



**PAPAIOEA**  
PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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AGENDA

## **ECONOMIC DEVELOPMENT COMMITTEE**

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1PM, WEDNESDAY 15 SEPTEMBER 2021

CONFERENCE & FUNCTION CENTRE  
354 MAIN STREET, PALMERSTON NORTH

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# MEMBERS

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**Leonie Hapeta (Chairperson)**  
**Vaughan Dennison (Deputy Chairperson)**  
**Grant Smith (The Mayor)**

**Brent Barrett**

**Patrick Handcock**  
**ONZM**

**Susan Baty**  
**Rachel Bowen**  
**Zulfiqar Butt**  
**Renee Dingwall**  
**Lew Findlay QSM**

**Orphée Mickalad**  
**Bruno Petrenas**  
**Aleisha Rutherford**  
**Ruma Karaitiana**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Heather Shotter**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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# ECONOMIC DEVELOPMENT COMMITTEE MEETING

15 September 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 - Central Economic Development Agency (CEDA)** Page 7
6. **Presentation - Manawatū Chamber of Commerce** Page 9
7. **Confirmation of Minutes** Page 11  
"That the minutes of the Economic Development Committee meeting of 16 June 2021 Part I Public be confirmed as a true and correct record."
8. **Summary report on the June 2021 Palmerston North Quarterly Economic Monitor and Major events held during the year to June 2021** Page 15  
Memorandum, presented by Peter Crawford, Economic Policy Advisor.
9. **Research, Science and Innovation Sector Profile - July 2021** Page 41  
Memorandum, presented by Julie Macdonald, Strategy and Policy Manager.
10. **Committee Work Schedule** Page 87
11. **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:** 15 September 2021

**TITLE:** Presentation - Central Economic Development Agency (CEDA)

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### **RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE**

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

### **SUMMARY**

Mr David Wright, Interim Chief Executive Officer from Central Economic Development Agency (CEDA), will give an update to the Committee on their work.

### **ATTACHMENTS**

Nil





## **PRESENTATION**

**TO:** Economic Development Committee

**MEETING DATE:** 15 September 2021

**TITLE:** Presentation - Manawatū Chamber of Commerce

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### **RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE**

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

### **SUMMARY**

Ms Amanda Linsley, Chief Executive Officer from Manawatū Chamber of Commerce, will give an update to the Committee on their work.

### **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 16 June 2021, commencing at 9.00am.

**Members Present:** Leonie Hapeta (in the Chair), and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

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

**Apologies:** The Mayor (Grant Smith) (council business).

#### 12-21 Apologies

Moved Leonie Hapeta, seconded Vaughan Dennison.

#### The COMMITTEE RESOLVED

1. To receive the apologies.

Clause 12-21 above was carried 16 votes to 0, the voting being as follows:

#### For:

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

#### 13-21 Public Comment

Ms Amanda Linsley, Chief Executive and Mr Rob Campbell, Chair of the Chamber of Commerce addressed the meeting concerning the new parking proposal for the CBD.

Mr Campbell and Ms Linsley spoke on the proposal to extend the paid parking hours contained in the 10 year plan (LTP) and the effect this would have on businesses, staff and shoppers in the city centre. A significant amount of feedback has been received outlining people's concerns including; the impact on customers, safety and security of staff, church goers and disabled people.

Business owners were particularly upset that no consultation had been undertaken by Council with them to discuss Sunday parking charges. The Manawatū Chamber of Commerce had spoken extensively with businesses in the city centre and none of them had been approached for comment. Those spoken to did not object to the parking rate increase only the extension of

paid hours.

Moved Leonie Hapeta, seconded Vaughan Dennison.

#### The **COMMITTEE RESOLVED**

That the public comment from Ms Amanda Lindsay, Chief Executive and Mr Rob Campbell, Chair of the Manawatū Chamber of Commerce be received for information.

Clause 13-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

#### **14-21**

#### **Presentation - The Factory**

Presentation, by Mr Dave Craig (The Factory), Mr Stephen Bentley (Roller Blaster) and Mr Mike Creed (Morrison Creed Advisory).

Further information (Powerpoint presentation) was tabled at the meeting for circulation to Elected Members.

Mr Dave Craig (The Factory) provided an overview of The Factory and an update of what had taken place since their last presentation in December 2020.

Mr Stephen Bentley (Roller Blaster) was one of the Factory's success stories. He outlined how he heard about the Innovate programme on the radio and entered the initiative. Since then he has developed his commercial paint roller cleaning machine and is about to start discussions with distributors.

Mr Mike Creed (Morrison Creed Advisory) outlined to the Committee his role as a mentor in the programme. This was a way he could give back to the business community and promote Palmerston North as a successful place for people to live and work.

Moved Leonie Hapeta, seconded Vaughan Dennison.

#### The **COMMITTEE RESOLVED**

That the Economic Development Committee receive the presentation from Mr Dave Craig (The Factory), Mr Stephen Baty (Roller Blaster) and Mr Mike Creek (Morrison Creed Advisory) for information.

