

MEMORANDUM

FROM: Nigel Davenport

TO: Donna Cross – Group Manager Commercial & Strategy Timaru District Council

SUBJECT: Venture Timaru Operational Update for the six months to December 2020

DATE: 28th February 2021

Background

Please find attached an update including some of the highlights and issues relating to our Economic Development and Visitor Promotion operations for the six-month period to December 2020.

Highlights

Regional Apprenticeship Initiative – being appointed by the Government to act as the third-party administrator for Mid & South Canterbury & North Otago for this initiative, we are to progressively receive \$4.0m to support up to 100 new apprentices across the priority sectors of primary, construction, engineering, manufacturing, and wood processing. Noting the economic benefit of this support as it is released into our local economies is conservatively estimated at \$14m. As at the end of December we had approved 55 of our 100 allocated spaces but as at date of this report that figure had risen to 77 – this being representative of the extensive engagement we have had with our local priority sectors but also, as importantly, the value to our local businesses of this targeted government support. We anticipate having fully allocated the 100 spaces by early mid-March which will be approx. 5 months from date applications opened.

Importantly this support also includes pastoral care and business support training, and we are facilitating a variety of local providers to deliver this to the apprentices and businesses.

Refreshed Economic Development Strategy (EDS) and new Destination Management Plan (DMP) – known as "Project Thrive", this is underway and is scheduled for completion late May/early June. Martin Jenkins have been appointed to complete this work which will encapsulate individual EDS and DMP's into an overarching document that will inform our workplan in terms of priorities and opportunities for the next 8-10 years. The process to complete this work encompasses extensive stakeholder engagement across our business sectors and wider community. A selection of some of the consistent themes/priorities evident in the initial stakeholder engagement include:

- Workforce attraction still the main challenge for local business and industry
- Port and Airport are key strategic assets that need to be enhanced and leveraged more as "enablers of growth".
- Central location of the District is a huge asset that can be further leveraged opportunity to define the Timaru experience.
- the City Hub Strategy currently being developed is great but a real need to implement asap. This should also
 include an aligned plan for the Caroline Bay area,
- district has held up well but global freight and logistics delays, increased costs and inconsistency of service/supply are of critical concern.
- having a coordinated and varied events programme for visitor attraction
- Need to work with iwi and private sector to bring forward new assets within for example cruise sector, 4* hotel, food destination restaurants, cultural experiences...



Our well-established Tourism and Visitor Advisory Group, representative of key operators across this sector, will be an integral part of stakeholder engagement for the DMP.

Enhanced engagement with local industry – the Sustainable is Attainable initiative we facilitate with 22+ of our local food processors and manufacturers continues to evolve and gain nationwide attention. A variety of immediate shortand long-term projects associated with sustainable waste management opportunities (protein extraction, value add, circular economy etc...) are being progressed with a variety of academic institutions, research entities and the private sector. As an example, these projects include pyrolysis processes to extract fuel ex plastics, soil conditioners, protein extraction from food waste, sustainable energy etc.

The Transport and Logistics Course (overseen by a local industry group, part funded by Provincial Development Unit grant \$600K and facilitated by us) commenced its 5th intake of students Feb 9th and continues to deliver new workers into this sector with enhanced skills, knowledge, and a Class 4 licence well on the way to class 5.

Promotion of our District – existing Visitor Grant funding has been significantly enhanced by receipt of targeted central government funding via Strategic Asset Protection Programme (STAPP, Regional Events Fund (REF) and Domestic Events Fund (DEF). This all being supplemented by TDC Events Stimulus Fund Grants. This has enabled us to both support existing, and develop new events whilst at the same time progress new product offerings and enhance relationships with neighbouring territorial authorities.

Various visitor attraction campaigns and events have taken place and are currently underway/proposed – refer visual examples later in this report.

Leading into our traditionally busy spring/summer harvest and processing period we have also launched a "We've Got Jobs" campaign targeted at workers across the South Island and lower North Island. This will be enhanced in Q1 2021 with a refreshed We love Timaru workforce attraction campaign into Auckland, Wellington etc...

Via funding received from STAPP we are in Q1 developing a range of new "Hero" Videos to promote our district and look forward to sharing these once complete.

