



PALMERSTON NORTH CITY COUNCIL

AGENDA

ECONOMIC DEVELOPMENT

COMMITTEE

9AM, WEDNESDAY 17 MARCH 2021

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



MEMBERSHIP

Leonie Hapeta (Chairperson)

Vaughan Dennison (Deputy Chairperson)

Grant Smith (The Mayor)

Brent Barrett

Susan Baty

Rachel Bowen

Zulfiqar Butt

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

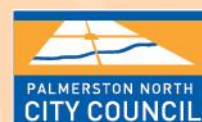
Heather Shotter

Chief Executive, Palmerston North City Council

Palmerston North City Council

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Private Bag 11034, 32 The Square, Palmerston North



ECONOMIC DEVELOPMENT COMMITTEE MEETING

17 March 2021

ORDER OF BUSINESS

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 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.)

5. **Presentation - Andrew Stewart Real Estate Institute of New Zealand (REINZ)** Page 7
6. **Presentation - Manawatu-Wanganui Interim Regional Skills Leadership Group** Page 9
7. **Presentation - Central Economic Development Agency** Page 11
8. **Confirmation of Minutes** Page 13
 "That the minutes of the Economic Development Committee meeting of 2 December 2020 Part I Public be confirmed as a true and correct record."
9. **International Relations 6-monthly update** Page 19
 Memorandum, presented by Toni Grace, International Relations Manager.
10. **Summary report on the December 2020 Palmerston North Quarterly Economic Monitor** Page 37
 Memorandum, presented by Peter Crawford, Economic Policy Advisor.
11. **Defence Sector Profile - March 2021** Page 55
 Memorandum, presented by Julie Macdonald, Strategy and Policy Manager.

12. Defence Portfolio Update (March 2021) Page 81

Memorandum, presented by Councillor Lew Findlay, Lead Portfolio Holder for Defence.

13. Housing Portfolio Update (March 2021) Page 85

Memorandum, presented by Councillor Susan Baty, Lead Portfolio Holder for Housing.

14. Committee Work Schedule Page 89

15. 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].

PRESENTATION

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Presentation - Andrew Stewart Real Estate Institute of New Zealand (REINZ)

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

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

SUMMARY

Mr Andrew Stewart will present to the Committee on the status of the Palmerston North housing market.

ATTACHMENTS

Nil

PRESENTATION

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Presentation - Manawatu-Wanganui Interim Regional Skills Leadership Group

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

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

SUMMARY

Mr Ruma Karaitiana, Chair of the Manawatu-Wanganui Interim Regional Skills Leadership Group will make a presentation on the work of the group.

ATTACHMENTS

Nil

PRESENTATION

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Presentation - Central Economic Development Agency

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

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

SUMMARY

Ms Janet Reynolds, Marketing and Communications Manager, from Central Economic Development Agency (CEDA) will provide an update with respect to the Visitor Management Plan.

ATTACHMENTS

NIL

PALMERSTON NORTH CITY COUNCIL

Minutes of the Economic Development Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 02 December 2020, commencing at 9.01am

Members Present: Councillor Leonie Hapeta (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM and Bruno Petrenas.

Non Members: Councillors Lorna Johnson, Billy Meehan and Karen Naylor.

Apologies: Councillor Aleisha Rutherford.

The Mayor (Grant Smith) and Councillors Susan Baty, Zulfiqar Butt and Lorna Johnson (early departure).

Mr Ruma Karaitiana (late arrival).

Note: Councillor Brent Barrett attended the meeting via audio visual link.

Councillor Brent Barrett was present for all clauses, but did not enter a vote for clauses 30 to 32 inclusive.

Mr Ruma Karaitiana was not present when the meeting commenced at 9.01am. He was present when the meeting resumed at 1.17pm. He was not present for clause 30.

The Mayor (Grant Smith) was not present when the meeting resumed at 1.17pm. He was not present for clauses 31 to 38 inclusive.

Councillor Susan Baty was not present when the meeting resumed at 1.17pm. She was not present for clauses 31 to 38 inclusive.

Councillor Zulfiqar Butt was not present when the meeting resumed at 1.17pm. He was not present for clauses 31 to 38 inclusive.

Councillor Lorna Johnson was not present when the meeting resumed at 1.17pm. She was not present for clauses 31 to 38 inclusive.

30-20 Apologies

Moved Leonie Hapeta, seconded Patrick Handcock ONZM.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 30-20 above was carried 14 votes to 0, the voting being as follows:

PALMERSTON NORTH CITY COUNCIL

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor and Bruno Petrenas.

The meeting adjourned at 9.03am

The meeting resumed at 1.17pm

Mr Ruma Karaitiana was present when the meeting resumed.

When the meeting resumed The Mayor (Grant Smith) and Councillors Susan Baty, Zulfiqar Butt and Lorna Johnson were not present.

31-20 Confirmation of Minutes

Moved Patrick Handcock ONZM, seconded Vaughan Dennison.

The COMMITTEE RESOLVED

1. That the minutes of the Economic Development Committee meeting of 7 October 2020 Part I Public be confirmed as a true and correct record.

Clause 31-20 above was carried 10 votes to 0, the voting being as follows:

For:

Councillors Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

32-20 Defence Portfolio Update (November 2020)

Memorandum, presented by Councillor Lew Findlay.

Moved Lew Findlay QSM, seconded Rachel Bowen.

The COMMITTEE RESOLVED

1. That the report titled 'Defence Portfolio Update (November 2020)', presented to the Economic Development Committee on 2 December 2020, be received for information.

Clause 32-20 above was carried 10 votes to 0, the voting being as follows:

For:

Councillors Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

33-20 Education & Students Portfolio Update (November 2020)

Memorandum, presented by Councillor Rachel Bowen.

Moved Rachel Bowen, seconded Leonie Hapeta.

The COMMITTEE RESOLVED

1. That the report titled 'Education & Students Portfolio Update (November

2020)', presented to the Economic Development Committee on 2 December 2020, be received for information.

Clause 33-20 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

34-20 Summary report on the September 2020 Palmerston North Quarterly Economic Monitor

Memorandum, presented by Peter Crawford, Economic Policy Advisor.

Moved Leonie Hapeta, seconded Renee Dingwall.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Summary report on the September 2020 Palmerston North Quarterly Economic Monitor', presented to the Economic Development Committee on 2 December 2020, be received for information.

Clause 34-20 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

35-20 Non-profit Sector Profile and Sector Profile Update

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

Moved Leonie Hapeta, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Non-profit Sector Profile and Sector Profile Update', presented to the Economic Development Committee on 2 December 2020, be received for information.

Clause 35-20 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

36-20 Committee Work Schedule

Moved Patrick Handcock ONZM, seconded Ruma Karaitiana.

The **COMMITTEE RESOLVED**

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

Clause 36-20 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

37-20

Presentation - The Factory

Mr Nick Gain provided an overview of The Factory and the successful programmes it offers, including the Innovate programme.

The Factory operates regionally, nationally and internationally, building economic growth through stimulation and development of an entrepreneurial culture and eco-system, and finding, funding and growing high growth start-ups. It provides mentorship consulting, capability building, and the resources to help start-ups go through all the stages of a company. The business is segmented into different programmes including Young Enterprise, AgTech Hackathon, Innovate, Support & Growth, MIG Angels, Sprout and Food HQ.

The focus for the next twelve months is to revitalise community programmes with a view to attracting the 'centre gut' of New Zealand to become part of The Factory's ecosystem, attracting 1,000+ to entrepreneurial events, becoming the 'mecca' of start-up activity in the Manawatu, and continuing to build the Factory's 10 year plan.

The MIG Angels programme is raising its third fund (already raised \$1.39M with 56 members), meaning there was a clear pathway for start-ups and young entrepreneurs in the region to get funding to grow these companies.

Moved Leonie Hapeta, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Economic Development Committee receive the presentation from The Factory for information.

Clause 37-20 above was carried 10 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor and Bruno Petrenas.

Abstained:

Mr Ruma Karaitiana.

Note:

Mr Ruma Karaitiana declared an interest in this item and abstained from the vote.

38-20**Presentation - Manukura School**

Mr Nathan Durie and Ms Yvette McCausland-Durie made a presentation regarding the school's proposed new campus at Massey University.

Manukura is a hapū initiative to determine an educational model of excellence for rangatahi and their whānau. Their journey started in 2005 with ten children and several volunteer teachers, with a clear purpose to establish an education model that would enable their students to contribute to their communities. A key component is 'whānau ora' - the ability to change whanau and community wellbeing through the holistic enablement of rangatahi.

The school now sits among the highest performing schools in the country. The graduate profile of 2019 indicates a large cohort of students going on to university. The proposed new build at the university is part of strategic thinking around enabling whānau and therefore the community through the medium of education, in order that change be led by Māori graduates in the fields of medicine, education, business and justice.

Manukura's new school will be based at Massey University campus, with funding received from the Ministry of Education. The facility will be a collaborative space to accommodate events, tournaments, hui and wananga that enrich the community in the areas of education, health and wellbeing, the arts, sport and culture, and at a cost that is affordable. Manukura have commenced engagement with the community, organisations and businesses to address this.

Manukura currently has a cap on its roll of 200; the new build will allow the roll to grow to 300 with potential for further expansion.

Moved Leonie Hapeta, seconded Ruma Karaitiana.

The COMMITTEE RESOLVED

1. That the Economic Development Committee receive the presentation from Manukura School for information.

Clause 38-20 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Ruma Karaitiana.

The meeting finished at 2.49pm

Confirmed 17 March 2021

Chairperson

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: International Relations 6-monthly update

PRESENTED BY: Toni Grace, International Relations Manager

APPROVED BY: David Murphy, Acting General Manager - Strategy and Planning

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Committee note 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

On the establishment of the PNCC International Relations Office, 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.

This six-monthly report covers a period where international relations activities have been impacted by the global Covid-19 pandemic, including disruption to international travel and lockdown restrictions.

While this has affected some aspects of the usual work programme (most notably, inbound and outbound visiting delegations) the international relations office has effectively pivoted to continue delivering plan objectives during this period of global disruption.

This includes an increased focus on relationship-building with the New Zealand-based diplomatic corps, such as hosting Ambassadors or High Commissioners on city visits from countries where Palmerston North has economic and strategic partnership interests.

The International Relations Office is also continuing to maintain relationships and dialogue with Global City Partners such as Sister Cities through online channels, such as digital summits and videoconferences.



3. NEXT STEPS

The International Relations Office will continue to deliver actions as outlined in the report and International Relations Plan, adjusting for constraints around the global pandemic.

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 2021 International Relations Report to Economic Development Committee [↓](#) 
2. PN International Relations News and Articles Sept 2020-Feb 2021 [↓](#) 

Update on International Relations Activity

Palmerston North City Council - Economic Development Committee

Wednesday 17 March 2021

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

- Held an end-of-year 2020 Sister City Zoom conference with Mayor John Engen and community representatives.
- Virtually connecting students from the Massey University Enterprise Hub and University of Montana Innovation Factory (see attachment).
- The *International Voices* podcast (presented by Arts Missoula and the Missoula Broadcasting Company) interviewed Rangitāne Kaumatua Wiremu and Trieste Te Awe Awe in February for an intercultural conversation and indigenous perspective on democracy.

Where we're going

- Missoula Sister City zooms are now a regular feature of collaboration between our cities.
- Early planning for the 40th anniversary of Sister City relationship in 2022.

Guiyang, Guizhou Province, China

What we've been up to

- The Mayors of both cities exchanged letters of greeting and support as we enter the new year.
- Planning was underway to visit Guiyang after the China New Zealand Mayoral Forum last May, though these events and plans were postponed due to Covid19.

Where we're going

- An online Mayoral video conference is being explored with Guiyang in 2021 to discuss common

interests and future opportunities.

Kunshan, Suzhou Region, China

What we've been up to

- The Mayors of both cities exchanged letters of greeting and support as we enter the new year.
- Planning was underway to visit Kunshan after the China New Zealand Mayoral Forum last May, though these events and plans were postponed due to Covid19.

Where we're going

- An online Mayoral video conference is being explored with Kunshan in 2021 to discuss common interests and future opportunities.

Mihara, Hiroshima, Japan

What we've been up to

- On 6 August, PNCC and IPU co-hosted a commemorative event for the 75th anniversary of the Hiroshima Atomic Bombing. There was a livestream of the event to Japan and speeches delivered from representatives of PNCC, IPU and Mihara City.
- A large handmade orizuru (crown of paper cranes) created for the event by IPU students was sent to Mihara as a commemorative gift. At the end of October, the new Mayor of Mihara, Mr. Yoshihiro Okada, held a dedication ceremony for the orizuru at their Hiroshima memorial monument, and sent a video of thanks to Palmerston North and IPU (transcript in attachment).

Where we're going

- An online Mayoral video conference has been proposed with the newly elected Mayor of Mihara, Mr Yoshihiro Okada, to discuss future cooperation and projects.

Wageningen, Gelderland, The Netherlands (scoping strategic relations)

What we've been up to

- Continuing dialogue with partners in Wageningen to identify where the cities can support collaboration, especially around agrifood science and innovation.

Where we're going

- Expecting update from Wageningen City in 2021 about next steps in strategic city partnership.

Ho Chi Minh City, Vietnam (Education agreement)

What we've been up to

- Updated the 2014 Education Partnership Agreement text between Palmerston North City and the Ho Chi Minh City Department of Education and Training (DOET). The new Memorandum of Arrangement (MOA) is under review by DOET.
- Joined up with CEDA to offer 25 scholarships for local students to take part in an online cultural competency certificate course with students in Ho Chi Minh City.
- Hosted graduation ceremony for local students (see activity highlights update and attached news released for further information)

Where we're going

- MOA to be signed between cities in first half of 2021 to support ongoing school collaboration.

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*
- *We have regular, positive dialogue and cooperation with our international partner cities, including digital connections.*

Activity highlights overview

Education cooperation with ENZ and Ho Chi Minh City, Vietnam

Since the time of the Vietnamese Ambassador's visit to Palmerston North last September (October 2020 International Relations Report), several international education developments have taken place between schools in Ho Chi Minh City and Manawātū.

CEDA and PNCC teamed up with Education New Zealand (ENZ) to offer 25 Manawātū secondary school learners' scholarships to grow their global skills, while connecting local high schools with partner institutions in Viet Nam. From November 2020, AFS partnered with Massey University to deliver the 5-week intercultural competency programme on a virtual platform, where the year 10 high school students got to connect with peers in Ho Chi Minh City, Vietnam, to build global skills together.

In December, Palmerston North Mayor Grant Smith and Vietnamese Ambassador H.E. Ta Van Thong hosted a formal graduation ceremony to present completion certificates to the local students.

In January 2021, the IGC (Institute of Global Citizenship) held a similar ceremony for the Vietnamese Students in Ho Chi Minh City and announced a partnership with the Manawātū school cluster, supported by Education New Zealand (ENZ). ENZ's next step for the first half of 2021 is to run a student competition at IGC schools in order to continue promoting Palmerston North and the six schools to the students there.

To support these developments, Palmerston North City is working to upgrade and re-sign its Education Memorandum of Arrangement with the Department of Education and Training in Ho Chi Minh City.



Contribution to International Relations Plan objectives or actions:

- *Develop agreements with existing international partner cities and support their implementation.*
- *Welcome and encourage quality overseas international education providers that are partnering with institutions in our city.*
- *Promote our city's interests, objectives, and brand to international partners;*
- *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.*
- *Partner with national agencies... to align objectives and make the most of central resources and networks.*

United Nations Sustainable Development Goals event (September 2020)

On 25 September 2020, PNCC, Massey University and CEDA jointly hosted a public information and networking event to celebrate the 5th anniversary of the United Nations 2030 Sustainable Development Goals (SDGs).