Clause 14-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma

Karaitiana.

## **15-21 Confirmation of Minutes**

Moved Vaughan Dennison, seconded Billy Meehan.

The **COMMITTEE RESOLVED**

That the minutes of the Economic Development Committee meeting of 17 March 2021 Part I Public be confirmed as a true and correct record.

Clause 15-21 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

**Abstained:**

Councillor Brent Barrett.

## **16-21 Manufacturing Sector Profile - April 2021**

Memorandum, presented by Peter Crawford, Economic Policy Advisor.

Moved Leonie Hapeta, seconded Patrick Handcock ONZM.

The **COMMITTEE RESOLVED**

That the memorandum titled 'Manufacturing Sector Profile – April 2021', presented to the Economic Development Committee on 16 June 2021, be received for information.

Clause 16-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

## **17-21 Summary report on the March 2021 Palmerston North Quarterly Economic Monitor, Palmerston North Commercial Property Market Survey and quarterly retail spending**

Memorandum, presented by Peter Crawford, Economic Policy Advisor.

Moved Leonie Hapeta, seconded Patrick Handcock ONZM.

The **COMMITTEE RESOLVED**

That the memorandum titled 'Summary report on the March 2021 Palmerston North Quarterly Economic Monitor, Palmerston North Commercial Property Market Survey, and quarterly retail spending', presented to the Economic Development Committee on 16 June 2021, be received for information.

Clause 17-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

**18-21 Inner City/CBD Portfolio Update (June 2021)**

Memorandum, presented by Councillor Leonie Hapeta, Lead Portfolio Holder for Inner City/CBD.

Moved Vaughan Dennison, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

That the Inner City/CBD Portfolio update report for June 2021, presented to the Economic Development Committee on 16 June 2021, be received for information.

Clause 18-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

**19-21 Committee Work Schedule**

Moved Brent Barrett, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

That the Economic Development Committee receive its Work Schedule dated 16 June 2021.

Clause 19-21 above was carried 16 votes to 0, the voting being as follows:

**For:**

Councillors Leonie Hapeta, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Ruma Karaitiana.

The public part of the meeting finished at 10.01am.

Confirmed 15 September 2021

**Chairperson**

## MEMORANDUM

**TO:** Economic Development Committee

**MEETING DATE:** 15 September 2021

**TITLE:** Summary report on the June 2021 Palmerston North Quarterly Economic Monitor and Major events held during the year to June 2021

**PRESENTED BY:** Peter Crawford, Economic Policy Advisor

**APPROVED BY:** David Murphy, Chief Planning Officer

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### RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the report titled 'Summary report on the June 2021 Palmerston North Quarterly Economic Monitor and Major events held during the year to June 2021' presented to the Economic Development Committee on 15 September 2021, be received.

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- 1.1 This memorandum presents a summary of:
- a. the key themes in the latest Palmerston North Quarterly Economic Monitor for the June 2021 quarter; and
  - b. A brief overview of major economic events held in the Manawatū region in the year to June 2021.
- 1.2 The latest Palmerston North Quarterly Economic Monitor report indicates a 4.8% increase in GDP in the City in the year ended June 2021. The high level of growth recorded partly reflects the level of recovery from the Covid-19 level-3 and 4 activity restrictions during the first half of 2020. Infometrics estimates GDP in the City increased by 12.9% in the June 2021 quarter, while New Zealand GDP increased by 16.7%. Infometrics' revised estimates for the June 2020 quarter show a decline of 4.2% in the City, while the decline for total GDP in New Zealand was 11.2%. The latest estimates are provisional and will be revised once annual labour force data is published next year.
- 1.3 The report includes new annual estimates for employment based on place of residence. The new estimates suggest there were 35,584 Palmerston North residents employed in the June 2021 quarter, increasing by 2.9% from the June 2020 quarter. The number of jobs in New Zealand increased by 1.2%.
- 1.4 The employment data does not capture the people who commute into the City for work. Statistics New Zealand will publish advance employee count

estimates on 9 September, based on place of work. However, previous advance place of work data has not been reliable, with the March 2021 estimates suggesting a loss of 3,324 jobs in Palmerston North between March 2020 and March 2021. The challenge with the advance data is the apportionment of employee data from businesses that operate across New Zealand.

- 1.5 Economic impact data for events in the Manawatū region in the year ended June 2021 shows a total net economic impact of \$40 million from the events for which an estimate was provided. Events facilitated by CET Arena contributed \$25 million in economic benefit (this does not include events held at CET Arena but facilitated by other organisations) and events facilitated by Sport Manawatū contributed nearly \$8 million.