New Business Opportunities - At various stages of progression, these opportunities are across education, energy, waste, processing, tourism, distribution & logistics sectors. The value of TDC's "ease of doing business" (as highlighted in our survey undertaken annually in May), coupled with proactive local stakeholders' keen to progress and assist new and exciting opportunities cannot be underestimated. We will, as these parties permit us to communicate these opportunities in more detail as many remain at commercially sensitive stages of progression.

We are also working closely with the Timaru Airport Manager to progress a number of opportunities to enhance this important district asset.

Canterbury Regional Skills Leadership Group - Representing our district and lower Canterbury sub-region, this group is tasked with developing a workforce development plan which as a priority foundation will be fully informed by industries current and future workforce needs. The established relationships we have across business and industry will ensure a strong voice is heard from our district and sub-region.



OBJECTIVES	KPI	ACHIEVED
encourage innovation and facilitate the growth of existing business	a minimum of 20 new connections facilitated for existing businesses per month	Yes – a variety of intro's made e.g., local orchards to national recruitment platform, proposed new business to professional consultants, 2 x event organisers to 12 local suppliers, HR consultant to local businesses.
assist business to re-deploy, retain, and attract a skilled workforce	quarter on quarter improvement in the district's unemployment rate	No – June 3.3%, Sept 3.7%, and Dec 4.0%. Still below NZ 4.6%. with trend in recent months seeing a reducing number of jobseekers By way of comparison our districts jobseekers Jan 20 were 537, peaking Aug 20 at 944 and as at Dec 20 783
deliver tourism and visitor attraction services for the District	quarter on quarter improvement in the district's tourism expenditure	Yes – June ¼ impacted by lockdown with \$30m visitor spend. Sept ¼ buoyed by busy School Holidays rose to \$36m and Dec ¼ to \$44m
create an environment to attract and assist new and developing business	a minimum of 10 new and developing business opportunities identified and engaged per quarter	Yes – as detailed above with various promising discussions ongoing.

Issues

These remain as reported in our last report to Oct 2020:

- <u>Supply Chain disruptions</u> — as a Central South Island area known to annually produce enough food and beverage to feed approx. 40m people, our most critical challenge currently is getting our product to the market. Global supply chain disruptions has seen imported containers of goods and products become increasingly disrupted with volumes and regularity becoming very inconsistent - exacerbated by well publicised delays at Auckland Port. This has seen the volume of containers, both standard and refrigerated, available to export our own goods and products (in our case the food/beverage & other products we produce locally) become significantly affected. Local business and industry advise us with approx. 3-4 months remaining in the peak processing season we are already seeing dry and refrigerated storage space across the east coast of NZ critically nearing capacity.

The government have recently instructed some of the larger shipping companies to get containers to the South Island, but we have yet to see this eventuate. We are obviously maintaining a close watch as this unfolds and are where possible advocating to central government the importance not only to us but NZ inc of restoring much needed container volumes asap. For example, a local coolstore operation advises they need 100 containers next week but can only access 30 and the space, in which the 100 containers of product to be packed currently resides, is already committed. This situation is being experienced and is amplified many times over by other local producers and manufacturers.

We are also advocating with Port of Tauranga and others the need for a unbranded white coastal shipping provider into Timaru to provide much needed certainty of service to local producers – those who are existing customers of Primeport but also those who are geographically closer to Primeport yet are shipping their containers ex Port Chalmers or Lyttleton port.

- Attracting a skilled workforce — pre covid & for the past 5-6 years this has been the biggest challenge facing our local economy and this has intensified in recent months as significant shortages have become evident nationally as we head into the traditionally busy spring and summer harvest & processing periods. We continue to facilitate regular communication with local business, recruiters, and MSD to ensure collaborations and connections are made to alleviate workforce pressures as best we can. We have also undertaken a targeted "We've Got Jobs" campaign across the South Island and wider North Island highlighting the variety of both seasonal and permanent jobs on offer here in Timaru District and South Canterbury. Q1 2021 will see a refreshed We love Timaru workforce attraction campaign launched into metropolitans e.g., Auckland and Wellington.