The event aimed to educate and drive home how the Global Goals are relevant to our region. It attracted a diverse group of participants (70+) from both the public and private sector and a range of ages and backgrounds. Participants had the opportunity to be part of lively discussion which fed into a panel kōrero based on the points and ideas that come out of the evening.

Te Aho Tāmaka leader Linda Jenkinson, Global Entrepreneur and Chair of UNICEF New Zealand was the keynote speaker, and was joined for a panel discussion and public Q&A by fellow Te Aho Tāmaka leaders Hon. Steve Maharey, Dr Farah Palmer and Vanisa Dhiru, along with Professor Glenn Banks from Massey University. The event was opened by Rangitāne Kaumatua Wiremu Te Awe Awe and MC'd by Toni Grace, International Relations Manager at PNCC.

Since the event, local youth leaders have come together and formally established a Manawātū Branch of the United Nations Association of New Zealand (UNANZ) to continue local dialogue about the global goals, and initiatives to support their achievement in our region.



Contribution to International Relations Plan objectives or actions:

- *More local events and activities that support international relations awareness, capability and business.*
- *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.*
- *International relationships support the flow of ideas and initiatives, allowing us to 'Think Global, Act Local'.*
- *Use international relationships to seek out best practices on common environmental sustainability issues.*

Wellington Tour for Palmy Global Ambassadors (November 2020)

A group of seven Palmy Global Ambassadors enjoyed a Wellington visit in November 2020, visiting the Ministry of Business, Innovation and Employment, the New Zealand Ministry of Foreign Affairs & Trade, the Asia New Zealand Foundation, the Embassy of the Republic of Indonesia, and New Zealand Parliament.

The visit was organised by the PNCC International Relations Office and Welcoming Communities Coordinator as a way to say thanks to our Palmy Global Ambassadors who have been providing youth leadership and volunteer support to Council events and activities throughout the year.

During the visit, the Palmy Global Ambassadors learnt about different agencies and organisations involved in New Zealand's international and multicultural relations efforts and were even hosted by the Indonesian Ambassador.

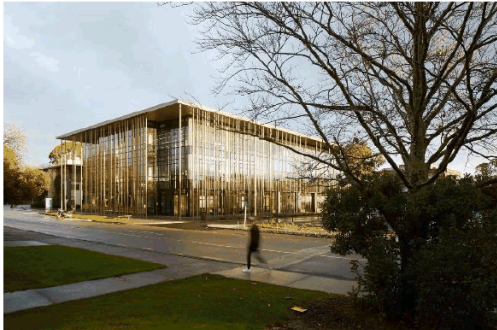


Contribution to International Relations Plan objectives or actions:

- *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.*
- *Partner with national agencies, including MFAT, MBIE, NZTE, LGNZ, the diplomatic corps, Sister Cities NZ and the Asia NZ Foundation to align objectives and make the most of central resources and networks.*
- *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.*

Agrifood tour for visiting diplomats - Festival of Cultures (February 2021)

Diplomatic representatives attending the 2021 Festival of Cultures World Fair were invited to arrive a day early and join a special visit programme highlighting the city's agritech and food science strengths.



The diplomatic delegation, including Their Excellencies the Ambassadors of Argentina, Egypt, Indonesia, Mexico, Samoa and the European Union took up this opportunity of a half day tour, which included visits to The Factory, Sprout, Food Pilot Plant and Te Ohu Rangahau Kai – the new agrifood science hub bringing together AgResearch, Massey University and The Riddet Institute.

The following day, this group was joined by additional Diplomatic Corps representatives for the opening ceremony of Festival of Cultures World Fair.

Contribution to International Relations Plan objectives or actions:

- *Effectively manage inbound and outbound official delegations, and relationships with embassies and high commissions;*
- *Promote our city's interests, objectives, and brand to international partners;*
- *Encourage and support international partners to actively participate in our local economy;*
- *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.*



Coordinating international visits

Since the establishment of the International Relations Office in October 2016, PNCC has been involved in hosting over 90 international visits or meetings. These meetings have supported a range of important international connections for Palmerston North, including business (11 visits), education (34 visits), government (17 visits), diplomats (23) and community delegations (5 visits).

Since the last report in October 2020, PNCC has been involved in the following 8 international visits/meetings:

| When | Description | Country/ region |
|---------------|--|--------------------|
| October 2020 |  Argentina Night event to farewell Ambassador H.E. Fausto Lopez Crozet, hosted by Argentinian Embassy and Massey School of Humanities at the city library. | Argentina |
| |  Mexican Ambassador visit - NZ Agricultural Greenhouse Gas Research Centre (NZAGRC), Massey University, Te Manawa, Dinner with Deputy Mayor and Day of the Dead Fiesta. | Mexico |
| November 2020 |  Brazilian Ambassador visit - IPU, The Factory and Te Manawa Museum. | Brazil |
| |  Korean Ambassador visit – Meeting with the Mayor, the Manawātū Chamber of Commerce & IPU, lunch with Korean War veterans and families, plus the local Korean community, and afternoon visit to UCOL. | South Korea |
| December 2020 | Vietnamese Ambassador – Global Competency Certificate graduation ceremony (see activity highlights) | Vietnam |
| | Ambassadors of Indonesia and India – hosting post-IPU Graduation | Indonesia India |

| | | |
|---------------|---|----------|
| January 2021 | No visits | N/A |
| February 2021 | Israeli Ambassdaor visit – Mayoral meeting, agritech lunch and visits, Te Manawa exhibition | Israel |
| | Festival of Cultures and Agrifood/Food Science visit | Multiple |

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.*

MANAWATU GUARDIAN

Manawatū leaders to speak at Te Manawa in support of UN goals



22 Sep, 2020

Linda Jenkinson. Photo / Ted Baghurst

Manawatu Guardian

By: Merania Karauria

Four of Manawatū's highest achievers will be guiding kōrero at an upcoming celebration of the United Nations 2030 Sustainable Development Goals co-hosted by Palmerston North City Council, Massey University and the Central Economic Development Agency.

The event to be held Friday, September 25 aims to educate and drive home the point that the goals are relevant to our region.

It will ask 'how can we develop a united framework across the region?'

Participants will have the opportunity to be part of lively discussion which will then feed into a panel kōrero based on the points and ideas that come out of the evening.

Te Aho Tāmaka leader Linda Jenkinson, global entrepreneur and UNICEF New Zealand chairwoman, will be the keynote speaker.

Always a contributor to making the world a better place, Jenkinson co-founded WOW for Africa, a social enterprise supporting women entrepreneurs in Senegal.

She is currently leading UNICEF to support the transformation of the Pacific to reach sustainable development goals through private-public partnerships and innovation.

Covid-19 meant UNICEF is also working within New Zealand.

Fellow Te Aho Tāmaka leaders Steve Maharey, Dr Farah Palmer and Vanisa Dhiru will join Jenkinson, along with Professor Glenn Banks from Massey University and community leaders in sustainability.

"The Government is committed to these goals and we, as local communities, need to be as well," says Maharey.

"I think the framework is a good one, it's practical, it's working at a national level and now needs to work at a local level.

"This event will make the SDGs framework become more visible, helping the region to see that this is something we should be building into the plan for Manawatū."

Supporting the event from Hamilton is former Archbishop of New Zealand and representative to the Holy See in Rome, Sir David Moxon.

Moxon, also a Te Aho Tāmaka leader, worked with the UN around ensuring that the issue of human trafficking and modern slavery be included in the goals.

"All the goals have been identified by United Nations research and experience as the most likely to offer a restorative and transformative way forward for humanity," says Moxon.

"The great pain and suffering of the world will be addressed to some extent by focussing on these specific areas.

"They get to the heart of the matter."

The event will be held at Te Manawa at 5.30pm on Friday, September 25 and includes an opportunity to mix and mingle prior to the main event.

Dedication ceremony video speech by Yoshihiro Okada, Mayor of Mihara City

30/10/2020



[Transcript]

Hello to the people in Palmerston North City. I'm Yoshihiro Okada, Mayor of Mihara City.

I appreciate the handmade Orizuru, which are very beautiful. Today I made a dedication to the memorial monument.

I would like to express my sincere gratitude for the people involved in IPU New Zealand for their efforts in this project.

And I hope to continue the wonderful relationship between our cities. We are looking forward to wonderful events in the future. Thank you very much.

Supporting Manawatū And Viet Nam Students To Become Global Citizens

Wednesday, 16 December 2020, 2:46 pm

Press Release: [Joint Press Release](#)

JOINT MEDIA RELEASE - Education New Zealand, Palmerston North City Council, CEDA and Massey University

Wednesday December 16 2020

Twenty-seven students from five Manawatū schools graduated as global citizens after completing the Global Competence Certificate. This online programme connects students from around the world to develop lifelong skills while borders are closed.



Students who completed the Global Competence Certificate with the Mayor of Palmerston North, Grant Smith, the Ambassador for Viet Nam, Mr Ta Van Thong and the MP for Palmerston North, Tangi Utikere.

The Global Competence Certificate has been developed by AFS and facilitated by Massey University. It has brought together students who, due to Covid-19, are unable to take part in offshore exchanges, and connected them virtually to students from around the world.

ENZ Chief Executive, Grant McPherson, said, "I would like to congratulate all the students who took part in the GCC programme.

"It is a great way for students to continue to grow as global citizens by helping them gain the knowledge, skills and capabilities they need to live, work and learn globally when it is safe to

do so. It has also been a positive way to continue to build strong global connections at both a student and organisational level, during COVID-19."

Andrea Flavel, Director of Centre for Professional and Continue Education, Massey University says, "It has been a privilege for Massey University to be involved in this GCC pilot programme in partnership with ENZ, CEDA and PNCC. Massey University's significant experience teaching online and flexibly utilising the excellent programme content from AFS has been a great success. The Massey team have been delighted to be a part of helping young New Zealanders develop global skills while borders are closed, and travel is limited."

The graduation ceremony was attended by the Palmerston North City Council Mayor, Grant Smith, the Vietnamese Ambassador to New Zealand, H.E. Mr Ta Van Thong, Palmerston North MP and virtually by Education New Zealand's Chief Executive, Grant McPherson in New Zealand.

Palmerston North's Mayor, Grant Smith, said, "The programme has provided positive dialogue and digital connections for local students while at the same time, creating relationships that support the flow of ideas that encourage them to think and act globally.

"Palmerston North is a hub of international activity and plays a role in helping to grow international education in our region. We also value our international city relationships and embrace this renewed relationship with Ho Chi Minh City."

Along with the benefits to this initial group of students, Palmerston North City and Ho Chi Minh City Department of Education and Training have also forged a strategic partnership. They are in the process of renewing the Memorandum of Arrangement (MOA) between the two cities, focusing on education exchanges.

"While we cannot travel or take in new international students right now, it is great that we can find innovative ways to keep connected with our counterparts overseas, showcasing the wonderful study opportunities our region has to offer," says Sara Towers, Talent and Skills Manager at CEDA.

"It is also encouraging to see the region's future leaders getting an opportunity to grow their global competencies, which will ultimately have a hugely positive impact on the social consciousness of students here and abroad."

ENZ is continuing to work with AFS and Massey University to offer the Global Competence Certificate programme to more students.

This initiative was made possible through joint sponsorship by Palmerston North City Council, the Central Economic Development Agency, CEDA, and Education New Zealand.

CEDA and Council offered scholarships for up to 27 local students, while ENZ funded the same number of students in Viet Nam.

Ten schools took place in total. Five secondary schools from across Manawatū: Awatapu College, Feilding High School, Freyberg High School, Palmerston North Boys' High School, and Palmerston North Girls' High School, while the remaining five were in Viet Nam.

Lean and meaningful

- Published on January 30, 2021
[Status is online](#)



Dr Gavin Clark - Dean, Enterprise - Massey University

[Catalysing commercialisation and entrepreneurship at the interface of university and business](#)

How does a university engage more students in enterprise activities? By giving students the opportunity to make a real difference.

The ultimate solution to growing university enterprise culture will perhaps be embedding enterprise mind-set and skills training into the curriculum. In the meantime, how can an extracurricular enterprise program engage more students?

Massey University is building its solution with two strategic drivers – community partnership, and a focus on real-world impact.

1. Community partnership

In 2020 Massey University created a student enterprise program that aligns and integrates the resources and capabilities of multiple “Entrepreneurial Nurturing Organisations (ENOs)” of its multi-campus community. The partnership includes;

- the university's technology transfer company Massey Ventures Ltd,
- the university's incubator The ecentre Ltd,
- the university's internal business development and commercialisation unit,
- the Manawatu region's incubator The Factory Ltd,
- the Palmerston North City Council, and
- the Manawatu region's Young Enterprise Scheme for secondary school students (YES).

A purposely lean and collaborative approach was adopted on a platform of trust and a shared mission to grow pipelines of entrepreneurs, ideas and inventions: “We will jointly

create a pipeline of entrepreneurs and projects and collaborate to realise them". Our emphasis is on building and nurturing the pipeline (the shared wicked problem), rather than on how opportunities may later be led by any individual organisation. We will not allow the mechanisms to put a brake on our mission.

During 2019, and despite Covid-19, Massey University saw a 50% rise in the numbers of students and staff engaged, and a rise in both the quality and number of ideas and invention disclosures. A key benefit was the new ability of the university innovation community to jointly promote a single annual enterprise program.

2. A focus on real-world impact

Massey University's 2020 student enterprise program was underpinned by the goal of giving students hands-on practical training to solve the problems that matter to them. The Grand Ideas Challenge ran twice during the year giving students and staff the opportunity to submit their own ideas for support and mentoring by the ENO community and on to pitch for seed funding from Massey Ventures Ltd. The Opportunity Lab introduced carefully selected ("potentially solvable by university students") problems of established companies to groups of students who were then coached through the lean canvas methodology to create and pitch innovative solutions.

Interestingly but not surprisingly, Massey University's 2020 program clearly showed that university students are most motivated and engaged by being involved in solving the urgent problems-of-our-time: climate change, sustainability, social change and well-being. In response to this observation, in 2021 Massey University is evolving its annual student enterprise program to embody the UN Sustainable Development Goals, creating a new Impact Program to help students launch sustainable and scalable enterprises that create positive social and environmental impact. The social lean canvas methodology will be applied to help individuals or student groups to develop their own ideas. The Impact Program will take the messaging and emphasis off entrepreneurship and enterprise *per se*, instead highlighting our shared determination to make real change.

Conclusion:

Extracurricular university enterprise programs will deliver most value if they give students opportunities to take action to help solve the urgent problems-of-our-time. Community partnerships are important to provide clear pathways of engagement and the capacity for scale-up. The ultimate solution of curriculum-embedded enterprise mind-set and skills training will be informed and enhanced by the experience and networks gained from extracurricular programs.

30th January 2021.

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Summary report on the December 2020 Palmerston North Quarterly Economic Monitor

PRESENTED BY: Peter Crawford, Economic Policy Advisor

APPROVED BY: David Murphy, Acting General Manager - Strategy and Planning

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the memorandum titled 'Summary report on the December 2020 Palmerston North Quarterly Economic Monitor', presented to the Economic Development Committee on 17 March 2021, be received for information.