**2. PALMERSTON NORTH QUARTERLY ECONOMIC MONITOR – JUNE**

- 2.1 Infometrics estimates gross domestic product (GDP) in Palmerston North increased by 12.9% in the June 2021 quarter. New Zealand GDP is estimated to have increased by 16.7% in the quarter.
  - a. GDP in Palmerston North is estimated to have increased by 4.8% in the year ended June 2021. New Zealand GDP is estimated to have increased by 4.2%.
- 2.2 Infometrics estimates for employment suggest 35,584 people living in Palmerston North were employed in the June 2021 quarter, an increase of 1.2% from the June 2020 quarter, or an increase of 1,013 people. The number of people in employment in New Zealand was 1.2% higher than the previous year.
  - a. An average of 35,205 people living in Palmerston North were in employment in the year ended June 2021, an increase of 0.8% from the previous year. There was a 0.1% decline for New Zealand.
- 2.3 Annual median salaries and wages paid in Palmerston North in the year ended June 2020 were \$54,500, increasing by 3.3% from the previous year, while median salaries and wages for New Zealand were \$55,600, increasing by 2.6% from the previous year.
- 2.4 Total annual salaries and wages paid in Palmerston North in the year ended June 2020 were \$2,944 million, increasing by 6.5% from the previous year, while annual salaries and wages for New Zealand were \$136,816 million, increasing by 4.3% from the previous year.
- 2.5 The average quarterly worker turnover rate in Palmerston North in the year ended June 2020 was 12.8%, declining from 13.6% in the year to June 2019, while the average worker turnover rate for New Zealand was 14.8%, declining from 15.9% in the previous year.



- 2.6 Electronic card retail spending in Palmerston North in the June quarter was \$333 million, an increase of 36.3% from the June 2020 quarter, while national growth increased by 37.1%. COVID-19 restrictions in 2020 resulted in a decline of 19.9% in the June quarter in Palmerston North, while national retail spending declined by 21.7%.
- 2.7 Annual electronic card retail spending in Palmerston North for the year ended June 2021 was \$1,337 million, an increase of 12.6% from 2020. There was an increase of 8.7% for New Zealand.
- 2.8 The total value of building consents issued in Palmerston North in the June 2021 quarter was \$142 million, compared with \$147 million in the June 2020 quarter, a decline of 5%. National consent values increased by 33%.
- a. Building consents to the value of \$373 million were issued in Palmerston North in the year to June 2021, an increase of 1.5% from the previous year. National consent values increased by 18% over the year to June 2021.
  - b. Consents for 162 new residential dwellings were issued in Palmerston North in the June 2021 quarter, compared with 202 in the June 2020 quarter, a decline of 20%. National consents increased by 36% from 2020.
  - c. Consents for 513 new residential dwellings were issued in Palmerston North in the year ended June 2021, compared with 565 in the previous year, a decline of 9.2%. National consents increased by 18%.
  - a. Non-residential consents to the value of \$158 million were issued in Palmerston North during the year to June 2021, a decline of 8% from the previous year. National consents increased by 13% over the same period.
- 2.9 The average value of residential properties in Palmerston North was \$705,306 in the three months ended June 2021, an increase of 38.6% (increase of \$196,590) from the June 2020 quarter (QV estimate). The average value for New Zealand was \$906,532, an increase of 22.8%. The values used in the Infometrics report are an average of the past 12 months and are based on REINZ house sales data.
- 2.10 Car registrations in Palmerston North increased by 8.2% in the year ended June 2021 (national registrations increased by 2.5%) while the number of commercial vehicles registered declined by 4.1% (compared to a national increase of 9.1%).
- 2.11 It is estimated the annual average unemployment rate in Palmerston North in the year ended June 2021 was 4.3%, which was below the unemployment rate of 4.7% for New Zealand.

- 2.12 The number of people in Palmerston North registered for the MSD Job Seekers benefit declined by 5.5% in June 2021 from June 2020, while the number in New Zealand declined by 0.1%. The MSD benefit numbers reported in the Infometrics report are based on the average of the last four quarters.
- 2.13 Traffic flows in Palmerston North in the year to June 2021 increased by 15.8% from 2020, while there was an increase of 9.6% for New Zealand.
- 2.14 Electronic card tourism spending in Palmerston North was \$277 million in the year ended June 2021, increasing by 19.5% from the previous year. New Zealand increased by 5.4%.
  - a. Domestic visitor spending in Palmerston North was \$268 million in the year ended June 2021, increasing by 22.8% from the previous year (29.9% increase for New Zealand).
  - b. International visitor spending in Palmerston North was \$11 million in the year ended June 2021, declining by 27% from the previous year (69% decline for New Zealand).
- 2.15 The number of health enrolments in Palmerston North averaged 82,442 people in the year to June 2021, an increase of 1.3% from the previous year, or 1,038 people. The number of people enrolled in New Zealand also increased by 1.3%.
- 2.16 The Palmerston North Quarterly Economic Monitor report for the June 2021 quarter is attached as Appendix 1.

