



Notice is hereby given that a Meeting of the Community and Strategy Committee will be held on:

Date: Wednesday, 10 June 2020
Time: 1pm
Meeting Room: Council Chamber
Venue: 15 Forth Street
Invercargill

Community and Strategy Committee Agenda OPEN

MEMBERSHIP

Chairperson	Julie Keast
	Mayor Gary Tong
Councillors	Don Byars
	John Douglas
	Paul Duffy
	Bruce Ford
	Darren Frazer
	George Harpur
	Ebel Kremer
	Christine Menzies
	Karyn Owen
	Margie Ruddenklau
	Rob Scott

IN ATTENDANCE

Group Manager - Community and Futures	Rex Capil
Committee Advisor	Alyson Hamilton

Contact Telephone: 0800 732 732
Postal Address: PO Box 903, Invercargill 9840
Email: emailsdc@southlanddc.govt.nz
Website: www.southlanddc.govt.nz

Full agendas are available on Council's Website
www.southlanddc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Terms of Reference – Community and Strategy Committee

TYPE OF COMMITTEE	Council committee
RESPONSIBLE TO	Council
SUBCOMMITTEES	None
LEGISLATIVE BASIS	<p>Committee constituted by Council as per schedule 7, clause 30 (1)(a), LGA 2002.</p> <p>Committee delegated powers by Council as per schedule 7, clause 32, LGA 2002.</p>
MEMBERSHIP	The Community and Strategy Committee is a committee of the whole Council. The mayor and all councillors will be members of the Community and Strategy Committee.
FREQUENCY OF MEETINGS	Six weekly or as required
QUORUM	Seven
SCOPE OF ACTIVITIES	<p>The Community and Strategy Committee is responsible for:</p> <ul style="list-style-type: none"> • providing advice to Council on the approaches that it should take to promote the social, economic, environmental and cultural well-being of the District and its communities and in so-doing contribute to the realisation of Council's vision of one District offering endless opportunities • to provide leadership to District communities on the strategic issues and opportunities that they face • to develop relationships and communicate with stakeholders including community organisations, special interest groups and businesses that are of importance to the District as a whole. • assessing and providing advice to Council on: <ul style="list-style-type: none"> - key strategic issues affecting the District and Council - community development issues affecting the District and Council - the service needs of the District's communities and how these needs might best be met - resource allocation and prioritisation processes and decisions. • developing and recommending strategies, plans and policies to the Council that advance Council's vision and goals, and comply with the purpose of local government as specified in the Local Government Act 2002 • monitoring the implementation and effectiveness of strategies, plans and policies • developing and approving submissions to government, local authorities and other organisations • advocating Council's position on particular policy issues to other organisations, as appropriate

	<ul style="list-style-type: none"> considering recommendations from community boards and Council committees and make decisions where it has authority from Council to do so, or recommendations to Council where a Council decision is required. <p>It is also responsible for community partnerships and engagement. This includes:</p> <ul style="list-style-type: none"> monitoring the progress, implementation and effectiveness of the work undertaken by Great South in line with the Joint Shareholders Agreement and Constitution. allocations of grants, loans, scholarships and bursaries in accordance with Council policy international relations developing and overseeing the implementation of Council's community engagement and consultation policies and processes. <p>The Community and Strategy Committee is responsible for overseeing the following Council activities:</p> <ul style="list-style-type: none"> community services district leadership.
DELEGATIONS	<p>Power to Act</p> <p>The Community and Strategy Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers:</p> <ol style="list-style-type: none"> approve submissions made by Council to other councils, central government and other bodies approve scholarships, bursaries, grants and loans within Council policy and annual budgets approve and/or assign all contracts for work, services or supplies where those contracts relate to work within approved estimates. monitor the performance of Great South.. <p>Power to Recommend</p> <p>The Community and Strategy Committee«name of entity» has authority to consider and make recommendations to Council regarding strategies, policies and plans.</p>
FINANCIAL DELEGATIONS	<p>Council authorises the following delegated authority of financial powers to Council committees in regard to matters within each committee's jurisdiction.</p> <p>Contract Acceptance:</p> <ul style="list-style-type: none"> accept or decline any contract for the purchase of goods, services, capital works or other assets where the total value of the lump sum contract does not exceed the sum allocated in the Long Term Plan/Annual Plan and the contract relates to an activity that is within the scope of activities relating to the work of the Community and Strategy committee

	<ul style="list-style-type: none"> accept or decline any contract for the disposal of goods, plant or other assets other than property or land subject to the disposal being provided for in the Long Term Plan <p>Budget Reallocation.</p> <p>The committee is authorised to reallocate funds from one existing budget item to another. Reallocation of this kind must not impact on current or future levels of service and must be:</p> <ul style="list-style-type: none"> funded by way of savings on existing budget items within the jurisdiction of the committee consistent with the Revenue and Financing Policy
LIMITS TO DELEGATIONS	<p>Matters that must be processed by way of recommendation to Council include:</p> <ul style="list-style-type: none"> amendment to fees and charges relating to all activities powers that cannot be delegated to committees as per the Local Government Act 2002 and sections 2.4 and 2.5 of this manual. <p>Delegated authority is within the financial limits in section 9 of this manual.</p>
STAKEHOLDER RELATIONSHIPS	<p>This committee will maintain and develop relationships with:</p> <ul style="list-style-type: none"> Community Boards Great South Milford Community Trust Destination Fiordland. <p>The committee will also hear and receive updates to Council from these organisations as required.</p>
CONTACT WITH MEDIA	<p>The committee chairperson is the authorised spokesperson for the committee in all matters where the committee has authority or a particular interest.</p> <p>Committee members do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the board's delegations.</p> <p>The group manager, community and futures will manage the formal communications between the committee and the people of the Southland District and for the committee in the exercise of its business. Correspondence with central government, other local government agencies or official agencies will only take place through Council staff and will be undertaken under the name of Southland District Council.</p>

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1 Apologies

At the close of the agenda no apologies had been received.

2 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

3 Conflict of Interest

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Public Forum

Notification to speak is required by 5pm at least two days before the meeting. Further information is available on www.southlanddc.govt.nz or phoning 0800 732 732.

5 Extraordinary/Urgent Items

To consider, and if thought fit, to pass a resolution to permit the committee to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) the reason why the item was not on the Agenda, and
- (ii) the reason why the discussion of this item cannot be delayed until a subsequent meeting.

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

"Where an item is not on the agenda for a meeting,-

- (a) that item may be discussed at that meeting if-
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion."

6 Confirmation of Minutes

6.1 Meeting minutes of Community and Strategy Committee, 06 May 2020

Community and Strategy Committee

OPEN MINUTES

Minutes of a meeting of Community and Strategy Committee held via Zoom (digital technology) on Wednesday, 6 May 2020 at on Wednesday, 6 May 2020 at 1pm. (1pm-2.41pm, 2.46pm-3.31pm).

PRESENT

Chairperson	Julie Keast	
	Mayor Gary Tong	1,42pm - 1.50pm.
Councillors	Don Byars	
	John Douglas	
	Paul Duffy	
	Bruce Ford	
	Darren Frazer	
	George Harpur	
	Ebel Kremer	
	Christine Menzies	
	Karyn Owen	
	Rob Scott	

APOLOGIES

Cr Margie Ruddenklau

IN ATTENDANCE

Group Manager - Community and Futures	Rex Capil
Committee Advisor	Alyson Hamilton

1 Apologies

There was an apology from Cr Margie Ruddenklau

Resolution

Moved Cr Scott, seconded Cr Ford and **resolved:**

That the Community and Strategy Committee accept the apology.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of Interest

There were no conflicts of interest declared.

4 Public Forum

There was no public forum.

5 Extraordinary/Urgent Items

There were no Extraordinary/Urgent items.

6 Confirmation of Minutes

Resolution

Moved Cr Kremer, seconded Cr Duffy and **resolved:**

That the minutes of the Community and Strategy Committee meeting held on 11 February 2020 be confirmed as a true and correct record of that meeting.

Reports

7.1 Chairperson's Report

Record No: R/20/4/9414

Chairperson Keast presented this report.

Resolution

Moved Cr Kremer, seconded Cr Frazer **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "Chairperson's Report" dated 29 April 2020.**

7.2 SDC Holiday Programme - January 2020

Record No: R/20/4/9554

Community Liaison Officer - Kathryn Cowie was in attendance for this item.

Luciana Garcia and Michelle Greenwood Sport Southland were in attendance via Zoom for this item.

Mrs Cowie advised the purpose of the report is to provide the Community and Strategy Committee with an update on the SDC holiday programme that was delivered by Sport Southland in January 2020.

The committee requested further information relating to the possibility of expansion, analysis and allocation of funding toward the SDC holiday programme.

Resolution

Moved Cr Ford, seconded Mayor Tong **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "SDC Holiday Programme - January 2020" dated 23 April 2020**

7.3 Customer Satisfaction Survey Report November 2019 - January 2020

Record No: R/20/4/9552

Group Manager Customer Delivery - Trudie Hurst was in attendance for this item.

Ms Hurst advised the purpose of the report is to provide the Community and Strategy Committee with the results of the Customer Satisfaction Survey and Net Promoter Score for November 2019 - January 2020.

Resolution

Moved Cr Kremer, seconded Cr Douglas **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "Customer Satisfaction Survey Report November 2019 - January 2020" dated 20 April 2020.**

7.4 District Heritage Fund Application Summary and Financial Report

Record No: R/20/4/9642

Communications Manager - Louise Pagan was in attendance for this item.

Mrs Pagan advised the purpose of this report is to give the committee a summary of the applications to the Southland District Council Heritage Fund from the March round.

The committee noted these applications seek grants to assist with the day-to-day running of local museums, heritage centres or similar type organisations within the Southland District Council boundaries.

Resolution

Moved Cr Scott, seconded Cr Douglas **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "District Heritage Fund Application Summary and Financial Report" dated 21 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the allocation of funds from the District Heritage Fund as follows:**

1	Central Southland Vintage Machinery Club	\$6,000
2	Fiordland Vintage Machinery Club	\$6,000
3	Otautau Museum	\$7,000
4	Rakiura Heritage Trust	\$10,500
- e) **Approves the financial summary for the District Heritage Fund to 30 March 2020.**

7.5 5G Rollout in Southland

Record No: R/20/4/9464

Community Partnership Leader - Karen Purdue was in attendance for this item.

Mrs Purdue advised the purpose of the report is to inform the Community and Strategy committee of details involved around the rollout of 5G in Southland.

Resolution

Moved Cr Kremer, seconded Cr Ford **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "5G Rollout in Southland" dated 28 April 2020.**

7.6 Community Board Plans Update

Record No: R/20/4/9501

Community Partnership Leader - Kelly Tagg was in attendance for this item.

Mrs Tagg advised the purpose of the report is to provide a further update on the community board plan project process and to share the vision and outcomes agreed by each of Council's nine community boards.

Resolution

Moved Cr Duffy, seconded Cr Harpur **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "Community Board Plans Update" dated 21 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**

7.7 Strategy Development Work Programme Update

Record No: R/20/4/9413

Strategy and Policy Manager - Michelle Stevenson was in attendance for this item.

Ms Stevenson advised the purpose of this report is to provide the Community and Strategy Committee with an update on strategy development and work programme that will assist Council with the further integration of the strategic framework and alignment to the activities Council delivers to its communities.

Resolution

Moved Cr Kremer, seconded Cr Duffy **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled “Strategy Development Work Programme Update” dated 21 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Notes that a report for discussion and endorsement of a strategy development work programme will be provided to the Community and Strategy Committee at its 8 July meeting.**

The meeting adjourned at 2.41pm and reconvened at 2.46pm.

7.8 Research and Analysis – COVID-19 Projects Update

Record No: R/20/4/9643

Strategy and Policy Manager - Michelle Stevenson was in attendance for this item.

Ms Stevenson advised the purpose of the report is to inform the Community and Strategy Committee of COVID-19 specific projects currently being undertaken by Council’s strategy and policy team.

Resolution

Moved Cr Duffy, seconded Cr Kremer **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled “Research and Analysis – COVID-19 Projects Update” dated 24 April 2020.**

- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Endorses the projects that are underway to inform discussions on the COVID-19 impacts for Southland and Council and maintain a watching brief as global, national, regional and local implications emerge.**

7.9 Big Picture Workshop and Strategic Workshop Summary

Record No: R/20/4/9566

Group Manager, Rex Capil was in attendance for the item.

Mr Capil advised the purpose of this report is to confirm the Big Picture Workshop and Strategic Workshop findings and to then give consideration to these when reviewing and updating the draft strategic framework as part of the Long Term Plan 2021-2031 development.

Resolution

Moved Mayor Tong, seconded Cr Kremer **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled "Big Picture Workshop and Strategic Workshop Summary" dated 24 April 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Endorses the key outcomes, big issues and future planning priorities identified at the Big Picture Workshop on 31 January 2020 – being:**

Key Outcomes

- **happy, healthy Southlanders**
- **resilient, engaged communities**

- thriving, sustainable economy

The Big Issues

- climate change
- infrastructure investment
- funding constraints and options
- Council's economic and social remit
- iwi and partner relationships
- service delivery structures

Future Planning Priorities

- show leadership through infrastructure spend
- boost local economy and support industry
- support managed retreat for declining communities
- foster community self sufficiency
- invest in strategic partnerships
- long term funding and investment strategy
- central government relationship strategy
- approach iwi to consider new ways to build relationships

- e) **Endorses the principles from the Strategic Workshop on 19-21 February 2020 – being:**
- **community well-being – understanding Council (the organisation) needs to change how it thinks, operates and makes decisions and move toward the implementation of the four well-beings in our decisionmaking approach and what we do**
 - **environment – understanding and recognising the increasing community and generational awareness of kaitiakitanga - that the guardianship and protection of the environment – regeneration ideals surpass sustainability**
 - **future generations – taria te wa and manaakitanga – recognising and acknowledging that Council has to advance long term thinking with the communities it serves, the concept of caring for others and that it is ok for conversations to be about the next 50-100 years**
 - **Tikanga Maori and cultural authenticity – recognising the responsibility to embrace tikanga or cultural beliefs and value set of tangata whenua – drawing on the traditional principles of stewardship and guardianship for others.**
- f) **Notes that staff will integrate the themes and principles as part of the next stages of the LTP 2021-2031 including reviewing and revising the draft strategic framework.**
- g) **Note that staff will give consideration to the findings and direction provided when developing the strategy development work programme required to be undertaken to support the next stages of the longer term integrated strategic planning approach for the District.**
- h) **Note that staff will report back to the Committee on the COVID-19 research work being undertaken and how this might be best incorporated into Council's**

short to medium term approach to pursuing its strategy once this research work has been completed in the next two months.

- i) **Recommend to Council that it endorse and adopt the key outcomes, big issues and future planning priorities identified at the Big Picture Workshop on 31 January 2020 and the principles from the Strategic Workshop on 19-21 February 2020.**
- j) **Recommend to Council that it support the integration and incorporation of the themes and principles into the next stages of the LTP 2021-2031 process including reviewing and revising the draft strategic framework.**
- k) **Recommend to Council that it support the integration and incorporation of the themes and principles into the strategy development work programme required to be undertaken to support the next stages of the longer term integrated strategic planning approach for the District.**

7.10 Community Well-beings and Strategic Issues Overview - March - April 2020

Record No: R/20/4/9565

Group Manager, Rex Capil was in attendance for the item.

Mr Capil advised the purpose of the report is to inform the Community and Services committee of recent developments, points of interest and points for consideration as part of the overall strategic context and community well-beings (social, economic, environmental, and cultural) discussions that Council is part of – nationally, regionally and locally.

Resolution

Moved Mayor Tong, seconded Cr Harpur **and resolved:**

That the Community and Strategy Committee:

- a) **Receives the report titled “Community Well-beings and Strategic Issues Overview - March - April 2020” dated 24 April 2020.**

The meeting concluded at 3.31pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A
MEETING OF THE COMMUNITY AND STRATEGY
COMMITTEE HELD ON WEDNESDAY, 6 MAY 2020

DATE:.....

CHAIRPERSON:.....

Stewart Island/Rakiura Future Opportunities Project Update

Record No: R/20/5/11838

Author: Karen Purdue, Community Partnership Leader

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☐ Recommendation

☒ Information

Purpose

- 1 This is an update on the Rakiura Future Opportunities Project. A future focused strategic development and planning project for Stewart Island/Rakiura so that the island in partnership with local, regional and central government, iwi and other strategic partners, can proactively plan its future.

Executive Summary

- 2 A funding application was originally made to MBIE to engage a project manager to lead future focused strategic development and planning on Stewart Island/Rakiura. The application was for \$835,000.
- 3 MBIE offered a one off allocation of \$100,000 with a requirement for co-funding by Council of 10% (\$10,000) and a revised scope.
- 4 Southland District Council engaged Sandra James (Connecting People Ltd) to deliver the outcomes as agreed with MBIE.
- 5 A community meeting was held on the island on 11 September 2019 to launch the project. Several stakeholders (DOC, Great South, SDC, Stewart Island Promotions, Commerce South, Environment Southland and Predator Free Rakiura) presented on what they are doing on the island and what is planned in the future. The meeting, attended by over 70 residents gave an opportunity to ask questions, and give feedback.
- 6 The Future Leaders Development Programme was designed to build leadership capacity and capability on the island. This was co-created in collaboration with Commerce South, who facilitated the program.
- 7 In November 2019, eleven of the sixteen graduates formed a group, Future Rakiura, who are collaborating with other groups and organisations on the island to develop the plan. The group also includes five “community champions” (identified and respected leaders on the island).
- 8 Future Rakiura developed a six-month programme of work to move the group towards having a robust structure, good engagement with the community and a future opportunities plan.
- 9 The original strategic plan had five goals, however this has now been modified to three to ensure a strategic focus is kept and the groups are manageable and sustainable with a small and busy population, and the logistical reality of getting strategic partners to the island.
- 10 A Hangi was held on Waitangi Day as the ‘official’ launch event for Future Rakiura. Very good feedback was received from the wider community about the event with wide support for Future Rakiura’s kaupapa. The event met Future Rakiura’s goal of bringing the community together to connect and build stronger relationships.

- 11 A community meeting to promote better communication and connectedness on the island was planned for March 26. This was an opportunity to update the community on progress and plans and other key stakeholders had been invited to do the same.
- 12 Unfortunately the meeting was cancelled due to the Covid-19 lockdown.
- 13 While Future Rakiura has made very good progress since it formed in November, it would have still been ‘forming’ when the MBIE contract was due to finish at the end of June. This would leave the group vulnerable to ‘finding their way’ and perhaps failing.
- 14 It was therefore agreed with MBIE that, due to Covid-19, the timeframe for delivery would be extended to August (or possibly September). This will be dependent on when “gatherings” are able to start again. MBIE also agreed with our recommendation that the plan may look different to what was originally agreed as outcomes.
- 15 Sandra James continued to work with Future Rakiura during lockdown (by Zoom) and a “Road Map” for going forward was developed. The road map sets out the strategic priorities and an action plan for Future Rakiura.

Recommendation

That the Community and Strategy Committee:

- a) Receives the report titled “Stewart Island/Rakiura Future Opportunities Project Update” dated 25 May 2020.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**

Background

- 16 The Stewart Island/Rakiura Community Planning Report, completed by Sandra James in March 2018 identified four key priorities for the island: Sustainable affordable electricity, Predator Free Rakiura and wharves and strategic leadership. These priorities were discussed with the community, community board, jetties subcommittee, Predator Free Rakiura representatives and were endorsed by Council.
- 17 An application was subsequently made to Ministry of Business, Innovation and Employment (MBIE) to engage a project manager to lead future focused strategic development and planning for Stewart Island/Rakiura. The application was for \$835,000.
- 18 In December 2018, MBIE advised that the original application had been unsuccessful, for the total funding applied for, however has approved a one off allocation of \$100,000 with a requirement of co-funding by Council of \$10,000 which resulted in a revised project scope.
- 19 Southland District Council engaged Sandra James (Connecting People Ltd) to deliver the outcomes as agreed with MBIE.

- 20 A community meeting was held on the island on 11 September 2019 to launch the project. The meeting involved stakeholders (DOC, Great South, SDC, Stewart Island Promotions, Commerce South, Environment Southland and Predator Free Rakiura) giving an update on what they are doing on the island and what is planned in the future. The meeting was attended by over 70 residents and they had an opportunity to ask questions. It was noted that the community were supportive and positive about the project.
- 21 The Future Leaders Development Program was designed to build leadership capacity and capability on the island. This was co-created in collaboration with Commerce South, who facilitated the program. There were 25 applications received for the 16 available places.
- 22 In November 2019, 11 of the 16 graduates formed a group, Future Rakiura, who are collaborating with other groups and organisations on the island to develop the plan.
- 23 Future Rakiura also includes five “community champions” (identified and respected leaders on the island).
- 24 Future Rakiura developed a six-month programme of work to move the group towards having a robust structure, good engagement with the community and a Future Opportunities plan.
- 25 Since November they have
- developed a vision – ensuring a bright, sustainable future
 - and their purpose – to connect and support the Stewart Island/Rakiura community to navigate towards our sustainable future
 - identified their values
 - kaitiakitanga -guardianship and protection
 - manaakitanga – leading with moral purpose
 - humility, resilience, self-determination, integrity
 - honesty, openness, transparency, inclusiveness
- 26 The original strategic plan had five goals, however as with any new community project/group initial plans and aspirations change as the group develops. The goals have now been modified to three to ensure a strategic focus is kept and the groups are manageable and sustainable with a small and busy population, and the logistical reality of getting strategic partners to the island.
- 27 The three goals are:

Development	Working together for managed growth and a sustainable future
Community	Strengthening community connectedness, cohesion and communication
Governance	Continuing to develop Future Rakiura as an effective organisation

- 28 Sub-groups were formed from the stewardship group to form the three working parties.
- 29 A Hangi was held on Waitangi Day as the ‘official’ launch event for Future Rakiura. They prepared approximately 280 meals and had a very large turnout despite bad weather. The group outlined Future Rakiura’s purpose and objectives for the future. Very good feedback was received from the wider community about the event with wide support for Future Rakiura’s kaupapa. The event met Future Rakiura’s goal of bringing the community together to connect and build stronger relationships.

- 30 A Community meeting to promote better communication and connectedness on the island was planned for March 26. This was an opportunity to update the community on progress and plans and other key stakeholders had been invited to do the same. The speakers invited were:
- Future Rakiura
 - Stewart Island Community Board
 - Rakiura Maori Lands Trust
 - Rakiura Marine Guardians
 - Great South
 - Ngai Tahu Fisheries Ltd
- 31 Unfortunately the meeting was cancelled due to the Covid-19 lockdown.
- 32 While Future Rakiura has made very good progress since it formed in November, it would have still been ‘forming’ when the MBIE contract was due to finish at the end of June. This would leave the group vulnerable to ‘finding their way’ and perhaps failing. Lack of support and resources have been a contributing factor on two past occasions with work like this on Stewart Island/Rakiura.
- 33 This type of work requires recognition and a commitment that these types of processes take time and ongoing support. This is a major risk for the long-term success of the project.
- 34 Subsequently, it became obvious that the timeframe for delivery of this project would not be achievable.
- 35 It was agreed with MBIE that, due to Covid-19 that the timeframe for delivery would be extended to August (or possibly September). This will be dependent on when “gatherings” are able to start again. MBIE also agreed with our recommendation that the plan may look different to what was originally agreed as outcomes.
- 36 Sandra James continued to work with Future Rakiura during lockdown (by Zoom) and a “Road Map” for going forward was developed. The road map sets out the Strategic priorities and an action plan for Future Rakiura.

Attachments

- A Future Rakiura Roadmap March - July 2020 [↓](#)

FUTURE RAKIURA ROADMAP MARCH – JULY 2020	
A Community-led initiative facilitating future-focused strategic discussions, thinking, planning and action for Stewart Island/Rakiura	
VISION:	Ensuring a bright and sustainable future
PURPOSE:	To connect and support the Stewart Island/Rakiura community to navigate towards our sustainable future
VALUES:	<ul style="list-style-type: none">• kaitiakitanga – guardianship and protection• humility, resilience, self-determination, integrity• manaakitanga – leading with moral purpose• honesty, openness, transparency, inclusiveness
WE WILL:	<ul style="list-style-type: none">• be a catalyst, connector and advocate• invite all residents/ratepayers on Stewart Island/Rakiura to get involved in thinking, planning and taking action for Stewart Island/Rakiura's future• partner with community groups and organisations/agencies and key local, regional and national stakeholders to take action on the things that are important for Stewart Island/Rakiura's long-term sustainable future• focus on the unique assets of our community and natural environment

STRATEGIC PRIORITIES		
<p>GOVERNANCE Future Rakiura is an effective and well-run community-led organisation</p> <ul style="list-style-type: none"> • establish Future Rakiura as a legal entity • establish effective processes and systems so that Future Rakiura is competent, capable, and accountable to the community • ensure Future Rakiura has sufficient skills and is representative of the community • develop a robust funding plan that will enable Future Rakiura to carry out work in its' priority areas 	<p>RESTART RAKIURA Managed growth and a sustainable future for Stewart Island/Rakiura incorporating economic, cultural, social and environmental aspirations post Covid-19</p> <ul style="list-style-type: none"> • survey community members about future aspirations for Stewart Island/Rakiura • hold a community meeting in conjunction with key local groups eg community board, SIPA, school, health committee to present the results and start a community conversation to determine priority areas for action • employ a restart co-ordinator who is tasked with facilitating future focused thinking, planning and action that includes community members and key stakeholders/organisations on and off the Island • develop a Restart Rakiura Plan in conjunction with the wider community and stakeholders on and off the Island 	<p>RELATIONSHIPS/PARTNERSHIPS A connected, cohesive community. Excellent communication between groups and organisations on and off the Island Strong future-focused community leadership and capability on Stewart Island/Rakiura</p> <ul style="list-style-type: none"> • develop a communication and community engagement plan to ensure wide community input and participation into future focused thinking, planning and action • map, identify and engage strategic partners in Stewart Island/Rakiura's future • develop a Community Leadership Strategy in conjunction with the Chamber of Commerce, Southland District Council and Department of Internal Affairs

Chairperson's Report

Record No: R/20/6/12992

Author: Alyson Hamilton, Committee Advisor

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☐ Recommendation

☒ Information

Purpose of Report

The purpose of the report is to provide an update to the Community and Strategy Committee on activities of the chairperson for April through May 2020.

Kia ora and welcome to the Community and Strategy Committee meeting.

Items of interest that I have been involved are as follows:

- viewing of webinar “Immigration New Zealand / Ethnic Affairs” discussion was held on immigration status of various visa holders and migrants
- weekly catch-up held via Zoom with Councillor Duffy and community partnership leader Karen Purdue, community liaison officer Tina Harvey and Pam Yorke Chairperson, Waihopai Toetoe Community Board
- attended the recent Waihopai Toetoe Community Board workshop held in Wyndham where staff from the Services and Assets department were in attendance to discuss the Activity Management Plan development for that board
- attended Citizens Advice Bureau Southland meeting via Zoom.

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled “Chairperson's Report” dated 3 June 2020.**

Attachments

There are no attachments for this report.

Community Initiatives Fund Application Summary and Financial Report

Record No: R/20/5/12477

Author: Louise Pagan, Communications Manager

Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision

☐ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to give the committee a summary of the applications received for the Community Initiatives Fund, and staff recommendations for the amounts to be given, based on the criteria and amount available to be granted. Decisions on these applications are sought from the committee.

Executive Summary

- 2 The Southland District Council Community Initiatives Fund is available to groups and organisations to assist with a broad range of projects and initiatives in Southland. Each year there are two grant rounds – one that closes on 30 September and one on 31 March. However, the closing date was extended from March to May because of the Covid-19 pandemic lockdown.
- 3 This is the final round for the initiatives fund, with the change to the Community Partnership Fund happening on 1 July 2020.
- 4 Twenty four applications have been received for the current funding round and funding available for distribution is \$80,966. Staff have recommended amounts totalling \$74,122 for 23 of the applications, and are asking for discussion on one application.
- 5 A financial report to 30 April 2020 is also contained in the report for review and approval.

Community Initiatives Fund Application Summary - May 2020**Total amount requested: \$100,732****Total to distribute: \$80,996 (TBC)****1 Central Southland Senior Citizens**

Request assistance towards replacing the zip at the Senior Citizens rooms in Winton.

Total Project Cost \$1,456

Amount Requested	\$1,200	Recommendation	\$1,200
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2 Mossburn Community Pool Inc.

Request assistance towards costs associated with resurfacing and painting of the pool, installation of anti-slip surface around the pool, installation of timing switches in the showers and painting of the storeroom.

Total Project Cost \$72,889

Amount Requested	\$7,500	Recommendation	\$5,500
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3 Marakura Yacht Club Inc.

Request assistance towards costs associated with improving the water heating facilities at the Yacht Club in the kitchen and changing rooms. The current water heaters are old and outdated, new ones will be more efficient, will reduce power costs, and will improve the user experience.

Total Project Cost \$7,031

Amount Requested	\$5,531	Recommendation	\$3,500
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4 Thornbury Vintage Tractor & Implement Club Inc.

Request assistance towards the costs associated with replacing smoke tubes and certification of a historic 1910 Garret Steam Engine. This will allow the club to have the engine as a working operational part of their display rather than just a static piece, which is always attractive to visitors.

Total Project Cost \$4,969

Amount Requested	\$2,500	Recommendation	\$2,500
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5 Mossburn Golf Club Inc.

Request assistance towards the cost of a new fairway mower. Their current one is no longer usable.

Total Project Cost \$35,000

Amount Requested	\$10,000	Recommendation	\$5,000
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6 Northern Southland Community Resource Centre Charitable Trust

Request funding assistance towards various community programmes, activities and events such as a holiday programme, babysitting courses for youth, parenting courses, guest speakers, Cycle & Celebrate event, Seniors Café and the Community Garden.

Total Project Cost \$8,519

Amount Requested **\$2,605** Recommendation **\$2,605**

7 Stewart Island Pavilion Trust

Request assistance with costs to purchase and install a dishwasher at the Pavilion which is used frequently for meetings and functions.

Total Project Cost \$2,000

Amount Requested **\$1,000** Recommendation **\$1,000**

8 Catlins Coast Inc.

Request assistance with costs to replace information panels at the Stirling Hill Kiosk. Due to extreme weather and vandalism they require replacing (originally installed 2013). The new panels will be more robust than originals.

Total Project Cost \$973

Amount Requested **\$850** Recommendation **\$850**

9 Stewart Island Lions Inc.

Request funding assistance towards a BBQ facility (coin operated) at Butterfields Beach development, which is proposed to also include a shelter and playground items. The total project cost below is for the BBQ and installation only.

Total Project Cost \$11,447

Amount Requested **\$5,000** Recommendation **\$5,000**

10 Dipton Community Baths Trust

Request funding assistance towards a robotic pool cleaner. Their current equipment no longer functions properly and it is essential for cleaning debris from the bottom of the pool.

Total Project Cost \$2,589

Amount Requested **\$750** Recommendation **\$750**

11 Southern Reap Inc.

Request funding support for delivering community mentoring driver licensing programme “Drive My Life” to vulnerable members of the Fiordland community. A pilot programme for 10 learners in Te Anau is planned for September 2020.

Not having a driver’s licence is often a barrier to education and employment for vulnerable members of the community.

Total Project Cost \$5,298

Amount Requested	\$3,000	Recommendation	\$3,000
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12 Central Southland Gun Club

Request funding assistance towards a new floor in the clubrooms. The current flooring is 36 years old, is cracked and stained and needs replacing.

Total Project Cost \$5,596

Amount Requested	\$2,500	Recommendation	\$2,500
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13 Toi Rakiura Arts Trust

Request assistance towards costs to put on a play for Stewart Island – The Daylight Atheist by Roger Hall. These costs are for hall hire, liquor license, platters, accommodation and AOTNZ fees.

Total Project Cost \$2,263

Amount Requested	\$1,263	Recommendation	\$1,263
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14 Hedgehope-Glencoe Community Centre

Request assistance towards the purchase and installation of two heat pumps for the community centre. The current system is a diesel burner which is creating a lot of fumes. The centre is the Civil Defence hub for the area.

Total Project Cost \$9,338

Amount Requested	\$1,500	Recommendation	\$1,500
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15 Wyndham & Districts Historical Society

Request assistance towards the cost of a conservators report. They are in the process of applying for funding to build a new museum. This report is required for funding applications and will detail our collection in terms of scope and value to future generations. It will also compare the present museum with the future modern museum we hope to build. It will complement the feasibility study also being done and will aid in explaining why the museum is beneficial to the Southland Story and our unique local collection.

Total Project Cost \$2,875

Amount Requested	\$2,875	Recommendation	\$2,500
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16 Waihopai Toetoe Community Board

Request assistance towards restoration work to the Menzies Memorial Archway in Wyndham. A condition assessment and structural assessment have already been completed. The archway is structurally sound and is significant from a heritage perspective as it is one of only three types of this particular archway in New Zealand.

Restoration work includes cleaning, repointing, fixing cracks and plasterwork etc.

Total Project Cost \$24,974

Amount Requested	\$4,000	Recommendation	\$4,000
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17 The Stewart Island Promotion Association Inc.

Request assistance with costs associated with the Rakiura Challenge Event (3 October 2020). This grant will assist with the hire costs of the Stewart Island Community Centre which is used as a race headquarters for the event, for competitor check in, briefing and meals and also the hire costs for the Stewart Island Pavilion which is used for marshal and communication briefings and the main control room on the day.

Total Project Cost \$101,755

Amount Requested	\$3,285	Recommendation	\$3,285
			(subject to event going ahead)

18 Waiau Rivercare Group Inc.

Request assistance towards signage in the Tuatapere and Waiau River lower catchment area. This signage will showcase the arts and local community stories and designs about our river. We hope to engage with our whakapapa by visually sharing what is special about our river and to showcase the proud kaitiakitanga of our river to the wider community.

Total Project Cost \$4,000

Amount Requested	\$4,000	Recommendation	\$2,500
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19 Fiordland Community Garden Charitable Trust

Request assistance towards costs associated with establishing a community garden in Te Anau. This includes costs for raised beds, a tunnel house and landscape design. We aim to also provide education/workshops about growing produce, sustainable living, spray free gardening methods, and preserving etc.

Total Project Cost \$5,500

Amount Requested	\$5,000	Recommendation	\$4,500
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20 Fiordland Community Event Centre Trust (FCECT) and Fiordland Endurance and Adventure Racing Society (FEAR)

Request assistance towards costs associated with adding an indoor rock climbing gym to the Real Journeys Events Centre. Once completed, the facility will be the biggest in the Otago/Southland region and will be suitable for climbing competitions for secondary schools and also competitions at a national level. It will provide educational opportunities for LSAR groups and a training base for local and visiting climbers.

The number of people interested in climbing is continuing to grow in our area, particularly from Fiordland College with at least 30 students regularly climbing.

Total Project Cost \$415,805

Amount Requested	\$15,000	Recommendation	\$10,000
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21 Edendale Rugby Club

Request assistance towards a new archgola structure to be erected above their new deck at the clubrooms.

Total Project Cost \$12,069

Amount Requested	\$2,069	Recommendation	\$2,069
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22 South Catlins Charitable Trust

Request assistance towards costs associated with the extension of the Smith's Bush (The Living Forest) Walking Track. The track is to be extended 1.5km, and will greatly improve the visitor experience at Curio Bay. The track is well used and with the extension will increase the walk from approximately 15 to 30 minutes.

Total Project Cost \$60,000

Amount Requested	\$8,000	Recommendation	\$8,000
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23 Central Southland Community Swimming Pool Inc.

Request assistance towards the cost of a temporary boiler installed in November 2019.

Total Project Cost \$6,796

Amount Requested	\$6,796	Recommendation	to discuss
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24 Tuurama Trust

Request assistance towards the cost of art workshops to celebrate and educate the community about Matariki. There will be workshops in Wyndham, Otautau, Te Anau, Invercargill and Bluff.

Total Project Cost \$66,528

Amount Requested	\$4,508	Recommendation	\$1,100
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Community and Strategy Committee

10 June 2020

The financial summary until 30 April 2020 is as follows:

Southland District Council Community Initiative Fund As at 30 April 2020			
Summary	Actual		
Opening balance, 1 July 2019	.	237,785	
Add:			
Rates Revenue	.	91,966	
Reversal Prior Year Commitments	.	31,700	
Interest 2018/2019*	.	7	
Total	.	361,451	
Less:			
Advertising	.	7	
Prior year Commitments uplifted	.	23,700	
Prior year Commitments outstanding	.	8,000	
Current Commitments uplifted	.	50,855	
Current Commitments outstanding	.	7	
Refunds/Stale Cheques/Reversals	.	(2,070)	
Total	.	80,485	
Funds Held in Reserves	.	280,966	
Less:			
Minimum Balance Required	.	200,000	
Funds Available for General Distribution	.	80,966	
<p>* Interest earned for the period has not been included. The actual amount will not be known until the end of the financial year when interest is allocated across Council's investments (30 June 2020).</p>			
Prior Year Commitments	Committed	Uplifted	Balance
2016/2017 Fiordland Rowing Club Inc	2,000	7	2,000
2016/2017 Gorge Road Country Club	1,500	7	1,500
2018/2019 Athol CDA	2,500	7	2,500
South Catlins Charitable Trust	2,000	2,000	7
Wyndham Edendale Community Health Trust	1,200	1,200	7
Edendale Rugby Club	2,500	2,500	7
Lumsden Heritage Trust	5,000	5,000	7
Tokanui Golf Club	3,000	3,000	7
Tokanui Outdoor Bowls	3,000	3,000	7
Waikawa Museum	2,000	2,000	7
Seaward Downs Domain (Up to \$2,000)	2,000	7	2,000
Woodlands Swimming Pool and Recreation Trust	5,000	5,000	7
	31,700	23,700	8,000

Recommendation

That the Community and Strategy Committee:

- a) Receives the report titled “Community Initiatives Fund Application Summary and Financial Report” dated 3 June 2020.
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Approves the allocation of funds from the Community Initiatives Fund as follows:

1	Central Southland Senior Citizens	\$1,200
2	Mossburn Community Pool Inc.	\$5,500
3	Marakura Yacht Club Inc.	\$3,500
4	Thornbury Vintage Tractor & Implement Club Inc.	\$2,500
5	Mossburn Golf Club Inc.	\$5,000
6	Northern Southland Community Resource Centre Charitable Trust	\$2,605
7	Stewart Island Pavilion Trust	\$1,000
8	Catlins Coast Inc.	\$850
9	Stewart Island Lions Inc.	\$5,000
10	Dipton Community Baths Trust	\$750
11	Southern Reap Inc.	\$3,000
12	Central Southland Gun Club	\$2,500
13	Toi Rakiura Arts Trust	\$1,263
14	Hedgehope-Glencoe Community Centre	\$1,500
15	Wyndham & Districts Historical Society	\$2,500
16	Waihopai Toetoe Community Board	\$4,000
17	The Stewart Island Promotion Association Inc.	\$3,285
18	Waiau Rivercare Group Inc.	\$2,500
19	Fiordland Community Garden Charitable Trust	\$4,500
20	Fiordland Community Event Centre Trust (FCECT) and Fiordland Endurance & Adventure Racing Society (FEAR)	\$10,000

Community and Strategy Committee

10 June 2020

21	Edendale Rugby Club	\$2,069
22	South Catlins Charitable Trust	\$8,000
23	Central Southland Community Pool Inc.	Committee to discuss – asking for \$6,796
24	Tuurama Trust	\$1,100

e) Approves the financial report to 30 April 2020 for the Community Initiatives Fund.

Background

- 6 The Communities Initiatives Fund supports:
- the development of community facilities or amenities including community centres/halls, war memorials, local reserves and picnic areas, playgrounds, walkways and tracks, sports fields, swimming pools, changing room facilities,
 - sport and recreational opportunities;
 - community programmes, activities or events.
- 7 Assistance for other initiatives outside the above broad categories may be provided at the discretion of the committee.
- 8 The amount of funds available for distribution each year is \$108,800.

Issues

- 9 All applicants have to meet the requirements of the fund criteria.

Factors to Consider

Legal and Statutory Requirements

- 10 The granting of this fund aligns with Council's Community Assistance Policy.

Community Views

- 11 The amount of the fund is decided during the Long Term Plan/Annual Plan process and the community is consulted on any change. Advertising of fund application deadlines is carried out well in advance of those dates to enable people to apply.

Costs and Funding

- 12 The fund comes from rates every year.

Policy Implications

- 13 The application criteria and recommendations to this committee meets the requirements of Council's Community Assistance Policy. This policy is due for review, which will happen in the next calendar year.

Analysis

Options Considered

- 14 The options are to either review and award grants to the applicants to assist with their various projects or to decline the applications.

Analysis of Options

Option 1 – Award grants

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• this would fulfil Council's commitment to offer and award grants to groups and organisations to assist with various community projects and initiatives• Council is enabling community-led development by helping community groups and organisations do their own projects, rather than Council doing it for them.	<ul style="list-style-type: none">• Council will not fulfil its commitment to offer and award grants to eligible groups and organisations to assist with various community projects and initiatives.

Option 2 – Decline applications

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• there will be more money in the Community Initiatives Fund.	<ul style="list-style-type: none">• eligible groups and organisations may not be able to carry out their projects• Council is not meeting its commitment to help fund community projects and initiatives.

Assessment of Significance

- 15 Under Council's Significance and Engagement Policy, this is not considered to be significant.

Recommended Option

- 16 Option 1 – to award grants to the applicants.

Next Steps

- 17 The applicants will be contacted to be advised of the outcome of their applications and payment of grants awarded will be arranged.

Attachments

There are no attachments for this report.

Sport NZ Rural Travel Fund Application Summary and Financial Report

Record No: R/20/5/12478
Author: Louise Pagan, Communications Manager
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 Southland District Council administers funding on behalf of the Sport New Zealand Rural Travel Fund. The purpose of this fund is to assist with transport expenses associated with participating in regular local competitions. Sports clubs and school-based clubs with young people between five and 19 years are eligible to apply.

Executive Summary

- 2 Six applications have been received for this round of funding, which closed on 15 May 2020 (the deadline was extended from 31 March due to the nationwide lockdown from Covid-19). The amount for distribution is \$14,043. The total amount for distribution for the 2019/2020 year is \$17,043 and \$3,000 was given out in December.
- 3 This funding is provided with the proviso that competitions actually take place.
- 4 A summary of the six applications with recommendations for funding are as follows:

- 1 **Fiordland Swimming Club**
To help with the cost of getting club members to Invercargill for swim meets.
Km travelled: 1,800 Recommendation as per travel formula \$800
- 2 **Aparima College**
To assist with the cost of students travelling around the District for various sports competitions.
Km travelled: 10,000 Recommendation as per travel formula \$1,500
- 3 **Northern Southland College**
To assist with the cost of students travelling for regular competitions in football, volleyball, basketball and hockey.
Km travelled: 6,357 Recommendation as per travel formula \$1,200
- 4 **Winton Football Club**

To assist with the cost of club members travelling to Invercargill and Gore for regular competitions.

Km travelled: 5,912 Recommendation as per travel formula \$1,200

5 Winton Cricket Club

To assist with the cost of club members travelling around the District for regular competition.

Km travelled: 20,000 Recommendation as per travel formula \$1,500

6 Menzies Netball Club

To assist with the cost of getting students from the Wyndham and surrounding areas to Gore for competition.

Km travelled: 32,000 Recommendation as per travel formula \$1,500

Community and Strategy Committee

10 June 2020

- 5 The financial report for the fund up to 30 April 2020 is as follows:

Southland District Council Sport-NZ As at 30 April 2020 ¹			
<u>Summary</u>			
Opening balance, 1 July 2019	.	Actual	2,717
<u>Add</u>			
Grants Received*	.	13,326	
Reversal Prior Year Commitments ¹	.	1,000	
Interest 2019/2020**	.	-	
Total	.	17,043	
<u>Less:</u>			
Current Year Commitments	.	3,000	
Prior Year Commitments	.	-	
Advertising	.	-	
Grants not uplifted and cancelled/Refunds	.	-	
Total	.	3,000	
Funds Available for General Distribution	.	14,043	
* Grants received includes all funding anticipated to be received during the financial year.			
** Interest earned for the period has not been included. The actual amount will not be known until the end of the financial year when interest is allocated across Council's investments (30 June 2020).			
<u>Prior Year Commitments</u>			
2018/2019 Te Anau Rugby Club	Committed	Uplifted	Balance
	1,000 .	1,000 .	-
	1,000	1,000	-
<u>Current Year Commitments</u>			
Netball Fiordland	Committed	Uplifted	Balance
	1,500	1,500	-
Fiordland College	1,500	1,500	-
	3,000 .	3,000 .	-
<u>Refunds/Stale Cheques/Reversals</u>			
	Reversals		-
	-	-	-

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled “Sport NZ Rural Travel Fund Application Summary and Financial Report” dated 3 June 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Approves the allocation of funds for the Sport NZ Rural Travel Fund as follows:**

1	Fiordland Swimming Club	\$800
2	Aparima College	\$1,500
3	Northern Southland College	\$1,200
4	Winton Football Club	\$1,200
5	Winton Cricket Club	\$1,500
6	Menzies Netball Club	\$1,500

- e) **Approves the financial report up to 30 April 2020.**

Background

- 6 Southland District Council has administered the rural travel fund on behalf of Sport New Zealand since 2012. The fund was launched by Sport NZ in response to concerns raised by councils about the lack of participations in sport by young people living in rural communities.

Issues

- 7 The applicants have met the requirements of the fund.
- 8 A travel formula based on the number of kilometres travelled has been applied to the applications.

Factors to Consider

Legal and Statutory Requirements

- 9 The fund is administered in accordance with the Sport NZ/Southland District Council investment schedule, including terms and conditions, for 2019/2020.

Community Views

- 10 The fund subsidies are appreciated by sports and school-based clubs within the District.

Costs and Funding

- 11 Grants are covered by the funding provided by Sport NZ.

Policy Implications

- 12 The process meets Sport NZ requirements.

Analysis

Options Considered

- 13 The options for consideration are to either award grants to the applicants to assist with travel costs or decline the applications.

Analysis of Options

Option 1 – Award grants to applicants

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• fulfil Southland District Council's agreement to administer the Sport NZ rural travel fund on behalf of Sport NZ.	<ul style="list-style-type: none">• Southland District Council will not fulfil its obligation to administer the Sport NZ rural travel fund as per the investment schedule.

Option 2 – Not award grants to applicants

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• there are no advantages.	<ul style="list-style-type: none">• Southland District Council would not fulfil its obligation to administer the Sport NZ rural travel fund as per the investment schedule.

Assessment of Significance

- 14 Under Council's Significance and Engagement Policy, this is not considered to be significant.

Recommended Option

- 15 Option 1 – award grants to applicants.

Next Steps

- 16 Applicants will be advised of the outcome of their application and payment of grants arranged.

Attachments

There are no attachments for this report.

Sport NZ Community Resilience Fund

Record No: R/20/5/12087

Author: Kathryn Cowie, Community Liaison Officer

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☐ Recommendation

☒ Information

Purpose

- 1 The purpose of this report is to provide the Community and Strategy Committee with information regarding the Sport NZ Community Resilience Fund.

Executive Summary

- 2 The global Covid-19 pandemic has had an immediate and significant impact on the sport and recreation sector. In order to support local and regional sports organisations throughout the country to be able to continue to function in this difficult time, Sport NZ has recently announced the Community Resilience Fund, which is part of their overall financial support package to the sport and recreation sector as a result of Covid-19. The fund is aimed at providing immediate financial assistance to local sports clubs and regional organisations to allow them to remain financially viable during this immediate period of disruption (April – June).
- 3 The fund is administered by Regional Sports Trusts, Sport Southland being the administrator for Southland. To date Sport Southland have received 37 applications from both local clubs and regional organisations, with a total of \$134,398.17 allocated.
- 4 All organisations have been extremely grateful for this support.

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled “Sport NZ Community Resilience Fund” dated 25 May 2020.**

Overview of the Sport NZ Community Resilience Fund

- 5 Covid-19 and the subsequent nationwide lockdown has had a significant impact on the sport and recreation sector. With no competitions and no class 4 gaming funding revenue this has had an immediate and significant impact on the financial viability of sporting clubs and organisations throughout New Zealand. It is well documented that play, active recreation and sport, play a vital role in individual and community wellbeing, and it is important our local and regional sports organisations continue to be in a position to support the community as alert levels allow.
- 6 As part of their financial commitment in response to Covid-19, Sport NZ has implemented the Community Resilience Fund. This fund is aimed at immediately assisting local and regional sporting organisations to remain financially viable through the immediate period of disruption (April – June 2020) caused by the pandemic.

- 7 It is specifically targeted at organisations affiliated to Sport NZ partners and Māori organisations whose main purpose is the delivery of sport and recreation, which are experiencing short term financial hardship due to the impact of Covid-19.
- 8 Financial hardship means unable to pay bills for fixed administration costs incurred in the period April to June 2020, regardless of whether programmes are being delivered. These costs include utilities (phones, power), insurance, rates or rent, and audit fees.
- 9 The fund is not intended for organisations that already receive investment directly from Sport NZ, but for the regional and local organisations that form their networks. This is to help ensure that those organisations are able to continue delivering critical functions during the period of Covid-19 alert levels.
- 10 This fund provides additional financial help on top of other relief such as the Government Wage Subsidy, other sources of funding, and support from national bodies, for example:
- 11 The total amount of the Fund is \$15,000,000. This has been allocated on a regional basis, and maximum application amounts have been set. The maximum amount that any one organisation can apply for depends on whether the organisation is local or regional. Each organisation may only submit one application.
- 12 For the purposes of this fund:
- a local organisation is one whose members are individuals. It has no member organisations. It may itself be a direct member of the organisation listed on the National Partner List (attached), or of another organisation that is affiliated to an organisation listed there. Organisations at this level are generally known as clubs or associations
 - regional organisations are affiliates that sit between the national partner and local organisations. For NSOs, these are primarily RSOs and responsible for delivering regional competition structure, but may be known as zones, divisions, etc.
- 13 The limits that each type of organisation can apply for are:
- maximum of \$1,000 per local club / association
 - maximum of \$40,000 per regional organisation.

How to apply

- 14 Regional Sports Trusts are administering the fund in their areas on behalf of Sport NZ – Sport Southland being the administrator for this region.
- 15 All information and application forms are on the Sport Southland website where they have a page dedicated specifically to the Community Resilience Fund (<https://www.sportsouthland.co.nz/covid19-information-for-sports-1/sport-nz-community-resilience-fund>).
- 16 Attached to this report is a copy of the FAQ document which should answer any questions organisations may have, and Sport Southland also encourage anyone to contact them directly with queries.

