



Glacier Country survey highlights impact of COVID-19

## West Coast economic update

Data shows the West Coast economy was tracking well for the year to March 2020. However, following the impact of COVID-19, forecasts going forward are painting a far more challenging picture.

Data released by Infometrics for the year to March 2020 reveals Gross Domestic Product (GDP) on the West Coast was up 2.0% from a year earlier, outperforming New Zealand's 1.6% growth rate during the same period.

With the impact of COVID-19, and the border closures, a lot has obviously changed since then. The data for the March 2020 year only captures the very early stages of the pandemic.

Even before COVID-19, our tourism sector had been hit hard by a series of extreme events; including the Waiho Bridge washout, Omoto slip and the disruption caused by the Mt Hercules slip. The data from Infometrics shows total visitor spending for the year to March 2020 fell from \$522m to \$480m.

Despite this significant drop in visitor spending, the West Coast economy finished the period with \$42m growth in GDP and 139 new jobs - highlighting the importance of a diversified economy.

Looking at the situation going forward, another Infometrics report, commissioned by Treasury, forecasts that the West Coast will be one of the most heavily affected regions by the pandemic and its economic aftermath.

The report suggests the West Coast may have 1,300 less jobs by March 2022, with our economy forecasted to take a \$94 million hit.

The disruption caused by COVID, and the associated job losses, is projected to take some time to recover from. The modelling suggests our GDP won't be back to pre-COVID levels until March 2025, by which stage jobs are expected to rebound above 2020 levels.



**Heath Milne**  
CHIEF EXECUTIVE, DEVELOPMENT WEST COAST

Before COVID, tourism accounted for 10.4% of our region's economic activity, and 51% (or \$231m) of our tourism spending came from international visitors.

Much work has been done to attract the domestic market to the Coast. Increases in domestic travel have helped pick up some of the slack but spending by New Zealanders will not come close to filling the hole caused by border closures.

The projections on jobs losses are very concerning.

| Job numbers       | Mar-2020 (actuals) | Mar-2022 (projections) | Mar-2025 (projections) |
|-------------------|--------------------|------------------------|------------------------|
| Buller District   | 4,169              | 3,839                  | 4,180                  |
| Grey District     | 7,596              | 7,319                  | 7,674                  |
| Westland District | 4,747              | 4,054                  | 4,755                  |
| WEST COAST REGION | 16,512             | 15,212                 | 16,608                 |

A recent survey of Glacier Country businesses reveals that 16 businesses have closed so far, and 393 full-time jobs in addition to 125 part-time and/or casual jobs have already been lost. A further 68 businesses indicated they may not survive another six months without additional support.

This is devastating for the economic and social fabric of such small communities.

Based on the Treasury-commissioned forecasts and the current realities we are documenting on the ground we are working with agencies to look at options of support.

We need to ensure communities are viable and businesses are still around to share in the recovery when it finally comes.

## West Coast Economic Profile

(YEAR TO MARCH 2020)

Source: Infometrics

### Employment

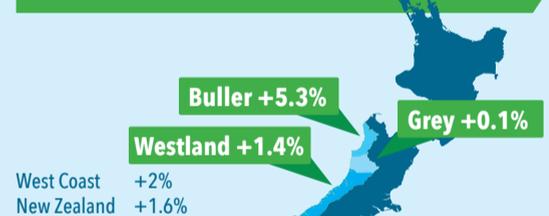
|                 |              |                   |
|-----------------|--------------|-------------------|
| West Coast jobs | 2019: 16,373 | 2020: 16,512 ▲139 |
|-----------------|--------------|-------------------|

| Job contribution by industry      | Count |
|-----------------------------------|-------|
| Agriculture, forestry and fishing | 1,827 |
| Manufacturing                     | 1,817 |
| Accommodation and food services   | 1,790 |
| Construction                      | 1,699 |
| Health care and social assistance | 1,658 |

| Biggest job increases             | Count |
|-----------------------------------|-------|
| Health care and social assistance | +125  |
| Public administration and safety  | +45   |
| Mining                            | +39   |
| Manufacturing                     | +32   |

| Biggest job losses              | Count |
|---------------------------------|-------|
| Accommodation and food services | -66   |
| Wholesale trade                 | -66   |
| Education and training          | -27   |
| Retail trade                    | -26   |

