
MEMORANDUM

FROM: Nigel Davenport
TO: Timaru District Mayor and Councillors
SUBJECT: Venture Timaru Operational Update for the three months to 31 December 2021
DATE: 20th Feb 2022

Background

Please find attached an update relating to our Economic Development and Visitor Promotion operations for the quarter to 31st Dec 2021.

PRIORITY – Housing – in our regular interactions with our diverse local industry sectors, one key theme continually surfaces alongside their largest challenge of attracting the staff they need to grow and prosper...and that is a lack of housing stock – primarily new house and land packages within a traditional “sweet spot” of \$600-\$900K. Think Rolleston, areas of North Canterbury and more latterly Mid Canterbury. Add to this the shortage of quality rental accommodation and you have a large impediment to growth not only in our business sector but ultimately across our wider communities and our districts population.

We point to the fact that the population of our northern neighbours in Ashburton has in the last 25 years grown by 10,200 (39.7%) to 35,900 whilst we have grown only 4,900 11.3% to 48,400 – (*source Infometrics*). Yes, Ashburton is closer to Christchurch but realistically they cannot compete with us when it comes to the diverse range of career/industry opportunities that our District has to offer – in other words our critical need for workforce. Interestingly also is that over the course of the last few years Ashburton DC have proactively progressed a number of large-scale residential subdivisions e.g. 86 lot Ashbury Grove, 181 lot Strowan Fields, 35 Lot Village Green all of which have achieved, or are achieving, high level of sales. At date Strowan Fields have 143/181 sold. In addition to this we understand the Ashburton Council are currently considering an up to 300 lot subdivision on Racecourse Road and there are plans for an up to 1,000 lot subdivision in the north-eastern fringes of Ashburton.

As the Growth Management Strategy is currently being refreshed, our recommendation would be that we should not only identify future areas of urban sprawl & development across our districts towns but with some urgency boldly prioritise, encourage and pro-actively facilitate some large scale residential development NOW. It is only through the economies of scale associated with residential subdivision developments of 100/200/300+ lots that we can hope to deliver the aforementioned needed “sweet spot” offerings within a wider range of diverse product i.e. high density, multi-unit, townhouse, apartments, 700m² + house and land packages etc...

We need facilitated talks between owners of identified land, developers, enabling investors, council, building companies etc... with a “how can we make this happen” approach. Now is the time for us as a district to collectively take courageous action, in all likelihood pick and encourage some “winners” i.e. proven and established developers and in doing so enhance and secure our Districts future. Failure by us all to take bold and affirmative action in this area now, will see us fall further behind other Districts, whilst our ability to attract and retain the workforce needed will continue to be impeded. Dare we say it, we don’t want to be having these same discussions in 5, 10 or 20 years’ time.

We at Venture Timaru are here to assist in any way we can to be part of a solution in this space.

PRIORITY - Logistics and freight disruptions – whilst globally container and shipping movements have improved slightly our local businesses are still experiencing disruption with both supplies and their exports. The Global container index projects improvement in this area but not until Q3 2022 at the earliest.

In the meantime we are progressing talks with an established shipping line interested in expanding their NZ coastal shipping presence into Timaru. We are independently collating a database to better understand the container volumes, especially of our large Food Processing & Manufacturing sector, that aren't but potentially could be transacted out of Primeport Timaru. This info will support the interested parties business case as they look to provide a viable option for business within the Central South Island catchment area. Obviously, certainty of service, frequency, efficiency, connectivity, and cost are key factors for our exporters to consider an alternative but committed service ex Timaru.

PRIORITY – Workforce. The attraction retention and ongoing development of our workforce will remain the most critical priority for local business and therefore VT across this year and for the foreseeable future. A very tight labour market pre-Covid has tightened even more in an environment that sees:

- COVID and now a developing Omicron outbreak
- Vaccinated v non-vaccinated workforce impacts/reallocations etc....
- Ongoing and growing supply chain disruptions projected to get much worse before they improve later 2022
- Nil net migration – absence of traditionally 60-80,000 migrant workforce that transitions annually through NZ
- Greater competition, and demand, than ever before for NZ workers
- A number of large construction developments scheduled to continue/begin in South Canterbury over the next 5 years.