Southland response

So far Sport Southland have received 37 applications:

- 14 from Regional Sport Organisations
- 23 from local clubs (wide spread of codes, including Scouts, and from all over Southland)

At the time of writing this report:

- 35 applications have been approved = \$134,398.17 allocated (this is 41% of the total CRF Sport Southland have been allocated as a region)
- 1 application is on hold waiting for more info
- 1 application has been declined

Organisation	Amount
Albion Rugby Club Incorporated	\$1,000.00
Bluff Rugby Club	\$1,000.00
Central Southland Gun Club	\$336.77
Central Southland Netball Centre	\$2,718.74
Collegiate Rugby Football Club	\$1,000.00
Cycling Southland	\$11,287.00
Eastern Southland Basketball Association	\$9,557.09
Gore Croquet Club	\$585.00
Gore Golf Club Inc	\$1,000.00
Hockey Southland	\$3,180.96
Ice Sports Southland	\$1,000.00
Invercargill Netball Centre	\$4,199.32
Jellicoe Sea Scout Group	\$1,000.00
Marist Brothers Old Boys Rugby Football Club Invercargill (Incorporated)	\$1,000.00
Mataura Rugby Football Club Inc	\$1,000.00
Mataura Scout Group	\$547.19
Midland's Rugby Club	\$1,000.00
Old Boys Association Football Club Incorporated	\$1,000.00
Pirates Old Boys Rugby club	\$1,000.00
Queens Park Association Football Club Inc	\$1,000.00
Rugby Southland	\$36,806.00
Southland Basketball	\$2,371.49

Community and Strategy Committee

10 June 2020

Organisation	Amount
Southland Football Inc	\$16,591.00
Southland Power Boat Club	\$1,000.00
Southland Softball Association	\$3,621.23
Star Rugby Football Club (Inc).	\$1,000.00
Table Tennis Southland Inc	\$3,087.00
Tennis Southland	\$2,248.00
Waiau Squash Racquets club	\$870.00
Waihopai Association Football Club	\$1,000.00
Waikaka Squash Rackets Club Incorporated	\$1,000.00
Waverley Scout Group	\$1,000.00
Woodlands Scout Group	\$200.00

- 17 As an organisation, Sport Southland were under a lot of pressure to get the fund up and running at their end in less than a week, but have commented that they are lucky to have a great team and that everyone made an effort to ensure the information went out to the community as soon as Sport NZ made the official announcement.
- 18 They have received, processed and supported 37 applications in less than two weeks, which is a major undertaking but one that they believe is for a great cause. Most applicants have received their payment within two days of submitting their application.
- 19 They have also advised that the community response has been great. They have been working with RSOs and local councils to promote the information to local clubs and have dedicated staff available to support organisations with their applications. They have also facilitated two drop in Zoom sessions to answer any questions organisations have had, and are planning on running one more, as well as exploring different channels to reach more local organisations.
- 20 Sport Southland also commented that all funding recipients have been very appreciative and grateful to receive support over this tough times. They are also pleased that Southland District Council are engaged and interested in what is happening in this sector.

Attachments

- A CRF - FAQ sheet [↗](#)
- B National partner list [↗](#)

Frequently Asked Questions



Sport NZ Community Resilience Fund

Can clubs apply directly to Sport NZ?

No applications must be submitted directly to a Regional Sports Trust (RST). Application details will be available on your local RST website from 10am, 11 May.

How do we apply?

All applications must be submitted through your local RST. Each region will have a different application process so please check on their website. A list of these websites can be found below.

How much can we apply for?

Local clubs/associations (with individual members) can apply for up to \$1,000.

Regional organisations (with member organisations) can apply for up to \$40,000.

Will we miss out if we take longer to apply, e.g. because we are waiting to complete our financial statements?

Possibly. Applications will be assessed as they are received. If the total amount allocated to your RST is exhausted through successful applications before you submit your application, there will be no more money available and your application will not be assessed.

We want to develop new programmes or events while we are in lockdown (or alert levels), so that we can have better options available for participants later in the year. Can we use the fund for this?

No. The Sport NZ Community Resilience Fund is specifically to help support organisations that are facing financial hardship due to the impact of COVID-19.

We will have a Physical Activity Fund available later in the year. Details of this are still being worked through. However, it is likely this fund may help with certain programmes or events. Keep an eye on our channels for more information on this so you can consider whether your new programmes or events might align to the criteria.

Can we get help to prepare a budget?

Regional Organisations must attach a budget to their application. We recommend that you contact your national organisation if you need help preparing a budget.

If you are a Māori organisation without a national body. Please contact the Sport NZ Rautaki Māori Team at crf@sportnz.org.nz for advice.

sportnz.org.nz

[New Zealand Government](#)

Can we apply if we're able to pay our bills now, but forecast that we probably won't be able to pay our bills after September 2020?

No. This Fund is to help reduce the immediate effects of the impact of COVID-19 on organisations. We are unsure what the effects will be in September and how cash flow for clubs will be affected.

Can any member of the club/organisation submit the application?

Yes, but this person must be authorised to submit the application on behalf of your organisation. Your application must include the name of an official who takes responsibility for the organisation's application, such as the Treasurer or Chair Person. You must only submit one application per club.

How much can we apply for?

Local clubs/associations (with individual members) can apply for up to \$1,000.

Regional organisations (with member organisations) can apply for up to \$40,000.

Do our financial statements need to be audited?

Only if you normally present audited financial statements at your AGM. If your organisation is required to have audited financial statements for other reasons, you should provide the most recently available audited financial statements with your application. If your financial statements are not normally audited, that's fine too, just provide the most recent available accounts.

What financial year should our budget cover?

Applications from regional organisations must include a budget for the current financial year. For example: if your year end is 31 March, the budget must be for the 12 months to 31 March 2021. If your year end is 30 June, the budget must be for the 12 months to 30 June 2020.

If my organisation's region or zone spans multiple RSTs, who do I apply via?

You may only apply to the RST for the region that covers your organisation's registered address. For example if your region is the top half of the North Island and your registered address is Whangarei, you would apply to Sport Northland. If you would like to clarify this for your individual scenario, feel free to email us on crf@sport.org.nz

When will I receive the money?

We know your need for funding is urgent. If your application is successful, you will receive the money within two weeks of your application being assessed.

Do we need to provide evidence of the bills we've paid with money received from the fund?

Sport NZ will undertake random checks, by contacting successful applicants in the year to ask for evidence of how the money was used. You do not need to send evidence to your RST.

List of Regional Sports Trusts

Aktive – Auckland Sport and Recreation www.aktive.org.nz
Sport Bay of Plenty www.sportbop.co.nz
Sport Canterbury – Canterbury/West Coast www.sportcanterbury.org.nz
Sport Gisborne www.sportgisborne.org.nz
Sport Hawke's Bay www.sporthb.net.nz
Sport Manawatu www.sportmanawatu.org.nz
Sport Northland www.sportnorthland.co.nz
Sport Otago www.sportotago.co.nz
Sport Southland www.sportsouthland.co.nz
Sport Taranaki www.sporttaranaki.org.nz
Sport Tasman www.sporttasman.org.nz
Sport Waikato www.sportwaikato.org.nz
Sport Wanganui www.sportwanganui.co.nz
Sport Wellington www.sportwellington.org.nz

Community Resilience Fund

Sport NZ Group Partner Organisations

Affiliation may be directly to the national body, or through a regional or other structure to the national body. This affiliation should be reflected in your organisation's constitution and operating model.

- | | | | | |
|------------------------|--|-------------------------------------|--------------------------------------|-----------------------------|
| • Archery NZ Inc | • Gymnastics NZ | • NZ Ice Figure Skating Association | • NZ Orienteering Federation | • Squash NZ |
| • Athletics NZ | • Halberg Disability Sports Foundation | • NZ Olympic Committee | • NZ Pony Clubs Association | • Surf Life Saving NZ |
| • Badminton NZ | • Hockey NZ | • NZ Petanque Association | • NZ Power Boat Federation | • Surfing NZ |
| • Baseball NZ | • Ice Speed Skating NZ | • NZ Polocrosse Inc | • NZ Rugby | • Swimming NZ |
| • Basketball NZ | • International Taekwon-Do Foundation (ITF NZ) | • NZ Powerlifting Federation | • NZ Water Ski Association | • Synchro Swim NZ |
| • Bowls NZ | • Karate NZ | • NZ Rugby League | • NZ Outdoor Instructors Association | • Table Tennis NZ |
| • Boxing NZ Inc | • Kart Sport NZ | • NZ Shooting Federation | • Olympic Weightlifting NZ | • Taekwondo NZ Incorporated |
| • Canoe Slalom NZ | • Marching NZ | • NZ Water Polo Association | • Paralympics NZ | • Tennis NZ |
| • Canoe Racing NZ | • Motorcycling NZ | • NZ Alpine Club | • Recreation Aotearoa | • Touch NZ |
| • Croquet NZ | • Motorsport NZ | • NZ Australian Football League | • Rowing NZ | • Triathlon NZ |
| • Cycling NZ | • Mountain Safety Council | • NZ Cricket | • Scouts NZ | • Volleyball NZ |
| • Diving NZ | • Netball NZ | • NZ Curling Association | • Skate NZ | • Waka Ama NZ |
| • Duke of Edinburgh | • NZ Confederation of Billiard Sports Inc | • NZ Darts Council | • Snow Sports NZ | • Wrestling NZ |
| • Equestrian Sports NZ | • NZ Football | • NZ Golf | • Softball NZ | • Yachting NZ |
| • Flying NZ | | • NZ Ice Hockey Federation | • Special Olympics NZ | • YMCA |
| • GirlGuiding NZ | | • NZ Indoor Bowls | • Speedway NZ | |
| • Gliding New Zealand | | • NZ Judo Federation | | |

Research and Analysis - COVID-19 Projects Presentation

Record No: R/20/5/11616

Author: Michelle Stevenson, Strategy and Policy Manager

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 This report presents to the Community and Strategy Committee (the committee) the COVID-19 projects undertaken throughout April and May 2020 by Council's strategy and policy team.

Executive Summary

- 2 COVID-19 is a global pandemic, and while some short-term impacts are becoming apparent, the medium-long term global, national, regional and local impacts of COVID-19 are largely still unknown and evolving as time passes.
- 3 At 11.59pm on Wednesday 25 March New Zealand entered a level 4 lockdown period, whereby only essential and critical to life services remained operational. Prior to this, New Zealand closed its borders to all non-residents. The intention, to eliminate COVID-19 from New Zealand and to avoid the devastating repercussions seen across the globe. At the time of writing, New Zealand is in alert level two.
- 4 As a result, there is expected significant and long term social, health and economic impacts for the country. Southland, with widespread enterprise in tourism, agriculture and farming, reliance on international visitors, workers and markets, will not be immune to these impacts. This will include, but not be limited to, an increase in unemployment and widespread economic and social disruption anticipated for some time.
- 5 Throughout the period of Level four and three lockdowns, staff have completed a number of work streams to better understand the likely impacts of COVID-19 on Southland communities, and what Council's role may be in varying scenarios. This ranges from consideration of Council's best role being to do nothing, enable, facilitate, influence and/or lead.
- 6 There are three projects to be presented to the Committee and include:
- lessons learned from previous significant events
 - reassessment of the draft significant forecasting assumptions to inform the long term plan 2021-2031
 - a district wellbeing scan
- 7 At the meeting 6 May 2020, the committee endorsed the projects presented in this report, to inform discussions on the COVID-19 impacts for Southland and Council and requested that staff maintain a watching brief as global, national, regional and local implications emerge.
- 8 Staff recommend that the committee receive the information attached to this report and provide any feedback.

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled “Research and Analysis - COVID-19 Projects Presentation” dated 3 June 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Recommends to Council the amended draft significant forecasting assumptions that inform planning for the long term plan 2021-2031 be endorsed.**

Background

- 9 On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a global pandemic. On Monday 23 March the New Zealand alert level was raised to level 3 and it was declared that the alert level would rise to level 4 by 11.59pm on Wednesday 25 March. Prior to this, New Zealand closed its borders to all non-residents. This meant that the nation went into lockdown for at least four weeks with only essential services running and the majority of New Zealanders staying inside their houses to help reduce the spread of COVID-19.
- 10 New Zealand, as at the time of writing this report, is at level 2 with lessening restrictions as the country continues to have little to no active COVID-19 cases.
- 11 As a result of this global pandemic the flow-on social, health and economic effects of the pandemic will be significant and of some duration, and many of these medium to long term impacts still largely unknown. Southland has extensive enterprise in tourism, agriculture and farming, and with a reliance on international visitors, workers and markets, will not be immune. There will be widespread impacts within our communities, including but not limited to, an increase in unemployment and widespread economic and social disruption anticipated for some time.
- 12 Council has an important role to play in leading and facilitating discussions around social, community and economic recovery/restart, and ensuring that services under the purpose of Local Government are maintained. This will require analysis and discussion of the services and levels of service that Council provides, how we prioritise existing and future work streams to ensure the needs of communities are met, now and into the future.
- 13 To this end, the Group Manager Community and Futures reprioritised the work of the strategy and policy team during the level 4 lockdown period to immediately focus on projects to better understand the impacts of COVID-19 for Southland and for Council.

Issues

- 14 This is a global pandemic and the medium-long term global, national, regional and local impacts of COVID-19 are largely still unknown and in a constant state of change.
- 15 Strategy and policy staff refocused their work to undertake COVID-19 specific priority work. The project briefs for this work were developed by the Group Manager Community and Futures and included a focus on preparing a district wellbeing scan, re-analysis of the draft significant forecasting assumptions, and what lessons can be learned from previous crises.
- 16 Staff have based their work on a significant amount of literature sourced from around the globe, and have also taken local and district context and information into consideration. Work undertaken is a snapshot in time, and undertaken by staff throughout lockdown, and in a short timeframe that may have otherwise not been considered in 'usual' working circumstances.
- 17 There are three presentations that will be made to the committee as part of this report. They include:
- lessons from previous events
 - draft significant forecasting assumptions – review
 - district wellbeing scan

Lessons from previous events

- 18 The outbreak of the current coronavirus (COVID-19) pandemic is resulting in significant and evolving socioeconomic change to the environment Council is operating in.
- 19 The report focuses on the learnings that can be made from previous events that have impacted globally and nationally, and identifies trends that may help Council better prepare for the recovery/restart phase for COVID-19 impacts. It is intended that the trends identified will help shape the principles used to drive the recovery/restart process, recognizing Council's key role in providing leadership and promoting the social, economic, environmental and cultural well-being for the community in what will be a changed environment.
- 20 Over the last century the world has had to contend with many global challenges – pandemics, recession, natural disasters and war. In addition to global events, New Zealand, since 2008 alone, has experienced a city-levelling earthquake in Christchurch, major drought, and a further earthquake which severed New Zealand's major transport route and caused widespread damage to the township of Kaikoura.
- 21 While the world has faced challenge before, none has led to the long-term disruption that COVID-19 has already, and is anticipated will continue for a number of years to come. The speed and potential depth of economic decline caused by such an unpredictable health crisis has created unprecedented scientific and socioeconomic uncertainty about how people and governments will behave in the coming months.

Draft significant forecasting assumptions - reviews

- 22 This report focuses on the draft significant forecasting assumptions endorsed by Council in December 2019 and how those assumptions may or may not have changed due to the ongoing impacts of COVID-19 on our District based on available literature and information.

- 23 The review considers the impact of COVID-19 on the short-term response as part of the recovery and restart phases. As Council continues to assess impacts in the short term, and options on how best to navigate the next 3-4 year period in particular, it is important to recognise the draft significant forecasting assumptions work is developed as part of the long term plan process and how these assumptions may impact the District over the next 10 years.

Wellbeing scan

- 24 The wellbeing scan looks at what changes to expect in the future internal and external operating environment for Council. There is a specific focus on what the District will be like during and after the COVID-19 pandemic, and how Council could lead, facilitate and support its communities at this time.
- 25 The purpose of local government, as set out in the Local Government Act 2002, includes reference to the role of local authorities in promoting the social, economic, environmental and cultural wellbeing of their communities. Therefore, the wellbeing scan has been grouped under each of the wellbeing's - social, cultural, economic and environmental.
- 26 The scan has assisted in informing the assumptions work for Council's long term plan 2021-2031. This work may also lead to discussions on the tools Council has available to influence the direction the community is taking, to promote social, economic, environmental and cultural wellbeing.

Factors to Consider

Legal and Statutory Requirements

- 27 There are no legal or statutory requirements to be considered in this report.
- 28 It is important to note that the research and analysis work being undertaken may be used to inform future discussions and decision making around the long term plan 2021-2031 and 2024-2034, which is a statutory requirement of Council.

Community Views

- 29 No specific community views have been sought in relation to this report.
- 30 The strategy and policy team staff have researched widely articles and literature from around the globe to inform their thinking in relation to COVID-19 and the possible implications for Southland in these early stages. The literature views sourced have been extensive to ensure that a balanced view point is provided, and from as many key themes and topics as possible in the short space of time.
- 31 Where appropriate the authors have spoken with relevant staff to incorporate Southland specific context.

Costs and Funding

- 32 All costs associated with this work are met within existing budgets. There are no additional costs expected.

Policy Implications

- 33 There are no specific policy implications with this work.
- 34 As noted above, this work may be used to inform future discussions and decision making relating to the long term planning process, and could therefore have influence around future policy decisions.

Analysis

Options Considered

35 There are two options to consider in this report:

Option 1 – receive the information provided and confirm staff maintain a watching brief of any significant emerging issues

Option 2 – request staff undertake further work on any or all of the workstreams presented with this report

Analysis of Options

Option 1 – receive the information provided and confirm staff maintain a watching brief of any significant emerging issues

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">the research and analysis undertaken to date is a snap shot in time and can be used to inform discussions around the current significant forecasting assumptions for the long term plan. These assumptions provide guidance for the development of activity management plansthe analysis will help guide conversations around work prioritisation and the rationale for reconsidering levels of service and currently scheduled work planswork can get underway to inform discussions around Councils options to act, in light of likely and already evident COVID-19 impactsCouncil can utilise the analysis to share with stakeholders and neighbouring councils to better inform a District and regional response as required	<ul style="list-style-type: none">the analysis is a snap shot in time and in a rapidly changing environment may be outdated or ill-informed without in-depth and on-going analysis being undertakenCouncil may not be positioned to respond quickly to changing situations if analysis of likely COVID-19 impacts changes significantlyacknowledges that BAU work for the strategy and policy team will be compromised as and when further COVID-19 analysis work is required

Option 2 – request staff undertake further work on any or all of the workstreams presented with this report

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • greater understanding of any COVID-19 specific impacts may be realised • Council may be positioned to respond with haste where able, if more in-depth analysis and understanding is undertaken • Council would maintain a heightened understanding of COVID-19 specific impacts for the District and be well positioned to inform and influence stakeholders 	<ul style="list-style-type: none"> • global, national, regional and local impacts of COVID-19 are largely still unknown and in a constant state of flux. On-going work at this early stage could be a poor use of resource in the larger picture • business as usual (BAU) work will be compromised if current resource is utilised to further this work

Assessment of Significance

- 36 The work at this stage is not considered significant in relation to Council's Significance and Engagement Policy.
- 37 If actions as a result of the analysis progresses however, the significance of this will increase. The cumulative impact of matters relating to COVID-19 will mean that there is a greater degree of importance and likely consequences for the following, as determined in Council's Significance and Engagement Policy (2017):
- the current and future social, economic, environmental or cultural wellbeing of the District or region;
 - people who are likely to be particularly affected by or interested in, the issue, proposal decision or matter; and
 - the capacity of Council to performs its role, and the financial and other costs of doing so.
- 38 Staff view that the project work presented is not of a current nature or significance that requires consultation.

Recommended Option

- 39 Staff recommend option 1, to receive the information provided and confirm staff maintain a watching brief of any significant emerging issues

Next Steps

- 40 If the committee supports the recommended option, staff will return in full capacity to their scheduled work programme and maintain a watching brief of any significant issues arising as a result of the global pandemic, and potential implications for the District. Staff will take guidance from the chief executive for any further work identified in this space.
- 41 If option two is preferred, staff will work with the group manager community and futures to reprioritise existing work plans.
- 42 If the committee recommends that Council endorse the amended significant forecasting assumptions, a report will be presented to Council at the 22 July meeting.

Attachments

- A Recovery - lessons from previous crises [↓](#)
- B Wellbeing scan 2020 [↓](#)
- C Significant Forecasting Assumptions Review - Covid-19 [↓](#)
- D Draft Significant Forecasting Assumptions. 27.01.2020 [↓](#)

Recovery – lessons from previous crises

Author: Jane Edwards

Purpose

The purpose of this report is to critically review literature on past crises in order to better identify and understand trends that can be used to prepare for the recovery phase as a result of the current coronavirus pandemic

Executive summary

[This report has involved a rapid assessment of the information and analytics available through to 6 May 2020 as the coronavirus pandemic continues to unfold.]

The outbreak of the current coronavirus (COVID-19) pandemic is resulting in significant and evolving socioeconomic change to the environment Southland District Council (Council) is operating in. It is vital that Council develops an understanding of what these changes will entail for the District currently and going forward.

This report focuses on the learnings that can be made from previous events that have impacted globally and nationally, and identifies trends that may help Council better prepare for the recovery phase for COVID-19 impacts. It is proposed that the trends identified will help shape the principles used to drive the recovery/restart process, recognizing Council's key role in providing leadership and promoting the social, economic, environmental and cultural well-being for the community in what will be a changed environment.

Over the last century the world has had to contend with many global challenges – pandemics, recession, natural disasters and war. In addition to global events, New Zealand, since 2008 alone, has experienced a city-levelling earthquake in Christchurch, major drought, and a further earthquake which severed New Zealand's major transport route and caused widespread damage to the township of Kaikoura¹.

While the world has faced challenge before, none has led to the long-term disruption that COVID-19 has already, and will continue to inflict. The crisis currently faced has happened so quickly and with such breadth that its impact has been likened to an asteroid hitting earth². The speed and potential depth of economic decline caused by such an unpredictable medical crisis has created unprecedented scientific and socioeconomic uncertainty about how people and governments will behave in the coming months³.

While there are many unknowns ahead - what will happen to the economy, and what this all means for jobs, businesses and people - what is clear is that the world is heading for recession, or worse, depression⁴. The challenge now is to make it short-lived.

¹ <https://thestandard.org.nz/the-global-financial-crisis-10-years-on/>

² <https://www.stuff.co.nz/national/politics/opinion/120815679/heres-how-coronavirus-will-change-us-judith-collins?fbclid=IwAR3-edC-j9brlixK1oyR9c01CVAcyveZH0-XHNMwgrT21j2Nu59O-x-3tEI>

³ <https://www.theguardian.com/business/2020/apr/08/the-2008-financial-crisis-will-be-seen-as-a-dry-run-for-covid-19-cataclysm>

⁴ <https://www.forbes.com/sites/panel-of-economic-commentators/2020/03/23/economic-recovery-from-covid-19-and-geopolitical-ramifications/#8df1158596eb>

At the time of writing, the focus locally, nationally and globally is on response and mitigation as the world remains in some form of lockdown to contain the spread of the virus. In time, however, there will be a gradual shift in focus to a recovery and restart/reactivation phase.

In preparing for this next phase, there is value in analyzing historic events in comparison to this pandemic. By reexamining past crises that have had effect on a national and global level, and providing historic context, there is the potential to both learn from past mistakes and also to try and replicate measures that have succeeded.

Analysis has been given to both how other recovery efforts from crisis have been managed and also the repercussions, both immediate and long term, in social, economic, and political terms. This report examines the pandemic response to the Spanish flu, SARS and Swine flu, plus the economic effects of the Great Depression and the global financial crisis. The impacts of other ‘meteor’ events such as the 9/11 terrorist attacks in the United States and the Canterbury earthquakes are also examined.

In summary, key lessons learned from these past crises are that:

- there is no one ‘rule book’ to follow for any one crisis and what has worked in the past will not have the necessary agility or flexibility for the dynamic adaptation that will be required for COVID-19.
- recovery will be a long-term and potentially painful process. In order for this to take place successfully, the community must be on board – this will require effective communication and governance in order to gain trust and the willingness to comply with whatever measures are required.
- the impact of the pandemic has been broad and all-encompassing and consequently the recovery must be viewed as broad and all-encompassing also. To keep the community at the heart of recovery planning, the social and economic contexts will be equally, if not more, important as the financial context going forward. Therefore, it will require a collaborative effort to draw upon the combined strengths of the District in order to be successful.

Background

In December 2019, an outbreak of a new coronavirus disease now called COVID-19 (sometimes called novel coronavirus or 2019-nCoV) was discovered⁵. Coronaviruses are a large and diverse family of viruses which cause illnesses such as the common cold. The most recent diseases caused by coronaviruses include severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS)⁶. COVID-19 was first reported in Wuhan City, Hubei Province, China. A live animal market in Wuhan City is suspected as the original source of the outbreak⁷.

Like the flu, COVID-19 can be transmitted from person to person, usually because of contact with people with the virus who have symptoms. Covid-19 is not as contagious as measles and not as likely to kill an infected person as Ebola, but people can start shedding the virus several days in advance of symptoms. As a result, asymptomatic people can transmit the infection before they know to self-isolate or take other measures. For most people, infection will cause mild illness however, it can make some people very ill and,

⁵ <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-novel-coronavirus-health-advice-general-public/covid-19-novel-coronavirus-questions-and-answers>

⁶ <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-novel-coronavirus-health-advice-general-public/covid-19-novel-coronavirus-questions-and-answers>

⁷ <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-novel-coronavirus-health-advice-general-public/covid-19-novel-coronavirus-questions-and-answers>

in some people, it can be fatal. Older people, and those with pre-existing medical conditions are at risk for severe disease⁸.

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a global pandemic⁹. New Zealand implemented an alert system with levels increasing from one to four. On 23 March 2020, the alert level was raised to three and it was declared that the alert level would rise to four at 11.59pm on 25 March 2020. This resulted in the nation going into lockdown for four weeks with only essential services operating and the majority of New Zealanders staying inside their houses to help reduce the spread of Covid-19.

Level four ended at 11.59pm on 27 April 2020 and New Zealand continued lockdown under level three for a further two weeks ending on 13 May 2020. The country will continue at level two for the foreseeable future¹⁰. While the lockdown phases so far appear to have succeeded in containing the spread of the virus within New Zealand's borders, containment in many other countries has failed. The virus has spread, invisibly and uncontrolled in many developed countries as well as in developing countries with little public-health infrastructure¹¹. This has long term implications for New Zealand as the threat of reinfection will continue until other countries also manage to get the virus under control.

At the time of writing (12 May 2020), 212 countries and territories around the world have reported a total of over 4.26 million cases of COVID-19, and over 208,000 deaths¹². While New Zealand's overall infection numbers and fatalities have been low in comparison to many other countries, the Southern District Health Board (SDHB) has fared disproportionately compared the rest of New Zealand. The SDHB (which includes Southland, Queenstown Lakes, Clutha, Waitaki and Otago) has recorded the second highest number of cases in New Zealand (216 cases and 2 deaths¹³) with a cluster from a Southland wedding (which at time of writing, remains the country's largest cluster) contributing to the high figure¹⁴.

In economic terms, COVID-19 has done to the global economy in a month what the global financial crisis (GFC) took two years to do¹⁵. Not one nation or another, not one economy or another, the coronavirus has hit households, businesses, financial institutions, and markets all at the same time—first in China and now globally. Italy, the Eurozone's third biggest economy, become the first Western developed nation to idle most of its economy, stating “we are entering a war economy”¹⁶. The rest of world has largely followed suit with most of the globe currently in stages of lockdown to contain the spread of the virus.

While information and analytics are changing constantly as the pandemic evolves, the United Nations (UN) estimates that as many as 25 million jobs could be lost in the economic upheaval¹⁷. As more countries fall ill to the effects of the virus, the UN estimates global economic losses of up to US\$2 trillion¹⁸. Here in New Zealand, the Treasury has warned that unemployment could hit ‘double digits’¹⁹;

⁸ www.who.int/docs/default-source/coronaviruse/situation-reports/20200319-sitrep-59-covid-19.pdf?sfvrsn=c3dcdef9_2

⁹ <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/events-as-they-happen>

¹⁰ <https://covid19.govt.nz/>

¹¹ <https://www.nytimes.com/2020/03/17/opinion/coronavirus-1918-spanish-flu.html>

¹² https://www.worldometers.info/coronavirus/?utm_campaign=homeAdvegas17%22 Accessed 12 May 2020

¹³ <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-current-situation/covid-19-current-cases#dhbs>

¹⁴ <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-current-situation/covid-19-current-cases/covid-19-significant-clusters>

¹⁵ <https://www.stuff.co.nz/national/politics/opinion/120815679/heres-how-coronavirus-will-change-us-judith-collins?fbclid=IwAR3-edC-j9brlixK1oyR9c01CVAcyeZHO-XHNMwgrT21j2Nu59O-x-3tEI>

¹⁶ <https://www.stuff.co.nz/world/120611797/coronavirus-halfmillion-infected-worldwide-as-economic-toll-rises?cid=app-iphone>

¹⁷ <https://www.stuff.co.nz/world/120611797/coronavirus-halfmillion-infected-worldwide-as-economic-toll-rises?cid=app-iphone>

¹⁸ <https://www.visualcapitalist.com/covid-19-economic-impact>

¹⁹ <https://www.dw.com/en/coronavirus-shock-vs-global-financial-crisis-the-worse-economic-disaster/a-52802211>

economic activity is forecast to have declined by a third during the four-week level four lockdown²⁰; and the gross domestic product (GDP) is estimated to drop by up to 10%²¹.

Like a war, there is continued uncertainty about the duration and intensity of the crisis. Consumer confidence has fallen in New Zealand and while a short rebound may occur as the lockdown eases, it is likely to be some time before the economy readjusts to a 'new normal'²². Despite this, there is a sense of nervous calm in financial markets that the unprecedented policy support from central government will stave off more serious outcomes for the New Zealand economy.

PANDEMIC

Outbreaks of disease are not new; in the twentieth century four global outbreaks occurred (Spanish flu 1917, Asian flu 1957, Hong Kong flu 1968, and HIV 1981+). The twenty first century has already brought four outbreaks in its first two decades (SARS 2002, Swine flu 2009, MERS 2012 and Ebola 2013 +). While each experience helps prepare for the next, each major outbreak is different and experts can have difficulty anticipating the response preparations required for future outbreaks.

This report looks at three pandemics: the Spanish flu which caused the highest number of known influenza deaths in one global event; SARS, which was the world's first experience of a coronavirus; and Swine flu, which was New Zealand's most recent experience of a pandemic within its borders. Ebola is also considered briefly – it has not figured prominently within New Zealand however has factors worth considering in terms of COVID-19 impact.

Spanish flu

Summary globally and locally

The 1918 influenza pandemic was the most lethal pandemic in recent history. It was caused by an H1N1 virus with genes of avian origin²³ and although there is not universal consensus regarding where the virus originated, it spread worldwide during 1918-1919. It is estimated that about 500 million people, or one-third of the world's population, became infected with the virus²⁴. The number of deaths was estimated to be at least 50 million worldwide²⁵. No other event has claimed so many lives in such a short time.

New Zealand's remoteness, as now, meant that the Spanish flu arrived later here than it had elsewhere in the world. By keeping minor cases separate and limiting peoples' movement, New Zealand hoped that the disease would burn itself out quickly. Basic social distancing measures and travel restrictions helped to contain the outbreak in some isolated areas, while in more urban areas, many towns and cities closed or restricted opening hours for public facilities and businesses, and cancelled or postponed public events or gatherings. Despite these efforts, in a six week period between October and December 1918, the Spanish flu killed 9000 New Zealanders²⁶.

There were uneven rates of death throughout the New Zealand. Māori suffered acutely with an overall death rate of 50 per thousand people (overall death rate for Pākehā was 5.8 per thousand²⁷). Some

²⁰ <https://www.stuff.co.nz/business/120613593/westpac-forecasts-unemployment-will-climb-by-200000?cid=app-iPhone>

²¹ <https://www.stuff.co.nz/business/120613593/westpac-forecasts-unemployment-will-climb-by-200000?cid=app-iPhone>

²² <https://www.stuff.co.nz/business/120613593/westpac-forecasts-unemployment-will-climb-by-200000?cid=app-iPhone>

²³ <https://www.cdc.gov/flu/pandemic-resources/1918-pandemic-h1n1.html>

²⁴ <https://fivethirtyeight.com/features/why-did-the-world-shut-down-for-covid-19-but-not-ebola-sars-or-swine-flu/>

²⁵ <https://www.cdc.gov/flu/pandemic-resources/1918-pandemic-h1n1.html>

²⁶ <https://www.livescience.com/spanish-flu.html>

²⁷ <https://thespinoff.co.nz/society/04-04-2020/the-lessons-new-zealand-learned-from-spanish-flu/>

communities, including here in Southland, were also hit particularly hard. Nightcaps and Wairio had an overall death rate of 45.9 deaths per thousand which was five times that of Southland as a whole²⁸. Influenza historian, Geoffrey Rice, suggests that the high death rate in these isolated towns, as in many Māori communities, may have been the result of a combination of high morbidity and lack of anyone spared to organize relief efforts²⁹. The high death rate amongst Māori was also a result of lowered immunity to European diseases such as previous strains of influenza. Poverty and lower standards of housing, clothing and nourishment added to the susceptibility of Māori to the disease³⁰.

SARS

Summary globally and locally

Severe acute respiratory syndrome (SARS) first appeared in China in late 2002. Over the next few months it spread to 26 countries in North America, South America, Europe and Asia before the outbreak was contained. By that time, there had been more than 8000 cases globally and over 900 deaths³¹. The SARS outbreak was defined by the WHO as an epidemic rather than a pandemic, but it was still a significant event in terms of both public health and the global economy.

The disease was the world's first experience of coronavirus and the virus was transmitted from animals to humans in live animal markets. Although most cases were found in China and Hong Kong, a relatively prolonged incubation period allowed asymptomatic air travelers to spread the disease globally in a short space of time leading to smaller clusters of cases being found elsewhere³².

Medical knowledge on SARS was very limited in the initial stages of the outbreak and there were no diagnostic tests or specific treatment available. This lack of knowledge hindered action to isolate and contain the virus leading to its spread in Asia. This necessitated non-pharmaceutical interventions (NPIs) being put into place to try and control the spread. These included implementing a disease surveillance system, expanding testing capacity, contact tracing with continued medical surveillance, quarantining of close contacts, collaboration between investigation and response teams, and public education and communication. While China, Singapore and Hong Kong were at the forefront of instigating these infection control measures, they were replicated by many other countries during the outbreak and helped to contain the virus and bring the global outbreak to an end by July 2003³³.

While the overall economic impact for the Asian countries most affected by SARS was not as severe as had been expected due to its swift containment, travel, tourism and retail were substantially affected as a result of the short-term decline in visitors. Vietnam and China's loss to GDP by tourism was 15% and 25% respectively in 2003; Hong Kong and Singapore suffered losses of 41% and 42% respectively³⁴. Even with the relatively rapid recovery of the Chinese economy, it took nearly two years for the global economy to return to previous levels. SARS had an overall estimated global economic cost of US\$100 billion and US\$48 billion in China alone.

No cases of SARS have been diagnosed in New Zealand³⁵ and New Zealand's economy suffered only short term and minor effects.

²⁸ <https://nzhistory.govt.nz/culture/1918-influenza-pandemic/death-rates>

²⁹ <https://nzhistory.govt.nz/culture/1918-influenza-pandemic/death-rates>

³⁰ <https://thespinoff.co.nz/society/04-04-2020/the-lessons-new-zealand-learned-from-spanish-flu/>

³¹ <https://monitor.icef.com/2020/04/looking-ahead-scenario-planning-and-recovery-forecasts-for-international-education/>

³² <https://www.ncbi.nlm.nih.gov/pubmed/15018127>

³³ <https://www.sciencedirect.com/science/article/pii/S0168851004002428>

³⁴ <https://www.sciencedirect.com/science/article/pii/S0168851004002428>

³⁵ <https://www.health.govt.nz/our-work/diseases-and-conditions/communicable-disease-control-manual/severe-acute-respiratory-syndrome-sars>

Swine flu

Summary globally and locally

The 2009 Swine flu pandemic was the second H1N1 pandemic the world had seen. Swine flu was first detected in the United States (US) in 2009 and went on to infect more than 1.6 million and killed over 280,000 people across 214 countries³⁶. Typical seasonal influenza causes most of its deaths amongst the elderly, or those with underlying health issues. In contrast, like the first H1N1 pandemic in 1917 (the Spanish flu), the majority of severe illness and death occurred in the younger age groups - 80% of global deaths from Swine flu were estimated to occur in those under 65 years old, both those with chronic conditions as well as healthy individuals³⁷.

The WHO declared a global pandemic and put the world on the highest pandemic alert³⁸, however the first cases of Swine flu arrived in New Zealand in April 2009 with Auckland students returning from a trip to Mexico³⁹. New Zealand put into effect the procedures outlined in its influenza pandemic plan which sets out the all-of-government strategy and framework for action⁴⁰. The government implemented containment measures at New Zealand's borders and requested that people suspected of having the virus stay in isolation. Despite this, in the months that followed, the Ministry of Health reported more than 3500 cases of Swine flu infection, and it was recorded as being responsible for 20 deaths, although a dozen more may have resulted from infection⁴¹.

According to a study coordinated by the Australian and New Zealand Intensive Care Research Centre, up to 20% of intensive care unit (ICU) beds overall were occupied by Swine flu patients at the height of the pandemic in July 2009. In New Zealand hospitals, about 25% of all ICU activity was pandemic-related and about 12% of patients hospitalised with swine flu were admitted to ICU⁴². The surge of patients with H1N1 influenza placed substantial strain on staff and resources with hospitals stretched to the very limit of their resources. The impact in New Zealand was monitored by health authorities and resulted in school closures throughout the country. There had been multiple instances of community transmission, and threats to close the nation's borders.

Subsequent seroprevalence (the level of a pathogen in a population) studies found that the Swine flu virus had been highly infectious and had reached a far larger proportion of the population over a very short time frame⁴³ than had originally been reported. The large number of symptomatic and asymptomatic infections subsequently resulted in higher than expected levels of immunity. An estimated 18% of the New Zealand population (800,000) were infected with the virus during the first wave including one child in every three⁴⁴. Older people had a high prevalence of pre-existing immunity which protected them against infection as it had during the Spanish flu⁴⁵. Pasifika and Māori had the highest seroprevalence in comparison to other ethnic groups⁴⁶.

³⁶ <https://www.forbes.com/sites/panel-of-economic-commentators/2020/03/23/economic-recovery-from-covid-19-and-geopolitical-ramifications/#8df1158596eb>

³⁷ <https://www.cebm.net/covid-19/covid-19-deaths-compared-with-swine-flu/>

³⁸ https://en.wikipedia.org/wiki/2009_swine_flu_pandemic

³⁹ https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10815658

⁴⁰ <https://www.health.govt.nz/your-health/healthy-living/emergency-management/pandemic-planning-and-response/influenza-pandemic-plan>

⁴¹ https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10815658

⁴² https://en.wikipedia.org/wiki/2009_swine_flu_pandemic_in_New_Zealand

⁴³ <https://www.health.govt.nz/system/files/documents/publications/seroprevalence-flu-2009.pdf>

⁴⁴ <https://www.health.govt.nz/system/files/documents/publications/seroprevalence-flu-2009.pdf>

⁴⁵ <https://www.health.govt.nz/system/files/documents/publications/seroprevalence-flu-2009.pdf>

⁴⁶ <https://www.health.govt.nz/system/files/documents/publications/seroprevalence-flu-2009.pdf>

Ebola

Ebola (also known as Ebola hemorrhagic fever) first appeared in Southern Sudan in 1976⁴⁷. The virus is transmitted to people from wild animals and spreads in the human population through human-to-human transmission. Ebola is a severe disease with a fatality rate of 50%⁴⁸. It is deadlier than COVID-19 but like SARS, Ebola is not easily transmittable. Severe symptoms make it easier to identify and isolate infected individuals, and to protect health care workers to limit the spread, which is what occurred in the 2014-2016 outbreak.

COVID-19 in context of past pandemic crises

Mortality and contagion

	SPANISH FLU	SARS	SWINE FLU	EBOLA	COVID-19 *ESTIMATED
FATALITY RATE	2.5%	11%	0.1%	50%	3.4%*
CONTAGION (R-0)	1.5	4	1.46	2	2.5*
TOTAL INFECTION	500,000,000	8000	1.6 billion	28,600	3,260,000 As at 1 May 2020
TOTAL DEATH (APPROX)	50,000,000	900	280,000	11,325	233,000 As at 1 May 2020

Source: World Health Organisation <https://www.who.int/> - accessed 1 May 2020

The main difference currently is that SARS and Swine flu ended up being much less deadly infections. There are a range of estimated case fatality rates for Swine flu, but even the highest, less than 0.1 percent⁴⁹, is much lower than the current estimates for COVID-19 which is approximately 3.4 percent⁵⁰. While this does not sound like a big difference, when extrapolated could mean millions more deaths. SARS had a high case fatality rate of 11 percent⁵¹. However, although the SARS death rate is higher than COVID-19, the current pandemic has proved far more contagious and subsequently claimed more lives.

The H1N1 virus is less contagious than Covid-19. The basic reproduction number, called the R-nought value (R-0), is the expected number of individuals who can catch the virus from a single infected person. The R-0 for the Swine flu virus was 1.46, according to a review published in the journal BNC Infectious Diseases⁵².

For COVID-19, the R-0 value is estimated to currently be 2.5⁵³. SARS R-0 value of 4⁵⁴ is higher than that currently estimated of COVID-19 however the SARS outbreak was contained more easily by the severity of the symptoms first exhibited. Effective tracing and quarantining of contacts meant that the SARS virus was contained before it could spread as far and wide as the current pandemic has.

⁴⁷ <https://www.who.int/news-room/fact-sheets/detail/ebola-virus-disease>

⁴⁸ <https://www.who.int/news-room/fact-sheets/detail/ebola-virus-disease>

⁴⁹ <https://www.bloomberg.com/opinion/articles/2020-03-10/how-coronavirus-compares-with-2009-s-h1n1-in-spread-and-reaction>

⁵⁰ <https://ourworldindata.org/mortality-risk-covid>

⁵¹ <https://www.ncbi.nlm.nih.gov/pubmed/15018127>

⁵² <https://www.livescience.com/covid-19-pandemic-vs-swine-flu.html>

⁵³ <https://www.livescience.com/covid-19-pandemic-vs-swine-flu.html>

⁵⁴ <https://www.businessinsider.com.au/coronavirus-contagious-r-naught-average-patient-spread-2020-3?r=US&IR=T>

Public Health response

Pandemics have been the catalyst for major change in public health policy in the past and there is no reason to expect otherwise now. While no pandemic has been identical to a preceding one, each gives valuable insight into how best to prepare for inevitable next one.

In the case of Spanish flu, the world had just come out of a global war and the idea of a public health system was still in its infancy. With the arrival of influenza in New Zealand, the government needed to mobilise resources as if they were at war again, this time in an urban setting. Centralized public health planning was seen as the best defence against the pandemic. The Health Minister, George Russell, issued all borough councils and town boards a practical and comprehensive plan for relief organization and gave full initiative to the local authorities⁵⁵. Post pandemic, the development of the public health system evolved still further with the Health Act 1920⁵⁶ which was widely recognized at the time as a model piece of health legislation on the global stage.

SARS too was a catalyst for change in Asian medical systems, with health spending rising. This resulted in major hospital upgrades and strengthened epidemiological, laboratory and research capacity. This improved medical response enabled earlier detection of other infectious disease outbreaks and the promotion of research and development⁵⁷.

The Swine flu pandemic in New Zealand had important implications for public health policy in this country. The high proportion of asymptomatic infections was a frightening indication of the silent spread of the disease. An estimated 45.2% of seropositive individuals had no symptoms at all⁵⁸. The New Zealand Influenza Pandemic Action Plan underwent revision after the Swine flu pandemic, as did action plans for all civil defence emergencies⁵⁹. Measures instigated at ports of entry and education institutions were also reevaluated to underscore the need for increased vigilance both at community and individual levels to reduce the future spread of disease⁶⁰. Public health measures such as vaccinations became available quickly in order to minimize the impact of the pandemic.

In the US, the lessons learned from previous pandemics were not put to use - the US public health system is reported to have been better prepared for a pandemic in 2009 than they were as COVID-19 arrived on its shores⁶¹. While the genetic sequence for both H1N1 and COVID-19 were released in the same time frames and the US declared a public health emergency in the same time frame, the similarities stop there. In 2009, health supplies from the national stockpile were released quickly⁶². This time around, faulty testing kits were released meaning that the virus could continue spreading undetected for weeks. This was further exacerbated by laboratories running out of supplies quickly which has prompted desperate measures to acquire them from other states⁶³.

Central government response

Quarantine

During a severe pandemic, there are different approaches to limiting the spread of the disease. At this current time, the reality is that there is no vaccine or treatment available to eradicate COVID-19. All that

⁵⁵ 'Response to the influenza pandemic', URL: <https://nzhistory.govt.nz/culture/1918-influenza-pandemic/response>, (Ministry for Culture and Heritage), updated 13-Jan-2016

⁵⁶ 'Aftermath', URL: <https://nzhistory.govt.nz/culture/1918-influenza-pandemic/aftermath>, (Ministry for Culture and Heritage), updated 20-Dec-2012

⁵⁷ <https://www.ncbi.nlm.nih.gov/books/NBK92479/>

⁵⁸ <https://www.health.govt.nz/system/files/documents/publications/seroprevalence-flu-2009.pdf>

⁵⁹ <http://www.health.govt.nz/.../new-zealand-influenza-pandemic-plan-frame>

⁶⁰ https://en.wikipedia.org/wiki/2009_swine_flu_pandemic_in_New_Zealand

⁶¹ <https://www.livescience.com/covid-19-pandemic-vs-swine-flu.html>

⁶² <https://www.livescience.com/covid-19-pandemic-vs-swine-flu.html>

⁶³ <https://www.livescience.com/covid-19-pandemic-vs-swine-flu.html>

are available are the same NPI methods such as quarantines and social distancing that were used to control epidemics in the early 20th century such as Spanish flu.

Most successful approaches to containing Spanish flu included the early, sustained and layered application of social distancing in the form of lockdown. While key to its effectiveness was its timing, in order to be successful, lockdowns also need to be sustained. In the case of Spanish flu here in New Zealand, when the trend in cases began to decline, lockdown and social distancing were unofficially relaxed until a second, deadlier, wave of influenza hit⁶⁴.

A recent study in the US took a city-by-city look at the effects of the Spanish flu on the American economy and found that the longer and more intensively a city worked to contain the outbreak, the better its subsequent economic performance⁶⁵. The reanalyzed data found that the benefits of multiple interventions are greatest if introduced early (before 1% of population is infected) and maintained. In cities with similar virulence and similar mitigations (i.e. quarantine, travel restrictions), social distancing measures were able to reduce death rates by 50% and, if maintained, the overall mortality was significantly reduced⁶⁶.

The SARS outbreak saw countries throughout Asia ‘ring fencing’ against the new global threat⁶⁷. Open borders became a problem and informal travel bans and visa freezes were implemented to limit travel to and from SARS-affected countries. Quarantines were enforced throughout Asia and Toronto (approximately 30,000 Beijing residents⁶⁸, 20,000 in Toronto⁶⁹, were quarantined in their homes or quarantine sites) with varying levels of success. Studies since the SARS outbreak have indicated that quarantine played little or no role in controlling SARS⁷⁰. Furthermore, mass quarantine potentially did considerable harm by fueling public anxiety. In the case of the SARS outbreak, case identification and contact tracing, social distancing and isolation of infection played a more fundamental role in controlling and eradicating the virus.

Compliance

Not everyone will accept the reduction of individual autonomy and privacy in exchange for a collective benefit. However, in the instance of disease outbreak, in order for NPIs to work, people have to understand and accept the need to comply and they then have to sustain that compliance.

The need for early intervention measures was known about in 1918 but studies have shown that ultimately there was no difference in morbidity and mortality between the New Zealand military camps that did and did not follow orders⁷¹. Over time, people became complacent and when restrictions were relaxed, the return of the virus led to public doubt as to the effectiveness of the NPIs. If army camps in wartime (1918) failed to sustain compliance, it is questionable whether civilian communities in peacetime will be able to meet the challenge of potential sustained or cyclical restrictions that containing COVID-19 might entail.

Compliance with the Toronto SARS quarantine was poor. Only 57% of people quarantined were ‘compliant’ according to Toronto officials⁷². Taiwan implemented quarantine orders on hospitals with the result that medical staff, unhappy with their confinement, ended up abandoning the hospitals. China too, reported instances of rioting against the setting up of quarantine centres in two provinces.

⁶⁴ <https://www.newshub.co.nz/home/new-zealand/2020/03/what-the-spanish-flu-taught-us-about-social-distancing.html>

⁶⁵ <http://www.economist.com/briefing/2020/04/04/the-hard-choices-covid-policymakers-face>

⁶⁶ <http://www.economist.com/briefing/2020/04/04/the-hard-choices-covid-policymakers-face>

⁶⁷ <https://www.sciencedirect.com/science/article/pii/S0168851004002428>

⁶⁸ <https://www.ncbi.nlm.nih.gov/books/NBK92479/>

⁶⁹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2094974/>

⁷⁰ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2094974/>

⁷¹ <https://www.nytimes.com/2020/03/17/opinion/coronavirus-1918-spanish-flu.html>

⁷² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2094974/>

However, while there was resentment amongst some Singaporeans who complained that their right to privacy had been invaded by the surveillance methods used to trace the virus, there was fairly widespread support for measures that other countries will unwilling to adopt.

The SARS outbreak showed that compliance is both effective and necessary for the containment of infectious diseases. The limited amount of questioning, the rapid rate of adoption and the smooth implementation of many of the policies came down to two things in Singapore: strong social discipline and the crisis mentality of the people.

Communication

Past experience has emphasized the crucial role of communication in successful pandemic planning and recovery. If the public is going to be required to comply over time, they will have to be led, inspired or compelled and the vehicle for that is communication⁷³.

In 1918, trust in authority disintegrated. No one knew who or what to believe. Decision makers were always on the back foot, making policy to fight fires rather than prevent them from starting. Pressured to maintain wartime morale, neither national nor local government officials told the truth. The disease was called 'Spanish' flu, and one national public-health leader said "This is ordinary influenza by another name"⁷⁴. Most local health commissioners followed that lead and newspapers echoed them. In the US, as Philadelphia began digging mass graves; closed schools, saloons and theatres; and banned public gatherings, one newspaper even wrote: "This is not a public health measure. There is no cause for alarm"⁷⁵. Rumours circulated widely. People lost trust in one another, became alienated and isolated⁷⁶.

The SARS outbreak emphasized the importance of open and transparent communication with the public. Then, as currently, the public were facing an unknown deadly disease. Public fear is understandable and should not be viewed as irrational - countries such as Singapore and Hong Kong, who had successful compliance with public health measures, helped to alleviate public anxiety by ensuring frequent, open and honest information was available. Channels of public communication used during the outbreak included daily press briefings, TV and radio announcements, internet SARS bulletins, setting specific prevention guidelines and above all a telephone hotline for public enquiry⁷⁷.

Economy

There are parallels between SARS and COVID-19, however the world today is a different arena. The SARS outbreak had minimal impact on the New Zealand economy which is in part due to the limited role of China in the global economy in 2003. China now accounts for 21.4% of world GDP compared to around 4.5% during the SARS outbreak⁷⁸. While it is still too early to quantify the economic impact of the current crisis, it will be on a scale far greater than previous disease outbreaks.

While there were concerns for the tourism industry during the SARS epidemic, the lower numbers of visitors from Asian countries were countered by increased numbers from elsewhere. The impact to the industry was likened to that after the 9/11 attacks and the Bali bombings – the global situation meant that New Zealand was seen as a safe destination and Australians in particular were keen to travel more closely to home⁷⁹. Although the current pandemic will have a longer term impact than that of SARS, when New

⁷³ <https://www.nytimes.com/2020/03/17/opinion/coronavirus-1918-spanish-flu.html>

⁷⁴ <https://www.nytimes.com/2020/03/17/opinion/coronavirus-1918-spanish-flu.html>

⁷⁵ <https://www.nytimes.com/2020/03/17/opinion/coronavirus-1918-spanish-flu.html>

⁷⁶ <https://www.nytimes.com/2020/03/17/opinion/coronavirus-1918-spanish-flu.html>

⁷⁷ <https://onlinelibrary.wiley.com/doi/pdf/10.1046/j.1440-1843.2003.00524.x>

⁷⁸ <https://archipro.co.nz/articles/architecture/coronavirus-the-impact-on-the-new-zealand-construction-industry-archipro>

⁷⁹ https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=3503162

Zealand's borders begin to open again, it is likely that the country's reputation as a safe holiday destination will again play in its favour.

