

PALMY[®]
2021-31



**TE MAHERE
WHAKAWHANAKE ŌHANGA
ECONOMIC DEVELOPMENT PLAN**

TE WHAKAWHANAKE ŌHANGA
ECONOMIC DEVELOPMENT CHAPTER
NGĀ TAUNEKENEKE KI TĀWĀHI
INTERNATIONAL RELATIONS CHAPTER

Ahunga rautaki



Strategic direction



Te whakawhanake ōhanga: Te ahunga rautaki a te Kaunihera

Economic development and Council's strategic direction

The Palmerston North City Council vision is He iti rā, he iti pounamu Small city benefits, big city ambition. The Economic development plan primarily contributes to the Palmerston North City Council's goal of an Innovative and growing city. The plan describes Council's activities for the first three years of the 2021-2031 10-Year Plan in two chapters: Economic development and International relations.

Ngā tino Priorities

The priorities of Goal 1: An innovative and growing city are:

1. He whakaū i ngā ara whiwhi mahi, ara tiputipu hoki

Create and enable opportunities for employment and growth

2. He whakarato pūnahahanga e pai ai te tipu o te tāone me te pūnaha aranukunuku, hei tūhonohono i ngā iwi ki ngā kaupapa o roto i te hapori

Provide infrastructure to enable growth and a transport system that links people and opportunities

3. He tautoko i te whanaketanga whare noho e hāngai ana ki ngā hiahia o te hapori

Support the development of more housing that meets community needs

4. He tautoko i te whakakanorautanga o te ōhanga hei whakaiti i te whirinakitanga ki ngā ahumahi o mua

Support the diversification of the economy to reduce reliance on traditional industries

5. He hāpai i te 'ōhanga auaha', koia hei tūāpapa whakatiputipu haere ake nei

Support an 'innovation economy' to underpin growth into the future

6. He whakaumu i te ōhanga kia tahuri ai tātou ki te ōhanga waro iti

Transform the economy to a low carbon economy

Te take o te mahere Purpose of the plan

The 10-Year Plan levels of service for this plan are:

- Support economic wellbeing through the Central Economic Development Agency (CEDA)
- Achieve a positive city reputation

Ngā hononga ki mahere kē Links with other plans

Economic wellbeing supports an increasing standard of living and corresponding social wellbeing. The Economic development plan supports the achievement of the City growth plan. The focus of the plan is housing availability and planning for increasing infrastructure.

Council's role in international relations is to support inclusivity through education and promotion of our international partners. Therefore, this plan also contributes to the achievement of the Connected communities plan, and the priority 'Develop, provide and advocate for services and facilities that create a connected, welcoming and inclusive community'.

Te mahitahi me Rangitāne o Manawatū Rangitāne o Manawatū partnership

Council will work in partnership with Rangitāne o Manawatū and:

- identify opportunities to unlock the potential of local iwi businesses, workforce and investment
- develop major city events and promotions that acknowledge and express Māori values and perspectives
- identify opportunities for Māori business and cultural exchange through international relationships

These commitments will guide the implementation of all aspects of this plan.

Ngā puka Kaunihera e whai wāhi mai ana ki tēnei mahere Council documents that contribute to this plan

The implementation of this plan is shaped by these Council-adopted documents:

- CEDA Statement of Expectation
- CEDA Statement of Intent
- International Relations Policy

Te ine i te angitutanga Measures of success

Council will monitor these measures of success and report on these through the City Dashboards:

- Growing GDP
- Greater international investment in Palmerston North
- More businesses in the city
- Improving survival rate of new local businesses
- More building consents
- Increasing number of jobs
- Improving employment outcomes for newcomers to the city
- Increasing median household income
- Greater housing affordability
- Improving local, national and international reputation of the city
- More international students chose to study in Palmerston North
- Greater international investment in Palmerston North





TE WHAKAWHANAKE ŌHANGA ECONOMIC DEVELOPMENT CHAPTER

Kupu whakataki

Introduction

Community wellbeing and increasing living standards are supported by a productive and sustainable local economy. A strong local economy will bring higher incomes and greater wealth to share throughout the community.

The purpose of this chapter is to support local industries and encourage investment in our city. Many of the actions described in this plan will be implemented through the contractual relationship with the Central Economic Development Agency (CEDA).

Kei hea tātou i tēnei wā?

Where are we now?