It is harder than ever for businesses to find and retain staff. NZIER forecast expected staff turnover over 2022 to be >20% which is the highest forecast for the past 50 years.

• **Poaching rises, and so will wages** •

Harder than ever to keep hold of staff

Net response regarding expected labour turnover next three months



InfoMetrics anticipate our current net flow of migrants of NIL will in the second half of this year trend back up to +30-40K which will alleviate some labour market pressures. This of course will be subject to timing of border control changes.

For a very real example of workforce pressures refer TV One News piece involving Murray and Margaret Turley from Sat 29th Jan – refer [Fears harvests will rot as farmers denied skilled workers](#)

PRIORITY – Scott Base Redevelopment – Following the announcement in November that Primeport have been successful in obtaining this exiting \$340m and 4-5 year contract we have made contact with both Antarctica NZ and construction lead Leighs Construction. Our role is to act as the initial conduit to facilitate business and community engagement and involvement in the project and progress wider opportunities associated with the project such as education, promotion, and visitor attraction. Post the announcement, the associated contractual matters are being completed including with Leighs Construction whose current priority is finalising all design aspects.

The team at Antarctica NZ have expressed a strong desire to embed themselves into the community and this relationship will commence with a welcome pōwhiri event for themselves and the team from Leighs Construction at Arowhenua Marae likely early April. We at VT continue to progress other matters such as the development of story boards to be displayed across our district (providing an overview of NZ's history in Antarctica, Redevelopment Project etc...) and other promotional activities. With Antarctica NZ we are also working towards events aligned to 21st June being the middle of the Antarctica Winter which will involve our youth and wider community. We have also facilitated introductions of our Art Gallery and Museum to Antarctica NZ to progress exhibition opportunities over the next few years.

Enhanced engagement with local industry

- We are making good progress with our facilitated talks with Ara, BCITO, Skills NZ and importantly local industry, when it comes to achieving enhanced local provision of **industry training opportunities** for our Trades sector. Particularly important to develop improved local pathways into the sector when you consider the pipeline of large scale construction projects in front of us over the next 5 years – Showgrounds, Scott Base, Theatre Royal, Aorangi Stadium, known industry developments etc... At date we are thrilled to confirm that Ara/Skills NZ will be delivering a new level 3 electrical course and are keen to add level 4 apprenticeship night and block course modules. We are also close to confirming an Ara/BCITO joint delivery Block Course Stage 1 delivery for our Painting And Decorating Industry – again with the intention this is the first step to more and more local provision to meet demand.
- The **Sustainable is Attainable** Initiative continuous to develop with a variety of opportunities well progressed. These include MyNoke commercial vermicast with strong interest from local industry and a likely location firming up. Interest from Lincoln University around the commercialisation of black soldier fly protein extraction based on our local industries waste streams is also gaining momentum
- We are assisting the soon to be opened **ECO Centre** Trustees with the formation of a Facility Utilisation Strategy to ensure this valuable new community asset is utilised to the full extend by our business and wider community.

Tourism and Visitor - The summer holiday period of Dec-Jan has been focused on the campaigns Seaside Summers and Geraldine Eats. The Seaside Festival promotion also got underway during this time. Engagement and uptake on both campaigns has been excellent and the enthusiasm for Seaside Festival was instant and significant, with 1400 page likes for the Facebook page in a very short period of time. Sadly, the spread of Omicron and change to the traffic light alert system has resulted in a scaled back festival now planned for the shorter period of time, 4-7 February, Waitangi Weekend. A series of smaller events took place, adhering to alert level requirements, with the kite flying in particular gaining significant interest and positive feedback.