Social consequences

The combination of invisibility, indeterminacy, and contagion understandably increases anxiety and encourages behaviour that reduces risk of exposure. In the US, false rumours of SARS infection spread faster than the microbe itself. Notions of transmission are highly susceptible to any information available. In 2003, the media was saturated with images of Asians wearing masks and the association of airborne SARS contagion and Asians generated a surge in racial discrimination in the community at large⁸⁰.

FINANCIAL CRISES

Like disease outbreak, New Zealand has experienced its share of financial crisis. Global events such as the Great Depression (1930s), Black Monday (1987) and the Global Financial Crisis (2007-09) have had significant economic repercussions for New Zealand. On a national level, the economy has also been through events such as the wool price collapse (1978) and the Rogernomics recession (1984-94). In the context of this current COVID-19 crisis, this report looks at two financial crises, the Great Depression and the Global Financial Crisis. In terms of length, depth and severity, economists globally are looking to these two events to help prepare for and recover from the global financial contraction that the current pandemic may cause.

Great Depression

Summary globally and locally

The Great Depression (the depression) was a period of worldwide economic depression that lasted from 1929 until approximately 1939. While economists debate the causes of the depression, consensus is that it began internationally with the Wall Street stock market collapse in 29 October 1929, commonly called Black Tuesday, when the stock market fell 12.8%. Black Tuesday followed two previous stock market collapses on October 24 and 28, 1929. The Dow Jones Industrial Average would eventually bottom out by July 1932 with a loss of approximately 89% of its value⁸¹.

Over the next years, consumer spending and investment dropped, causing steep declines in industrial output and employment as failing companies laid off workers. Furthermore, a severe drought across the US meant that agricultural jobs were substantially reduced. By 1933, when the depression reached its lowest point, 15 million Americans were unemployed and nearly half the country's banks had failed⁸². Countries across the globe were affected as protectionist policies were created thus exacerbating the problems on a global scale.

For New Zealand, the depression remains the most devastating economic experience to date. The country was particularly vulnerable because it depended on Britain buying its agricultural exports. When the British market collapsed, New Zealand was hit by being unable to borrow offshore and by a collapse in the price for its exports. As export earnings plummeted, farmers stopped spending with drastic effects. Jobs and wages disappeared and soon most of the population were experiencing severe hardship. At the lowest point of the depression, the unemployment rate is estimated to have exceeded 20% (this figure excludes women and Māori and is believed to have been much higher⁸³). Exports fell by 45% in two years, national

⁸⁰ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1125856/>

⁸¹ <https://www.thoughtco.com/what-was-the-great-depression-104684>

⁸² <https://www.history.com/topics/great-depression/great-depression-history>

⁸³ <http://sites.tepapa.govt.nz/sliceofheaven/web/html/greatdepression-2.html>

income by 40% in three years. The sharpest price fall was that of wool which declined by 60%⁸⁴. Meat and dairy prices fell less but continued to decline until 1934.

The depression was made worse by New Zealand's extreme unpreparedness to meet it. Even before the market crash New Zealand was suffering economically, as it had through much of the 1920s when many farmers had borrowed and invested heavily. A prolonged slump in international commodity markets in the early twenties meant many farmers were already struggling to repay their debts even before the Wall St crash of 1929⁸⁵. Despite New Zealand's early reputation as a 'social laboratory', social services had fallen behind those of many other countries and New Zealand entered the depression without any form of unemployment relief. Work relief schemes were the only government offered support though even these had to be rationed because such large numbers of people applied to work at schemes often dubbed 'slave camps'⁸⁶.

In 1932, riots erupted in Dunedin, Auckland, and Wellington, reflecting the growing frustration of the unemployed⁸⁷. Police, armed sailors, and volunteer 'special constables' responded with force, injuring or arresting many rioters. The government reacted by introducing tougher 'public safety' laws, and sending unemployed men to remote labour camps.

The economic policy of New Zealand's Coalition Government during the depression was largely seen as ineffective⁸⁸. The government was unable to prime the economy through deficit financing because its monetary conditions were determined offshore. The government devalued the currency, restricted government spending, cut nominal wages and reduced interest rates and the value of mortgages⁸⁹ – all of these were necessary measures, however the austerity measures were not evenly shared and served to make the government extremely unpopular⁹⁰. Michael Joseph Savage's Labour Party (1935–49) won the general election in 1935 and introduced the social welfare system, aiming to provide everyone with a reasonable state of living⁹¹.

Just as there is no general agreement about the causes of the depression, there is no consensus about the sources of recovery. In general, countries that abandoned the gold standard or devalued their currencies recovered first. Fiscal expansion, such as the 'New Deal' in the US, social welfare reforms and increased defence spending in the build up to World War II helped to strengthen economic growth and speed up the domestic and world recovery.

Global Financial Crisis

Summary globally and locally

The global financial crisis (GFC) took place between mid-2007 and early 2009. In brief, credit in the United States (US) had become too easy to access; consumers became unable to repay loans (which had associated skyrocketing rates) and began to default on repayments. This left the banks overwhelmed by an excess of property and increasing debt. The collapse of the US housing market, followed by one of the US's biggest banks (Lehman Brothers) fuelled a financial crisis that spread from the US to the rest of the world through linkages in the global financial system⁹². Banks around the world were reliant on

⁸⁴ <http://www.TeAra.govt.nz/en/1966/history-economic/page-7> (accessed 21 Apr 2020)

⁸⁵ <https://eh.net/encyclopedia/an-economic-history-of-new-zealand-in-the-nineteenth-and-twentieth-centuries/>

⁸⁶ <http://sites.tepapa.govt.nz/sliceofheaven/web/html/greatdepression-2.html>

⁸⁷ <http://sites.tepapa.govt.nz/sliceofheaven/web/html/greatdepression-2.html>

⁸⁸ https://en.wikipedia.org/wiki/United%E2%80%93Reform_coalition_Government_of_New_Zealand

⁸⁹ <https://www.rbnz.govt.nz/-/media/reservebank/files/publications/factsheets%20and%20guides/factsheet-the-reserve-bank-and-nzs-economic-history.pdf>

⁹⁰ https://en.wikipedia.org/wiki/United%E2%80%93Reform_coalition_Government_of_New_Zealand

⁹¹ https://en.wikipedia.org/wiki/United%E2%80%93Reform_coalition_Government_of_New_Zealand

⁹² <http://www.stuff.co.nz/business/better-business/invest-in-dairy/10089967/What-did-we-learn-from-the-GFC>

government support to bail them out, global output contracted and millions of jobs were lost, further damaging global consumer spending. The recession was not felt equally around the world; whereas most of the world's developed economies, particularly US and Europe experienced their deepest recession since the depression in the 1930s, more recently developed economies suffered far less impact.

Key aspects of the GFC included excessive and poorly assessed risk taking in a favorable global economic environment and the increased borrowing by banks and investors⁹³. At its core, the market participants before the crisis all believed, without question, in the premise of infinite bank capital or liquidity. With stresses in the financial system, that unrealistic assumption was tested and the result was widespread and simultaneous panicked decisions to sell similar assets. Liquidity evaporated and financial crisis followed, spreading over into financial markets worldwide⁹⁴.

The New Zealand Treasury defines recession as 'consecutive falls in real GDP'⁹⁵. The Treasury department reported that New Zealand's GDP fell 3.3% between the December 2007 quarter and the March 2008 quarter⁹⁶. This start, before any other OECD (Organisation for Economic Co-operation and Development) nation, was the result of domestic factors that preceded the global depression⁹⁷ and which had already contributed to a slump in the New Zealand economy.

New Zealand's recession lasted approximately 18 months. During this period, there was decreased construction (decrease of 20%⁹⁸), and economic growth slowed, house sales fell (decrease of 42%⁹⁹), and the unemployment rate rose to 6.7%¹⁰⁰. The New Zealand labour market was affected in many ways. People worked fewer hours, the number of jobs available fell, unemployment rose, more people went into study, there were fewer, and smaller, pay rises and the labour market turnover slowed¹⁰¹. The economy emerged from recession in mid-2009, with the second-quarter GDP report showing the economy grew by 0.1 per cent in the March quarter¹⁰².

Given the magnitude of the shock to the global economy and to confidence more broadly, central government put in place a large policy response to ensure that the New Zealand economy did not suffer a major downturn. This included fiscal policy and monetary policy initiatives to stimulate the economy and reduce financial system risks. Since 2008, the banks have continued to strengthen liquidity standards to offset the banking system's dependence on offshore wholesale funding¹⁰³. The New Zealand banks also put in measures to curtail their exposure and generally took on a more prudent and conservative stance¹⁰⁴. Elsewhere in the world, robust regulations and oversight agencies were put in place to regulate the big global banks, though these restrictions have begun to loosen in recent years¹⁰⁵.

In global terms, New Zealand escaped the worst of the GFC and did not experience a large economic downturn. While the unemployment rate rose over the recession, New Zealand fared better than many other countries. OECD research means it is possible to provide comparisons to New Zealand's unemployment rate. Over the recession, New Zealand's unemployment rate rose 1.2%. During the same

⁹³ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

⁹⁴ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

⁹⁵ https://en.wikipedia.org/wiki/Great_Recession_in_Oceania

⁹⁶ https://en.wikipedia.org/wiki/Great_Recession_in_Oceania

⁹⁷ https://en.wikipedia.org/wiki/Great_Recession_in_Oceania

⁹⁸ https://en.wikipedia.org/wiki/Great_Recession_in_Oceania

⁹⁹ https://en.wikipedia.org/wiki/Great_Recession_in_Oceania

¹⁰⁰ <https://www.stuff.co.nz/national/politics/120733582/coronavirus-government-says-economic-hit-will-be-much-worse-than-gfc-with-unemployment-possibly-hitting-double-digits>

¹⁰¹ http://archive.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/nz-labour-market-during-recession.aspx

¹⁰² https://en.wikipedia.org/wiki/Great_Recession_in_Oceania

¹⁰³ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

¹⁰⁴ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

¹⁰⁵ <https://www.investopedia.com/news/10-years-later-lessons-financial-crisis/>

period, the unemployment rate rose 3.3% in the US, 2.0% in the UK, and 1.2% in Australia¹⁰⁶. New Zealand's performance reflected both its limited exposure to the US housing market and US banks¹⁰⁷ and also that its economy was buoyed by its exports to China whose economy had rebounded quickly after the initial GFC shock.

Although the general consensus is that New Zealand is safer now than a decade ago, the country's financial systems are still subject to the risk of financial crisis if funding conditions in the Northern Hemisphere turn adverse very suddenly¹⁰⁸. There is also the compounded risk that with Australia being New Zealand's largest trading partner, if the Chinese economy is impacted in a major way, New Zealand will be hit by Australia being hit¹⁰⁹.

COVID-19 in context of past financial crisis

Financial

A range of models has been used to outline economic recovery cycles. The GFC had a typical V-shaped recovery, where the economy fell sharply but rebounded quickly. The economic impact of COVID-19 appears most likely to lead to a slow and protracted recovery. The worst case scenario would be an L-shaped recovery cycle similar to that of the depression where the pandemic ends up permanently impacting GDP. A more recent example of this type of recovery cycle is Japan, with the nation's economy going sideways since the 1990's and yet to return to the growth it saw before it crashed¹¹⁰. Analysis of previous economic downturns have highlighted that the difference in factors that both caused the crisis plus the methods put in place to help, will each impact on the speed at which the economy recovers.

While there is continued debate on the range and relative importance of factors to explain the severity of both the depression and the GFC, they are generally recognized as arising from similar endogenous or internal origins. Both events were triggered by initial stock market crashes that set off a 'panic sell-off' of assets. This was then followed by a deflation in asset and commodity prices, dramatic drops in demand and credit, and the disruption of trade resulting in widespread unemployment.

Both the depression and GFC were typical endogenous risk crises - they arose from inherent weaknesses within the financial system. COVID-19 is totally exogenous to the global financial system¹¹¹. It is like a natural disaster in that there was no warning, very little that could be done to prepare for it and it has the possibility to create enormous damage to lives and the economy. There is the potential that the virus might expose existing vulnerabilities that result in a systemic financial crisis however the recent experience of the GFC has meant that global financial systems should be in better shape to withstand a shock. Caution is higher and the regulators more powerful and better informed. Learning from the GFC, banks are presently better able to absorb defaults and give the authorities more room to use forbearance to forestall widespread bankruptcies¹¹². Furthermore, because the highest-risk lending is now increasingly done by non-bank institutions, if large COVID-induced losses do eventuate, they will not trigger the same feedback loops as would the same losses taken by a bank because most employ much less leverage¹¹³.

¹⁰⁶ http://archive.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/nz-labour-market-during-recession.aspx

¹⁰⁷ <https://www.rba.gov.au/education/resources/explainers/the-global-financial-crisis.html>

¹⁰⁸ <https://www.investopedia.com/news/10-years-later-lessons-financial-crisis/>

¹⁰⁹ <https://www.stuff.co.nz/the-press/news/106451285/reasons-to-worry-about-another-gfc-and-where-nz-stands-this-time-around>

¹¹⁰ <https://www.weforum.org/agenda/2020/05/z-u-or-nike-swoosh-what-shape-will-our-covid-19-recovery-take/>

¹¹¹ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

¹¹² <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

¹¹³ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

Having experienced the consequences of banks refusing to provide liquidity in the depression, central banks reacted appropriately in 2008 by increasing liquidity, and they are doing so again in this present crisis. However, while it may seem a sensible precautionary measure, central banks must bear in mind that COVID-19 is a crisis of a different type. Just as two crises are not the same, neither should the rescues be. The vulnerability in this present crisis is not so much the financial sector, but within the huge number of over-indebted companies that will see their revenues collapse beyond any level they could ever have anticipated¹¹⁴. This time, mitigations cannot just be limited to reducing interest rates and providing liquidity. In order to contain and mitigate the potential for escalating bankruptcies, financial policy makers at a national and global level will need to look at actions that encompass forbearance, targeted help and other similar policies¹¹⁵.

While the current crisis could cost the global economy up to \$2 trillion this year, according to UN estimates¹¹⁶, there is still the possibility that it will not push the world into a contraction. While the world is in lockdown, money not spent today is likely to still be spent later. Looking at past virus outbreaks or natural disasters has shown that typical discretionary spending returns at a later point¹¹⁷. The COVID-19 crisis is more an ‘interruption of production structures, which in principle are fundamentally sound,’ Stefan Kooths, Kiel Institute for the World Economy¹¹⁸. This means that even if there is a crisis in terms of production, the chances of getting out of this recession sooner than later are much better than in the depression or the GFC.

A report from the New Zealand Treasury states that consumer confidence fell 21 points in April 2020 to 84.8 which is approximately the depth the index reached during the GFC¹¹⁹. During the GFC, annual consumption growth reached a low of 3.6% about six months later¹²⁰. The most recent drop in consumer confidence suggests a similar fall in private consumption over the second half of 2020. Confidence may fall further in coming months as reduced incomes, business failures and unemployment begin to impact.

In 2008, the strength of China’s national economy was able to pull other economies through the GFC, including New Zealand who exported to it. However, in this current crisis, China can’t carry the global economy. The COVID-19 crisis has forced the shutdown of a large part of the Chinese economy, and given that it is more tightly integrated in global supply chains than it was during the SARS outbreak, it could have the potential to cause a contraction in global trade¹²¹. Since 2008, Chinese financial activities abroad have expanded dramatically, and like other emerging market businesses, they borrow heavily in American currency¹²². Any significant Chinese market decline is likely to be felt immediately around the world.

New Zealand, however, could suffer more than other countries due to the COVID-19 lockdown, according to a new report on the impact of the pandemic. Evaluating the initial impact of COVID-19 containment measures on activity, the OECD ranks New Zealand fifth among 47 economies in terms of outbreak’s drag on economic output¹²³. The report said the slump in tourism and retail spending would have the most effect on GDP due to the COVID-19 lockdowns. “Changes of this magnitude would far outweigh anything experienced during the global financial crisis in 2008-09,” the OECD report stated.

¹¹⁴ <https://www.weforum.org/agenda/2020/04/the-coronavirus-crisis-is-no-2008/>

¹¹⁵ <https://www.washingtonpost.com/business/2020/03/14/recession-economy-coronavirus-jobs/>

¹¹⁶ <https://www.dw.com/en/coronavirus-shock-vs-global-financial-crisis-the-worse-economic-disaster/a-52802211>

¹¹⁷ <https://www.dw.com/en/coronavirus-shock-vs-global-financial-crisis-the-worse-economic-disaster/a-52802211>

¹¹⁸ <https://www.dw.com/en/coronavirus-shock-vs-global-financial-crisis-the-worse-economic-disaster/a-52802211>

¹¹⁹ <https://treasury.govt.nz/publications/weu/weekly-economic-update-8-may-2020.html>

¹²⁰ <https://treasury.govt.nz/publications/weu/weekly-economic-update-8-may-2020.html>

¹²¹ <https://monitor.icef.com/2020/04/looking-ahead-scenario-planning-and-recovery-forecasts-for-international-education/>

¹²² <https://foreignpolicy.com/2020/03/18/coronavirus-economic-crash-2008-financial-crisis-worse/>

¹²³ <https://www.stuff.co.nz/business/opinion-analysis/120606332/the-economy-is-on-life-support-but-its-not-dead-economist?rm=a>

New Zealand has weathered slumps in the tourism industry as a result of previous crises. Like many tourism dominated areas, Rotorua's population declined as a result of the GFC's negative impact on the tourism, hospitality and retail related industries¹²⁴. With a large portion of Rotorua's employment related to these industries, the GFC resulted in a decline in employment in these areas, which in turn led to people leaving Rotorua district to look for employment elsewhere in the region such as Hamilton or Auckland. However, the impact of COVID-19 on the areas most reliant on tourism are likely to be unprecedented: Jim Boulton, mayor of Queenstown Lakes district council, predicted that district wide economy would shrink by 40% and employment would be likely to reach between 25 and 30%¹²⁵.

Moral hazard

A moral hazard is where one party is responsible for the interests of another, but has an incentive to put their own interests first.

During the depression more than 600 American banks went bankrupt between 1930 and 1933¹²⁶ and caused significant levels of unemployment. Learning from this event, authorities believed that in future, banks should be bailed out and this eventuated after the financial crisis in 2008.

As stated previously, the GFC was, in part, due to unrealistic expectations of financial institutions. These institutions engaged in behaviour where they assumed the outcome had no downside for them. Because the banks were taking on the risk, the mortgage brokers who sold the mortgages to the banks, didn't adequately check whether the person taking on the mortgage could actually pay it back. This was compounded by the assumption that some central banks that they were so vital to the economy that they were 'too big to fail'¹²⁷; and that the government would opt as a backstop. The risk taking of the banks and other financial establishments during the GFC, are a good example of moral hazard in action and of the behaviour of people and institutions who thought they would not have to bear the costs of the risks they were taking.

Many opinions in the current COVID-19 literature state that the current situation is free from moral hazard – the current crisis is an exogenous one and therefore no blame can be assigned. For example, the Wall Street Journal stated that 'clearly no moral-hazard issues arise from this virus outbreak,¹²⁸ and so encouraged the governments to be even more aggressive in their efforts to save the economy. However, while the COVID-19 crisis arises from different origins, similar dynamics are at work.

Just as in 2008, the government's current bailouts are aimed at helping large, interconnected financial institutions avoid failure because of the havoc such failures can wreak on the financial system. As well as government bailouts, the central banks around the world have also engaged in the purchase of bonds and risky high-yielding debt¹²⁹. This is to ensure liquidity in the market, however, this intervention could shape how people perceive risk in the future and reward those businesses that behaved recklessly before the pandemic. In recent years, New Zealanders generally have lived beyond their long-term ability pay, leaving New Zealand exposed to consequent liabilities in the international financial market.¹³⁰

However, given the speed at which the world has been impacted by COVID-19, the time taken to identify and minimise potential moral hazard could have meant greater economic harm to the economy as a whole.

¹²⁴ https://www.boprc.govt.nz/media/374074/economic-settlements-and-agglomeration-impacts_final-2-.pdf

¹²⁵ https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12327345

¹²⁶ <https://blog.elearneconomics.com/moral-hazard-and-covid-19/>

¹²⁷ <https://www.investopedia.com/ask/answers/050515/how-did-moral-hazard-contribute-financial-crisis-2008.asp>

¹²⁸ <https://www.forbes.com/sites/kathrynjudge/2020/04/15/the-covid-19-bailouts/#907d5853b778>

¹²⁹ <https://blog.elearneconomics.com/moral-hazard-and-covid-19/>

¹³⁰

Some degree of moral hazard will be inevitable from any government effort to provide widespread support in the face of a shock such as the pandemic. Acknowledging and recognising this could help ensure that the government does not unnecessarily encourage companies and creditors to act without caution in the months ahead¹³¹.

'METEOR' EVENTS

There are huge differences between the current coronavirus and the tragedies of September 11 (2001) and the Canterbury earthquakes (2010, 2011, 2016) however consideration is worthwhile in view of the similarities they do share.

Each of the previous events struck without warning nor the chance to prepare, and each had effects that impacted on local, national and global terms with consequences that are still being felt today. While New Zealand is not suffering the damage to physical infrastructure that these two events endured, the resultant significant damage to the economic and social systems created by such 'meteor' events is on a parallel. Each has created widespread fear, uncertainty in an atypical environment, and the inability to look beyond the immediate future.

9/11

The September 11 attacks were a series of four coordinated terrorist attacks by the Islamic terrorist group al-Qaeda against the US on September 11, 2001. The attacks resulted in 2977 fatalities, over 25,000 injuries, and at least US\$10 billion in infrastructure and property damage¹³².

The attacks had an immediate negative effect on the US economy. Many Wall Street institutions, including the New York Stock Exchange, were evacuated during the attacks. On the first day of trading after the attacks, the market fell 7.1 percent¹³³. New York City's economy alone lost 143,000 jobs a month and US\$2.8 billion in wages in the first three months¹³⁴. The heaviest losses were in finance and air transportation, which accounted for 60 percent of lost jobs¹³⁵.

In economic terms, 9/11 had an immediate effect on airline industry that was already experiencing financial trouble before the attacks. Share prices of airlines and airplane manufacturers plummeted after the attacks. Midway Airlines already on the brink of bankruptcy, shut down operations almost immediately afterwards. Other airlines were threatened with bankruptcy, and tens of thousands of redundancies were announced in the week following the attacks. To help the industry, the federal government provided an aid package to the industry, including US\$10 billion in loan guarantees, along with US\$5 billion for short-term assistance¹³⁶.

Tourism in New York City plummeted, causing massive losses in a sector which generated US\$25 billion per year¹³⁷. In the week following the attack, hotel occupancy fell below 40%, and 3,000 employees were laid off. Tourism, hotel occupancy and air travel also fell drastically across the US¹³⁸.

¹³¹ <https://www.forbes.com/sites/kathrynjudge/2020/04/15/the-covid-19-bailouts/#907d5853b778>

¹³² <https://www.history.com/topics/21st-century/9-11-attacks>

¹³³ <https://www.history.com/topics/21st-century/9-11-attacks>

¹³⁴ <https://www.history.com/topics/21st-century/9-11-attacks>

¹³⁵ https://en.wikipedia.org/wiki/Economic_effects_of_the_September_11_attacks

¹³⁶ https://en.wikipedia.org/wiki/Economic_effects_of_the_September_11_attacks

¹³⁷ <https://www.history.com/topics/21st-century/9-11-attacks>

¹³⁸ https://en.wikipedia.org/wiki/Economic_effects_of_the_September_11_attacks

The US economy was already on the verge of a mild decline before 9/11. The falling stock market was reducing wealth and by early September, consumer attitudes had dropped sharply¹³⁹. There was no precedent from which to judge the effects of the attack on consumer and business spending. The following fiscal and monetary policy was expansionary from the start, with special fiscal measures coming on top of a defence buildup¹⁴⁰.

Canterbury earthquakes

The Canterbury earthquakes of 2010 and 2011 have had a major economic and fiscal impact on the region itself and on New Zealand as a whole. There were nearly 200 deaths from the February 2011 earthquake, and more than 150,000 homes damaged, with roughly 30,000 experiencing significant damage¹⁴¹. This amounts to around three quarters of the Christchurch housing stock damaged in an area accounting for 8% of the whole New Zealand GDP, causing immediate financial impact and considerable outflow of residents from the Canterbury region¹⁴².

Total employment in the Canterbury region decreased by 8% in the year to the September 2011 quarter¹⁴³. Sectors including accommodation, food services and retail were hit hardest, with a fall in employment of 22.4% during the year¹⁴⁴. Tourism was also severely impacted. International guest nights were down 32% in the Canterbury region in September 2011 (compared with September 2010) and domestic visitors down 23%¹⁴⁵.

While the earthquakes reduced population, employment, and business output, including total closure of some businesses, business activities recovered, people returned, and the overall employment rate increased within three years of the 2011 earthquake¹⁴⁶. Overall, impacts were largely localized to Canterbury, and the region's economy was relatively resilient.

In the longer-term recovery phase post-earthquakes, billions of dollars in central government funding was allocated to the Christchurch city rebuild, to social services and the unveiling in 2012 of a blueprint anchored by a number of ambitious 'anchor projects'¹⁴⁷.

COVID-19 in context of past 'meteor' events

Social consequences

The Canterbury earthquakes have many parallels with the crisis faced now. While the impacts were on a local scale, they also were unprecedented, a challenge in terms of scale and complexity, and as in this crisis, there was no instruction manual or model for recovery.

¹³⁹ <https://www.brookings.edu/research/forecasting-the-economy-and-policy-after-911>

¹⁴⁰ <https://www.brookings.edu/research/forecasting-the-economy-and-policy-after-911>

¹⁴¹ https://www.researchgate.net/publication/284052565_The_economic_impact_of_the_Canterbury_earthquakes

¹⁴² https://www.researchgate.net/publication/284052565_The_economic_impact_of_the_Canterbury_earthquakes

¹⁴³ <https://www.parliament.nz/en/pb/research-papers/document/00PlibCIP051/economic-effects-of-the-canterbury-earthquakes>

¹⁴⁴ <https://www.parliament.nz/en/pb/research-papers/document/00PlibCIP051/economic-effects-of-the-canterbury-earthquakes>

¹⁴⁵ <https://www.parliament.nz/en/pb/research-papers/document/00PlibCIP051/economic-effects-of-the-canterbury-earthquakes>

¹⁴⁶ https://www.researchgate.net/publication/284052565_The_economic_impact_of_the_Canterbury_earthquakes

¹⁴⁷ <https://www.rnz.co.nz/programmes/two-cents-worth/story/2018742884/coronavirus-recovery-lessons-from-the-christchurch-qaues>

The earthquake recovery process shows that there is no linear recovery process ahead – it is not a matter of response finishing and recovery starting. It is likely that the process will work through different stages, at different times, with differing agencies, or different stakeholders, or different communities¹⁴⁸.

Even the earthquake events themselves show linkages to what is likely ahead today. Continued aftershocks repeatedly threw people back into response mode. Looking ahead, New Zealand may also be faced with the continued mindset of ‘crisis mentality’ while there remains the potential of repeated retreats back into lockdown levels to contain the virus. As with every crisis, just as the range in experiences will vary between people and communities, the rate of recovery will also vary between people and communities.

A direct consequence to the 9/11 terrorist attacks was the heightened fear and suspicion of what, prior to the attacks, would have been viewed innocently. Various government agencies and police forces in the US asked people to watch people around them and to report ‘unusual’ behaviour. Since the attacks, Arab, Muslim, Sikh and South-Asian Americans – as well as those perceived to be members of these groups – have been victims of discriminatory backlash¹⁴⁹.

The present situation too has also heightened levels of racism and xenophobia. Reports of racism have increased in New Zealand with the Human Rights Commission receiving 252 reports relating to COVID-19¹⁵⁰. Race Relations Commissioner Meng Foon has said that there has been a particular rise in bullying and harassment of people from Chinese and Asian descent¹⁵¹. This increase in marginalisation and discrimination is not restricted to New Zealand but has been evident in racist rhetoric and actions globally¹⁵².

In this crisis event, there has also been the typical emotional response of increased fear and uncertainty. The virus is unknown, deadly and most frighteningly, invisible. While there is currently a sense of camaraderie, a unified banding together to defeat the ‘enemy’, that ‘enemy’ potentially could be the asymptomatic neighbour, friend, colleague. In the same way that the events of 9/11 have had long term consequences in the form of a fear of the unknown ‘terrorist’, it is likely that social interactions going forward will be influenced by the fear of the unknown ‘contagion spreader’. Research on the impacts of fear on decision-making post 9/11 found that fear causes a higher perception of risk everywhere, greater precautionary behaviour and ‘the greater favourability of action policy that prioritizes safety over personal liberty’¹⁵³.

At an operational level, the Canterbury earthquakes also highlights the issue to those involved in the social recovery work itself. Practitioners were exposed firstly to working with colleagues in stressful and unpredictable circumstances combined with the direct stress of the disaster and recovery in their own lives PLUS the exposure to the stress of the community members they engaged with. Burn-out was recognized as a professional risk¹⁵⁴.

Economic

Tourism and hospitality suffered both short term and long term damage after each ‘meteor’ event described.

The hospitality industry in both epicentres of the disasters, New York and Christchurch, were exposed to both the immediate emergency shutdown of the cities and the longer term, broader hit to both travel and

¹⁴⁸ <https://www.eqrecoverylearning.org/assets/downloads/res101-understanding-social-recovery.pdf>

¹⁴⁹ <https://en.wikipedia.org/wiki/Post-9/11>

¹⁵⁰ https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12329199

¹⁵¹ https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12329199

¹⁵² <https://www.hrw.org/news/2020/05/12/covid-19-fueling-anti-asian-racism-and-xenophobia-worldwide>

¹⁵³ <https://www.vox.com/2016/9/10/12861036/terrorist-psychology-fear-9-11-anniversary>

¹⁵⁴ <https://www.eqrecoverylearning.org/assets/downloads/res101-understanding-social-recovery.pdf>

tourism. Both instances were short term ‘black holes’ followed by a long struggle to recover¹⁵⁵. In comparison, COVID-19 is likely to be an extremely large black hole with the tourism industry likely to be impacted for years as people cut discretionary spending.

Collaboration

The earthquakes heightened the need for councils in the Greater Christchurch area to work alongside central government, iwi and community to coordinate and facilitate recovery activity¹⁵⁶. Strategic planning and engagement helped to provide the foundation for recovery plans and programmes to quickly respond to these new circumstances.

SUMMARY

Local government

Collaboration

Interconnectedness and cooperation between existing groups and networks as well as assisting emerging groups has been shown to increase community capital and to build on existing strengths following a disaster¹⁵⁷. Collaboration provides the opportunity to build on the District’s wealth of skills and experience, and resources of local people and community groups, organisations and networks.

As the lockdowns begin to ease, Council will need to take a leading role in providing oversight and strategic direction in coordinating for social recovery at the local level. This should involve collaboration across a number of agencies for collective information gathering, management and sharing. This in consequence reduces the inefficiencies of multiple organisations working separately to the same end. Information sharing may also help to identify areas of community dynamics, including local leadership, community strengths, and vulnerabilities, that may impact the District’s capability to respond to the COVID-19 crisis.

Council will also have a lead role in collaborating with the Ministry of Health, District Health Board and community providers to identify and anticipate social needs, and to ensure appropriate social support and services are resourced and in place at the right time. It is important that Council focuses on the wellbeing of the whole district while also recognising and being responsive to the unique needs of population groups such as the elderly and Māori. Ensuring the appropriate provision of social support and resources will require a localised understanding.

Social Services Waimakariri was fundamental in bringing organisations together and guiding the local response moving forward into recovery after the Canterbury quakes¹⁵⁸. The issues the department found in 2011, are likely to mirror that of Southland where the traditionally tightknit communities, especially the elderly and the rural farming communities, are likely to be suffering from the social isolation lockdown has forced upon them. Mental health issues, particularly with regard to increased levels of stress and anxiety across all age groups are also likely to be evident as is the possibility of an increase in domestic violence and abuse. It has been widely recognised that some members of the farming community can be vulnerable to mental health issues¹⁵⁹, so this too may be an area of particular concern. To build on the

¹⁵⁵ <https://www.stuff.co.nz/business/120581892/coronavirus-lockdown-will-leave-almost-no-part-of-the-economy-untouched?cid=app-iphone>

¹⁵⁶ <http://greaterchristchurch.org.nz/background/recovery-and-regeneration>

¹⁵⁷ <https://www.waimakariri.govt.nz/services/emergencies-and-recovery/recovery/social-recovery-101>

¹⁵⁸ <https://www.waimakariri.govt.nz/services/emergencies-and-recovery/recovery/social-recovery-101>

¹⁵⁹ <https://www.stuff.co.nz/business/farming/99964077/farmer-suicides-highlight-vulnerability-as-official-figures-rise-for-past-year> - accessed 27/4/20

momentum of effort that has already been made in the District, it is also important that Council values and encourages the ongoing localised community action that has taken place during lockdown period to support local wellbeing.

It is likely that Council will need to work with a range of regional, national and district stakeholders to assist connecting impacted businesses to relevant support and advice, and rapidly putting further business support services in place. A number of businesses in the District, such as those in tourism and hospitality, will need help working out what the changed economic landscape will look like for their particular business. Council, alongside its partner agencies, will need to prioritize offering practical business support services for these industries.

Communication

Good communication and authentic community engagement have been shown to be fundamental to the overall recovery of communities where every bit of information is vital to help people make sense of their altered lives.

Council will need to ensure it is proactive, considered, transparent and honest in its approach to communications with the District. Being explicit about what Council does and does not know, can and cannot do, will ensure that the community knows what is happening on their behalf and also understands the reasons why.

Trust

Trust and respect for decision makers in times of crisis has been proved to have a major positive impact on community recovery outcomes. Public confidence and trust in local government will be more fragile than ever now. Local government is often seen as an unnecessary barrier and overly restrictive. There is often also a negative general attitude toward all government agencies with people not differentiating between local, regional and national government and who see the combined three levels simply as ‘the government’.

It is crucial that Council try as much as possible to be open to scrutiny and democratic accountability - proactively building trust now will ensure that available energy and resources are directed towards recovery rather than repairing damaged relationships.

BAU

Local government nationwide has had to be swift and adaptable since the lockdowns started. In the same way that the dynamic adaptive pathway system is used for climate change response, Council will need to remain agile and flexible in its approach to ensure it can respond quickly to the further changes that will occur as the impacts of the virus continue to unfold. The pressures on day-to-day work will not be eased by the lockdown being eased – a lot of it will still be intact and new challenges still emerging. Council will need to realign its work programme to support the new external environment including new stakeholder needs and priorities. It will also need to rethink existing and/or develop new processes and tools to support delivery of the new priorities.

Council will also need to give consideration as to how the risk of infectious disease is incorporated into its strategic thinking. Despite the continuum of global disease outbreaks over the last century alone, when the 2020 Global Risk Report (World Economic Forum) was released in January this year, infectious disease ranked third last in likelihood (behind only weapons of mass destruction and unimaginable inflation) and tenth in potential impact¹⁶⁰. It was also considered as one of the least interconnected risks. While this was assessed at global level and beyond our influence, the current event demonstrates the need to more thoroughly examine how the risk may affect Council’s strategic objectives at a local level.

¹⁶⁰ <https://www.weforum.org/reports/the-global-risks-report-2020>

Central government

Economy

As previously stated, New Zealand has suffered economic downturns caused by financial system collapse (the depression/GFC), oil supply shocks (1970s) and natural disasters that have destroyed parts of the capital stock (the Canterbury earthquakes). However, all previous crises could be mitigated by central government providing additional funds to households to support demand across the economy and put a floor under consumer confidence¹⁶¹.

However, this current pandemic and lockdown means that people aren't working, people aren't buying and so there is significantly less economic demand and output. In essence, there has been nothing but food, housing and utilities for people to spend on over the past weeks. The New Zealand Treasury has stated that consumer confidence has fallen to levels not seen since the GFC and commodity prices are continuing to slip¹⁶². The New Zealand government, however, is among the most well prepared in the world for this crisis with a strong balance sheet giving it the ability to borrow significantly to support the economy¹⁶³. Even so, the measures the government has taken to sustain businesses and incomes during the lockdown has been compared to the sort of wartime economy western countries have not experienced for decades¹⁶⁴.

According to finance minister, Grant Robertson, it is likely that a huge nation-building programme of infrastructure and public works will be used to try and keep New Zealand out of recession, much like the recovery efforts after the depression and World War II¹⁶⁵. He stated that "the economy is more like an oven than a light switch, when you switch it off, it takes a while to warm back up again¹⁶⁶." When New Zealand emerges from lockdown restrictions, the search will be on for infrastructure projects that could be pulled forward to help boost economic activity and employment. Worth noting is that the infrastructure blueprint to boost Canterbury's recovery post-earthquakes. While well-intentioned, the infrastructure spend-up didn't quite go to plan. There were cost blowouts and major delays to the extent that key projects such as a new stadium and the convention centre still haven't been completed nearly a decade later¹⁶⁷.

Elsewhere, economic activity data continues to paint a grim picture with large GDP declines in the Europe and in a number of Asian countries¹⁶⁸. However, global financial markets have started to stabilize and while commodity prices have declined, food products prices have proved much more resilient¹⁶⁹. This potentially could provide an export opportunity for New Zealand to take advantage of as it has done in past pandemics. China, post-Swine flu, had no pork stock¹⁷⁰; Thailand had massive economic losses after the 2012 H5N1 outbreak which decimated their poultry stock¹⁷¹; and the US continues to battle seasonal outbreaks of H1N1 in its meat industry¹⁷². The worldwide loss of confidence in poultry and pork products in the past has benefited New Zealand's export industry. While China's economic growth is likely to be

¹⁶¹ <https://architecturenow.co.nz/articles/economy-poised-to-shut-down-to-save-lives/>

¹⁶² <https://treasury.govt.nz/publications/weu/weekly-economic-update-8-may-2020.html>

¹⁶³ <https://architecturenow.co.nz/articles/economy-poised-to-shut-down-to-save-lives/>

¹⁶⁴ <http://amp.ft.com/content/7eff769a-74dd-11ea-95fe-fcd274e920ca>

¹⁶⁵ <https://www.stuff.co.nz/national/politics/120642585/coronavirus-government-starts-economic-planning-for-postlockdown-new-zealand?cid=facebook.post>

¹⁶⁶ <https://www.stuff.co.nz/national/politics/120642585/coronavirus-government-starts-economic-planning-for-postlockdown-new-zealand?cid=facebook.post>

¹⁶⁷ <https://www.rnz.co.nz/programmes/two-cents-worth/story/2018742884/coronavirus-recovery-lessons-from-the-christchurch-quakes>

¹⁶⁸ <https://www.eib.org/en/readonline-publications/covid-econ-weekly-briefing-03-april.htm>

¹⁶⁹ <https://architecturenow.co.nz/articles/economy-poised-to-shut-down-to-save-lives/>

¹⁷⁰ <https://www.stuff.co.nz/business/120619698/coronavirus-can-the-economy-recover?cid=app-iPhone>

¹⁷¹ https://en.wikipedia.org/wiki/Avian_influenza

¹⁷² <https://www.cdc.gov/flu/pandemic-resources/2009-h1n1-pandemic.html>

slower than after SARS¹⁷³, New Zealand's exporters should be able to meet what demand there is for protein products. New Zealand's reputation as an exporter of quality food products gives opportunity for continued trade even in a situation where global economic activity remains depressed for an extended time.

Financial

The Treasury is leading work across the whole of government to cushion New Zealand against the impacts of COVID-19, to position the country for recovery and to reset and rebuild the economy to support long-term recovery¹⁷⁴. The rescues put in place this time will not be the same as in past crises. Help at a citizen level will be more of a priority than rescue at an institutional level. The expansion of unemployment insurance and direct payments to citizens will also be a priority. The government will need to consider that the measures they put in place will minimize any moral hazard in order to reduce excessive risk-taking; measures that create or exacerbate moral hazard (such as massive bailouts) could potentially lead to excessive risk-taking and should be avoided¹⁷⁵.

Trust

Lack of trust and respect for decision makers has been proved to have a major obstacle in ensuring compliance in past crises¹⁷⁶. Countries with deep and historic division or distrust of government have always faced difficulties ensuring public health measures are observed which has led to long and slow recovery from crisis¹⁷⁷.

In contrast, New Zealanders tend to be moderate in their beliefs and are generally compliant as they trust that central government is acting in their best interest. Clear, concise and timely communication, along with the openness to discuss difficult choices, has helped the public trust what the political leaders are asking of them. The public have to continue to trust what central government is doing in the next months ahead as the country, along with the world, faces potential continued public health restrictions and the certainty of financial recession.

Social

As with each crisis before, the COVID-19 pandemic is a fundamentally social and societal event. Its consequences impacts individuals, households and communities but hits the vulnerable particularly hard, thus exacerbating the problems of inequality.

The reality is, now as in 1918, New Zealand still has many of the factors that led to the high death rate of Māori from the Spanish flu. The impacts of the Swine flu outbreak too were felt particularly hard by Māori and Pasifika. During the GFC, while the Pākehā unemployment rate rose from 2.4% to 5% between 2008 and 2012 the Māori unemployment rate went from 7.4% to 14.6%¹⁷⁸.

New Zealand's mental health issues and suicide figures are some of the highest in the world¹⁷⁹. Based on other disasters, in this current situation it is anticipated that approximately 10% of the population are likely

¹⁷³ <https://www.forbes.com/sites/panel-of-economic-commentators/2020/03/25/chinas-economic-recovery-from-covid-19-will-be-slower-than-it-was-for-sars/#c7a19e255c93>

¹⁷⁴ <https://treasury.govt.nz/information-and-services/nz-economy/covid-19-economic-response>

¹⁷⁵ <https://www.forbes.com/sites/kathrynjudge/2020/04/15/the-covid-19-bailouts/#907d5853b778>

¹⁷⁶ https://www.newsroom.co.nz/2020/04/19/1133096/dont-leave-home-but-then-go-and-see-your-country?utm_source=Friends+of+the+Newsroom&utm_campaign=dbf979c99b-Daily+Briefing+19.4.20&utm_medium=email&utm_term=0_71de5c4b35-dbf979c99b-97842367

¹⁷⁷ <https://lgiu.org/what-next-for-the-new-normal/>

¹⁷⁸ <https://thespinoff.co.nz/atea/08-04-2020/the-effects-of-the-covid-19-recession-will-hit-maori-hardest/>

¹⁷⁹ https://www.newsroom.co.nz/2020/04/27/1146091/remembering-our-pandemic-past?utm_source=Friends+of+the+Newsroom&utm_campaign=cef358c253-Week+in+Review+25.04.20_COPY_01&utm_medium=email&utm_term=0_71de5c4b35-cef358c253-97842367

to develop depression and, of those, there would be some who will be suicidal¹⁸⁰. University of Otago researchers examining the impacts of the Canterbury earthquakes found adverse effects in the provision of support after disaster. The researchers noted that while support services such as free counselling exist, New Zealand's public health services are already under strain and even small increases in demand may result in a considerable extra burden for health workers¹⁸¹.

New Zealand will need to ensure there is more inclusive discourse about the path to social recovery. Until the country addresses racism, the under-provision of health services, and material poverty, New Zealand will not be equipped to deliver sufficient protection to the vulnerable in society against the inevitability of future crisis.

Any response, at a local, national and global level must be guided by social data and expertise as much as by medical data and expertise¹⁸². Identifying and addressing the social impacts of the pandemic will ensure that a functional and resilient society emerges rather than one in which the differences in equality makes society more vulnerable than before.

Politics

While trust in the government appears to have increased significantly as a result of its actions during the first weeks of the pandemic, the need for foresight, agility and responsiveness will underpin what is ahead for both the majority political parties. The leaders who won World War II did not wait for victory to plan for what would follow: Roosevelt and Churchill issued the Atlantic Charter setting the course for the United Nations, in 1941¹⁸³. The United Kingdom published the Beveridge Report, with its commitment to a universal welfare state in 1942¹⁸⁴. That same kind of foresight is needed today.

Historically, crisis response has been linked to civil service and state reform. In New Zealand, income tax, nationalization and the welfare state all grew out of conflict and crisis¹⁸⁵. The 1920 Health Act came out of the Spanish flu pandemic; the Reserve Bank of New Zealand was established in 1934 to make more independent monetary policy after the offshore impacts of the depression; the 1938 Social Security Act brought in the comprehensive 'cradle to grave' welfare state; and the Family Benefit was established in 1946 post-World War II.

State services minister Chris Hipkins stated in late 2019 the desire for "a public service sector that is more fleet-footed and can shift its focus to where it will make the most difference"¹⁸⁶. Now more than ever, this will need to be a central focus for government direction. Central government may choose to focus on a citizen-centric public service and on boosting capability¹⁸⁷.

The Labour-led government has undertaken fast and decisive action in dealing with the immediate effects of the crisis to date, however the public will have the expectation that they will also deliver a compelling and workable plan for the next recovery/restart phase. History has shown that victory against an enemy is not always enough¹⁸⁸; having fought against the 'enemy' the public will want to know how to get on with their lives, to make up for lost time and to feel justified that the sacrifices were worth it. The September 2020 elections will decide which political party offers the most convincing plan for a better future.

¹⁸⁰ <https://www.odt.co.nz/news/national/covid-19-gluckman-warns-social-cost>

¹⁸¹ <https://www.sciencemediacentre.co.nz/2019/04/09/canterbury-earthquakes-and-mental-health-expert-reaction/>

¹⁸² <https://theconversation.com/covid-19-highlights-south-africas-need-for-local-level-social-data-137804>

¹⁸³ <http://amp.ft.com/content/7eff769a-74dd-11ea-95fe-fcd274e920ca>

¹⁸⁴ <http://amp.ft.com/content/7eff769a-74dd-11ea-95fe-fcd274e920ca>

¹⁸⁵ <http://amp.ft.com/content/7eff769a-74dd-11ea-95fe-fcd274e920ca>

¹⁸⁶ <https://www.globalgovernmentforum.com/new-zealand-on-the-verge-of-major-public-service-reform/>

¹⁸⁷ <https://www.globalgovernmentforum.com/australian-leaders-link-corona-response-to-civil-service-reform/>

¹⁸⁸ <http://www.ft.com/content/1fa5ae87-b3b6-4708-b9c5-58d2077b8d95>

A further lesson from past crises, is that after crisis the state often does not give up all its power, leading to perhaps a bigger state with more powers, responsibilities and taxes.¹⁸⁹ Both nationally and globally, the pandemic has seen a massive increase in state power that was unimaginable prior to the virus. The use of intrusive surveillance, for example, may become more widespread just as it did in Asia post-SARS. It offers a huge advantage in managing disease outbreaks but the temptation may be to continue to use surveillance after the pandemic much as anti-terror legislation was extended after the 9/11 attacks¹⁹⁰. It will be important for the public to remember that the measures a government puts in place in time of crisis are not appropriate for everyday life.

Public Health

Historically, New Zealand has benefitted from its isolation and has largely escaped unscathed from recent outbreaks (SARS, MERS, Ebola, HIV, and Zika) that have ravaged other nations. However, with that has come a level of complacency. Thanks to the Health Act 1920, ushered in by the Spanish flu disaster, New Zealand has built a public health system that is relatively robust, and has many dedicated healthcare professionals at the ready¹⁹¹. However, it could justifiably be perceived as 'luck' as opposed to 'preparedness' which has enabled New Zealand to escape the infection and mortality rates seen elsewhere. It was only the country's mild encounter, on global terms, with the Swine flu virus in 2009 that tested the effectiveness of the central pandemic plan. The pandemic plan, though having the narrow focus of influenza, gave central government at least a starting point in order to deal with the current virus. New Zealand has also had the benefit of witnessing the strategies that have worked elsewhere in the world during previous outbreaks, along with what has worked currently as the disease began to spread within Asia and Europe.

Countries such as Hong Kong, Taiwan and China had pandemic strategies that were formed after previous fights against infectious disease. While Hong Kong suffered the second highest death toll from SARS worldwide¹⁹², its officials used what they learned during the previous outbreak about the need for early testing and social distancing to limit the impact of COVID-19. Shaped by its 2015 battle against MERS, another type of coronavirus, South Korea started quarantining and screening Wuhan arrivals as early as January 3 and started early on an ambitious and accessible testing regime¹⁹³. South Africa too, drew on the past experience of medical professionals and NGOs (non-governmental organisations) who have been fighting the ongoing outbreak of HIV¹⁹⁴.

Many western nations, however, with little or no recent experience of pandemic, were caught unprepared. Here in New Zealand, the government has had to balance numerous factors when assessing a containment strategy, with the impact on the healthcare system being traded off against long term damage to the economy. By replicating the response of those countries with past containment success, New Zealand's experience to-date shows that the decisive and aggressive action taken by the government has, so far, paid off.

¹⁸⁹ <https://www.reuters.com/article/us-health-coronavirus-breakingviews/breakingviews-cox-what-will-change-after-coronavirus-passes-idUSKBN21J5QM>; <https://www.economist.com/leaders/2020/03/26/the-state-in-the-time-of-covid-19?cid1=cust/ednew/n/bl/n/2020/03/26n/owned/n/n/nwl/n/n/AP/436254/n> = accessed 29/4/20

¹⁹⁰ <https://www.economist.com/leaders/2020/03/26/the-state-in-the-time-of-covid-19?cid1=cust/ednew/n/bl/n/2020/03/26n/owned/n/n/nwl/n/n/AP/436254/n>

¹⁹¹ <https://www.economist.com/leaders/2020/03/26/the-state-in-the-time-of-covid-19?cid1=cust/ednew/n/bl/n/2020/03/26n/owned/n/n/nwl/n/n/AP/436254/n>

¹⁹² <https://www.bloomber.com/opinion/articles/2020-03-10/how-coronavirus-compares-with-2009-s-h1n1-in-spread-and-reaction>

¹⁹³ <https://www.bloomber.com/opinion/articles/2020-03-10/how-coronavirus-compares-with-2009-s-h1n1-in-spread-and-reaction>

¹⁹⁴ <https://www.bloomber.com/opinion/articles/2020-03-10/how-coronavirus-compares-with-2009-s-h1n1-in-spread-and-reaction>

¹⁹⁴ <https://theconversation.com/covid-19-highlights-south-africas-need-for-local-level-social-data-137804>

Global

Economy

In 2008, the US Federal Reserve and China helped the global economy emerge after the GFC, however currently there has not been as much international coordination between central banks as there was in 2008. At present, the US is not in the position to prop up other countries and COVID-19 has significantly damaged China's capacity to manufacture for global markets¹⁹⁵. Under President Trump, the US has been pursuing a policy of nationalist protectionism but a turn to global central bank cooperation with countries working together would see a faster recovery than if each country acted alone¹⁹⁶.

Compliance

Analysis of public compliance during past events has shown that there are many cultural factors that will influence the effectiveness of public health measures. Factors that hinder successful public compliance are a dissatisfaction with the healthcare system, higher expectations of medical intervention, and less confidence in medical experts¹⁹⁷. Compliance is also shaped by the public's level of confidence in its government which can lead, compel or inspire its citizens to abide by collective health measures.

