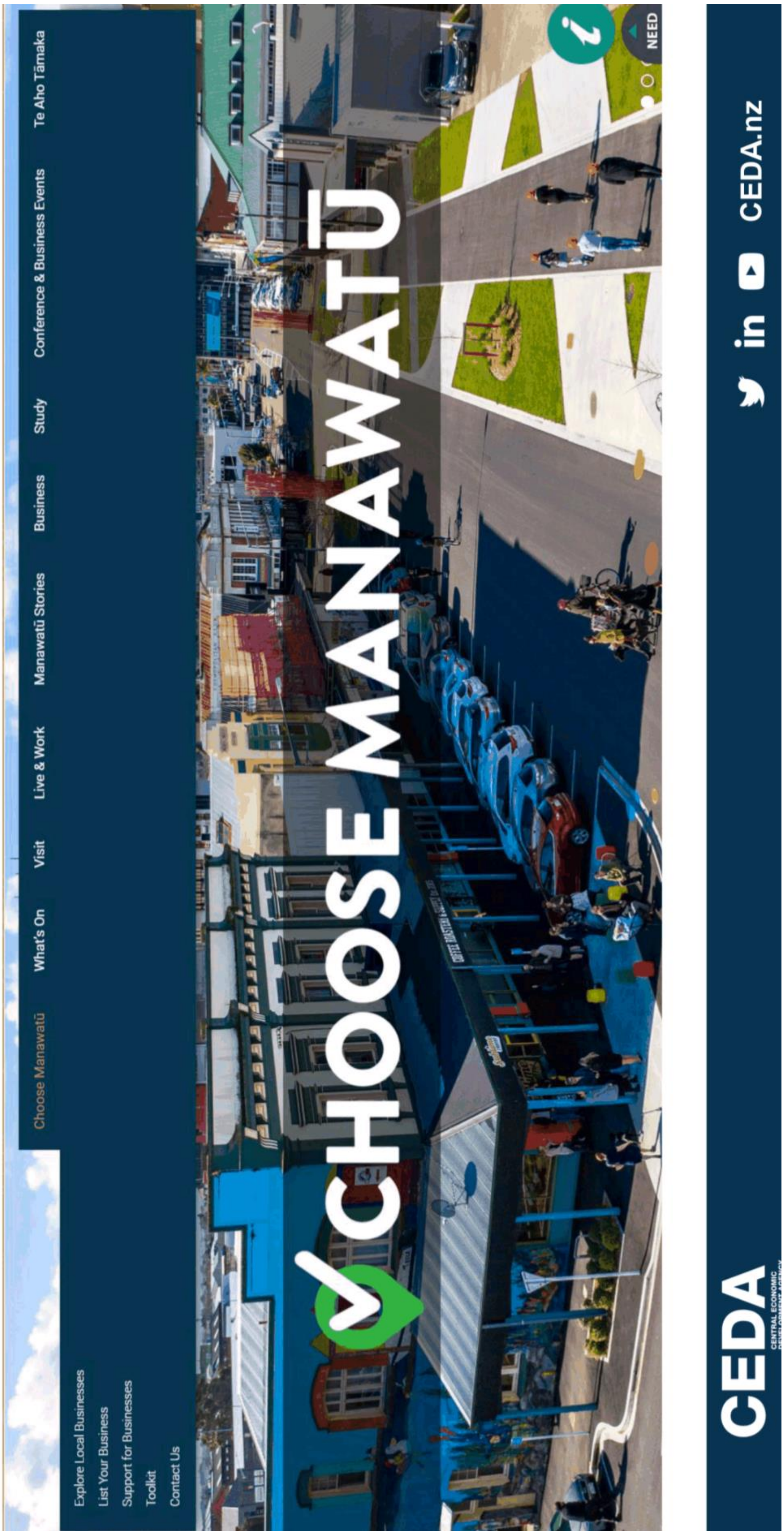
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Business
Study
Conference & Business Events
Te Aho Tāmaka
Explore Local Businesses
List Your Business
Support for Businesses
Toolkit
Contact Us
CHOOSE MANAWATŪ
NEED
CEDA
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Response and Recovery Plan:
RESTART

3-12 months	RESTART: The detailed plan to return businesses, industries, economies back to scale quickly, as knock on effects become clearer

Our People:
- Retraining and redeployment of impacted individuals
- Attraction and retention of specific skills
- Retain, stabilize, position and grow international education