- Heated Housing and tight Rental Markets – although we have some of the most affordable housing in NZ (see data later in this report) it is the new house and land packages in the \$500-850K range where we are struggling to compete with near neighbours Selwyn and Ashburton Districts. It is this segment of the market that is attractive to young families looking at the middle management and professional roles needing to be filled in the District. These include sectors such as health, education, accounting, solicitors, engineers, processing, and manufacturing etc... We are progressing, as a priority, identification of opportunities to address this challenge with council, local developers and enabling third party investors.

Financials

AORAKI DEVELOPMENT Profit & Loss Statement

1 July 2020 - 31 December 2020

	YTD ACTUAL		YTD BUDGET		FULL YEAR BUDGET		
INCOME							
Economic Development Grant - TDC	\$	320,000	\$	320,000	\$	640,000	
Tourism Grant - TDC	\$	175,002	\$	175,002	\$	350,000	
MyNextMove Contract - MSD	\$	82,498	\$	72,498	\$	145,000	
Transport & Logistics Funding - Provincial Development Unit	\$	150,000	\$	150,000	\$	300,000	
Capability Funding for Special Proj Role - Provincial Development Unit	\$	25,002	\$	25,002	\$	39,584	
Reg Apprenticeship Initiative - Provincial Development Unit	\$	347,706	\$	347,706	\$	-	
Events Stimulus Funbding - TDC	\$	150,000	\$	150,000	\$	150,000	
Stapp Funding	\$	117,264	\$	209,500	\$	400,000	
Other Income	\$	10,370	\$	8,875	\$	17,750	
TOTAL INCOME	\$1,377,842		\$ 1,458,583		\$	\$ 2,042,334	
EXPENDITURE							
Economic Development Expenses	\$	144,406	\$	170,073	\$	363,725	
Human Resources	\$	148,290	\$	154,207	\$	332,924	
Tourism Expenses	\$	131,856	\$	166,740	\$	350,000	
MyNextMove Expenses	\$	57,159	\$	60,469	\$	145,000	
Transport & Logistics Panel Expenses	\$	94,871	\$	183,072	\$	300,000	
Reg Apprenticeship Initiative Expenses	\$	347,706	\$	347,706	\$	-	
Events Stimulus Payments	\$	117,140	\$	150,000	\$	150,000	
STAPP Expenses	\$	117,264	\$	209,500	\$	400,000	
TOTAL EXPENSES	\$ 1,158,692		\$ 1,441,767		\$	\$ 2,041,649	
OPERATING SURPLUS/(DEFICIT)	\$	219,150	\$	16,816	\$	1,200	

Our YTD financials evidence the diverse income streams in addition not our operational TDC funding that we have successfully obtained from central government agencies such as MSD and the Provincial Development Unit. These relate to specific projects benefiting our local economy and community.



It is important to note most of these central government contracts fund us <u>in advance</u> for work to be completed which in turn contributes to our YTD surplus of \$219K v our originally budgeted position YTD of \$17K – a variance of \$202K.

Of this YTD surplus variance of \$202K we advise:

- \$88K PDU Funded Transport & Logistics Course to be expensed over coming months as further student intakes commence and associated course related expenses are incurred.
- \$13K MyNextMove to be expensed over coming months on planned Youth Transition Events such as Girlboss (March) and South Canterbury Pathways Expo (May)
- \$33K TDC Events Stimulus Fund payments to approved recipients scheduled to be paid out Q1 2021 in line with the timing of the events.
- \$33K Economic Development operations largely o/a timing and to be expensed across residual 2020/21 year
 on planned workforce attraction campaigns and associated new/update of video and hard copy collateral. HR
 costs approx. \$6K below budget YTD o/a delay in replacing our Special Projects Coordinator who oversees such
 projects as Aged Workforce Strategy and Sustainable is Attainable for example.
- \$35K Tourism and Visitor operations –some planned activities and expenses have been able to be funded ex central government support. This has however enabled us to enhance other planned T&V activities including events promotion and visitor attraction campaigns, with more planned in the residual of the 2020/21 year and beyond.

In summary, our now diversified income streams coupled with the welcomed foresight of Council to fully integrate our districts Economic Development and Tourism operations is enabling us to significantly enhance targeted and aligned actions in both areas.