- 1.1 This memorandum presents a summary of the key themes in the latest Palmerston North Quarterly Economic Monitor for the December 2020 quarter.
- 1.2 The latest Palmerston North Quarterly Economic Monitor report indicates further GDP growth in the city in the last half of 2020, supported by growth in residential and non-residential building construction. The latest estimates suggest GDP growth in the city slowed from 2.4% growth in the September quarter to 0.6% growth in the December quarter, but this is inconsistent with the strengthening in retail growth in the December quarter. Infometrics initially estimated that GDP growth declined by 1.2% in the city in the September quarter, but this was revised up to growth of 2.4%. There will be significant support for economic activity over the remainder of this year due major construction projects in the region.
- 1.3 Electronic card retail spending in the city was very strong in the December quarter, increasing by 6% from the December 2019 quarter. This was significantly stronger than national retail growth, where an increase of 1.2% was recorded. Retail spending in the city was boosted by a return of events activity and increased numbers of people moving to the region for work.
- 1.4 The housing sector is facing significant pressure, with construction of new houses lagging well behind demand. House values in the city were up 21.6% in December, while average rents in the year ended December were up 10% from the previous year. Despite the strong increase in house values, the Infometrics report notes that average house values in the city were still \$200,000 below the average for New Zealand.

2. PALMERSTON NORTH QUARTERLY ECONOMIC MONITOR – DECEMBER 2020

- 2.1 Estimated annual gross domestic product (GDP) growth in Palmerston North was 0.6% in the December 2020 quarter, while GDP growth for New Zealand was estimated to be 0.2%.
 - a. Provisional GDP in Palmerston North was \$5,215 million (2020 prices) in the year ended December 2020, a decline of 0.7% from the previous year. New Zealand GDP is estimated to have declined by 2.6%
- 2.2 Advance data for annual salaries and wages paid to residents in Palmerston North in the year ended September 2020 shows annual earnings of \$1,960 million, increasing by 5.2% from the previous year, while earnings for New Zealand increased by 5.2%. The earnings data is based on place of residence for employees and not their workplace address.
- 2.3 Advance data for total filled jobs in the city (based on workplace address) shows there were 48,737 jobs in the September 2020 quarter, increasing by 3.0% from the previous year, while filled jobs for New Zealand increased by 0.2%. There were 1,407 more jobs in the city in September 2020 compared with September 2019 while total jobs in New Zealand increased by 4,770.
- 2.4 Annual median salaries and wages paid in Palmerston North in the year ended December 2019 were \$53,770, increasing by 4.0% from the previous year, while median salaries and wages for New Zealand were \$55,420, increasing by 3.7% from the previous year.
- 2.5 The average quarterly worker turnover rate in Palmerston North in the year ended December 2019 was 13.3%, declining from 16.4% in the year to December 2018. The average worker turnover rate for New Zealand was 15.6%, declining from 17.4% in the previous year.
- 2.6 Electronic card retail spending in Palmerston North in the December quarter was \$353 million, an increase of 6.0% from the December 2019 quarter, while national growth was 1.2%.
 - a. Annual electronic card retail spending in Palmerston North for the year ended December 2020 was \$1,180 million, a decline of 2.3% from 2019. This compares with a decline of 3.2% for New Zealand. Retail prices increased by 0.1% in the year to December 2020, despite a decline of 13.1% in fuel prices.
- 2.7 The total value of building consents issued in Palmerston North in the December 2020 quarter was \$67 million, a decline of 8% from the December 2019 quarter. National consent values increased by 12%.

- a. Building consents to the value of \$361 million were issued in Palmerston North in the year to December 2020, an increase of 49% from the previous year. National consent values increased by 1% over the year to December 2020.
 - b. Consents for 110 new residential dwellings were issued in Palmerston North in the December 2020 quarter, compared with 128 in the December 2019 quarter, a decline of 14%. National consents increased by 19%.
 - c. Consents for 524 new residential dwellings were issued in Palmerston North in the year ended December 2020, compared with 444 in the previous year, an increase of 18%. National consents increased by 5%.
 - d. Commercial/non-residential consents to the value of \$176 million were issued in Palmerston North during the year to December 2020, an increase of 122% from the previous year. National consents declined by 6% over the same period.
- 2.8 The average value of residential properties in Palmerston North was \$581,946 in the three months ended December 2020, an increase of 20.3% from the December 2019 quarter (QV estimate). The average value for New Zealand was \$788,967, an increase of 11.1%. The values used in the Infometrics report are an average of the past 12 months.
- 2.9 Car registrations in Palmerston North declined by 20% in the year ended December 2020 (national registrations declined by 24.9%) while the number of commercial vehicles registered declined by 35.7% (compared to a national decline of 25.3%).
- 2.10 It is estimated the annual average unemployment rate in Palmerston North in the year ended December 2020 was 4.4%, which was slightly below the unemployment rate of 4.6% for New Zealand.
- 2.11 The number of people in Palmerston North registered for the MSD Job Seekers benefit increased by 30.9% in December 2020 from December 2019, while the number in New Zealand increased by 44.1%. 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 2020 declined by 8.2% from 2019, while there was a decline of 10.8% for New Zealand.
- 2.13 Electronic card tourism spending in Palmerston North was \$198 million in the year ended December 2020, declining by 7.5% from the previous year (New Zealand declined by 15.6%).

PALMERSTON NORTH CITY COUNCIL

- a. Domestic electronic card visitor spending in Palmerston North was \$185 million in the year ended December 2020, declining by 5.8% from the previous year (2.4% decline for New Zealand). Declines in spending were recorded from Auckland, Hawkes Bay and Waikato.
 - b. Electronic card international card spending in Palmerston North was \$13 million in the year ended December 2020, declining by 26% from the previous year (49% decline for New Zealand). MBIE is unable to identify the amount of spending on international cards by New Zealanders returning from overseas, so is unable to distinguish between spending by visitors and returning residents.
- 2.14 Population estimates, based on primary health organisation registrations, suggest Palmerston North's population increased by 811 people between December 2019 and December 2020, an increase of 1% (2% increase for New Zealand).
- 2.15 The Palmerston North Quarterly Economic Monitor report for the December 2020 quarter is attached.

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 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, | Reporting on economic trends in the city and the longer-term outlook for growth is important for encouraging local businesses to invest in |

| | |
|---|---|
| economic, environmental and cultural well- being | growing their business and attracting new businesses to the city. |
|---|---|

ATTACHMENTS

1. Palmerston North Quarterly Economic Monitor - December 2020 [!\[\]\(8c4dca64662d21542001ca0ed7eeb688_img.jpg\) !\[\]\(3de35c640e7147a3fb61ee393128d2ae_img.jpg\)](#)

Overview of Palmerston North City

Palmerston North's economy continued its impressive recovery in the December 2020 quarter, albeit at a slightly slower rate than in the preceding quarter. Infometrics estimates that economic activity in the quarter increased by 0.6% compared to the December 2019 quarter, while activity over the year to December 2020 was only 0.7% down on the previous year, despite the lingering effects of the lockdown in the June 2020 quarter. We have revised our September GDP estimates upwards, based on national GDP growth for the September quarter being higher than expected.

Increased consumer spending continued to underpin the City's economy. According to data received from Marketview, spending in the December quarter increased by 6% over the December 2019 quarter. Over the year to December 2020, spending was 2.3% lower than in 2019, compared to a national decline of 3.2% for the same period.

In the labour market, the average unemployment rate over the year to December 2020 was 4.4%, compared to 4.6% nationally. This correlates with a slight increase in Jobseeker numbers from the September 2020 quarter. Over the year to December 2020, the average number of Jobseeker Support recipients in the City was 20.8% higher than in the previous year.

The heat in the New Zealand's housing market was also apparent in Palmerston North, with house prices increasing by 21.6% in the December 2020 quarter compared to the December 2019 quarter. The supply of houses remains constrained, with the number of sales declining by 8% during the year, in stark contrast to a 9.3% increase nationally.

This tightness in the housing market provided some impetus to residential construction, with 110 residential consents issued in the quarter. For the year to December 2020, the number of residential consents issued increased by 18%, compared to 4.8% nationally.

Non-residential construction remained strong, with the value of non-residential consents issued over the year to December 2020 increasing by 122% compared to the previous year, courtesy of the record value recorded in the June 2020 quarter.

Palmerston North's economy continues to display an impressive degree of resilience. The City's relative lack of exposure to international tourism places it in a solid position for further recovery over the next several quarters.

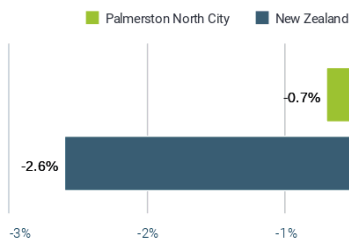
| Indicator | Palmerston North City | Manawatū-Whanganui Region | New Zealand |
|--------------------------------------|-----------------------|---------------------------|-------------|
| Annual Average % change | | | |
| Gross domestic product (provisional) | -0.7 % ▼ | -0.4 % ▼ | -2.6 % ▼ |
| Traffic flow | -8.2 % ▼ | -7.8 % ▼ | -10.8 % ▼ |
| Health enrolments | 1.0 % ▲ | 0.8 % ▲ | 2.0 % ▲ |
| Consumer spending | -2.3 % ▼ | 0.9 % ▲ | -3.2 % ▼ |
| Residential consents | 18.0 % ▲ | 8.8 % ▲ | 4.8 % ▲ |
| Non-residential consents | 122.3 % ▲ | 70.5 % ▲ | -5.5 % ▼ |
| House values * | 21.6 % ▲ | 21.6 % ▲ | 13.0 % ▲ |
| House sales | -8.0 % ▼ | -2.8 % ▼ | 9.3 % ▲ |
| Tourism expenditure | -7.5 % ▼ | -6.6 % ▼ | -15.6 % ▼ |
| Car registrations | -20.0 % ▼ | -15.9 % ▼ | -24.9 % ▼ |
| Commercial vehicle registrations | -35.7 % ▼ | -23.7 % ▼ | -25.3 % ▼ |
| Jobseeker Support recipients | 20.8 % ▲ | 20.2 % ▲ | 35.9 % ▲ |
| Level | | | |
| Unemployment rate | 4.4 % | 4.5 % | 4.6 % |

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

Gross domestic product

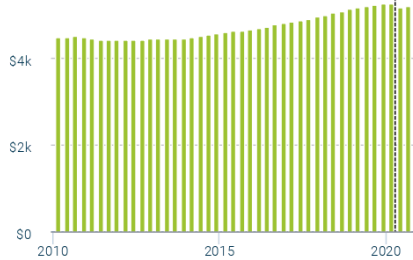
Gross domestic product growth (provisional)

Annual average % change December 2019 - December 2020



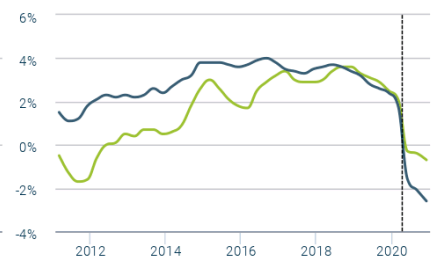
Gross domestic product (\$m)

Annual level, Palmerston North City



Gross domestic product growth

Annual average % change



Highlights for Palmerston North City

- GDP in Palmerston North City was provisionally down 0.7% for the year to December 2020 compared to a year earlier. Growth was higher than in New Zealand (-2.6%).
- Provisional GDP was \$5,215 million in Palmerston North City for the year to December 2020 (2020 prices).
- Annual GDP growth in Palmerston North City peaked at 3.6% in the year to December 2018.

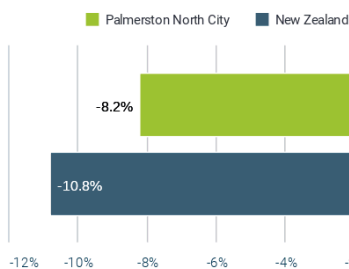
National overview

Economic activity remains on a more optimistic pathway in the December quarter as New Zealand's economy remains resilient in the face of the COVID-19 pandemic. Provisional estimates from Infometrics show activity edging up 0.2%pa in the December quarter – a slightly slower pace than in the September quarter as the post-lockdown surge pulled back. The large shock due to the Level 4 lockdown means that year-end activity is expected to be down 2.6%. Aside from a soaring housing market, economic indicators generally charted a stable path ahead. Regional economies with a strong international tourism-focus remain in a difficult economic position, but the underlying expectation for the New Zealand economy is undoubtedly upbeat.

Traffic flow

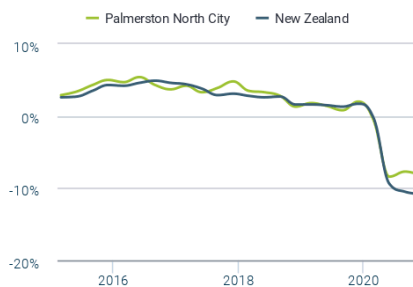
Annual change in traffic flows

Annual average % change December 2019 - December 2020



Traffic volume growth

Annual average % change



Highlights for Palmerston North City

- Traffic flows in Palmerston North City decreased by 8.2% over the year to December 2020. This compares with a decrease of 10.8% in New Zealand.

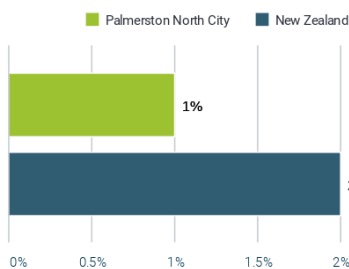
National overview

Traffic activity in the December quarter lifted 0.1%pa from a year earlier as vehicle movements continued to rebound, with year-end traffic activity sitting 11% lower. The lack of international tourism activity has seen traffic movements in some tourism hotspots fall further, although other areas have seen boosted traffic levels as domestic tourists favour driving to flying. Lower import volumes, coupled with supply chain disruptions, limited a further rebound in heavy traffic flows.

Health enrolments

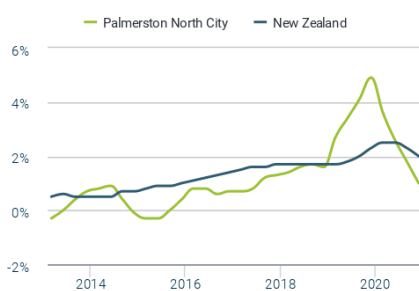
Annual change in health enrolments

Annual average % change December 2019 - December 2020



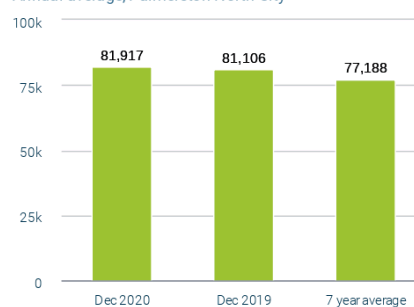
Health enrolments

Annual average % change



Health enrolments

Annual average, Palmerston North City



Highlights for Palmerston North City

- The number of people enrolled with a primary health organisation in Palmerston North City in the year to December 2020 increased by 1% compared with previous year. Growth was lower relative to New Zealand (2.0%).
- An average of 81,917 people were enrolled with primary healthcare providers in Palmerston North City in the 12 months ended December 2020. This compares with an average of 77,188 since the start of the series in 2014.