The digital campaigns used our now extensive library of video footage including four new hero videos. These videos can be viewed via following links.

[Summer Fun](#)

[Family Summer](#)

[Seaside Summer](#)

[Geraldine Eats](#)

The addition to the Tourism team of our new digital marketing coordinator, Renee Sargent, is already having a significant impact on our workload, with faster turnaround on projects.

Central Government Funded activities:

- Timaru Trails – Ongoing. Has been used for the Seaside Festival treasure hunt and Geraldine Eats is next trail to be added. Walking trails of Pleasant Point and Temuka will be added by the end of Feb.
- ROAM.NZ App – Promotion underway. ROAM website development to begin in Feb.
- Geraldine Nature and Sculpture Trail – Funding has been fully paid. Work continues and VT is kept up to date on progress with the trail.
- SC Food Heritage Centre – Draft report now completed. The outcome of the study has clearly identified that while there is enthusiasm for such a facility from stakeholders, the current visitor numbers for Timaru are not sufficient to sustain an interactive centre, as was the original concept. With the pandemic creating such a changing environment, the report suggests it would be advisable to wait to see how visitor numbers stabilise and potentially grow over the next two to three years, to gauge whether there would be sufficient visitation to warrant such a complex in the future. However, the report has opened up some other possibilities, including incorporating food story/history aspects within the CBD City Hub project and also the possibility of a digital platform by which to celebrate our food story. This could be under the SCOFF banner and developed through the some of the central government funding we have received over the next 18 months.
- SC Car Mecca - SC Car Club working with our product development contractor looking at options for expanding operation with aim of attracting more visitors.
- Destination Management Plan - Stakeholder surveys now completed with reasonable response, particularly from the community feedback. The responses did not result in the need for any significant changes to the draft plan.
- Hero videos 2022: Completed. As part of this project a new video content library is being added to the brief which will enable VT to use or share content quickly and easily.
- Trail Towns – Partnering with Mackenzie and Waitaki for an episode of this Australian biking enthusiasts programme, aimed at future international market. Trail Towns Season 1 has recently aired on the SBS and SBS on Demand in Australia, alongside the Tour De France. The 2nd season is going to be exclusive to New Zealand, showcasing exciting road trips over 6 x 24 minute episodes. Trail Towns champion the locals and aim to inspire their audience to replicate the trips, and with current limited global travel there has been a huge amount of interest in the show and active tourism in general. Filming scheduled for March-April 2022, subject to the team being granted permission to travel to NZ. It is possible that this could be delayed until later in the year.
- Fly South – Campaign launched into lower North Island.
- Neat Places – Positive response from the [Neat Places](#) listings. Hard copy brochure will be distributed during February 2022.

EVENTS

Sept 24 – Oct 3 saw SCOFF (Sth canty Outstanding Food Festival) event take place for the second time. Despite a challenging COVID environment this was again a huge success with increased numbers of food producers and eateries taking part right across South Canterbury. An addition to the event this year saw us produce a SCOFF Recipe book which has proven extremely popular. Planning is underway for SCOFF 3 2022 !!.

Currently a difficult environment for event organisers to say the least. Recipients of funding \$159K of the first round of Major Event Fund applicants were advised in our last quarterly report. In update:

- 5 of the 7 events from the first round of the MESF were disrupted in some way due to COVID-19 restrictions.
 - Harcourts Geraldine Festival – smaller event held.
 - 4 & Rotary South Island Champs – rescheduled to November 2022.
 - Caroline Bay Carnival – cancelled for 2021/22 – unspent funds to be returned.
 - Caroline Bay Rock & Hop – cancelled for 2022 – unspent funds to be returned.
 - Race Relations Day – 2022 event postponed until further notice.
- The NZ Women’s International Golf Tournament was held on 5-11 December 2021. Summary of event feedback:
 - **55** competitors, **77** team supporters and approximately 700 spectators (**100** spectators were visitors to the Timaru District) attended over the 7-day event.
 - **230+** attendees stayed 5 nights on average spending an estimated \$200 each per day on food accommodation, fuel etc... Equates to a direct Economic Benefit of \$230k and an economic multiplier or cascade of spend through the district of \$920K.
 - Additional reputational gains achieved with many competitors and spectators giving positive feedback – they would return to play golf here or visit the district. Competitors enjoyed visiting Geraldine and Tekapo on their ‘lay days’.
- Rally South Canterbury event is still due to go ahead on 16-18 June 2022.