**3. MAJOR ECONOMIC EVENTS HELD IN YEAR TO JUNE 2021**

- 3.1 Event information received from the City Council Events team, Sport Manawatū, Central Energy Trust Arena, Manfeild, Manawatū District and the Regent on Broadway shows a total net economic impact of events of \$40 million in the year to June 2021. Total Palmerston North City and Manawatū District Council funding for economic and community events was \$1,058,852 in the last year. Economic impact estimates were not provided for events at the Regent, most Manfeild events and the Rural Games.
- 3.2 COVID-19 restrictions during the last 12 months impacted on events in the region. Level-2 restrictions were in force between 12 August to 21 September, 14 February to 17 February and 28 February to 7 March.
- 3.3 A response was not received from the Globe Theatre by the deadline for completing the report.
- 3.4 Responses received from organisations are included in Appendix 2 attached.

#### 4. COMPLIANCE AND ADMINISTRATION

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

#### ATTACHMENTS

1. Palmerston North Quarterly Economic Monitor - June 2021 [↓](#) 
2. Major events held in the Manawatū region in the year ended June 2021 [↓](#) 



### Overview of Palmerston North City

Economic recovery in Palmerston North continues to outpace the national average with Infometrics provisionally estimating that economic activity in the city grew 4.8%pa in the June 2021 year compared with 4.2%pa nationally. It has been a mixed bag in employment terms with employment of Palmerston North residents growing just 0.8%pa in the June 2021 year. Job gains in construction, healthcare and professional, scientific and technical services have been offset by job losses in admin and support services, and financial and insurance services. Despite weak job growth, the City's unemployment rate has remained low through the last 12 difficult months. The number of Jobseeker Support Recipients is also trending downwards from a recent high of 3613 in the December 2020 quarter to 3171 in the June 2021 quarter – a fall of 12%. On an annualised basis, Jobseeker Support recipients grew 17%pa, but this is comparing the year to June 2021 with the year to June 2020.

Consumer spending in Palmerston North rose 11%pa in the June 2021 year, an abnormally strong result because the previous year includes the lockdown-affected June 2020 quarter. Tourism spending grew 19% in the June 2021 year, a result which was also influenced by the lockdown-affected June 2020 quarter, but also emphasises the strength of domestic tourism in the city.

Worryingly, house price inflation in Palmerston North accelerated to 38% in the June 2021 quarter. House sales are close to their 10-year average. Residential consents, despite falling 9.2% in the June 2021 year, have been strong in the March and June 2021 quarters. If consents result in more properties entering the market, this could help keep the lid on further house price rises.

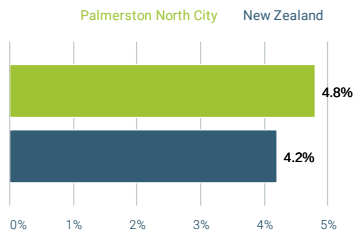
Non-residential consents are at historically high levels, despite falling 8.0% in the June 2021 year. Two-thirds of non-residential consents in the June 2021 quarter were for factory and industrial buildings.

Indicator	Palmerston North City	Manawatū-Whanganui Region	New Zealand
<b>Annual Average % change</b>			
Gross domestic product (provisional)	4.8 % ▲	4.8 % ▲	4.2 % ▲
Traffic flow	15.8 % ▲	14.3 % ▲	9.6 % ▲
Consumer spending	11.2 % ▲	10.5 % ▲	7.7 % ▲
Employment (place of residence)	0.8 % ▲	1.1 % ▲	-0.1 % ▼
Jobseeker Support recipients	17.3 % ▲	15.0 % ▲	27.7 % ▲
Tourism expenditure	19.2 % ▲	16.9 % ▲	5.4 % ▲
Health enrolments	1.3 % ▲	1.0 % ▲	1.3 % ▲
Residential consents	-9.2 % ▼	6.7 % ▲	17.8 % ▲
Non-residential consents	-8.0 % ▼	14.1 % ▲	13.1 % ▲
House values *	38.2 % ▲	39.4 % ▲	27.3 % ▲
House sales	14.5 % ▲	15.5 % ▲	39.7 % ▲
Car registrations	8.2 % ▲	11.6 % ▲	2.5 % ▲
Commercial vehicle registrations	-4.1 % ▼	10.6 % ▲	9.1 % ▲
<b>Level</b>			
Unemployment rate	4.3 %	4.5 %	4.7 %

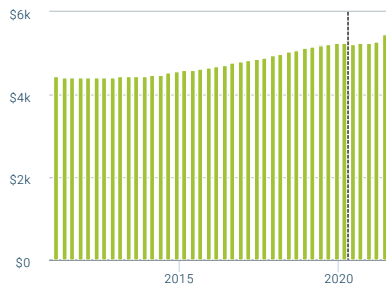
\* Annual percentage change (latest quarter compared to a year earlier)

# Gross domestic product

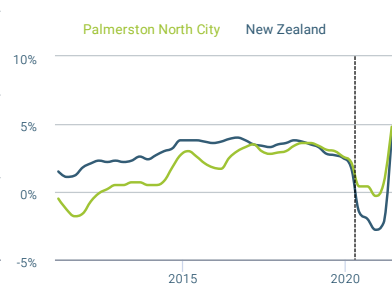
**Gross domestic product growth (provisional)**  
Annual average % change June 2020 - June 2021



**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 up 4.8% for the year to June 2021 compared to a year earlier. Growth was higher than in New Zealand (4.2%).
- Provisional GDP was \$5,458 million in Palmerston North City for the year to June 2021 (2020 prices).
- Annual GDP growth in Palmerston North City peaked at 4.8% in the year to June 2021.