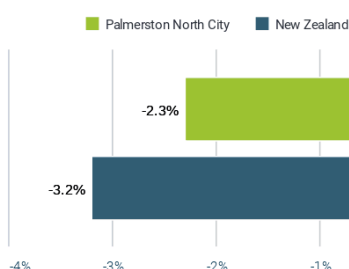
National overview

Population growth slowed further in the December 2020 quarter, with health enrolment figures up 1.5%, slowing year-end growth to 2.0%pa. This is the slowest increase in health enrolments since the end of 2016. National population estimates confirm this slowing growth, with Stats NZ showing a 1.4%pa rise. The collapse in net migration, from around 6,300 per month to 630 per month, has seen the growth in the working age population slow even more than the headline change, with challenges bringing in some skilled workers in various industries.

Consumer spending

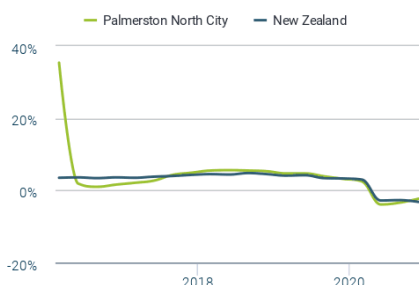
Growth in consumer spending

Annual average % change December 2019 - December 2020



Consumer spending

Annual average % change



Consumer spending

Quarterly spending (\$m), Palmerston North City



Highlights for Palmerston North City

- Electronic card consumer spending in Palmerston North City as measured by Marketview, decreased by 2.3% over the year to December 2020 compared to the previous year. This compares with a decrease of 3.2% in New Zealand.

National overview

Consumer spending continued to recover in the December 2020 quarter. Total spending in the quarter was 1.2% higher than in the December 2019 quarter, as Christmas and the domestic summer holidays kept the momentum going following the post-lockdown spend-up of the September 2020 quarter.

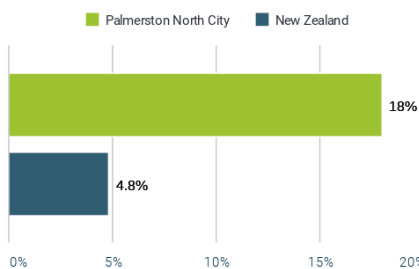
On an annual basis, however, the effects of the lockdown are obvious, as spending for the year to December 2020 declined by 3.2% from the December 2019 year.

Our outlook for spending in the upcoming quarters remains relatively bearish, as weekly spending data prior to the holiday period showed consistent declines from the corresponding weeks of 2019. The lack of international tourists over the traditional high season in late summer is likely to widen the spending gap compared to the March 2019 quarter. Similarly, the possibility of further COVID-19 lockdowns might well discourage discretionary spending.

Residential consents

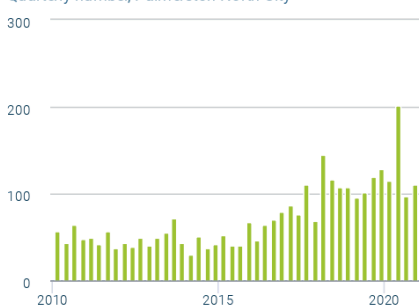
Growth in number of new dwelling consents

Annual average % change December 2019 - December 2020



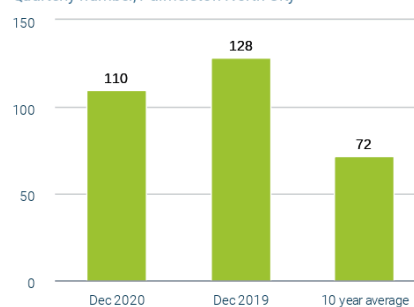
Residential consents

Quarterly number, Palmerston North City



Number of new dwelling consents

Quarterly number, Palmerston North City



Highlights for Palmerston North City

- A total of 110 new residential building consents were issued in Palmerston North City in the December 2020 quarter, compared with 128 in the same quarter last year.
- On an annual basis the number of consents in Palmerston North City increased by 18% compared with the same 12-month period a year ago. This compares with an increase of 4.8% in New Zealand over the same period.

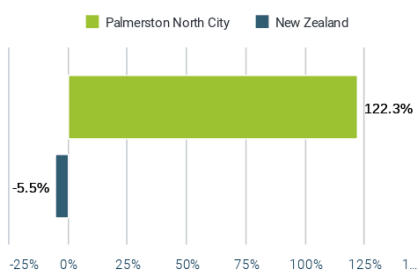
National overview

Annual residential building consents are now sitting at their highest level on record, with a total of 39,420 dwellings approved in the year to December 2020, up 4.8% on the 2019 year. Townhouses are responsible for most of the growth, with approvals over the year to December 2020 up 41% on the year prior. Apartments and retirement building consents, however, continue to drag growth down. The heat in the housing market is reinforcing the demand for new housing and responsible for record high consenting over the last year.

Non-residential consents

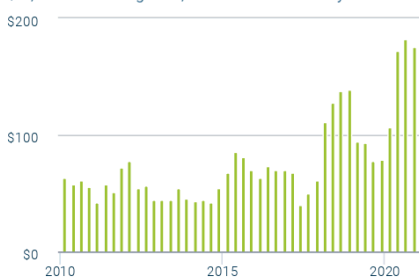
Growth in value of consents

Annual average % change December 2019 - December 2020



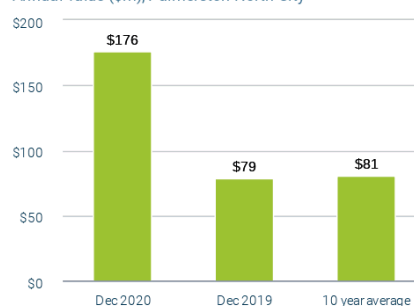
Non-residential consents, Palmerston North City

\$m, annual running total, Palmerston North City



Non-residential consents

Annual value (\$m), Palmerston North City



Highlights for Palmerston North City

- Non-residential building consents to the value of \$176 million were issued in Palmerston North City during the year to December 2020.
- The value of consents increased by 122.3% over the year to December 2020. By comparison the value of consents decreased by 5.5% in New Zealand over the same period.
- Over the last 10 years, consents in Palmerston North City reached a peak of \$128 million in the year to June 2018.

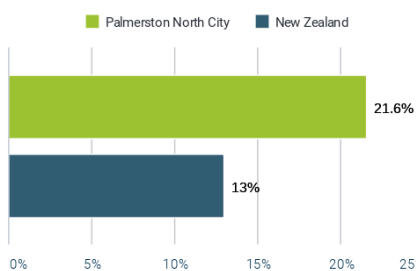
National overview

Non-residential building consents declined 5.5% in the year to December 2020. This weakness through the 2020 year was driven largely by weakness through lockdown and subsequent months. The second half of the year, however, has shown more resilience, with the non-residential consents in the six months to December sitting 7.0% higher than the same period a year prior. In recent months we have seen many positive economic indicators return to more normal levels, with GDP, employment, and inflation looking relatively stable. With these positive indicators, business confidence is likely to improve and with that, we could expect further business investment and stronger non-residential consents.

House values

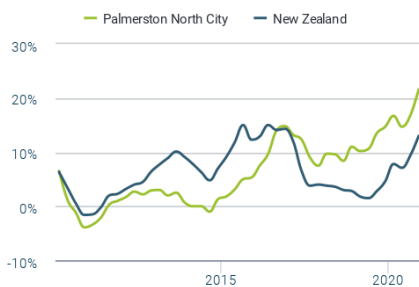
Annual change in house value

Annual % change in house value December 2019 - December 2020



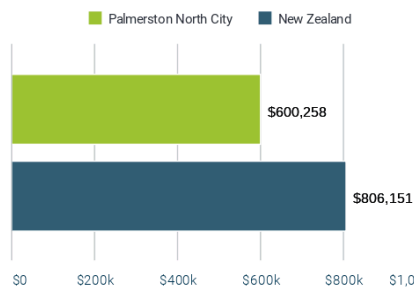
House value growth

Annual % change



Average current house value

Average house value in December 2020



Highlights for Palmerston North City

- The average current house value in Palmerston North City was up 21.6% in December 2020 compared with a year earlier. Growth outperformed relative to New Zealand, where values increased by 13%.
- The average current house value was \$600,258 in Palmerston North City in December 2020. This compares with \$806,151 in New Zealand.

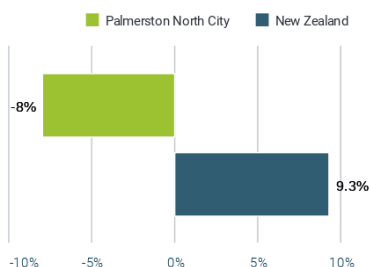
National overview

House price growth has been very strong in recent months, with prices across New Zealand over the year to December sitting 11% higher than a year prior. This incredibly strong growth has been felt across all regions, but with some of the highest growth rates being in the Hawke's Bay and Manawatu-Whanganui regions. These prices are being pushed up by record low interest rates prompting swathes of buyers into the market, with intense demand pushing up prices. We expect house price growth to continue into the new year but changes to loan-to-value ratio restrictions should help ease some demand pressures.

House sales

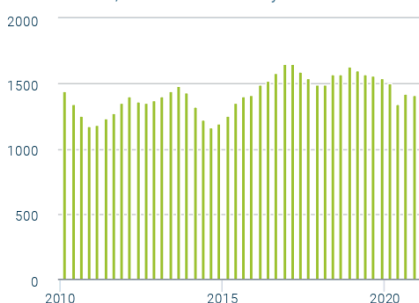
Annual change in house sales

Annual average % change December 2019 - December 2020



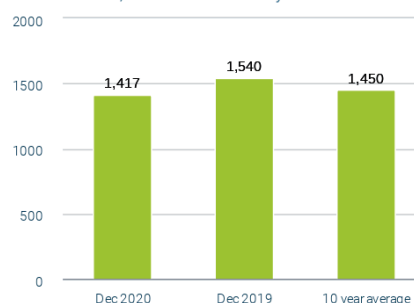
House sales

Annual number, Palmerston North City



House sales

Annual number, Palmerston North City



Highlights for Palmerston North City

- House sales in Palmerston North City in the year to December 2020 decreased by 8% compared with the previous year. Growth underperformed relative to New Zealand, where sales increased by 9.3%.
- A total of 1,417 houses were sold in Palmerston North City in the 12 months ended December 2020. This compares with the ten year average of 1,450.

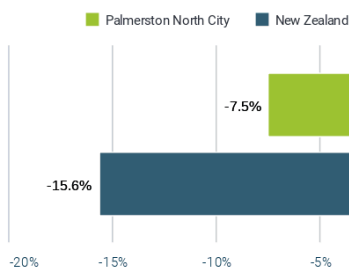
National overview

The number of houses sold in the year to December 2020 was up 9.9% on the 2019 year. This massive growth has largely been driven by growth in the last few months, with a massive number of sales in the December quarter. Record low interest rates have helped lower the mortgage cost of housing. Additionally, incredible house price growth has encouraged buyers into the market on their fear of missing out, while only adding further fuel to the fire. The return of loan-to-value ratio restrictions in the coming months should soften growth in sales in the coming months.

Tourism expenditure

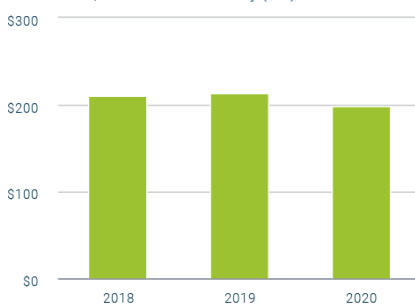
Tourism expenditure

Annual average % change December 2019 - December 2020



Tourism expenditure

Annual total, Palmerston North City (\$m)



Highlights for Palmerston North City

- Total tourism expenditure in Palmerston North City decreased by 7.5% in the year to December 2020. This compares with a decrease of 15.6% in New Zealand.
- Total tourism expenditure was approximately \$198 million in Palmerston North City during the year to December 2020, which was down \$214 million a year ago.

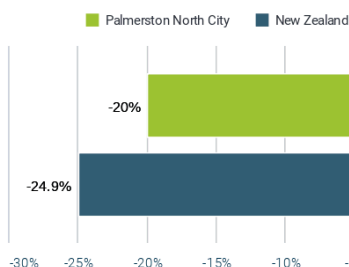
National overview

New Tourism Electronic Card Transactions (TECTs) are an interim replacement for the Monthly Regional Tourism Estimates (MRTes). We have removed our previous timeseries of MRTes and published the three annual snapshots provided in the TECTs. Despite the success of various campaigns aimed at getting New Zealanders to travel domestically during the December holidays, tourism expenditure continued to trend sharply downward as New Zealand's borders remain closed to all visitors. Over the year to December 2020, tourism spending declined by 15.6% nationally. Auckland, Otago, Wellington, and the West Coast remained the hardest hit regions. This trend is likely to be exacerbated over the remainder of the summer, with the March quarter traditionally the high season for international tourist arrivals.

Car registrations

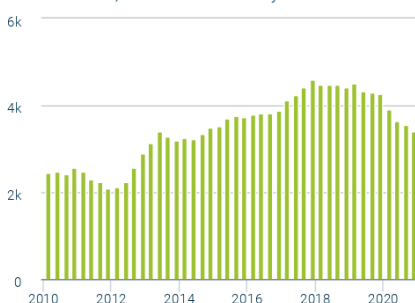
Car registrations

Annual average % change December 2019 - December 2020



Car registrations

Annual number, Palmerston North City



Car registrations

Annual number, Palmerston North City



Highlights for Palmerston North City

- The number of cars registered in Palmerston North City decreased by 20% in the year to December 2020 compared with the previous 12 months. Growth was higher than in New Zealand (-24.9%).
- A total of 3,410 cars were registered in Palmerston North City in the year to December 2020. This compares with the ten year average of 3,600.

National overview

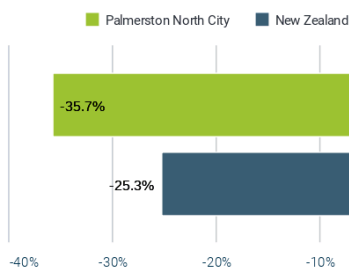
Car registrations retreated from their post-lockdown recovery, with the total number of registrations in the December 2019 quarter 20% below the same quarter a year earlier. Over the year to December 2020, registrations fell by 25% from the previous year, continuing a trend of long-term decline dating back to the December 2017 year.

We foresee this declining trend continuing, as the continued border closure limits new vehicle registrations for the holiday rental market. Similarly, both pent-up demand after lockdown and substitute vehicle purchases (instead of overseas travel for example) will continue to work their way out of the system. Finally, import delays for both new and used vehicles are likely to be a constraint on vehicle supply.

Commercial vehicle registrations

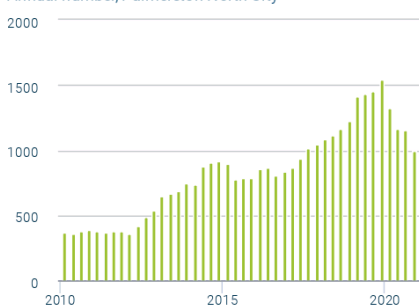
Commercial vehicle registrations

Annual average % change December 2019 - December 2020



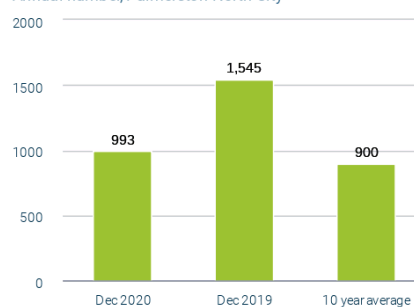
Commercial vehicle registrations

Annual number, Palmerston North City



Commercial vehicle registrations

Annual number, Palmerston North City



Highlights for Palmerston North City

- The number of commercial vehicles registered in Palmerston North City decreased by 35.7% in the year to December 2020 compared with the previous 12 months. Growth was lower than in New Zealand (-25.3%).
- A total of 993 commercial vehicles were registered in Palmerston North City in the year to December 2020. This is higher than the ten year annual average of 900.