China's rulers govern a population of 1.4 billion people¹⁹⁸. The extraordinary levels of compliance they achieve under pandemic conditions is shaped by the authoritative dynamics of the country's political system. Despite the government's attempts to adopt a more open stance, Chinese legal scholars expressed concerns after the SARS outbreak that the government, in order to block information about pandemics, may turn to more human rights violations¹⁹⁹. China's Law on Prevention and Treatment of Infectious Disease gives authority to local governments to take emergency measures that may compromise personal freedom. China is able to exert stricter controls on movement and more intrusive means of surveillance such as house-to-house fever checks, tracing and enforcement of quarantines. It is also less vulnerable to pressure from businesses and popular opinion. During the SARS outbreak, the same day that the Chinese Premier released the new regulations to promote openness, the Beijing Morning News published an article on how people spread 'rumours' about SARS could be jailed for up to 5 years²⁰⁰.

Sharing knowledge and raising issues related to risk and responsibility, Singapore has encouraged its citizens to work, both independently and as a group, towards the same goal. During the height of the SARS outbreak, political leaders talked about the 'war' against SARS and fighting at the 'battlefront' in an attempt to rally Singaporeans to work cooperatively with the state²⁰¹. Working towards a shared understanding of social responsibility has meant that compliance in Singapore is more progressive, involving voluntary action and not just state legislation and regulation alone. While there is predominantly support for the state, there has also been some resentment among some Singaporeans who complain that their right to privacy has been invaded and that over surveillance may have occurred during the SARS outbreak²⁰².

Social

¹⁹⁵ <https://www.bangkokpost.com/business/1905025/how-the-last-three-months-changed-your-next-ten-years>

¹⁹⁶ <https://www.weforum.org/agenda/2020/04/wto-financial-crisis-coronavirus-covid19-recession-trade-global>

¹⁹⁷ <https://academic.oup.com/cid/article/38/7/925/321300>

¹⁹⁸ <https://www.economist.com/leaders/2020/04/16/is-china-winning?cid1=cust/ednew/n/bl/n/2020/04/16n/owned/n/n/nwl/n/n/AP/452381/n>

¹⁹⁹ <https://www.ncbi.nlm.nih.gov/books/NBK92479/>

²⁰⁰ <https://www.ncbi.nlm.nih.gov/books/NBK92479/>

²⁰¹ <https://www.sciencedirect.com/science/article/pii/S0168851004002428>

²⁰² <https://www.sciencedirect.com/science/article/pii/S0168851004002428>

Times of economic crisis highlight inequalities that were previously ignored and present an opportunity to redress these inequalities²⁰³. For example, the US responded to the depression with the New Deal, post-war Europe responded with the Marshall Plan.

Times of crisis can also lead to significant and widespread changes in foreign policy. After the 9/11 attacks, both major political parties in the US rallied around new or strengthened anti-terrorism legislation. The 9/11 attacks also indirectly led to the resumption of hostilities in Afghanistan which in light of the attacks was seen by Americans as a 'just war'²⁰⁴.

Collaboration

Historic analysis highlights the lack of global strategies, goals and coordination that are necessary to combat the challenges that are an inevitable part of the future. The world does not know which virus will cause the next pandemic; there is no way to rapidly develop and deploy an effective vaccine; the huge difference in quality of health systems slows effective response and there are major gaps in global virus surveillance data.

Ebola caught the world unprepared in 2014, with little or no coordination and communication. Subsequently there has been greater regional effort with joint health partnerships, more joint initiatives in preparedness for pandemic and emerging infections. This has led to stronger interconnectedness and cohesiveness between healthcare providers and the community resulting in a better position in which to fight the continued outbreaks of Ebola²⁰⁵.

Given that the world is only 'a plane ride away from a major threat'²⁰⁶, now is the time to learn from past experience and to support and engage in coordinated, universally applied public health measures and response to achieve global health security.

Politics

A major fallout of the pandemic is its politicization²⁰⁷. The suspicion and hostility seen during this pandemic is not new.²⁰⁸ Fear is a normal human reaction but it can be abused by politicians hoping to make political gains²⁰⁹. There is a distinct potential that a global depression ahead may create profound political uncertainty around the world as people judge how political leaders have behaved both during the crisis and its aftermath. Given that the 2008 GFC produced deep political paralysis and nurtured a crop of anti-technocratic populist leaders, it can be expected the COVID-19 crisis will lead to even more extreme disruptions²¹⁰.

The SARS outbreak highlighted the problem with Asia's open borders becoming problematic as perceptions of an 'enemy' infiltrating across borders. In the case of Taiwan, research attributes excessive politicisation, e.g. laying blame on China and on the political opposition as the main problem for the ineffective management of the SARS outbreak.

In this current instance, there has been a huge difference in the global response to COVID-19 originating from China and the response to the Swine flu pandemic which originated in the US. Global reactions were far less intense and critical during the Swine flu pandemic which infected 1.6 million and killed

²⁰³ <https://thespinoff.co.nz/atea/08-04-2020/the-effects-of-the-covid-19-recession-will-hit-maori-hardest/>

²⁰⁴ <https://en.wikipedia.org/wiki/Post-9/11>

²⁰⁵ <https://www.infectioncontroltoday.com/public-health/100-years-after-spanish-flu-lessons-learned-and-challenges-future>

²⁰⁶ <https://www.infectioncontroltoday.com/public-health/100-years-after-spanish-flu-lessons-learned-and-challenges-future>

²⁰⁷ <https://www.forbes.com/sites/panel-of-economic-commentators/2020/03/23/economic-recovery-from-covid-19-and-geopolitical-ramifications/#8df1158596eb>

²⁰⁸ <https://www.sciencedirect.com/science/article/pii/S0168851004002428>

²⁰⁹ <https://www.vox.com/2016/9/10/12861036/terrorist-psychology-fear-9-11-anniversary>

²¹⁰ <https://www.theguardian.com/business/2020/apr/08/the-2008-financial-crisis-will-be-seen-as-a-dry-run-for-covid-19-cataclysm>

280,000 in over 214 countries²¹¹. China is likely to remember how it was viewed and treated during the COVID-19 outbreak.

CONCLUSION

Moving forward, the role of local government will be just as critical as that of central government. The world is different and will require different thinking, different behaviours and different models but fundamentally, the focus must remain on the four wellbeings and keeping the community at the heart of any future planning for recovery.

This analysis of past crises has endeavoured to provide an overview of how the ongoing crisis compares with earlier crises. With the scale of the COVID-19 pandemic still unfolding, there is an urgent need to not try and return to business as usual as quickly as possible. Instead, locally, nationally and globally, consideration will have to be given to the efficiency and effectiveness of any social recovery response. Lessons learned from previous events have shown that uncoordinated, ill-informed, and short-term panicked decision making has led to poor recovery outcomes.

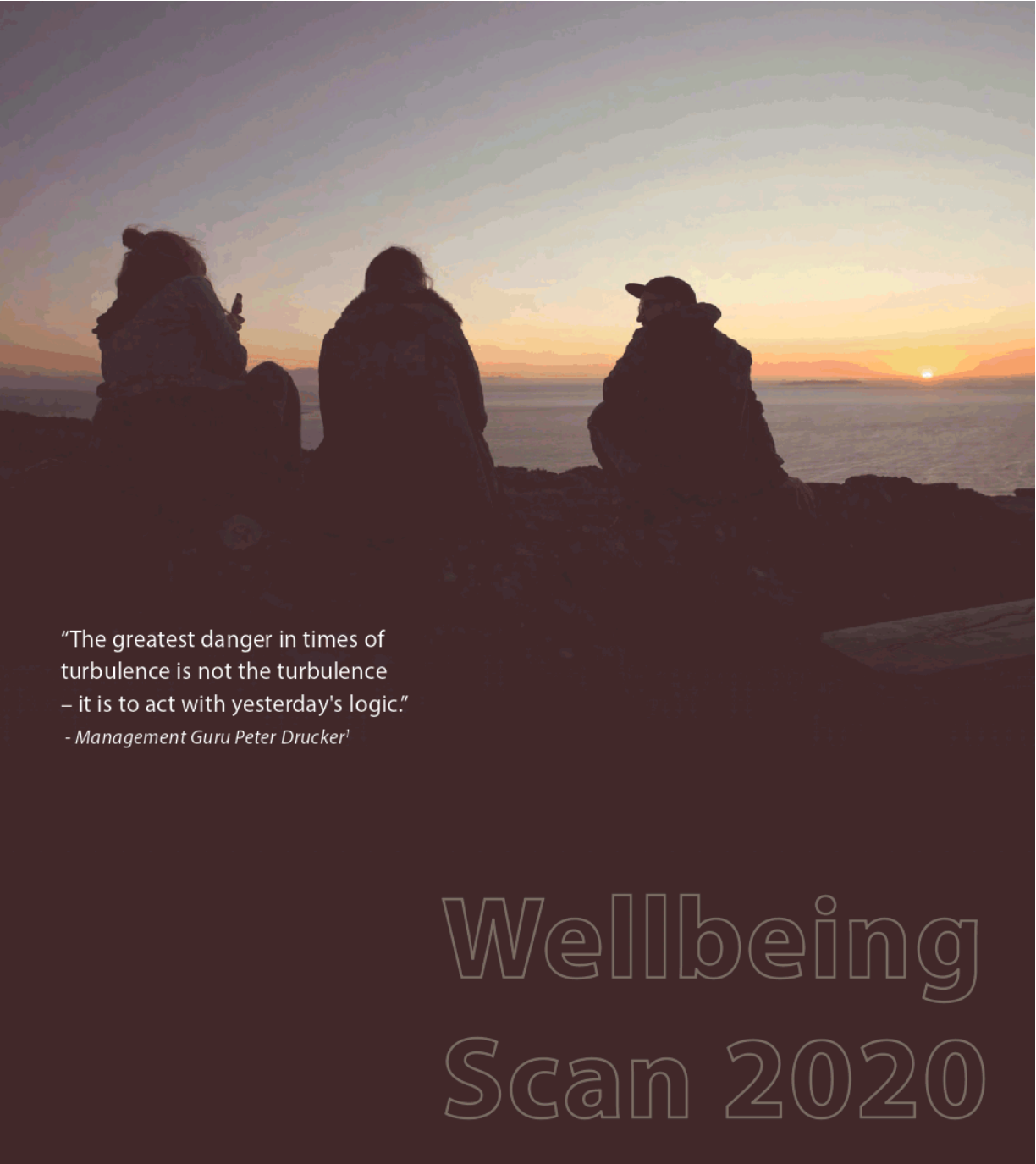
Instead, Council must ultimately prepare to be unprepared. At this present time, with the long term impacts of the pandemic still unknown, there is no established procedure or framework to fall back on. Rather, Council's immediate and forward planning will require the ability to be flexible, adaptive and agile in order to be responsive to the changed and changing needs of the whole community.

However much desired, there will not be a fast return to business as usual. Recovery will be a long and potentially difficult process and Council must ensure to bring the community on the journey alongside. Not everyone will accept the impact on autonomy and privacy that ongoing mitigation measures may require. Therefore, this is a time for over-communication – where Council's effective communication, engagement and governance will be central to the District's compliance with whatever measures will be required for collective recovery.

Recovery in the short, medium and long term will require a comprehensive and coordinated policy response. It will need to encompass broad social, economic, and financial dimensions and have the community as its central focus. In consequence, it is essential that Council resolves to continue to work in partnership across government and non-government organisations, key stakeholders and community. This will not only allow each to build on the strength of others', but will also give Council the opportunity to envision a more holistic view of what the future might look like for the District.

Looking ahead, New Zealand will continue to experience financial, health and environmental crises, on both a local scale and globally. While it is impossible to predict what these future 'black swan' events might look like and when they might occur, it will be essential that the District has the foresight and the capacity to prepare and withstand them. By engaging in transparent and honest communication, being open and supportive of the combined strength of collaboration, and by being dynamic in its strategic direction, Council will be able to support and enable an informed community with the strength and ability to prepare for its own resilience.

²¹¹ <https://www.forbes.com/sites/panel-of-economic-commentators/2020/03/23/economic-recovery-from-covid-19-and-geopolitical-ramifications/#8df1158596eb>

A photograph of three people sitting on a dark, rocky cliff edge, looking out at the ocean during a sunset. The sky is a mix of orange, yellow, and purple, with the sun low on the horizon. The people are silhouetted against the bright light of the sunset.

"The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic."
- Management Guru Peter Drucker'

Wellbeing Scan 2020

SOUTHLAND
DISTRICT COUNCIL



The future of the District and
recommended responses

Authors: Robyn Rout, Carrie Adams



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Introduction

Wellbeing scan 2020



This wellbeing scan looks at what changes to expect in the future internal and external operating environment for Southland District Council (Council). It has a particular lens on what the District will be like during and after the COVID-19 (covid) pandemic. The wellbeing scan also looks at how Council could lead, facilitate and support its communities at this time.

The purpose of local government, as set out in the Local Government Act 2002, includes reference to the role of local authorities in promoting the social, economic, environmental and cultural wellbeing of their communities. The indicators included in this wellbeing scan have been grouped under each of the wellbeings - social, cultural, economic and environmental. It is recognised that a number of indicators have impacts across multiple wellbeings.

The wellbeing scan has been produced following analysis of:

- literature produced since the covid pandemic began
- data and statistical information
- policy-related information from key external stakeholders

On this basis, the scan differs slightly from more-traditional environmental scans. It is acknowledged this wellbeing scan will become out of date as soon as it is complete.

It is intended the wellbeing scan will assist in informing the assumptions work for Council's Long Term Plan 2021-2031. This work may also lead to discussions on the tools Council has available to influence the direction the community is taking, to promote social, economic, environmental and cultural wellbeing.

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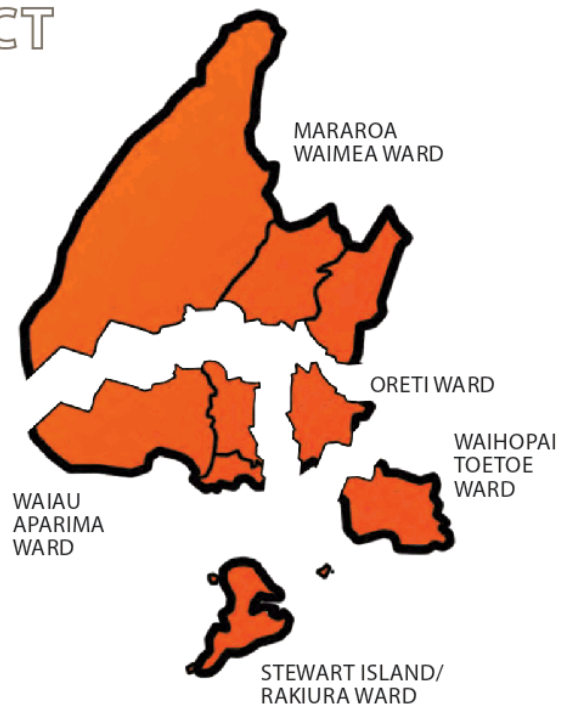
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SOUTHLAND DISTRICT

At a glance

'Murihiku' is the Māori name used to describe the Southland region. The name means the tail end (of the land). Southland District is divided into five electoral wards represented by a mayor, twelve ward councillors and nine community boards.

Ngāi Tahu are tangata whenua and four iwi have mana whenua. The iwi are Te Runaka o Awarua, Hokonui Runanga, Oraka/Aparima Runanga, and Waihopa Runaka. Council has had a long standing relationship with Te Ao Marama Incorporated, who until recently have been authorised to represent the mana whenua. Of those who reside in the District, 88.1% report being of European ethnicity, 11.1% as Maori, and 6.2% as Asian.²



Southland District covers **11%** of New Zealand's land mass

(30,198 square km). In 2018 there were **30,864** people living in the

District, which amounts to **0.66%** of New Zealand's population. The District's population is

expected to grow to **36,700** by **2043**.⁴ There is **2,877 km of coastline**

in the District, and **5,000km of roads** (40% sealed, 60% unsealed).

In relation to the local economy, the top three industries based on GDP are:

- the primary sector - agriculture and farming
 - 50% of the businesses operating are in the primary sector
 - 98% of these primary sector businesses operate in the industries of agriculture or forestry
 - estimated 18.3% of total employment (measured in full-time equivalents) in the District is in dairy farming³
- manufacturing
- tourism

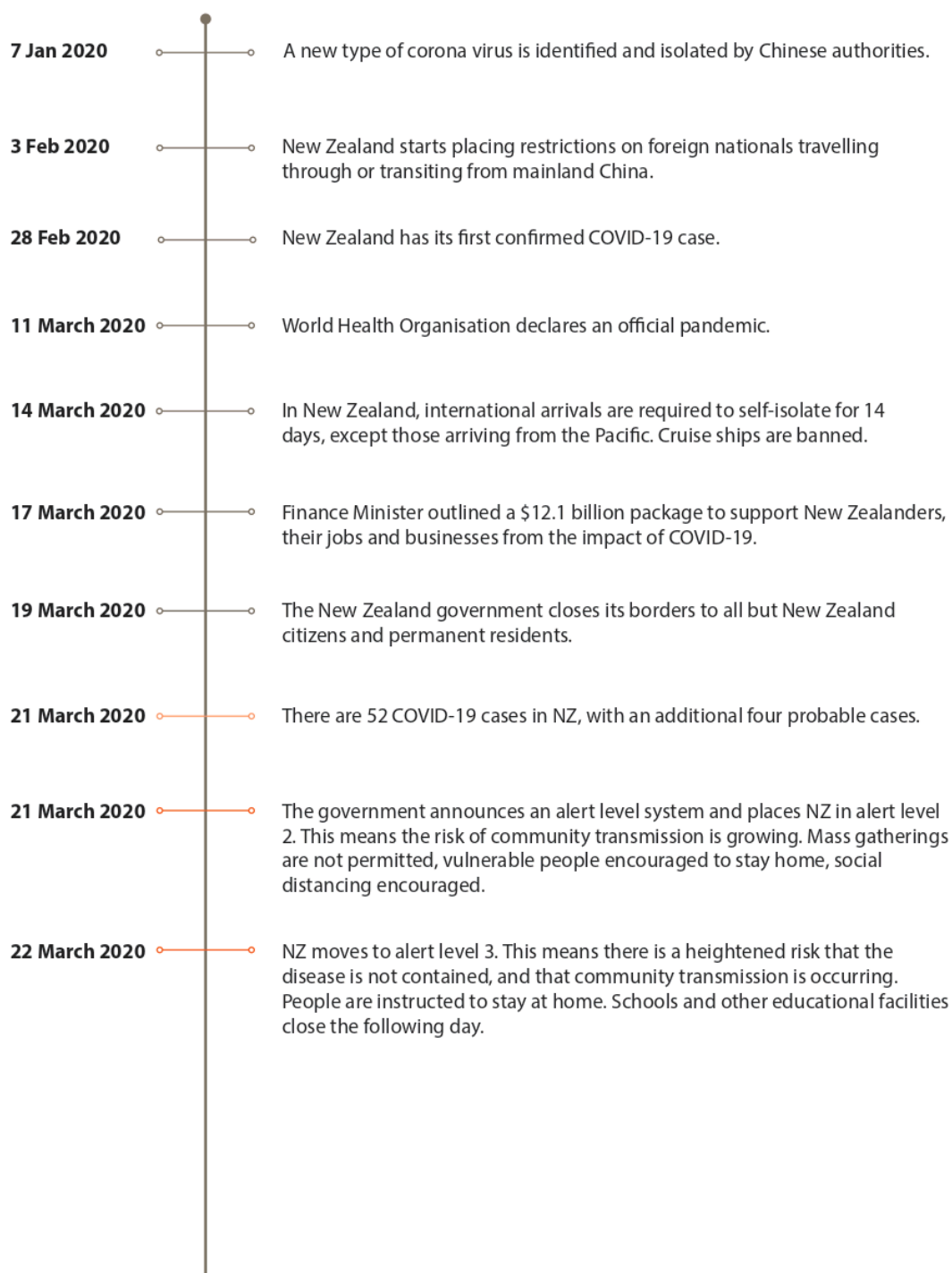
Council has a number of key partnerships and relationships including:

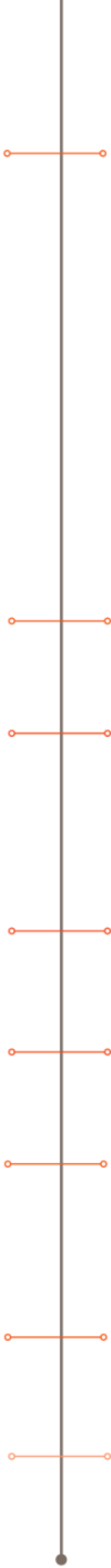
- local community boards
- Te Ao Marama
- Great South – Southland's Regional Development Agency
- neighbouring local authorities - including Invercargill City Council, Environment Southland, Gore District Council, Queenstown Lakes District Council
- central government
- Southland Chamber of Commerce
- other stakeholders, such as Southern Institute of Technology, Fonterra, Air New Zealand, Wayfare/ Real Journeys, Public Health South.

The pandemic

what happened?

A timeline of the pandemic event is described below:⁵



- 
- 23 March 2020** Finance Minister announced significant further support for the economy, workers and businesses, including⁶
- initial \$500 million boost for health
 - \$5.1 billion in wage subsidies for affected businesses in all sectors and regions
 - \$126 million in COVID-19 leave and self-isolation support
 - \$2.8 billion income support package for our most vulnerable, including a permanent \$25 per week benefit increase and a doubling of the winter energy payment for 2020
 - \$100 million redeployment package
 - \$2.8 billion in business tax changes to free up cashflow, including a provisional tax threshold lift, the reinstatement of building depreciation and writing off interest on the late payment of tax
 - \$600 million initial aviation support package.
- 23 March 2020** Reserve Bank acts to move on quantitative easing - to inject cash into the economy.⁷
- 25 March 2020** NZ moves to alert level 4. People are to stay at home. Non-essential businesses are to close (this excludes essential businesses like banks, supermarkets, pharmacies and medical clinics). Only essential workers go to work. All travel is severely limited and healthcare services will be re-prioritised. Cargo/mail and food supplies operate. Online shopping available for essential items. People can exercise in their local area.
- 26 March 2020** In Europe, COVID-19 spreads rapidly. Italy has 69,176 cases of the virus, Spain has 39,673, Germany has 31,554, and France has 22,025.
- 25 April 2020** In NZ, there has been 1461 confirmed and probable cases of COVID-19, and 18 deaths. 216 cases have been in the Southern DHB, and 2 deaths.⁸
- 28 April 2020** New Zealand moves to alert level 3 until 12 May - when the alert status is to be reviewed. Workers must still work from home if possible, students year 10 and under encouraged to stay at home (unless parents have to leave home to work), social distancing still very encouraged. People may travel short distances for leisure activities. Online shopping with non-contact delivery is permitted.
- 9 May 2020** In NZ, there has been 1492 confirmed and probable cases of COVID-19, and 21 deaths. 216 cases have been in the Southern DHB, and 2 deaths.⁹
- 14 May 2020** New Zealand moves to alert level 2. People can socialise in groups of up to 10 people, go shopping, travel domestically and businesses can open. Some social distancing is still required.



Social profile

A. Where is the District heading?

Health

How will covid play out?

Through social distancing and border control practices, aggressive testing, tracing and isolating procedures, New Zealand is currently in an enviable position in relation to covid, relative to some other countries¹⁰. However, it is early days as there is still a lot more to learn about the virus.

Three scenarios have been discussed for covid.¹¹

Scenario 1

A vaccine or effective antivirals are produced in the next two years. New Zealand would manage the small number of cases until that point. In relation to this scenario, it is important to note that no vaccine against a covid virus (which includes SARS, MERS, and several others that cause the common cold) has even been approved.¹² Although efforts to make a vaccine will now be very highly prioritised and well-funded, there has been efforts to produce vaccines for covid viruses (for animals and people) for the last 30 years.¹³

Scenario 2

In the absence of a vaccine or antivirals, some sort of population immunity will be built up, reducing the transmission level. This is based on the assumption people who have recovered from covid generate an immunity for at least two or three years, and any subsequent infection is mild. It is thought there would have to be a reasonably high percentage of people who have recovered from the virus, for a population immunity to come into effect (perhaps 60-75%).¹⁴ New Zealand would still be reasonably well placed in this scenario as with time, research will more accurately identify who is particularly vulnerable to covid (individual genetic or immunological factors), to help reduce ICU burden and loss of life. In this scenario there would be a focus on treating the symptoms of the virus (through antivirals and prophylactic therapy),¹⁵ as (potentially) various 'waves' of infection arise.¹⁶ It is unclear in this scenario, whether the virus may end up appearing seasonally.¹⁷

Scenario 3

People do not generate immunity to the virus or they develop immune enhancement (which means subsequent reinfections would be more severe – such as for Dengue). This is the worst case scenario. Particular people would be at higher risk, such as vulnerable people (the elderly and those with pre-existing medical conditions)¹⁸ and people who cannot effectively self-isolate (people living in deprivation, those requiring carers etc).¹⁹ New Zealand is well placed for this scenario, as with fewer cases, it will be easier to eliminate the virus.

Changes in the health sector

It is likely there will be changes and investment in the health sector. This could include investment in surge capacity (including in equipment such as ventilators and PPE)²⁰ and infrastructure,²¹ centralising health data, changes in medical ethics, and implementing new ways of working that will minimise risks for health care staff.

²²Pharmaceutical research and development is likely to increase²³, including work on developing and producing covid vaccines, antivirals, antibody testing/sero prevalence and testing and patient-tracing technologies.

People throughout New Zealand are also likely to be impacted by the cancellation non-emergency medical procedures/surgeries. There is likely to be a backlog for at least 18 months²⁴. There may also be less access to appropriate healthcare and aged care facilities due to social distancing measures, longer waiting lists for services, and concerns about safety.

There is also likely to be an increase in demand for mental health services – both in Southland and nationally.²⁵ In a phone survey of local businesses, Great South referred 24% of respondent to wellbeing and mental health support links.²⁶ It has been widely recognised that some members of the farming community can be vulnerable to mental health issues²⁷, so this also may be an area of particular concern. Medical issues linked to stress, such as heart attacks and strokes, may also increase.²⁸ In contrast, some people will thrive being less busy, and have lower stress levels and better wellbeing.

Education

International students

Fees from international students are a significant funding source for education institutions, including some in the Southland District. With foreign nationals not being allowed to enter New Zealand, the associated loss of funding could have large financial impacts. The lack of funding may also impact the education options provided and the resources available.²⁹ Victoria University has estimated it could lose \$12 million this year without foreign students³⁰ while Otago University has stated the situation is not 'disastrous' to it. Globally, it could take five years for international student numbers to recover.³¹

Learning practices

In the short term, there is likely to be disruption to students' learning and academic assessments as the covid pandemic continues. Online learning is likely to be affirmed a valid and successful way to educate people, particularly tertiary students. The uptake of distance learning is expected to skyrocket and it will be used in conjunction with traditional teaching.

³²More than ever, people may think it is not necessary to relocate to study. Financial constraints and concerns about contracting covid, may also discourage relocation. In the long term, the cost of tertiary education may reduce as more students utilise online methods.³³

During the economic downturn, people in the District may be more inclined to study. There is often an uptake in education and training in a recession.

³⁴People who work in professions heavily impacted by the pandemic, may wish to reskill. The trades, healthcare, social assistance and technology have been mooted as sound career paths for the future.³⁵



10



Technology

Continuous development

Technologies will continue developing rapidly and change rural and provincial New Zealand. For example, it is anticipated that by 2036, over a third of the jobs in the District will be at risk due to automation.³⁶ Technology and automation is likely to change the work people do, rather than just displace workers.³⁷ During and after the covid pandemic, it is likely there will be exponential growth in some areas, such as:

- drones - to help ensure contactless interactions³⁸
- biosensors - to track health information
- 3D printing - due to the speed of design and manufacturing
- machine learning - to support the acceleration of drug development³⁹
- contactless interfaces - for example touch screens may be replaced by voice and machine vision interfaces, to limit physical contact
- robotics - as robots are not susceptible to viruses⁴⁰

The internet

The covid pandemic has resulted in a 'telepresence bonanza'.⁴¹ People who have previously resisted using online services have been forced to take the plunge. People are working and studying from home. Online services are helping people live well through the covid pandemic. There has been increased uptake of:

- communication tools – such as email and video conferencing⁴²
- online livestock sales⁴³

- online entertainment and recreation - live theatre, summits, museum tours, concerts, and exercise classes
- telemedicine - online medical consultations⁴⁴

It is likely these tools will continue to be in high demand - they have become part of our everyday life and people may not have the same ability to travel in the future. The future popularity of online shopping is likely to be impacted by the extent retailers, courier and mail services can keep up with the demand.

Cyber-crime and phishing are growing rapidly, and it will remain a constant challenge to stay ahead of people trying to breach digital systems.

Throughout the covid pandemic, a number of changes to internet services have been discussed, that could be part of the District's future. These include:

- investment in and strengthening New Zealand's virtual infrastructure – as many encounters and transactions will happen online, rather than in face-to-face⁴⁵
- using personal data to stem the spread of covid – harnessing location and movement data from smartphones to help control covid⁴⁶
- increases in online shopping and digital transactions – to prevent the spread of disease, no cash
- decentralised internet protocols – improving resiliency - a small number of companies own a large number of the servers directing traffic⁴⁷
- improved data verification/integrity – what you find online may actually be true
- more digital events and e-sports⁴⁸
- a 5G-scale internet upgrade – this would support the ever-increasing demand.



Demography

Drivers for change

The demography of people in the District in the post-covid world may be impacted by a number of factors, including:

- central government policy and legislation, including changes to immigration laws – migrant workers may not be present in the District in the short term⁴⁹
- economic factors including meat and dairy prices, the employment market and the property market – changes may result in:
 - movements around, in or out of the District, to seek financial stability
 - migration out of the District to purchase cheap real estate in other regions, such as in Queenstown (retirees)⁵⁰
 - young people moving home to live with their parents, if they can't find employment⁵¹
- the willingness to leave the District to study, to work elsewhere, or to travel – particularly in relation to youth⁵²
- the willingness of domestic and international migrants to travel to the District to work⁵³
- how the pandemic plays out internationally – people will seek a safe place live and play
- any emerging trends in rural migration – people may seek a rural lifestyle and open spaces.⁵⁴

Possible trends

It is likely there will be an aging population in the District, although the ratio of youth to elderly will vary across different communities.⁵⁵ It is also likely that over the short to medium term, more young people may remain in or come back to the District.

There will probably be significantly less migrant workers present until foreign nationals are permitted entry to New Zealand. When the borders are open, it is still likely there will be less migrant workers, but numbers are likely to increase again over time.

It has been predicted that provincial areas such as rural Southland, where the economy is mainly based on sheep, dairy and beef, are likely to retain their populations.⁵⁶ There is likely to be migration out of areas highly dependent on tourism – particularly those with overheated property markets (such as Queenstown). Areas in the District such as Te Anau, may be vulnerable to a similar migration trend. It had been anticipated that Winton may experience growth⁵⁷ and post-covid, this still may occur.

It is also anticipated that the number of people who have no religious affiliation will continue to increase, as this has been a consistent trend in census data.⁵⁸

NZ politics

Higher degree of trust

It appears trust in the government (and possibly in other public institutions) has increased significantly as a result of the covid pandemic. People have observed the government take reasonably fast and decisive action to prevent lives being lost in New Zealand. Information has been made available to the public, and there has been almost over-communication, with clear and consistent messaging and clear expectations. On the international stage, New Zealand's response has been recognised and commended.⁵⁹

Possible future trends

A number of political trends may occur as a result of the covid pandemic - some that have been discussed in recent weeks include:

- an increase in state power – there has been a massive display of state power (both in society and the economy) that was completely unimaginable at the beginning of 2020. History suggests that after crises the state does not give up all its power, leading to perhaps a bigger state with more powers, responsibilities and taxes.⁶⁰
- an expectation to get important things done quickly – due to the governments fast response to covid, the public now know that things that had been described as politically impossible (like addressing climate change), were simply a matter of priority.⁶¹
- decentralisation over the longer term – in the UK there has been signs of decentralisation over the last few years, and with the vitality of local communities and local government (who have been an integral part of the covid response), power may continue to decentralise⁶². It is possible similar trends may be observed in New Zealand.
- re-prioritising – the government has already prioritised development and infrastructure projects and helping to stimulate our economy.⁶³ In addition, reprioritisation may include:
 - delays to implement recent policy statements
 - investment in the health sector, the education sector, virtual connectivity, natural infrastructure, work reshaping the economy to protect it against other global shocks and reviewing whether our healthcare sector and social support sectors performed well through covid⁶⁴
 - adopting protectionist trade policies.⁶⁵

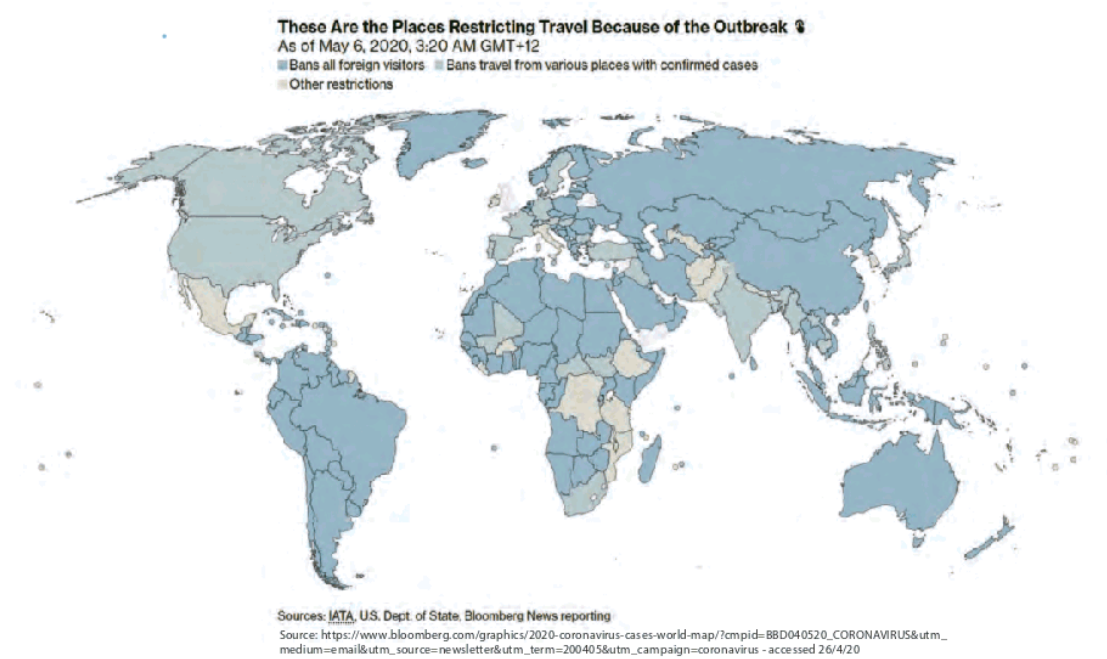


13

Transport

International travel

As can be seen in the image below, a large number of countries have closed their borders to foreign nationals.



Between 1 March and 31 March 2020, the number of planes in the sky at 3pm (co-ordinated universal time) reduced by about two thirds. Many of the planes flying are cargo planes carrying essential supplies such as food and medical equipment.⁶⁶ It is thought that New Zealand will be cautious about reopening their borders. A gradual opening of New Zealand's borders is likely, starting with other 'safe' countries - like Australia, China, Singapore and Taiwan.⁶⁷ It is speculated that New Zealand may open

its borders with Australia around the end of 2020.⁶⁸ Air New Zealand has stated that when it emerges from the covid pandemic, it is likely to have limited international services.⁶⁹ Most international carriers are also likely to have far less capacity and some carriers may fail or merge.⁷⁰ International fares will be more expensive. It is anticipated the cruise ship industry will take a reasonably long time to recover from the covid pandemic.⁷¹





Domestic travel

There are also likely to be significant changes to domestic travel.

Air - As part of the government bailout deal, Air New Zealand must fly to every existing regional port for the next two years.⁷² It is not clear how often planes will fly, or the number of seats that will be available over the two year time-frame. Air New Zealand is likely to be devising a plan to ensure it can make money travelling to regional ports, while also ensuring people can travel safely (undertake social distancing).⁷³ It is unclear whether Air New Zealand will fly to all existing regional ports after the two year period. The long-term future of all local airports (Queenstown, Dunedin, Invercargill), is not known.

Motor vehicle - In relation to motor vehicle transport, it is possible that domestic travel will increase, as people holiday locally.⁷⁴ Home delivery and courier services may thrive with increases in online shopping.⁷⁵ Other aspects of the transport sector may be impacted by downturns in the manufacturing and construction industries.⁷⁶ There may be a small drop in retail fuel prices due to reduced product costs – although other factors impact fuel pricing.⁷⁷ Driver-only car journeys may also increase, if people are reluctant to share space with others.

Other - It is likely there will be more walking and cycling, to achieve social distancing and cost savings. Virtual journeys may also increase (people viewing locations from the safety of their own home).

A change to the sector?

Commentators have identified this is the opportune time to proactively shape how transport is delivered and used, and to support and promote effective transport modes. Space could be allocated towards pedestrians, cyclists and shared transport, rather than private cars. Transport Minister Julie Anne Genter has revealed plans for expanded footpaths and temporary cycleways, so people can practice social distancing.⁷⁸



Social profile

B)

Summary of the key social trends

The summary of the likely social trends in Southland District are:

- covid will impact the District for at least two to three years, but probably much longer. The health sector is likely to change in response, there is likely to be more mental illness, and there might be less access to health and aged care facilities.
- online learning is likely to take off, especially in tertiary institutions. More people may be studying during the recession, and they may stay in the District while they study. In the short term, the education sector will lose funding due to the loss of international students, which may impact the services provided.
- technology relating to covid will soar, such as medical development and contactless technologies. Online services that have made our lives better through the pandemic will stay and grow, and changes will ensue to support the higher demand for online services. Cyber security and phishing will be a never-ending challenge.
- the District is likely to have an aging population, although there may be more 'local' youth in the District, and less migrant workers. The population isn't anticipated to decline, but there could be migration out of areas reliant on tourism.
- public trust in the government has grown. There is likely to be an increase in state power, and there will be reprioritising.
- international travel has ceased, but New Zealand is predicted to gradually open its borders to other safe countries. Going forward there will be less international travel and it will be more expensive. It is unclear whether Air New Zealand will continue services to Invercargill airport after 2022. There will be more domestic travel by car, and more delivery services. Walking and cycling are likely to increase.

Social profile

C) How could Council lead, facilitate and support communities through and after the covid pandemic?

Health

- plan how Council will operate through each of the covid scenarios – this could be linked to national alert levels, and will include factors such as contract tracing, and how and when services will be provided, safe staffing practices etc
- continue to support Emergency Management Southland (EMS) so it can disseminate information and help people in emergencies
- review the provision of Council's social and virtual infrastructure (with a view to covid impacting the District for a number of years to come) – is community housing now necessary, are community hubs more likely to spread covid, should Council decentralise its facilities, should more services be online etc?
- provide infrastructure that is appropriate for new recreational trends – eg walking and cycling tracks close to towns
- take a supportive role and help social services to improve mental health, access to health and aged care, community support/cohesion and economic support/financial advice
- take a supportive role with rural health trusts.

Education

- take a supportive role and help stakeholders to provide education and to improve education outcomes in the District.



Technology

- investigate touch-less technologies in Council buildings and facilities
- review whether there is appropriate video conferencing equipment/software, equipment to support home-based work and cyber security measures within Council
- setting policies and practices within Council that encourage the entry and uptake of technology, and new knowledge, processes, goods and services
- leading by example in the uptake of new technologies
- retaining traditional broadcast channels such as radio and print media as well as finding creative ways to use digital forms of communication to engage with an increasingly 'digital native' population
- take a supportive role and help improve internet access, internet quality and people's ability to use the internet in the District, including making sure people have access to video conferencing
- take a supportive role in the development and uptake of other technologies throughout the District.

Demography

- adapt services and infrastructure to the needs of people in the 65+ age group – for example appropriate footpaths, public seating, proximal parking, using appropriate media channels etc
- over the short-medium term, provide/focus more services towards young adults - including recreational infrastructure, library services, community engagement etc
- take a supportive role in initiatives for older people in the District - including business ventures to provide services, improving technology uptake and work/volunteer options
- take a supportive role in fostering employment - including skill transfer, filling roles that have been typically occupied by migrant workers, and getting youth into employment
- take a supportive role or outsource to Great South, work to preventing migration away from tourist areas – such as diversification and promoting domestic tourism.

NZ politics

- acknowledge that local action and the local response to covid, has been crucial
- review how the government has improved its level of 'public trust' over the covid pandemic, and apply learnings to increase public trust in Council
- the government will be reprioritising, and Council will have to be highly flexible and responsive.

Transport

- consider whether this is a good time to proactively influence modes of transport – should footpaths, pedestrian areas and cycle ways be prioritised in some of our larger towns? Should they be wider to allow for social distancing?
- take a supportive role in ensuring mail and courier deliveries are efficient
- take a supportive role or outsource work to Great South, to support the continued provision of domestic air services to Southland.



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Cultural profile

A. Where is the District heading?

Ethnicity

Relative to other districts in New Zealand, Southland District is less ethnically diverse. However, as is shown in the table below, ethnic diversity is increasing. The proportion of Māori and Pacific peoples in the District has been increasing slowly, and there has been a 2.3% increase in Asian people over the last 5 years. Districts that are reasonably similar to Southland (such as Clutha and Tararua), have not had a similar increase in Asian residents.⁷⁹

Ethnic groups, over time

Ethnic groups for people in **Southland District**, 2006-18 Censuses

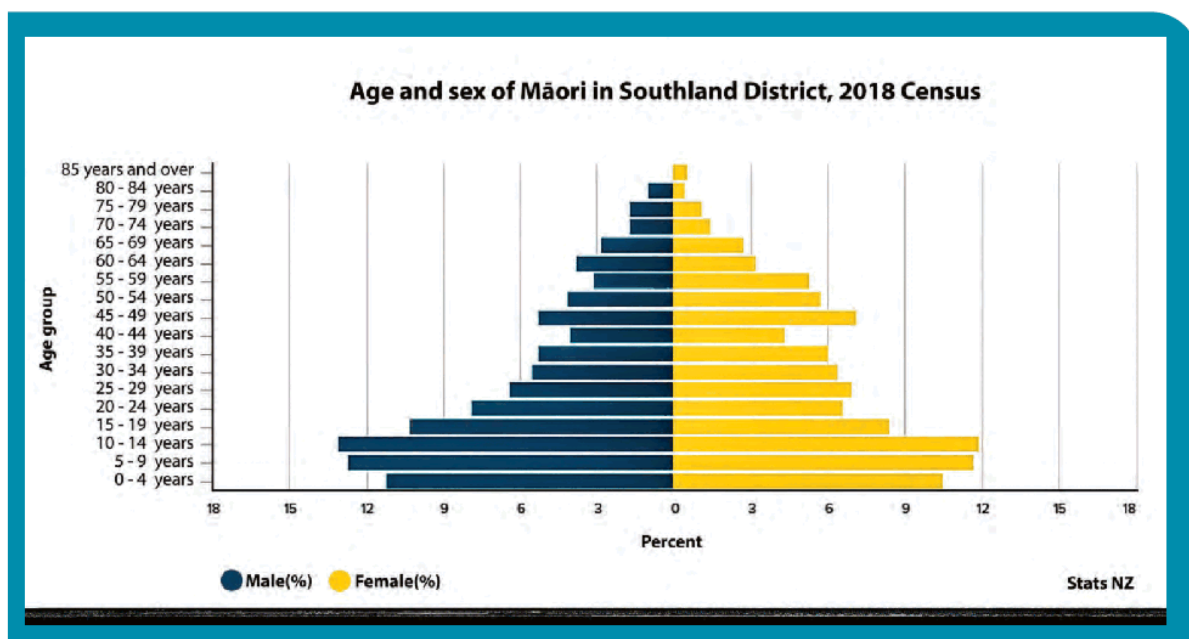
	2006 (%)	2013 (%)	2018 (%)
European	79.4	89.8	88.1
Māori	9.4	10	11.1
Pacific peoples	0.6	0.8	1.1
Asian	1.1	3.9	6.2
Middle Eastern/Latin American/African	0.2	0.6	0.7
Other ethnicity	17	2.5	1.6

Ethnic groups, over time

Ethnic groups for people in **New Zealand**, 2006-18 Censuses

	2006 (%)	2013 (%)	2018 (%)
European	67.6	74	70.2
Māori	14.6	14.9	16.5
Pacific peoples	6.9	7.4	8.1
Asian	9.2	11.8	15.1
Middle Eastern/Latin American/African	0.9	1.2	1.5
Other ethnicity	11.2	1.7	1.2

It is likely the District will become increasingly diverse over time. However, in the short term, this trend may slow if there are less migrant workers in the District. The District as a whole has an aging population, but Māori in the District have a youthful population (see page 21), so there will be a higher proportion of Māori to European, going forward.



Migrants

Migrants are highly regarded in Southland District, as workers and also as members of their communities.⁸⁰ Migrants have been vital workers in the Districts increasingly tight labour market⁸¹ and have contributed to higher productivity levels in the agricultural sector. However due to overseas travel restrictions to control covid, it is unlikely there will be many migrants arriving or working in the District in the short term. Nearly 200,000 people are currently in New Zealand on temporary student or work visas, however many will need to leave New Zealand when they are able to travel home.⁸²

Changes to immigration laws

In the next 18 months, Immigration New Zealand are likely to introduce new laws that will affect employers and the migrant workers they employ. Recent opinion is that it will become much harder for employers to secure work visas, recruit and retain migrant workers across all industry sectors, in all roles.⁸³ With the inevitable higher levels of unemployment in New Zealand as a result of covid, it is thought that the labour market test will be made increasingly hard to meet (for example proving that there is not a suitable New Zealand resident or citizen who could do the work).⁸⁴ It is expected this test will already be being applied, even though Immigration New Zealand has not amended its formal policy.⁸⁵

Longer term outlook for migrants

Due to New Zealand's proactive response and current success at controlling covid, and its low population density, net migration inflows may take a new step up once global movement options have resumed.⁸⁶ Southland District is in a good position to attract migrants seeking a good all round lifestyle (affordable, wide open spaces, less likely to experience draught etc). The willingness of employers to accept remote work may also impact migration to the region.⁸⁷ There is likely to be increased respect and appreciation for migrant workers, as their role in providing essential services to New Zealanders during the early stages of the pandemic, has been recognised.⁸⁸ Migrants are likely to fear xenophobic responses from people in local communities – and these concerns may be exacerbated in a recession environment.

The path for Māori

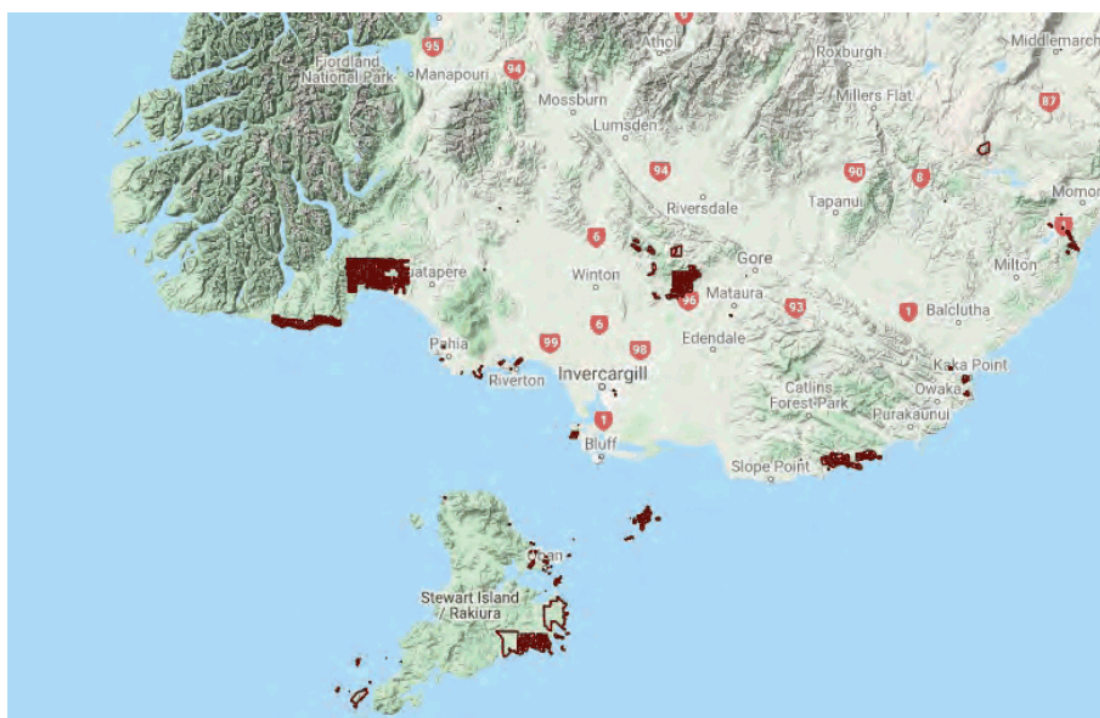
Economic

In New Zealand, the Māori economy is important. Iwi are becoming more influential as business and land owners. Māori own a large proportion of assets in the primary sector: 50% of the fishing quota, 40% of forestry, 30% in lamb production, 30% in sheep and beef production, 10% in dairy production and 10% in kiwifruit production.⁸⁹ It has been estimated the value of the Māori asset base in New Zealand is over \$50 billion.⁹⁰ The Ture Whenua Māori Bill will change the management of Māori land. Land will become harder to sell, but it will be easier for Māori land owners to make decisions about their land, including development decisions. Currently in New Zealand, it is estimated there is 1.4 million hectares of Māori freehold land, and 36 percent of that land is unused.⁹¹ Māori land in Southland District is shown below.⁹² With having a youthful population, Māori will increasingly be important participants in the Districts' economy. Many young Māori are now in the workforce with good qualifications and they are an important resource for the region. Māori are likely to increasingly become important business and land owners, but will also be impacted by covid (see below). Some believe entities like Ngāi Tahu Tourism could potentially expand their portfolios through this crisis.⁹³

Te reo

Although the proportion of Maori who speak te reo has historically been decreasing,⁹⁴ there are signs this trend may not continue. Recent census data shows that 21% of 15-24 year old Maori can speak Maori fairly well, which is slightly higher than the proportion who could hold a conversation about everyday things in 2013.⁹⁵ The Māori Language Strategy and the recently amended Māori Language Act are trying to support the revitalisation of te reo. The Minister of Māori Affairs has indicated that priority initiatives could include national bilingual signage in public domains, encouraging growth in distinct iwi/hapū language programmes, and a focus on hapu/iwi dialects. With an increasing proportion of Maori in New Zealand and with te reo and tikanga maori being such taonga, increased uptake of te reo seems likely.

Māori land in Southland



Covid

There is a lot of concern that Māori will be particularly vulnerable to the pandemic⁹⁶ and that the pandemic will have a deep and severe impact on Māori communities.⁹⁷ Māori unemployment was high prior to covid and there are fears the rate will increase, and increase at a higher rate than the rest of New Zealand (as was the case in the GFC). This would have devastating and cumulative effects (such as on health and wellbeing). The \$50 billion Māori economy is now considered to be worth \$40 billion. Iwi organisations and land trusts that are heavily invested in tourism, forestry and international equities are facing massive reductions in their balance sheets. It is likely this will impact distributions back to iwi and shareholders, reducing the impact of support programmes.