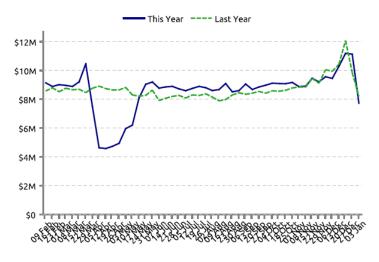
As a small team with multiple active networks across our district, throughout our wider region and nationwide - we are better placed and informed to act quickly in a nimble and more coordinated way.



REPORTING – Key Data Metrics:

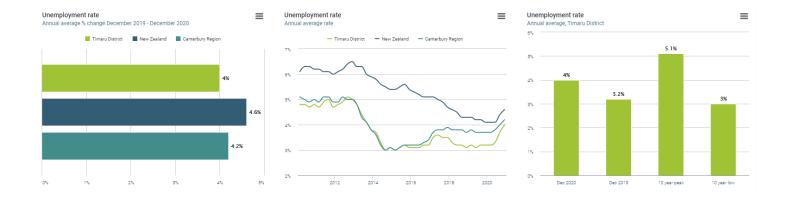
Timaru District Week ending 3 January 2021

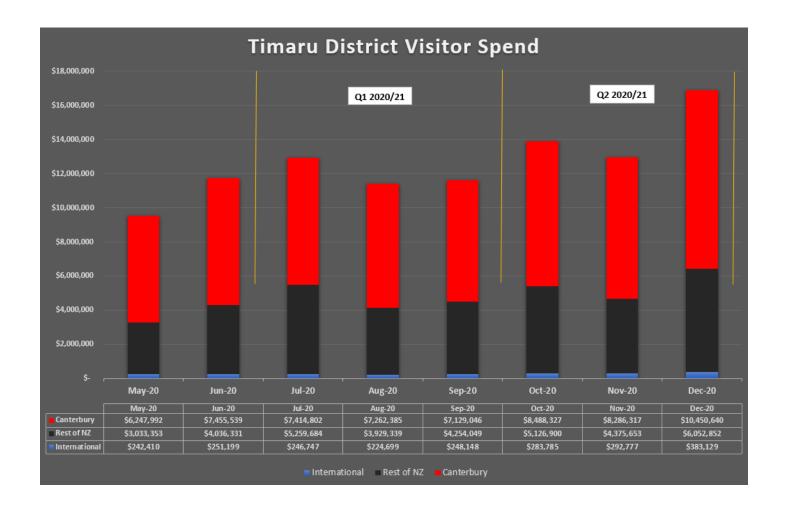
1. WEEKLY VALUE OF SPENDING



6. WEEKLY SPEND AND TRANSACTION CHANGES

		SW	/LY	Cumulative			
Week Ending		6	#	\$	#		
20-Sep		+3.6%	+1.8%	-2.9%	-11.4%		
27-Sep		+6.6%	+5.5%	-2.7%	-10.9%		
04-Oct		+6.1%	+3.4%	-2.4%	-10.5%		
11-Oct	/	+6.2%	+4.9%	-2.2%	-10.1%		
18-Oct		+5.3%	+5.6%	-2.0%	-9.6%		
25 -O ct		+4.3%	+2.6%	-1.8%	-9.3%		
01-Nov		+0.3%	-0.6%	-1.7%	-9.1%		
08-Nov		+0.7%	-1.2%	-1.7%	-8.9%		
15-Nov		+0.2%	+1.1%	-1.6%	-8.6%		
22-Nov		+1.0%	-0.8%	-1. 6%	-8.4%		
29-Nov		-4.8%	-5.2%	-1 6%	-8.3%		
06-Dec		-5.0%	-6.3%	-1.7%	-8.3%		
13-Dec		-1.4%	-2.8%	1.7%	-8.1%		
20-Dec		-7.4%	-6.2%	-1.9%	-8.1%		
27-Dec	1	+13.0%	+6.6%	-1.5%	-7.8%		
03-Jan		-5.8%	-3.4%	-1.6%	-7.7%		







