



PALMERSTON NORTH CITY COUNCIL

MINUTES ATTACHMENTS
ECONOMIC DEVELOPMENT
COMMITTEE

9AM, WEDNESDAY 7 OCTOBER 2020
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

ECONOMIC DEVELOPMENT COMMITTEE MEETING

7 October 2020

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1.	Report on the updating of sector profiles	37



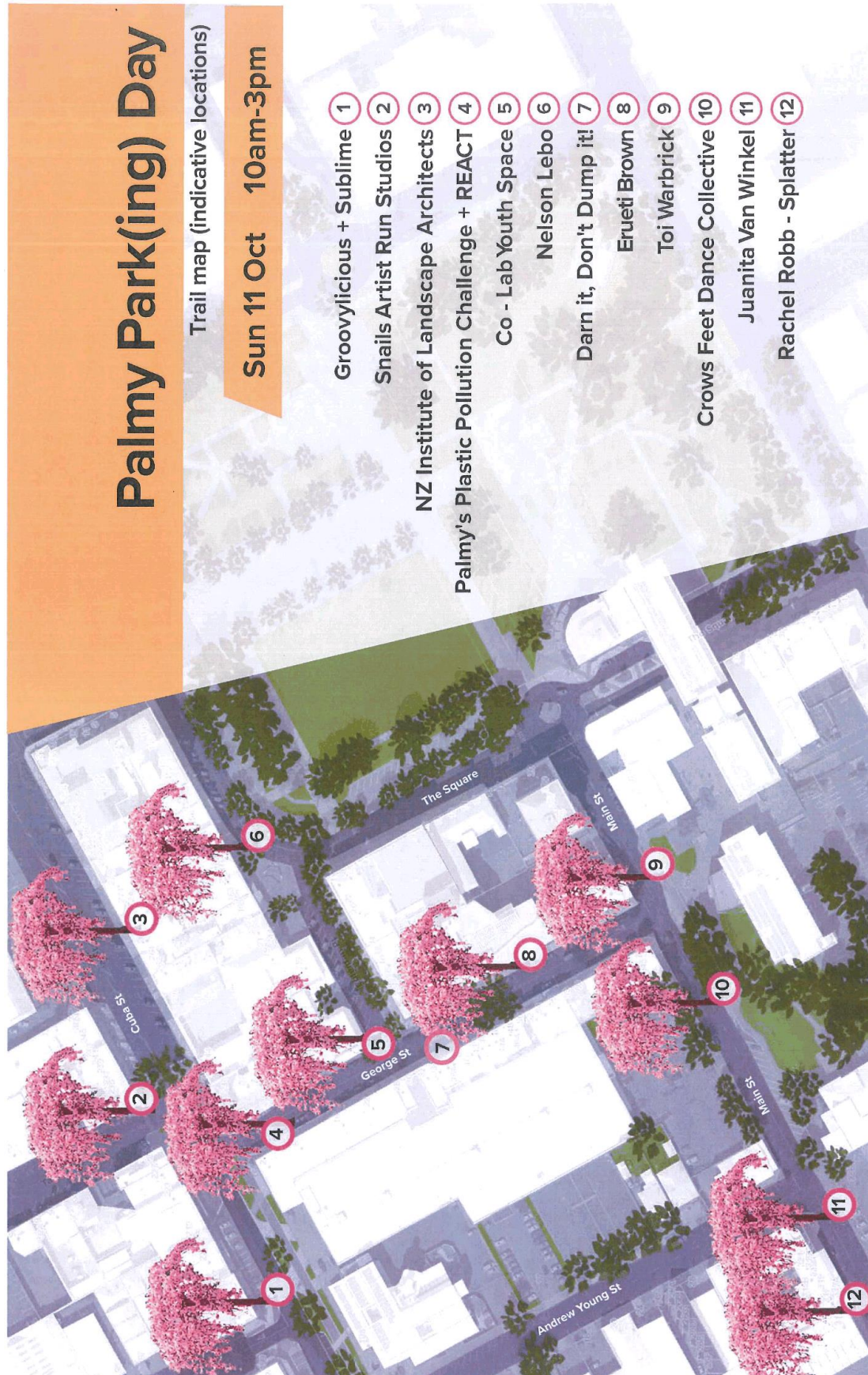
Colours of Spring
BLOSSOM NIGHT MARKET

DOWNTOWN, BROADWAY AVE | MAIN ST
THURSDAY 12TH NOVEMBER 2020

FROM 4PM - 9PM

LIVE MUSIC
STREET FOOD EATERY
CRAFT STALLS
RETRO STALLS
KIDS ACTIVITIES

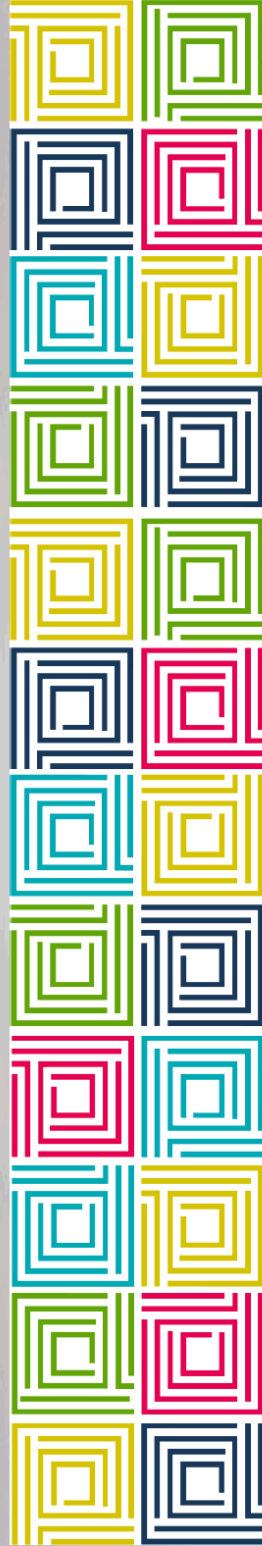
  



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nzia | NEW ZEALAND INSTITUTE
OF LANDSCAPE ARCHITECTS
Hawkes Bay Manawatu Branch

PALMY BID – PROGRESS UPDATE



<https://palmybid.co.nz/>

STRATEGIC PLAN

Vision:

Palmy BID is to be recognized as the best
Regional City BID

Mission:

Palmy BID will create a vibrant, connected
CBD where businesses can feel heard and
supported, thrive and want to be.