Our Businesses:
- Support strategic projects
- Continued support via RBP, webinars, R&D, start-ups
- Retention strategy and action plan
- Investment attraction
- Destination management
- Māori Alliance initiatives
- Conference sector strategy and action plan

Our Place:
- Open for business
- Meet, conference and event
- Your own backyard
- Training, career and job opportunities
- Talent attraction
- Forging ahead

Our Partners:
- PNCC, MDC
- Central Government Agencies
- Business networks
- Skills agencies and groups

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Response and Recovery Plan: REFORM

Ongoing	REFORM: Clarity on how the regulatory and competitive environment in our economy may shift

Policy and Regulatory Changes to watch:

- Immigration restrictions and timing (international education, skilled migrants)
- Trade policy (our trading partners)
- Border and travel restrictions (ease of doing business)
- Environmental policies strengthened/relaxed (cost and ease of doing business)
- Tourism NZ strategy (domestic focus)
- MBIE Aotearoa New Zealand Tourism Strategy
- Education New Zealand International Education Strategy
- Budget Announcements and funding
- PGF
- Airline operations – freight and passenger

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CENTRAL ECONOMIC
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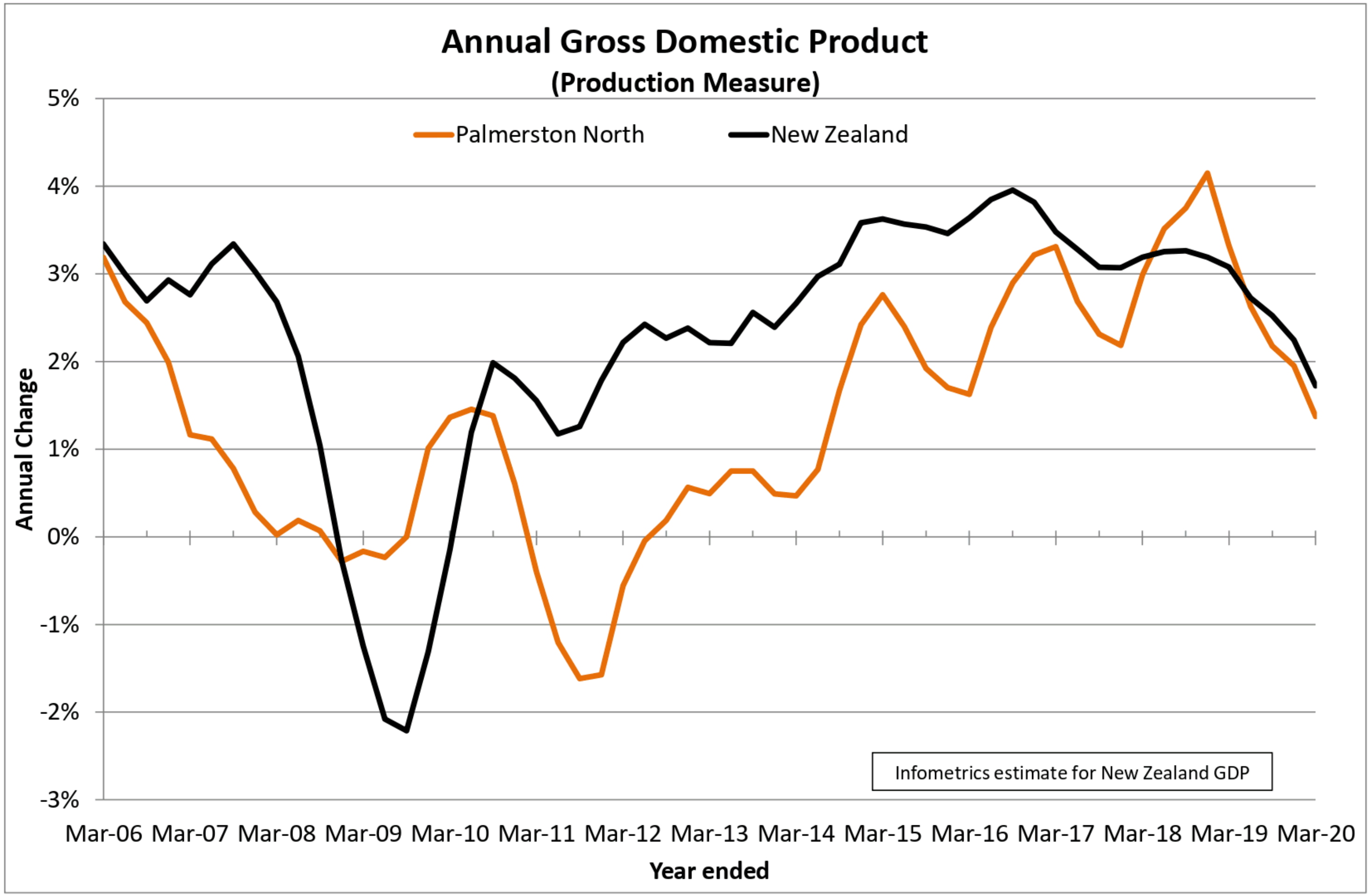
Economic Development Committee
3 June 2020
Manawatu
Young Heart, Easy Living
PALMERSTON NORTH
CITY COUNCIL