					Median multiple			
	Population	House price	Income	Jan-21	Dec-20	Nov-20	Jan-20	Jan-19
New Zealand	5,101,000	730,000	\$95,540	7.64	7.81	7.83	6.56	6.05
Whangarei	89,700	650,000	\$93,726	6.94	7.06	6.32	5.52	5.90
Auckland metro	1,657,000	1,000,000	\$100,000	10.00	10.27	10.34	8.91	8.46
- North Shore	225,800	1,255,000	\$106,008	11.84	11.63	11.64	10.64	9.12
- Waitakere	204,500	942,000	\$98,172	9.60	9.70	9.27	8.66	8.03
- Central	444,100	1,105,000	\$103,396	10.69	12.31	12.14	9.18	8.86
- Manukau	368,500	935,000	\$93,209	10.03	9.41	9.92	8.97	8.79
Hamilton	165,400	695,000	\$92,617	7.50	7.90	7.50	6.69	6.59
Tauranga	131,500	854,000	\$90,459	9.44	9.14	9.27	8.04	7.75
Rotorua	71,700	600,000	\$92,347	6.50	5.86	6.16	5.43	4.91
Gisborne	48,500	470,000	\$83,444	5.63	7.08	6.38	4.91	4.21
Napier	79,900	770,000	\$86,889	8.86	8.14	7.80	6.98	6.27
Hastings	62,000	557,000	\$86,620	6.43	7.89	8.17	6.33	5.13
New Plymouth	80,700	600,000	\$87,207	6.88	6.82	6.68	5.29	5.30
Whanganui	44,500	485,000	\$83,123	5.83	4.94	5.34	4.24	3.61
	,	,	+,					
Palmerston North	87,300	650,000	\$92,563	7.02	6.70	6.61	5.78	4.61
	,	,	+,					
Wellington metro	487,700	792,000	\$103,005	7.69	7.87	7.70	6.16	5.74
- Kapiti Coast	52,700	860,000	\$90,129	9.54	9.18	8.69	6.70	6.46
- Porirua	56,100	730,000	\$98,627	7.40	8.64	8.15	8.38	6.56
- Upper Hutt	43,200	\$549,150	\$100,172	5.48	5.47	5.45	5.31	5.13
- Lower Hutt	104,700	800,000	\$101,202	7.90	7.67	7.63	6.07	5.21
- Wairarapa	40,800	550,000	\$73,413	7.49	7.92	7.11	6.14	4.15
- Wellington City	212,700		\$114,593	7.72	8.32	8.59	6.77	6.47
Tromington only	212,100	000,000	• · · · · · · · ·	2	0.02	0.00	0.77	0.11
Nelson	51.400	712,500	\$87,823	8.11	7.70	7.66	6.97	6.76
TVCI30II	31,400	7 12,000	\$67,025	0.11	1.10	7.00	0.07	0.70
Christchurch	381,500	520,000	\$93,681	5.55	5.88	5.84	5.14	4.91
Omistendien	301,300	520,000	\$55,001	3.33	3.00	3.04	3.14	4.51
Timaru	47,100	426,000	\$87,523	4.87	4.41	4.60	3.86	4.18
- Allara	47,100	420,000	907,323	4.07	4.41	4.00	3.00	4.10
Dunadin	128,800	618,000	\$82,650	7.48	7.14	7.19	6.79	5.22
Dunedin	120,000	010,000	\$02,000	7.40	7.14	7.15	0.79	3.22
Ougopatova I aka	27.400	075.000	07A CE4	12.00	14.20	14.50	14.40	42.20
Queenstown-Lakes	37,100	975,000	\$74,654	13.06	14.30	14.58	14.40	13.28
I	54.000	205.000	000 500		4.00		4.00	0.0-
Invercargill	54,800	385,000	\$86,599	4.45	4.36	4.64	4.09	3.37

This widely used "Housing Affordability Median Multiplier" sourced from Interest.co.nz is calculated by dividing the median household income into the median house price. The higher the multiple the more unaffordable housing is.

As seen, we compare favourably to just about all other reported areas of NZ, however the challenge for us, as stated, is the mix of housing (and for that matter rental stock) that is available on the market at any given time.

The <\$400-500K and >\$850K segments of the market are in general terms catered for, but we crucially need new stock in the \$500-850K segment which means urgently enabling new residential subdivisions.