### Economic Growth



### GDP

|                |                |                       |
|----------------|----------------|-----------------------|
| West Coast GDP | 2019: \$2,100m | 2020: \$2,142m ▲\$42m |
|----------------|----------------|-----------------------|

| GDP contribution by industry               | Value  |
|--|--------|
| Agriculture, forestry and fishing          | \$308m |
| Electricity, gas, water and waste services | \$239m |
| Mining                                     | \$181m |
| Construction                               | \$165m |
| Manufacturing                              | \$151m |

| Biggest GDP increases                      | Value  |
|--|--------|
| Mining                                     | +\$40m |
| Electricity, gas, water and waste services | +\$13m |
| Health care and social assistance          | +\$9m  |
| Public administration and safety           | +\$4m  |

| Biggest GDP losses                | Value  |
|-----------------------------------|--------|
| Agriculture, forestry and fishing | -\$14m |
| Accommodation and food services   | -\$6m  |
| Financial and insurance services  | -\$5m  |
| Wholesale trade                   | -\$3m  |

## Upcoming Events

### MARCH

**02** **Employment Update | Freedom HR & Essential HR**  
*Preparing for changes in 2021*  
11:00am - 12:30pm | St John, Greymouth | FREE  
Register online at [www.dwc.org.nz](http://www.dwc.org.nz)

**22** **PRINCE2® | The Knowledge Academy | Westport**  
*Project management training*  
Foundation course: 22 March - 24 March | \$1,091 + GST  
Foundation & practitioner: 22 March - 25 March | \$1,466 + GST  
For more info: [www.dwc.org.nz](http://www.dwc.org.nz)

## Project management training on the Coast

DWC have partnered with The Knowledge Academy to bring PRINCE2 Project Management training to the Coast.

PRINCE2 is a structured project management method and practitioner certification programme. PRINCE2 emphasises dividing projects into manageable and controllable stages.

The PRINCE2 course combines training and exams for the PRINCE2 Foundation and Practitioner certifications into one 5-day course. Passing the course will provide you with the skills and knowledge required to start applying PRINCE2 to real life work projects events."

**More info:**  
[www.dwc.org.nz](http://www.dwc.org.nz)

## DWC on the hunt for new major events

DWC is looking to stimulate domestic tourism by supporting existing events to continue to operate as well as assisting new events to form.

DWC was awarded \$1,033,028 from the Government's Regional Events Fund. The funding must be used to support events which drive inter and intra-regional visitation, deliver economic benefits to the region, and help strengthen the annual calendar of regional events.

DWC Economic Development Manager Jo Birnie says the Regional Events Fund presents an exciting opportunity to develop and grow a focused portfolio of events that will attract visitors throughout the year, leaving a positive legacy for the community.

"Events provide a valuable platform to generate domestic tourism activity, which will help replace some of the visitor spending lost from international tourists because of COVID-19".

Applications for the first round of the West Coast Regional Events Fund are now open. Applicants have until 16 April 2021 to submit their application, which will consider events for the May 2021 - April 2022 period.

Funding rounds are bi-annual and applications can be made only once a year for either the April or the September funding round. However, applicants can register expressions of interest all year round.

**More info:**  
[www.dwc.org.nz](http://www.dwc.org.nz)

## MBIE's Creative and Cultural Incubator fund also open for applications

Creative and cultural events can also apply for a funding boost to help them grow with the Ministry of Business, Employment, and Innovation's Creative and Cultural Events Incubator Fund.

"The Incubator is for creative and cultural events which have a vision to become events of international significance, with a particular focus on Māori and Pasifika arts and culture," says Susan Sawbridge, MBIE Manager Major Events.

The second Incubator funding round opened on 1 February and closes on 1 March 2021. Organisers can apply for funding to a maximum of \$100,000 per year for up to three years.

[www.majorevents.govt.nz/the-creative-and-cultural-events-incubator/](http://www.majorevents.govt.nz/the-creative-and-cultural-events-incubator/)