The government has announced more than \$56 million to support Māori communities and businesses in response to covid.⁹⁸ There has been some scepticism this funding will help achieve good post-covid outcomes for Māori.⁹⁹



How people live

It seems our lifestyles are going to change after the peak of the pandemic, but what isn't entirely clear, is how enduring those changes will be over the long term. It is also acknowledged that local communities in the District will be impacted by the covid pandemic in different ways.

Work

Many predict that more office work will be completed at home following the covid lockdown, and that there will be further dissolution of the traditional workplace (a process that was already under way).¹⁰⁰ Agreements may be reached for employees to spread their time between home and the office. Advantages to employees include saving money and time, being able to spend more time with and care for family members, and having a higher quality of life (less time in an office cubical etc). There may also be cost and productivity savings for employers. In Southland District, 17.3% of people worked from home in 2018¹⁰¹, but after covid, the proportion may increase.

Work travel may become a lot less common. More expensive flights, concerns about safety, the fiscal climate and the uptake of video conferencing makes it more likely business will elect to keep their staff local.¹⁰² Office spaces may be redesigned to allow for social distancing and some business may decentralise to reduce (pandemic related) risk.¹⁰³ It's possible there will be policy changes (organisational or central government) relating to employee health and wellbeing.

Relationships

It is possible there will be changes to how people interact, going forward. People may shy away from greetings such as handshakes and hongi. There may be a slight distrust of strangers/tourists due to concerns about contracting covid, and social gatherings, dating and group activities may be approached with caution.¹⁰⁴ There may be less face to face relationships, as video conferencing increases.

Over the last few weeks children have been home from school, adults home from work, and people have stayed close to home, there has been an undeniable sense of community. People have enjoyed talking to each other and people have been present. This is something people may want to hold on to.

Older members of the community may also withdraw from their friends and family to protect themselves from covid. This may be isolating for the person withdrawing, and it is also likely to impact other family members and the community. Older members in the community often help their families by providing support, childcare assistance, and they are often engaged in volunteer or other community work.

Some people in the District may have more people living in their homes as elderly family members seek company and support, and other family members move in for financial reasons.¹⁰⁵

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Leisure

Over the pandemic, many people have enjoyed a slower pace of life and reconnecting with their families. It is possible that going forward, people may be seeking a less busy life.¹⁰⁶ Employees, now more than ever, may be trying to reinstate an appropriate work-life balance.

At least over the short term (while travel and distancing restrictions are in place), people are likely to engage in a range of activities to provide comfort and keep themselves busy. More than ever, people will enjoy the outdoors, including beaches, rivers and forests.¹⁰⁷ Service such as Netflix are likely to be popular (although the new material on offer will reduce)¹⁰⁸, as are arts and crafts.¹⁰⁹ People are likely to do more online shopping¹¹⁰, enjoy cooking homemade meals, read books and spend time with family and friends. Some parents may engage more with their children's learning, or elect to home school. It is unclear whether all of these trends will continue.

While there are threats of covid, most sport, recreation and cultural events (such as concerts, shows, exhibitions etc) are likely to be cancelled or stringently managed.¹¹¹ Online exercise classes and physical activities where people can remain isolated, such as jogging, walking and cycling, are likely to remain popular. It is also predicted that E-sports and virtual journeys may increase in popularity.¹¹² Again, it is not clear whether these trends will continue.

Localism/globalism

New Zealanders have never felt their global interconnectedness more than through the covid pandemic.¹¹³ Two possible changes have been identified in relation to globalism and localism.

People have witnessed a lack of global co-ordination to prevent the spread of covid, and countries and states have had different responses and experiences – and varying levels of success. People may question whether there is a lack of acknowledgement of how interlinked the world has become, and whether current governance models are appropriate. It may be that certain issues will be recognised as warranting global co-ordination. It is possible this may be the time when countries around the world start to come together.¹¹⁴

The pandemic has also exposed New Zealand's dependence on vulnerable supply chains.¹¹⁵ There has been a reliance on worldwide production and long supply chains. For this reason, some have suggested the era of peak globalisation is over.¹¹⁶ It is likely our supply chains will change. People are more likely to buy local, and may be happy to pay more to do so.¹¹⁷ Facebook pages, where local businesses unite and promote their goods, are a recent trend. Local purchases may also be viewed as less likely to pose a risk of covid infection. With international mail services currently being unreliable due to less freight capacity and international restrictions, in the short term, people are also less likely to buy products directly from offshore suppliers.¹¹⁸ It has been stated that people will be more about their region and less about the world.¹¹⁹



Cultural profile B) Summary of the key cultural trends



A summary of the likely cultural trends in the Southland District are:

- Southland District is becoming increasingly diverse, and over the long term this trend is likely to continue. In particular, the proportion of Maori people will increase
- due to travel restrictions, changes to immigration laws and fears about covid, there are likely to be less migrants in the District over the short term, but the lifestyle on offer and the respect held for migrant workers suggest that migration inflows will bounce back
- Maori will become more influential as business and land owners, and it is possible there may be increased uptake of te reo. Maori may be particularly vulnerable to the pandemic and it is likely to have other significant detrimental effects on Māori communities (such as on the Maori economy and employment rates – and other cumulative effects)
- over the long term, people are more likely to work from home, and work-related travel will decrease
- relationships may change – there may be withdrawing, household changes, changes to dating and distrust
- people may increasingly demand a good work-life balance, time in the outdoors, and they may actively prioritise simple pleasures such as reading, and cooking. Exercise habits may change
- people will be very aware of their global village, but establishing local supply chains and buying local, may be a priority.

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Cultural profile

C) How could Council lead, facilitate and support communities through and after the covid pandemic?



Ethnicity

- ensure Council has relationships with all major ethnic groups and involves these groups in its work and decision making
- ensure that Council's services and information are culturally appropriate
- play a supportive role in initiatives to celebrate and educate about diversity and to increase community cohesion/ reduce isolation.

The path for Maori

- where appropriate, be more proactive in partnering and establishing relationships with Maori
- embrace tikanga maori and te reo
- where appropriate, take a supportive role in assisting Maori - including helping with education, employment, health etc.

Migrants

- play an active role in making sure the District is a place where migrants want to live – appropriate infrastructure, an attractive and affordable lifestyle, a level of service appropriate for the 21st century
- monitor migrant related issues, including legislation, residency issues and recruitment experiences
- continue to support the 'Welcoming Communities' initiative
- support local business and other agencies to ensure businesses in the District are able to get appropriate staffing or understand the requirements to access migrant workers
- take a supportive role or outsource to Great South, work to attract migrants to the District.

How people live

- investigate how and where staff would like to work and consider options
- provide natural, recreational and cultural infrastructure that is appropriate for our communities
- consider whether community infrastructure should be built closer to where people live
- consider how services, such as libraries and Council's facebook page, can assist in entertaining and supporting people through periods of social distancing
- when there is more clarity on how covid will play out, review Council's travel policies
- consider the impact social distancing/video conferencing will have on staff and stakeholder relationships when establishing any new work practices and travel policies
- investigate the impact of elderly (possibly) withdrawing from our communities, and consider whether anything should be done in response
- take a supportive role in facilitating local businesses and all supply chains.

Economic profile





Economic profile

A.

Where is the District heading?

Global economy

Economic forecast

The world-wide pandemic is having a severe impact on global economic activity. It is predicted that 'this year the global economy will experience its worst recession since the great depression'.¹²⁰ The global economy is predicted to contract by -3 percent in 2020, which is far worse than during the global financial crisis in 2008-09.¹²¹ In a scenario where the pandemic fades in the second half of 2020 and measures to control the spread of covid can be relaxed, growth of 5.8% is predicted in 2021 (as the economy normalises and is assisted by policy).¹²² A table with the International Monetary Fund's world economic outlook projections is included in Appendix A.

There is a lot of uncertainty around duration and intensity of the recession, and the economic outlook projections and the global growth forecast for 2021. A number of factors will impact and interact to determine global economic conditions. These include:¹²³

- the trajectory of the pandemic and the nature of the virus
- the intensity of efforts to contain the virus, and how effective those efforts are
- the extent of any supply disruption
- the consequences of the tightening global financial market
- changes in spending patterns
- changes in peoples' behaviour (such as willingness to go out-and-about)¹²⁴
- consumer confidence¹²⁵
- volatile commodity prices.

Global response

Across the world, policies are being implemented to try and temper the economic downturn. These policies are to soften the impact of reduced activity levels and to ensure a fast economic recovery when the pandemic threat lessens. Targeted measures to support affected households and businesses are being used to help maintain economic relationships throughout periods of lockdown. These relationships are essential to enable activity to start to normalise when the pandemic response lessens.¹²⁶

There has been a large and fast fiscal response in many advanced economies (such as Australia, France, the US and Japan), and emerging markets and developing economies (such as China, South Africa and Indonesia) have also been announcing or providing fiscal support.¹²⁷ Some advanced economies are starting from an average net debt position above 70% of GDP, with the UK around 75%, the US above 80%, Italy above 120% and Ireland above 50% of GDP.¹²⁸

A number of countries have begun nationalising businesses and services. Spain has nationalised private hospitals, in England, nationalising different modes of transport is becoming real, and France has stated its readiness to nationalise large businesses.¹²⁹ In recent weeks large central banks have taken action including monetary stimulus and liquidity facilities to reduce systemic stress. These measures have supported confidence and contributed to restricting the amplification of the shock, thus ensuring that the economy is better placed to recover.¹³⁰

Social climate

Currently global economic conditions are impacted by a range of societal factors including Brexit, America First policies, the trade war between the US and China and socio-political movements in places like Hong Kong. Protectionism and nationalism are bad for trade. China's growing economic and strategic weight, and India becoming a more significant actor in the Indo-Pacific, provide both challenges and opportunities.

International relations

Politicising covid

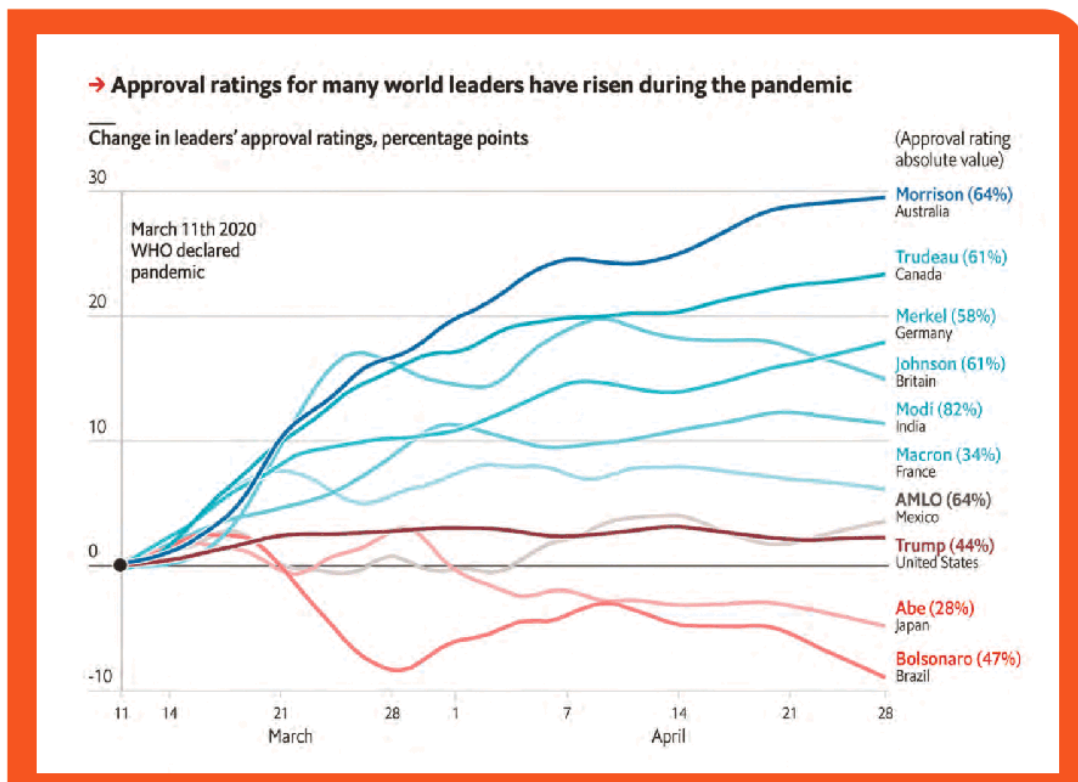
In many ways the covid pandemic has been highly politicised. A number of political tensions have developed.¹³¹ It is likely China will remember how it was viewed and treated during the covid outbreak and spread, and that there will be political and economic ramifications.¹³²

Although China initially made mistakes in its handling of the virus, it now reports low numbers of new cases.¹³³ Economic-activity indicators suggest that urban activities in China are returning to pre-covid levels.¹³⁴ In comparison Britain, France, Spain, Italy and America are suffering a punishing blow from the pandemic. Some have questioned whether the pandemic may be a geopolitical turning-point away from the west¹³⁵. Others have speculated that the pandemic may realign geopolitical power relations.¹³⁶

World leaders

The approval ratings for many world leaders have increased during the pandemic – particularly leaders of countries that have largely kept covid at bay (such as Morrison in Australia, and Trudeau in Canada).¹³⁷ Approval ratings are shown in the graph below. Even though some leader's approval ratings haven't fallen, they have been heavily criticised for their response to the pandemic.¹³⁸

Through the pandemic there has been a lot of discussion about the role and performance of the World Health Organisation (WHO) and the United Nations Security Council (UNSC). It is likely there will be a review of the WHO performance as the covid pandemic fades. This may highlight the issues that arise from the WHO having no power or force and it having to get co-operation from member states.¹³⁹ The Security Council has remained silent through the pandemic. It is speculated that geo-politics and a lack of internal agreement has probably stopped the council from doing anything at all. If the UNSC don't take an initiative, it has been suggested a pandemic emergency co-ordination council could be formed – comprising of the secretary general of the UN, the director general of the WHO and the heads of the IMF and the World Bank.¹⁴⁰ These members could operate as a standing council, each reaching out to their constituents. This may be something that happens in the months to come, or after the pandemic.



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Local economy

Forecasts/outlooks

GDP and inflation

In April 2020, Treasury did a series of modelling on what the economic outlook for New Zealand could look like under various covid-related scenarios.¹⁴¹ These outlooks were based on a number of assumptions.

One of the scenarios described was Scenario 1A, which bears resemblance to how the covid pandemic has been playing out in New Zealand. Scenario 1A is if:

- New Zealand spends one month in covid alert level 4, one month in alert level 3 and ten months in level 1 or 2
- New Zealand closes its borders to foreign visitors for up to 12 months
- the world annual average real GDP growth is lower than Treasury's Half Year Economic and Fiscal Update 2019 (HYEFU) by 6% in the calendar year 2020
- there is government fiscal policy support of \$40 billion.

Currently, the government has provisioned \$52 billion to spend (if necessary) on measures to temper the impact of covid¹⁴² (so more government spending than what was modelled in Scenario 1A).

Treasury also modelled other scenarios, including if New Zealand was required to move in and out of covid alert levels. Treasury's Scenario 4 is if:

- New Zealand spends three months in alert level 4, three months at alert level 3, and six months at either alert levels 1 or 2 – this may be a number of shorter periods at level 4 and/or level 3, linked by periods at level 1/2
- New Zealand closes its borders to foreign visitors for up to 12 months
- the world annual average real GDP growth is lower than Treasury's Half Year Economic and Fiscal Update 2019 (HYEFU) by 6% in the calendar year 2020
- there is government fiscal policy support of \$20 billion (note there has been \$52b provisioned to date).



The following economic outcomes were forecast for Scenario 1A and 4.

Economic forecast Treasury Scenarios 1A and 4						
Year to June	2019	2020	2021	2022	2023	2024
Real GDP (AAPC)						
Scenario 1A	3	-4.5	-0.5	8	4.5	3.5
Scenario 4	3	-8	-14	23	8.5	5.5
CPI inflation (APC)						
Scenario 1A	1.75	1.25	1.25	1.25	1.5	2
Scenario 4	1.75	1.25	-0.75	-0.25	0.25	1
Nominal GDP (\$b)						
Scenario 1A	303	294	297	330	353	375
Scenario 4	303	284	246	304	332	355

Treasury stated that if there was further fiscal support to that already included in Scenario 1A (which has been the case), activity would pick up more strongly from the September quarter. Some economists have predicted larger contracting of real GDP (8%), than the Treasury forecasts.¹⁴³

Infometrics Ltd has stated that Southland District is well placed heading into this pandemic, as it has gone into the crisis with good GDP momentum. It is predicted that the strong primary base will help drive the District's resiliency to this crisis. In the year to March 2021, Infometrics predict that Southland's GDP will drop 7.2%, which is a significant drop, but less than the 8% drop they anticipate for New Zealand as a whole.¹⁴⁴

Employment

For Scenarios 1A and 4 (described previously), the following unemployment rates have been forecast.

Unemployment rate Treasury Scenarios 1A and 4						
Year to June	2019	2020	2021	2022	2023	2024
Unemployment rate (Jun qtr)						
Scenario 1A	4	8.5	5.5	5	5	4.5
Scenario 4	4	17.5	14.5	8	6	4.5

Treasury stated that if there was further fiscal support to that already included in Scenario 1A (which has been the case), unemployment would decline more quickly during 2020. Some economists predict unemployment to increase more gradually, to reach higher levels (more like 10%), and to take longer to subside, than the Treasury forecast.¹⁴⁵

Infometrics predict that in Southland, the unemployment rate won't be quite as high as the national unemployment rate (9.5% in Southland for the March 2021 year and 9.8% across New Zealand) due to the region's reliance on primary industry and manufacturing. It is anticipated there will be 5000 jobs lost in Southland over the recession.¹⁴⁶ A survey of local businesses has already identified that 895 jobs have been or are expected to be lost in Southland (237 of which are migrant workers).¹⁴⁷ Job losses are expected to grow further in the Te Anau and Fiordland region.¹⁴⁸ In Fiordland, the industries with the most job losses or anticipated future losses, are in people-facing sectors: accommodation, food and hospitality, retail trade and tourism.¹⁴⁹ Young people are already being over-represented in job seeker numbers, and that trend is expected to continue through the recession.¹⁵⁰

With high unemployment, there may be changes to people's behaviour and employment practices. People may become less fussy about the jobs they will accept. Work may also become more flexible/casual, and people may accept less work hours and less pay. Some people may opt out of the labour market, choosing to retire or study.¹⁵¹ Generally, people hiring are likely to have more people to choose from, and may not need to offer the same pay and benefits to recruit.¹⁵² Some industries may find it harder to find the skilled workers they need, with the absence/reduction of migrant workers. There may also be redeployment from areas where jobs have been lost, to areas seeking labour (for example redeployment from the tourism industry to jobs in agriculture, horticulture and meat processing - jobs often filled by migrant workers).¹⁵³ People may also be redeployed to work on demand created by 'shovel-ready projects'. In the short term, New Zealanders will not have the opportunity to build their skill sets abroad, and the reduction in work related travel may hinder the networking and communication that helps spread productivity-enhancing ideas throughout the world.¹⁵⁴



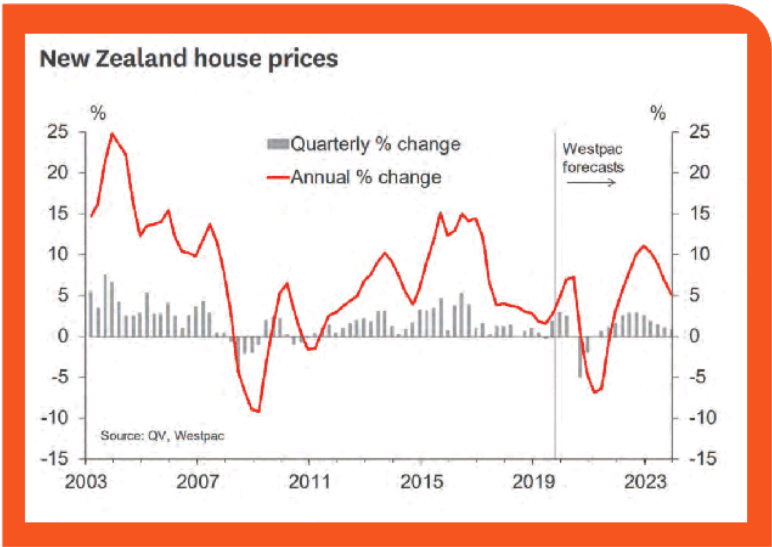
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Housing/rental market

It is anticipated that house prices will decline as fewer people will be in a position to buy property and potential buyers will act with caution. As is shown below, Westpac anticipate a 7% drop in house prices towards the end of this year.¹⁵⁵ Modest house prices are expected through 2021, followed by a period of rapid gain over 2022 and 2023.

In regional New Zealand, it tends to take longer for house prices to fall than in the larger centres, but the same overall drop in house prices is expected.¹⁵⁶ Tourism hot-spots are likely to experience the largest drop in prices.¹⁵⁷

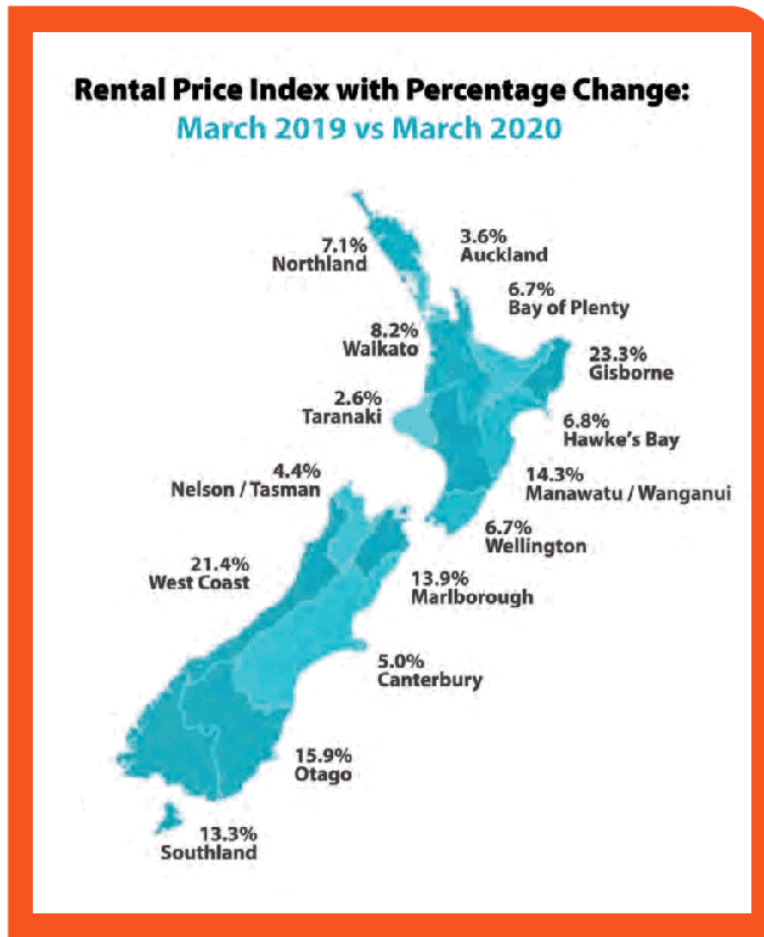
The cost, availability and quality of housing have come to the forefront in the public arena in NZ in the last few years and it is notable that the housing stock was mentioned



frequently as an issue in Southland in the BERL report for Southland District Council.¹⁵⁸

In regards to the rental market, rent prices have recently been increasing in the Southland region.¹⁵⁹ However, in response to covid, owners of short term accommodation (such as Airbnb and Bookabach properties) may try and move their properties to long term rentals. This is being seen in the Queenstown Lakes District and abroad.¹⁶⁰ This trend, the recent six-month rent freeze and an absence of migrants may mean that rental properties are easier to get and more affordable in the District.¹⁶¹ This might be offset slightly by people selling short term accommodation and rental properties, if they cannot find tenants.





Debt

The RBNZ cut its official cash rate to a record low of 0.25% on 16 March 2020. The Monetary Policy Committee said that borrowing costs will remain at the current level for at least the next 12 months. It was indicated that if further stimulus is required, a purchase programme of Government bonds would be preferred to more OCR reductions.¹⁶² There is however speculation that the RBNZ will look to soften its OCR commitment, paving the way for rate cuts later this year.¹⁶³ Westpac forecast that the RBNZ will lower the OCR to -0.5% in November this year, but it doesn't expect the interest rates paid or received by New Zealand households and businesses to be negative.

¹⁶⁴ From early 2020, Westpac anticipate the OCR will start rising again.



Equity investment

Since New Zealand has been responding to covid, deteriorating investor sentiment and a high degree of uncertainty has seen volatility spike and share markets plunge into bear territory (a fall of at least 20% from the most recent peak).¹⁶⁵ This was the quickest descent to a bear market in history. From a recent peak (at the end of February 2020) to 20 March 2020 the S&P/NZX 50 Index declined 24%. There has been an increase in trading volumes as investors reposition their portfolio and seek liquidity. It is unclear whether, or for how long, the volatility and high turnover will continue.

Foreign exchange

BNZ have predicted that the deeper the global economic shock, the weaker the likely performance of commodity currencies like the NZD.¹⁶⁶ Currently the NZD remains at the mercy of broader global factors.¹⁶⁷ It is possible there will be another dip in the NZD before a more sustained upward path takes hold. BNZ's exchange rate forecast is included below.¹⁶⁸



Exchange Rates (End Period)

USD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY
Current	0.59	0.60	1.08	1.23	108
Jun-20	0.56	0.57	1.08	1.23	109
Sep-20	0.60	0.61	1.10	1.27	109
Dec-20	0.62	0.63	1.12	1.30	109
Mar-21	0.64	0.66	1.13	1.32	109
Jun-21	0.65	0.67	1.14	1.33	109
Sep-21	0.66	0.69	1.15	1.35	108
Dec-21	0.68	0.71	1.16	1.36	108
Mar-22	0.68	0.72	1.17	1.37	107
Jun-22	0.69	0.74	1.18	1.39	106
Sep-22	0.70	0.75	1.19	1.40	106

NZD Forecasts

	NZD/USD	AUD/USD	EUR/USD	GBP/USD	USD/JPY	TWI-17
Current	0.59	0.98	0.54	0.48	63.7	67.9
Jun-20	0.56	0.99	0.52	0.46	61.5	66.3
Sep-20	0.60	0.98	0.55	0.47	65.4	69.0
Dec-20	0.62	0.98	0.55	0.48	67.6	70.5
Mar-21	0.64	0.97	0.57	0.49	69.8	71.6
Jun-21	0.65	0.97	0.57	0.49	70.9	72.2
Sep-21	0.66	0.96	0.57	0.49	71.3	72.3
Dec-21	0.68	0.96	0.59	0.50	73.4	73.9
Mar-22	0.68	0.94	0.58	0.50	72.8	73.7
Jun-22	0.69	0.93	0.59	0.50	73.1	74.4
Sep-22	0.70	0.93	0.59	0.50	74.2	75.1

TWI Weights

	13.3%	19.2%	10.5%	4.1%	6.4%	
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Source for all tables: Statistics NZ, Bloomberg, Reuters, RBNZ, BNZ

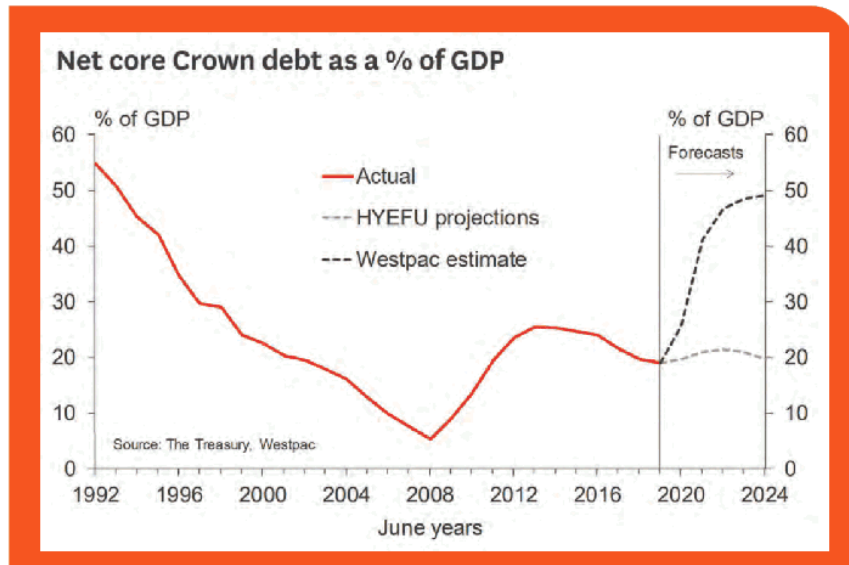
Government response

The Government and the Reserve Bank have already implemented a raft of measures to soften the impact of the covid pandemic and to facilitate a prompt economic recovery.¹⁶⁹ These have included repurposing the Provincial Growth Fund, purchasing bonds issued by the Local Government Funding Agency (to improve liquidity on the secondary market)¹⁷⁰, and identifying shovel-ready projects. The decision to provide \$52b in fiscal support is the largest announced anywhere in the world when scaled to our population and GDP.¹⁷¹

It is also possible, that over the short term (including announcement made in the May 2020 Budget), the Government and the RBNZ will announce further fiscal and monetary policy, including:

- additional stimuli to bolster the economy's recovery phase
- extension of the wage support scheme, perhaps with tighter parameters or structured as a loan
- investment into the job seeker benefit¹⁷²
- increases in government bond issuance¹⁷³
- upsizing the RBNZ quantitative easing programme from the current \$30b
- commercial rent relief.

New Zealand entered the pandemic crisis with low levels of debt. However, it is likely there will be operating deficits of around \$30b, or nearly 10% of GDP, for both the current year (up to June 2020) and the following year. Further ahead, the operating balance is expected to improve, but it is not anticipated to be in surplus within a five-year forecast¹⁷⁴. Based on estimates of operating deficits and increased capital spending, it has been projected that net core government debt will reach about 50% of GDP after five years, compared to around 20% today.¹⁷⁵ The large debt the government is taking on means it will have to tax more in the future or spend less – both will deprive New Zealand's economy of development opportunities.¹⁷⁶



It is predicted that the government will have a long term strategic approach to paying off debt.¹⁷⁷ Some reductions in spending and new ways to generate funding are likely. Ideas that have been discussed include:

- new or increased taxes over the medium term
- an increase in the retirement age
- asset sales
- building the economy quickly, and from the growth generating a surplus that can be used to pay down the debt.



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Funding impacts for Council

On 14 April 2020, the Local Government COVID-19 Response Unit released a report on the financial implications of covid over the 2019/2020 and 2020/2021 financial years.¹⁷⁸ The report outlined that councils can expect a reduction in non-rate revenue and that a higher than normal percentage of rates will be received late (due to unemployment, business closures, income reductions or lower overall economic activity). These factors may lead to a decrease in operating revenue. It was proposed that operating expenditure may reduce slightly in 2019/2020, due to non-essential contract work not being undertaken in alert level 4. Local government debt market confidence has improved in the last two weeks, but borrowing costs are higher than before the covid market volatility.

Where councils had planned rate rises in 2020/2021 and the rises did not happen, the response unit outlined it is likely to have long-term or multi-year implications - such as large future rate increases and/or further reduced spending to balance the books and catch up. In the 2020/2021 financial year, reductions in operating expenditure may occur as a result of councils no longer funding community events. Offsetting any reductions, councils may face pressure to provide additional funding to community organisations in the sport and performing arts sectors. The response unit expect that councillors will want to focus efforts on community and wellbeing and that capital expenditure plans could reduce.

Other factors to consider for Southland District

Businesses in the District have been significantly impacted by the response to the covid pandemic. In the Te Anau-Fiordland area, businesses have also been impacted by recent flooding. Financial losses in that area have been estimated at \$80m¹⁷⁹. Great South have connected with 614 businesses throughout Southland, employing a total of 12,104.5 employees. Of these businesses, 46% were classified as an essential service. Most businesses (87%) thought they would be viable once alert level 4 was lifted. Great South expect the level of business viability to change over time.

It is more likely there will be business failures in industries that have a high proportion of small businesses, such as wholesale and retail, rental and leasing, hospitality, tourism and small manufacturers.¹⁸⁰ Smaller businesses are more likely to lack the deep pockets to bridge the period of disruption. Rules around hygiene and distancing are also likely to reduce the productivity of some businesses.¹⁸¹ Over the medium to long term, businesses and business viability may also be impacted by reduced air travel to the Southland region.

After the pandemic, 'cheap' money and low entry barriers may encourage new businesses to start up. Larger businesses that survive the downturn may be less dynamic because they will focus on reducing debt.¹⁸²

Over the short to medium term, it is anticipated there will be less household spending in the District as people lose jobs, take pay cuts and work less hours. Consumer confidence may also be low. People are more likely to spend on essential items (food, utilities etc) than discretionary items (clothing, travel, etc)¹⁸³. As has been outlined above, there may be an increase in buying local. New and existing business may respond to this demand. Some people who have saved money over the lockdown period will be in a position to spend more as the covid restrictions lift.

People in the District who haven't been effected by the labour market downturn will still be financially impacted by the recession. KiwiSaver balances have fallen, debt investments have low returns, and house prices are likely to fall.¹⁸⁴



The primary sector

Half of the businesses operating in Southland District are in the primary sector. Ninety eight percent of these primary sector businesses operate in the industries of agriculture or forestry.¹⁸⁵ BERL estimate that 18.3% of total employment (measured in full-time equivalents) in the District is in dairy farming. Some communities in the District are almost entirely dependent economically on dairy farming, and this makes them vulnerable to a significant decline in global dairy prices or a major livestock disease outbreak (see discussion of biosecurity in the environment profile below).

Prior to the covid pandemic, many stock farmers were facing feed shortages as a result of the February 2020 flood event. This problem has been compounded by lack of capacity at meat processing plants due to pandemic distancing requirements, forcing farmers to keep stock longer than budgeted. Though anticipated to be short term, at the time of writing, 520 meat processing plant workers were without jobs in Southland due to reduced capacity.¹⁸⁶ The flow on effect is that it will take months for plants to deal with the backlog, meaning that many farmers are overstocked going into winter.

Covid has increased the risk in global commodity markets, with most industry analysts predicting a difficult season lying ahead.¹⁸⁷

The forestry sector was one of the first in New Zealand to be affected by covid, with closed or partly closed ports to China in January and February.¹⁸⁸ With significant log inventory sitting on wharfs around New Zealand, most forest owners have put a hold on harvest activities, which is impacting employment in key forestry regions around the country. Most of New Zealand's forest products are exported in log form to China where further processing is undertaken. As the Chinese economy recovers, it is expected that markets will open and product will start to move again, however demand will depend on desire for products that China exports to the world.¹⁸⁹

Westpac's commodity price monitor for May 2020, is included below.¹⁹⁰

Across New Zealand, net farmer confidence is down from 112% to -44% in the March 2020 quarter.¹⁹¹ Farmers will be anticipating low pay outs ahead; it can be anticipated that decision making now will be conservative and focussed on cost cutting. This uncertainty will have a substantial effect on spending in Southland. One silver lining for this industry, is that the New Zealand dollar continues to track very low against the US dollar, which improves the outlook on export prices.¹⁹²

It is considered a low risk that Gypsy Day dairy industry movements will be severely impacted by COVID-19. As an essential service, the annual migration of cows and workers will still occur, albeit with additional health and distancing measures in place.

Commodity price monitor			
Sector	Trend	Current level ¹	Next 6 months
Dairy	Weakened world demand and continued growth in milk production are expected to keep downward pressure on.	Average	↘
Beef	Beef US demand for beef has been hit hard by the outbreak, but tight supplies of protein in China should help to put a floor under prices.	Below average	↘
Lamb	Different fortunes for different cuts; those traditionally sent to Europe will suffer, while those sent to Asia could see a boost as activity resumes.	Above average	↘
Forestry	Prices expected to stabilise as China resumes wood processing and log inventories run down.	Below average	⇒
Wool	Prices expected to remain at depressed levels.	Low	⇒
Horticulture	Prices held up during China's Covid-19 outbreak, but the impact on other markets remains to be seen.	High	⇒

¹ NZ dollar prices adjusted for inflation, deviation from 10 year average

Access to markets

All primary industries are or will face varying difficulty with supply chain efficiency and access to markets due to covid disrupting shipping routes and a drop in air freight capacity. This was acute for level 4 containment measures and so the extent of continued disruption will depend on which covid alert New Zealand is in.

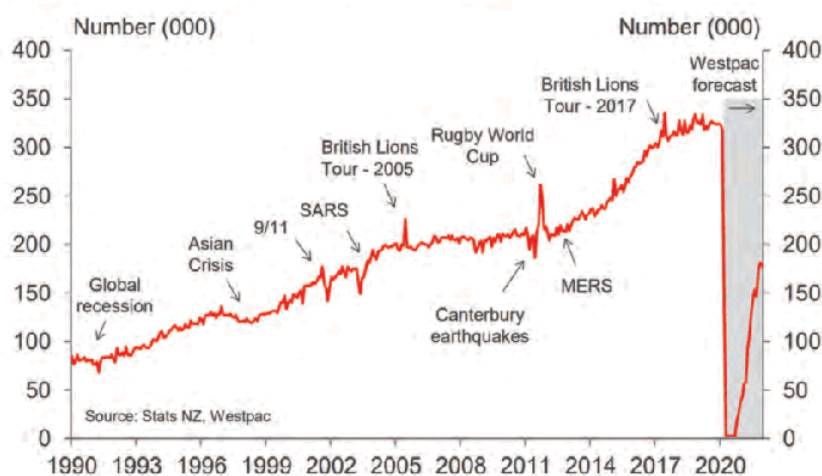
The New Zealand lobster industry was among the first and hardest hit by covid, with the export of live lobsters from New Zealand stopping in late January when China closed its restaurants and freight to the country was restricted. However, Te Anau-based Fiordland Lobster Company, which exports about 40% of New Zealand lobster to China, has started up again.¹⁹³

Tourism

The fall

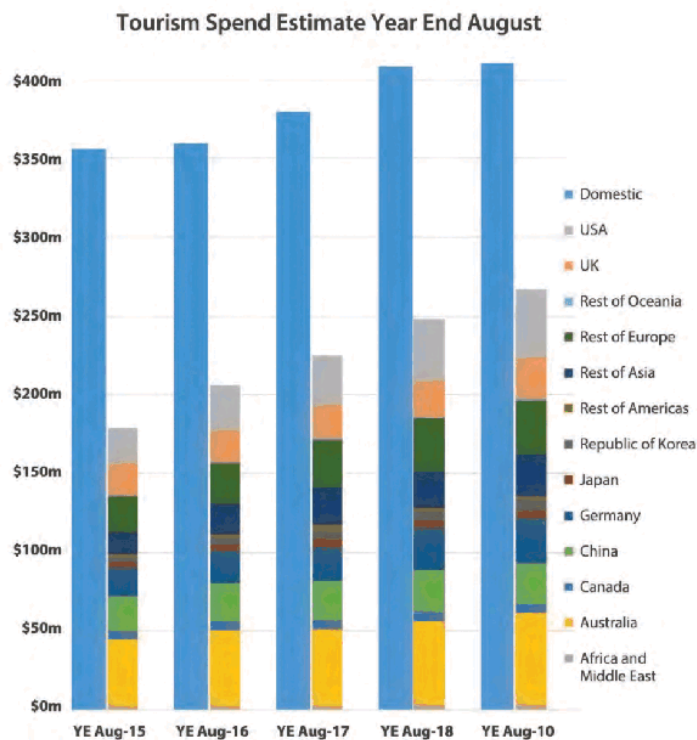
The tourism sector is taking a punishing double blow – domestic and global measures to stop the spread of covid have essentially stopped revenue, and the recession that will follow will also significantly reduce spending in the sector. The total annual tourism spend in New Zealand last year was \$41 billion, 40% was spent by overseas visitors, and the remainder was domestic (60%). New Zealanders will have little choice but to holiday locally over the short term. Even if New Zealanders spend the \$6.5b they spent on overseas holidays and business travel last year, on local travel instead, there would still be a significant shortfall in the tourism sector.¹⁹⁴ With an imminent recession and concerns about covid, it is also unlikely there will be a large amount of domestic or business-related travel in the next year.

Visitor arrivals to New Zealand, seasonally adjusted



Some hotels are operating at less than 20% occupancy¹⁹⁵, and some moteliers have large rent payments due each month, but hardly any guests. A business operator in Te Anau has stated that the tap has been turned off completely.¹⁹⁶ Te Anau and Fiordland businesses have also been impacted recently by flood events. Combined with the loss of tourism in the area, financial losses to date are estimated at \$80m.¹⁹⁷ Throughout New Zealand, businesses have already gone into hibernation and may remain there until things pick up.¹⁹⁸ Tourism Industry Aotearoa chief executive Chris Roberts has stated it is possible that half the tourism businesses that operated in January 2020 may cease to exist after the hibernation, and that there will be some high-profile casualties.¹⁹⁹ The less profitable end of the tourism industry may not survive the economic downturn, which might mean a stronger industry in the future.

As spending in the District is largely domestic and the agriculture and manufacturing sectors are key sectors in the region,²⁰⁰ the District is likely to be less impacted by the tourism downturn than regions such as Queenstown Lakes. But the District will not be unscathed. In the year to August 2019, tourism spend in the whole Southland region (including ICC and Gore) was \$677m – 61% was domestic spending and 39% was international.²⁰¹ In the Fiordland Regional Tourism Organisation (RTO) for the same year, the tourism spend was \$238m – 35% was domestic spending and 65% was international. The graph below outlines where tourism revenue in the Southland region came from over the year to August 2019.²⁰²



A rebuild?

The government (Tourism New Zealand), industry and business are working together to reimagine the way tourism could operate in post-COVID-19 world,²⁰³ and there is no shortage of ideas being mooted on what a rebuild could include. Areas that may be considered as part of the rebuild are:

- future-proofing the tourism industry to help address climate change issues – this may include aligning the industry to the quintessential values and concerns of the younger generations – biofuels, sustainable waste management practices, carbon footprint etc²⁰⁴
- tourist optimisation – targeting tourists that bring the greatest benefits to an area (which is not necessarily those who spend the most) and the least costs²⁰⁵
- destination management/stewardship – actively managing tourists, tourist movements and destinations. Ensuring destination health, monitoring community impacts, and ensuring tourism delivers benefit to all²⁰⁶
- regions working together, rather than competing²⁰⁷
- building resilience in the sector²⁰⁸
- the sector may link with the government in some way²⁰⁹
- the sector may link with publically listed vehicles²¹⁰
- a focus on regeneration²¹¹
- recreational infrastructure work on public conservation land and other similar land.²¹²

Where to now?

Short term

Peoples' first trips after periods of social distancing are likely to be day trips, trips to see family or visits to parks - in other words, low-contact, domestic vacations.²¹³ But if covid is at bay for a reasonable period of time, people are likely to regain confidence, and start to travel more widely - particularly if measures are taken to insure peoples' safety. Some believe youth²¹⁴ and adventure travellers will be among the first to travel.²¹⁵ Older people may be more reluctant to travel due to health risks - their first holidays may be motorhome or caravan holidays.

In the short term, tourism operators will focus on attracting the domestic market. There may be focus on domestic package deals, where different businesses work together and provide affordable travel options for New Zealanders.²¹⁶ People's travel may be more spontaneous initially, and be within their driving radius. This may in part be due to concerns about flights being cancelled.²¹⁷ Lower accommodation prices, higher airfares, shorter queues, fewer attractions and hospitality outlets may all be part of the new normal.²¹⁸ Prices (for attractions and activities) are likely to be adjusted for the domestic market. It is thought that accommodation in isolated rural areas, such as Air BnB accommodation, might be resilient.²¹⁹

Medium term

In the medium term, it is thought that trips to big cities will continue to be popular²²⁰. People may also start to favour hotels over other accommodation types (such as Air BnB or Bookabach), as hotels may be seen to have higher hygiene standards.²²¹ If New Zealand remains a safe place to visit (covid is kept at bay) and international visitors are permitted, it is possible that New Zealand could become a desirable place to be rather than living through cyclical lockdowns abroad.²²² New Zealand could be where things that cannot happen in the rest of the world, continue to happen. Some have even suggested that sport leagues, film crews, artists and theatre could base themselves here and stream content out to the rest of the world.²²³

Long term

At this stage it is unclear exactly what the long term outlook for tourism will be. There is no certainty about how or when New Zealand will open its international borders, nor when or if tourism will return to pre-covid levels. It does seem likely there will be a prolonged recovery period²²⁴.

Other sectors

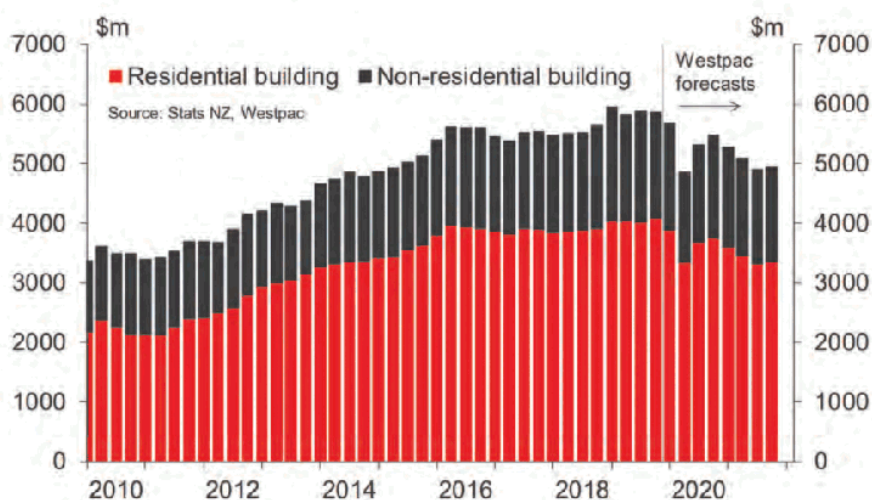
Retail outlets have been hit hard by the pandemic response – in alert level 4, outlets were required to close and only limited online shopping was permitted. As restrictions lifted, retailers with online platforms boomed, to the extent that courier and mail services were not able to cope. Going forward retailers are likely to be highly impacted by the loss of tourist revenue and the economic recession²²⁵. Retail spending (beyond essential items such as food and consumer staples) is likely to contract, as households spend less money.²²⁶ To be sustainable, stores are likely to alter their sales models.²²⁷

Reduced economic activity may mean there is less demand and output growth in the manufacturing sector, particularly in areas of discretionary spending.²²⁸ Firms that rely on government spending may fair better than others.²²⁹ New safety rules and rules about social distancing will mean some businesses have to change their operational methods and factory layouts, which may result in further closures and job layoffs. When domestic and global economic conditions improve, the sector should pick up, but it is likely there will be increasingly protectionist trade policies and rising economic nationalism.²³⁰ Supply chains may become more domestic, which may assist manufacturers that have struggled with global competition.

Construction activity has been picking up as the pandemic response has wound down, and there will be a roaring period as the country catches up.²³¹ It is anticipated that building activity will remain below pre-covid levels for the next few months as health and safety requirements stall activity, less projects go to market or through the consenting process, and more planned projects are cancelled. As there is a lag between planning and building, this points to another slowdown in building activity through mid-2021 (that will affect both residential and non-residential building). Government infrastructure spending will provide some offset, but it will take time for those projects to break ground.²³²

Westpac's outlook for construction is included below.

Construction spending



Economic profile

B) Summary of the key economic trends



A summary of the likely economic trends in Southland District are:

Global economy

- the global economy is likely to contract by -3 percent in 2020, but if the global pandemic and measures to control the pandemic have lessened by the second half of 2020, growth of 5.8% is predicted in 2021. There is significant uncertainty around the 2021 forecast
- across the world, fiscal policy and actions by banks are attempting to minimise the extent and duration of the downturn
- global economic conditions and trade is being impacted by societal factors including Brexit, America first policies and socio-political movements.

International relations

- covid has been highly politicised, and it is likely there will be political and economic ramifications and possibly realignment of geopolitical power relationships
- the approval ratings for many world leaders have increased through the pandemic
- there is likely to be a review of the WHO response to the virus, and other organisations may form or step up in the absence of action from the UNSC.

Local economy

- the economic outlook for New Zealand and Southland is a deep recession. This is likely to include a contraction of GDP, lower levels of inflation, high unemployment, a drop in house prices, and low interest rates
- it is projected that the government will have net core debt of

around 50% of GDP after five years, which means an increase in tax and a lifting of the retirement age, are likely in the future

- there will be financial implications for Council, such as a reduction in non-rate revenue and rate payments being received late
- local businesses, particularly in tourist areas, will be hit hard by the pandemic, and some businesses will not survive
- even if people in the District aren't impacted by the labour market downturn, they will still be impacted by reduced Kiwisaver balances, low returns on debt investment, and lower house prices.

Primary sector

- the primary sector faces substantial volatility due to COVID-19, and likely a downturn in prices across the board, some products less than others. This uncertainty means that the sector will be preparing for poor returns in the short to medium term and will be adopting a conservative stance with respect to any spending
- in Southland, the effects of the February floods means that stock farmers are facing feed shortages, so they will already be spending more than anticipated on this entering into effects of the pandemic, meaning that there is less funding to spend on other things.

Tourism

- tourism will suffer a large blow from the covid pandemic. Some businesses in the District will not survive the downturn
- the sector may be reimagined and rebuilt through this crisis, and emerge as a very different industry
- the domestic market will be the initial focus, and package deals may be a new trend. It is not clear if or when the tourism industry will fully recover.

Other sectors

- the retail, manufacture and construction sectors are expected to decline/retract over the next few months. It is thought the construction sector will pick up later this year, before slowing down again through mid-2021.

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Economic profile

C) How could Council lead, facilitate and support communities through and after the covid pandemic?

Global economy

- build resilience in our long term planning to global stressors or shocks such as a global recession
- maintain an awareness of the global economic climate
- play a supportive role in building community resilience to mitigate any likely negative impacts of global challenges.

International relations

- take a supportive role in insuring the District is a safe and trusted location for investment, migration or trade
- take a supportive role in building appropriate, strategic, international relationships.

Local economy

- take a leadership role in supporting local demand – continue spending – maintain opex and capex – don't be tempted by austerity measures
- strategically manage any debt
- take a leadership role by maintaining confidence and not sending signals of retrench - so businesses and households also remain confident
- maintain community and physical infrastructure
- make a strong and loud case to central government for funding support (to support continued spending), using sector groups, the Minister for Local Government and local members of parliament
- ensure all projects are appropriate for the future world
- work with other organisations to nurture and maintain the local sense of community, maintain social infrastructure and to include all its members. Social infrastructure might include community gardens, allotments, community compost etc. A sense of community is the District's biggest asset
- work with other organisations to look after the vulnerable and least resilient members in our communities. Ensure there are opportunities and that people can participate and contribute

- play a supportive role in diversifying industry, markets, products and services
- work with other organisations to provide advisory and support services to local businesses.

Primary Sector

- transparency and communication from Council; as major contributors to the District's rating base, the sector may appreciate understanding how Council is re-prioritising its spending in response to covid, as they are being forced to do as well
- support stakeholders who are providing mental health resources, financial planning and feed budgeting education initiatives for the primary sector (MPI, Beef + Lamb, DairyNZ, the Deer Industry Association, AgFirst, Federated Farmers, etc).