As per our funding criteria approved but unspent funds are to be returned to VT for either tagged for use by the same event if held within 12 months or reallocation to other applicants in subsequent rounds.

Round 2 of applications opened 15th January and closed 15th Feb with applicants currently being assessed at time of writing.

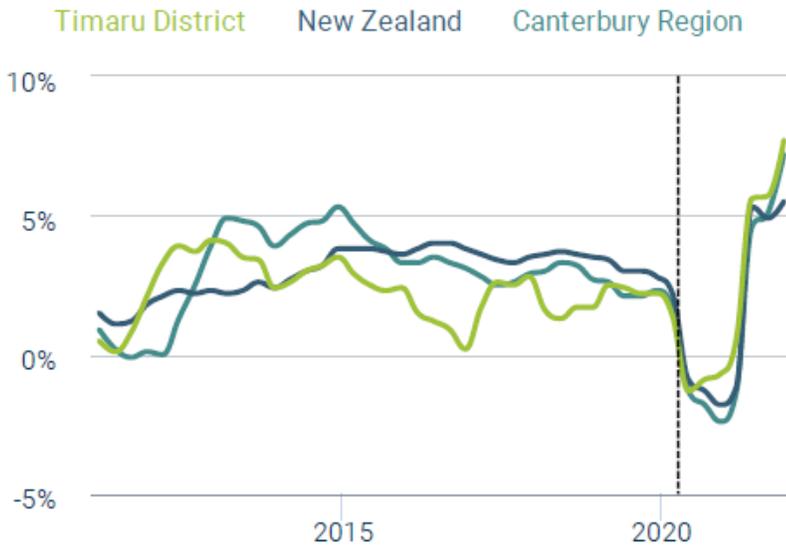
INFORMATION CENTRE the contract for services came up for review 31 December 2021 and prior to that we sought expression of interest to provide this service. Two applicants were shortlisted, and the decision was made to extend the contract of the current provider Mundells for a further 18 month period.

Monitoring Indicators (non-financials) as per 2021/22 Statement of Intent

1. **Gross Domestic Product** – source Infometrics

Gross domestic product growth

Annual average % change

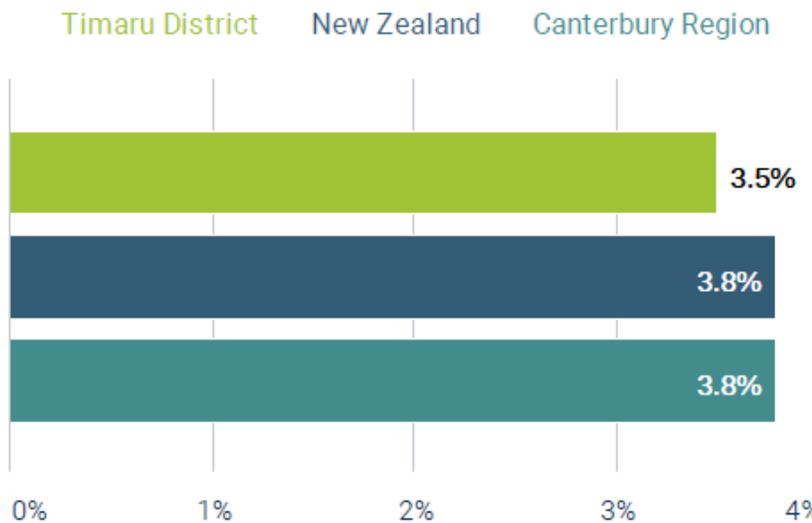


As at Dec 21 - GDP in the Timaru District 7.7% tracking noticeably higher than NZ 5.5% and Canterbury 7.2%.

