

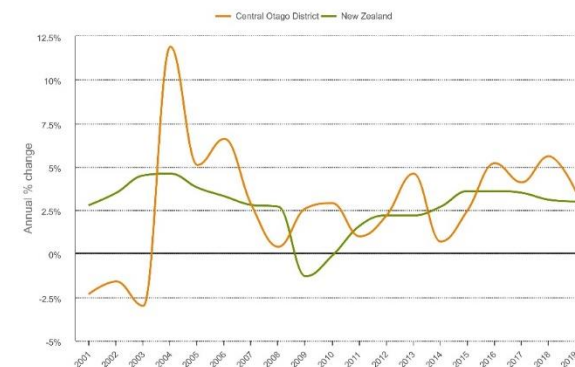
Cromwell Business Network

1st July 2020

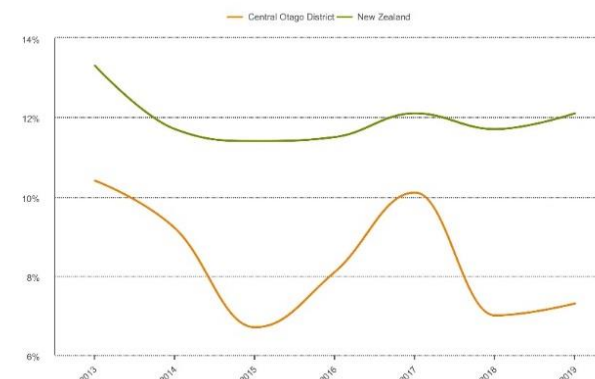
Pre COVID-19

- **Consistent economic growth**
 - GDP growth averaged 3.2% over the past 10 years
- **Below average unemployment rates**
 - Unemployment rates consistently below national averages
- **Industry profile**
 - Heavy reliance on primary industries
 - Expect to see short term decreases in retail and construction sectors

Annual GDP (Gross Domestic Product) growth 2001-2019



NEET (Not in Education, Employment or Training Rate) 2013-2019



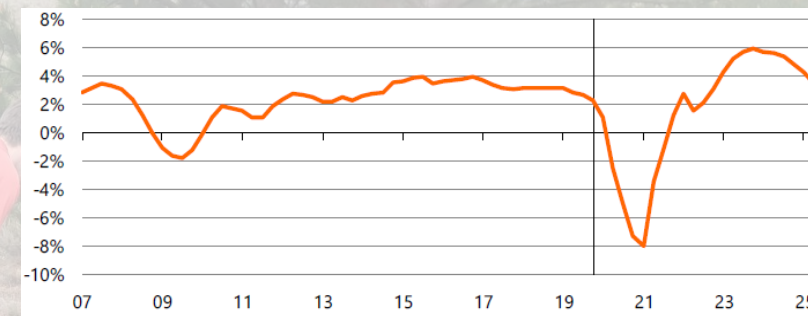
National and global trends

- Automation to have a significant effect – 30% of jobs at risk over next 20 years
- Chinese and East Asian markets will continue to be increasingly dominant
- More people are looking to retrain and enter new industries
- More people will work remotely making rural high-speed broadband important
- Older people will be an increasingly large and willing component of the labour market
- More industries will favour bio-dynamic practices and renewable energy

COVID-19 Impacts

- Severity on economy and community not yet known
- Employment – Forecast 10.5% -14.4% reduction in jobs
- Tourism – International visitors account for 23% of tourism spending
- Construction and house prices – House prices forecast to fall by 11% in the next 12 months and fewer houses expected in the short term
- Population – Rapid growth experienced by Central expected to slow to approximately 1% for the next 3 years

Short term economic decline following COVID-19



Tourism Pre-COVID-19

- Previous investments in research and strategy development were paying off
- Central Otago was the faster growing region for visitor spend in Otago in 2019 at 4% YOY growth
- Domestic market made up 77% of visitor spend in 2019
 - 60% was Christchurch/West Coast and South
- Australia made up 8% of visitor spend
- Significant investment from private sector - especially in Cromwell Basin
- Expectation growing for a destination management focus to take priority over destination marketing
- Deliver 'Strategic Projects' as identified in the CO Tourism Strategy



Tourism Post-COVID-19

- Forecast visitor spend to drop for next two years;
 - 60% of 2019 spend in Year 1
 - 80% of 2019 spend in Year 2
 - 100% return by Year 3
- Market stimulation response required
 - 'Reconnect with Central' - TCO
 - Do something NEW, New Zealand - TNZ
- Highly targeted in a noisy market – going deep into niches that fit our offering
- Focused on drive market
- Key strategic projects delivered;
 - New digital shopfront
 - Central Otago Touring Route
 - Eat.Taste.Central.

Key visuals and messages for 'Reconnect with Central'



Wide open spaces

Physical distance comes naturally to us



Wellness and the outdoors

It's simply how we live life



Authentic

Tourism is about people and the majority of our tourism experiences are owner operated.