Tourism

- continue to outsource to Great South, work to investigate how local businesses in the tourism sector are being impacted by the pandemic
- outsource work to Great South to monitor who resumes visiting the District, where they go, and what they do. Also work on predicted visitor trends
- provide support to key agencies to help people who no longer have jobs in the tourism sector, to find new work as quickly as possible
- outsource to Great South, work to investigate how the tourism sector could be reimaged in the Southland District
- outsource to Great South, work to attract visitors to the District – this could include work help co-ordinate local package deals, marketing to attract youth and marketing to attract adventure-seeking tourist
- when Council knows more about who has resumed visiting the District and who is likely to, strategically develop amenities and infrastructure for those visitors.

Other sectors

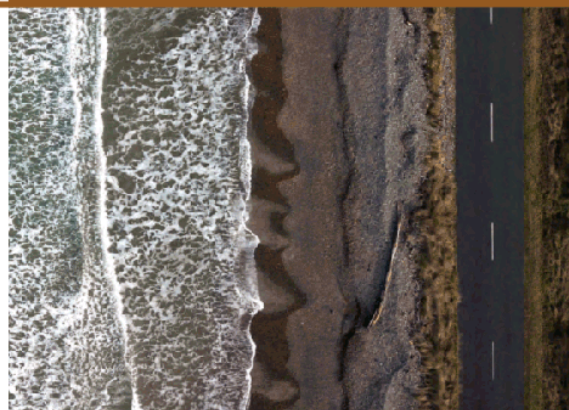
- continue to monitor the construction and manufacturing sectors to help with planning and to ensuring appropriate resourcing in the planning and building teams
- work with other organisations to provide advisory and support services to local businesses.



Environmental profile

A. Where is the District heading?

The covid pandemic has highlighted how major risks, including environmental ones, are interconnected. The object of this section is to focus on the key environmental trends facing the District. These risks are all part of complex interconnected systems and are not stand alone in a way that they can easily be picked out and dealt with one by one. To the contrary, how Council reacts to one issue will have a direct and flow on impact on economic, social and cultural matters.



Climate change

Climate change has the most potential to affect the general wellbeing of the District, particularly over the medium and long term. Short term effects include storm, flood and drought impacts on the economy and in some cases, human safety. Longer term, there will be effects to biosecurity, ecosystems and biodiversity, viability of certain agricultural crops, fire risk and coastal erosion.

Key points for the Southland region include:

- sea level rise progressively impacting low lying coastal areas, affecting ecology and settlements; it is known that areas of Colac Bay, Orepuki, Fortrose and Stewart Island/Rakiura are subject to coastal processes that are causing erosion resulting in loss of land and Council roading infrastructure
- water availability in some areas becoming scarce; Northern Southland is projected to experience the largest increases in drought
- extreme weather events are larger and more frequent; floods are expected to become larger across the District
- stormwater and wastewater systems are particularly vulnerable to climate change and small changes in rainfall extremes (intensity or duration), can overwhelm the current design capacity of these systems
- changes and associated impacts, such as risk based insurance will influence investment in built development (ie coastal and flood plain development) and types of farming
- the occurrence of heat waves will double by 2040.²³³

Prior to the covid pandemic, the vulnerability of New Zealand's tourism industry to climate change was coming under increasing scrutiny.²³⁴ The pandemic presents an opportunity for Southland to consider how it can develop more resilience in this area rather than a return to business as usual. The 2019 Southland Murihiku Destination Strategy is based on destination management, advocating a focus for Southland on high return rather than high volume tourism. The challenge is that during a recession, being green for some is a luxury, when cheaper options will suffice.²³⁵

Public health restrictions to prevent the spread of covid have resulted in a sharp drop in carbon emissions internationally. This expected cut in emissions is still less than what scientists say is needed every year this decade to avoid climate change impacts for much of the world.²³⁶ So whilst the reduction in carbon emissions during the pandemic is good, the virus should not be seen as an environmental panacea due to the immense suffering it has caused and because this is only temporary respite. There is a very real risk that the response to the economic downturn caused by COVID-19 is to cut sustainability measures, as mentioned above in the tourism context. The counter argument is that fighting climate change and promoting biodiversity would rebuild a stronger economy in the long term, and is a one-time opportunity.²³⁷

Climate Change Response (Zero Carbon) Amendment Act 2019

The New Zealand Government has committed to reduce greenhouse gas emissions to 30% below 2005 levels by 2030, and to zero by 2050. All parts of the country, including Southland, will need to achieve significant carbon reductions, as well as put in place measures to adapt to the changes that will occur even if the target is achieved.

Transition will need to occur towards low-emissions technologies and industries. This may result in increased forestry planting, transition away from agricultural activities (particularly dairy farming), increased renewable energy generation and transition from fossil fuels (including electric vehicles).

The act will likely cost Southland, particularly in the short-term. Given the region's dependence on the rural sector, it may be impacted more than other regions.

Emissions Trading Scheme Policy

The New Zealand Emissions Trading Scheme (ETS) puts a price on greenhouse gas emissions.²³⁸ This encourages people and businesses to reduce greenhouse gas emissions and establish forests to remove greenhouse gases from the atmosphere.

Central government has decided to put a price on agricultural emissions from 2025. Pricing will be at farm level for livestock and at the processor level for fertiliser. The implications of the ETS for the District and Council's Long Term Plan will depend on the outcome of collaboration between the sector and government and the resources applied at central government level to support adaptation of the industry. This will be key to minimising the impact alongside creating certainty for farmers. Those farmers who are heavily indebted are at greatest risk, especially alongside new banking capital requirements that will decrease risk portfolios for bank lending.

One Billion Trees Programme

The New Zealand Government has set a goal to plan to plant one billion trees by 2028. Both permanent and plantation forests made up of exotic and native tree species are encouraged. Government estimates that commercial foresters will plant 500 million trees by 2028. \$240 million in funding is being offered for landowners, organisations and community groups to get involved in planting the other 500 million trees.



Photo: C. Brammer

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Land use in Southland

Southland's economy is dependent on farming. Dairy farming in particular is increasingly under pressure to improve its environmental record. This is important in terms of growing international markets but also in terms of ongoing support for farmers by the New Zealand public.

In the medium term, artificial meats and 'dairy products' (such as using stem cell technology or plant extracts) could greatly impact on demand for Southland farm products, and therefore also impact land use. The artificial products will be cheaper, less damaging to the environment, use less land and water to produce and with no concerns about animal health and wellbeing.

The global economy is the main driver behind changes to land use. Related to this are the implications of central Government initiatives such as the Climate Change Response (Zero Carbon) Amendment Act 2019 mentioned above. In the post-COVID-19 world, factors that may change land use in Southland include:

- a change in how people view farming industry and practices
- potential shift in how regulations may be implemented (eg changes to RMA for 'shovel ready projects')
- focus on growing primary industry jobs due to effect on tourism in the region
- focus on locally grown
- value in land may change. If and when overseas investment is permitted there could be a different focus in investment portfolios
- social and cultural change may lead to alternative demand like local niche markets. This changes land use and food production.

Resource Management Act 1991 (RMA) reforms

A comprehensive review of the RMA and related legislation is underway, with a final report from the review panel due at the end of May 2020. The overall aim is to "improve environmental outcomes and enable better and timely development in urban areas and elsewhere within environmental limits."²³⁹ Broad options being considered include:

- retaining the RMA with enhanced principles for land use and environmental management
- split the RMA into an environmental management statute and a land use planning statute.

The path taken will have a direct effect on the way that resource consents are assessed, approved and monitored and changes to the District Plan change process. There will be cost and resourcing implications for Council with any changes, in order to meet new requirements. Over time, if the objectives of the review are realised, the resource management system should be more efficient and effective, resulting in better environmental outcomes and fewer barriers to development (in appropriate areas).

Work is underway looking at measures to speed up consents for development and infrastructure projects during the recovery from covid, to provide jobs and stimulate the economy. Funding for 'shovel ready' infrastructure projects may see changes made to the regulator process, both building and resource, in order to fast track these projects. Accelerating these projects could result in improved health and environmental standards in a shorter term than anticipated insofar as shovel ready projects include sewerage and wastewater upgrades.

The Proposed Southland Water and Land Plan

The Proposed Southland Water and Land Plan will impact the manner in which all business is conducted in Southland. The costs of compliance with new standards will be significant and the outcomes of any consenting process are increasingly uncertain. It is possible that the intended 2020 operative date of the plan is postponed due to the COVID-19 pandemic.



Natural disasters

Council is part of a shared service (Emergency Management Southland, 'EMS') who coordinates and delivers emergency functions when required. Council staff fill roles within the Emergency Coordination Centre (ECC) and also provide an on the ground response during emergencies.

Thus far, EMS has dealt with two state of emergencies in 2020. Prior to the February 2020 flooding event, it had been a significant amount

of time since the last state of emergency in Southland. Little more than a month after the state of emergency was lifted for the flood, a nationwide state of national emergency was declared to manage the spread of covid. The response to these events has had a large impact on teams within the organisation involved in the operation of the Emergency Coordination Centre. The importance of EMS is likely to grow, underscoring the need for continued support going forward by Council.

Flooding

The Environment Southland flood warning system weathered the February 2020 state of emergency flooding event reasonably well, and provided warning and lead time for planning purposes.

Under almost every climate change scenario, storms will become more frequent and intense and communities will feel the effects more regularly and intensively. Any new development should be undertaken with a view to mitigating exposure to flood risk.



Earthquake/ Alpine Fault

The next severe earthquake on the Alpine Fault is likely to occur within the lifetime of most of us, or our children.²⁴⁰ Alpine Fault Magnitude 8 is a South Island wide project to save lives by planning and preparing a co-ordinated response across the South Island after a severe earthquake on the Alpine Fault.

Council's consultation process with five communities,²⁴¹ regarding the identification and remediation of earthquake prone buildings, may be delayed due to the COVID-19 pandemic.

Tsunami

Emergency Management Southland has a Group Tsunami Plan which includes identifying tsunami vulnerability zones.²⁴² Milford Sound has a nationally significant tsunami hazard under the Civil Defence Emergency Management Act 2002.



Localised slips and rock fall hazards

Given Council's vast landmass, there are realistically many unknown hazards of this type across Southland. Two that are known are Ringaringa on Stewart Island/Rakiura (active slip) and Milford Sound (rockfall hazard from an overhang).

Protection and enhancement of key natural resources and ecosystems



Three Waters

Outcomes from the Three Waters review include the establishment of a centralised water regulator called Taumata Arowai. Central government considers that a standalone regulator will have the high degree of focus and independence needed to provide confidence in New Zealand's regulatory regime for drinking water. Alternative service delivery models are being considered in concert with proposed regulatory changes. Local authorities across Otago and Southland have been granted government funding support for a joint investigation to consider a range of different service delivery collaboration models. The objective of the investigation is to develop and understand the water service arrangements that best meet local circumstances. There is still a risk of central government unilaterally deciding on a new system of delivery. Funding and financing to upgrade Three Waters infrastructure (drinking water, stormwater, wastewater) will be a central focus for Council going forward.

National Policy Statement for Freshwater Management (Freshwater NPS)

Consultation was carried out in 2019 on reforms to the Freshwater NPS. The timing for advice on the submissions to be presented to cabinet is unknown. New requirements proposed include:

- strengthening Te Mana o Te Wai as the framework for freshwater management
- better providing for ecosystem health (water, fish and plant life)
- better protection of wetlands and estuaries
- better stormwater and wastewater management, and protection of drinking water sources
- controlling high-risk farming activities and limiting agricultural intensification
- improve farm management practices.²⁴³

The Freshwater NPS means Council needs an

accurate inventory of existing infrastructure in order to assess where investment is necessary to ensure compliance. This NPS also affects the District Plan and will require strategic thinking across the organisation as changes will impact different activity groups (water, building, communications, etc).

National Policy Statement on Indigenous Biodiversity (NPSIB)

The NPSIB was drafted in response to the continued loss of native plants and animals in New Zealand, some of which are now extinct or considered to be threatened with extinction. Council submitted on the proposed policy statement, supporting the intent of the proposed NPSIB in principle, but highlighting the practical and financial challenges that Council face in attempting to comply with the timeframes and milestones to be established.

The cost implications of the NPSIB for Council are significant and will require consideration through the preparation of the next Long Term Plan. The District Plan will be required to be reviewed to achieve realignment with the national policy direction.

Prior to the covid pandemic, it was expected that the NPSIB would be made law prior to the 2020 elections. Notwithstanding a change in government, it is still considered that this will be made law, but the timeframe may be delayed. Council will need to consider how it wants to engage with communities regarding this NPS.

Biosecurity

A big risk to the New Zealand economy as a whole is biosecurity. The number of animal and plant pest invasions in New Zealand continues to rise due to increasing international trade and international travel. The potential for disease to impact Southland's farming or forestry is large, and this will increase with warming temperatures.



Environmental profile

B. Summary of the key environmental trends

As discussed above, the major environmental risks facing the district are interconnected, making separation into tidy categories difficult, and solving each one by one impossible.

- Southland will need to achieve significant carbon emission reductions, as well as put in place measures to adapt to the changes that will occur even if the target of zero greenhouse gas emissions by 2050 is achieved. This target has been made into law and thus will not change as a result of the COVID-19 pandemic
- agriculture, and particularly dairy farming, will come under increasing pressure to improve its environmental record. This will be a main driver, along with international economic trends, to land use in the District. Natural disasters, such as flooding and drought will influence change and future development in land use
- the February 2020 floods and the COVID-19 pandemic show the importance of a strong and coordinated EMS, whose role is likely to increase going forward with the forecasting of more frequent, severe weather events
- there is an increased focus on the protection of New Zealand's freshwater resources and indigenous species. Changes to the regulation and delivery of Three Waters will have a direct impact on the way Council operates. The outcome of the COVID-19 pandemic means that certain initiatives in this area may be accelerated (shovel ready infrastructure projects) while others may be delayed (implementation of the Proposed Southland Water and Land Plan).



Environmental profile

How could Council lead, facilitate and support communities through and after the covid pandemic?

None of these environmental risks are new. What is different, as a result of the COVID-19 pandemic, is that there is now an opportunity to do things differently in response to these challenges.

Generally, there is the opportunity for Council to lead in this area through:

- making every decision with an environmental lens. The COVID-19 crisis creates a chance to reset economies on a sustainable footing²⁴⁴
- understanding that the environmental risks are all interrelated, not standalone to be dealt with one by one. This includes including iwi in decision making as a partner; the iwi worldview of thinking ahead multiple generations is helpful
- Council's role is to understand and communicate environmental trends to the District in a way that is relevant and accessible.

Specific recommendations on actions Council could make in relation to the key environmental trends are outlined below.

Climate change

- Council will need to address adaptation to the risks and opportunities arising from climate change in the Long Term Plan as well as in its Infrastructure Strategy. When assessing the costs of climate change action, also consider the true costs of inaction
- consider that any future fossil fuel development should not be supported by Council; encourage investment in renewable energy and phasing out fossil fuel use and exploration
- support low carbon initiatives for the District's main economic drivers, including farming and tourism. This includes responsive engineering design in relation to climate change impacts
- consider that the effects of climate change will impact the vulnerable in the community the most
- sustainable tourism
- engage with Great South:
 - support destination management in the Southland Murihiku Destination Strategy, the concept that Southland manages tourism for high return vs. high volume
 - Tourism NZ is expected to make stance on tourism 'reinvention' at the end of April; Great South is waiting for this direction to lead region
- make communities the heart of tourism re-think through community board and stakeholder input.

Agriculture/land use

- use the gap created by COVID-19 to ask probing questions. What is working in this sector and what is unsustainable? Actively pursue integration of Council's land use controls relating to rural land development and use (sustainable land use/ sustainable farming)
- support a move in the direction of more renewable/ sustainable food production systems which could include regenerative farming and deep ocean aquaculture:
 - regenerative agriculture and grazing can draw carbon out of the atmosphere to increase soil fertility, save water and reduce the effect of drought and help to reverse global warming
 - the wastes from aquaculture that has been moved offshore tend to be swept away from the site and diluted due to stronger currents. Moving aquaculture offshore also provides more space where aquaculture production can expand to meet the increasing demands for fish. It avoids many of the conflicts that occur with other marine resource users in the more crowded inshore waters
- emphasise recycling nutrients, wasting nothing
- support Environment Southland where appropriate. This includes initiatives to prepare and protect the farming sector from biosecurity risks.

Protection and enhancement of key natural resources and ecosystems

- protection of the District's remaining biodiversity and coastal areas in active partnership with iwi and local communities
- the availability of central government funding for 'shovel ready' projects means that there is an opportunity for Council to re-prioritise and accelerate progress on projects that will protect natural resources, such as storm and wastewater system upgrades.

Natural hazards

- there are opportunities for EMS to build resilience in its flood response systems and for future significant emergency events
- invest in real time data that supports the emergency response function; technology may be used to anticipate and predict the impact of a disaster on the people, not just the geographic location
- acknowledge the essential role that EMS plays; under almost every climate change scenario, storms will become more frequent and intense.



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Overview of the world economic outlook projections
 (percentage change, unless noted otherwise)

	2019	Projections		Difference from January 2020 WEO Update ¹		Difference from October 2019 WEO ¹	
		2020	2021	2020	2021	2020	2021
World Output	2.9	-3.0	5.8	-6.3	2.4	-6.4	2.2
Advanced Economies	1.7	-6.1	4.5	-7.7	2.9	-7.8	2.9
United States	2.3	-5.9	4.7	-7.9	3.0	-8.0	3.0
Euro Area	1.2	-7.5	4.7	-8.8	3.3	-8.9	3.3
Germany	0.6	-7.0	5.2	-8.1	3.8	-8.2	3.8
France	1.3	-7.2	4.5	-8.5	3.2	-8.5	3.2
Italy	0.3	-9.1	4.8	-9.6	4.1	-9.6	4.0
Spain	2.0	-8.0	4.3	-9.6	2.7	-9.8	2.6
Japan	0.7	-5.2	3.0	-5.9	2.5	-5.7	2.5
United Kingdom	1.4	-6.5	4.0	-7.9	2.5	-7.9	2.5
Canada	1.6	-6.2	4.2	-8.0	2.4	-8.0	2.4
Other Advanced Economies ²	1.7	-4.6	4.5	-6.5	2.1	-6.6	2.2
Emerging Market and Developing Economies	3.7	-1.0	6.6	-5.4	2.0	-5.6	1.8
Emerging and Developing Asia	5.5	1.0	8.5	-4.8	2.6	-5.0	2.3
China	6.1	1.2	9.2	-4.8	3.4	-4.6	3.3
India ³	4.2	1.9	7.4	-3.9	0.9	-5.1	0.0
ASEAN-5 ⁴	4.8	-0.6	7.8	-5.4	2.7	-5.5	2.6
Emerging and Developing Europe	2.1	-5.2	4.2	-7.8	1.7	-7.7	1.7
Russia	1.3	-5.5	3.5	-7.4	1.5	-7.4	1.5
Latin America and the Caribbean	0.1	-5.2	3.4	-6.8	1.1	-7.0	1.0
Brazil	1.1	-5.3	2.9	-7.5	0.6	-7.3	0.5
Mexico	-0.1	-6.6	3.0	-7.6	1.4	-7.9	1.1
Middle East and Central Asia	1.2	-2.8	4.0	-5.6	0.8	-5.7	0.8
Saudi Arabia	0.3	-2.3	2.9	-4.2	0.7	-4.5	0.7
Sub-Saharan Africa	3.1	-1.6	4.1	-5.1	0.6	-5.2	0.4
Nigeria	2.2	3.4	2.4	-5.9	-0.1	-5.9	-0.1
South Africa	0.2	-5.8	4.0	-6.6	3.0	-6.9	2.6
Memorandum							
European Union ⁵	1.7	-7.1	4.8	-8.7	3.1	-8.8	3.1
Low-Income Developing Countries	5.1	0.4	5.6	-4.7	0.5	-4.7	0.4
Middle East and North Africa	0.3	-3.3	4.2	-5.9	1.2	-6.0	1.2
World Growth Based on Market Exchange Rates	2.4	-4.2	5.4	-6.9	2.6	-6.9	2.6
World Trade Volume (goods and services)	0.9	-11.0	8.4	-13.9	4.7	-14.2	4.6
IMPORTS							
Advanced Economies	1.5	-11.5	7.5	-13.8	4.3	-14.2	4.2
Emerging Market and Developing Economies	-0.8	-8.2	9.1	-12.5	4.0	-12.5	4.0
EXPORTS							
Advanced Economies	1.2	-12.8	7.4	-14.9	4.4	-15.3	4.3
Emerging Market and Developing Economies	0.8	-9.6	11.0	-13.7	6.8	-13.7	6.6
Commodity Prices (US dollars)							
Oil ⁶	-10.2	-42.0	6.3	-37.7	11.0	-35.8	10.9
Nonfuel (average based on world commodity import weights)	0.8	-1.1	-0.6	-2.8	-1.2	-2.8	-1.9
Consumer Prices							
Advanced Economies	1.4	0.5	1.5	-1.2	-0.4	-1.3	-0.3
Emerging Market and Developing Economies ⁷	5.0	4.6	4.5	0.0	0.0	-0.2	0.0
London Interbank Offered Rate (percent)							
On US Dollar Deposits (six month)	2.3	0.7	0.6	-1.2	-1.3	-1.3	-1.5
On Euro Deposits (three month)	-0.4	-0.4	-0.4	0.0	0.0	0.2	0.2
On Japanese Yen Deposits (six month)	0.0	-0.1	-0.1	0.0	-0.1	0.0	0.1

Source: IMF staff.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during February 17–March 16, 2020. Economies are listed on the basis of economic size.

The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

¹ Difference based on rounded figures for the current, January 2020 WEO Update, and October 2019 WEO forecasts.² Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.³ For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year. ²⁴⁵

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- 216 <https://www.stuff.co.nz/business/120755322/from-hero-to-zero-whats-the-future-for-tourism> - accessed 3/5/20
- 217 Infometrics webinar with Great South, 13/5/20
- 218 ibid
- 219 <https://www.citylab.com/life/2020/04/coronavirus-safe-travel-airbnb-rental-business-host-bailout/608917/> - accessed 4/5/20
- 220 <https://www.fodors.com/news/coronavirus/a-futurist-predicts-how-youll-be-traveling-after-coronavirus?anf=DEFAULT> – accessed 3/5/20
- 221 https://www.citylab.com/life/2020/04/coronavirus-safe-travel-airbnb-rental-business-host-bailout/608917/?cmpid=BB040520_CORONAVIRUS -
accessed 24/4/20
- 222 <https://thespinoff.co.nz/business/18-04-2020/nz-film-music-and-sports-have-all-been-broken-by-lockdown-but-could-be-transformed-by-elimination/> - accessed 3/5/20
- 223 ibid
- 224 <https://www.stuff.co.nz/business/120581892/coronavirus-lockdown-will-leave-almost-no-part-of-the-economy-untouched?cid=app-iphone> –
accessed 24/4/20
- 225 <https://www.stuff.co.nz/business/120581892/coronavirus-lockdown-will-leave-almost-no-part-of-the-economy-untouched?cid=app-iphone> –
accessed 24/4/20
- 226 Infometrics Ltd webinar with Great South, 13/5/20
- 227 ibid
- 228 ibid
- 229 <https://www.westpac.co.nz/assets/Business/Economic-Updates/2020/Bulletins-2020/Budget-preview-May-2020-Westpac-QEO-May-2020-Final-Web.pdf> - accessed 17/5/20
- 230 ibid

- 231 ibid
- 232 <https://www.westpac.co.nz/assets/Business/Economic-Updates/2020/Bulletins-2020/Westpac-QEO-May-2020-Final-Web.pdf> - accessed 17/5/20
- 233 Prepared for Environment Southland, Invercargill City Council, Southland District Council and Gore District Council (August 2018) by NIWA (report 2018120CH).
- 234 <https://www.deepsouthchallenge.co.nz/sites/default/files/2020-02/Centring%20Culture%20Compressed%20Report.pdf> - accessed: 23/4/20
- 235 https://www.newsroom.co.nz/2020/04/19/1133096/dont-leave-home-but-then-go-and-see-your-country?utm_source=Friends+of+the+News+room&utm_campaign=dbf979c99b-Daily+Briefing+19.4.20&utm_medium=email&utm_term=0_71de5c4b35-dbf979c99b-97842367 - accessed 25/4/20
- 236 <https://www.theguardian.com/environment/2020/apr/22/environment-pandemic-side-effects-earth-day-coronavirus> - accessed 23/4/20
- 237 <https://www.weforum.org/agenda/2020/04/european-politicians-ceos-lawmakers-urge-green-coronavirus-recovery> - accessed 25/4/20
- 238 <https://www.mpi.govt.nz/growing-and-harvesting/forestry/forestry-in-the-emissions-trading-scheme/> - accessed 24/4/20
- 239 <https://www.mfe.govt.nz/rmreview> - accessed 24/4/20
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- 241 Otautau, Riverton, Tuatapere, Wyndham and Winton. Report to R&C Committee: R/20/3/5898.
- 242 <https://civildefencesouthland.govt.nz/> - accessed 24/4/20
- 243 <https://www.mfe.govt.nz/consultation/action-for-healthy-waterways> - accessed 24/4/20
- 244 https://www.theguardian.com/world/commentisfree/2020/apr/23/covid-19-crisis-reset-economies-sustainable-footing?CMP=Share_iOSApp_Other - accessed 23/4/20
- 245 <https://www.imf.org/~media/Files/Publications/WEO/2020/April/English/execsum.ashx?la=en> - accessed 9/5/2020



Project - Significant Forecasting Assumptions Review – Covid-19

Purpose

The purpose of this report is to critically review the available literature and information on COVID-19 to assess any potential impacts on the significant forecasting assumptions developed by Council in December 2019 as part of the Long Term Plan process.

Executive summary

[This report has involved a rapid assessment of the available information and analytics available through to 6 May 2020 as the COVID-19 pandemic continues to unfold.]

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a global pandemic. On Monday 23 March the New Zealand alert level was raised to level 3 and it was declared that the alert level would rise to level 4 by 11.59pm on Wednesday 25 March. This meant that the nation went into lockdown for at least four weeks with only essential services running and the majority of New Zealanders staying inside their houses to help reduce the spread of COVID-19.

New Zealand moved from Level 4 at 11.59pm Monday 27 April to Level 3. 16 days later at 11.59pm on Wednesday 13 May the country continued its transition down the alert system to Level 2. The alert system will continue to be reviewed fortnightly seeking eradication of the virus from our shores.

The outbreak of the COVID-19 pandemic is resulting in significant and evolving socioeconomic change to the environment Southland District Council (Council) is operating in. It is vital that Council develops an understanding of what these changes will entail for the district currently and going forward.

This report focuses on the significant forecasting assumptions developed by Council in December 2019 and how those assumptions may or may not have changed due to the ongoing impacts of COVID-19 on our District based on available literature and information.

There will be consideration given to the impact of COVID-19 on the short term response as part of the recovery and restart phases. Council and ELT are assessing these impacts and discussing measures such as austerity options on how to best navigate the next 3 year period in particular. However, it is important to recognise the significant forecasting assumptions work is developed as part of the Long Term Plan process and how these assumptions may impact the District over the next 10 years.

The majority of the assumptions developed with Council in December largely remain unchanged, particularly when viewed over the full 10 year term of the Long Term Plan. However, there are a few assumptions that will or may be impacted particularly in the short term and it is these assumptions that should be focused on.

One assumption to be significantly impacted is Tourism. Tourism businesses and attractions are bracing for huge impacts across New Zealand with COVID-19 effectively ending international tourism overnight. This will provide substantial ramifications for not only the tourism industry but also the hospitality industry that work hand in hand to provide a positive experience for consumers. Many people in the



tourism and hospitality industries will lose their jobs and impacts will be felt indirectly to a number of other businesses. The impact of the reduction in capacity of these types of operations will be vast. As a result, it is recommended that the uncertainty attached to this risk should be elevated from moderate to high or very high.

The other two assumptions that may potentially be impacted are demographics and economic growth trends. Both of these assumptions are likely to be impacted in the short term but it is difficult to predict for how long. The big factor will be how quickly the New Zealand economy rebounds from the Level 4 and Level 3 lockdown periods and subsequently how significant the impact on employment is, particularly at a local level. This uncertainty is the major challenge and it is recommended that the uncertainty levels of these two assumptions be monitored and upgraded a level if necessary over the coming months as more information comes to light.

For the other assumptions, there are certainly links to many of the impacts of Covid-19 whether they are environmental, economic, social or cultural but all literature to date points to these being short term in nature and the lower the impact felt by New Zealand as a whole, the less the impact on local regions. Let's hope that we as Southlanders and New Zealanders stay vigilant to ensure our District has the best chance to limit the impacts of COVID-19 as much as possible.

Background

On 11 March 2020, the World Health Organisation (WHO) declared COVID-19 as a global pandemic. On Monday 23 March the New Zealand alert level was raised to level 3 and it was declared that the alert level would rise to level 4 by 11.59pm on Wednesday 25 March. This meant that the nation went into lockdown for at least four weeks with only essential services running and the majority of New Zealanders staying inside their houses to help reduce the spread of COVID-19.

New Zealand moved from Level 4 at 11.59pm Monday 27 April to Level 3. 16 days later at 11.59pm on Wednesday 13 May the country continued its transition down the alert system to Level 2. The alert system will continue to be reviewed fortnightly seeking eradication of the virus from our shores.

The flow-on social, health and economic effects of the pandemic have and will be significant and of some duration. There will be widespread impacts within our communities, including but not limited to, an increase in unemployment and widespread economic and social disruption anticipated for some time. Council has an important role to play in leading and facilitating discussions around social and economic recovery/restart, and ensuring that essential services under the purpose of Local Government are maintained. This will require analysis and discussion of what services Council provides, how we prioritise existing and future work streams to ensure the needs of communities are met, now and into the future.

To this end, the Group Manager Community and Futures reprioritised the work of the strategy and policy team to immediately focus on projects to better understand the impacts of COVID-19 for Southland and for Council.

introduction

This is a global pandemic and the short-medium-long term impacts at a global, national, regional and local levels of COVID-19 are still largely unknown and in a constant state of change.



Strategy and policy staff have refocused their work to undertake COVID-19 specific priority work, including a review of the Council's significant forecasting assumptions, endorsed at the 30 January 2020 Council meeting and how they may need to be reconsidered.

This analysis, with a basis in global and national literature, will provide the platform for discussion and decision making to determine, in particular, the next steps in the process of Council's Long Term Plan 2021-2031.

This discussion will form the basis of how we move forward with a revised 'baseline' of assumptions for the Long Term Plan 2021-2031.

Approach

At a Meeting on 30 January 2020, Council endorsed the Significant Forecasting Assumptions for 2021-2031 Long Term Plan (LTP). Approximately 7 weeks later, NZ entered an Alert Level 4 lockdown of COVID-19 on 23 March 2020 introducing enforcement measures requiring everyone to stay home, except those providing essential services. This is a global pandemic and the short-medium-long term impacts at a global, national, regional and local levels of COVID-19 are still largely unknown and in a constant state of change.

The endorsement of the Significant Forecasting Assumptions was on the understanding that anything of significance that might alter the assumptions would be presented back to Council at the appropriate time. The significance of COVID-19 will potentially require alterations of the assumptions to various degrees and the full extent of the impact of COVID-19 may not be fully known at a District level for some time yet.

The impacts of COVID-19 are still to be determined but an initial review of the Significant Forecasting Assumptions based on some of the literature available online can give insight in to what may need to change or not. The purpose of this report is to discuss each assumption and critically assess what we currently have scheduled for the 2021-2031 LTP.

Analysis

The analysis of the Significant Forecasting Assumptions will include a general overview of each assumption and discussion of that assumption based on the potential impacts of COVID-19 from review of literature and commentary provided online over recent months.

Following that, high-level recommendations on any changes to assumptions or Council considerations or recommendations will be outlined if appropriate.

Assumption 1 - Demographics

Overview

The key demographics discussed in the original assumption focused on population, age and immigration as being the key strategic issues for the Southland District.



Population is important because it relates directly to the demand for services and infrastructure and the ability of Council to foresee and cover the costs of providing those to its communities particularly where population growth is predicted. In addition, Southland's ageing population has implications for the viability and wellbeing of communities within the region. Southland has a lower rate of growth compared to national figures. Overall the BERL Report predicted a growth rate of approximately 20% over the 25 years for the Southland District. A tightening of the labour market was also expected over the next 15 years with demand exceeding the working population age group.

There was a reasonable level of confidence in this assumption with a very low uncertainty classification and also low risk if the assumption was found to be incorrect.

Discussion

The impacts of COVID-19 will be varied in terms of this assumption. Population growth may not only stall but potentially decline in the short-term. Globally southern cities are continuing to grow as a result of inward rural migration and northern cities are trending in the opposite direction, with more affluent residents taking advantage of remote working capabilities and moving to smaller towns and countryside settlements offering cheaper property and a higher quality of life.¹ Although many businesses and industries have been able to work remotely, this is unlikely to be a trend associated with COVID-19 due to the nature of the tourism and hospitality industries. The closure of international borders will further reduce immigration to the Southland District for both employment, study or lifestyle.

The reliance on tourism in our District will be significant with international tourism effectively ceasing overnight. Travel restrictions and economic pressures are also affecting the ability of New Zealanders to travel domestically. As a result, people employed in the tourism and hospitality sectors may need to relocate out of the District for employment opportunities. Early predictions indicate over 200,000 jobs being lost across these industries equating to 7% of the national working population. The unemployment rate is predicted to be as high as 10% or more in the next 12 months as government wage subsidies end. Some of those same projections have modelled a return to approximately 4% unemployment by 2024.²

There shouldn't be any change in the ageing population projections for the region but this could further affect the numbers of people under the age of 65 in those townships depending on how the tourism and hospitality industries are able to rebound from the pandemic.

Recommendations

Uncertainty: Very Low to Low

Risk: Remain at Low

Acknowledge there will be significant short term impacts due to unemployment and wider economic impacts particularly in our communities with a high reliance on tourism.

Assumption 2 - Tourism

Overview

¹ <https://www.theguardian.com/world/2020/mar/26/life-after-coronavirus-pandemic-change-world> (26 Mar 2020)

² <https://www.tourismticker.com/2020/04/02/no-foreign-visitors-until-late-2020-then-only-gradual-recovery-westpac/> (2 Apr 2020)



The provision of appropriate visitor infrastructure and increased range of tourism related opportunities is the key strategic issue for the District.

It was anticipated that increased impacts on services such as libraries and public toilets could be managed through planned infrastructure upgrades within the LTP. Alternatively, concerns about environmental quality and the visitor experience in parts of the District could decline due to lack of appropriate infrastructure. The issue is compounded by significant tourist demand in recent years with visitor numbers to Milford Sound having almost doubled in the past 5 years from 556,000 in 2014 to 932,000 in 2018. The assumption is that these numbers will continue to increase. In addition, the increase in visitors to Stewart Island/Rakiura will put corresponding pressure on jetties and infrastructure on the Island.

There was some confidence in this assumption with a moderate uncertainty classification and medium risk if the assumption was found to be incorrect.

Discussion

In reading the short-term analysis it becomes very easy to highlight the negative impacts of COVID-19 will be significant in terms of this assumption. Tourism businesses and attractions are bracing for huge impacts across New Zealand with COVID-19 effectively ending international tourism overnight. This will provide substantial ramifications for not only the tourism industry but also the hospitality industry that work hand in hand to provide a positive experience for consumers. As stated above, many people in the tourism and hospitality industries will lose their jobs and impacts will be felt indirectly to a number of other businesses. Skyline Enterprises alone requires services from over 200 businesses between Invercargill and Wanaka including food suppliers and tradespeople.³ The impact of the reduction in capacity of these types of operations will be vast. The future for tourism in New Zealand and subsequently Southland will be different in the short to medium term, it may never be the same again.

Tourism Minister Kelvin Davis announced that the Government and industry were working together on a plan to restart tourism which was likely to be a phased process. He said the tourism industry would play an important role in New Zealand's economic recovery, but there would be a very different approach in future with more emphasis on financial sustainability.⁴

However, there are potentially some "silver linings" out there too. The sustainability of tourism has been questioned for some time now. Many are seeing this as an opportunity to review the tourism industry locally, nationally and globally at look at more sustainable tourism options. New Zealanders spent \$6.5 billion on overseas holidays and business trips last year and 60% of the tourism spend in New Zealand still comes from domestic market. Fortunately, Australia seems to be trending well against COVID-19 hopefully providing some belief that Oceania might be able to reopen even if some of the other overseas markets have longer recovery times against the virus.

Recommendations

Uncertainty: Moderate to High/Very High

Risk: Remain at Medium (maybe move down a level due to likely reduced pressure on infrastructure)

³ <https://www.tourismtucker.com/2020/04/03/opening-trans-tasman-market-should-be-priority-for-govt-skyline/> (3 Apr 2020)

⁴ <https://www.stuff.co.nz/business/120892875/government-plans-major-shake-up-for-the-tourism-industry-post-covid19> (8 Apr 2020)



Reassess short to medium term capital expenditure projects in terms of their relevance and priority. E.g. are the projects and work programmes proposed to still relevant and fit for purpose given what we now about the potential impact on the Tourism industry?

Look at opportunities to lead with sustainable tourism options. E.g. are there opportunities that were not able to be considered previously because of demand for services to catch up with growth?

Continue outsourcing of work through Great South with a short term focus of understanding the immediate impact on tourism locally and ways to restart tourism in Southland in a very different landscape.

Assumption 3 – Climate Change

Overview

The key strategic issue for the District is that planning may not adequately account for climate change impacts.

Sea level rise progressively impacts low lying coastal areas affecting ecology and settlements. Water availability in some areas becomes scarce, extreme weather events are larger and more frequent, communities become more resilient to climate change. Changes and associated impacts such as risk-based insurance will influence investment in built development (ie. coastal and flood plain development) and types of farming. Climate change will have a significant impact on the coastal settlements within Southland District and are subject to coastal processes that are causing erosion resulting in loss of land and council roading infrastructure.

Sea level rise is expected to be between 0.2-0.3 m above present levels by 2040 and increasing to 0.4-0.9 m by 2090. The projected Southland temperature changes increase with time and emission scenario. Future annual average warming spans a wide range: 0.5-1°C by 2040, and 0.7-3°C by 2090.

Floods are expected to become larger across the District. The central-northern part of the Southland Region is projected to experience the largest increases in drought. The occurrence of heat waves will double by 2040.

There is confidence in this assumption with a low uncertainty classification and medium risk if the assumption was found to be incorrect.

Discussion

There have been numerous reports of positive environmental impacts over the past month with reports of clearer water in Venice and blue skies over Beijing due to the global industries and economies in shut down. New data shows strong reductions in nitrogen dioxide concentrations (linked to the burning of fossil fuels) over several major cities across Europe, including Paris, Madrid and Rome. However, these are likely to be short term effects with experts predicting environmental outcomes to return to normal and in some instances increase as economic recovery gets underway.⁵

If there is anything to be learned from COVID-19 and the impact on climate change, it is how quickly habits and processes can change. The question going forward is whether there are opportunities to lead on more sustainable practices as a District that will result in better environmental outcomes.

⁵ https://www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=12322740 (6 Apr 2020)



As a result, we are unlikely to see any short-term change at a local level to the predictions outlined in this assumption. The Southland District should still be focused on long term planning for the effects of climate change and continue to monitor what the result of global recovery looks like and how that may impact on this assumption long term.

Recommendations

Uncertainty: Remain at Low

Risk: Remain at Medium

Monitor the impact of global recovery from COVID-19 and how this may continue to impact on the assumption going forward.

Assumption 4 – Significant, unplanned adverse effects

Overview

The key strategic issue for the District is the occurrence of significant earthquakes, flooding, tsunami and other hazards outside of expected risk assessments. It was assumed that none of these will occur but we need to be prepared.

The ability to borrow 'headroom' to fund Council's share of a rebuild in relation to a 'maximum probable loss' scenario is provided for within Council's Financial Strategy.

These types of events result in community disruption and displacement as well as localised infrastructure and facilities damage. The next severe earthquake on the Alpine Fault is likely to occur within the lifetime of most of us or our children. We are assuming that it will not occur within the ten years covered by this LTP.

Under almost every climate change scenario, storms and therefore flooding will become more frequent and intense and communities will feel the effects more regularly and intensively. It is assumed that these events can be managed within current budgets.

There is confidence in this assumption with a low uncertainty classification but it comes with a high level of risk if the assumption is found to be incorrect.

Discussion

Planning for events of this nature are generally no-win situations. In this instance, Council took the approach in January 2020 to assume that none would occur but we need to be prepared. At the beginning of February, Southland was impacted by the biggest flood in 30 years with evacuations from low-lying areas in the District and millions of dollars in damage to district infrastructure. In March 2020, NZ entered a Level 4 Lockdown in response to the threat of the global pandemic of COVID-19 and will have ramifications over the next 3 years on how we as a community operate on a day to day basis.

To assume that these two events would occur within the first two months of the assumptions being developed would have been laughable, let alone the 10-year LTP process but raises questions about the conclusion to assume these events are unlikely to occur. What the Council can take comfort in, is how it has been able to respond to these significant events, especially COVID-19. The Council has been



able to respond to the office being closed to all but essential services and still deliver the levels of service it has over the past six weeks shows the ability to adapt and be ready.

It is important however for Council to potentially reconsider the likelihood of these events and how it will continue to react should further events occur particularly in the short term

Recommendations

Uncertainty: Remain at Low

Risk: Remain at High

Consider the impact of further significant events occurring in the next 1-3 years and its ability to be ready to respond.

Assumption 5 – Environmental standards, consents and land use

Overview

The Council may be required to undertake significant capital works in relation to drinking water, stormwater and wastewater is the key strategic issue for the District. This poses uncertainty to service delivery in this area.

There will be a change to the regulatory standards for drinking water and a new regulatory agency has been formed. Allowance has been made for meeting the expected new standards. It is assumed that Council will continue to be responsible for the delivery of its existing range of water, wastewater and stormwater services.

The Proposed Water and Land Plan for Southland and the Freshwater National Policy Statement will have a continuing impact on the regulatory environment for agricultural land use. This may alter the way that investment decisions are made and therefore the land use changes that will occur.

Land use changes as a result of climate change (e.g. flood plain zone changes). The amendment to the Climate Change Response (Zero Carbon) Bill may alter the delivery of Council activities. This may impact land use and transport across the District.

There was a reasonable level of confidence in this assumption with a low uncertainty classification and also low risk if the assumption was found to be incorrect.

Discussion

There are not likely to be significant changes in regard to this assumption due to the impacts of COVID-19. If anything, the government is likely to be more considerate in its approach with Districts across the country as they try to work with communities during the recovery phase of the pandemic process.



Early commentary has stated that primary industry is likely to be important to the national economy as it deals with the impacts of COVID-19 on tourism which is the number one export in New Zealand. TIA chief executive Chris Roberts stated that it could be a 3-5 year recovery horizon.⁶ The Government may look to support primary industry as part of the economic recovery by streamlining processes in the short term.

At this time however, the focus has clearly been on the emergency response to the health threat caused by COVID-19. Local Government NZ has recently provided a list of priority considerations that will be prioritised in the coming weeks in order to give guidance to Districts on some of these issues. Close monitoring of this process with LGNZ will be the main priority. It is critical that in these times we continue to work closely with these agencies as well as our local bodies such as Environment to be across in potential changes that may occur.

Recommendations

Uncertainty: Remain at Low (could possibly become more uncertain but not likely to be negative impact)
Risk: Remain at Low

Monitor and participate in LGNZ processes to ensure Council is up to date on any potential changes.

Assumption 6 – General Economic Growth Trends

Overview

The key strategic issue for the District is long term economic growth may not continue to be consistent with trends. The potential for a significant downturn in global dairy prices as well as other primary sector goods or changes to the primary sector occurring at a faster rate than businesses in the District (automation, niche products, synthetic alternatives to meat and milk products, etc).

In January it was assumed that the economy maintains current prospects. The median personal income in the Southland District was growing at a faster rate than the median income across NZ. There was an enduring trend that local businesses in the District hire smaller numbers of people (compared the rest of New Zealand).

Home ownership rates in the District are falling. Half of the businesses operating in Southland District are in the primary sector. 98% of these primary sector businesses operate in the industries of agriculture or forestry (BERL – Compendium Report 2018). BERL estimate that 18.3% of total employment (measured in Full-time Equivalents) in the District is in dairy farming.

There is some confidence in this assumption with a moderate uncertainty classification and but a low level of risk if the assumption is found to be incorrect.

Discussion

There are certainly significant impacts predicted in the short term with some businesses not being able to sustain the economic crisis, particularly small business. Unemployment is predicted to increase from 4% to

⁶ <https://www.rnz.co.nz/news/national/414882/COVID-19-zero-international-arrivals-marks-low-point-for-tourism> (22 Apr 2020)



around 10% even with significant government intervention.⁷ This is further complicated due to the uncertain nature of the pandemic and makes economic forecasting extremely variable at this early stage. What the future of the NZ economy is over the next 1-3 years is very uncertain but there are positives to focus on also.

New Zealand is in a very good position to manage the economic recovery with low debt levels and good capital availability through the Reserve Bank and financial institutions according to the Reserve Bank Governor Adrian Orr.⁸ The purpose of this is to try and ensure that interest rates stay low to support investment and property prices but won't help to secure jobs and incomes. Getting businesses to be able to operate safely as soon as possible will be critical to aid economic recovery. There will also be opportunities for flexible and adaptable businesses to prosper as the economy begins to recover.

At a local level, the high percentage of businesses that operate in the primary sector may be an advantage but we will undoubtedly feel the hit from the decrease of the tourism into the region from an economic standpoint. It is important that Council is able to lead the community to recover quickly to avoid ratepayers from being unable or unwilling to support maintaining Council levels of service.

Recommendations

Uncertainty: Remain at Moderate (possibly increase to high)

Risk: Remain at Low

Council lead the community to a swift economic recovery by supporting the primary sector and helping the tourism industry to rebound initially at a domestic level.

Assumption 7 – Useful lives of significant assets

Overview

The useful life of assets determines when an asset is expected to be renewed and the calculation of depreciation. This will impact on the timing of replacements and the amount of rates collected for funding depreciations and as a result is a strategic issue for the District.

That the useful life of significant assets will be the same as set out in the accounting policies of Council. The timing of renewal projects is inaccurate and will need to be completed earlier/later as required. This will change the timing of funding requirement as shown in Council's revenue and financing policy (including rates). The amount of depreciation being inaccurate will impact on either over/under collecting rates in the relevant years due to the funding of depreciation.

There not great confidence in this assumption with a high uncertainty classification and as a result comes with a medium level of risk if the assumption is found to be incorrect.

Discussion

This assumption is unlikely to be affected by the impact of COVID-19. The useful life of assets and depreciation will continue and will need to be allowed for and replaced as programmed. Capital expenditure projects may need to be reconsidered or reprioritised due to lower than expected growth forecasting.

⁷ <https://www.stuff.co.nz/national/120995116/coronavirus-treasury-models-paint-dire-economic-picture-mass-unemployment> (14 Apr 2020)

⁸ <https://www.stuff.co.nz/business/120732494/adrian-orr-economic-shockwaves-will-eventually-give-way-to-vibrant-refreshed-new-zealand-economy> (5 Apr 2020)



Recommendations

Uncertainty: Remain at High

Risk: Remain at Medium

Assess work programmes and consider the reprioritisation of scheduled work programmes over next 1-2 years.

Assumption 8 – Cost estimates and price level changes

Overview

Inflation may vary significantly than allowed for in the Long Term Plan. Cost of operating and maintenance contracts as well as major capital works costs may vary significantly from costs estimated in this plan.

Inflation is allowed using projections prepared by Business and Economic Research Limited (BERL), which are based on October 2020 values. When contracts are renewed there is no significant variations allowed for and any annual cost adjustment is in line with the relevant BERL inflation percentage.

There is confidence in this assumption with a low uncertainty classification but a medium level of risk if the assumption is found to be incorrect.

Discussion

New Zealand has a heavy reliance on imported parts and products creating a significant level of risk due to the impacts of COVID-19. There are no formal restrictions on market access for the vast majority of goods exports and imports as a result of COVID-19 but the global pandemic continues to place pressure on global supply chains, and is disrupting trade flows and the wider international economy.⁹ Increased demand and pressure on global transport routes may result in greater than anticipated cost increases, especially in construction, capital works and contracting rates. The flow on effect from these is a potential increase in the overall cost of the capital and maintenance programs, in turn having an impact on debt servicing costs and rates.

This will be difficult to predict but there needs to be heightened awareness when developing cost estimates going forward that may result in unbudgeted expenditure where there is significant variation.

Recommendations

Uncertainty: Remain at Low

Risk: Remain at Medium

Extra consideration given to the availability of products that need to be imported to facilitate work programmes such as capital works.

Assumption 9 – Asset revaluation

Overview

⁹ <https://www.mpi.govt.nz/exporting/coronavirus-and-the-effects-on-trade/> (20 Apr 2020)



The key strategic issue for the District is that Asset revaluation may be higher or lower than estimated.

In the LTP, Council has revalued its significant infrastructural assets on a yearly basis in line with the relevant BERL inflation rate considering planned additions.

There is very little confidence in this assumption with a very high uncertainty classification and a high level of risk if the assumption is found to be incorrect which is virtually certain to be wrong.

Discussion

The main consideration of this assumption is if the price level changes are greater or lesser, depreciation and the funding of depreciation, could be under or overstated. At the time of drafting these assumptions, this was virtually certain to be wrong. This assumption is unlikely to be directly impacted by COVID-19.

Recommendations

Uncertainty: Remain at Very high

Risk: Remain at High

Assumption 10 – NZTA subsidies for roading

Overview

The key strategic issue for the District is whether sufficient funds are available to pay for the planned capital projects and operational/maintenance costs.

It is assumed that NZTA will meet our requested funding requirements on a 3 yearly cycle. It is assumed that the level of financial assistance received from NZTA will remain at 51% for the period of the LTP. Funding assistance for large capital transport works would be achieved on a case by case basis with NZTA. NZTA funding will be awarded for 3 year periods and that the following 7 years will be funded in a similar manner.

There is good confidence in this assumption with a very low uncertainty classification and a low level of risk if the assumption is found to be incorrect.

Discussion

This assumption should not be significantly impacted by COVID-19. The Government has clearly stated its support for shovel ready projects and it would be anticipated that scheduled works such as these will be supported also.

Recommendations

Uncertainty: Remain at Very Low

Risk: Remain at Low

Assumption 11 – Interest rates on investments

Overview

The key strategic issue for the District is that interest income received may vary from the amount included in the ten year plan.



Interest on financial investments has been calculated at **XX%** for funds invested externally and internally for the term of the plan. A decrease in investment interest rates may require Council to collect more rates to cover the shortfall of interest used to offset rates.

There is some confidence in this assumption with a moderate uncertainty classification and it comes with a medium level of risk if the assumption is found to be incorrect.

Discussion

As outlined above, the Reserve Bank is trying to mitigate the impacts of COVID-19 in conjunction with the Government and Financial Institutions. The Reserve Bank recently launched a \$33 billion quantitative easing programme to reduce interest rates and inject money into the economy.

The uncertain nature of this pandemic makes it extremely difficult forecast but as previously stated the low starting point of Crown debt, around 20% of GDP in net terms, and the Reserve Bank's small balance sheet by international standards gives enormous flexibility.¹⁰

Recommendations

Uncertainty: Remain at Moderate

Risk: Remain at Medium

Assumption 12 – Interest rates on borrowing

Overview

The key strategic issue for the District is that interest rates paid on borrowing will vary over the 10 year period.