GDP

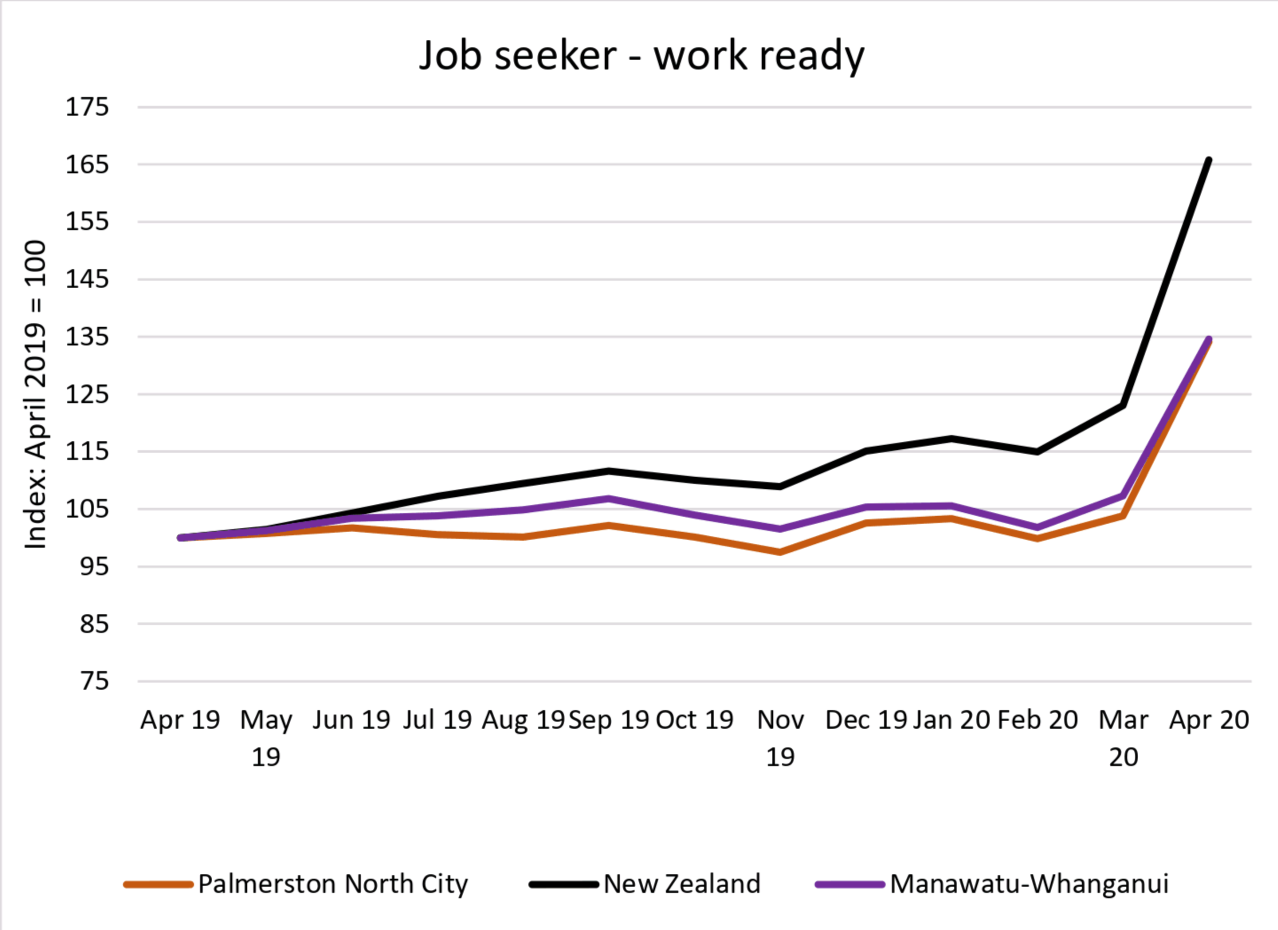


PALMERSTON NORTH CITY COUNCIL

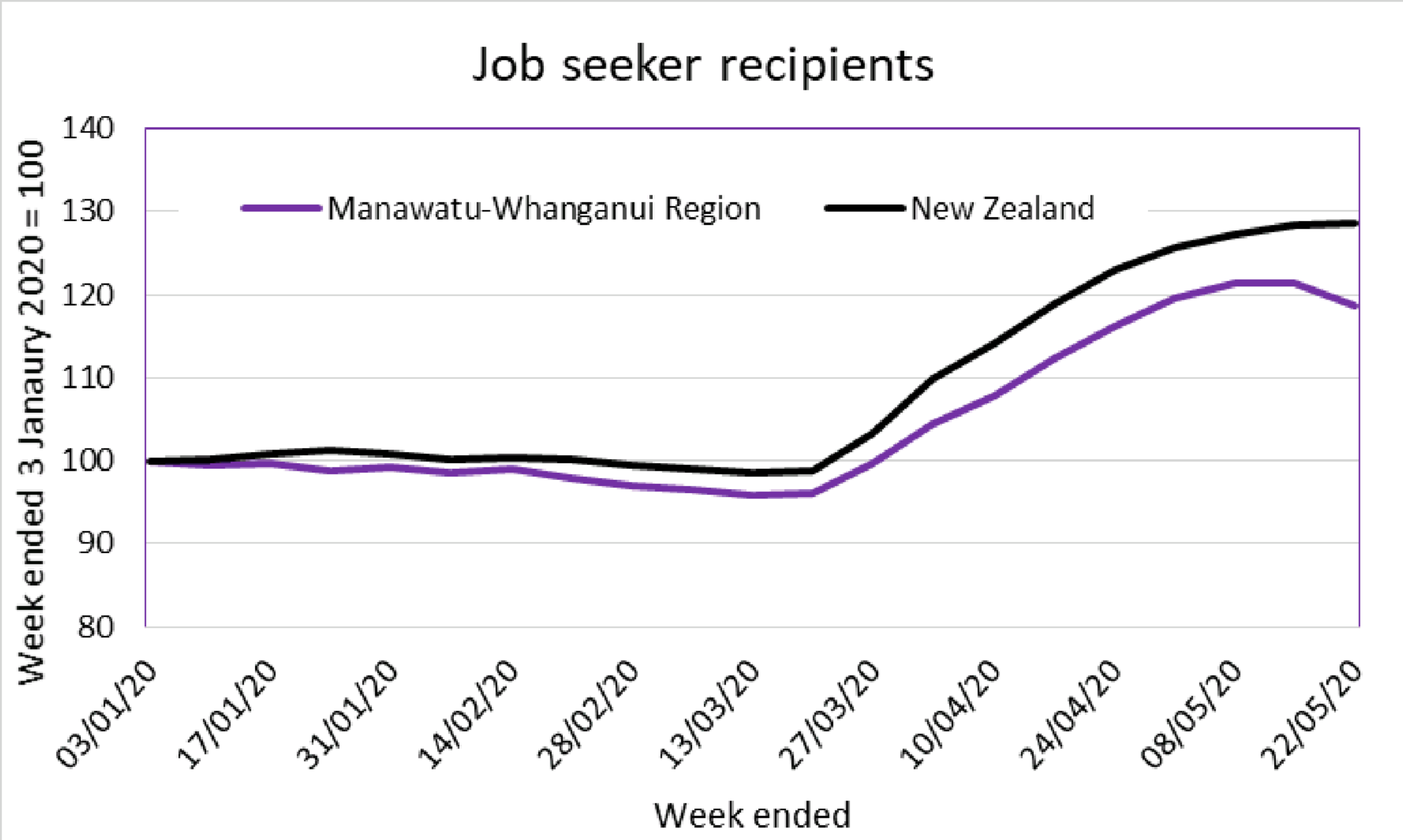