STRATEGIC PLAN

Key Deliverables:

Advocate for Business Interests providing representation for and within the CBD

Business Growth and Retention through Marketing, Events and PR

Business Support focusing on Safety, Crime Prevention

Connect the Community



BOUNDARY

Ring Road remains outer limit

Properties on the outside of the ring
road now included

Broadway/Main St up to Vivian St
included

Residential Property excluded



VOTING

Online and By Mail Voting Process

Voting Register 90% complete

Vote anticipated by end of November, at
worst early December

Expect to meet deadline for inclusion in
LTP



MARKETING PLAN

Online register to allow businesses to
verify inclusion

Email and Direct Mail comms

Facebook Group

At least one town hall type meeting

Potentially two drop-in days

Flyer drop

Personal visits to key landlords/businesses

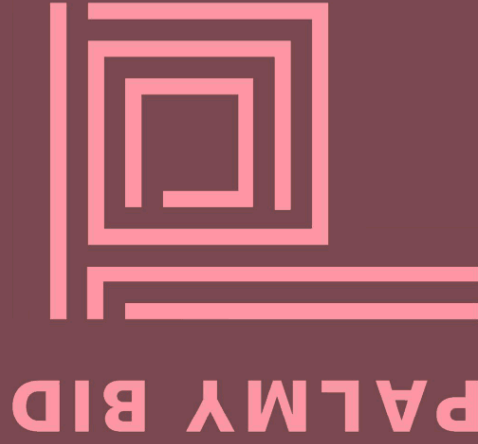


FINAL THOUGHTS

Significant discussion around impact from Covid and option to delay launch

Final decision made to push ahead, uncertainty levels higher not lower a year from now

Initial interactions have seen positive feedback notwithstanding there are concerns around economic outlook

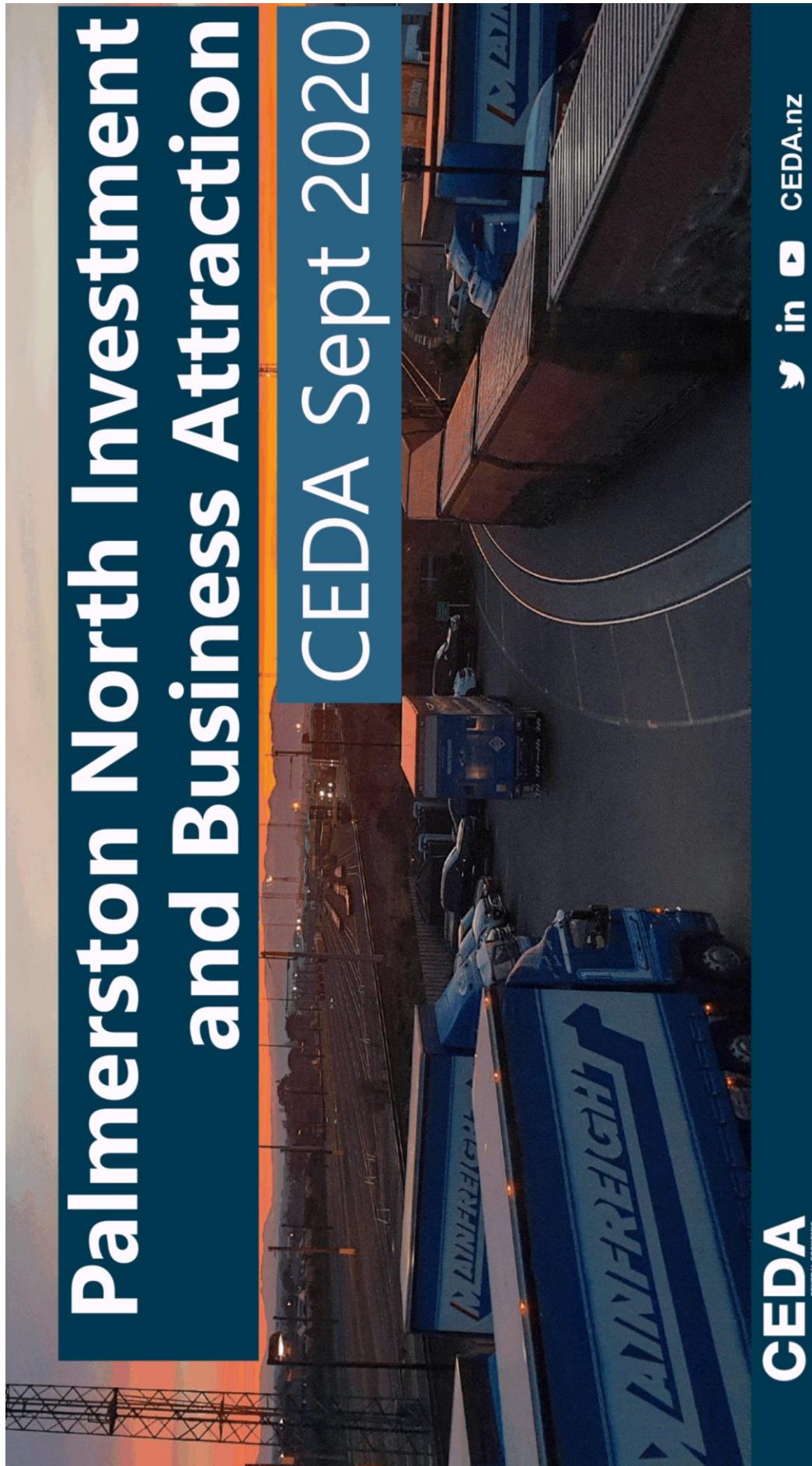


QUESTIONS



<https://palmybid.co.nz/>





The Approach



Manawatū is recognised as one of the top three agrifood hubs in the world

**Do what we do, really, really well.
And build on it.**



Manawatū is a leading distribution hub, and leverages off its role in central New Zealand

Know your market. Intimately.

Get to grips with the barriers.

Build familiarity.

Right people, right skills.

Build partnerships.