Interest on new and existing internal borrowings is allowed for at **XX%** per annum over the term of the borrowing. Interest on new external borrowings is allowed for at **XX%** per annum over the term of the borrowing.

There is some confidence in this assumption with a moderate uncertainty classification and it comes with a medium level of risk if the assumption is found to be incorrect.

Discussion

As outlined above, the Reserve Bank is trying to mitigate the impacts of COVID-19 in conjunction with the Government and Financial Institutions. The Reserve Bank recently launched a \$33 billion quantitative easing programme to reduce interest rates and inject money into the economy.

The uncertain nature of this pandemic makes it extremely difficult forecast but as previously stated the low starting point of Crown debt, around 20% of GDP in net terms, and the Reserve Bank's small balance sheet by international standards gives enormous flexibility.¹¹

¹⁰ <https://www.interest.co.nz/news/104206/rbnz-will-buy-30-bln-government-bonds-negative-impacts-emergency-intensify-new-zealand> (23 Mar 2020)

¹¹ <https://www.interest.co.nz/news/104206/rbnz-will-buy-30-bln-government-bonds-negative-impacts-emergency-intensify-new-zealand> (23 Mar 2020)



Recommendations

Uncertainty: Remain at Moderate

Risk: Remain at Medium

Assumption 13 – Level of service

Overview

The key strategic issue for the District is any potential legislation or government policy that comes into force and has a significant impact on Council to respond or impact on cost to administer by Council; or results in a change to the services delivered by the Council.

It is assumed there will be no major legislative changes or change in government policy that will significantly impact Council aside from the legislative changes identified under the Environmental Standards, Resource Consents and Land Use assumption.

There is confidence in this assumption with a low uncertainty classification but a medium level of risk if the assumption is found to be incorrect.

Discussion

COVID-19 is not considered to have a significant impact on this assumption. The assumption is founded on no major legislative changes from changes in government policy. The Government is unlikely to introduce major legislative changes that impact the ability of Councils to deliver their existing levels of service. In fact, the Government is more likely to make short term policy changes to enable Councils to continue providing their existing levels of service to their communities with support from agencies such as SOLGM which has established a COVID-19 Response Unit to guide and support the local government sector.

Any impact is more likely to occur as a result of economic impacts on the District resulting in reduced income for Councils through population decline affecting rates income, unpredicted loss of investment returns and other impacts of that nature. We are already seeing short term impacts both internally and externally as staff that are unable to work from home required to utilise leave or take pay reductions.¹² Forecasting this in the short term is very difficult due to the uncertain nature of the economy. This will become clearer as the economy tries to recover from the impact of being in lockdown at level 4 and now level 3.

Recommendations

Uncertainty: Remain at Low

Risk: Remain at Medium

Monitor economic impact of COVID-19 extremely closely both at a district and national scale.

Assumption 14 – Technology

Overview

¹² <https://www.odt.co.nz/regions/southland/invercargill-city-council-paycuts-criticised> (1 May 2020)



Changes in technology will impact the delivery of our key activities and as a result are a strategic issue for the District.

It is assumed the increased access to fibre connectivity will mean more use of online digital services. There may be less demand for face-to-face customer service as technology provides alternative methods for answering questions and resolving issues. It is assumed automated technology and artificial intelligence alters the way that council delivers some of its services. Chorus will have rolled out full internet connectivity throughout the district by the end of 2021.

There is confidence in this assumption with a low uncertainty classification and low level of risk if the assumption is found to be incorrect.

Discussion

COVID-19 is not considered to have a significant impact on this assumption. The assumption is expected to continue as predicted and if anything, lockdown has potentially given us a glimpse into what a more technological based future may look like. The restriction of people to their "bubbles" has meant a reliance on technology to complete many of their daily tasks including the ability to work from home to purchasing groceries. The question will be whether these become longer term habits and effect the amount of face to face contact that occurs post COVID-19 versus pre COVID-19.

The increase in technology usage does increase other impacts threat such as cyber security. With more people and businesses using technology there is likely to be an increase in cybercrime. MBIE's Computer Emergency Response Team reported significant increases in cybercrime last year¹³ and this is this will likely increase with significant increases in the use of technology throughout the lockdown period. Southland District is currently undertaking work in this space to ensure it has the correct protections in place.

Recommendations

Uncertainty: Remain at Low

Risk: Remain at Low

Continue cyber security work programme.

Be aware of potential for cybercrime in community to increase.

Assumption 15 – Resource Constraints

Overview

The ability to procure contractors and unavailability of other resources due to other work commitments is a strategic issue for the District.

40% of the Southland District Council workforce are born between 1943 and 1966 and are likely to retire in the next 10 years. This may result in the loss of staff resource and knowledge to deliver projects.

¹³ <https://www.interest.co.nz/news/101524/new-report-cert-nz-highlights-rise-ransomware-attacks-scams-and-fraud> (5 Sep 2019)



It is assumed that due to increased work across the district (e.g. Invercargill city centre development, Dunedin Hospital build, etc) there will be a shortage of workers and resources across the lower South Island. The retirement of the ageing workforce of Southland District Council will impact the delivery of the LTP work programme.

There is some confidence in this assumption with a moderate uncertainty classification a medium level of risk if the assumption is found to be incorrect.

Discussion

The impact of COVID-19 may have an impact on the ability to procure contractors. This was already highlighted as a moderate risk and with the Government looking support "shovel ready" projects to help drive the economy, the ability to obtain these contractors may become scarcer or more expensive.

There will be a desire to get the unemployed as a result of COVID-19 into work but there is likely to be a mismatch in skills. Many of the unemployed will be from industries such as retail, air travel, administration, tourism and hospitality and the labour shortage is likely to be in industries such as construction, horticulture, manufacturing and primary industry.¹⁴ For this to be successful there will need to be significant training programmes in place to reskill the workforce.

COVID-19 is unlikely to have an impact in regard to the Southland District Council Workforce. The assumption predicts significant retirements over the next 10 years. As with any business, it is important and advantageous to forecast this and potentially look into succession planning where resources may be scarce or difficult to attract.

Recommendations

Uncertainty: Remain at Moderate

Risk: Remain at Medium

Consider the impact of further significant events occurring in the next 1-3 years and its ability to be ready to respond.

CONCLUSION

There will be consideration given to the impact of COVID-19 on the short term response as part of the recovery and restart phases. Council and ELT are assessing these impacts and discussing measures such as austerity options on how to best navigate the next 3 year period in particular. However, it is important to recognise the significant forecasting assumptions work is developed as part of the Long Term Plan process and how these assumptions may impact the District over the next 10 years.

The majority of the assumptions developed with Council in December largely remain unchanged, particularly when viewed over the full 10 year term of the Long Term Plan. However, there are a few assumptions that will or may be impacted particularly in the short term and it is these assumptions that should be focused on.

¹⁴ <https://www.stuff.co.nz/national/health/coronavirus/121109130/where-will-the-jobs-be-in-a-post-covid-world> (19 Apr 2020)



One assumption to be significantly impacted is Tourism. Tourism businesses and attractions are bracing for huge impacts across New Zealand with COVID-19 effectively ending international tourism overnight. This will provide substantial ramifications for not only the tourism industry but also the hospitality industry that work hand in hand to provide a positive experience for consumers. Many people in the tourism and hospitality industries will lose their jobs and impacts will be felt indirectly to a number of other businesses. The impact of the reduction in capacity of these types of operations will be vast. As a result, it is recommended that the uncertainty attached to this risk should be elevated from moderate to high or very high.

The other two assumptions that could potentially be impacted are demographics and economic growth trends. Both of these assumptions are likely to be impacted in the short term but it is difficult to predict for how long. The big factor will be how quickly the New Zealand economy rebounds from the Level 4 and Level 3 lockdown periods and subsequently how significant the impact on employment is, particularly at a local level. This uncertainty is the major challenge and it is recommended that the uncertainty levels of these two assumptions be monitored and upgraded a level if necessary over the coming months as more information comes to light.

For the other assumptions, there are certainly links to many of the impacts of Covid-19 whether they are environmental, economic, social or cultural but all literature to date points to these being short term in nature and the lower the impact felt by New Zealand as a whole, the less the impact on local regions. Let's hope that we as Southlanders and New Zealanders stay vigilant to ensure our District has the best chance to limit the impacts of COVID-19 as much as possible.

Significant Forecasting Assumptions

'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
<p>Demographics:</p> <ul style="list-style-type: none"> population - population growth affects the demand for Council's services and infrastructure, as well as the ability to cover the cost of services and infrastructure. ageing - a significantly ageing population has implications for the viability and wellbeing of communities within the District. immigration - The District's population is growing at a slower rate than New Zealand population as a whole is growing, which is partly due to the Southland District having a lower rate of 	<p>The estimated resident population of the District in 2017 was 30,300.</p> <p>This is projected to grow to 36,700 by 2043 (source: BERL Detailed Southland population projections).</p> <p>Te Anau and Winton will see the largest growth in total population between 2013 and 2043, with each township growing by between 400 and 500 people.</p> <p>Monowai, Nightcaps, Riversdale, Tokanui, and Otautau are projected to either maintain their 2013 population through to 2043 or see a small decline.</p> <p>The population projections show that between 2013 and 2043 all townships will see an increase in people aged over 65. In addition, a number of townships will see a decline in those aged under 15 and people aged 15 to 64 years of age.</p> <p>There is projected to be a significant tightening of the labour market between 2018 and 2033, to a point where demand for labour demand exceeds the entire population aged from 15 to 64 years old (BERL Stage 3</p>	<p>Very low uncertainty</p>	<p>LOW</p> <p>The population growth rate may be significantly different than that assumed.</p> <p>Proportion of the population over 65 of age may vary from the prediction.</p> <p>Economic growth in the District may be held back due to labour shortages.</p>	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
international immigration.	report). The rate of volunteering is also expected to decrease.			
Tourism Provision of appropriate visitor infrastructure and increase range of tourism related opportunities.	<p>There will increased impacts on services such as libraries and public toilets which can be met within the scope of the planned infrastructure upgrades within this LTP.</p> <p>Alternatively, environmental quality and the visitor experience in parts of the District declines due to lack of appropriate infrastructure. Whilst Milford Sound is one of NZ's most important attractions, currently the local economy does not harness the full potential from the flow of visitors to this location.</p> <p>Visitor numbers to Milford Sound have almost doubled in the past 5 years from 556,000 in 2014 to 932,000 in 2018. The assumption is that these numbers will continue to increase.</p> <p>The increase in visitors to Stewart Island/Rakiura will put corresponding pressure on jetties and infrastructure on the Island.</p>	Moderate	MEDIUM There may be a need to accelerate infrastructure upgrades.	<i>Continuing support for regional development initiatives.</i>
Climate change Planning may not adequately account for climate change impacts.	Sea level rise progressively impacts low lying coastal areas affecting ecology and settlements. Water availability in some areas becomes scarce, extreme weather events are larger and more frequent, communities	Low	MEDIUM A 2018 NIWA report projects increases for all of Southland in sea level, temperature,	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
	<p>become more resilient to climate change. Transition to a low carbon future</p> <p>Changes and associated impacts such as risk based insurance will influence investment in built development (ie. coastal and flood plain development) and types of farming.</p> <p>Climate change will have a significant impact on the coastal settlements within Southland District. It is known that areas of Colac Bay, Orepuki, Fortrose and Stewart Island/Rakiura are subject to coastal processes that are causing erosion resulting in loss of land and council roading infrastructure.</p> <p>Sea level rise is expected to be between 0.2-0.3 m above present levels by 2040 and increasing to 0.4-0.9 m by 2090.</p> <p>The projected Southland temperature changes increase with time and emission scenario. Future annual average warming spans a wide range: 0.5-1°C by 2040, and 0.7-3°C by 2090.</p> <p>Floods are expected to become larger across the District.</p> <p>The central-northern part of the Southland Region is projected to experience the largest increases in drought.</p> <p>The occurrence of heat waves will double by 2040.</p>		<p>overall precipitation and the frequency of dry days.</p> <p>There is an increasing likelihood of sea surge, coastal inundation, drought and large severe weather events.</p>	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
<p>Significant, unplanned adverse events</p> <p>Significant earthquakes, flooding, tsunami and other hazards outside of expected risk assessments.</p> <p>Assume that none of these events will occur but we need to be prepared.</p>	<p>Borrowing 'headroom' to fund Council's share of a rebuild in relation to a 'maximum probable loss' scenario is provided for within Council's Financial Strategy.</p> <p>There will be community disruption and displacement as well as localised infrastructure and facilities damage.</p> <p>The next severe earthquake on the Alpine Fault is likely to occur within the lifetime of most of us or our children. We are assuming that it will not occur within the ten years covered by this LTP.</p> <p>Under almost every climate change scenario, storms and therefore flooding will become more frequent and intense and communities will feel the effects more regularly and intensively. It is assumed that these events can be managed within current budgets.</p>	Low	<p>HIGH</p> <p>Work to date has shown that a major alpine fault movement would have significant consequences for Southland communities and district infrastructure. Other than planning around the initial response phase no other planning has been undertaken to assess the potential impact on council infrastructure</p>	<p><i>All of these natural disasters highlight the importance of robust emergency management systems and Business Continuity Planning (BCP). These include:</i></p> <ul style="list-style-type: none"> <i>-Alpine Fault Magnitude 8; a South Island wide project to save lives by planning and preparing a coordinated response across the South Island after a severe earthquake on the Alpine Fault.</i> <i>-Environment Southland's flood warning system and Group Tsunami Plan</i> <i>- Emergency Management Southland</i> <p><i>Any new development should be undertaken with a view to mitigating exposure to natural disasters.</i></p>
<p>Environmental standards, resource consents and land use</p>	<p>Changing delivery models and increasing standards impacts Council's regulatory, monitoring and infrastructure requirements.</p>	Low	<p>LOW</p> <p>Highly likely to be large scale changes to national requirements</p>	<p><i>New and revised consenting requirements set by Land and Water Plan are reflected in the proposed works</i></p>

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
Council may be required to undertake significant capital works in relation to drinking, stormwater and wastewater.	<p>This poses uncertainty to service delivery in this area.</p> <p>There will be a change to the regulatory standards for drinking water and a new regulatory agency has been formed Allowance has been made for meeting the expected new standards. It is assumed that Council will continue to be responsible for the delivery of its existing range of water, wastewater and stormwater services.</p> <p>The Proposed Water and Land Plan for Southland and the Freshwater National Policy Statement will have a continuing impact on the regulatory environment for agricultural land use. This may alter the way that investment decisions are made and therefore the land use changes that will occur.</p> <p>Land use changes as a result of climate change (e.g. flood plain zone changes).</p> <p>The amendment to the Climate Change Response (Zero Carbon) Bill may alter the delivery of Council activities. This may impact land use and transport across the District.</p>		and how drinking, storm and waste water are managed.	<p><i>programme. Council will continue to work closely with ES and other relevant agencies that may be formed in the future.</i></p> <p><i>Asset management plans are updated.</i></p>
<p>General economic growth trends</p> <p>Long term economic growth may not continue to be consistent with trends.</p>	<p>The economy maintains current prospects.</p> <p>The median personal income in the Southland District is growing at a faster rate than the median income across NZ.</p>	Moderate	<p>LOW</p> <p>If there is a persistent downturn in economic prospects may mean the District is not able to sustain continued</p>	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
<p>Potential for significant downturn in global dairy prices as well as other primary sector goods.</p> <p>Changes to the primary sector occurring at a faster rate than businesses in the District (automation, niche products, synthetic alternatives to meat and milk products, etc).</p>	<p>There is an enduring trend that local businesses in the District hire smaller numbers of people (compared the rest of New Zealand).</p> <p>Home ownership rates in the District are falling.</p> <p>Half of the businesses operating in Southland District are in the primary sector.</p> <p>98% of these primary sector businesses operate in the industries of agriculture or forestry (BERL – Compendium Report 2018). BERL estimate that 18.3% of total employment (measured in Full-time Equivalents) in the District is in dairy farming.</p>		<p>growth in income. Ratepayers are unable or unwilling to support maintaining Council levels of service. Dependency on primary sector and dairy farming in particular makes some communities vulnerable to a decline in global dairy prices or a major livestock disease outbreak.</p> <p>It is unlikely that there will be major changes in current land use patterns and economic activity across the district as a whole which will lead to significant change in demand for current Council services.</p>	
<p>Useful lives of significant assets</p> <p>The useful life of assets determines when an asset is expected to be renewed and the calculation of depreciation.</p>	<p>That the useful life of significant assets will be the same as set out in the accounting policies of Council.</p>	High	<p>MEDIUM</p> <p>The timing of renewal projects is inaccurate and will need to be completed earlier/later as required. This will</p>	<p><i>To review and maintaining realistic estimates of asset useful life.</i></p> <p><i>Continuing ongoing efforts to improve the knowledge and documentation of the</i></p>

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
This will impact on the timing of replacements and the amount of rates collected for funding depreciations.			change the timing of funding requirement as shown in Council's revenue and financing policy (including rates). The amount of depreciation being inaccurate will impact on either over/under collecting rates in the relevant years due to the funding of depreciation.	<i>condition and actual life of assets.</i> <i>Funding of depreciation is set at amounts that reflects the replacement cost of assets.</i> <i>If required, reprioritising the capital expenditure programme.</i>
Cost estimates and price level changes Inflation may vary significantly than that allowed for in the Long Term Plan. Cost of operating and maintenance contracts as well as major capital works costs may vary significantly from costs estimated in this plan	Inflation is allowed using projections prepared by Business and Economic Research Limited (BERL), which are based on October 2020 values. When contracts are renewed there is no significant variations allowed for and any annual cost adjustment is in line with the relevant BERL inflation percentage.	Low	MEDIUM Greater than anticipated cost increases, especially in construction, capital works and contracting rates increase the overall cost of the capital and maintenance programs, in turn having an impact on debt servicing costs and rates.	<i>A comprehensive local government sector-wide approach to inflation projections has been used for the fact that costs typically increase at a faster rate than the consumer price index (CPI).</i>
Asset revaluation	In the LTP, Council has revalued its significant infrastructural assets on a yearly	Very high	HIGH If price level changes are greater or lesser,	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
Asset revaluation may be higher or lower than estimated.	basis in line with the relevant BERL inflation rate taking into account planned additions.		depreciation and the funding of depreciation, could be under or overstated.high (virtually certain to be wrong)	
NZTA subsidies for roading Sufficient funds may not be available to pay for the planned capital projects and operational/maintenance costs.	It is assumed that NZTA will meet our requested funding requirements on a 3 yearly cycle. It is assumed that the level of financial assistance received from NZTA will remain at 51% for the period of the LTP. Funding assistance for large capital transport works would be achieved on a case by case basis with NZTA. NZTA funding will be awarded for 3 year periods and that the following 7 years will be funded in a similar manner.	Very low	LOW There is a risk that sufficient funds will not be available to pay for the planned capital projects. For example, because the community considers that required rates are not affordable.	
Interest rates on investments Interest income received may vary from the amount included in the ten year plan.	Interest on financial investments has been calculated at XX% for funds invested externally and internally for the term of the plan. Interest on financial investments has been calculated at XX% for funds invested externally for the term of the plan.	Moderate	MEDIUM A decrease in investment interest rates may require Council to collect more rates to cover the shortfall of interest used to offset rates.	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
Interest rates on borrowing The interest rates paid on borrowing will vary over the 10 year period.	Interest on new and existing internal borrowings is allowed for at XX% per annum over the term of the borrowing. Interest on new external borrowings is allowed for at XX% per annum over the term of the borrowing.	Moderate	MEDIUM An increase in interest rates may require Council to collect more rates to cover the additional interest payments.	
Level of service New/amended legislation or government policy comes into force that has a significant impact on Council to respond or impact on cost to administer by Council; or results in a change to the services delivered by the Council.	It is assumed there will be no major legislative changes or change in government policy that will significantly impact Council aside from the legislative changes identified under the Environmental Standards, Resource Consents and Land Use assumption.	Low	MEDIUM Legislative or government policy changes are expected to have a medium effect on Council's finances and/or levels of service.	
Technology Changes in technology will impact the delivery of our key activities.	It is assumed there will be increased access to fibre connectivity will mean more use of online digital services. There may be less demand for face-to-face customer service as technology provide alternative methods for answering questions and resolving issues. It is assumed automated technology and artificial intelligence alters the way that council delivers its service.	Low	LOW There is a low consequence due to council being able to react to changes prior to them negatively impacting levels of service or customer expectations.	

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'what' strategic issue	'so what' Assumption for the LTP	Level of Uncertainty	Risk if the assumption is incorrect	'now what' Application in the LTP Strategies and Policies
	Chorus will have rolled out full internet connectivity throughout the district by the end of 2021.			
Resource Constraints Ability to find procure contractors and resources will be diminished due to other work underway across the district. 40% of the Southland District Council workforce are born between 1943 and 1966 and are likely to retire in the next 10 years. This may result in the loss of staff resource and knowledge to deliver projects.	It is assumed that due to increased work across the district (e.g. Invercargill city centre development, Dunedin Hospital build, etc) there will be a shortage of workers and resources across the lower South Island. The retirement of the ageing workforce of Southland District Council will impact the delivery of the LTP work programme.	Moderate	MEDIUM Resource constraints may disrupt delivery of the Long Term Plan work programme and meeting the established levels of service.	

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	Uncertainty Description	Description	Likelihood of the risk occurring if the assumption is incorrect
Assumption	Very high uncertainty	A very low level of information/confidence in the assumption	Highly likely
	High uncertainty	A poor level of information/confidence in the assumption	Likely
	Moderate uncertainty	A moderate level of information/confidence in the assumption	Possible
	Low uncertainty	A good level of information/confidence in the assumption	Unlikely
	Very low uncertainty	A very good level of information/confidence in the assumption	Rare

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Highly likely	Low	Medium	High	Very High	Very High
Likely	Low	Medium	High	Very High	Very High
Possible	Low	Medium	Medium	High	Very High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

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Risk thresholds

	Insignificant	Minor	Moderate	Major	Catastrophic
Strategic	No significant adverse public comment No impact on achievement of LTP objectives Key stakeholder relationships unaffected	Adverse comment in local or social media Letters to CEO, complaints to Crs May slow achievement of LTP objectives Minor impact on key stakeholder relationships	National media coverage Will impact achievement of one or more LTP objectives Negative impact on key stakeholder relationships	National media coverage 2-3 days Will significantly impact the achievement of multiple LTP objectives Significant impact on multiple key stakeholder relationships	Coverage in national media 3+ days Commission of Inquiry/ Parliamentary questions Stakeholder relations irreparably damaged Cannot deliver on most LTP objectives
Operational	No loss of operational capability Minimal change to service levels Minimal loss of internal capacity	Loss of operational capability in some areas Some disruption to service levels Internal capacity lost for up to 1 week	Serious loss of operational capability for over 6 weeks and/or Disruption to service levels for 4-6 weeks Loss of internal capacity 1-3 weeks	Serious loss of operational capability for over 8 weeks and major disruption to service levels and/or Loss of internal capacity 4-6 weeks	Serious loss of operational capability for 3-4 mths and serious disruption to service levels and Loss of internal capacity for more than 6 weeks
Financial	No impact on financial targets	Up to 1% impact on financial targets	Up to 5% impact on financial targets	Up to 10% impact on financial targets	More than 10% impact on financial targets

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Risk thresholds

	Insignificant	Minor	Moderate	Major	Catastrophic
Strategic	<p>No significant adverse public comment</p> <p>No impact on achievement of LTP objectives</p> <p>Key stakeholder relationships unaffected</p>	<p>Adverse comment in local or social media</p> <p>Letters to CEO, complaints to Crs</p> <p>May slow achievement of LTP objectives</p> <p>Minor impact on key stakeholder relationships</p>	<p>National media coverage</p> <p>Will impact achievement of one or more LTP objectives</p> <p>Negative impact on key stakeholder relationships</p>	<p>National media coverage 2-3 days</p> <p>Will significantly impact the achievement of multiple LTP objectives</p> <p>Significant impact on multiple key stakeholder relationships</p>	<p>Coverage in national media 3+ days</p> <p>Commission of Inquiry/ Parliamentary questions</p> <p>Stakeholder relations irreparably damaged</p> <p>Cannot deliver on most LTP objectives</p>
Operational	<p>No loss of operational capability</p> <p>Minimal change to service levels</p> <p>Minimal loss of internal capacity</p>	<p>Loss of operational capability in some areas</p> <p>Some disruption to service levels</p> <p>Internal capacity lost for up to 1 week</p>	<p>Serious loss of operational capability for over 6 weeks and/or</p> <p>Disruption to service levels for 4-6 weeks</p> <p>Loss of internal capacity 1-3 weeks</p>	<p>Serious loss of operational capability for over 8 weeks and major disruption to service levels and/or</p> <p>Loss of internal capacity 4-6 weeks</p>	<p>Serious loss of operational capability for 3-4 mths and serious disruption to service levels and</p> <p>Loss of internal capacity for more than 6 weeks</p>
Financial	<p>No impact on financial targets</p>	<p>Up to 1% impact on financial targets</p>	<p>Up to 5% impact on financial targets</p>	<p>Up to 10% impact on financial targets</p>	<p>More than 10% impact on financial targets</p>

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Southland District COVID-19 Community Recovery Taskforce

Record No: R/20/5/12073
Author: Kelly Tagg, Community Partnership Leader
Approved by: Rex Capil, Group Manager Community and Futures

☒ Decision ☐ Recommendation ☐ Information

Purpose

- 1 The purpose of this report is to seek the committee's endorsement for the establishment of a Southland District COVID-19 Community Recovery Taskforce and the associated draft terms of reference for the taskforce.

Background

- 2 The COVID-19 pandemic event will continue to have far-reaching social, cultural, economic and environmental impacts on our communities in the foreseeable future.
- 3 As New Zealand (and the world) have had to deal with the implications of the pandemic over the past six months, it is still difficult to understand what life in a post COVID-19 world will look like, many commentators talk of the concept of the 'new normal'. Discussions include aspects of recovery, restart, rebuild, reset and resilience as we start to look towards what the future may hold.
- 4 When considering the implications and understanding of the impacts of COVID-19 there is still a lot evolving and changing at a reasonably rapid rate – nationally and internationally and closer to home at a local, District and regional level.
- 5 The community leadership team has been following with interest some of the “recovery” approaches that are being developed at a regional and national level. As a District, it's also important to develop an approach that has a focus on future challenges and opportunities for our Southland District communities.
- 6 To this end, this report seeks an endorsement from the Community and Strategy Committee to progress with the establishment of a community recovery taskforce, which, in addition to the information provided through our community boards, will assist in expanding the link between Council and its communities and providing information about the issues at the local community level impacting on services delivered by local community organisations, clubs and societies as well as regional agencies.
- 7 Council has adopted a twofold approach to community governance. The representative leadership pillar involves Council, committees and community boards and provides elected members with the representative leadership opportunity. The other pillar of community governance involves the community led development approach. It is proposed the development of the Southland District COVID-19 Community Recovery Taskforce supports this community led approach and provides an opportunity for a community voice into Council with a specific focus on impacts of COVID-19 at the local community level in the District.

What's happening in other areas?

- 8 Below is a snapshot of some examples supporting the concept of community led recovery and recognising that Council is one piece of the COVID-19 recovery puzzle.

Fremantle Council, Perth, Western Australia - <https://www.fremantle.wa.gov.au/news-and-media/fremantle-looks-towards-covid-19-recovery>

- 9 Fremantle Council has agreed to form three special internal working groups dedicated to driving the city's approach to economic and community recovery over the next 12-18 months. One working group will be focused on the local economy, another on community services and the third on infrastructure delivery.
- 10 Each working group will be comprised of a number of councillors and relevant senior staff, along with the mayor and chief executive officer.
- 11 The primary role of the working groups will be to work with local businesses and community groups on a plan to guide Fremantle's recovery from COVID-19.
- 12 A key task of the Economic Recovery Working Group will be to host four external workshops focusing on key streams of Fremantle's business community - retail, hospitality and tourism; property development and construction; technical, professional and industrial services; and arts and culture.
- 13 The feedback from those workshops will be used to create an economic recovery plan for the next 12 months.
- 14 The Community Recovery Working Group will also hold workshops with service providers, sporting clubs and other community groups to understand the extent of impacts being faced by different groups in the community and what support may be needed.
- 15 The Infrastructure Recovery Working Group will provide the council with advice and recommendations on infrastructure priorities and identify opportunities to capitalise on any stimulus funding on offer through the state and federal governments.

Hamilton City Council - <https://www.hamilton.govt.nz/our-city/covid-19/recovery-package/Documents/HCC%20Fact%20Sheet%20P3.pdf>

- 16 Hamilton City Council announced a 12-point recovery plan to help the city withstand the economic and social ravages expected from COVID-19.
- 17 Their focus is on the short and long-term well-being of Hamiltonians and it is intended that the plan will provide help where it is most needed.

Western Bay of Plenty District Council -

<https://www.westernbay.govt.nz/council/economic-recovery-plan>

- 18 This council has put together an economic recovery plan and sees itself as having an important role to play in an all-of-government effort to assist its communities to recover from the COVID-19 pandemic. Fundamental to this is a recovery plan that focuses on working collaboratively to rebuild the Western Bay of Plenty economy as fast as possible, through immediate relief and medium to long term support.
- 19 Their plan also illustrates the varying levels at which council can operate in order to provide help and support now and in the medium to longer term in order to deal with the impacts of COVID-19. This includes partnership and collaboration opportunities from grass roots level through to

central government and highlights the many levels with which councils can operate in order to support its communities.

Taupo District Council -

<https://www.taupodc.govt.nz/council/news?item=id:29zff0gr61cxbyppf7gm#:~:text=A%20new%20sector%2Dled%20working,cultural%2C%20social%20and%20environmental%20interests.>

- 20 A new sector-led working group has been brought together to address the effects of COVID-19 and develop a recovery plan for the Taupo District.
- 21 The recovery framework will cover the four wellbeing areas with participation on the working group representing economic, cultural, social and environmental interests.
- 22 The group chair is Taupo district mayor, David Trewavas, who recognised that Taupo, as a tourist destination, will be strongly affected by COVID-19 and stated that it was going to be a long road ahead for their economy and that the effects would be wide-spread across the community – not just in terms of businesses but also in terms of the wellbeing of the people.
- 23 The working group recognises the need to understand what the effects are and how to address them and they think the best way to do that is to ensure a local, sector-led response that has the ability and insight to identify opportunities for the district, that can then be supported at a regional and national level.
- 24 Mayor Trewavas was quoted as saying “In essence, it’s about taking a collaborative approach and making decisions that are united and clearly focused on how we will not only recover, but ideally flourish, in a post-COVID context.”
- 25 A ‘state of the district’ report is now being developed to clearly identify the effects of COVID-19 across the Taupo district and when it is complete it will be used as a first step towards developing a wider recovery plan that will provide clear direction for restoring and reimagining the Taupo district.
- 26 This work is also being carried out in partnership with other local agencies such as Enterprise Great Lake Taupo and Destination Great Lake Taupo, recognising the importance of council being part of the solution – not the only solution.
- 27 Next steps will include a series of stakeholder engagement activities to ensure they are hearing from as many people as possible, including wider ideas and voices to feed into the plan.
- 28 Mayor Trewavas also said. “We know there are people hurting from this and it is up to us as a community to take the lead in developing what our new normal will be.”
- 29 **Waitaki District Council Taskforce** - <https://www.odt.co.nz/regions/north-otago/wdc-plan-taskforce-structure-recovery>
- 30 A draft taskforce structure has been prepared by the Waitaki District Council to help guide the district’s recovery from the COVID-19 pandemic.
- 31 The draft plan includes the establishment of two taskforces – economic and social – whose purpose would be to provide a responsive and coordinated mechanism to work with the community and business groups and individuals across the Waitaki to help build a stronger and more resilient community.

- 32 An “advisory waka” would give direction, mobilise local action groups and give them advice, co-ordinate and integrate potential projects and make sure there was no duplication or gaps in the framework.
- 33 Action groups (the paddlers) would be responsible for coming up with ideas, proposals and project delivery and also offer targeted support.
- 34 The action groups would also have links to businesses and organisations such as the primary sector, manufacturing, construction, hospitality, tourism, and retail, chamber of commerce, Safer Waitaki and Federated Farmers. Community groups and individuals will also be included in the action group.
- 35 The draft structure said the groups would present policy changes and funding and investment requests to the economic and social task forces before they recommend policy and investment initiatives to council and government for approval. The council would then decide how best to incorporate any initiatives into the likes of its annual, long term and district plans.
- 36 **Queenstown Lakes District Council** – <https://www.qldc.govt.nz/20-04-06-mayor-boult-begins-what-next-conversation> and <https://www.qldc.govt.nz/20-05-07-recovery-taskforces-taking-shape>
- 37 Queenstown Lakes District Council identified that in looking to the future there was a need to involve various individuals and groups to enable and empower conversations which gives locals, community groups, businesses and investors the opportunity to be involved in collectively rebuilding the district.
- 38 It has been identified this process falls under two spate but inter linked areas – community recovery and economic recovery. Currently the council and community are developing the process to establish both of the recovery taskforces. It is intended once the taskforces are established they will be supported by the council but led by the community and will reflect the holistic wellbeing of the district’s communities including social, economic, environmental and cultural aspects.

Great South

- 39 Southland District Council at its meeting of 22 April 2020 agreed to revise its allocation of investment as per the Great South Statement of Intent 2020-2021 so as to reallocate the SDC resource to the regional development agency to provide greater level of support to the “business support services” function. This work includes advisory and network connection opportunities such as;
- expand and build on the NZTE funded Regional Business Partner Programme and other central government programmes and packages that are created and available in response to COVID-19
 - work with national, regional and local business advisory networks to establish a current/live inventory of business support packages, support agencies, advisory services available to SMEs
 - directly focus resource on aligning and linking SMEs in the Southland District area to appropriate agencies and programmes to offer targeted support

- foster and promote business support programmes tailored to support and assist businesses in accommodation, hospitality, service sector support industries and rural communities
- establish, in conjunction with Iwi, ICC, SDC, GDC, Chamber of Commerce et al a Southland SME Business Recovery Taskforce.

40 In addition, the scope of work for regional tourism development has been amended to refocus on destination management, particularly;

- refocus resource and support to existing product and product development opportunities (as identified in the SMDS) to support industry and operator resilience, viability and long term sustainability
- align with central government and national industry led initiatives that support a nationally coordinated and industry led domestic marketing and NZ pride in place initiative
- establish in conjunction with Iwi, ICC, SDC, GDC, DF, ILT et al a Southland Tourism Sector Recovery Taskforce.

41 Council also resolved at its meeting on 22 April 2020 that it notes it will support District and local community recovery initiatives alongside other external agencies as part of Council's community leadership function and based on the community led development approach."

Around the District

42 There are a number of locally led initiatives and recovery conversations being had across the District at the local community level. As an example the Future Rakiura Group has been looking at setting up a restart group for the island.

43 In Fiordland, Cr Kremer is working to establish an ideas forum to explore strategic ideas that will generate more tourism income and employment for the area. It is intended that the forum will be about sharing ideas that attract visitors to Fiordland and the wider Southland region as well as keeping employed in Te Anau and the wider basin. This project is still in its infancy with Cr Kremer currently calling for expressions of interest to be a part of the ideas forum.

44 It is noted these are examples and it is recognised other locally led initiatives will continue to develop and evolve.

Linking it all together

45 A lot is happening in the community recovery space at both a national and regional level with a number of the work streams emerging from either central government or its associated regional support agencies or involving larger stakeholder working groups at a regional level.

46 Observations and learnings realised during the COVID-19 pandemic lockdown period have reinforced the importance of engaging with, supporting local involvement and respecting local knowledge to inform decision making for our communities. While SDC has the opportunity to partner and collaborate with other agencies involved in the recovery aspect of COVID-19 at a

regional and national level, the importance of utilising a community recovery taskforce to be a voice for the communities at a local and District level is also important.

- 47 It is recommended the committee endorse the approach to establish a community recovery taskforce consisting of a maximum of 10 individuals, with strong ties to their communities, a strong cross section of community interests and from a reasonable geographic spread within the Southland District.
- 48 The purpose of the Southland District COVID-19 Community Recovery Taskforce will be to understand the effects of COVID-19 at a local community level with a focus on the four community wellbeing areas – economic, social, cultural and environmental.
- 49 The taskforce will consider information about the impacts of COVID-19 as they are being felt and experienced in the Southland District communities including any issues, support requirements or locally developed solutions.
- 50 A strong focus will be on understanding and developing opportunities and solutions for services that are traditionally delivered at a local community (non-profit) level by community organisations, clubs and societies.
- 51 The taskforce will also have the opportunity to feed into Council ideas and suggestions for aiding and assisting recovery in our communities by directly reporting to the Community and Strategy Committee as required, through submissions to the long term plan process or in the shorter term, by supporting the development of projects or initiatives that will aid local communities in their recovery efforts and ensure the not for profit sector is supporting the future requirements of the community.
- 52 The attached draft terms of reference set out the purpose and membership of the Southland District COVID-19 Community Recovery Taskforce.

Recommendation

That the Community and Strategy Committee:

- a) Receives the report titled “Southland District COVID-19 Community Recovery Taskforce” dated 3 June 2020.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) Endorses the establishment of a Southland District COVID-19 Community Recovery Taskforce.**
- e) Endorses the Southland District COVID-19 Community Recovery Taskforce terms of reference.**
- f) Delegates to the mayor, deputy mayor and chair of Community and Strategy Committee the responsibility to determine the membership of up to a maximum of 10 individuals of the Southland District COVID-19 Community Recovery Taskforce**
- g) Notes the mayor, deputy mayor and chair of the Community and Strategy Committee are required to present to the Community and Strategy Committee July 2020 meeting a report detailing the membership of the Southland District COVID-19 Community Recovery Taskforce for the Committee’s endorsement.**
- h) Notes the Southland District COVID-19 Community Recovery Taskforce will be established for a fixed term period of 12 months from July 2020 to June 2021.**
- i) Endorses the approach that the community leadership team facilitate and provide advice, assistance and administrative support for the Southland District COVID-19 Community Recovery Taskforce.**
- j) Recognises that Council is one of many organisations that has a role in supporting a multi-agency approach in supporting the Southland District local community recovery as a result of the COVID-19 pandemic situation.**

Attachments

- A Community recovery taskforce - terms of reference - May 2020 [↓](#)

Community Recovery Taskforce

Terms of Reference

Author: Kelly Tagg

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Document Revision

Date	Amendment	Amended by	Approved by	Approval date
21/05/2020				

Introduction

Community-led recovery or community-focussed recovery is increasingly seen globally as an effective means of dealing with emergency events and impacts of such. It is an approach in contrast to the traditional top down government-led recovery methods. Similar to the community-led development approach endorsed by Council in 2018, this community centric approach is recognised by Council and its communities as being core to the development of successful and sustainable outcomes for the long-term recovery of our communities as a result of the COVID-19 pandemic event.

Purpose

The purpose of the Southland District COVID-19 Community Recovery Taskforce will be to understand the effects of COVID-19 at a local community level with a focus on the four community wellbeing areas – economic, social, cultural and environmental.

The taskforce will consider information about the impacts of COVID-19 as they are being felt and experienced in the Southland District communities including any issues, support requirements or locally developed solutions.

A strong focus will be on understanding and developing opportunities and solutions for services that are traditionally delivered at a local community (non-profit) level by community organisations, clubs and societies.

This working group will also have the opportunity to feed into Council, ideas and suggestions for aiding and assisting recovery in our communities by directly reporting to the Community and Strategy Committee as required, through submissions to the long term plan process or in the shorter term, by supporting the development of projects or initiatives that will aid local communities in their recovery efforts and ensure the not for profit sector is supporting the future requirements of the community.

The community recovery taskforce is to focus on the following key principles:

Local Input

- provide support and guidance at a local level on wider community of interest issues, initiatives and projects relating to COVID-19 recovery
- support and champion the community-led recovery approach across the District with a focus on outcomes related to the social, cultural, economic and environmental wellbeings
- provide advocacy support for priority areas of focus and matters of common interest relating to COVID-19 recovery in our communities.

Relationships and Engagement

- using new and existing networks by members, promote community cohesion and networking opportunities across the many stakeholders and organisations who deliver services in the community

- co-ordinate the effective use and sharing of information and resource between the taskforce, Council, its community boards and other stakeholder agencies
- participate in local community forums and workshops with local service providers , local (and regional) community organisations, clubs and societies to understand the extent of the impacts of COVID-19 on local non-profit service delivery models and to understand what support is needed for the future provision requirements.

Taskforce Structure and Protocols

- this community recovery taskforce is established for an initial fixed term period of 12 months from 1 July 2020 to 30 June 2021
- this taskforce is not a committee or sub-committee of Council.
- the taskforce will have the opportunity to feed into Council, ideas and suggestions for aiding and assisting recovery in our communities by directly reporting to the Community and Strategy Committee as required, through submissions to the long term plan process or in the shorter term, by supporting the development of projects or initiatives that will aid local communities in their recovery efforts and ensure the not for profit sector is supporting the future requirements of the community
- the first meeting shall be held in July 2020 at a central location
- the taskforce shall decide the frequency and format of meetings for the 12 month term it is in existence
- the meetings are to be interactive; open, honest and respectful and structured with a prepared agenda and order paper distributed prior to the meeting
- the Southland District Council community leadership team will provide administrative support to the community recovery taskforce including:
 - provide meeting planning, organisation and preparation support
 - collate and distribute meeting notes
 - in conjunction with the taskforce chairperson, prepare meeting order papers and agendas
 - co-ordinate any external agency invitations
- the community recovery taskforce will have working relationships with;
 - individual community boards
 - Southland District Council
 - local community organisations
 - local businesses
 - stakeholder agencies

Taskforce Membership

The community recovery taskforce consisting of a maximum of 10 individuals, with strong ties to their communities, a strong cross section of community interests and from a good geographic spread within the Southland District.

The mayor, deputy mayor and chair of Community and Strategy Committee have the responsibility to determine the membership of the Southland District COVID-19 Community Recovery Taskforce.

Caring for Communities

Record No: R/20/5/12072

Author: Kelly Tagg, Community Partnership Leader

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☐ Recommendation

☒ Information

Purpose

- 1 The purpose of this report is to advise the Community and Strategy Committee of the “Caring for Communities” work stream which was launched by the National Emergency Management Agency (NEMA) recently.

Background

- 2 NEMA provides leadership on reducing risk, being ready for, responding to and recovering from emergencies. It also provides national leadership to create an emergency management system that reduces the impact of emergencies and it works with central and local government, communities, iwi, and businesses to make sure responses to and recoveries from emergencies are effective and integrated.
- 3 Depending on the emergency, NEMA either leads or supports the response and recovery. NEMA also works to build the capability and capacity of the emergency management system to reduce risk, to be ready for emergencies, and to respond and recover from them.
- 4 As the covid-19 pandemic has evolved, it has become clear that the welfare response to support New Zealand’s communities will require a unique and long-term approach.
- 5 There is a new model being rolled out by NEMA called ‘Caring for Communities’ that recognises the need for long-term recovery planning and action after the initial emergency passes. This model seeks to transition from the current Civil Defence emergency management model to an expanded social sector services framework. The overall objective of the new model is to provide information and support for the immediate and continued wellbeing of those most affected by the pandemic.
- 6 For this reason, the ‘welfare pillar’ of the nationally led pandemic plan has been renamed as the Caring for Communities work stream.
- 7 The overarching objective of the Caring for Communities work stream is to ensure all those individuals, whānau and communities at greater risk of experiencing adverse health, social or economic outcomes as a result of Covid-19 and associated restrictions (priority communities) have information and support to provide for their immediate and continued wellbeing.
- 8 An operating model is needed to support this which will see a transition from (in Southland’s case) Emergency Management Southland (EMS) to an expanded social sector services framework with clear roles and responsibilities, resources, relationships, systems, processes and intelligence/reporting.

What this means for Southland

- 9 The impacts of Covid-19 have been felt right across Southland District and will no doubt have implications on the wellbeing of our communities. It is important to note that due to the scale of

the impacts, this recovery will be different to that of a usual emergency response and will focus largely around a social and economic recovery in the regions.

10 The national Caring for Communities operating model has been developed during the national response to Covid-19. The new national operating model recognises that the social and economic impacts on people from this response will be far-reaching and ongoing. To meet the ongoing welfare needs for communities a national governance group has been set up, a new operating model has been developed and a network of networks has been created.

11 The national network of networks identified three priority groups being;

- people at higher risk of contracting Covid-19
- people requiring continuity of social services
- people who are vulnerable due to language, culture or geographic

This national network of networks also identified network owners and priority communities within the priority groups.

12 The Southland model for operating Caring for the Communities needs to meet the needs of the local community which will require local leadership and direction.

13 EMS has advised that working in partnership with a network of agencies who are able to respond to needs in the community is their preferred operating model going forward. Engaging with these key networks, which have been identified and developed during emergency planning, should continue as the preferred operating model throughout the response and into recovery. As we transition through alert levels however, there is a recognition that this model will need to adapt and evolve to meet the needs of the community and the increasing demand on resources for agencies who deliver the services.

14 Southland is unique in that it has limited government department representation compared to some other regions and is reliant on a network of non-government agencies to provide effective social service delivery.

15 It is also important to recognise that many of these organisations have limited staffing capacity and others have volunteers and staff who may be included in a priority community and unable to undertake work as usual. These organisations may be overwhelmed during lower alert levels and the recovery phase as demand on their service increases to meet increasing needs. This may provide an opportunity to develop new models of operation, streamline service delivery and lead to the development of a more effective social sector coordination model.

16 EMS has been working to develop its own network of networks that reflect Southland's unique position. This includes; Māori leaders network, community response network, food security network, foreign national support network, improved health outcomes network and welfare coordination group network.

17 To date, working with existing priority agencies and priority networks to deliver services has ensured an effective community focused response.

18 Southland social sector agencies already support and engage with people in their service and have been able to respond effectively and quickly to meet needs as they have arisen. Throughout the Covid-19 response, EMS has been able to connect with these agencies and support their work through advice, guidance and additional financial support for the provision of welfare service delivery. This has also meant that when the EMS welfare team have had a need to refer people for additional support, they have been confident of which agency to connect with.

19 EMS advise they have engaged with a range of networks to co-ordinate this response. Some of these networks may need to be expanded to meet the increased need and support during recovery

however, the priority networks as outlined above are ideally placed to work with their existing networks in recovery.

- 20 From a Council perspective, SDC staff have also been assisting EMS with their welfare response to date which has included twice-weekly meetings to share information about what has been happening around the region during the response.
- 21 Going forward it is anticipated that, as we move into recovery, Council will have the opportunity to partner alongside other agencies and “sit around the table” at several of the Southland network of networks in order to keep abreast of the needs and impacts arising from the Covid-19 pandemic in our communities.
- 22 At the time of writing this report, EMS were awaiting confirmation on who the lead agency will be for regional social recovery.

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled “Caring for Communities ” dated 27 May 2020.**

Attachments

There are no attachments for this report.

Welcoming Communities - Options Moving Forward

Record No: R/20/5/12153

Author: Megan Seator, Community Liaison Officer

Approved by: Rex Capil, Group Manager Community and Futures

☐ Decision

☒ Recommendation

☐ Information

Purpose

- 1 The purpose of this report is to provide the Community and Strategy Committee with options for the transition of the Welcoming Communities Programme as per the resolutions from the Committee at its 11 February 2020 meeting.

Executive Summary

- 2 This report follows on from information provided at the Community and Strategy Committee meeting on 11 February 2020 which outlined the transition of the Welcoming Communities programme from Great South to each of Southland's councils. The Committee resolved:
 - *That Southland District Council representatives work with MBIE to consider the options available to transition the Welcoming Communities programme delivery by Council.*
 - *That Southland District Council staff provide a detailed options paper following undertaking the work with MBIE relating to transitioning the Welcoming Communities programme to Council. This options paper is to include an assessment of resource requirements – financial and human – and detail how these will be provided for on an ongoing basis prior to making a final decision on this matter.*
- 3 Four options have been identified in this report for consideration of the Welcoming Communities programme delivery in the Southland district moving forward.
- 4 Option 1 is the preferred option in recommending to Council that Southland District Council joins the Welcoming Communities Programme and uplifts the \$10,000 in funding available.

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled “Welcoming Communities - Options Moving Forward” dated 26 May 2020.**
- b) **Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.**
- c) **Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.**
- d) **Recommends to Council that option 1 is the preferred approach supporting Council committing to the Welcoming Communities programme and uplifting the \$10,000 in funding; with responsibility for delivery the programme being the Community Leadership Team and resourced as part of its existing team business plan.**

Background

- 5 Welcoming Communities is a programme led by Immigration New Zealand working in partnership with the Office of Ethnic Communities and the New Zealand Human Rights Commission.
- 6 It was developed in recognition that communities are healthier, happier and more productive when newcomers are welcomed, and participate fully in society and the local economy.
- 7 The Welcoming Communities programme officially defines newcomers as being either (i) former refugees, (ii) working migrants, or (ii) international students.
- 8 The point of difference for this programme is that where previous settlement initiatives focused primarily on supporting newcomers, Welcoming Communities focuses on the receiving community to ensure they are well equipped and supported to welcome and interact with newcomers. Councils are recognised as having a community leadership role in supporting their communities to advance inclusion and diversity.
- 9 During 2017 to 2019, 10 councils across five regions were a part of a Welcoming Communities two-year pilot working with their communities to implement the Welcoming Communities Programme. The Southland region was selected as one of these pilot areas.
- 10 Following the national success of the pilot programme, in October 2019 Immigration Minister Iain Lees-Galloway announced that the programme would become permanent. Funding of \$6.6 million has been allocated over the next four years to fund the expansion of Welcoming Communities throughout the country.
- 11 Great South (previously Venture Southland) was co-ordinating the Welcoming Communities pilot within Southland under the guidance of the Southland Welcoming Communities Advisory Group. The advisory group consists of representatives from Invercargill City Council, Southland District Council, Gore District Council, Environment Southland, and iwi.

- 12 Great South advised the advisory group that they would be withdrawing their co-ordination role from the February 2020 programme having delivered the pilot and achieving accreditation for Southland's councils.
- 13 As a part of the transition of Welcoming Communities from Great South to the councils, each council is entitled to receive \$10,000 to deliver the programme which came from MBIE as seed funding and is currently being held by Great South. This money is to be spent on current or new initiatives listed in the Southland Murihiku Welcoming Plan. No new agreements or contracts would be required to be signed in order to uplift this money as Great South had previously done it on behalf of the councils. It would merely be a transfer of money and a transfer of the reporting line.
- 14 It has been noted that Invercargill City Council has formally joined the Welcoming Communities Programme and uplifted the \$10,000 in funding available to them. Invercargill City Council has shown interest in partnering with Southland District Council on implementing welcoming initiatives.
- 15 Since the Covid-19 outbreak there have been discussions around the future of New Zealand's migrant workforce. Whilst there has been no official statement from the government regarding the future of migrants working in New Zealand, informal comments made by politicians and rumours by the media have suggested a re-prioritisation of the workforce to ensure that New Zealanders are kept in jobs. This has caused a sense of panic and concern in some newcomer and migrant communities around their ability to continue to reside and work in New Zealand.
- 16 Southland District Council has been informed by Immigration NZ that despite Covid-19, the Welcoming Communities Programme is still intending to continue.