Manawatu Young Heart, Easy Living

ITEM 9 - ATTACHMENT 1

Unemployment



Unemployment



PALMERSTON NORTH CITY COUNCIL

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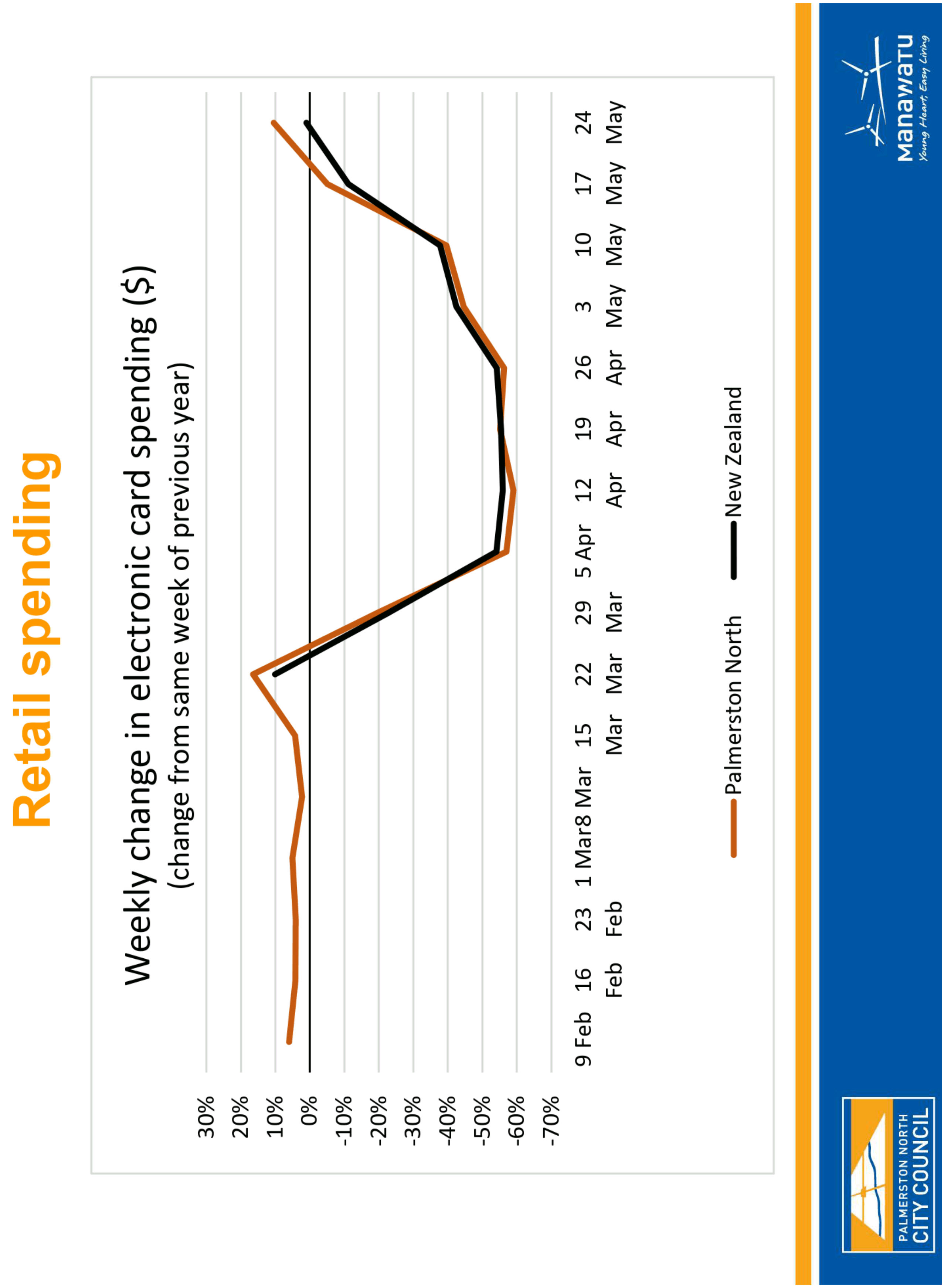
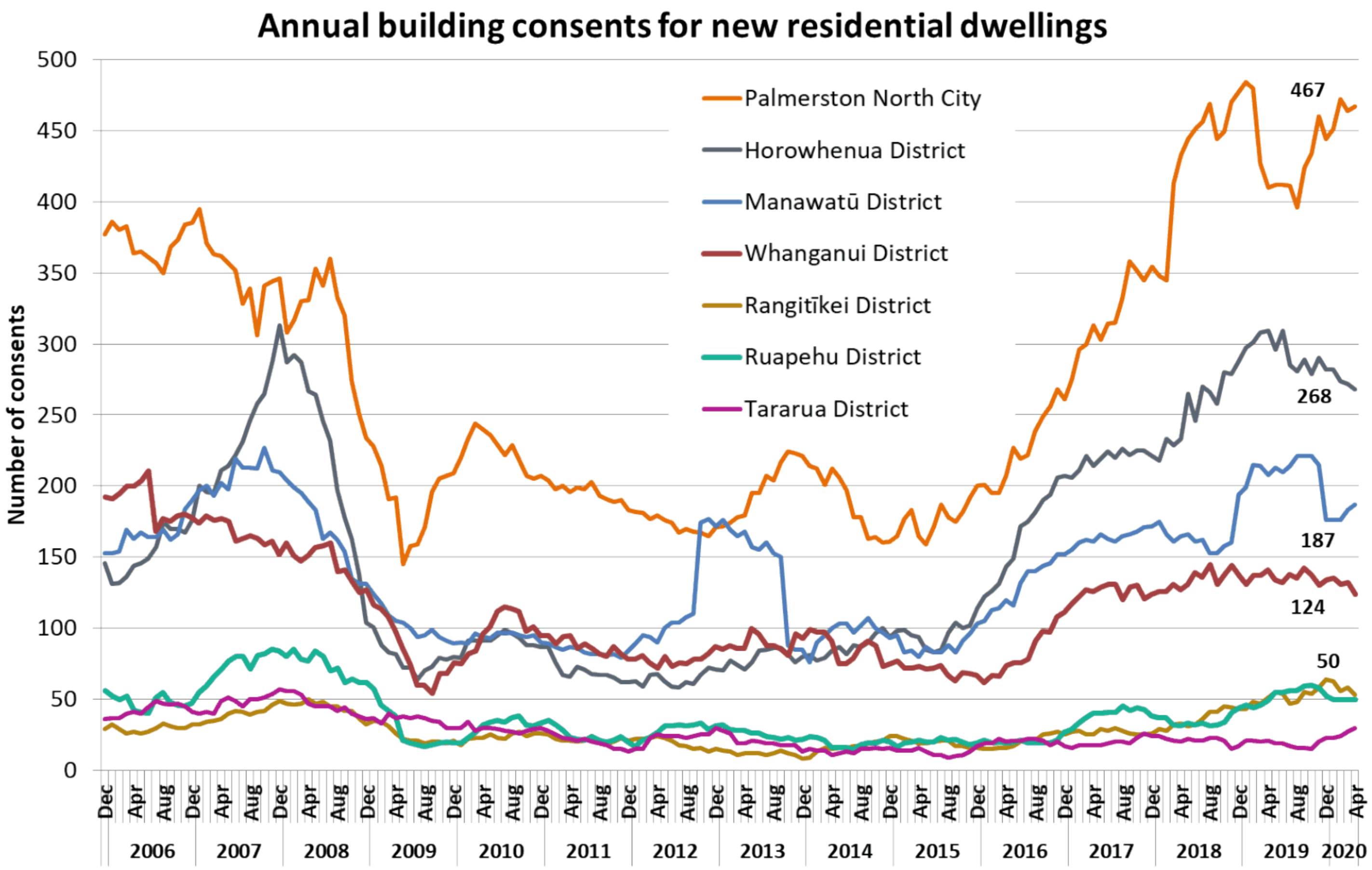
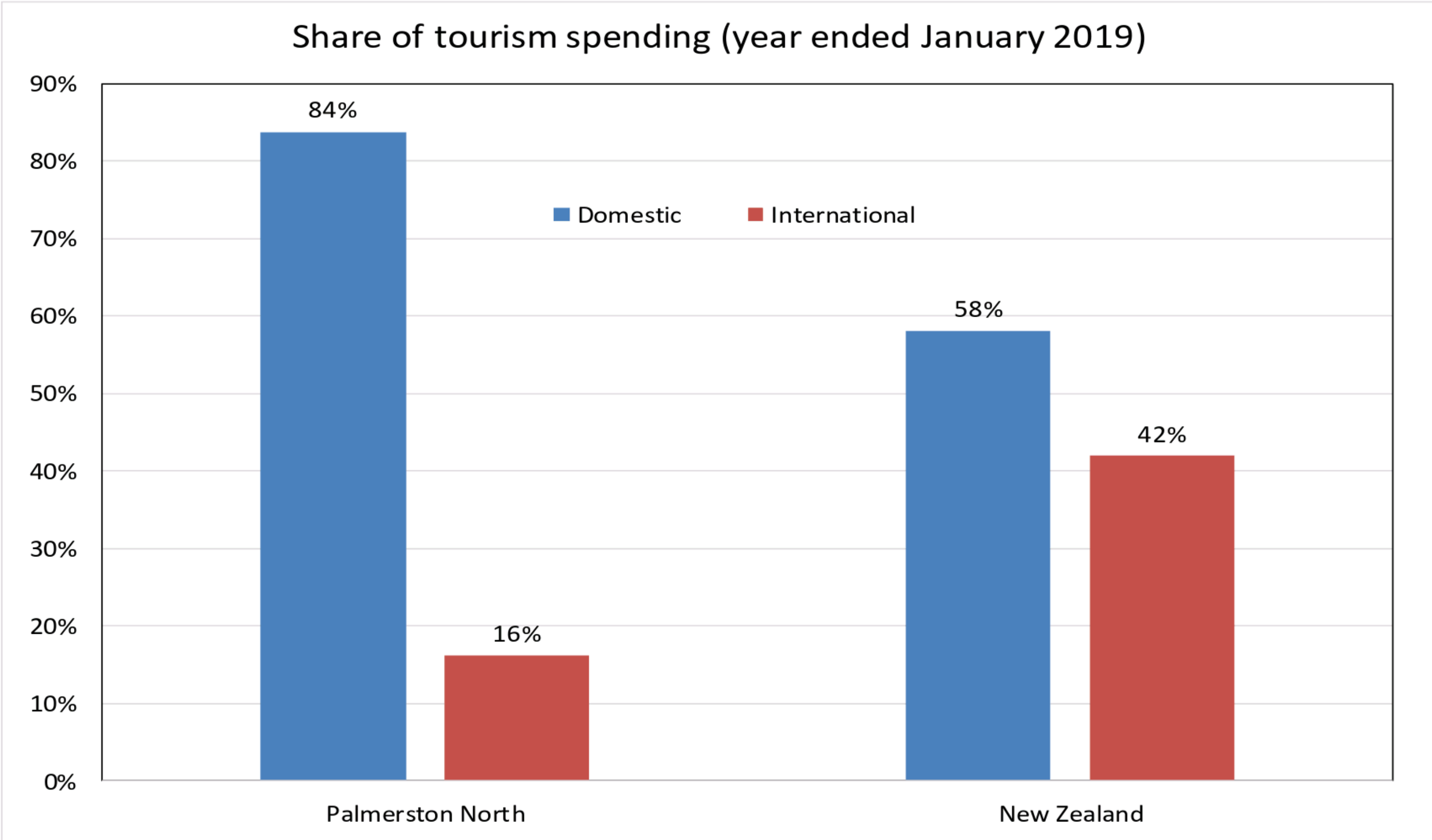