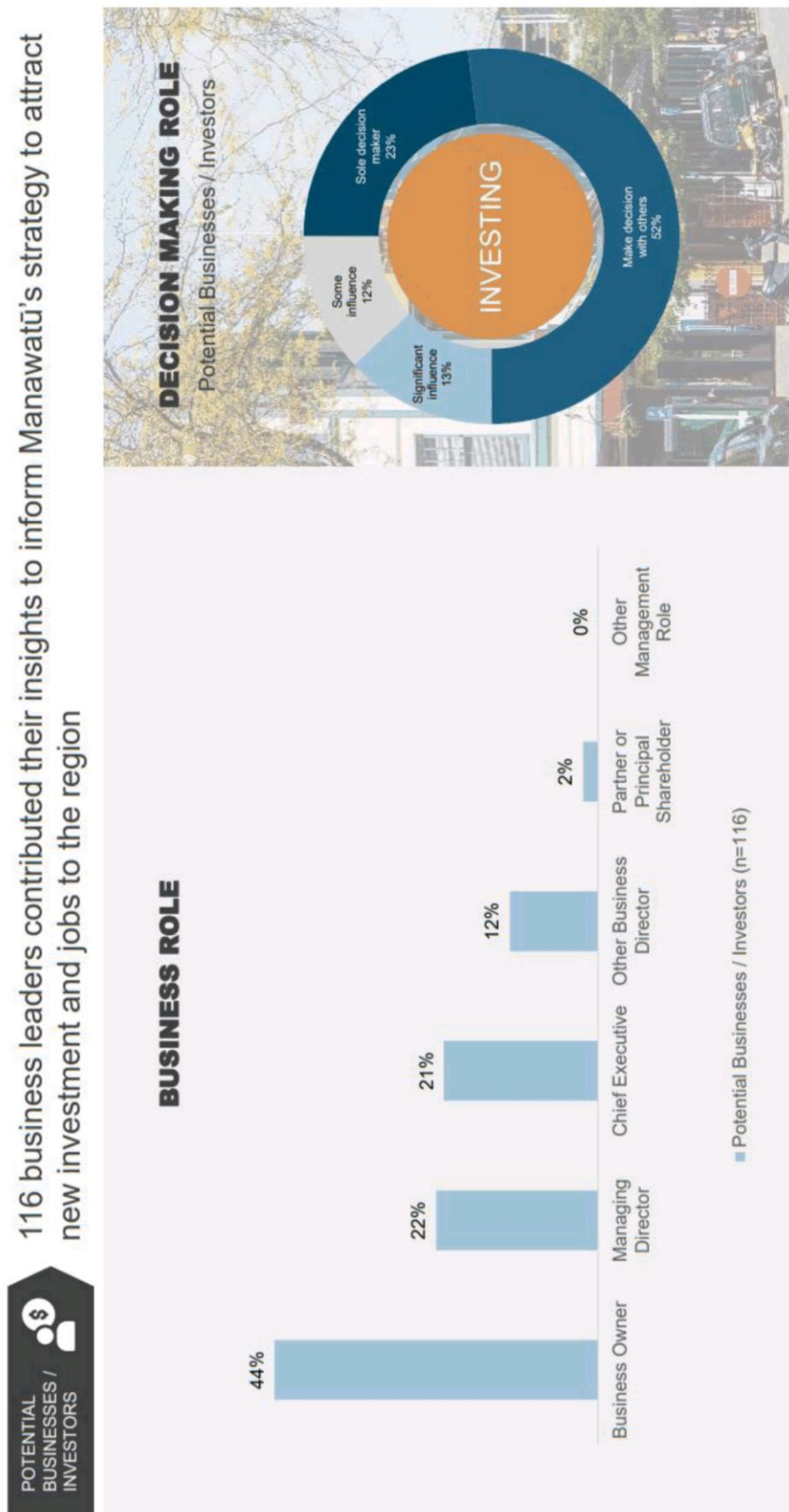
Don't overlook existing businesses



Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business and talent

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**LEVERAGED
GROWTH**



**is the default
business mindset**

Investment is focussed on



Regions where the business already has a presence



Complimentary sectors which build upon existing competencies



A 60/40 blend of main centres and regional areas



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Investment decisions are driven by a broad mix of considerations, with connectivity (both physical and virtual/digital) being most important. Recruiting suitable staff and lower operational costs also play a role.



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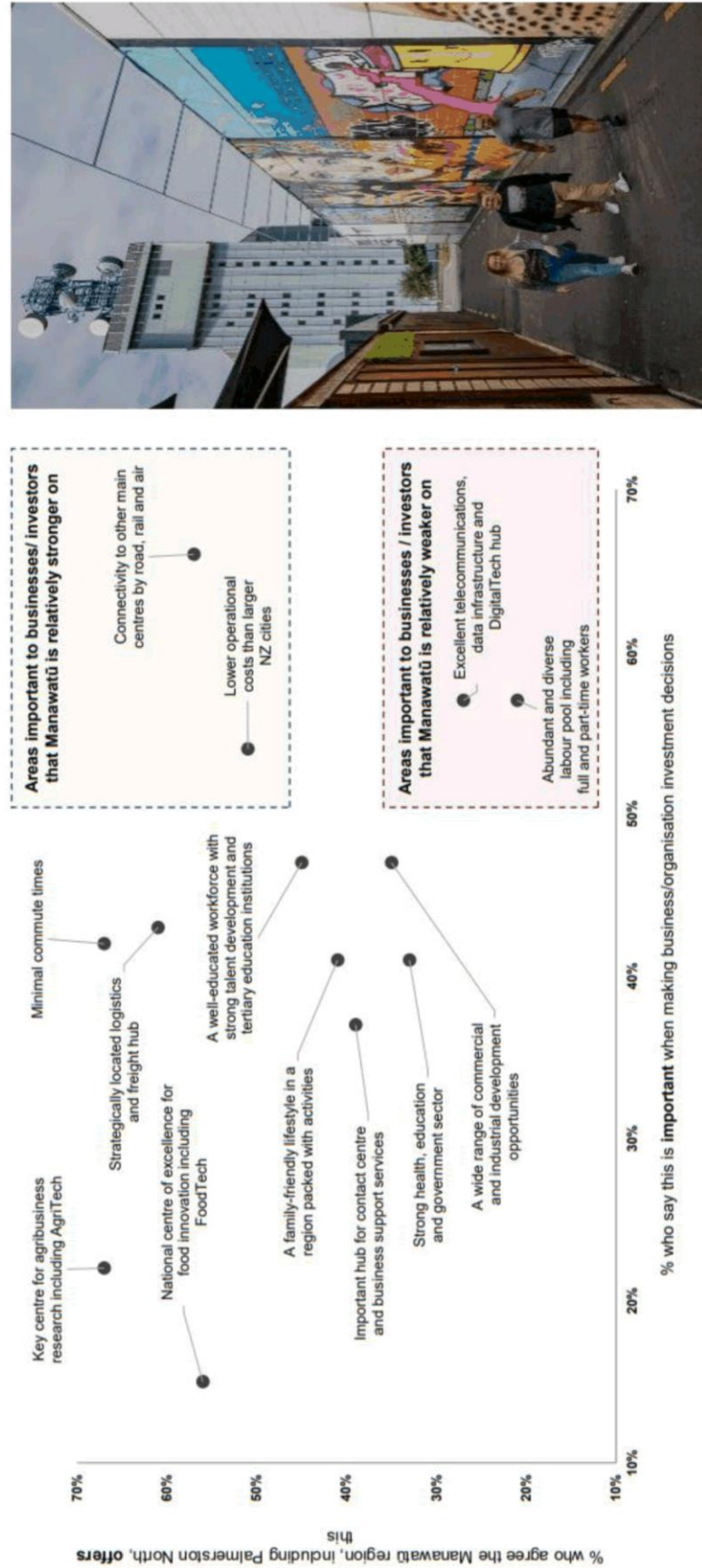
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POTENTIAL
BUSINESSES /
INVESTORS

Connectivity to other centres and lower costs are strengths for the Manawatu.
Perceptions of talent pool size/diversity and data/telco infrastructure could be improved.



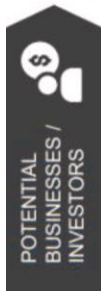
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POTENTIAL
BUSINESSES /
INVESTORS

While connectivity perceptions are strong for the Manawatū region, some investment decision makers thought more could be done around roads and air.