Tourism Post-COVID-19 2.0

All of the above plus;

Destination Management planning and implementation

- Greater commitment to sustainability
- Greater alignment to A World of Difference brand values
- Community engagement further enhanced

Regional Tourism Development

- Capability building series for all businesses
- Community and private sector event development

Marketing and Promotion

- Enhanced story telling of our key market drivers
- Own cycle tourism in Australasia
- Work more collaboratively at a local, regional and national level



Eventful Central
growing, developing and
attracting events



Visitor Experiences
the authentic and
the unexpected



**A Virtuous
Cycle**
leaders in cycle tourism



**Wine and Food
Tourism**
harnessing our harvesting

Our Economy Post-COVID-19

Understanding the changes – Sector Snapshots

- Bottom up approach understanding of our sectors
- Local members of sectors factors
- Supply and demand focus
- Replicated across Otago

Why

- Enable collaboration
- Identification of possible projects to support
- Informing stakeholders
- Inform Stage 2 Labour market modelling

Sector Snapshot

Five sectors and their critical issues

Agriculture

- Labour, International markets

Construction

- Residential market, Speed of rollout of government projects

Education

- Demand, connectedness of the system

Horticulture

- Labour, Freight, Market

Retail

- Operating under restricted trading conditions

Tourism

- International markets, Increased competition for domestic market

Economic Recovery Plan

Four key areas of focus for the next 12 months

Council actions

- Council capital works
- Securing external funding to fast track projects
- Policy and planning settings

Training and education

- Education pathways
- Startup support
- Community hub



Economic Recovery Plan cont

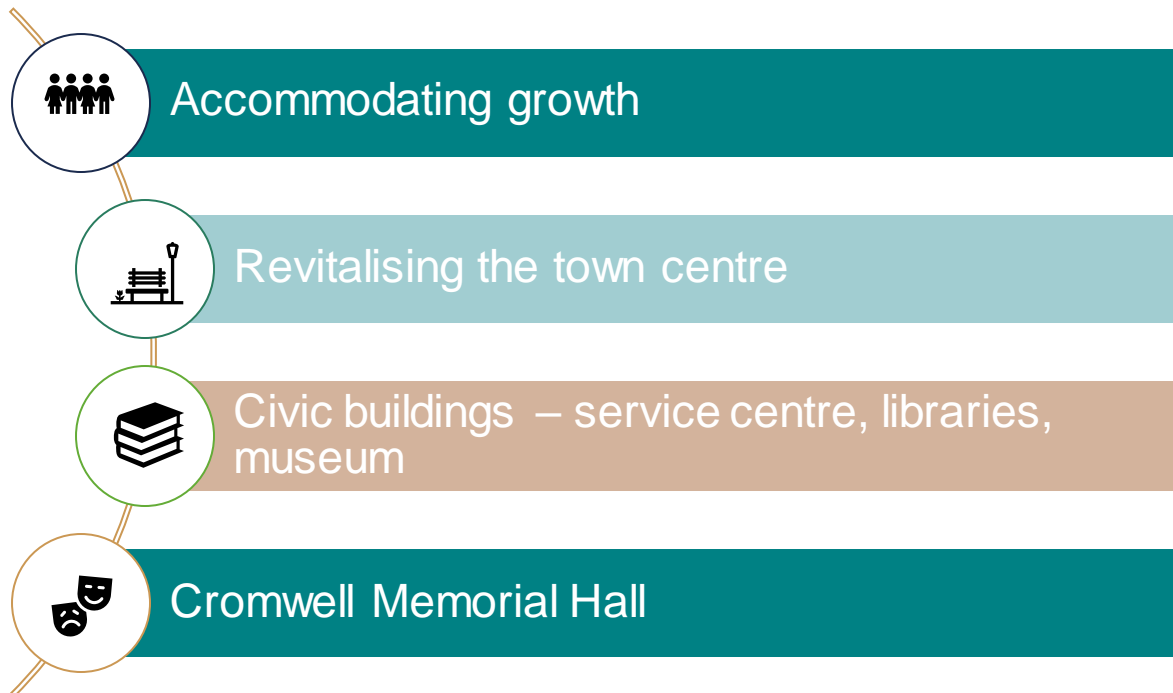
Attraction of visitors and migration to the district

- Securing share of domestic tourism
- Encouraging migration to the district

Building Business resilience

- Connecting businesses with support services
- Connecting businesses with the data and information they need to make decisions
- Improving internet connectivity and helping businesses get online
- Advocacy to central government

Cromwell Eye to the Future Masterplan



Engagement Opportunities:

Community consultation, stakeholder meetings, surveys, drop in sessions, town hall meetings
Developed Options consulted on widely through shop in The Mall and a survey

What the Community Told Us

- Encourage development in the town, through higher density, good urban design and access to open space.



- Capital projects – most ambitious



- Development within Cromwell town, not sprawling into productive land or new town.



Cromwell Spatial Plan

Adopted by the Cromwell Community Board May 2019

What is Underway:

- Plan change for rural to strengthen provisions around productive land
- Plan change for industrial development
- Conversations with developers

Effect of Covid-19:

- Spatial plan has a 30 year time frame



Capital Projects

To be consulted on in the Long Term Plan

What is Underway:

- Financial modelling
- Community will be asked about funding, priorities, debt, impact on rates through Long Term Plan.