Issues

- 17 Delivery of programme and human resourcing requirements – it is proposed that the Welcoming Communities programme is delivered by the Community Leadership Team. Staff in the Community Leadership Team have been working in the Welcoming Communities space since its inception by sitting on the advisory group, delivering initiatives internally at SDC, and supporting Great South on its delivery. Welcoming Communities is already included as part of the Community Leadership Team's business plan and by joining the official Welcoming Communities programme, it is anticipated it will be incorporated into the existing resource commitments of the team.
- 18 At this stage, there is no further central government funding allocated for the delivery of Welcoming Plan initiatives following the \$10,000 seed funding being expended. Any further investment requiring external funding will be considered as part of the next stages of implementation and how the Welcoming Plan Initiatives may be delivered in the future.

Option 1

- 19 The first option is for Southland District Council to formally join the Welcoming Communities Programme and subsequently uplift the \$10,000 being held at Great South (provided by MBIE) for Southland District Council to use on implementing Welcoming Communities initiatives.
- 20 Delivery of the Welcoming Communities programme will sit within the Community Leadership Team and their existing business plan.

- 21 There are some conditions on how the \$10,000 funding can be used. These are:
- actual costs incurred to implement *current* welcoming plan activities – for example, this may include material or printing costs, and bus/venue hire
 - actual costs incurred to implement *new* welcoming plan activities – these will be activities determined in consultation with the Southland District community during 2020/2021.
- 22 The funding must be spent by December 2021 and cannot be used for salary or ongoing operational costs or contestable funding. Additionally, Southland District Council may not give the money to a community group to deliver on Council's behalf, but it may partner with other councils and community groups to deliver welcoming communities initiatives.
- 23 A requirement for uplifting the \$10,000 is six monthly reporting to MBIE which involves informing what Southland District Council has been doing to promote Welcoming Communities and deliver the Southland Murihiku Welcoming Plan, what has funding been spent on and how much, and what activities are anticipated in the next six months.

Option 2

- 24 The second option is for Southland District Council to join the Welcoming Communities Programme but to not uplift the \$10,000 currently held by Great South, which will result in it being returned to MBIE.
- 25 Delivery of the Welcoming Communities programme will sit within the Community Leadership Team and their existing business plan.

Option 3

- 26 The third option is that Southland District Council does not join the Welcoming Communities Programme but put in place our own welcoming initiatives as Southland District Council sees fit.
- 27 Delivery of welcoming initiatives will sit within the Community Leadership Team and their existing business plan.

Option 4

- 28 The fourth option is that Southland District Council does not join the Welcoming Communities Programme, or engage in any welcoming initiatives.

Factors to Consider

Legal and Statutory Requirements

- 29 There are no legal or statutory requirements.

Community Views

- 30 Community views have not been considered.

Costs and Funding

- 31 There is \$10,000 available to Southland District Council to implement Welcoming Communities. This funding is to be used on initiatives outlined in the Southland Murihiku Welcoming Plan.

This money must be spent by December 2021 and some accountability reporting is required (see paragraph 20).

Policy Implications

- 32 There are no policy implications

Analysis**Options Considered**

- 33 There are four options for consideration by the Community and Strategy Committee.

Analysis of Options**Option 1 – Join the Welcoming Communities programme and uplift the \$10,000 available in funding**

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• continue on with the work that Great South has achieved in the migrant and newcomer space over the past few years including maintaining status as an “accredited welcoming community”• aligns with the Southland Regional Development Strategy’s goal of bringing 10,000 more people to Southland by 2025• utilises funding available which means Council won’t have to source funding from elsewhere• opportunities to partner with ICC on delivering Welcoming Communities initiatives to get more “bang for buck”• enhanced national image and community perception from being a formally recognised welcoming District• delivery of the programme is already aligned with the Community Leadership Team’s business plan and workload	<ul style="list-style-type: none">• human resource requirement to deliver the Welcoming Communities initiatives outlined in the Southland Murihiku Welcoming Plan (Note: not all are expected to be delivered, we can select specific ones)• human resource requirement for the reporting on funding to MBIE• human resource requirement for having regular communication with MBIE and engaging in the network of Welcoming Communities councils throughout New Zealand

Option 2 – Join the Welcoming Communities Programme and do not uplift the \$10,000 available in funding

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • continue on with the work that Great South has achieved in the migrant and newcomer space over the past few years including maintaining status as an “accredited welcoming community” • aligns with the Southland Regional Development Strategy’s goal of bringing 10,000 more people to Southland by 2025 • enhanced national image and community perception from being a formally recognised welcoming District • reduced human resource required for the reporting on funding to MBIE • delivery of the programme is already aligned with the Community Leadership Team’s business plan and workload 	<ul style="list-style-type: none"> • human resource requirement to deliver the Welcoming Communities initiatives outlined in the Southland Murihiku Welcoming Plan (Note: not all are expected to be delivered, we can select specific ones) • human resource requirement for having regular communication with MBIE and engaging in the network of Welcoming Communities councils throughout New Zealand • no access to funding to implement initiatives in the Southland Murihiku Welcoming Plan and money will have to be sourced elsewhere

Option 3 – Do not join the Welcoming Communities Programme but continue involvement in welcoming initiatives as Council sees fit

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none"> • freedom to engage in welcoming initiatives if and when appropriate, there is no imposed requirement to do so • reduced human resource requirement given no imposed requirement to implement welcoming initiatives, or communicate with MBIE and other councils in the official programme 	<ul style="list-style-type: none"> • Southland District Council will lose accreditation which Great South had worked to achieve • missed opportunity for partnership between Southland District Council, Invercargill City Council, and other councils involved in the Welcoming Communities Programme • no access to funding to implement initiatives in the Southland Murihiku Welcoming Plan and money will have to be sourced elsewhere

Option 4 - Do not join the Welcoming Communities Programme or engage in welcoming initiatives

<i>Advantages</i>	<i>Disadvantages</i>
<ul style="list-style-type: none">• freedom to engage in welcoming initiatives if and when appropriate. There is no imposed requirement to do so• reduced human resource requirement given no imposed requirement to implement welcoming initiatives, or communicate with MBIE and other councils in the official programme• focus on new priorities in the District particularly in light of the impacts of Covid-19	<ul style="list-style-type: none">• Southland District Council will lose accreditation which Great South had worked to achieve• missed opportunity for partnership between Southland District Council, Invercargill City Council, and other councils involved in the Welcoming Communities Programme

Assessment of Significance

- 34 This is not considered significant.

Recommended Option

- 35 Option 1 is deemed to be the recommended option. However, the Community and Strategy Committee should consider this carefully in light of Covid-19.

Next Steps

- 36 Following the recommendation made by the Community and Strategy Committee, a report will go to council to approve this recommendation of Southland District Council's involvement in the Welcoming Communities programme.

Attachments

- A Welcoming Communities - Welcoming Plan - A4 Booklet PAGES [📄](#)



Southland Murihiku Welcoming Plan

2018-2020





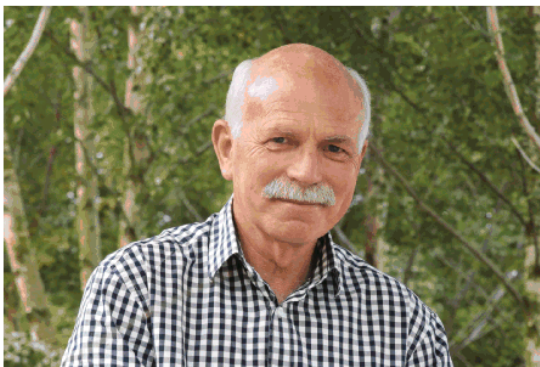
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Tim Shadbolt
Invercargill City Council Mayor



Gary Tong
Southland District Council Mayor



Tracy Hicks
Gore District Council Mayor

Foreword From Our Mayors

Nau mai haere mai ki Murihiku, Welcome to Southland

As Mayors of this thriving and expansive region, we recognise that a regional approach to fostering diversity and inclusion will underpin the success of our future communities.

Southland has been selected as one of five pilot areas for the Immigration New Zealand Welcoming Communities programme, and as such becomes a forerunner of the Welcoming Movement operating across the world.

This movement encourages the development of a worldwide network where an inclusive approach is adopted to welcome new people to our communities.

To guide the implementation of this approach in Southland and to encourage greater interaction between people, a Welcoming Plan has been developed for Southland/Murihiku.

We are proud to endorse this Welcoming Plan and know that Southland will rise to the occasion to build on the inclusive foundations already set in the region.

The challenge is now over to you to join us in embracing this welcoming approach, to get involved, and help make Southland the most welcoming place possible!

Mayor Shadbolt

Mayor Tong

Mayor Hicks



4

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Executive Summary

Welcoming Communities is a pilot programme led by Immigration New Zealand, involving five regions across New Zealand, working in partnership with the Office of Ethnic Communities and the New Zealand Human Rights Commission.

The programme has been developed in recognition that communities are healthier, happier and more productive when newcomers are welcomed, and participate fully in society and the local economy.

Southland is unique in that it has three individual councils that work together for the benefit of the region. By participating in this initiative, Southland councils take a leadership role in encouraging their communities to be more welcoming, and in doing so support the region's growth and development.

The Southland/Murihiku Welcoming Plan has been developed through collaboration with councils, iwi and the wider community. A survey carried out as part of the pilot programme found that Southland is already viewed as a welcoming region by newcomers, with a range of activities on offer for new arrivals and local residents. Feedback was around how we help raise awareness of what we have available.

The survey also provided the opportunity for the Southland community to identify new welcoming practices, and offer suggestions on what is needed to make Southland an even more welcoming environment.

The Welcoming Plan addresses the need to centralise welcoming information and to develop a deeper appreciation of the different cultures in Southland. This plan will contribute to building a stronger and more diverse Southland region.

The Southland/Murihiku plan aims to develop a sense of belonging for newcomers through a range of activities and projects that celebrate diversity, and encourage social, cultural and

economic participation.

The plan outlines and prioritises the actions and regional projects that will be carried out to help Southland become accredited as a 'Welcoming Community' according to the New Zealand Welcoming Communities standard.

The plan also outlines who is responsible for specific actions and the associated timeframes for completion with a four pronged implementation approach.

The Southland/Murihiku plan is aligned with the eight outcomes identified in the Welcoming Communities standard:

- Inclusive Leadership
- Welcoming Communications
- Equitable Access
- Connected and Inclusive Communities
- Economic Development, Business and Employment
- Civic Engagement and Participation
- Welcoming Public Spaces
- Culture and Identity







Welcoming Communities Context

Welcoming Communities has been developed in recognition that communities are healthier, happier and more productive when newcomers are welcomed and participate fully in society and in the local economy.

Southland was selected as one of five regions across New Zealand to participate in the pilot programme.

The other councils and communities taking part in the pilot around the country are:

- Tauranga/Western Bay of Plenty (Tauranga City Council and Western Bay of Plenty District Council)
- Whanganui (Whanganui District Council)
- Palmerston North (Palmerston North City Council)
- Canterbury (represented by the Ashburton and Selwyn District Councils)

The point of difference for this programme is that where previous settlement initiatives focused primarily on supporting newcomers, Welcoming

Communities extends its approach to actively involve members of the receiving communities in welcoming activities. This new approach focuses on building strong connections between local residents and new arrivals.

At the heart of the pilot programme is the Welcoming Communities Standard which provides a benchmark for what a successful welcoming community looks like. Each of the region's involved with the pilot programme have developed a welcoming plan that aligns with the outcomes identified in the standard.

The Welcoming Communities initiative is part of a global network which aims to encourage local communities to pro-actively welcome new arrivals. Examples of successful programmes around the world include Cities of Migration in Canada, Welcoming America in the United States of America and Welcoming Cities in Australia.



Why Southland

Southland/Murihiku is New Zealand’s southernmost region. It consists mainly of the south-western portion of the South Island and Stewart Island/ Rakiura. With over 3.1 million hectares and 12% New Zealand’s total land area, Southland is New Zealand’s second largest region and is bounded to the west, south and east by over 3,400 km of coastal stretch.

Southland is unique in that the territorial local authorities consists of four individual councils that work together for the benefit of the region – Southland District, Invercargill City, Gore District and Environment Southland. This successful example of council collaboration makes Southland an ideal region to pilot the Welcoming Communities programme.

Southland, like other regions, is also facing a workforce shortage due to an ageing population. For businesses to grow, skilled staff are required. Without people, new businesses and new industries

cannot develop, and existing industries cannot be extended.

It is recognised that developing a welcoming environment will help attract more people to the region, and counter the projected workforce shortage.

The Southland/Murihiku Welcoming Plan will provide a framework to assist with attracting and retaining people. We need people to come and stay.





Data from 2013 Census

Southland's Major Ethnicities

89%
European

13%
Maori

2.1%
Pacific Peoples

3.2%
Asian

0.4%
Middle Eastern,
Latin American,
African

Plan Development

The Southland/Murihiku Welcoming Plan has been created through extensive consultation and collaboration.

Southland's three governing territorial councils – Southland District, Invercargill City and Gore District – have been proactive in analysing their services, programmes and activities through a cultural lens. This has been an important part in accessing the welcoming environment that Southland offers. Councils will continue to review their welcoming processes as the plan is rolled out, according to the principles of the programme and framework the plan provides.

Information was gathered through community workshops and a regional survey. The survey provided an opportunity for the community to say how welcoming we are now and what could be done better to embrace and welcome newcomers.

The Southland Welcoming Communities Advisory Group was formed to oversee the development of the pilot in Southland. The group consists of members from the three councils and iwi and is supported by the Office of Ethnic Affairs, Immigration New Zealand and Venture Southland.

Given Southland's regional approach to the Welcoming Communities pilot programme, a number of regional projects have also been outlined that will contribute to Southland becoming accredited, as a 'welcoming community.'

Immigration New Zealand has provided advice, assistance and support throughout the plan development process, and will continue to support actions and projects associated with the programme.

Venture Southland, as the programme coordinator in Southland, will oversee the implementation of the Welcoming Plan and the projects and actions outlined in the plan.





Southland/Murihiku Welcoming Plan Outcomes and Actions

The Southland/Murihiku Welcoming Plan is guided by the New Zealand Welcoming Communities Standard that is made up of eight key outcomes. The actions and regional projects identified by the Southland community are aligned with these outcomes.

1

Inclusive Leadership

Local government, tangata whenua and other community leaders work together to create, advocate for and continue to foster a welcoming and inclusive community. They lead a shared plan to increase connections between newcomers and existing residents.

3

Equitable Access

Opportunities to access services and activities and to participate in the community are available to all.

2

Welcoming Communications

People of all cultures and backgrounds feel included, listened to and well informed through a range of ways that take into account their different communication needs.

4

Connected and Inclusive Communities

People feel safe in their identity and are connected with, and belong in, the community. There are high levels of trust and understanding between members of the receiving community and newcomers.





5 Economic Development, Business and Employment

Communities maximise and harness the economic development opportunities that newcomers can offer. Councils work with business associations to promote the contribution that newcomer business owners and skilled migrants make to the region's economy.

7 Welcoming Public Spaces

Newcomers and receiving communities feel welcome in and comfortable using public spaces.

6 Civic Engagement and Participation

Newcomers feel welcome to fully participate in the community. Newcomers are active in all forms of civil participation.

8 Culture and Identity

There is a shared sense of pride in being part of a culturally rich and vibrant community. People feel their culture is respected and valued by members of the community. There are opportunities to learn about each other's cultures.

Each outcome has a table in the following pages dedicated to outlining its objectives and actions, when they will take place and who is involved.

These outcomes and actions will ensure we achieve our goal of becoming Welcoming Communities accredited.

Acronym Key

These acronyms are used throughout the eight outcome tables in the following pages.

SDC	Southland District Council	VS/	Venture Southland/
ICC	Invercargill City Council	SRDA	Southland Regional Development Agency
GDC	Gore District Council	WCAG	Welcoming Communities Advisory Group

1. Inclusive Leadership

Local government, tangata whenua and other community leaders work together to create, advocate for and continue to foster a welcoming and inclusive community. They lead a shared plan to increase connections between newcomers and existing residents.

Number	Action	Timeframe	Who Is Involved
1.1	As the indigenous people of New Zealand, Māori – represented by tangata whenua, mana whenua, iwi and hapu and/or other hāpori Māori – have a prominent role in Welcoming Plan activities.		
1.1.1	Consult and partner with tangata whenua to develop and implement a suitable welcome protocol for Southland newcomers to be used in all regional welcoming activities and initiatives.	Year 1	All councils, tangata whenua and VS/SRDA
1.1.2	Enhance partnerships between councils, tangata whenua and community leaders through the implementation and monitoring of the Southland/Murihiku Welcoming Plan.	Ongoing	All councils, tangata whenua, VS/SRDA and community leaders
1.1.3	Explore the potential to work with tangata whenua throughout the programme to align aspirations, and represent these in the development and implementation of welcoming activities.	Ongoing	Tangata whenua, VS/SRDA and WCAG
1.1.4	Ensure active participation from tangata whenua, mana whenua, iwi and hapu and/or other hāpori Māori through representation or inclusion on the Welcoming Communities Advisory Group.	Ongoing	Tangata whenua, VS/SRDA and WCAG
1.2	Leaders – both designated and unofficial – reflect the diversity in the local community, as does the council workforce.		
1.2.1	Councils to engage with multicultural communities to promote leadership opportunities in local government.	Year 1	All councils, VS/SRDA and WCAG



1.3	Leaders model the principle of inclusiveness, openness, tolerance, respect and acceptance of all cultures in the community.		
1.3.1	Continue the leadership and participation of all councils in citizenship ceremonies and cultural celebration events.	Ongoing	All councils
1.3.2	Engage with and continue to support and build community groups who are providing opportunities, including leadership opportunities for newcomers.	Ongoing	All councils
1.3.3	Continue to build awareness of and champion welcoming and inclusive practices among local cultural groups, organisations, groups, agencies and businesses.	Ongoing	All councils and VS/SRDA
1.4	There are clear roles, responsibilities and ownership within council and in the wider community for the Welcoming Communities programme.		
1.4.1	Further develop the advisory group and establish appropriate resources to monitor the implementation of the Southland/Murihiku Welcoming Plan.	Ongoing	All councils, VS/SRDA and WCAG
1.4.2	Build and maintain mutually beneficial Welcoming Communities relationships locally, regionally and nationally.	Ongoing	All councils, VS/SRDA and WCAG
1.5	Councils internal and external policies, services, programmes and activities recognise and address cultural diversity.		
1.5.1	As council policies, services, programmes and activities reach renewal, review through a cultural diversity lens and update where appropriate.	Year 1 - Ongoing	All councils
1.6	A range of leadership opportunities in the councils and wider community are available to and taken up by newcomers.		
1.6.1	Promote leadership opportunities such as mentoring and internships within the councils, businesses and the wider community to newcomers.	Year 1	All councils and the community
1.6.2	Councils, youth and agencies involved in youth development promote opportunities for youth leadership to eligible newcomers.	Year 1	All councils, Southland District Youth Council, Invercargill City Youth Council and Gore District Youth Council

2. Welcoming Communications

People of all cultures and backgrounds feel included, listened to and well informed through a range of ways that take into account their different communication needs.

Number	Action	Timeframe	Who Is Involved
2.1	The community is well informed about the local benefits of immigration and the Welcoming Communities programme, including success stories.		
2.1.1	Conduct an ongoing informative communications campaign to promote the principles of the programme to the receiving community.	Year 1	All councils, VS/SRDA and WCAG
2.1.2	Develop and implement a comprehensive regional approach to providing timely and useful information to newcomers.	Year 1	VS/SRDA and WCAG
2.1.3	Utilise community and information hubs as central welcoming points and places for both the local community and newcomers to access welcoming information.	Year 1	All councils and VS/SRDA
2.1.4	Investigate how to consistently brand and label 'Welcoming Communities' initiatives in Southland.	Year 1	All councils and WCAG
2.1.5	Increase the cultural diversity of material, language and imagery used in council communications.		
2.2	The councils are well informed about newcomers to their region and pro-actively seek data about newcomers from relevant sources.		
2.2.1	Use available data sources such as Statistics New Zealand and Immigration New Zealand to better understand the demographics of the Southland community and share this information within the councils and the wider community.	Ongoing	All councils
2.2.2	Develop and maintain a database of newcomer 'touch points'* to enable ongoing communication, support and education of the touch point organisations.	Ongoing	VS/SRDA and Citizens Advice Bureau

*Touch points include: The Local Settlement Network, supermarkets, medical centres, hospitals, real estate agents and council offices etc.



2.3	The councils engagement with all residents is two-way, culturally appropriate and fit for purpose.		
2.3.1	Develop a cultural intelligence training component focused at all customer focused staff.	Year 1	All councils and VS/SRDA
2.3.2	Ensure existing promotional materials used in social media, tourism brochures, welcoming banners and city signage reflects the cultural diversity in the Southland region.	Ongoing	All councils and VS/SRDA
2.3.3	Design support documentation on best practice techniques when employing or engaging with newcomers.	Year 1	VS/SRDA
2.4	Councils communication materials and messages are inclusive and reflect the diversity of the local community. Councils encourage other agencies, businesses and organisations to follow this model.		
2.4.1	Develop a library of culturally appropriate images for use in publications and other media communications.	Year 1	All councils, VS/SRDA, WCAG and Southland Multicultural Council
2.4.2	Partner with local emergency services to develop specific emergency visual language presentations/information sheets for newcomers.	Year 1	All councils, Emergency Management Southland and Road Safety Southland
2.4.3	Establish regular positive profiles in local media to highlight individuals, organisations and initiatives, new and existing, showcasing positive newcomer stories and relevant information.	Ongoing	All councils and VS/SRDA





3. Equitable Access

Opportunities to access services and activities and to participate in the community are available to all.

Number	Action	Timeframe	Who Is Involved
3.1	Councils partner with local businesses, organisations and sector to identify and address barriers for newcomers to accessing services and participating in the community.		
3.1.1	Ensure all welcoming communications, content and messaging are consistent, inclusive and welcoming.	Ongoing	All councils and VS/SRDA
3.1.2	Investigate ways to make the regional welcoming portal more accessible to local communities and newcomers.	Year 1	VS/SRDA and WCAG
3.2	Councils and other organisations in the community research, design and deliver services that take account of the different circumstances (for example, rural/urban) and cultural backgrounds of all service users, including newcomers.		
3.2.1	Understand barriers for newcomers accessing various services, activities and events and refer where appropriate.	Year 1	All councils and VS/SRDA
3.2.2	Promote free WiFi at council libraries.	Year 1	All councils
3.2.3	Consider how people will travel to events when planning events particularly in rural areas; eg ILT Kidzone festival transportation, school holiday programme transportation.	Ongoing	All councils, VS/SRDA and the community
3.2.4	Continue to grow and promote the Southland Local Settlement Network.	Ongoing	VS/SRDA
3.3	The council's engagement with all residents is two-way, culturally appropriate and fit for purpose.		
3.3.1	Partner with providers of existing community databases to assist with updating and extending where necessary to develop a resource of local social, recreational, sporting, arts and other groups.	Year 1	VS/SRDA and Citizens Advice Bureau

4. Connected and Inclusive Communities

People feel safe in their identity and that they are connected with and belong in the community. There are high levels of trust and understanding between members of the receiving community and newcomers.

Number	Action	Timeframe	Who Is Involved
4.1	Coordinated, comprehensive and appropriate initial welcoming support services are available from councils, other agencies and community organisations.		
4.1.1	Develop a comprehensive 'Welcome to Southland' pack.	Year 1	All councils and VS/SRDA
4.1.2	Create and regularly update a 'Welcome to Southland' page on the SouthlandNZ website which links to council and organisation pages, known as the 'Welcome Portal'.	Year 1	All councils and VS/SRDA
4.1.3	Support and promote organisations which are welcoming 'touch points' for newcomers (see 2.2.2).	Ongoing	All councils and VS/SRDA
4.2	The receiving community is well equipped and supported to welcome and interact with newcomers.		
4.2.1	Support providers of locally-led initiatives by supporting those who deliver them and build the capability and capacity in the local and regional communities.	Ongoing	All councils
4.2.2	Ask locals for their ideas on how to be more involved in welcoming activities.	Year 1	All councils
4.2.3	Investigate the suitability of a community-led buddy system or welcoming network for newcomers and implement if viable.	Year 1	All councils
4.3	Members of the receiving community and newcomers build relationships and are at ease with connecting and learning about and from each other.		
4.3.1	Explore long term funding options for sustainable, innovative and welcoming initiatives in rural Southland with local community workers.	Ongoing	SDC, GDC and VS/SRDA
4.3.2	Encourage community service clubs to grow membership by looking at opportunities for newcomer participation.	Ongoing	VS/SRDA
4.3.3	Help facilitate the local community, iwi and the Department of Conservation (DOC) to educate newcomers about the value of the local environment, as well as Southland's identity and history.	Ongoing	Iwi, DOC and VS/SRDA
4.4	Different cultures are celebrated and people are supported to express their cultural beliefs and customs, including language and religious practices.		
4.4.1	Identify key events (including exploring new event opportunities) which reflect the principles of the Welcoming Communities programme and encourage participation for all, as well as providing support for organisers where possible.	Year 1	All councils and VS/SRDA
4.4.2	Ensure information about events is easily accessible to newcomers by ensuring alignment of event calendars to the Welcome Portal.	Year 1	All councils and VS/SRDA

5. Economic Development, Business and Employment

Communities maximise and harness the economic development opportunities that newcomers can offer. Councils work with business associations to promote the contribution that newcomer business owners and skilled migrants make to the region's economy.

Number	Action	Timeframe	Who Is Involved
5.1	Newcomers, including international students, are supported to access local employment information, services and networks.		
5.1.1	Support international student networks through the coordination and promotion of existing events.	Year 1/ Ongoing	Southern Institute of Technology (SIT) and local schools
5.1.2	Increase the number of internship and/or work experience opportunities for newcomers.	Year 1/ Ongoing	SIT, tertiary training providers, Chamber of Commerce and local businesses
5.1.3	Ensure awareness of the Southland "Jobs Portal/Pop Up Job Shop" events and online services and promote through all mediums and 'touch points.'	Year 1	VS/SRDA
5.1.4	Establish events to connect international students, services and networks.	Year 1	VS/SRDA, SIT, tertiary training providers, and Chamber of Commerce
5.2	Newcomers, including international students, are supported with the local knowledge and skills to ensure they can operate successfully in the New Zealand work environment, either as a business owner or an employee.		
5.2.1	Promote existing resources, events, activities and business support initiatives such as business mentoring to newcomers and the wider community.	Year 1	All councils, VS/SRDA and Citizens Advice Bureau
5.3	The receiving community recognises the value of diversity in the workplace, of newcomers' contribution to the region's growth and of the resulting wider economic benefits.		
5.3.1	Design supporting material for local organisations, businesses and individuals on best practice techniques when engaging with newcomers; eg toolkit.	Year 1	VS/SRDA
5.4	Local employers and workforces develop their intercultural competency.		
5.4.1	Develop a cultural understanding education programme and resources for interested businesses and organisations (see 2.3.1).	Year 1	All councils and VS/SRDA
5.5	Mutually beneficial connections and initiatives are set up with migrant business people by local business community and professional networks.		
5.5.1	Formally recognise organisations which are more culturally diverse and inclusive for example; through local business awards.	Year 1	All councils, VS/SRDA and Chamber of Commerce





6. Civic Engagement and Participation

Newcomers feel welcome to fully participate in the community. Newcomers are active in all forms of civil participation.

Number	Action	Timeframe	Who Is Involved
6.1	The councils elected members and staff effectively communicate with newcomers to promote their engagement in local government processes.		
6.1.1	Facilitate opportunities for the local community and newcomers to meet local government leaders.	Year 1	All councils
6.2	Newcomers are encouraged and enabled to get involved in local government and civil society.		
6.2.1	Provide seminars where students propose solutions to issues in their communities to increase the practice of civic values e.g. E4S (Education for Sharing).	Year 1	VS/SRDA
6.2.2	Encourage participation by newcomers into the central and local body election campaigns, voting processes, and national census.	Year 1	All councils
6.3	Newcomers' efforts and achievements in civic participation and community life are acknowledged and celebrated.		
6.3.1	Recognise the contribution and achievements made by newcomer individuals or organisations (see 5.5.1 and 2.4.3).	Year 1/ Ongoing	Chamber of Commerce





7. Welcoming Public Spaces

Newcomers and receiving communities feel welcome in and comfortable using public spaces.

Number	Action	Timeframe	Who Is Involved
7.1	The design and operation of public spaces and facilities are culturally appropriate and reflect the diversity of the community.		
7.1.1	Incorporate inclusiveness and interaction in the wider community when planning new projects e.g. 'placemaking' initiatives.	Year 1/ Ongoing	All councils, VS/SRDA and the community
7.1.2	Promote the accessibility of public spaces to newcomers and encourage their use.	Year 1	All councils and VS/SRDA
7.2	Welcoming public spaces provide opportunities to build trust and relationships between newcomers.		
7.2.1	When redevelopments are planned ensure they encourage interaction, engagement and enjoyment of public spaces for the diverse community.	Year 1/ Ongoing	All councils and VS/SRDA
7.2.2	Support new and existing artistic initiatives and events that encourage inclusiveness and diversity.	Year 1	All councils and VS/SRDA
7.3	Public spaces and buildings create a sense of community ownership and inclusion for all, including newcomers.		
7.3.1	Investigate options for community-led initiatives to occur in public spaces to create a sense of community ownership.	Year 1	All councils and VS/SRDA



8. Culture and Identity

There is a shared sense of pride in being part of a culturally rich and vibrant community. People feel their culture is respected and valued by members of the community. There are opportunities to learn about each other's cultures.

Number	Action	Timeframe	Who Is Involved
8.1	Receiving communities and newcomers share and celebrate their cultures with each other, facilitated by the councils and others in the community.		
8.1.1	Develop an ongoing 'Welcome to Southland' seminar on the Southland culture.	Year 1	All councils and VS/SRDA
8.1.2	Encourage newcomers and existing residents of all cultures to celebrate significant cultural occasions.	Year 1/ Ongoing	All councils and VS/SRDA
8.2	Newcomers and the receiving community understand what values they each hold dear.		
8.2.1	Develop, promote and celebrate the Southland story with newcomers and locals alike.	Year 1	All councils and VS/SRDA
8.2.2	Work with the ethnic and cultural groups of Southland to increase awareness and understanding of the various cultures that exist in the region.	Year 1	VS/SRDA



Implementation

Implementation of the Southland/Murihiku Welcoming Plan, and the accreditation of Southland as a 'Welcoming Community' according to the New Zealand Standard, will be achieved by prioritising activities into the following areas:

- Developing regional projects
- Encouraging council planning
- Partnering with tangata whenua
- Fostering community partnership and support



Developing Regional Projects

Southland's geographic size and large number of diverse communities is a considerable challenge for the region. To address this challenge, several regional projects have been identified that will contribute to Southland being seen as a welcoming and inclusive environment. The projects will encourage local communities, businesses, councils and other touch point organisations to adopt a consistent approach in welcoming newcomers to the region.

The projects will be further scoped, defined and

prioritised by the Southland/Murihiku Welcoming Communities Advisory Group and Venture Southland. Implementation will be in year one.

The regional projects are designed to:

- Improve and centralise welcoming information and activities
- Establish a regional hub and framework
- Provide a simple 'one stop welcoming shop' for newcomers
- Promote Welcoming Communities initiatives to newcomers

Project	Description	Linked Standard
Southland Welcome Portal	Investigate existing digital and online portals which currently target newcomers (southlandnz.com) with a view to developing and promoting a single regional portal which would become a 'one stop welcoming shop' for newcomers.	2.1.2 3.1.2 4.1.2 4.4.2 5.1.3
Southland Newcomers 'Welcome Packs'	Partner with organisations which are 'welcoming touch points' and local communities to collate welcoming information into digital "Welcome Packs" for new arrivals to the region.	2.1.2 2.1.3 2.2.2 2.3.3 2.4.2 4.1.1
Southland Community Welcome Resources	Design a toolkit, linked to the Newcomers Welcome Pack, to inform local organisations, businesses and individuals on best practice techniques when engaging with newcomers.	1.1.3 2.1.2 5.3.1 5.4.1
Southland Welcome Video	Investigate creating a welcome video (or series of videos) which would showcase Southland hospitality with local Mayors, tangata whenua and local communities. The video would be used as a promotion tool for attracting people to Southland.	2.1.2
Southland Cultural Training	Develop a seminar that provides cultural competency training to foster cultural knowledge between newcomers and local businesses, council staff, touch point organisations and the local community.	2.3.1 5.4.2 8.1.1 8.2.1
Southland Welcoming Brand	Investigate a "Welcoming Southland" brand.	2.1.2 2.1.4
'Welcome to Southland' Seminar	Ensure alignment with a key regional project identified in the region's development plan (and supported by MBIE) called the "Southland Story". This will seek to redefine what it is to be a Southlander as well as how this can be shared with new arrivals and visitors, international students etc.	8.2.1
Welcoming Protocols	Consult and partner with tangata whenua to develop and implement a suitable welcome protocol for Southland newcomers to be used in all regional welcoming activities and initiatives.	1.1.1
Communication Campaign	Promote the benefits of diverse communities and the Welcoming Communities initiatives across the region.	1.3.3 2.1.1 2.4.3 3.1.1 4.4.1 8.2.2

Encouraging Council Planning

The Southland/Murihiku Welcoming Plan provides councils with knowledge of the Welcoming Communities Standard, and the regional approach of the programme. While councils are committed to implementing regional projects and supporting community initiatives, the next step is for individual councils to develop their own welcoming plans. These plans would elaborate on the key projects identified in the Southland/ Murihiku Welcoming Plan and align with other council aspirations, projects and processes.



Partnering With Tangata Whenua

Southland aims to become accredited by partnering with tangata whenua during the creation and implementation of the Southland/Murihiku Welcoming Plan, and development of regional projects.





Fostering Community Partnership and Support

Welcoming Plan implementation requires establishing supportive partnerships with the local community.

These partnerships will build upon the capacity and capability of Southland communities through increased awareness and interaction between the host community and those new to the region.



Community support is essential for implementation of the Southland/Murihiku Welcoming Plan and will be achieved through:

Communications Campaigns	Promote the benefits of diverse communities and the Welcoming Communities initiatives across the region.	13.3
		2.11
		2.4.3
		3.1.1
		4.4.1
Welcoming Touch-Points	Partner with 'welcoming touch-point organisations' (ie LSN, supermarkets, medical centres, hospitals, real estate agents, council offices and other settlement services) to identify newcomers and enable faster referrals to welcoming information. This will include supporting and educating these organisations on welcoming practices.	2.1.2
		2.1.3
		2.2.2
		2.3.3
		2.4.2
Events	Identify key events, and explore new event opportunities, which reflect the principles of the Welcoming Communities programme and encourage participation for all.	4.4.1
		4.4.2

Please Note: There are overlapping areas with the council approach and planning. This is why all initiatives will be coordinated through the Southland Welcoming Communities Advisory Group and Venture Southland/Southland Regional Development Agency.





Conclusion

Welcoming Communities has been developed in recognition that communities are healthier, happier and more productive when newcomers are welcomed and participate fully in society and in the local economy.

Southland was selected as one of five regions across New Zealand to participate in the pilot programme and has, as a result developed a Southland/Murihiku Welcoming Plan.

The plan will assist in creating a welcoming environment for those new to the Southland region, and help to develop a sense of belonging through a range of activities that celebrate diversity and encourage social, cultural and economic participation.

A number of actions and projects have been identified that are required for Southland to become accredited according to the New Zealand Welcoming Communities Standard.

Accreditation will be achieved by developing these projects and activities, encouraging council planning, partnering with tangata whenua and fostering community partnerships.

With community support, this plan will lay the foundation for inclusion and diversity across the region. It will ensure that newcomers feel welcome and contribute to attracting more people to Southland.

Welcoming Communities is about every member of the community having the opportunity to shape and participate in welcoming activities. The projects, initiatives and activities identified in this plan will create a stronger and more prosperous Southland region.

We are grateful for all the feedback from individuals and groups that helped shape this plan.



Acknowledgements

Thank you to Invercargill City Council, Southland District Council, Gore District Council, and Immigration New Zealand for their support during the development of the Southland/ Murihiku Welcoming Plan.

A special thank you to the members of the Welcoming Communities Advisory Group that drove this programme from concept to implementation, including: Bobbi Brown, Fi McKay, Cr Rebecca Amundsen, Cr Julie Keast, Cr Bronwyn Reid, Bernadette Hunt, Ailene Stehlin, Kirsten Diack, Trudie Hurst, Lia Stiles, Sue Morrison-Bailey, Deborah Lam, Mihaela Erdelyi, and Mary Napper.





Community Wellbeings and Strategic Issues Overview - May 2020

Record No: R/20/5/10995

Author: Rex Capil, Group Manager Community and Futures

Approved by: Steve Ruru, Chief Executive

☐ Decision

☐ Recommendation

☒ Information

Report Purpose

- 1 This community well-beings and strategic issues overview report is prepared and presented to the Community and Strategy Committee as part of its standard order paper each meeting, as far as is practicable.
- 2 This report is intended to inform the committee of recent developments, points of interest and points for consideration as part of the overall strategic context and community well-beings (social, economic, environmental, and cultural) discussions that Council is part of – nationally, regionally and locally.
- 3 This report recognises the purpose of local government as per section 10 (1) (b) of the Local Government Act 2002 is to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
- 4 The report is also used to provide insight of ‘happenings’ from other regions that maybe of interest and relevance to the District. This provides a wider strategic context on a national and regional scale to assist in Council’s understanding of issues and areas of impact occurring elsewhere.
- 5 Importantly, the report aims to initiate discussion and conversation amongst councillors and communities to support the opportunity to participate and contribute to Council’s direction setting and positioning with regards to the multi stakeholder environment it operates in.
- 6 It is intended the format and content of the report is divided into five headings – reflecting the four well-beings plus other regional happenings. The topics covered under each of the headings are a selection of recent articles and publications and are summarised with the associated link attached from where the information is sourced and/or the full document attached when relevant.
- 7 It is noted this report provides information related to the community wellbeings in the current context of the COVID-19 situation.

Social Well-being

- 8 For the purpose of this report we consider social well-being to reflect topics related to how people and communities engage in work, study and social activities.
- 9 The following is a summary of a selection of recent articles and publications relating to the social well-being topic.

No room for a too-hard basket

- 10 Sir Peter Gluckman, the International Network of Government Science Advice chairman contends that if NZ is to take advantage of the COVID-19 crisis then the long-standing issues related to the agriculture and rural sector must be addressed once and for all.
- 11 He contends the rural economy will be so much more important for many years to come and collaborative solutions need to ensure now that these long-standing issues are more sustainable and environment focused.
- 12 He goes on to suggest that recovery will not happen until people feel back in control of their lives. A lot of people are affected and it could take a long time to see the social effects on the more vulnerable and farmers, already facing compounded problems with debt, drought and lower commodity prices, are among the vulnerable.

https://farmersweekly.co.nz/section/agribusiness/view/no-room-for-a-too-hard-basket?utm_source=GlobalHQ&utm_campaign=df0b1d5f82-EMAIL_CAMPAIGN_2020_05_01_CMS&utm_medium=email&utm_term=0_4f497899e6-df0b1d5f82-193644923

Point to note:

- 13 Of particular interest for Southland District Council is to recognise a lot of the messaging is consistent with the broader community recovery conversations being progressed as part of the wider community leadership approach being progressed with its communities.

Dairy sector wants New Zealanders to consider farm work as labour shortage looms

- 14 An article dealing with the issues related with COVID-19 and the migrant workforce not being available, it is predicted the sector will need to fill 1000 jobs in time for [Moving Day](#) on 1 June - the first day of the new dairy season.

<https://www.rnz.co.nz/news/country/415766/dairy-sector-wants-new-zealanders-to-consider-farm-work-as-labour-shortage-looms>

Point to note:

- 15 Of particular interest for Southland District Council is the need to remain abreast of what can continue to be done to assist rural Southland industries and employers in bridging the gap in labour demand and supply. Council can have a supporting role in advocacy, futures planning and strategy development and a community leadership role in supporting communities in dealing with the implications of the societal pressures and changes facing the District.
- 16 It is important to note that this matter is continued to be supported by investing in the services from Great South to support Southlanders in the rural workforce and related industries.

Economic Well-being

- 17 For the purpose of this report we consider economic well-being to reflect topics related to how financial and human made physical assets impact on how people live, deliver services and work together as a society.
- 18 The following is a summary of a recent publication relating to the economic well-being topic.

Westpac – Economic Overview. COVID-19 special edition

- 19 Westpac recently produced an economic overview publication related specifically to COVID-19. This provides an effective and succinct overview with a variety of topics covered in one document
- 20 The publication identifies that COVID-19 will cast a shadow over the economy for years after the virus has passed. Consumers and businesses will go into their shells amid high unemployment, falling house prices, and damaged balance sheets. The farm sector will suffer an income hit due to a global recession. And the dearth of international tourists will be keenly felt. Scarring from the COVID-19 recession will permanently damage New Zealand's long-run productivity, meaning GDP and wellbeing may never fully return to their pre-COVID-19 trends.
- 21 It goes on to mention that disruptive events tend to accelerate trends that are already in place, and COVID-19 will be no exception. One example is that there has been an obvious leap forward in the digitisation of the economy, and there will be no going back. That may be the last straw for some firms and a huge opportunity for others, but digitisation is a positive for the economy overall.
- 22 Despite the gloom, it is worth pointing out that Westpac is actually forecasting a more rapid economic recovery than after the GFC. For example, we anticipate four years of above 5% unemployment, whereas after the GFC there were eight.
- https://westpaciq.westpac.com.au/wibiqauthoring/uploads/file/New_Zealand/2020/May_2020/Westpac_QEO_May_2020_Final_Web.pdf

Point to note:

- 23 Council recognises the impacts of COVID-19 are still being understood and will remain fluid and subject to change. Updates and overviews as provided by Westpac will assist Council in keeping abreast of changes and an understanding of impacts on its communities as well as council's business also.

Environmental Well-being

- 24 For the purpose of this report we consider environmental well-being to reflect topics related to how the natural environment impacts on how communities align resources and support resource allocation and usage required to live a sustainable life.
- 25 The following is a summary of a recent article relating to the environmental well-being topic.

COVID-19's wake-up call: put nature at heart of recovery

- 26 A think piece article considering questions related to - do we go forward in the same direction as we have been travelling so far: living beyond our means environmentally? Or do we consider COVID-19 a wake-up call and take a different route? Can we reset our economy, indeed our lives, to co-exist with our natural world?
- <https://i.stuff.co.nz/environment/121353070/covid19s-wakeup-call-put-nature-at-heart-of-recovery>

Points to note:

- 27 Southland District Council recognises the environmental well-being issues related to the recovery opportunities associated with COVID-19. This supports previous conversations had by Council with regards to sustainability and regeneration principles. These conversations were at the forefront of points raised by Dr Ganesh Nana and Kristin Dunne at the February 2020 strategic workshop and the associated awareness of kaitiakitanga and manaakitanga principles.

Cultural Well-being

- 28 For the purpose of this report we consider cultural well-being to reflect topics related to how people live and work together and includes cultural and community identity, traditions and customs and common values and interests.
- 29 The following is a recent article relating to the cultural well-being topic.

Arise from your slumber: coronavirus and the modern State

- 30 A discussion piece considering and discussing the impact of the Covid-19 pandemic regards globalisation and role of governments.

<https://www.newsroom.co.nz/2020/05/07/1158552/coronavirus-and-the-modern-state>

Points to note:

- 31 Southland District Council recognise the potential impact of COVID-19 on globalisation and possible implications on migration and community demographics in the future.

Regional Happenings – Domestic Marketing Campaigns

- 32 This section aims to provide information recently highlighted relating to an area/region elsewhere in New Zealand.
- 33 The content for this report is providing an overview of regional domestic marketing campaigns from various regions that have been developed as a result of the travel restrictions imposed by the alert level systems.
- 34 Specifically, in early May, Great South provided the following statement advocating for interregional travel as soon as possible.

Support for domestic travel at Alert Level 2

As your regional tourism organisation, we are supporting calls for the Government to allow interregional travel from Alert Level 2. Please find below our statement to the media and tourism industry representatives outlining this support.

Great South Chief Executive Graham Budd said, like all of New Zealand, Southland's visitor industry had been significantly impacted by the outbreak of COVID-19 and he was deeply concerned that further delaying the lifting of travel restrictions would pose significant risks for the viability of local business and the economic re-start of the Southland region.

“Already we know that our tourism industry is hurting, and the reality is that if travel restrictions continue, many of our local businesses will no longer be viable,”

Southland’s geographic location and low-resident population meant that the region was significantly disadvantaged compared to many other places when it came to locally supporting its tourism industry.

“While Southland shows tremendous community spirit, we will need interregional support to get our tourism industry through the impacts of COVID-19, as will our neighbouring regions. With approximately 60% of tourism spend across the region attributed to our domestic market, we need to ensure we can re-start visitor flows again as soon as possible to benefit from the economic opportunities that visitation can achieve,”

Great South’s call for interregional travel is made in full support of national tourism bodies such as Regional Tourism New Zealand and Tourism Industry Aotearoa. Like their industry counterparts, Great South is confident that travel, hospitality and most tourism activities can operate safely under Alert Level 2.

Mr Budd said that naturally, as well as leisure travel, the call also includes supporting the ability to travel for business, a critical part of the visitor economy, as well as enabling people to visit their friends and family.

Great South GM for Tourism and Events, Bobbi Brown, said as the regional tourism organisation, Great South was committed to supporting the local tourism sector to operate in a safe and responsible way.

“We are working to ensure that Southland is best placed to respond when travel restrictions are lifted. This means connecting our local businesses and operators with essential resources, outlining the importance of tracking and tracing processes, and driving awareness for locals and those further away on the activities and experiences will be on offer across the Southland region,”

Mrs Brown said that between the February floods, the outbreak of COVID-19 and the consequent travel restrictions, it had been a very challenging time for the industry.

“Allowing interregional travel is essential, not only for the economic relief it will provide after the last couple of months but also for the social element which is proving to be just as important for us all. We are planning for when travel restrictions are lifted and urge the Government to help make this happen sooner rather than later,”

- 35 The following are examples of marketing campaigns developed by regions to promote domestic tourism and economic activity.

36 Southland:



https://southlandnz.com/together-southland?utm_medium=email&utm_campaign=Tourism%20Snapshot%20-%20April%202020&utm_content=Tourism%20Snapshot%20-%20April%202020+CID_430fe7a075bb2e545264b4e36ccbde22&utm_source=Campaign%20Monitor&utm_term=Together%20Southland

37 Waitaki:



<https://www.waitaki.govt.nz/our-council/news-and-public-notice/news/Documents/We%20are%20missing%20you%20campaign%202020.pdf>

38 Waikato:



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

39 Wanaka:



<https://www.lakewanaka.co.nz/lovetwanaka-supporting-local/>

40 Mackenzie Country

ChristchurchNZ launches #ExploreYourMackenzie campaign

7 May 2020 By Staff Reporter | news@tourismticker.com | [@tourismticker](https://twitter.com/tourismticker)

ChristchurchNZ has launched a new *Explore Your Mackenzie* campaign to encourage local spending at Mackenzie businesses.

“During alert level 3 some businesses are now open, and more are offering great deals and vouchers. It’s time to support your local businesses,” said Jason Menard, Mackenzie Region digital marketing executive at ChristchurchNZ.

41 Finally – below is an article from 5 May providing some research results around possible destinations New Zealanders maybe interested in visiting following lockdown.

Queenstown top destination for Kiwis following lockdown

5 May 2020 By Staff Reporter | news@tourismticker.com | [@tourismticker](https://twitter.com/tourismticker)

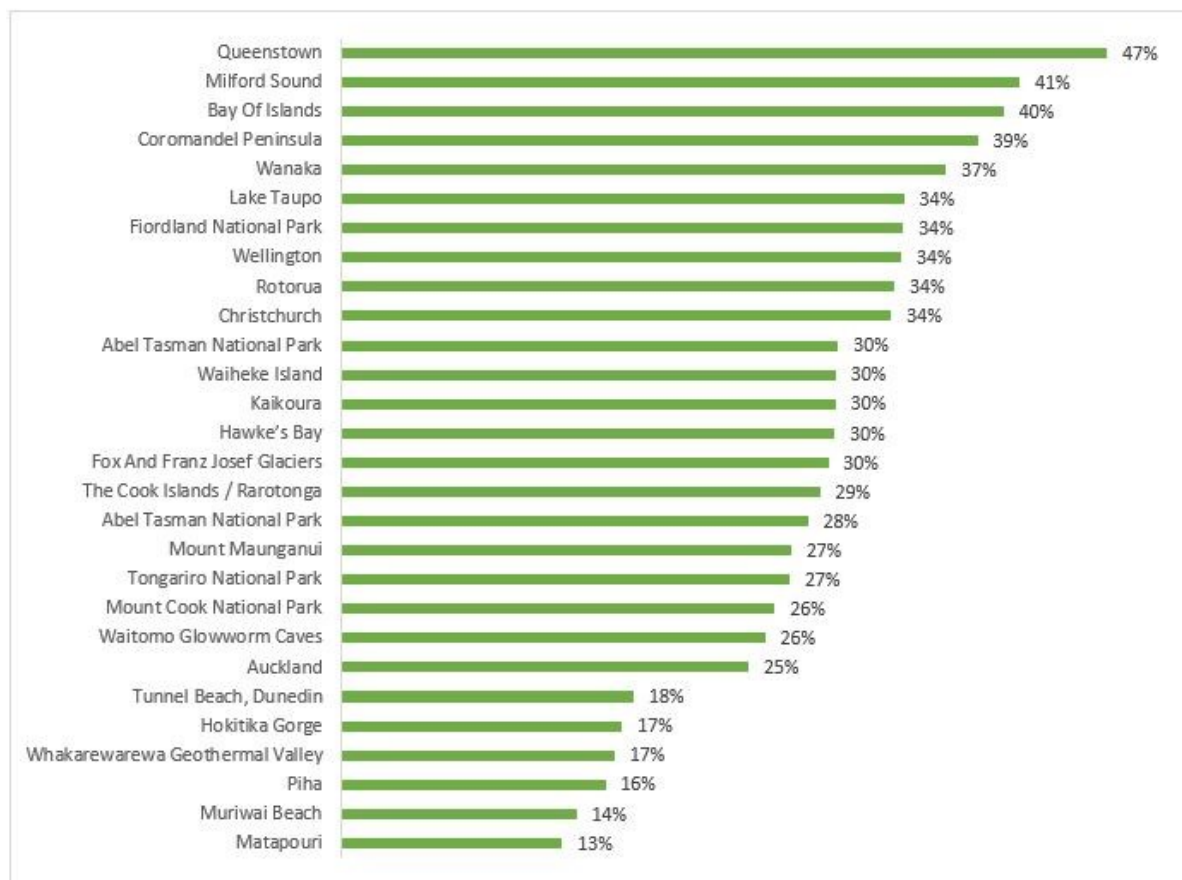
Queenstown has been named the destination most New Zealanders would like to visit once travel restrictions due to Covid-19 are lifted, according to new research from Opinion Compare.

The research found 47% of New Zealanders would choose to visit Queenstown, followed by Milford Sound, 41%, Bay of Islands, 40%, and the Coromandel Peninsula, 39%.

“We know how important it will be for the economy that domestic tourism thrives so it’s going to be critical for these destinations to not only deliver to past visitors, but attract new ones,” said Gavin Male, chief executive of Opinion Compare.

The survey involved 754 New Zealanders aged 18+ and was conducted in late April.

Chart: Domestic Destinations Would Most Like to Visit



Source: Opinion Compare

Recommendation

That the Community and Strategy Committee:

- a) **Receives the report titled "Community Wellbeings and Strategic Issues Overview - May 2020" dated 4 June 2020.**

Attachments

There are no attachments for this report.