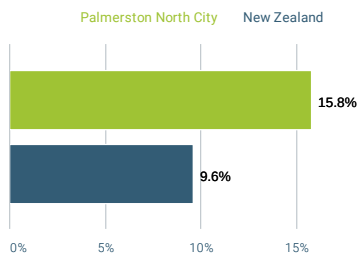
## National overview

Economic activity across New Zealand continues to press higher still, with supply chain issues and skills shortages threatening to limit further growth. Provisional estimates from Infometrics show economic activity up a whopping 17%pa in the June 2021 quarter to take year-end growth to 4.2%. However, the strength in activity is clouded by the comparison June 2020 period including the nearly five-week Alert Level 4 lockdown. Compared to June 2019, economic activity is sitting 3.7% higher, with further expansion seen since the surprisingly strong result in March 2021. Strong construction activity, coupled with higher healthcare and manufacturing activity, are leading the continued improvement in economic activity. Although short-term headwinds may restrict growth going forward, risks to longer-term growth also persist as the economy overheats and drags future growth into the here and now. Higher interest rates in response to booming economic activity might well cool down the economy into 2022, towards more sustainable levels.

# Traffic flow

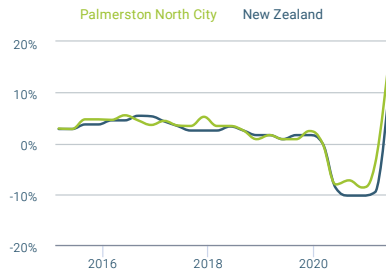
**Annual change in traffic flows**

Annual average % change June 2020 - June 2021



**Traffic volume growth**

Annual average % change



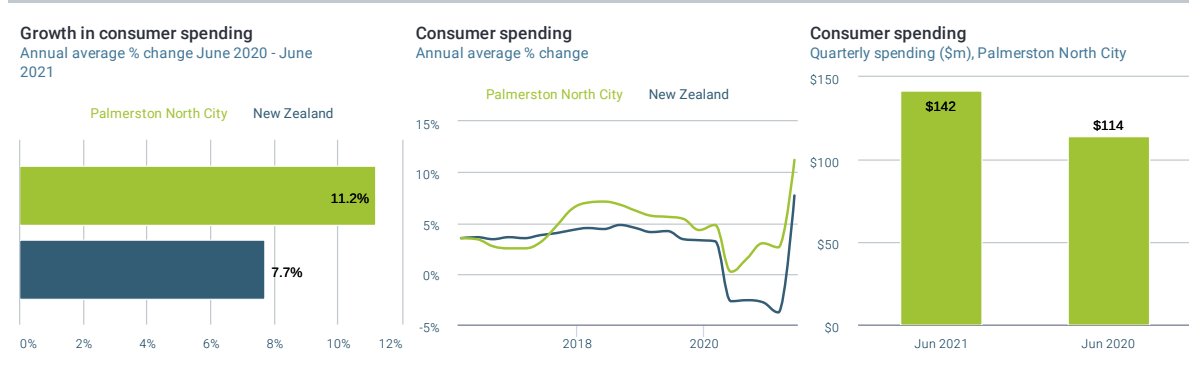
## Highlights for Palmerston North City

- Traffic flows in Palmerston North City increased by 15.8% over the year to June 2021. This compares with an increase of 9.6% in New Zealand.

## National overview

Traffic activity rose 9.6%pa over the 12 months to June 2021, as the plunge in traffic movements during Alert Level 4 drop out of the numbers. June 2021 quarter traffic flows were sitting 2.6% higher than June 2019 quarter, indicating the strengthening level of traffic movements across the country. Traffic activity remains generally stronger across the North Island, with softer growth in the South Island. Changes to current economic drivers, including across tourism, construction, primary sector, manufacturing, and freight continue to be felt.