*"Needs better road
connection with the Hawkes
Bay and Wairarapa."*

*"Better travel
connections with
Auckland."*

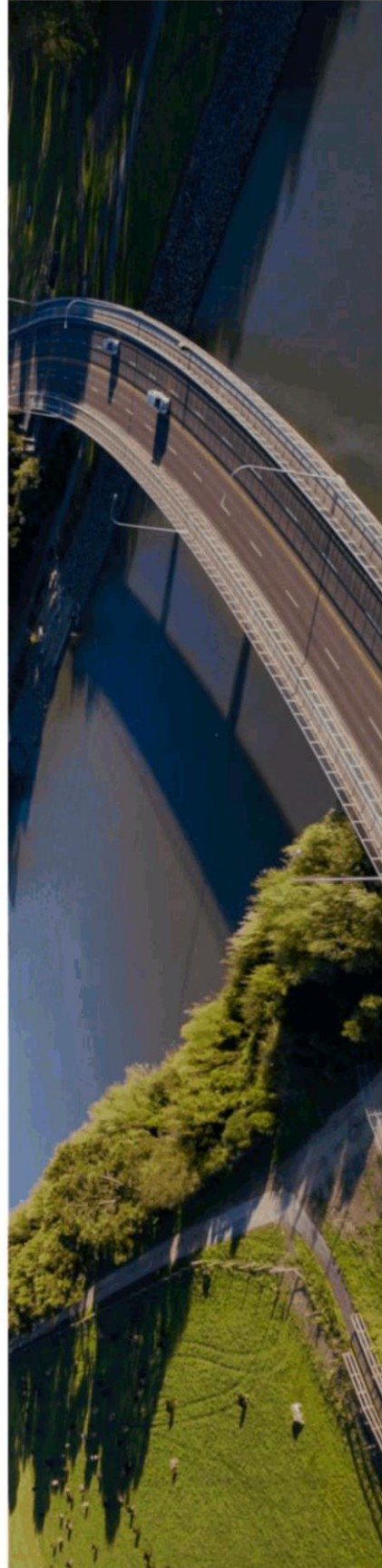
*"Flight network is poor. Difficult and
expensive to have staff travelling in and
out, especially to other provinces."*



*"The gorge road
improvement and
rebuild."*

*"Better access easier for
road transport, cheaper
cartage rates."*

"Better air connectivity."



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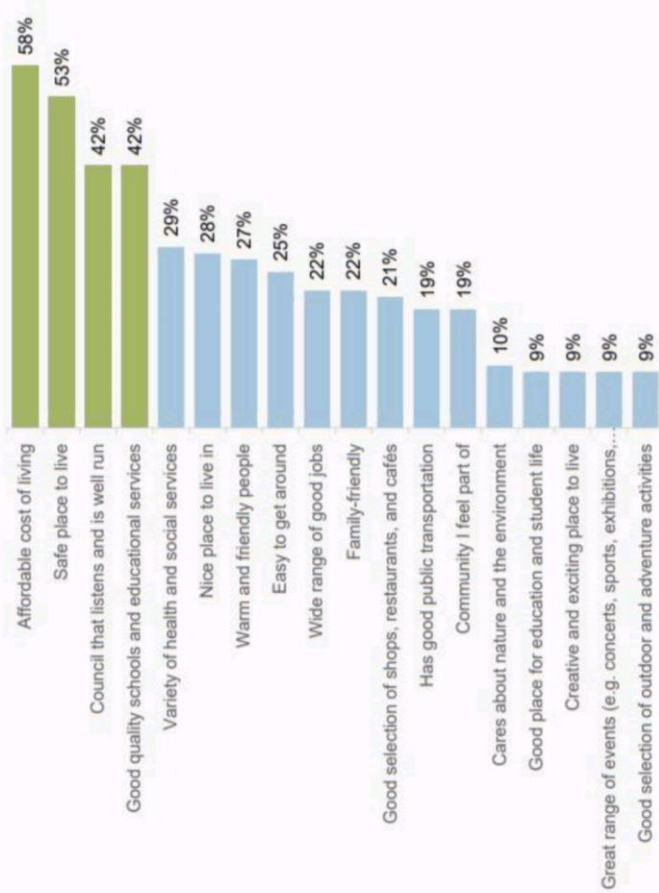
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An ideal city for potential businesses/investors is more about fundamental structural integrity and community than colour and excitement.

IMPORTANT FACTORS IN AN IDEAL PLACE TO INVEST



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The Strategic Projects

The long-term game changers

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CEDA AGRIFOOD HUB 12 MONTH REVIEW

JUNE 2020 | 4

2040 Agrifood Hub Goals

Current progress towards Manawatū becoming a global Agrifood Hub:

- 10% of Manawatū region connected to VDSL or fibre broadband* (Target: 80%)
- A physical hub:
 - The Factory co-working space (6 hot desks + 10 offices)
 - Massey Agrifood Digital Lab (labs + 3D printing facilities)
 - AgResearch & Massey Joint food science facility (labs + meat & dairy pilot plants)
 - Massey Food Pilot Plant (pilot-scale food production facilities)
 - Sprout Accelerator & investment activity (\$40m of investment funds over 7 years)
- 13% Māori representation across all key initiatives (Target: 30%)**
- 30% of Manawatū high schools offering Agritech classes (Target: 100%)
- 9% of high school students participating in Agritech classes (Target: 50%)
- 265 graduates from tertiary level Agritech courses annually (Target: 1,000)

- 3x Agritech companies with \$100M+ turnover:
 - Fonterra - \$20B revenue, 350 employees
 - FMG - \$360M revenue, 300 employees
 - Norwood - \$280M revenue, 150 employees
- \$1.24M invested in Agritech companies by Manawatū investors (Target: \$10M)
- \$12.4M total invested into Manawatū Agritech companies
- A Top 5 university:
 - Massey University ranked 29th globally for Agriculture & Forestry
 - 360 academic articles on Agritech published annually by Massey***
 - Zero Agritech spin-out companies from Massey in 2019