- Palmerston North is the major economic hub for the Manawatū-Whanganui region, contributing 43% of regional GDP and 48% of earnings from salaries, wages and self-employment.
- Annual GDP growth in Palmerston North has been stronger than the average for New Zealand since December 2018.
- Palmerston North's largest sectors are health services, government administration and defence, education, logistics, retail, construction and professional, scientific and technical services. These sectors are also the biggest contributors to growth in jobs and earnings.
- Median annual salaries and wages numbers rose more strongly in Palmerston North (4.7%) than in New Zealand overall (4.2% in the year to March 2019 to \$52,130).
- The number of people registered for the Jobseeker benefit who are 'work ready' in Palmerston North began to rise in March 2020 during the pandemic, although Palmerston North has a declining proportion of New Zealand's work-ready Jobseekers. This suggests that Palmerston North has not experienced the impact from pandemic-related job losses as have many other parts of the country.
- Newcomers to the city do not always receive the support they need to access employment and business opportunities.
- There has been a reduction in the proportion of residents aged 15 years and over with no qualification, declining from 23% in 2006 to 17.8% in 2018. The percentage of 20 – 24-year olds with no qualification declined from 10.5% in 2006 to 6.0% in 2018.
- Of the 696 new Palmerston North businesses that were created in 2016, 405 were still operating three years later in 2019. The new business survival rate in Palmerston North is therefore 58.2% compared to 57.8% in New Zealand overall.
- Housing affordability is deteriorating despite an increase in the construction of new houses.
- Palmerston North has a reputation problem and no clear strategic position or agreed identity for city marketing.
- Visitor spending comes mostly from the domestic visitor sector, with a high share of visitors staying with friends and family. This cushioned the city during the pandemic lockdown from the drop in turnover experienced by cities with greater dependence on international visitors.
- The annual programme of major events provides an incentive for people to visit Palmerston North and bring significant economic benefits to the city, but there is not a co-ordinated calendar of major events in Palmerston North.
- The i-SITE, Conference and Function Centre and Holiday Park all provide facilities to support economic activities in Palmerston North.

He aha ngā hiahia hei whakatutuki? What do we want to achieve?

- Palmerston North continues to be the major economic hub for the Manawatū-Whanganui region and has a growing proportion of regional jobs.
- Rangitāne o Manawatū have opportunities for early involvement in economic development projects and initiatives.
- GDP growth is at or above the national average.
- The priority sectors are growing.
- Palmerston North is a leading distribution hub.
- There is average annual employment growth of 1.9% (a further increase of 12,000 jobs by 2031).
- There are fewer barriers to participation in the workforce.
- Newcomers are supported to access local employment information, services and networks.
- The gap closes between the average annual household income in Palmerston North and New Zealand overall.
- Jobs recovery remains ahead of New Zealand's pandemic recovery overall.
- New low-carbon technology businesses are supported in the region and more new businesses survive in Palmerston North.
- Businesses have access to the skilled workforce they need to grow.
- Local Iwi Māori businesses and workforce are supported and growing.

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He aha ngā mahi e tutuki ai ngā hiahia? What actions will we take to get there?

Ongoing actions	Start date	Involvement of partners
Directly or through CEDA: <ul style="list-style-type: none"> ➤ Implement Business Retention Strategy ➤ Implement Talent Attraction and Retention Strategy ➤ Implement Destination Management Plan ➤ Implement Manawatū Agritech Strategy ➤ Deliver skill development and business growth programmes (funded by central government) ➤ Implement Inward Investment Strategy ➤ Implement Labour Market Plan ➤ Implement Visitor Strategy (regional) ➤ Implement Māori Engagement Strategy ➤ Review and implement International Education Strategy ➤ Support initiatives that promote the region's strengths: <ul style="list-style-type: none"> • research/agri-food/business/land/horticulture • distribution and logistics • defence • health • visitors • education (domestic and international) • digital and technology • Māori economy 	All 2021/2022	<ul style="list-style-type: none"> ➤ Rangitāne o Manawatū ➤ Manawatu Chamber of Commerce ➤ International education sector ➤ Talent Central ➤ The Factory ➤ Central government agencies ➤ Accelerate25
Work collaboratively with industry to develop and implement the city's strategic position		

He aha ngā hiahia hei whakatutuki? What do we want to achieve?

- Palmerston North has a positive reputation.
- Visitor spending remains strong, supported by investment in new visitor activities, events, and awareness of what the city offers.
- The i-SITE is redeveloped as the Palmy Information Centre.
- The Palmy Information Centre supports and expresses the cultural heritage and identity of Te Marae o Hine - The Square.
- The annual programme of major events brings significant economic benefits to the city.
- People who attend major events in Palmerston North have opportunities to participate in other community, city and regional activities.
- Māori values and perspectives reflected in major city events.
- Palmerston North Holiday Park is highly rated and has a high occupancy rate.
- The Conference and Function Centre is highly rated with a high occupancy rate.

He aha ngā mahi e tutuki ai ngā hiahia? What actions will we take to get there?

Ongoing actions	Start date	Involvement of partners
Market the city to visitors, residents and investors		
Provide information services for visitors and locals through the Palmy Information Centre 24/7		
Maintain Palmerston North's Motorhome Friendly Town accreditation		
Attract, fund and manage events which bring significant economic benefit to the city (through the Major Events Fund, Art Event Fund and Sports Event Partnership Fund)		
Operate and promote the Conference and Function Centre		
Phase in the payment of the Living Wage to staff and contractors over three years	Beginning with staff January 2022	
New and one-off actions	Completion date	Involvement of partners
Agree a Statement of Expectation for CEDA with Manawatū District Council	2021/2022 2022/2023	Manawatū District Council
Agree a Statement of Intent with CEDA	2023/2024	
Carry out regular performance monitoring and reporting for CEDA	2021/2022	
Review the accommodation options offered at the Holiday Park (in consultation with the lease holder)	2023/2024	
Upgrade the i-SITE/ Palmy Information Centre	2021/2022	
Develop the area outside the i-SITE/Visitor Information Centre in ways that reflect and express the cultural heritage and identity of Te Marae o Hine - The Square	2021/2022	
Provide a central point of contact and event management resource to support the delivery of major events in the city	2021/2022	



Kupu whakataki

Introduction

The focus of international relations activities between Palmerston North and other cities, regions, and governments is to promote the reputation and economic interests of the city. The purpose of this chapter is to strengthen international partnerships, including Sister Cities, to support the city's priority sectors and to encourage students and other visitors to Palmerston North.