# Consumer spending



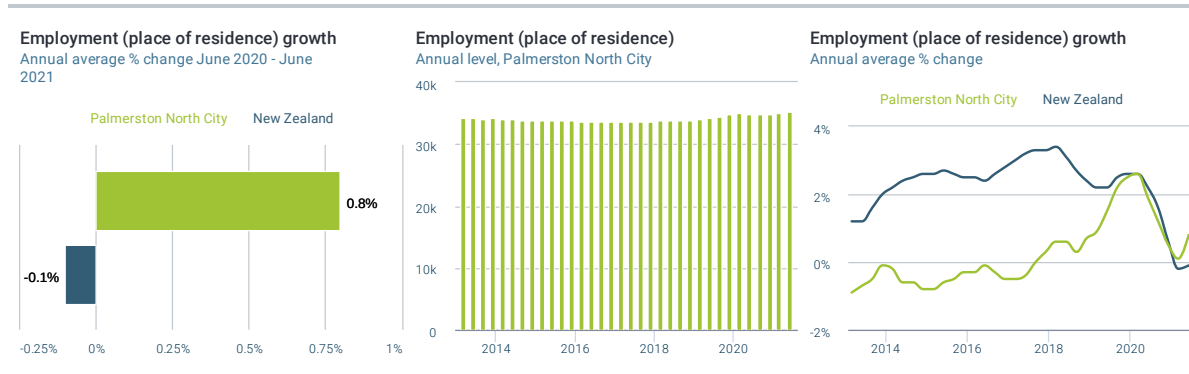
## Highlights for Palmerston North City

- Electronic card consumer spending in Palmerston North City as measured by Marketview, increased by 11.2% over the year to June 2021 compared to the previous year. This compares with an increase of 7.7% in New Zealand.

## National overview

Spending activity across New Zealand continued to rise in the June 2021 quarter, with strong demand conditions across the economy. Spending rose 33%pa in the quarter to take year-end growth to 7.7%pa according to Marketview data. However, this roaring growth is heavily exaggerated by comparing to the 12 months to June 2020 which includes the nearly five-week Alert Level 4 period. Underlying spending growth remains strong, just not that strong, with June 2021 spending up 6.5% compared to the June 2019 quarter. Unsurprisingly, main urban centres and tourism-based economies continue to show slower growth than other parts of New Zealand.

# Employment (place of residence)

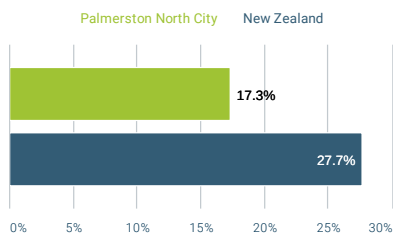


## Highlights for Palmerston North City

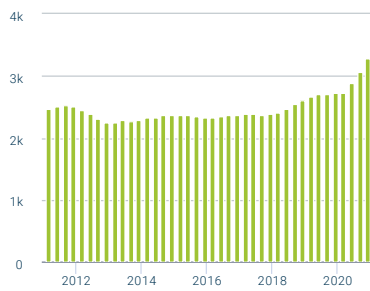
- Employment for residents living in Palmerston North City was up 0.8% for the year to June 2021 compared to a year earlier. Growth was higher than in New Zealand (-0.1%).
- An average of 35,205 people living in Palmerston North City were employed in the year to June 2021.
- Annual employment growth for Palmerston North City residents peaked at 2.6% in the year to March 2020.

## Jobseeker Support recipients

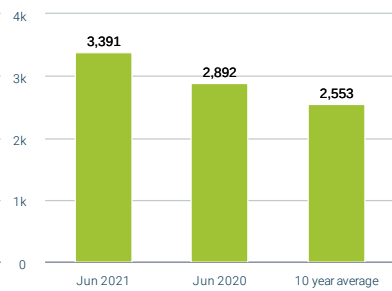
**Annual change in Jobseeker Support recipients**  
Annual average % change June 2020 - June 2021



**Jobseeker Support recipients**  
Annual average, Palmerston North City



**Jobseeker Support recipients**  
Annual average, Palmerston North City



### Highlights for Palmerston North City

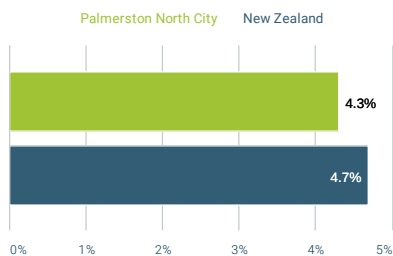
- Jobseeker Support recipients in Palmerston North City in the year to June 2021 increased by 17.3% compared with previous year. Growth was lower relative to New Zealand (27.7%).
- An average of 3,391 people were receiving a Jobseeker Support benefit in Palmerston North City in the 12 months ended June 2021. This compares with an average of 2,553 since the start of the series in 2012.

### National overview

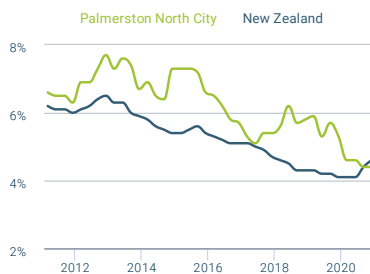
Jobseeker Support recipients continue to fall, reflecting a continued improvement in the jobs market and work by government and local job brokers to support better employment outcomes. June 2021 quarter recipient numbers were sitting at 190,260, 0.1% lower than in June 2020, after the bulk of additions to benefit support occurred. Continued falls in quarterly figures, coupled with the June 2020 skyrocket falling out of the current year numbers, means average Jobseeker Support recipients over the last 12 months have stabilised and will show reductions in future quarters. Jobseeker Support recipients remain substantially above pre-pandemic levels, with 54,000 more people on this benefit in June 2021 than in June 2019. With the jobs market strong, issues around skills matching are expected to become more pertinent.