*Estimated from the Broadband Map NZ

**Average of Māori representation in governance across all stakeholders identified in Agrifood Hub Strategy

***Based on articles published in Agriculture, Food Science, Plant Science & Animal Science for 2019 academic year



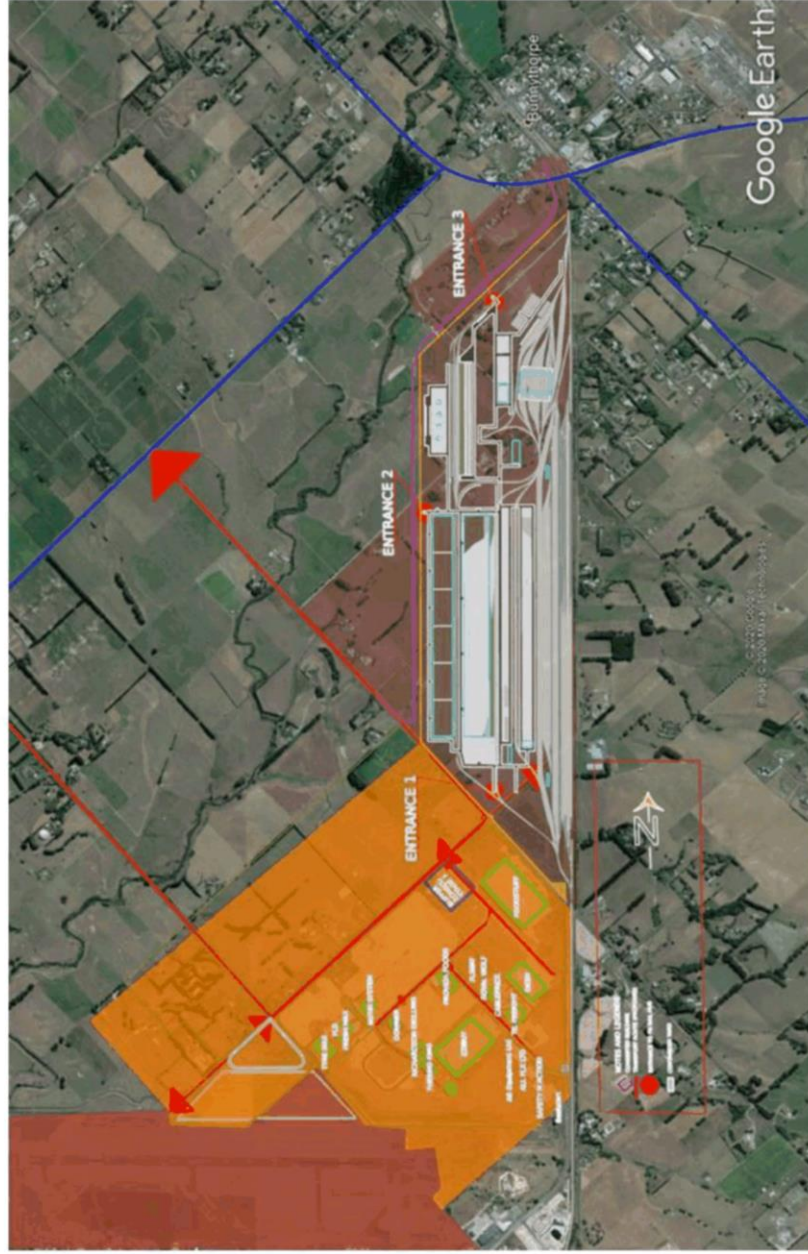




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CNZ Distribution Hub



Recap

Level 2 user – KR engagement, Stakeholder buy in, planning sessions.

Airport interface as key focus now to complete the overarching connectivity value proposition

Roading planning and considerations underway - intersection v roundabout v graded separation, and connectivity to the ring road.

RMA process and team established. Lodgement of the NOR due end of October.

Workstreams

Business Development phase ramping up to quantify the market opportunity for investment.

Economic case underway to gain an economic and social understanding of the broader opportunities of the whole.

Stakeholder engagement plan well defined and being executed.

Transforming Te Āpiti

- Augment the Te Āpiti Masterplan
- Identify what might be key infrastructure asset(s) that cement Te Āpiti both as destination and as a recreational resource
- Develop Business Case
- Attract funding (private/public)

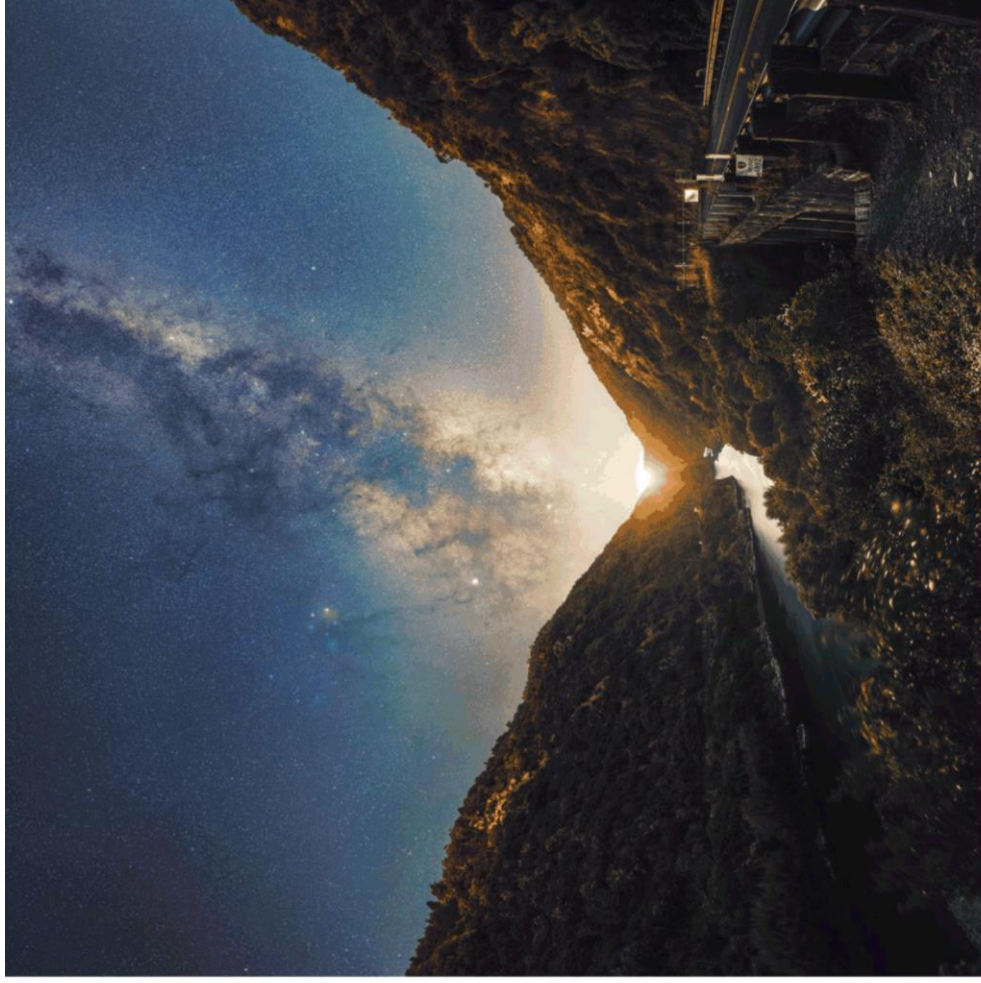
A scenic landscape photograph of Te Āpiti, showing a wide river flowing through a lush green valley. In the background, a large bridge spans the river, and a golf course is visible on the left bank. The sky is blue with scattered white clouds.

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Old Gorge Road

- Reopen as a walking/cycle track
- Viewing Platforms ~2km from either end
- Skybridge across the river connecting North and South
- Safety a major consideration
- Desire to allow the landscape to return to its natural state