1. SUNSATIONAL 2021 CHALLENGE

Grab a Bingo card, complete challenges, and win cool prizes. This fun challenge runs from January 5 - 31. Prizes include a laptop, tablet and vouchers. Bingo cards can be collected from district pools, libraries, muse

4. BECOME A MINI GOLF CHAMP

er the South Canterbury Mini Golf Cha mer practising at our mini-golf courses

2. ROCK POOLS AND FOSSILS

Join in on these cool free expeditions with the South Canterbur Museum! Explore the rock pools at Washdyke on Thursday 14 Jan, and on Tuesday 19 Jan got on a fossil hunt at Evans Crossing. Both expeditions are free, children under 10 must be accompanied by an adult. museum.timaru.govt.nz

5. SWING AT THE NEW DRIVING RANGE

Recently opened at Gleniti Golf Course, this driving range is fantastic. Practice your swing to improve your game, or just have a fun outing.

3. MOVIES IN THE GARDENS

nere are two movies showing, there will be food stall msite and live music from The Groove. Bring a picnic, ushions, bean bags and enjoy.

Movies: 6pm Peter Rabbit. 9pm Hunt for the Wilderpeople Feel free to bring a gold coin donation for Alzheimers NZ.

6. HIT THE ROAD

It's near the playground and it's so much fun. Bring bikes, trikes and scooters along and let the kids loose on the little sign-posted mads.







Venture Timaru
Published by Kate O'Connell • November 17, 2020 • •

Timaru District was buzzing last weekend with fantastic events and markets supported by Timaru District Council's stimulus fund, that we administered on their behalf.

Well done to all the event organisers, and everyone involved in bringing these events to life























5. Saturday Live

2. Blooming Amazing Featuring amazing creations from Jenny Gillies. Doors open at 6pm for a complimentary bubbles, grazing table and cash bar. The show starts at 7pm. 3. Garden Party Workshops and family entertainment from 10am - 4pm. Tickets \$5 at the gate, kids free with an adult.

8. Live Music

4. Markets Shop direct from the makers and gr Timaru Artisan Farmers Market | Saturday 9.00am -12.30pm | Landing Services area, 2 George Street Temuka Market | Saturday 10.00am - 1.00pm | Town Square, King Street

6. Tickets on Sale 7. Christmas Parades

Geraldine Craft & Produce | Saturday 9.00am - 12.30pm October to April | St Mary's Church car park

CALENDAR







Venture Timaru

Published by Di Hay ● · November 3, 2020 · ❸

MICHAEL | GERALDINE BUTCHERY

Lots of great reasons to head to Timaru CBD this Saturday









Timaru CBD Group

November 3, 2020 - 3

Get ready for Saturday LIVE in the Timaru CBD this weekend, 7 November, 10am - 12.30pm. Live music from Bring on the Chops and your chance to support our amazin... See More



Venture Timaru

Published by Kate O'Connell . January 13 .

TICKETS ARE ON SALE!

The Highlanders and Crusaders will descend on Temuka to lace up their boots for the 6th annual Farmlands Cup match on February 12.

Get your tickets here: https://bit.ly/2Kaban4



















Mobil



Venture Timaru

Published by Nigel Davenport ● January 20 · ●

Venture Timaru, along with Fulton Hogan, are thrilled to be bringing The Good Oil Tactix to Timaru for two matches on March 12 and 13!

The pre-season matches will be against their netballing neighbours the Southern Steel, and will be held at The Southern Trust Event Centre.

These will be fantastic matches to watch! ... See More





We love the Edwardian streetscape in our little seaside city of Timaru.

Timaru's main street is frozen in time due to the 'great fire of 1868'. So many different colours and architectural styles.

#welovetimaru #timarunz





Venture Timaru Tourism

January 8 . 3

Got plans for the weekend?

The Temuka market kicks off for 2021 on Saturday.

While you're out that way...

- Wine and dine at local favourite Austin92 Restaurant.
- Hang out in the domain, play mini golf, try out the new disc golf course, go for a swim.

⚠ Go shopping, check out the cool second hand stores. Have you been to the new Green Hayes Cafe & Emporium? It's a cool pop-up vintage shop at Green Hayes historic homestead, 45 Milford Clandeboye Rd.

Walk the tracks.

Check out Opihi River mouth.

Get more Temuka inspiration here http://bit.ly/398H1gl

#welovetimaru #temukanz