Kei hea tātou i tēnei wā?

Where are we now?

- Council established an International Relations office in 2016, following many years of more informal international relations.
- Palmerston North has strengthened its long-standing global city partnerships with Missoula (USA), Guiyang (China), Kunshan (China) and formalised relations with Mihara (Japan). Co-operation with Wageningen (The Netherlands) is also being developed, focusing on a shared strength in agri-food science.
- Global-city partnerships facilitate sharing best-practice, such as a civil defence exchange with Japan.
- Council contributes to the international education role of the region through the Regional International Education Strategy 2016-2020, International Education Leadership Group, and scholarships.
- Palmerston North young people have been the recipients of scholarships from Kunshan and Mihara.

- Around 20% of Palmerston North-based students at Massey University, UCOL and IPU are international students. Massey University is ranked as being in the top 300 universities in the world.¹
- The Council offers targeted scholarships to support international education exchange, particularly with global city partners.
- Around 250 international students study in Palmerston North primary and secondary schools each year.
- The pandemic has affected the plans of many students to study in New Zealand. The recovery process is uncertain for all educational exchange opportunities.
- The Palmy Global Ambassadors programme offers opportunities for young people (aged 18 to 24) to contribute to Palmerston North's international outreach. They do this by supporting the Welcoming Communities initiative.
- Palmerston North is a signatory to the China New Zealand Mayoral Forum Xiamen Declaration to support ongoing sub-national co-operation with China towards economic outcomes, with Mayors attending a joint forum held every two years. The 2019 Forum was postponed due to the pandemic.
- Council has worked with regional and national partners to jointly host events that strengthen our city's economic connections and capabilities.
- Council has relationships with Embassies, High Commissions and national organisations that support international connections.
- Council provides a formal welcome and hospitality for international visitors who have economic, social or cultural significance for the city.
- In 2019 \$68m (or 15.7%) of the total \$433m visitor spending in Palmerston North was by international visitors (an increase from 13.4% in 2010). International visitor spending decreased by just 10% between 2019 and 2020.

¹ 2020 QS World University Rankings.

He aha ngā hiahia hei whakatutuki? What do we want to achieve?

- Palmerston North has a positive international reputation and is successful in attracting investment, businesses, visitors and students.
- Rangitāne o Manawatū have opportunities for involvement in projects and initiatives to achieve the partnership aspirations identified in this plan.
- Rangitāne o Manawatū and Council have clearly defined roles in civic engagement on behalf of the community.
- Palmerston North has a rationalised network of global city partnerships and is focused on managing them well.
- The City has excellent economic and education connections to its international partners.
- A greater proportion of visitor spending in Palmerston North is by international visitors.
- There are deeper relations with Palmerston North global city partners, and greater economic, education and community cooperation.
- The community is familiar with the city's international city partnerships and have opportunities to be involved through the Global Ambassadors programme.
- Palmerston North is internationally recognised as a preferred destination in New Zealand for international education and research.
- Opportunities for digital engagement are maximised.
- Recovery from the disruption of international education and other activities occurs as quickly as possible and is supported by strong international city partnerships.

He aha ngā mahi e tutuki ai ngā hiahia? What actions will we take to get there?

Ongoing actions	Start date	Involvement of partners
Promote Palmerston North's interests to global city partners	All 2021/2022	CEDA Global city partnerships Palmerston North education and industry partners Rangitāne o Manawatū National trade, education and economic agencies Sister Cities New Zealand
Facilitate international economic and education investment partnerships with city institutions		
Manage official delegations and relationships with embassies and high commissions		
Manage approaches for international partnerships in accordance with the International Relations Policy		
Promote our international partnerships at public events and support or global city partners to do the same		
Participate in the China New Zealand Mayoral Forum		
New and one-off actions	Completion date	Involvement of partners
Review the International Relations Policy	2022/23	CEDA Global city partnerships Palmerston North education and industry partners Rangitāne o Manawatū
Strengthen engagement with New Zealand-based international representatives and organisations	2021/2022	CEDA Global city partnerships
Position ongoing international relations activities to support recovery from the impacts of the pandemic	2021/2022	Palmerston North education and industry partners Rangitāne o Manawatū

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Our north arrow draws directly from “North” in our city’s name. An upward arrow perfectly symbolises our ambition for a city that’s smarter, continually growing and evolving, innovating, collaborating and finding enlightened ways to work with nature.