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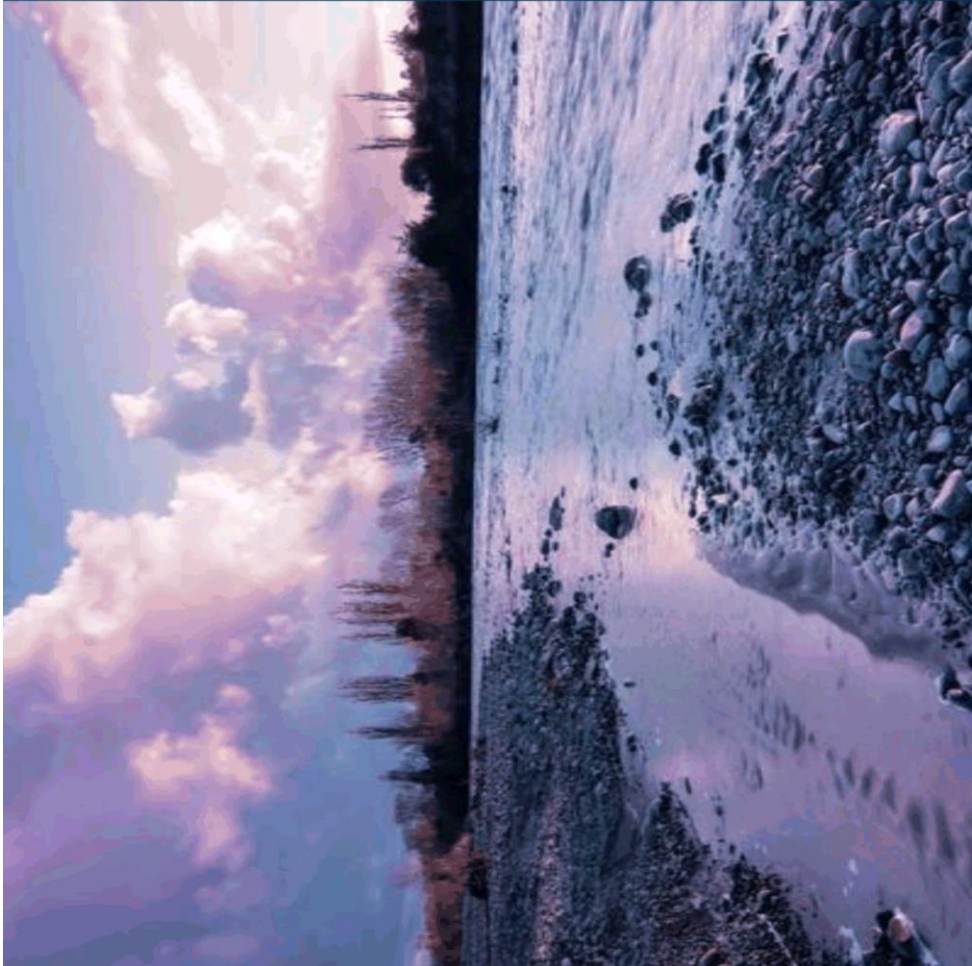


Te Apiti Eco-Sanctuary

- Predator Free Enclosure incorporating at least the Northern Bush
- Southern Bush enclosed where feasible (existing use/sacred sites)
- Biodiversity/species reintroduction programs, synergies with Wildbase, Pukaha
- Environmental, commercial, cross regional collaboration will activate community engagement and enhance financial viability



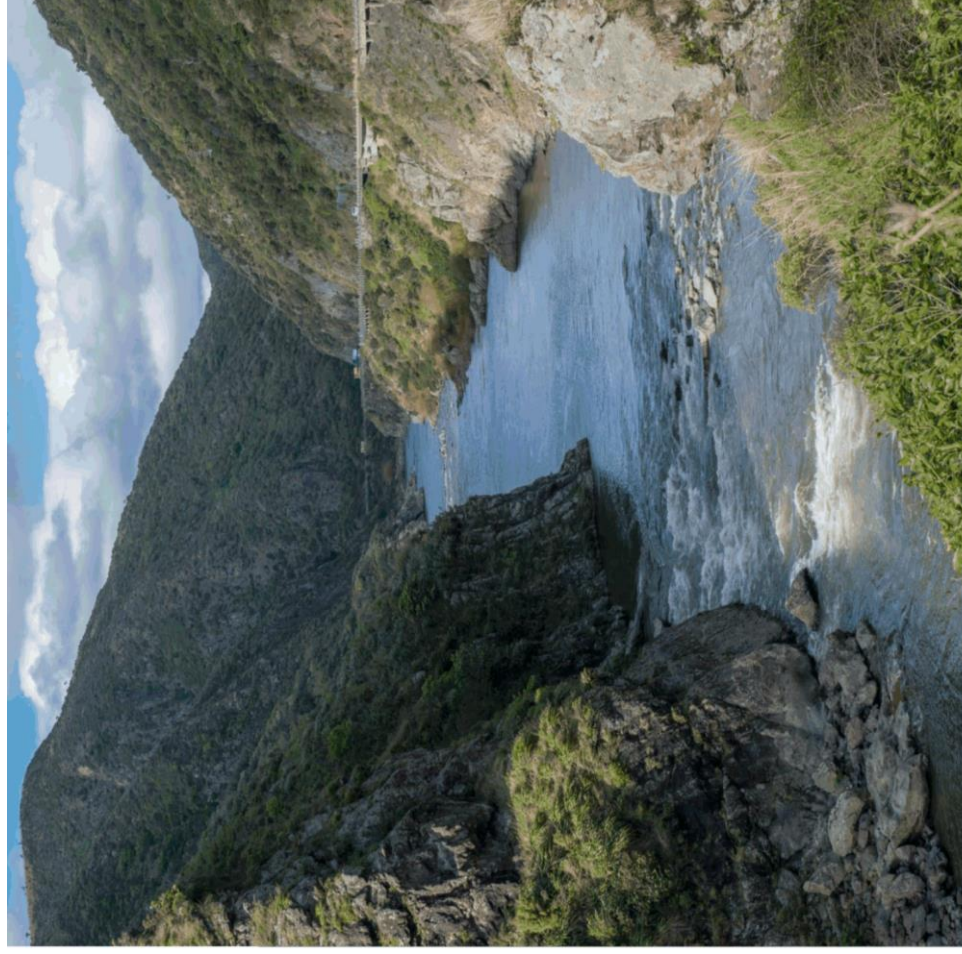

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Benefits

- Regional economic benefit
- Anchor attractions that will enable local tourism operators
- Preservation/enrichment of the environment
- Positive community engagement
- Overdue recognition for an area of regional and possibly national significance

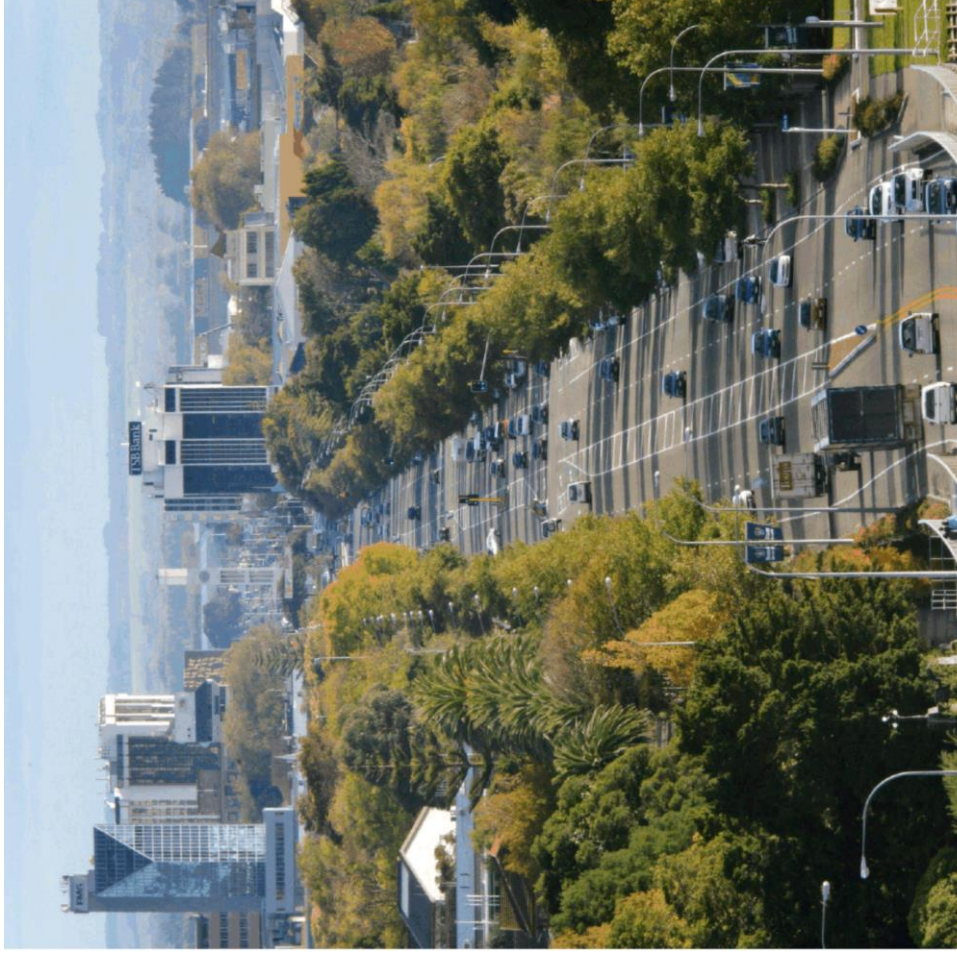


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Business Attraction Pipeline

