

COVID-19 Response Committee

16 April 2020



COVID-19 Response Committee

Minutes of the COVID-19 Response Committee meeting held on Thursday 16 April 2020, commencing at 9.35am, via Zoom.

Present

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Sarah Mosley (Manager People & Capability), Paul Brake (GM Business Support), Neil McCann (GM Infrastructure Services), Toni Durham (Strategy & Policy Manager), Ruben Garcia (Communications Manager), Aisling O'Reilly (PE to Chief Executive) and Phillipa Clark (Governance Team Leader).

Presentation:

Infometrics – 9.36am-10.23am

1 Apologies

Nil.

2 Extraordinary Business

That pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 the following item be introduced as extraordinary business:

- Council procurement – supporting local business

Cameron/Wilson

Carried

3 Declarations of Interest

Nil.

4 Confirmation of Minutes

That the minutes of the COVID-19 Response Committee meeting held on 2 April 2020, be taken as read and confirmed.

Mayor/McMillan

Carried

5 Infometrics Report

Infometrics Senior Economists Brad Olsen and Nick Brunsdon were welcomed to the meeting.

Brad outlined how Infometrics sees the economy moving, both locally and nationally:

- Looking at the most incredible economic event in a century. Likened to the great depression of 1930s. Could see national unemployment rise to around 10% - a significant rise.
- Government assistance will limit immediate effect.
- Expectation is that the NZ economy will continue to contract for next 18 months or so. Estimate three and a half years to reach the level prior to Covid-19. A 'U' recovery.

- Locally, estimate around 23% of local economy can continue to operate during Level 4, from home. This increases to around 60% once essential services are included. Reflects food production / exports.
- Will be a broad based hit to the economy – almost no area spared, but concentrations in some areas – ie tourism. Locally, tourism is less of an issue for the economy, as a whole, than nationally. Around 7% employed in tourism locally.
- Primary sector – some significant strength for local economy. The Ashburton economy is probably better than other regional economies to weather this storm.
- Manufacturing is important (about half is meat manufacturing). Over last 2 months, dairy export returns are up about 10% from same time last year. Meat exports into China have suffered, but in terms of value exports across the world NZ's exports are up slightly. Seeing more pressure coming on meat currently – due to limited kill space, but importantly some exports are a premium product. In general still seeing strength in primary / meat sector.
- After lockdown will see a different economic landscape – will see lower construction and general lack of investment from private sector. Will be a focus by consumers on essential items but discretionary spending will be held up.
- For ADC – need to keep in mind any changes made to new financial year will eventually need to be paid back. Cautioned about any knee jerk reactions now. Important to keep rate rise low if possible, but important to remember that every dollar spent by Council in the community will go into another pocket locally.
- Will be an increased focus on buying local, as well as how some goods are retailed, how we purchase and go about our activities. Council could ask partner agencies to consider some sort of virtual farmers market or similar.
- Over past year had 17.2b spending from overseas tourists compared to about 9b domestic. Will be limited budget for domestic so expect any substitution will likely be subdued. Therefore a need for a regional / joint approach. A real need to ensure there's a balance – keeping costs as low as possible. Skiing may be a good avenue to increase marketing as much as possible.
- Referred to dairy pay-out - have seen relatively strong signs of improvement but there is a concern over how that might be distributed across the country. Notwithstanding this, there will be a hit on the local economy, but with relative ability of the local economy to withstand would hope government looks at how to best engage with primary sector now. If government wants to pursue its environmental policy, would hope there's more incentive given to the primary sector.
- Reserve bank has 33b (most of it from printing). It can cause inflation but ability for prices to go higher is currently limited and would expect inflation will remain low at the moment.
- 'Shovel-ready projects' - agreed the government needs to focus on what's needed – water infrastructure for example. Would be concerned about central government being able to make judgement on this so it's good that they've approached local government directly. Gives local recognition of what's needed. Some larger councils, for example, have projects that may not need to go ahead. Need to be smart with this money – it has to be paid back. Would hope government will create viable criteria on how it evaluates the projects. Needs a strategy.
- In terms of resources for the projects, expect to see a reduction in building (retail, hospitality, residential). Would see those workers being redeployed into the infrastructure area – ie civil contracting. May take some retraining to do this. Industry has been calling for this for a number of years.
- Businesses / retail - there will be a big change on how consumers purchase. Need to understand how online marketing operations will work. For a period there'll be a limit to numbers of people going into stores. Focus on 'buying local' to keep turnover. Interdependencies – look at local opportunities.
- Have also seen (globally) previously low profit margin / high volume turnover, plus focus on experience based shopping. With fewer people going into shops will need to look at how needs are met.