2. **Unemployment Rate** – source Infometrics

Unemployment rate

Annual average % change December 2020 - December 2021



Timaru District at 3.5% again tracking better than NZ and Canterbury's 3.8% but importantly is down on our 3.9% unemployment rate 12 months earlier.

3. Housing Affordability – source *interest.co.nz*

	Population	House price	Income	Median multiple				
				Jan-22	Dec-21	Nov-21	Jan-21	Jan-20
New Zealand	5,160,000	880,000	\$97,666	9.01	9.23	9.46	7.66	6.55
Christchurch	394,700	665,000	\$95,796	6.94	7.32	7.34	5.56	5.13
Timaru	48,400	440,000	\$89,500	4.92	5.31	4.99	4.86	3.85
Dunedin	134,100	670,000	\$85,330	7.85	7.63	7.65	7.44	6.73

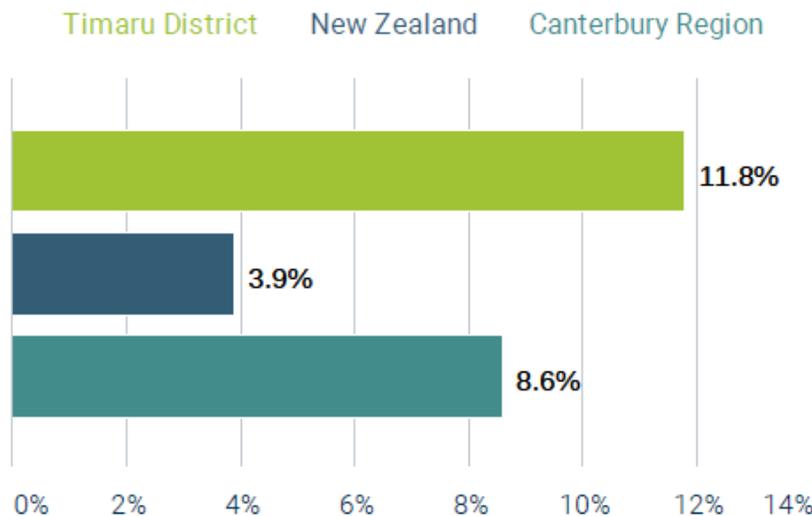


Based on median household incomes to median house prices, Timaru District remains one of the most affordable places in the country to purchase a house – with our median house price \$440K costing 4.92x our median household income \$89.5k. However as detailed earlier in this report the pressing issue remains the quality and availability of housing stock at or near this price and need for diversity of product.

4. Visitor Spend - source *Infometrics & Marketview*

Tourism expenditure

Annual average % change December 2020 - December 2021



A big tick in this indicator with the District's Tourism/Visitor spend increasing by 11.8% in the year to Dec 2021 which compares to increases of 8.6% in canterbury and 3.9% in NZ.

Total tourism expenditure was approximately \$161 million in Timaru District during the year to December 2021, which was up from \$144 million a year ago.

We consider the significantly increased targeted visitor promotion undertaken by us over the last couple of years (funded by our TDC Operational Grant and supplemented by Central Government funding) has played a large part in these figures being recorded and positions us well to grow even future into the future.