National overview

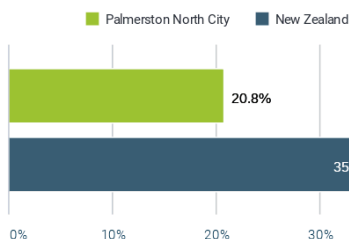
Commercial vehicle registrations declined somewhat in the quarter, following a post-lockdown recovery. Total registrations for the December 2020 quarter were 11% lower than in the December 2019 quarter, while over the year to December 2020, commercial registrations declined 25% compared to 2019. These figures represent a continuation of a long-term declining trend dating back to the December 2018 year.

Despite this decline, the continued resilience of New Zealand's primary sectors, along with increasing levels of activity in the construction sector, continue to provide a relatively upbeat picture for commercial registrations in 2021.

Jobseeker Support recipients

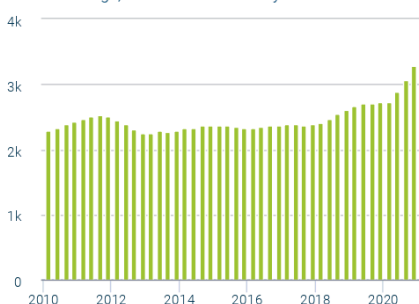
Annual change in Jobseeker Support recipients

Annual average % change December 2019 - December 2020



Jobseeker Support recipients

Annual average, Palmerston North City



Jobseeker Support recipients

Annual average, Palmerston North City



Highlights for Palmerston North City

- Jobseeker Support recipients in Palmerston North City in the year to December 2020 increased by 20.8% compared with previous year. Growth was lower relative to New Zealand (35.9%).
- An average of 3,285 people were receiving a Jobseeker Support benefit in Palmerston North City in the 12 months ended December 2020. This compares with an average of 2,514 since the start of the series in 2011.

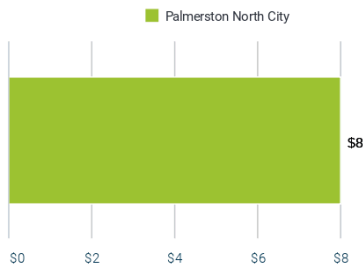
National overview

Jobseeker Support recipients rose again in the December quarter to 212,500 – 44% higher than a year earlier. Although Jobseeker Support figures have risen, the fall in COVID-19 Income Relief Payment (CIRP) recipients means the total number of people supported by either assistance is slightly down compared to September. Combined, Jobseeker Support and CIRP claims have edged lower, down from a peak of 222,000 in August. Benefit exits due to new employment are holding steady, with just under 31,000 benefit cancellations due to obtaining work in the quarter.

Dairy payout

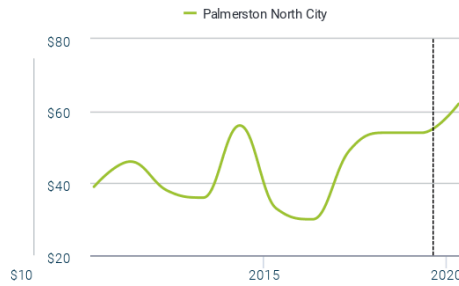
Total dairy payout (provisional)

Change (\$m) between 2019/2020 and 2020/2021 seasons



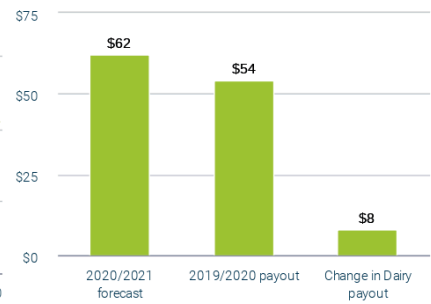
Total dairy payout

\$m each season, Palmerston North City



Total dairy payout

\$m each season, Palmerston North City



Highlights for Palmerston North City

- Palmerston North City total dairy payout for the 2019/2020 season is estimated to have been approximately \$54 million.
- Palmerston North City's dairy payout for the 2020/2021 season is expected to be approximately \$62 million, \$8 million 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 \$11,964 million in the 2019/2020 season, and is expected to be \$1,573 million higher in the 2020/2021 season.

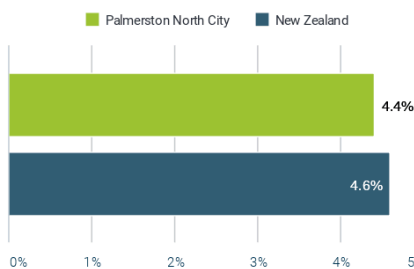
National overview

The dairy sector looks to be on track for a strong result in the current season, with a total pay-out of \$13.7b expected if current milk production and prices hold – a \$761m boost on our previous estimate and \$168m increase from last season. Fonterra has recently raised its mid-point estimate to \$7.20/kgms, which would deliver the second-best total pay-out since the record \$15.3b in 2014. Recent GlobalDairyTrade results have confirmed the strong price estimate, with whole milk powder prices at their highest since June 2014 off the back of rising demand from Asia. Our internal milk price estimate suggests prices could rise even higher, to between 7.30-7.40/kgms – a strong boost for New Zealand's primary sector.

Unemployment rate

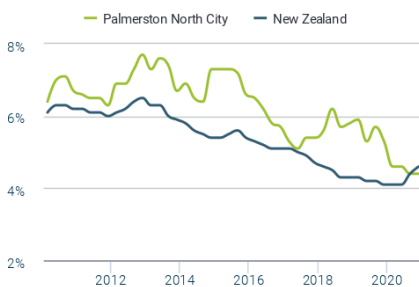
Unemployment rate

Annual average % change December 2019 - December 2020



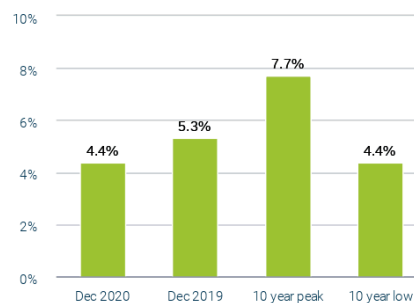
Unemployment rate

Annual average rate



Unemployment rate

Annual average, Palmerston North City



Highlights for Palmerston North City

- The annual average unemployment rate in Palmerston North City was 4.4% in December 2020, down from 5.3% 12 months earlier.
- The unemployment rate in Palmerston North City was lower than in New Zealand (4.6%) in December 2020.
- Over the last ten years the unemployment rate in Palmerston North City reached a peak of 7.7% in December 2012.

National overview

A strong employment result saw the unemployment rate fall to 4.9% from September's 5.3%. Underutilisation and underemployment both fell, as more people made it into full-time work. Softer tourism activity saw lower employment in related industries including accommodation and food services, but large increase in construction, health, and public sector roles outweighed these losses. The fall in the unemployment rate means unemployment over the last 12 months has averaged 4.6%. Strengthening job ads, and solid activity in growing industries, sets the scene for a more optimistic pathway for the labour market moving ahead. However, not all groups are performing well, with Māori and Pasifika unemployment rising in December, and women and young people still hard hit.

Technical Notes

Building Consents

Building consents data is sourced from Statistics New Zealand. The number of residential consents issued for new dwellings is the measure for residential consents. For non-residential consents, the measure is 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.

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. Gross domestic product is measured in 2019 dollar terms.

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 values (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.

Jobseeker Support Recipients

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.

Data presented for the September 2013 quarter onwards is provided by the Ministry of Social Development (MSD). Data prior to September 2013 are Infometrics estimates based on re-grouping pre-July 2013 benefit categories to be consistent with the post-July 2013 benefit categories. The pre-July 2013 benefit categories used to estimate the number of Jobseekers Support recipients are: Unemployment Benefit and Unemployment Benefit Hardship; Unemployment

Benefit Training and Unemployment Benefit Hardship Training; Sickness Benefit and Sickness Benefit Hardship; Domestic Purposes Benefit - Sole Parent (if youngest child is 14 or over); Women Alone and Widow's Benefit (without children or with children 14 or over)

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 Rate

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.

Weekly Rents

Rents (\$ per week) are averaged across the quarter in question from monthly rental data sourced from MBIE. Rental data pertains to averages from data collected when bonds are lodged and does not control for specifications of the home (eg. size, number of bedrooms, age of home, etc).

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Defence Sector Profile - March 2021

PRESENTED BY: Julie Macdonald, Strategy and Policy Manager

APPROVED BY: David Murphy, Acting General Manager - Strategy and Planning

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the memorandum titled 'Defence Sector Profile – March 2021' and attachments presented to the 17 March 2021 Economic Development Committee, be received for information.

1. DEFENCE SECTOR PROFILE – MARCH 2021



- 1.1 Attached is a copy of the Defence Sector Profile - March 2021 and the Executive Summary, which have recently been updated.
- 1.2 The sector has been experiencing significant growth, with now 3,940 people employed, annual salaries and wages of \$235 million and a contribution to GDP of \$368 million.

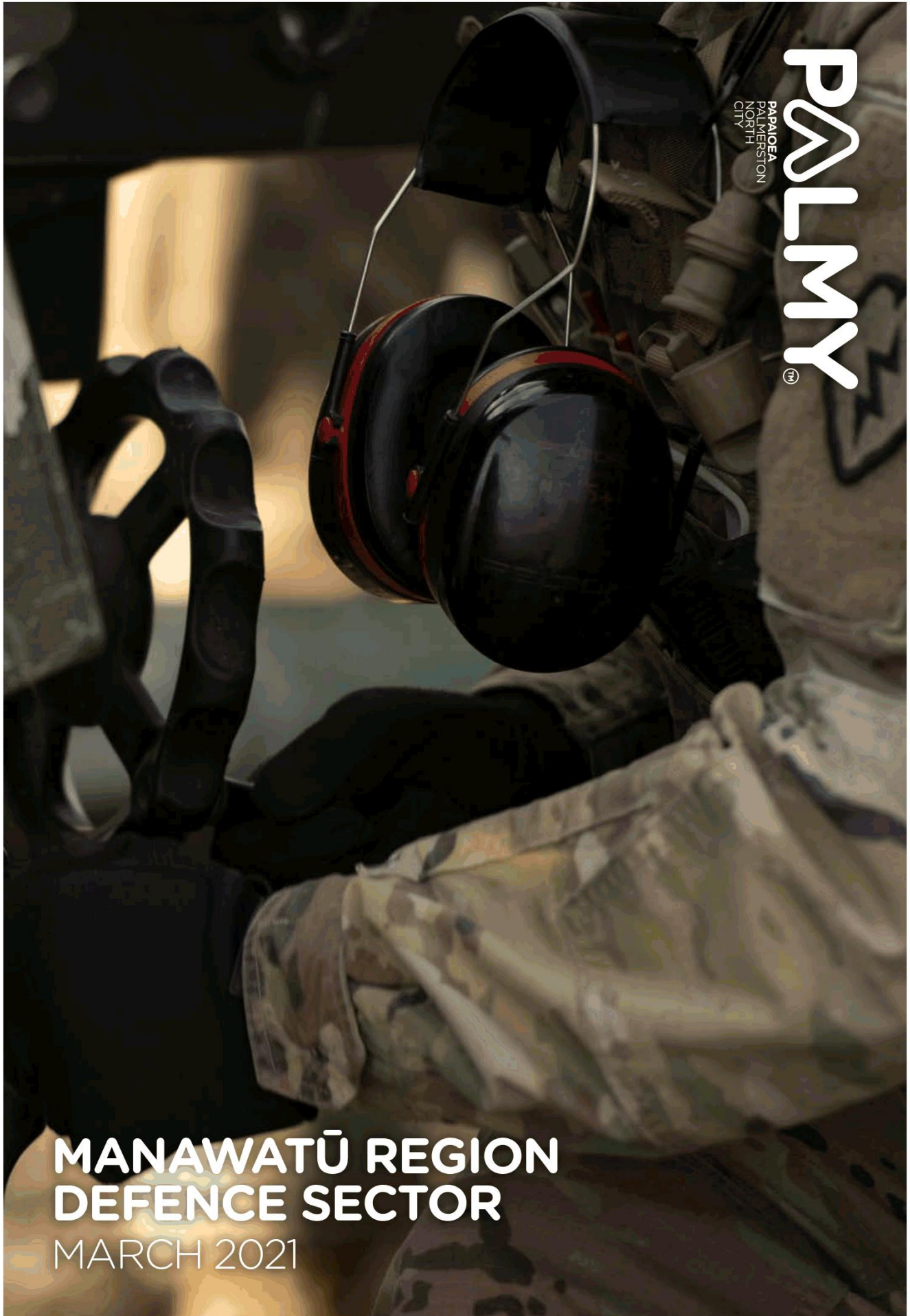
2. COMPLIANCE AND ADMINISTRATION

| | |
|---|------------|
| 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? | No |
| 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 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. Defence Sector Profile - 2021 [↓](#) 
2. Defence Sector Profile 2021 - Executive Summary [↓](#) 



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PALMERSTON
NORTH
CITY

MANAWATŪ REGION DEFENCE SECTOR

MARCH 2021



Produced by
Palmerston North City Council

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Executive Summary

The defence industry plays a major role in the Manawātū region economy. There are a significant number of people employed at the three defence bases in the region (Linton Military Camp, Hoko-whitu Base and RNZAF Base Ohakea). In addition, major construction projects planned over the next 15 years will provide an additional boost to economic activity.

Measuring economic benefits

Statistics New Zealand annual employment estimates suggest there were 3,940 people employed in the defence sector in the Manawātū region in February 2020, accounting for 6.3% of the total workforce in the region. The sector has been an important contributor to growth in the region, with employee numbers increasing by 1,540 (a 65% increase) from 2000, accounting for nearly 10% of jobs growth in the region over the last 20 years. Total jobs in the region increased by 35% over this period.

The number of regular and civilian personnel employed directly by the Defence Force in the region was 3,246 people in 2020, with the remaining personnel employed by contractors working at the three bases in the region.

The combined NZDF total annual Manawātū region personnel (salary and wage costs) expenditure is approximately \$235 million, accounting for over 7% of salaries and wages paid in the region. The Defence Force share of salaries and wages is higher than its share of the number of employees because it has a high share of its workforce that is employed full-time compared with the overall workforce in the region.

The economic benefits to the Manawātū region from having New Zealand Defence Force (NZDF) establishments at Linton Army Camp, Hoko-whitu Base and Ohakea Airbase are much broader than the salaries and wages paid to employees. Economic activity created also comes from the payments to contractors at the three bases, and the purchases of goods and services from local businesses.

Manawātū region defence sector GDP was estimated to \$368 million in the year ended March 2020, 5.6% of total GDP in the region. Defence sector GDP increased by 45.6% between 2000 and 2020, which was slightly weaker than the 49.5% increase in total GDP in the region. The sector's share of GDP is smaller than its share of jobs and total earnings. The low GDP share compared with the contribution of the sector to jobs and earnings reflects the challenges with measuring economic activity in some sectors.

Infometrics economic multipliers suggest the full economic impact of having the Defence Force based in the Manawātū region is \$520 million. This estimate is based on the direct and indirect effects of the increase in economic activity created by the Defence Force.