- Working from home element is being seen as option. May be opportunity for local community to attract people outside district to work here (from their home). But some things can't be automated – eg meatworks labourers.
- Lockdown provides opportunity to reflect on what importance is placed on (for example) working from home.
- Ashburton was in a good place pre-Covid with low unemployment.
- Where there is going to be a hit on the economy, there is in a sense very little that anyone can do about it. Once through response and into recovery phase it will be important to look at skills and ability to redeploy.
- Expect to see a state of flux / flexibility for businesses over the next 3-4 years. More potential for change behaviour to be retained for longer period – will be structural changes – a new economy / different vibe. Short term change in way of doing business will shift back, but expect some change to continue.
- Expectation is that people will have a greater propensity to save after the lockdown. For those who will lose jobs, where will that 10% of people across the country get work? Provides good opportunity for education – focus on increasing / changing skills. As well as that there's an opportunity to see increased levels of volunteering in the community. Keep people in a 'job ready' state.
- Likely to be some softness in the area of apprenticeships but there will be a need to bring in new workers / younger people. Likely to be more support for young people in the construction area (due to infrastructure increase). Will need to see, more than ever, co-ordination between education and industry – make sure there are clear pathways to ensure they have the skills for the area they know they are working towards.

The presenters were thanked and left the meeting at 10.23am.

6 **Economic Outlook – impacts of COVID-19**

Bevan Rickerby commented on the need to work locally with the migrants already here and on the “My next move” project. Regional leadership skills groups are being talked about and retraining will be paramount for people changing their work environments.

Currently webinars, hosted on Council's website, are being developed to assist the local business community. Topics include health and well-being and how to do business differently. A key part of this is the “Buy local – Canterbury open for business” campaign which is being facilitated by Council and local media, enabling local businesses to promote themselves without the cost of advertising.

The Communications Manager reported that the business directory website will allow engagement with businesses to start now. The marketing campaign will be highly visible across the district and will capture information such as discounts, promotions, whether or not a business is hiring.

That Council receives the economic outlook report.

McMillan/Lovett

Carried

7 **Crown Infrastructure Partners – shovel-ready projects**

The Group Manager Infrastructure Services reported that Crown Infrastructure Partners will be reviewing and seeking clarification on applications up until 27 April, after which Council could expect feedback on whether ADC's applications have been successful or not.

The Chief Executive acknowledged the work that was undertaken by staff over the Easter break to complete the detailed applications. The support from ACL who provided costing information is also appreciated.

That Council receives the 'shovel-ready' projects report.

Falloon/Braam

Carried

8 Local Government Funding Agency –Amendment to Security Deeds

That Council agrees to the requested amendments to the Local Government Funding Agencies foundation documents.

Falloon/Braam

Carried

9 COVID-19 Lockdown update

The Chief Executive reported that planning is underway around the de-escalation of alert levels and how Council as an organisation can respond to any change that may occur in the next 10 days.

There are 44 staff who have, or are continuing to work in redeployment during Level 4.

The Group Manager Business Support advised that the next rates notices will be sent at the end of April. There has been no demand for rates relief to date but there will be information about this with the rates notices and on Council's web site along with an online rates relief application form.

Extraordinary Business – Council procurement –supporting local business

Cr Cameron asked if there's a way for Council to further support local business through its purchasing policy and suggested that a weighting of 10% be applied for smaller consumables – such as stationery.

The Strategy & Policy Manager advised that Council's procurement policy has a local value focus and requires that at least one quote be from a local business.

The Committee agreed to consider this further at the meeting on 23 April with a report on Council's procurement policy being provided.

Business transacted with the public excluded – 11.13am

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
10	Confirmation of minutes 2/04/20 [now in open meeting] Award Contract Ashburton Business Estate – Development of stages A&B	Section 7(2)(h)	Commercial activities
11	Assessment of Effect of Rent Holidays	Section 7(2)(h)	Commercial activities

McMillan/Cameron

Carried

The Committee adjourned from 11.13am to 11.25am.

Business transacted with the public excluded now in open meeting

• Assessment of Effect of Rent Holiday

That Council adopts Option Two with rent relief at the rate of 50% where the tenant has no access to its leased premises, has requested relief, and meets the criteria including those tenants in Schedule B.

McKay/Letham

Carried

The meeting concluded at 12.06pm.