Financials

Venture Timaru
Profit & Loss Statement

1 July 2021 - 31 December 2021

	YTD ACTUAL	FULL YEAR BUDGET finalised June 21	TDC SOI BUDGET submitted 1 Mar 21	Commentary variance of VT Budget to TDC SOI budget
INCOME				
Economic Development Grant - TDC	\$ 320,000	\$ 640,000	\$ 640,000	
Tourism Grant - TDC	\$ 175,000	\$ 350,000	\$ 350,000	
MyNextMove Contract - ex MSD	\$ 72,498	\$ 154,592	\$ 145,000	<i>inc MSD approved c/fwd unspent prior year</i>
Transport & Logistics Funding - ex Kanoa (Provincial Development Unit)	\$ 99,667	\$ 133,000	\$ 150,000	<i>adjusted o/a course cohort #'s firmed up</i>
Capability Funding for Special Proj Role - ex Kanoa (Provincial Development Unit)	\$ 12,498	\$ 14,580	\$ 25,000	
Reg Apprenticeship Initiative - ex Kanoa (Provincial Development Unit)	\$ 581,736	\$ 1,510,227	\$ 1,250,000	<i>adjusted as supported apprenticeship #'s firmed up</i>
Major Events Funding - Tourism ex TDC	\$ 92,500	\$ 230,000	\$ 230,000	
STAPP Funding - Tourism ex Central Government	\$ 70,472	\$ 113,102		<i>MBIE approved c/fwd unspent prior year</i>
TSRR Funding - Tourism ex Central Government	\$ 77,538	\$ 700,000		<i>MBIE approved post June 21</i>
Regional Events Funding - Tourism ex Central Government	\$ 100,000	\$ 120,260		<i>MBIE approved c/fwd unspent prior year</i>
Other Income	\$ 17,760	\$ 35,750		
TOTAL INCOME	\$ 1,619,669	\$ 4,001,511	\$ 2,790,000	
EXPENDITURE				
Economic Development	\$ 133,791	\$ 317,970	\$ 321,349	
Human Resources	\$ 152,782	\$ 314,803	\$ 343,101	
Tourism	\$ 161,074	\$ 379,000	\$ 350,000	
MyNextMove	\$ 68,121	\$ 154,571	\$ 145,000	
Transport & Logistics Panel	\$ 86,927	\$ 133,000	\$ 150,000	
Reg Apprenticeship Initiative	\$ 581,736	\$ 1,510,227	\$ 1,250,000	
Major Events Funding	\$ 92,500	\$ 230,000	\$ 230,000	
STAPP	\$ 70,472	\$ 113,102		
TSRR	\$ 77,538	\$ 700,000		
Regional Events Funding	\$ 100,000	\$ 120,260		
Special Project ex Reserves	\$ 24,000	\$ 57,000		
TOTAL EXPENSES	\$ 1,548,941	\$ 4,029,933	\$ 2,789,450	
OPERATING SURPLUS/(DEFICIT)	\$ 70,728	-\$ 28,422	\$ 550	

Notes to financials

Important to note:

- our draft budget for the 2021/22 year was submitted as part of our SOI to Council 1 March 2021. Not unexpectantly since that time a variety of our activities and the income and expenses associated with them have firmed up more for the 2021/22 year. Key variances being in the areas of:
 - Regional Apprenticeship Initiative
 - STAPP, Regional Events Funding and MyNextMove (unspent funding from 2020/21 years approved to carry forward to current year)
 - New Central Govt TSRR Funding \$700,000 approved post 1st July 2021
- Central government funding is received in advance and expensed over subsequent months with this largely accounting for YTD surplus at \$70,728

SCOFF

SOUTH CANTERBURY OUTSTANDING FOOD FESTIVAL 24 SEPT – 3 OCT 2021

Not only do you get to scoff outstanding food and support our outstanding local eateries, you could win amazing prizes!

This year there's a major prize of a South Canterbury Escape valued at \$2,000 to win, and also a mini-break in Timaru valued at over \$700. We're also giving loads of vouchers away every day of SCOFF.

Simply head to a participating eatery over the 10 day festival, order the SCOFF special and share your photos via social media or email.

Head to scoffsc.nz and check out this year's prizes!


