There are around 3,150 people employed at Linton and the Hoko-whitu Base, with 2,322 people employed in military and civilian roles, accounting for around 6% of the total work force in Palmerston North. This makes Linton the largest defence base in New Zealand, with more personnel than the Devonport Naval Base.

The Camp was significantly expanded in size in the early 1990s, providing a significant boost to economic and population growth in the city during that time. Further growth has occurred in more recent years, with transfers of personnel from Waikouru and Burnham. Linton is home to half of the Defence Force's Army personnel.

Personnel numbers at Ohakea are currently 950, accounting for 10% of the total workforce in Manawātū District. Personnel numbers are expected to increase to 1,200 by 2023 to accommodate the transfer of No. 5 Squadron from Whenuapai from 2023.

Increasing population growth and diversity

A further positive economic impact from the presence of the Defence Force in the region comes from the demographic change which is occurring in the region, especially in Palmerston North. The city has a young population due to the age of the people who come into the city as tertiary students and new enlistments to the Defence Force, who are posted to Linton after their initial training. As a result the city is not experiencing the same aging in its population compared with the overall trend.

Linton has the youngest workforce of the three bases in the region, with a median age of 27 years for the 2,005 regular personnel based at Linton and a median age of 52 years for the 210 civilian personnel. The median age for the city's population in June 2020 was 34.2 years. The workforce at Ohakea is a little older than for Linton, with a median age of 31 years for the 776 regular personnel at Ohakea and 48 years for the 148 civilian personnel. The median age of Manawātū district's population in June 2020 was 40.9 years.

Both Māori and Pacific ethnic groups are more prevalent among personnel based at Linton, with 21.6% identifying as Māori and 4.4% as Pacific. At Ohakea the Māori share is 6.1% of the workforce while Pacific ethnicities account for 1.5%.

Recognising the contribution of the Defence Force

Recognition of the special contribution made by the Defence Force to the region culminated in the updating and resigning of a Statement of Intent on 3 May 2019 by Palmerston North City Council Mayor Grant Smith, Chief of Defence Force Lieutenant General Tim Keating, and Manawātū District Mayor Helen Worboys. The document

recognises the common interests that exist between the three parties and records the intention to work together to create mutual benefits. The Statement of Intent provides a framework for the next 10 years, to ensure that the relationship is actively managed and that where possible, collaborative outcomes are identified and implemented. The Statement of Intent was the outcome of discussions between the Mayors and Chief of Defence Force that sought to integrate the Defence Force into the long term planning and to align the focus of the three groups beyond the military posting cycle and the effects of elections.

Conclusions

The establishment of three defence bases in the Manawātū has been an important contributor to economic growth in the Manawātū region since the late 1930s. They bring significant economic benefits to the region through the growth of the work force at the bases, the growth in the region's population through the families associated with the Defence Force personnel, and purchases from local suppliers. While most of the Defence Force's major purchases come from overseas suppliers, there have been opportunities for local companies to develop new business opportunities through the supply of products and services to the local bases.

The \$235 million Defence Force salary and wages contribution from Linton and Ohakea is only part of its economic contribution to the region. Both bases bring young people into the region who would not have necessarily chosen to move to the region and many stay, choosing to bring up their families here. The training and skills development provided by the Defence Force is a significant benefit. Many Defence Force personnel bring partners with them with skills needed in the local work force. This assists local employers who have experienced difficulty attracting staff to the region.

WORKFORCE



3,940

6.1% of total employment

EARNINGS



\$235M

6.4% of total earnings

GDP



\$368M

5.6% of total GDP

Introduction

The Defence Force has played an increasingly important role in the Manawātū region since the establishment of the Ohakea Air Force base prior to the Second World War and the establishment of Linton Army Camp during the war.

The importance of the defence industry to the Manawātū can be easily overlooked. The three defence bases are not generally open to the public and as a result it can be difficult to get a sense of the significant number of people employed at each base. Linton Military Camp is now the largest Defence Force base in New Zealand, but the size of the base is not obvious when travelling along State Highway 57.

The site of the Linton Military Camp was bought by the New Zealand Government in October 1941. Tents for the 2 Field Regiment formed the first accommodation on this site in February 1942, but within six months the first prefabricated huts were being built. The first housing blocks for officers were constructed in 1955.

In 1985 Linton became New Zealand's largest military camp, when the permanent force then stationed in Singapore was withdrawn and accommodated at Linton. It has grown even bigger since then with the transfer of frontline units from Auckland and Waiouru. Major expansions occurred in the early 1990s and further expansion occurred in 2012 when the Queen Alexandra's Mounted Rifles were moved from Burnham. In 2016 the government announced further expansion at Linton as a result of a decision to consolidate logistics for the Defence Force, with new infrastructure to be built at Linton and Burnham.

The site purchased for Linton Military Camp included an area by the Manawātū River which had been a major Rangitāne village known as Te Kairanga (the place where much food is gathered) but by the 1940s the name was in common use for the district on the other side of the river. Instead the camp took the name of Linton.

There are around 3,150 people employed at Linton and the Hokowhitu Base, with 2,322 people employed in military and civilian roles, accounting for around 6% of the total work force in Palmerston North. This makes Linton

the largest defence base in New Zealand, with more personnel than the Devonport Naval Base.

Defence Force elements based at Linton:

1st battalion Royal New Zealand Infantry Regiment - provides a light infantry capability;

Queen Alexandras Mounted Rifles - provides the Army's light armoured capability;

16th Field Regiment - provides an offensive support (artillery and mortar) capability;

2nd Combat Service Support Battalion located in Linton, and 3rd Combat Service Support Battalion located in Burnham - provides logistic support for deployed personnel both nationally and internationally;

2nd engineer regiment – horizontal and vertical construction, combat and specialist military engineering;

1st Command support regiment – provides specialist military communications and intelligence support to deployed forces;

Deployable health organisation – medical, dental and performance health support to the force;

Training establishments – Land Operations Training Centre, Mission Command Training Centre and Collective Training Centre – provide the continuum of professional trade and promotion training, including certification for operations;

Garrison support services including infrastructure, administration and commercial.

Lockheed Martin Global Incorporated (NZ) provides depot level warehousing and equipment maintenance support to the Army units in Linton Camp.

The Land Operations Training Centre (LOTG) and the Mission Command Training Centre (MCTC) based in Linton have schools located in Waiouru, Linton, Hokowhitu, Trentham, and Burnham, and are responsible for teaching and certifying New Zealand Army combat, combat support and logistics doctrine and principles. Personnel based at the Hokowhitu Campus are counted in the 3,150 personnel in Palmerston North.

Defence Force elements based at Hokowhitu Campus:

New Zealand Defence College
Tactical School (MCTC)
School of Military Intelligence and Security
Logistics Operations School (LOTG)

Ohakea Air Force Base was constructed on land near Bulls in the Manawātū from 1937 to 1939. It was built in anticipation of the arrival of 30 Wellington bombers, ordered for delivery in October 1939. The initial construction included housing and maintenance facilities for the new bombers, workshops, administration buildings and accommodation for servicemen and dependents. Ultimately, the Wellington bombers the hangars were built for never arrived, as they were donated to Britain at the start of the Second World War, forming The New Zealand Squadron.

During the Second World War, Ohakea was the RNZAF's main training base for operational conversion to fighters, observers/navigators for bombers and air gunners. After the war, No. 14 Squadron RNZAF, No. 42 Squadron RNZAF and No. 75 Squadron RNZAF were re-formed at Ohakea, and No.1 Repair Depot relocated from RNZAF Base Te Rapa in Hamilton, New Zealand.

Ohakea is a secondary diversion airport for heavy civilian aircraft such as the Boeing 787 and Boeing 777 if an

aircraft's destination airport is temporarily closed. Ohakea has the facilities to process a significant number of passengers since the completion of a new terminal.

Defence Force elements based at Ohakea:

No 3 Squadron - comprising Rotary Wing Transport Forces and, including eight NH90 Medium Utility Helicopters and five A109 Training/Light Utility Helicopters. The Squadron is also responsible for helicopter conversion training for graduated pilots and helicopter crewmen, Search and Rescue activities, medical evacuation, NZ police support and assistance to other government agencies.

No 14 Squadron comprising 11 Beechcraft T-6C Texan II pilot training aircraft. Graduated pilots then go on to further training either with No 3 Squadron or No 42 Squadron.

Central Flying School, which shares the T-6C Texan fleet, is responsible for all NZDF aircrew instructor training.

No 42 Squadron conducts basic training for Air Warfare Officers and multi-engine conversion training of pilots using four Beech KA350 King Air. The unit also provides a limited light transport capability.

From 2023, Ohakea will also be home to No 5 Squadron, which will provide airborne surveillance and maritime patrol using four P8 Poseidon aircraft.

There are 950 people employed at Ohakea (which accounts for 10% of the total work force in Manawātū District). Personnel numbers based at Ohakea are expected to increase to 1,200 by 2023 to accommodate the arrival of the P8 Poseidon surveillance aircraft.





Jobs, Wages And Spending

The Defence Force has played an increasingly important role in the Manawātū region since the establishment of the Ohakea Air Force base prior to the Second World War and the establishment of Linton Army Camp during the war.

As a result, the NZDF share of salaries and wages paid in the region is around 7% of total salaries and wages paid in the region and 6.5% of total earnings (salaries, wages and self-employment income).

The combined NZDF total annual Manawātū region personnel (salary and wage costs) expenditure is approximately \$235 million. Additional to this is domestic operating expenditure, which includes items like laundry

services, vehicle and building repairs, food, fuel and vehicle hire, and is predominantly spent in the local economy.

The economic impacts from that \$235 million wage bill and defence spending in the local economy for the city economy are significant but are even greater when the additional flow on impacts of that increased spending in the local economy is taken into account.

Broader Economic Effects Of Defence Forces In The Region

An economic impact which is difficult to measure is the income flow into the region when Defence Force personnel are deployed overseas on peace keeping operations and UN missions.

The partners and families of the personnel who have been deployed overseas usually stay in the region and continue to be financially supported by them, so the income still benefits the region, even though the Defence Force personnel may be working far from home in postings in Afghanistan, Timor-Leste, the Solomon Islands, Iraq, Sinai, Antarctica, South Korea, South Sudan and UAE.

The central location of Palmerston North between Waikato and Trentham/Wellington, availability of relatively affordable housing, and access to educational opportunities for their families have contributed to some Defence Force personnel choosing the region as the ideal place to settle and commute to the other bases or Defence Headquarters in Wellington. This also increases the overall economic gains for the region since the salaries for these personnel are not included in the Linton or Ohakea data.

In recent years former NZDF personnel have started new careers working for private security companies working in a number of international conflict zones. The high wages offered for contracts in high risk zones like Iraq have proven attractive to many NZDF staff, but the incomes generated from this work often remain in the local economy. Many of these security contractors leave their family in New Zealand and remit their wages home while they are away on contract. Official employment data shows a loss in jobs to the local economy but the wages still continue to flow back into the city. Currently very little data is available nationally on remittances into New Zealand so it is not possible to measure the inflow into the regional economy.



Planned Capital Expenditure (2020 – 2035)

The latest Defence Force Estate Regeneration Implementation Plan released in May 2019 identifies significant capital investment in the Manawātū region between 2019 and 2035. Major projects planned in the region, with rough cost estimates and proposed timing are:

Linton

| | | |
|---|---------------|-------------|
| Field workshop | \$10m - \$20m | 2019 - 2022 |
| Logistics main fleet utilisation warehouse | \$5m - \$10m | 2018 - 2021 |
| Consolidated logistics infrastructure investment at Linton | >\$50m | 2019 - 2026 |
| Protected mobility vehicle fleet – linked capability infrastructure | \$20m - \$50m | 2020 - 2023 |
| Operational fuels infrastructure: logistics precinct | \$10m - \$20m | 2021 - 2024 |
| 10 Transport Company headquarters | \$5m - \$10m | |
| Protected mobility vehicle fleet – infrastructure phase 2 | \$20m - \$50m | 2028 - 2032 |
| Command Signals Unit facility | \$20m - \$50m | 2027 - 2032 |
| Combined training centre (Training and Doctrine North) | \$10m - \$20m | 2030 – 2034 |

Ohakea

| | | |
|--|---------------|-------------|
| Covered tanker park project | \$10m - \$20m | 2020 - 2023 |
| Wastewater treatment plant upgrade stage 2 project | \$10m - \$20m | 2020 - 2023 |
| Fixed wing training and simulation facility | \$10m - \$20m | 2019 - 2021 |
| Air surveillance complimentary capability hangar and apron | \$10m - \$20m | 2021 - 2024 |
| Double hangar and offices | >\$50m | 2019 - 2024 |
| Investment in Ohakea housing | >\$50m | 2020 - 2024 |
| Ohakea consequential works (Ohakea Loading) | >\$50m | 2020 - 2024 |
| Fuel storage facility expansion | \$10m - \$20m | 2022 – 2025 |
| Main gate, entrance and state highway connection | \$20m - \$50m | 2026 - 2032 |
| Physiotherapy and medical facilities | \$10m - \$20m | 2020 - 2034 |
| Base headquarters and administration | \$20m - \$50m | 2029 - 2034 |

The economic impact that these projects bring to the region is additional to the economic impact noted earlier but the impact of these projects is largely one-off in nature.

Increasing Population Growth

A further positive economic impact comes from the demographic change which is occurring in the Manawātū region, especially in Palmerston North.

The city has a young population due to the age of the people who come into the city as tertiary students and new enlistments to the Defence Force, who are posted to Linton after their initial training. As a result the city is not experiencing the same aging in its population compared with the overall trend.

Defence Force ethnicity and median age data for the three bases in the region shows that Linton has the youngest workforce, with a median age of 27 years for the 2,005 regular personnel based at Linton and a median age of 52 years for the 210 civilian personnel at Linton. The median age for the city's population in June 2020 was 34.2 years. The workforce at Ohakea is a little older than for Linton, with a median age of 31 years for the 776 regular personnel at Ohakea and 48 years for the 148 civilian personnel at Ohakea. The median age of Manawātū district's population in June 2020 was 40.9 years.

Long-term population projections prepared by Statistics New Zealand in 2017 suggest the median age in the city is expected to rise by 3.6 years to 37.0 by 2043, while the national median age is expected to rise by 5.2 years to 42.7 by 2043. The projected 2043 median age for Palmerston North of 37.0 years will be the lowest of any local authority in New Zealand. The median age in Manawātū District in 2018 was 40.8 years.

The city has also gained an increased population share for ethnic groups which are experiencing higher growth rates than the predominant European population. These ethnic groups have very young and rapidly growing populations.

In 2018 the median age for Māori living in Palmerston North was 23.6 years, while the median age in Manawātū

district was 24.1 years. The median age for the Pacific population in Palmerston North in 2018 was 21.8 years and 17.1 years in Manawātū district. The median age for these ethnic group populations is much lower than the median age of 35.9 years for the European population in Palmerston North and 41.7 years in Manawātū District. The young age of these two populations and higher fertility rates (the number of births per female) explain much of the higher growth rates for the Māori and Pacific ethnic groups in the region.

Both Māori and Pacific ethnic groups account for a greater proportion of personnel based at Linton, with 21.6% identifying as Māori and 4.4% as Pacific. At Ohakea the Māori share is 6.1% of the workforce while Pacific ethnicities account for 1.5%.