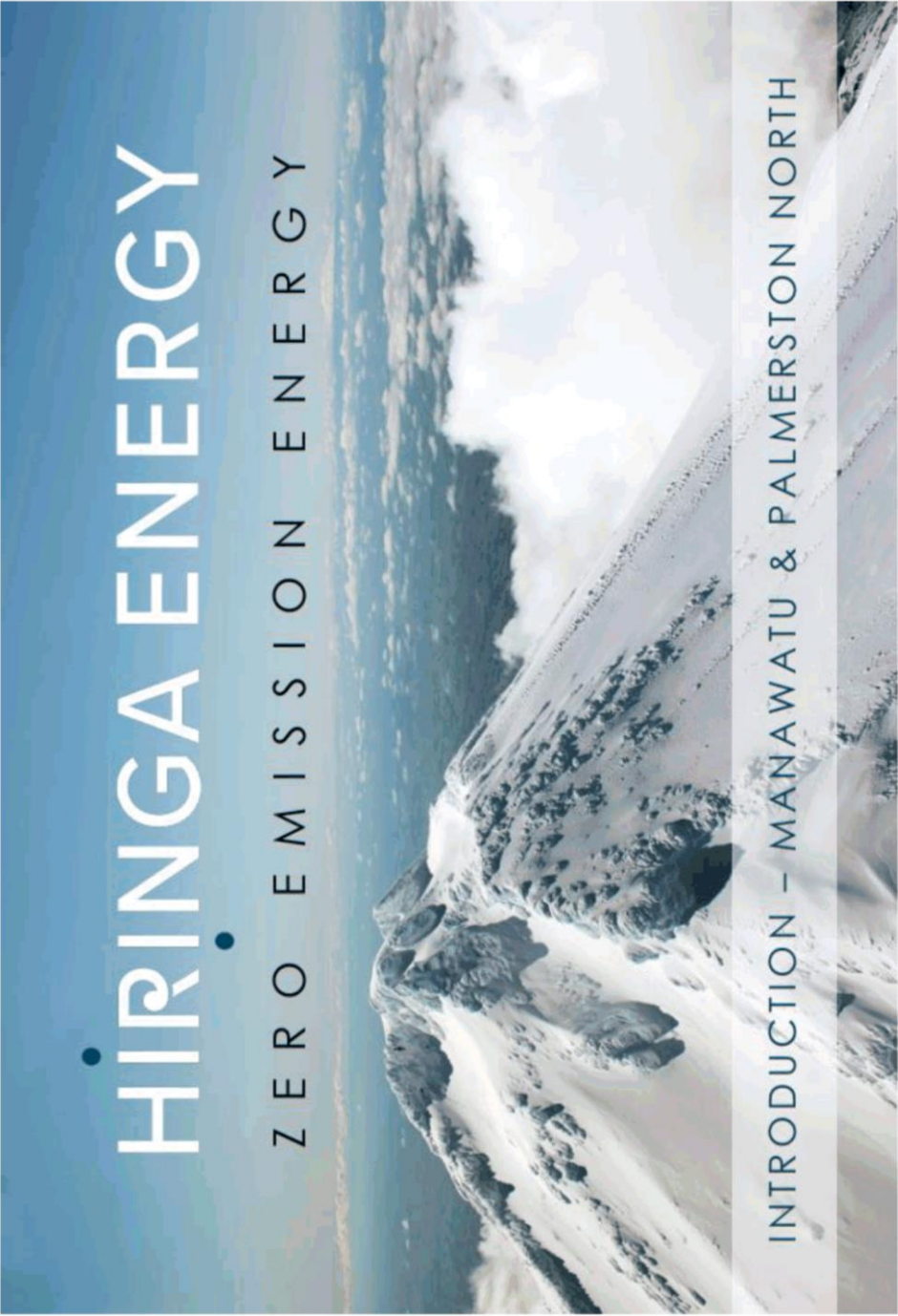
- Apparel Distribution
- Hydrogen Refuelling
- BioForestry
- E-waste technology and processing
- Kitset Steel Frame Buildings
- Post/courier/airfreight
- Biopharmaceutical (MDC)



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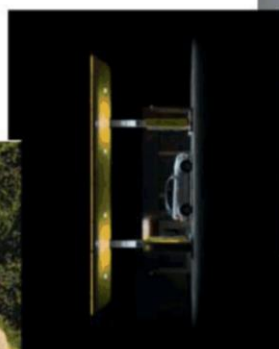
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HIRINGA ENERGY - WHAT DO WE DO?



Make Clean Hydrogen

Developing green hydrogen production projects using electrolysis using renewables, waste gases and biogases, and forming joint ventures with industrial partners who provide power and initial hydrogen offtake.



Develop Refuelling Infrastructure

Forming joint ventures to develop and invest in hydrogen distribution and refuelling infrastructure across New Zealand.



Facilitate Market Use of H₂

Partnering with New Zealand's largest freight and logistics companies.

Working with global fuel-cell and vehicle manufacturers to bring hydrogen fuel cell technologies to NZ - forklifts, buses, light & heavy vehicles, and ferries.

FOCUSED INFRASTRUCTURE ROLL-OUT

SCALABLE APPROACH TO ENABLE COMMERCIALLY VIABLE REFUELLING

Targeting applications that play to hydrogen's strengths:

- High availability, range or payload requirements

Aggregating demand to build scale:

- Light, medium and heavy vehicles, rail, materials handling and industrial offtake from same production

Creating hubs at:

- industrial parks, bus & rail terminals, ports, airports, fleet hubs, transport corridors

Leveraging hubs to provide transport corridors and industrial supply.

New Zealand has potential to be worlds first full coverage commercial hydrogen network



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WHY MANAWATU?