## Unemployment rate

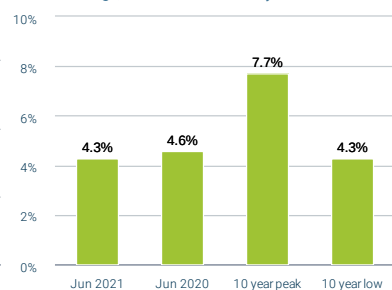
**Unemployment rate**  
Annual average % change June 2020 - June 2021



**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 4.3% in June 2021, down from 4.6% 12 months earlier.
- The unemployment rate in Palmerston North City was lower than in New Zealand (4.7%) in June 2021.
- Over the last ten years the unemployment rate in Palmerston North City reached a peak of 7.7% in December 2012.

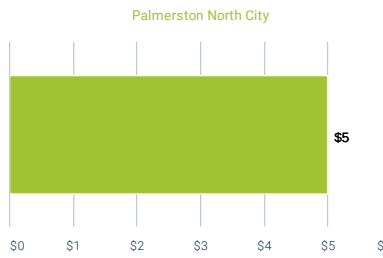
### National overview

The unemployment rate plunged to 4.0% on a seasonally adjusted basis in June 2021, as the underutilisation rate also dropped to 10.5%. The fall in the unemployment rate was the sharpest drop on record over the last 35 years, underscoring the substantial improvement in the labour market. The sharp tightening also highlights the pressures faced to meet rampant demand even as the supply of skills remains restricted. The strong labour market performance backs up lower spare capacity in the jobs market, with strong filled jobs growth in June, record job ads, and businesses reporting both the most difficult period to find workers, and highest levels of job churn, on record. Pay increases rose in response, with more pressure on wages expected throughout 2021.

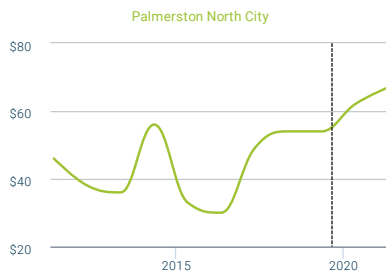


## Dairy payout

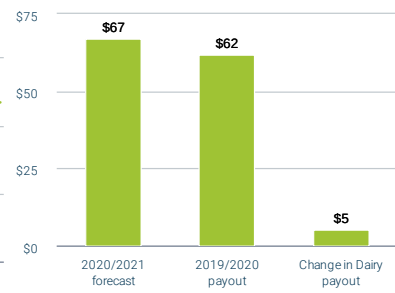
**Total dairy payout (provisional)**  
Change (\$m) between 2019/2020 and 2020/2021 seasons



**Total dairy payout**  
\$m each season, Palmerston North City



**Total dairy payout**  
\$m each season, Palmerston North City



### Highlights for Palmerston North City

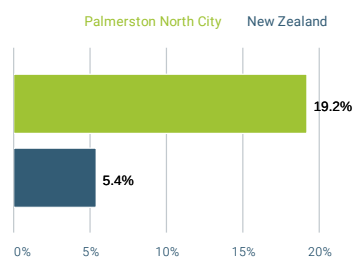
- Palmerston North City total dairy payout for the 2019/2020 season is estimated to have been approximately \$62 million.
- Palmerston North City's dairy payout for the 2020/2021 season is expected to be approximately \$67 million, \$5 million higher than last season, assuming that production levels from last season are maintained.
- The total dairy payout for New Zealand is estimated to have been approximately \$13,537 million in the 2019/2020 season, and is expected to be \$1,168 million higher in the 2020/2021 season.

### National overview

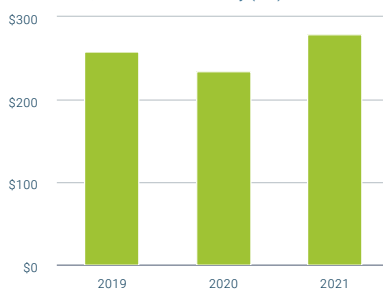
Dairy sector activity remains robust, with commodity prices coming off their peaks in recent months. Milk production across the country has been stronger than expected, with milk volumes sitting 2.6%pa higher in the 2020/21 season. Higher milk volumes have seen milk prices soften a touch for the season ahead and have also seen Fonterra narrow their farmgate milk price to \$7.45-\$7.65/kgms. This \$7.55/kgms midpoint is 5c below the previous midpoint, but the higher milk collection means our pay-out estimate has edged up 0.6% for the 2020/21 season from our March update, with \$14.7b now expected. This pay-out would be around \$1.2b (8.6%) higher than the 2019/20 season. We expect the 2021/22 season pay-out to decline slightly from the current expected estimate given supply levels.