Statistics New Zealand ethnic population projections for the period from 2013 to 2038 suggest the Māori population in Palmerston North will increase by 2.2% per annum, while the Pacific Island population will increase by 3.2% per annum, well ahead of the projected overall annual average population growth of just 0.6% per annum over this period. The Māori population in the city is projected to contribute 78% of the total population growth in the city over the period from 2013 to 2038, and the Pacific population to contribute 34% of total growth.¹

The Māori population in Manawātū District is projected to increase by 1.8% per annum, while the Pacific Island population is projected to increase by 3.0% per annum, well ahead of the projected overall annual average population growth of just 0.6% per annum over this period. The Māori population in the district is projected to contribute 58% of the total population growth in the district, and the Pacific population contribute 13%.

¹ These Statistics New Zealand percentages add to more than 100 percent because people can identify with more than one ethnicity. The Defence Force ethnicity data in the previous paragraph is based on one ethnic group identified for each individual. Statistics New Zealand has updated its overall population growth projections for the city but will not be publishing updated ethnic projections until mid-2021.

Reserve Forces

Reserve Forces or Territorial Force personnel are additional to the permanent staff employed at Linton but their economic impact in the region is small compared with the size of the permanent defence workforce based in the region.

The Reserves generally conduct most of their field training activity in Waiouru. As a consequence the contribution from the Reserves to the economic activity

of the Manawātū region is not significant from a financial perspective.

Recognising The Contribution Of The Defence Force

Recognition of the special contribution made by the Defence Force to the region culminated in the updating and resigning of a Statement of Intent on 3 May 2019 by Palmerston North City Council Mayor Grant Smith, Chief of Defence Force Lieutenant General Tim Keating, and Manawātū District Mayor Helen Worboys.

The Statement of Intent records the intention of the parties to work together to:

- Maximise the business opportunities within the Manawatu region.
- Maximise the business opportunities within the Manawatu region.
- Ensure defence personnel and their families become an integrated part of their local communities.
- Recognise the contribution of Defence to the regional economy.
- Facilitate opportunities that enable Defence to contribute to their local communities.

- Acknowledge the place of Defence within the Manawatu and the contribution it makes to community life.
- Acknowledge the role of PNCC and MDC as co-advocates for Defence issues pertaining to central and local government infrastructure policy, planning, growth and development.

Areas where it was agreed the parties could work collaboratively were:

1. Strategic planning and policy
2. Infrastructure provision and development
3. Economic development
4. Community facilities and development
5. Events

Attracting Visitors To The Region

Defence Forces' participation in events is commonly seen in pre-match entertainment at major sporting events in the Manawātū.

Defence Forces' participation in events is commonly seen in pre-match entertainment at major sporting events in the Manawātū. The arrival of one or two helicopters at the irregular Hurricanes games held in Palmerston North or the first Turbos game of the season has been a feature for a city with two defence bases so close at hand.

The Black Falcons aerobatics team are another common sight at major events and add to the attractions that the regional tourism organisation Central Economic Development Agency (CEDA) can boast of in the region.

A major visitor attraction for the Manawātū is the air show at Ohakea, while the Fathers' Day Kite Day at Ohakea is popular among local families. The availability of the long runway is especially of interest for events like Blokart racing. The National Blokart championship was held at Ohakea in October 2019 and the 2020 World Championship was also to have been held at Ohakea, but COVID-19 forced cancellation of this event.

Manawātū Defence Hub

Since 1997 the Manawātū Defence Hub has been a one-stop centre for expertise in supply and procurement for Defence Services in New Zealand.

The Manawātū Defence Hub is a collective of like-minded businesses experienced in the supply of products and services to Defence and other security, public service and civilian agencies, including NZ Police, NZ Fire Service, Department of Corrections and Civil Defence.

The Defence Hub is an association for local businesses capable of professional, proactive supply to the defence

force and for the wider procurement community seeking innovative and reliable sources for goods and services. Affiliation with the Hub provides a focus for action, advice and information, and identifies supply and business development opportunities for Defence Hub members.

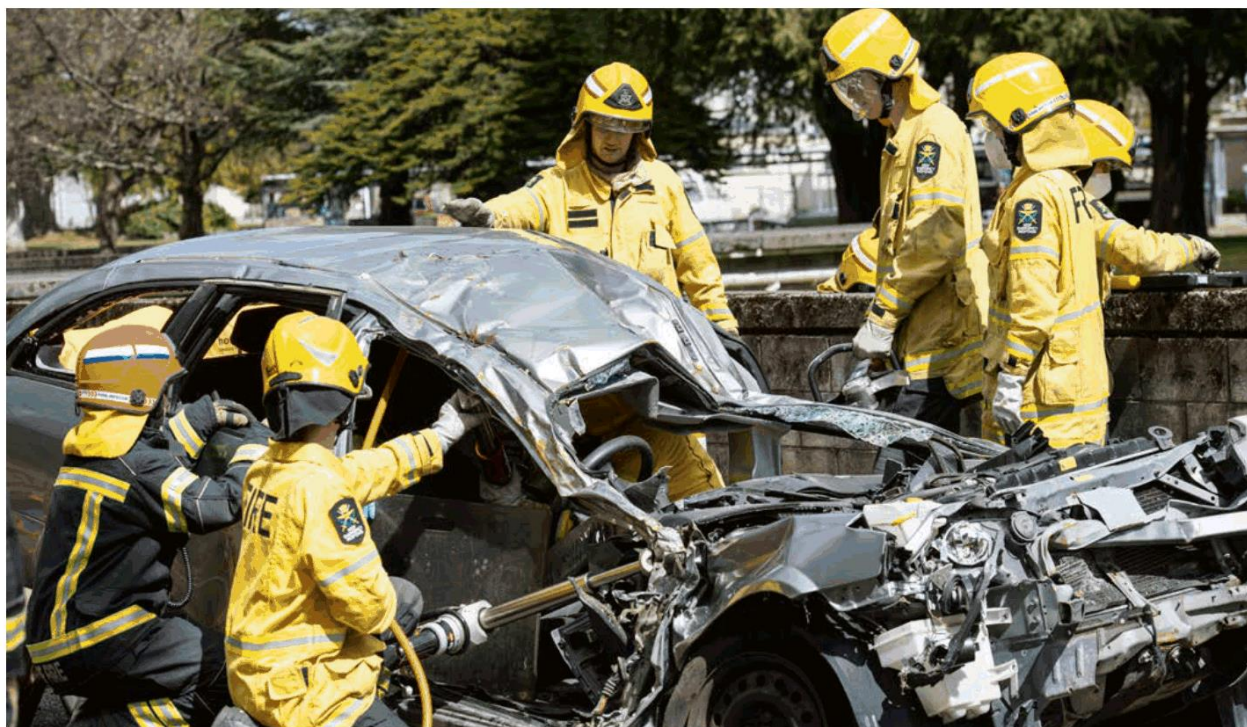
Contribution to New Zealand's national resilience to unforeseen events and natural disasters

The defence forces play an important role in local civil defence and rural fire fighting coordination and support roles in Palmerston North and the wider Manawatū-Whanganui region.

The local Emergency Management Committee includes government and non-government representatives (such as the utility companies) and has representatives from the NZ Army and RNZAF bases in the Manawatū. The scale of the Defence Force support was very apparent in the February 2004 floods in the Manawatū-Wanganui region. The New Zealand Defence Force Annual Report for the year ended June 2004 noted:

NZ Army and RNZAF personnel supported declared Civil Defence emergencies (Operation Awhina) in the Lower North Island and Picton area during Feb 04. Support provided included searching for missing persons, rescue evacuation, sandbagging, water distribution, emergency service vehicle meals, transporting gravel for stop bank repairs, house content removal and clean up assistance. A total of 1,616 man-days were expended, 12,339kms travelled providing this logistical support. RNZAF Iroquois helicopters also flew 48.5 hours in support.

There are also strong relationships in the training of personnel between the Civil Defence Unit based at the Council and the NZ Army and RNZAF bases in the Manawatū. The Council has been assisting with Defence Force personnel training and makes use of facilities at Linton Military Camp for the training of civil defence volunteers. There are also close links between the Defence fire team and rural fire fighting services. The Defence Forces have off-road capabilities for assisting with rural vegetation fire fighting, so contribute an important complementary role to the New Zealand Fire Service.



Recruitment And Training

Linton and Ohakea play important roles in bringing young people into the region for training.

Trade training offered for soldiers at Linton includes plumbing, carpentry and electrician apprenticeships, while training is also offered for other service personnel through a military studies institute. The two bases are therefore an important component in the development of skills for the wider regional economy, especially once Defence Force personnel end their period of service and move across to jobs outside the defence sector. Businesses, local government and other central government employers all benefit from the training provided.

Palmerston North city is well resourced in the area of skills development and training, with a comprehensive range of learning opportunities provided for local residents. Key tertiary education and training institutions based in the city include Massey University, the Universal College of Learning (UCOL), Institute of the Pacific United (IPU), Te Wananga Aotearoa and a broad range of industry training organisations. The benefits of this availability of skills development and training opportunities in the city is reflected in Census data which shows a higher level of educational qualifications for the population resident in Palmerston North compared with the national population.

The university officer training programme contributes to leadership skills development and supports the defence studies programme based at Massey University's Palmerston North Campus. The Centre for Defence and Security Studies is a department of the College of Humanities and Social Sciences at Massey University (Palmerston North Campus).

Undergraduate programmes offered are:

- Bachelor of Arts (Defence Studies)
- Bachelor of Arts (Security Studies)
- Certificate in Arts

Certificate in Border and Biosecurity

Diploma in Arts

Diploma in Arts (Defence Studies)

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Undergraduate programmes offered are:

Bachelor of Arts (Defence Studies)
 Bachelor of Arts (Security Studies)
 Certificate in Arts
 Certificate in Border and Biosecurity
 Diploma in Arts
 Diploma in Arts (Defence Studies)
 Diploma in Arts (Security Studies)
 Diploma in Border and Biosecurity
 Graduate Certificate in Arts (Defence Studies)
 Graduate Certificate in Arts (Security Studies)
 Graduate Diploma in Arts (Defence Studies)
 Graduate Diploma in Arts (Security Studies)
 Postgraduate programmes are:
 Bachelor of Arts with Honours
 (Defence and Security Studies)
 Master of Arts (Defence and Security Studies)
 Master of International Security
 Master of International Security (Border and
 Biosecurity)
 Master of International Security (Counter Terrorism)
 Master of International Security (Defence)
 Master of International Security (Intelligence)

Postgraduate Certificate in International Security

Postgraduate Diploma in Arts (Defence and Security
Studies)

Postgraduate Diploma in International Security

Postgraduate Diploma in International Security (Border
and Biosecurity)

Postgraduate Diploma in International Security
(Defence Studies)

Postgraduate Diploma in International Security
(Intelligence)

Postgraduate Diploma in International Security
(Terrorism)

Professional development:

Defence and security tailored courses

International Security professional development
programme for armed forces

Pacific Security Dynamics

A Doctor of Philosophy (PhD) qualification is also offered.

The Defence Force plays a major role in the training of Māori and Pacific peoples in the region, particularly through the Army. Defence Force data shows that 21.6% percent of Linton Military Camp Defence Force personnel identify with a Māori ethnicity and 4.4% with a Pacific ethnicity. The proportion of Māori and Pacific peoples in the overall New Zealand workforce is expected to grow because of their higher fertility rates and younger populations.





Estimating The Economic Impact Of The Defence Force In The Manawatū Region

Manawatū region defence sector GDP was estimated to be \$368 million in the year ended March 2020, 5.6% of total GDP in the region.

Manawatū region defence sector GDP was estimated to be \$368 million in the year ended March 2020, 5.6% of total GDP in the region. Defence sector GDP increased by 35.2% between 2000 and 2020, which was weaker than the 49.5% increase in total GDP in the region. The sector's share of GDP is smaller than its share of jobs and total earnings. The low GDP share compared with the contribution of the sector to jobs (6.3% share) and earnings (7% share) reflects the challenges with measuring economic activity in some sectors and one of the weaknesses of GDP as a measure of economic activity.

Gross domestic product measures the total final market value of all goods and services produced within a country during a given period. The calculation of GDP for different sectors uses a production approach, which measures GDP as the difference between value of what is produced (output) less the value of goods and services, including labour used in producing these outputs.

The defence sector is part of a subset of economic activities that are described as non-market. Non-market activities such as education, health, government administrative and national security services, are activities which are provided free or at minimal cost, so there are challenges with estimating the value of what is produced.

For the defence force, its contribution to GDP is calculated from the value of goods and services purchased, labour costs and the loss of fixed assets (such as buildings and equipment) over time due to wear and tear.

For non-market sectors such as the defence force, the full value of the sector to the regional economy is more accurately understood by including the multiplier benefits of the sector to the regional economy. Including the multiplier benefits, to the year ended March 2020 the defence sector was estimated to have generated a total of \$520m in GDP;

- \$368m of this is reflected in the value of goods and services purchased, labour costs and the loss of fixed assets (direct GDP),
- a further \$45m in economic activity from businesses providing goods and services to the defence sector, and
- \$109m in GDP from spending by households earning income from defence force activities.

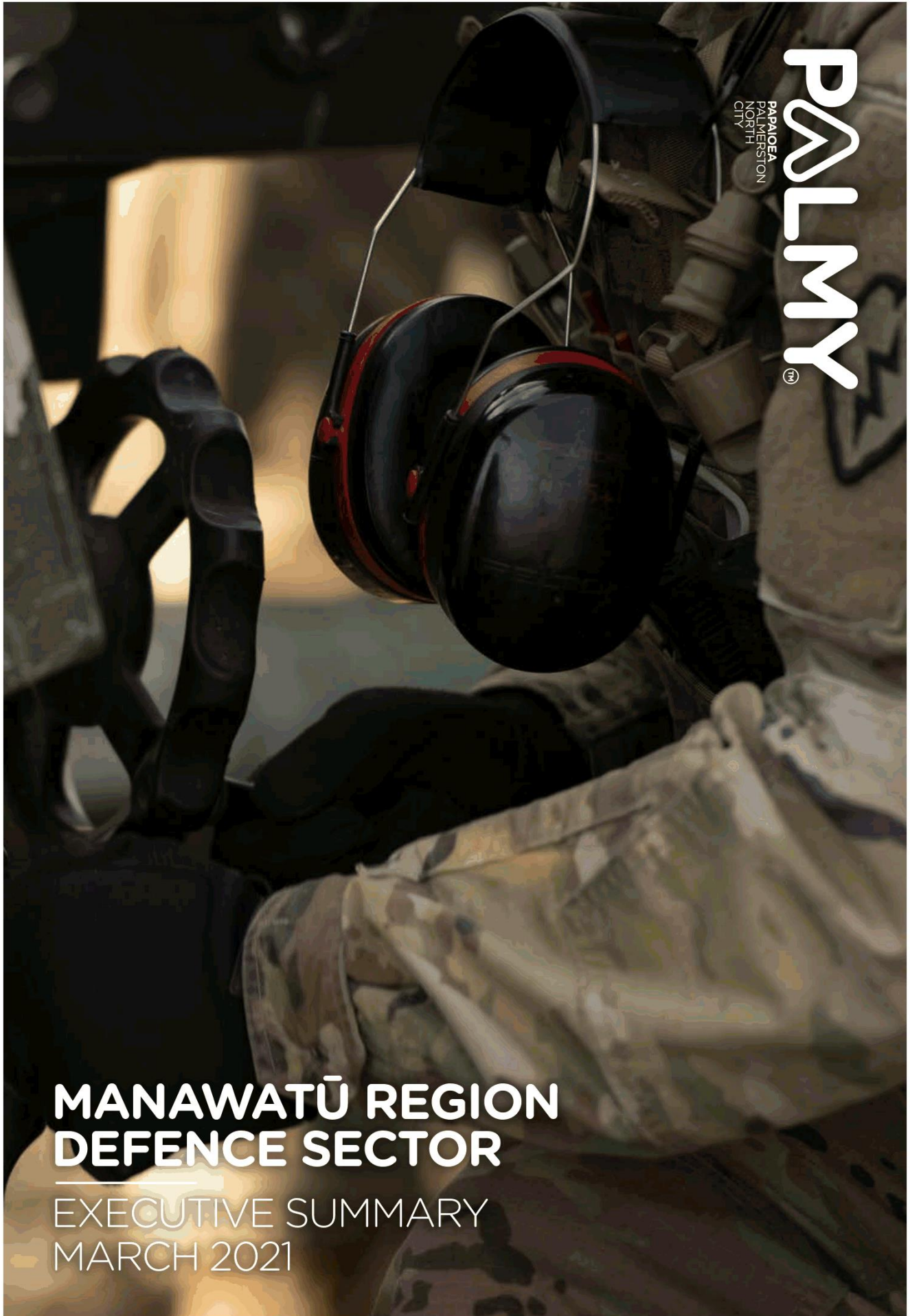
The sector is also estimated to have generated a total of 4,690 jobs in the region over the year to March 2020. Specifically, 3,250 people were directly employed within the defence force in the region, a further 500 jobs were estimated to have been generated in businesses

supplying goods and services to the defence sector, while 940 further jobs were generated across the wider region from expenditure of households earning income through defence force activities.