Retail spending
Weekly change in electronic card spending ($)
(change from same week of previous year)
30%
20%
10%
0%
-10%
-20%
-30%
-40%
-50%
-60%
-70%
9 Feb
16 Feb
23 Feb
1 Mar
8 Mar
15 Mar
22 Mar
29 Mar
5 Apr
12 Apr
19 Apr
26 Apr
3 May
10 May
17 May
24 May
Palmerston North
New Zealand
Manawatu
Young Heart, Easy Living
PALMERSTON NORTH CITY COUNCIL

Residential building consents



Tourism


Share of tourism spending (year ended January 2019)
Domestic
International
84%
16%
58%
42%
Palmerston North
New Zealand
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%

Education

Higher Education Student Enrolments in Palmerston North

(Full-time equivalent as at 31 March)

		Massey University	Universal College of Learning	Te Wānanga o Aotearoa	Institute of the Pacific United	Total Higher Education
2017	Domestic	3,510	1,731	536	34	5,811
	International	915	144	0	268	1,327
	Total	**4,425**	**1,875**	**536**	**302**	**7,138**
2018	Domestic	3,209	1,718	511	33	5,471
	International	874	143	0	196	1,213
	Total	**4,082**	**1,861**	**511**	**229**	**6,683**
2019	Domestic	3,076	1,621	484	61	5,242
	International	925	158	0	181	1,264
	Total	**4,001**	**1,779**	**484**	**242**	**6,506**
2020	Domestic	2,965	1,572	471		5,008
	International	911	172	0		1,083
	Total	**3,876**	**1,744**	**471**	**0**	**6,091**