Album **Timaru SCOFF Specials 2021**

 **SCOFF** added 26 new photos.
Yesterday at 7:25 AM · 🌐

What a weekend of SCOFFING!

Thanks to everyone that's gone out and supported our outstanding eateries!

Here is the 2021 line-up from Timaru. Breakfast, lunch, dinner and everything in between. 🍷... See More






👍❤️ 15 4 Comments 4 Shares

 **Venture Timaru Tourism** added 41 new photos.
October 12 at 5:28 PM · 🌐

A shout out to our outstanding SCOFF eateries from Timaru District! (And an excuse to use some more of Focus Photography's AMAZING photos).

Our hospitality industry make this district an amazing place to live and visit! So, feel free to tag them, share the love, keep on scoffing and supporting them! ❤️

[#supportlocals](https://twitter.com/supportlocals) [#scoffsc](https://twitter.com/scoffsc) [#welovetimaru](https://twitter.com/welovetimaru)





+38



Venture Timaru

Published by Nigel Davenport · November 5 at 10:43 AM · 🌐

HOW GOOD IS THIS.

It's been great to support the awesome lead efforts of PrimePort Timaru Limited Chief Executive Phil Melhopt and his team over the last few months to help secure this exciting and unique project.

Big thanks to [Nigel Bowen - Timaru District Mayor](#) and [Timaru District Council](#) - a true team approach from all involved. We look forward to welcoming [Antarctica New Zealand](#) and main contractor [Leighs Construction Ltd](#) to Timaru.... See more



Antarctica New Zealand is with Timaru District Council.

November 5 at 10:05 AM · 🌐

Timaru – Scott Base is coming your way! We're thrilled to announce our new base will be built at PrimePort Timaru before being shipped to Antarctica. Bring on co... See more

1,211 People reached 256 Engagements – Distribution score **Boost Unavailable**

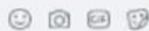
👍❤️ You and 58 others 8 Comments 5 Shares

👍 Like 💬 Comment ➦ Share

Most Relevant ▾

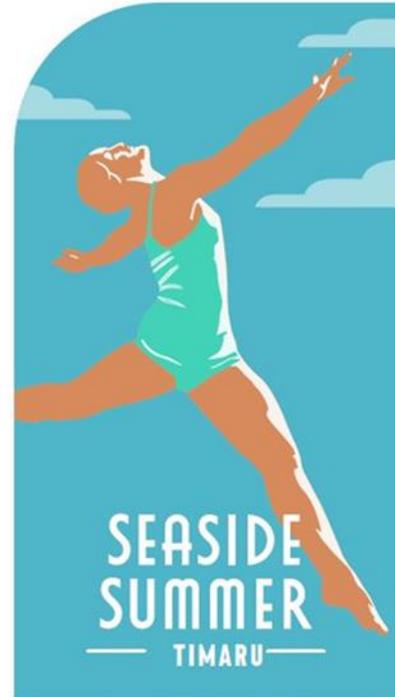


Comment as Venture Timaru



Antarctica New Zealand ✓

Bring on construction. We can't wait to get underway and make the most of that good old Timaru hospitality!



Venture Timaru

Published by Abi Goodhew · October 13 at 3:28 PM · 🌐

We're currently helping to facilitate a [University of Canterbury](#) School of Product Design project, with third year student Imogen McRae.

Imogen is hoping to create a new design concept for non-slip pavers in the Timaru CBD, made entirely of waste materials from food processing and manufacturing activity in South Canterbury. The project is part of the [Building Better Homes, Towns & Cities National Science Challenge](#).

You can get involved by taking a short survey (it should take you less than 2 minutes) to provide your input on Imogen's concept designs!

Take the survey here: <https://bit.ly/3oTF8xy>

Click here for full project details: <https://bit.ly/30IH2Ng>



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2,418 People reached 230 Engagements – Distribution Score **Boost Post**

Email signatures approved for use by VT, TDC, TDHL and Primeport



New airport imagery