- Key transport & logistics hub:
 - Existing FCEV use cases - MHE, bus fleets, light vehicle fleets
 - Future use cases – heavy trucking, rail
- Provides state highway connectivity North/South/East West
- Local wind energy resource
- Presence of key parties
 - Hiringa partners with presence in Palmerston North
 - Existing vehicle industry presence (Toyota, ZEV)



HYDROGEN FUEL CELL ELECTRIC BUSES (FCEB) IN NZ

PATHWAYS TO FUEL CELL BUSES IN NEW ZEALAND

In Country Development and Build

- Auckland transport (AT) recently announced purchase of a fuel cell bus from Global Bus Ventures in Christchurch.
- In discussions with GBV for larger fleets (>10 vehicles) to achieve competitive pricing



OEM Supplied

- Several options for both lease and purchase available for multiple bus commitments

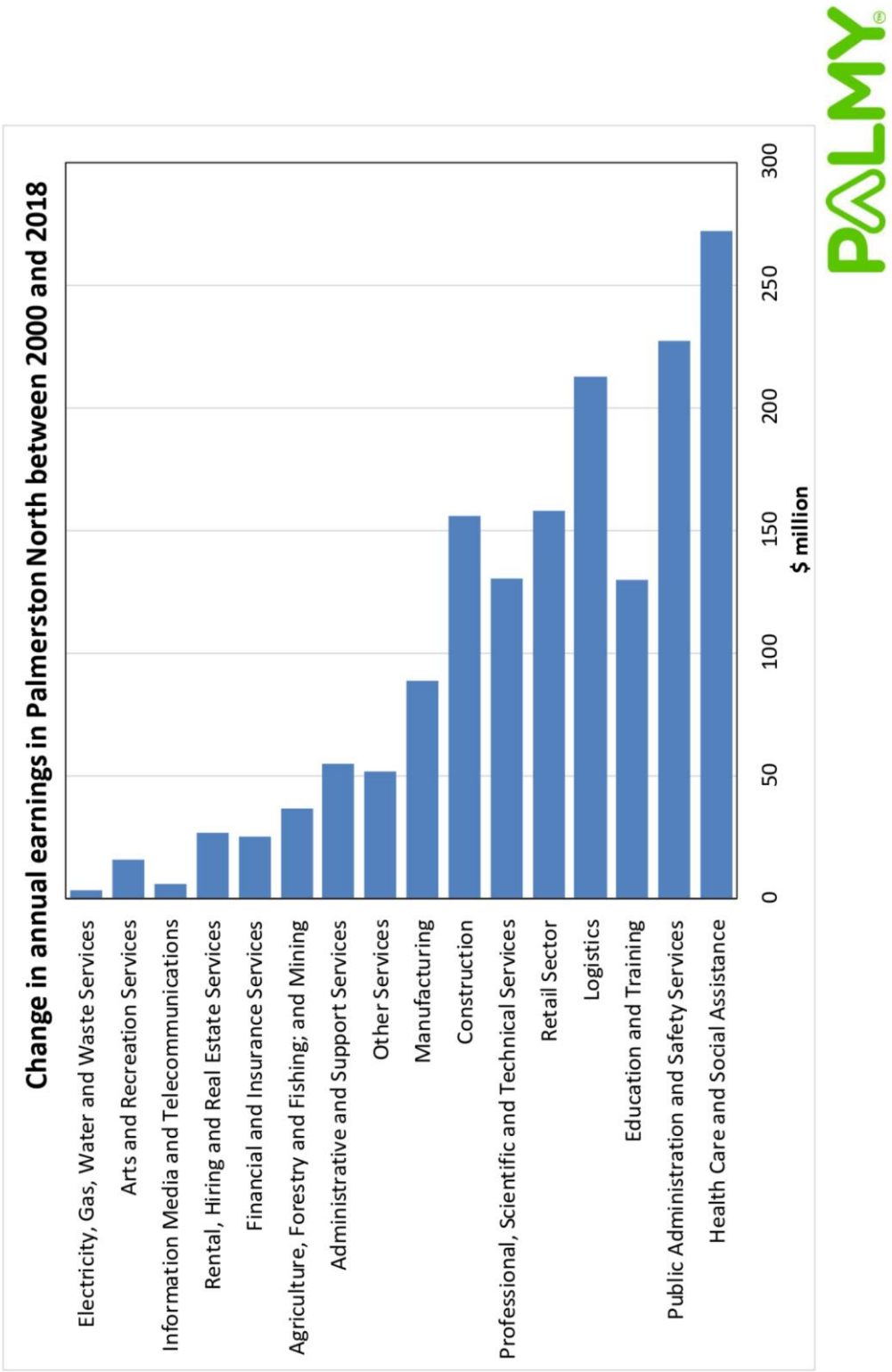
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Sector profiles





Construction

EMPLOYEE COUNT	BUSINESSES	EARNINGS	GDP
 5,250 8.2% of total employment	 1,191 10.1% share of business	 \$295 8.5% of total earnings	 \$377M 6.2% of total GDP

Expected to provide strong growth in employment over the next 10 – 15 years

Primarily a sector that responds to economic growth

But increased export of housing to other areas





Education and training

EMPLOYEE COUNT	BUSINESSES/ ORGANISATIONS	EARNINGS	GDP
 6,820 11.3% of total employment	 279 2.4% share of business	 \$374M 10.8% of total earnings	 \$396M 6.5% of total GDP

Slower growth compared with other sectors due to weaker growth in population aged 0 – 15 than overall population growth

Cited by many sectors as a key factor in choosing whether to locate in Palmerston North



Government

WORKFORCE	BUSINESSES/ ORGANISATIONS	EARNINGS
 17,103 28.3% of total workforce	 252 2.1% share of total businesses/organisations	 \$1,075M 36.2% of total earnings

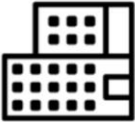
Strong growth in Defence and Public Administration and more growth planned

Significantly higher share of jobs than national 17.9% share





Healthcare and Social Assistance

EMPLOYEE COUNT	BUSINESSES	EARNINGS	GDP
			
8,040	555	\$440M	\$477M
13.3% of total employment	4.7% share of business	12.7% of total earnings	7.9% of total GDP

Strong growth sector due to aging population and growth in health technology

Palmerston North growth in number of people with health conditions or disability



Logistics

WORKFORCE	BUSINESSES	EARNINGS	GDP
 6,546 10.2% of total workforce	 818 6.9% share of business	 \$390M 11.2% of total earnings	 \$671M 11.1% of total GDP

Growing significantly faster than overall growth rate for sector in New Zealand

KiwiRail expected to be an important catalyst in supporting strong growth over the next 30 years





Logistics Sector (Wholesale trade and transport, transport, postal and warehousing)	Year ended March 2018	2000 - 2018 growth	
	\$ million	\$ million	%
Timaru District	172	125	262%
Tauranga City	487	321	194%
Palmerston North City	333	213	177%
New Plymouth District	234	145	165%
Marlborough District	98	60	160%
Hastings District	175	103	143%
Christchurch City	1,620	897	124%
Invercargill City	144	79	121%
Auckland City	7,553	4,141	121%
New Zealand	15,303	8,377	121%
Hamilton City	415	226	120%
Whangarei District	178	97	119%
Dunedin City	283	152	116%

Manufacturing

WORKFORCE	BUSINESSES	EARNINGS	GDP
 5,050 8.4% of total workforce	 522 4.4% share of business	 \$294M 8.4% of total earnings	 \$410M 6.8% of total GDP

Experienced decline in employment until 2012 but 36% growth in earnings between 2012 and 2018 (27% growth in all sectors in region)

Links to agriculture and construction





Questions ?