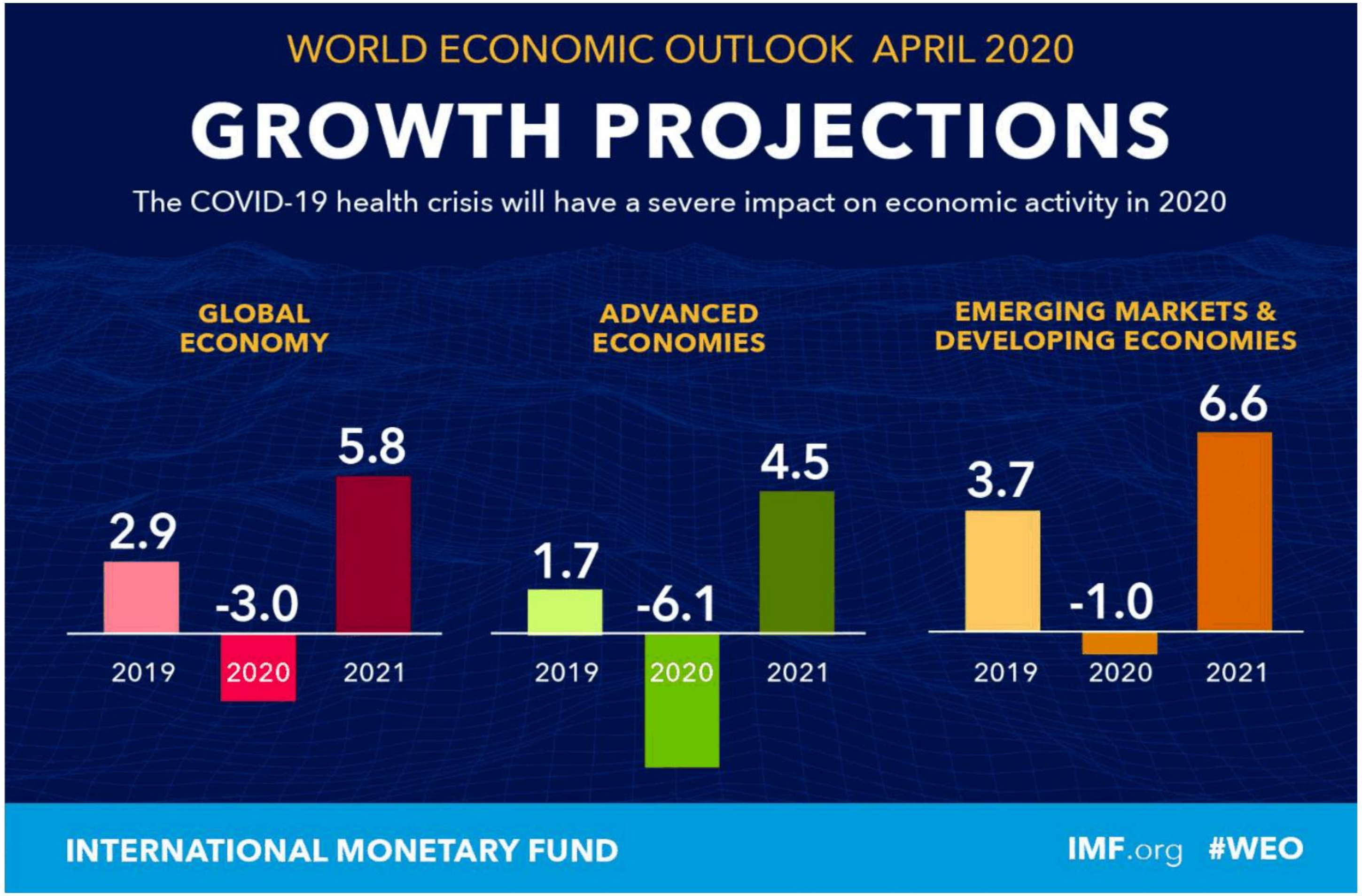
Outlook

- Construction is supporting growth:
  - Shortage of housing
  - Major projects starting
- High government share of salaries and wages (38% share) cushions impact of Covid 19 virus
- Significant stimulus to economy from government (fiscal and monetary policies)

PALMERSTON NORTH CITY COUNCIL

Manawatu
Young Heart, Easy Living

Outlook


WORLD ECONOMIC OUTLOOK APRIL 2020
GROWTH PROJECTIONS
The COVID-19 health crisis will have a severe impact on economic activity in 2020
GLOBAL ECONOMY
2.9
-3.0
5.8
2019
2020
2021
ADVANCED ECONOMIES
1.7
-6.1
4.5
2019
2020
2021
EMERGING MARKETS & DEVELOPING ECONOMIES
3.7
-1.0
6.6
2019
2020
2021
INTERNATIONAL MONETARY FUND
IMF.org #WEO

Questions?