## Tourism expenditure

**Tourism expenditure**  
Annual average % change June 2020 - June 2021



**Tourism expenditure**  
Annual total, Palmerston North City (\$m)



### Highlights for Palmerston North City

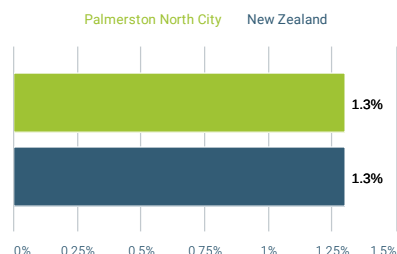
- Total tourism expenditure in Palmerston North City increased by 19.2% in the year to June 2021. This compares with an increase of 5.4% in New Zealand.
- Total tourism expenditure was approximately \$279 million in Palmerston North City during the year to June 2021, which was up from \$234 million a year ago.

### National overview

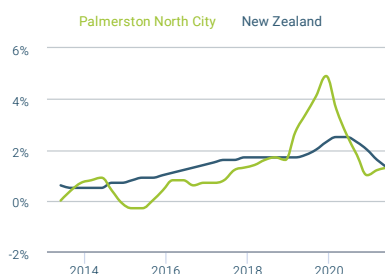
Total visitor spending over the 12 months to June 2021 was sitting 5.4% higher than in 2020 – a period that included the Alert Level 4 period when tourism was non-existent. This growth overemphasises the position of the tourism sector, but robust tourism activity is supporting spending. Relative to 2019 levels, total tourism spending is 5.2% lower, with international spending down 73%, but domestic tourism spending up nearly 18% from pre-pandemic levels. The Trans-Tasman bubble helped for a period but hopes for further recovery in tourism activity was dashed as the bubble popped and looks unlikely to reopen any time soon.

## Health enrolments

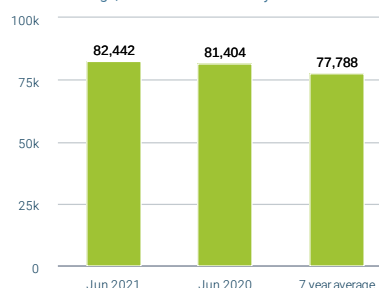
**Annual change in health enrolments**  
Annual average % change June 2020 - June 2021



**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 June 2021 increased by 1.3% compared with previous year. Growth was the same as in New Zealand (1.3%).
- An average of 82,442 people were enrolled with primary healthcare providers in Palmerston North City in the 12 months ended June 2021. This compares with an average of 77,382 since the start of the series in 2014.

### National overview

Slower population growth is evident across New Zealand as the collapse in net migration continues. Health enrolments rose by 1.0% in the June 2021 quarter compared to June 2020, the slowest pace in six years. This continued slowdown dragged year-end growth to 1.3%, considerably lower than the 2.5%pa growth seen in early 2020. The lack of migration into New Zealand has contributed to the pressures in the labour market, with the lack of skilled workers severely impacting a number of sectors. MIQ allocations are if anything lower than previously which will keep a low cap on arrivals into New Zealand.

































## MEMORANDUM

**TO:** Economic Development Committee

**MEETING DATE:** 15 September 2021

**TITLE:** Research, Science and Innovation Sector Profile - July 2021

**PRESENTED BY:** Julie Macdonald, Strategy and Policy Manager

**APPROVED BY:** David Murphy, Chief Planning Officer

### RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE

1. That the memorandum titled 'Research, Science and Innovation Sector Profile – July 2021' presented to the Economic Development Committee on 15 September 2021, be received for information.

#### 1. RESEARCH, SCIENCE AND INNOVATION SECTOR PROFILE – JULY 2021

- 1.1. Attached is the full Research, Science and Innovation Profile and summary profile, which have been updated.
- 1.2. The research, science and technology sector is a significant contributor to the Manawatū regional economy (Palmerston North City and Manawatū District) through the employment of researchers and support staff and the creation of knowledge, which assists the growth of other business based in the city and the wider region.
- 1.3. The sector is also important to economic development in the city because of the skilled migrants and international students it brings to the city and the businesses which are attracted to the city because of the presence of strong research, science and technology, and education.
- 1.4. Estimates prepared for the profile suggest there were 2,500 people employed directly in the sector in the region in 2020, salaries and wages were \$99 million in 2019, and the sector contributed \$222 million to regional GDP in 2020.

#### 2. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual 166	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>

Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the achievement of action/actions in Economic Development	
The action is: Implement Inward Investment Strategy	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Reporting on economic trends in the city and Manawatū region, and the longer-term outlook for growth, is important for encouraging local businesses to invest in growing their business and attracting new businesses to the city.

**ATTACHMENTS**

1. Research, Science and Innovation Sector Profile 2021 [↓](#) 
2. Research, Science and Innovation Profile (Executive Summary) [↓](#) 



































































































## **COMMITTEE WORK SCHEDULE**

**TO:** Economic Development Committee

**MEETING DATE:** 15 September 2021

**TITLE:** Committee Work Schedule

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### **RECOMMENDATION(S) TO ECONOMIC DEVELOPMENT COMMITTEE**

1. That the Economic Development Committee receive its Work Schedule dated September 2021.

### **ATTACHMENTS**

1. Committee Work Schedule\_September 2021 [↓](#) 