Including the above multiplier benefits in the assessment of the value of the defence sector to the regional economy, the sector is estimated to generate 7.9% of total GDP and 7.2% of total employment in the Manawātū region. With substantial investment in upgrades to Ohakea Air Force Base and Linton Military Camp over the next 10-15 years in addition to the relocation of Squadron No. 5 from Whenuapai to Ohakea by 2024, it is anticipated that the contribution of the defence force to the regional economy will continue to expand.







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MANAWATŪ REGION DEFENCE SECTOR

EXECUTIVE SUMMARY
MARCH 2021

Executive Summary

The defence industry plays a major role in the Manawātū region economy. There are a significant number of people employed at the three defence bases in the region (Linton Military Camp, Hokowhitu Base and RNZAF Base Ohakea). In addition, major construction projects planned over the next 15 years will provide an additional boost to economic activity.

Measuring economic benefits

Statistics New Zealand annual employment estimates suggest there were 3,940 people employed in the defence sector in the Manawātū region in February 2020, accounting for 6.3% of the total workforce in the region. The sector has been an important contributor to growth in the region, with employee numbers increasing by 1,540 (a 65% increase) from 2000, accounting for nearly 10% of jobs growth in the region over the last 20 years. Total jobs in the region increased by 35% over this period.

The number of regular and civilian personnel employed directly by the Defence Force in the region was 3,246 people in 2020, with the remaining personnel employed by contractors working at the three bases in the region.

The combined NZDF total annual Manawātū region personnel (salary and wage costs) expenditure is approximately \$235 million, accounting for over 7% of salaries and wages paid in the region. The Defence Force share of salaries and wages is higher than its share of the number of employees because it has a high share of its workforce that is employed full-time compared with the overall workforce in the region.

The economic benefits to the Manawātū region from having New Zealand Defence Force (NZDF) establishments at Linton Army Camp, Hokowhitu Base and Ohakea Airbase are much broader than the salaries and wages paid to employees. Economic activity created also comes from the payments to contractors at the three bases, and the purchases of goods and services from local businesses.

Manawātū region defence sector GDP was estimated to \$368 million in the year ended March 2020, 5.6% of total GDP in the region. Defence sector GDP increased by 45.6% between 2000 and 2020, which was slightly weaker than the 49.5% increase in total GDP in the region. The sector's share of GDP is smaller than its share of jobs and total earnings. The low GDP share compared with the contribution of the sector to jobs and earnings reflects the challenges with measuring economic activity in some sectors.

Infometrics economic multipliers suggest the full economic impact of having the Defence Force based in the Manawātū region is \$520 million. This estimate is based on the direct and indirect effects of the increase in economic activity created by the Defence Force.

There are around 3,150 people employed at Linton and the Hokowhitu Base, with 2,322 people employed in military and civilian roles, accounting for around 6% of the total work force in Palmerston North. This makes Linton the largest defence base in New Zealand, with more personnel than the Devonport Naval Base.

The Camp was significantly expanded in size in the early 1990s, providing a significant boost to economic and population growth in the city during that time. Further growth has occurred in more recent years, with transfers of personnel from Waikouru and Burnham. Linton is home to half of the Defence Force's Army personnel.

Personnel numbers at Ohakea are currently 950, accounting for 10% of the total workforce in Manawātū District. Personnel numbers are expected to increase to 1,200 by 2023 to accommodate the transfer of No. 5 Squadron from Whenuapai from 2023.

Increasing population growth and diversity

A further positive economic impact from the presence of the Defence Force in the region comes from the demographic change which is occurring in the region, especially in Palmerston North. The city has a young population due to the age of the people who come into the city as tertiary students and new enlistments to the Defence Force, who are posted to Linton after their initial training. As a result the city is not experiencing the same aging in its population compared with the overall trend.

Linton has the youngest workforce of the three bases in the region, with a median age of 27 years for the 2,005 regular personnel based at Linton and a median age of 52 years for the 210 civilian personnel. The median age for the city's population in June 2020 was 34.2 years. The workforce at Ohakea is a little older than for Linton, with a median age of 31 years for the 776 regular personnel at Ohakea and 48 years for the 148 civilian personnel. The median age of Manawātū district's population in June 2020 was 40.9 years.

Both Māori and Pacific ethnic groups are more prevalent among personnel based at Linton, with 21.6% identifying as Māori and 4.4% as Pacific. At Ohakea the Māori share is 6.1% of the workforce while Pacific ethnicities account for 1.5%.

Recognising the contribution of the Defence Force

Recognition of the special contribution made by the Defence Force to the region culminated in the updating and resigning of a Statement of Intent on 3 May 2019 by Palmerston North City Council Mayor Grant Smith, Chief of Defence Force Lieutenant General Tim Keating, and Manawātū District Mayor Helen Worboys. The document recognises the common interests that exist between the three parties and records the intention to work together to create mutual benefits. The Statement of Intent provides a framework for the next 10 years, to ensure that the relationship is actively managed and that where possible, collaborative outcomes are identified and implemented. The Statement of Intent was the outcome of discussions between the Mayors and Chief of Defence Force that sought to integrate the Defence Force into the long term planning and to align the focus of the three groups beyond the military posting cycle and the effects of elections.



Conclusions

The establishment of three defence bases in the Manawātū has been an important contributor to economic growth in the Manawātū region since the late 1930s. They bring significant economic benefits to the region through the growth of the work force at the bases, the growth in the region's population through the families associated with the Defence Force personnel, and purchases from local suppliers. While most of the Defence Force's major purchases come from overseas suppliers, there have been opportunities for local companies to develop new business opportunities through the supply of products and services to the local bases.

The \$235 million Defence Force salary and wages contribution from Linton and Ohakea is only part of its economic contribution to the region. Both bases bring young people into the region who would not have necessarily chosen to move to the region and many stay, choosing to bring up their families here. The training and skills development provided by the Defence Force is a significant benefit. Many Defence Force personnel bring partners with them with skills needed in the local work force. This assists local employers who have experienced difficulty attracting staff to the region.

WORKFORCE



3,940

6.1% of total employment

EARNINGS



\$235M

6.4% of total earnings

GDP



\$368M

5.6% of total GDP

CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY

MANAWATU
DISTRICT COUNCIL

PALMY
PAPAIOEA
PALMERSTON
NORTH
CITY

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Defence Portfolio Update (March 2021)

PRESENTED BY: Councillor Lew Findlay, Lead Portfolio Holder for Defence

RECOMMENDATIONS TO COUNCIL

1. That the Annual Progress Report on the development of a Military Heritage Theme across Council Programmes to Arts Culture and Heritage in August 2021 includes detail of the implementation of that theme within the Cuba Street Redevelopment Project.
2. That the Chief Executive report back to August 2021 Arts Culture and Heritage Committee with recommendations to recognise and give greater prominence to our shared Rangitāne and European heritage.

1. ISSUE

The Defence portfolio is reporting to the Economic Development Committee for March 2021 with recommendations to incorporate a military heritage theme in the Cuba Street Redevelopment Plan.

2. 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 |

PALMERSTON NORTH CITY COUNCIL

| | |
|--|---|
| 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. Portfolio Report_ Defence [↓](#) 

PORTFOLIO UPDATE

TO Economic Development Committee

CC

FROM Defence Portfolio: Councillors Lew Findlay, Rachel Bowen, Patrick Handcock

DATE 1 March 2021

SUBJECT **CUBA STREET REDEVELOPMENT MILITARY HERITAGE THEME**

Background:

At Arts Culture and Heritage Committee June 2018, the Committee noted that

- a. a spatial database of known military heritage has been prepared as a resource and to inform Council 10 Year Plan Programmes.
- b. the Draft 10 Year Plan contains a number of programmes that relate to the known military heritage sites and that there are opportunities to raise awareness and communicate military history in programme delivery.
- c. work is commencing on a military heritage trail to help communicate the significance and location of known military heritage across the city

and recommended that:

the Chief Executive provide an annual progress report on the development of a Military Heritage Theme across Council Programmes to Arts, Culture and Heritage from June 2019.

Issue:

Palmerston North Defence Heritage Advisory Group is seeking Council's commitment to moving forward with the Heritage Trail concept specifically through the current Cuba Street Redevelopment Project, to provide an opportunity to express memories and stories about the military history of that area of the City.

The concept of a specific military heritage trail is not included in the brief for the Cuba Street Redevelopment Project. However, it is noted that a key Direction in the City Centre Framework is to share memories, stories and heritage in the development of the space, by recognising and giving greater prominence to our shared Rangitāne and European heritage.

The Framework includes information on 'The Cuba Link', and the opportunity for heritage interpretation in this area. The current development of Cuba Street provides the opportunity for inclusion of expressing memories, stories and heritage as per the strategic direction. For example, interpretative panels could be installed on the tree stakes that are located in the street space.

A city centre heritage trail is proposed in the Framework, that links the existing key significant heritage elements. Interpretation could be done by means of guided walks, leaflets, smartphone apps or integrated information signage and references. It is expected that this trail is general in

terms of historical focus and is implemented and updated as development occurs through the city centre.

Portfolio members support the request from PNDHAG and would like to see Military Heritage information included in the Cuba Street Redevelopment.

Portfolio members are also cognisant of the fact that our Defence story is just one element of the memories, stories and heritage at play in the City. We are requesting that the CE provides a report that recommends ways PNCC can recognise and give greater prominence to our shared Rangitāne and European heritage, in a way that encompasses our Military Heritage and embraces a wider narrative.

Recommendations:

That the Annual Progress Report on the development of a Military Heritage Theme across Council Programmes to Arts Culture and Heritage in August 2021 includes detail of the implementation of that theme within the Cuba Street Redevelopment Project

That the Chief Executive report back to August 2021 Arts Culture and Heritage Committee with recommendations to recognise and give greater prominence to our shared Rangitāne and European heritage.

MEMORANDUM

TO: Economic Development Committee

MEETING DATE: 17 March 2021

TITLE: Housing Portfolio Update (March 2021)

PRESENTED BY: Councillor Susan Baty, Lead Portfolio Holder for Housing

RECOMMENDATION TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Housing Portfolio update report for March 2021 be received for information.

1. ISSUE

The Housing portfolio is reporting to the Economic Development Committee for March 2021.

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 | Active Citizenship Plan – the portfolios provide an opportunity for Elected Members to report on their engagement with organisations in |

PALMERSTON NORTH CITY COUNCIL

| | |
|--|---------------|
| and to social, economic, environmental and cultural well-being | their sector. |
|--|---------------|

ATTACHMENTS

1. Portfolio Report - Housing [↓](#) 

PORTFOLIO UPDATE

TO Economic Development Committee
CC Mayor
FROM Councillor Susan Baty
DATE 26 February 2021
SUBJECT **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.
 Enable more first homes to be built.

Activity summary

(note activity related to Portfolio only)

| | Stakeholder (group, indiv 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 | Iwi, MPIF, HNZ NZ Real Estate Inst. | Bimonthly Discussion | Susan Baty |

Current waiting lists

| | Feb 2020 | Feb2021 | |
|------------|----------|---------|--|
| PNCC | 312 | 428 | |
| Kāinga Ora | 439 | 685 | |

Tamakuku Subdivision: Council resolution at the end of last year put forward by the Housing Portfolio team to give Social and Affordable housing providers priority to purchase sections was passed. Expression of Interest documents have been sent out to providers, responses will be presented to Council in April 2021.

Housing Summit: The Housing Steering Group has been organising a housing summit on March 30 at the Conference and Events Centre which Megan Woods (Minister of Housing) will open. The focus will be to look at ways we can increase our housing stock in Palmy, good urban design and medium density housing.

Focus: To continue advocacy to promote the building of smaller and affordable homes.

COMMITTEE WORK SCHEDULE

TO: Economic Development Committee


MEETING DATE: 17 March 2021

TITLE: Committee Work Schedule

RECOMMENDATIONS TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the Economic Development Committee receive its Work Schedule dated 17 March.

ATTACHMENTS

1. Work Schedule March 2021 [↓](#) 

ECONOMIC DEVELOPMENT COMMITTEE

COMMITTEE WORK SCHEDULE – MARCH 2021

| Item No. | Estimated Report Date | Subject | Officer Responsible | Current Position | Date of Instruction/ Point of Origin |
|----------|-----------------------|--|---------------------------------------|---|--------------------------------------|
| 1. | 17 March 2021 | Quarterly Economic Report | General Manager – Strategy & Planning | | |
| 2. | 17 March 2021 | International Relations Six Monthly Report | General Manager – Strategy & Planning | | |
| 3. | 17 March 2021 | Sector Profiles: Research, Science & Innovation (full and summary) Defence (full and summary) Manufacturing (full and summary) | General Manager – Strategy & Planning | Data delayed reporting of Sector Profiles for Research, Science & Innovation; and Manufacturing. Profiles will be reported at June meeting | |
| 4. | 17 March 2021 | Portfolio Update – Housing | Cr Susan Baty | | |
| 5. | 9 June 2021 | Portfolio Update – Inner City/CBD | Cr Leonie Hapeta | | |
| 6. | 9 June 2021 | Sector Profiles: Retail Health Check (full and summary) Manufacturing (full and summary) Research, Science & Innovation (full and summary) | General Manager – Strategy & Planning | | |
| 7. | 15 September 2021 | Portfolio Update – Science, Technology & Innovation | Cr Brent Barrett | | |
| 8. | 8 December 2021 | Portfolio Update – Defence Portfolio Update – Education & Students | Cr Lew Findlay Cr Rachel Bowen | | |
| 9. | 8 December 2021 | Sector Profiles: | General Manager – | | |

| Item No. | Estimated Report Date | Subject | Officer Responsible | Current Position | Date of Instruction/ Point of Origin |
|----------|-----------------------|---|---------------------|------------------|--------------------------------------|
| | | Construction (full and summary) Healthcare & Social Assistance (full and summary) Logistics (full and summary) Government (full and summary) Agriculture (full and summary) Tourism (full and summary) | Strategy & Planning | | |