



Economic Development Agency for the Timaru District

Note our name officially changed to venture Timaru effective 1st July 2020

Quarterly Report to Timaru District Council

for the period to 30th June 2020



Inclusive, Innovative and Thriving Timaru District



Establish & build strategic partnerships to enhance business capability

ASSISTING BUSINESSES TO RETAIN & ATTRACT a SKILLED WORKFORCE

Youth workforce.

- Manage and Develop MyNextMove Youth Initiative

Existing workforce.

- Develop the Young Professionals Group to ensure inclusion of all workers within the first 15 years of their career
- Utilise existing Business Connection Groups to develop a “staff share” strategy covering seasonality etc...
- Investigate the establishment an “in-work” mentoring programme for those considering development or their next move

Returning to Work and Aged workforce.

- Expand “in-work” mentoring programme to include those returning to work
- Develop an aged workforce and civic participation strategy in partnership with key organisations and business.

“Needed Here” workforce.

- Ongoing development and maintenance of promotional resources
- Research and collate a database of Why people come back and when?
- Develop a closer working relationship with both the Migrant Centre and local diverse nationality groups

AD will develop a well-informed local youth, school leaver workforce by achieving all measurements within the MSD MyNextMove Youth Initiative Contract.

AD will support businesses to retain and attract a skilled workforce with success measured through year on year improvement via

- feedback received via Annual Survey of local business and organisations evidencing value added by AD.
- Activity and achievements reflected in AD quarterly reporting to Council

ENCOURAGING INNOVATION AND FACILITATING THE GROWTH OF EXISTING BUSINESS

- Capitalise on existing Business Connection Group (BCG’s) relationships to facilitate identified projects e.g. By-Product database and potential uses.
- Understand and promote existing innovations within local business
- Investigate the establishment of an Innovation Collective to facilitate local business connection to strategic partnerships and knowledge base
- Leveraging key strategic partnerships for the direct benefit of local business and industry (advocacy, introductions, partnerships etc).
- Ongoing facilitation between training providers and business/industry to ensure demand is met by supply.
- Advocate process and policy solutions to encourage and progress local development opportunities in consultation as appropriate with local iwi

AD will encourage innovation and facilitate the growth of existing business, with success measured through year on year improvement via

- a minimum of 20 new connections facilitated for existing businesses per month.
- feedback received via Annual Survey of local business and organisations evidencing value added by AD
- Activity and achievements reflected in AD quarterly reporting to Council

CREATING AN ENVIRONMENT TO ATTRACT AND ASSIST NEW BUSINESS

- Foster existing institutional relationships to enable and progress new and developing business opportunities.
- Encouraging and enabling business opportunities through an innovative and supportive district wide network.
- Develop a Timaru Heartbeat Report encompassing key economic, social and community statistics in line with new central and local government wellbeing & living standards framework.
- Finalise a full suite of “Welcome to Timaru” resources for business and individuals
- Continue to investigate the potential for a local entrepreneurial Angel Investor group
- Ongoing development and maintenance of promotional resources

AD will continue to develop an environment that attracts and assist new and developing business, with success measured through year on year improvement via

- a minimum of 10 new and developing business opportunities identified and engaged per quarter, with a minimum 10% conversion rate of new business established.
- A minimum of 30 “District Influencers” identified and supplied with the new quarterly Timaru District Heartbeat Report.
- Feedback received via Annual Survey of local business and organisations evidencing value added by AD.
- Activity and achievements reflected in AD quarterly reporting to Council

STRATEGIC PARTNERSHIPS ESTABLISHED AND FOSTERED

Aoraki Development, at both Governance and Operational levels, has an established and growing network of key strategic partnerships at local, regional, national, and central government levels.

For example, these incorporate:

- District councils across Canterbury and near region neighbours
- Regional authorities and entities – ECAN, Canterbury Mayoral forum
- Government & Opposition Ministers
- Key operational staff and influencers across MOE, MBIE, MSD, MPI, NZTE, Sector Workforce Engagement Project, Mayoral Taskforce for Jobs, Provincial Development Unit
- Nationwide network of Economic Development professionals and advisors
- Iwi & Runanga
- South Canterbury and Canterbury Chambers of Commerce
- Educational entities – secondary schools, ITP's ITO's, PTE's and universities of Auckland, Massey, Canterbury, Lincoln, & Otago.
- Timaru District Sister Cities
- Independent business and economic organisations for example Infometrics, Maxim Institute, AgResearch, NZOG, OMV, Aviation NZ, AirNZ, Kotahi.

This report covers both the final quarter of 2019/20 year but in essence commentary relates to the full 2019/20 year. Obviously the last quarter was disrupted by the wide ranging affects and challenges associated with the ongoing COVID-19 global pandemic.

This event is a once in 100-year event which requires a once in 100-year response to revitalise our Timaru District by being coordinated, bold and inclusive. As the Economic Development Agency for the Timaru District, now also with responsibility for Tourism and Visitor Attraction, Aoraki Development will take a lead role in facilitating the economic recovery of our district over the next 12 months and beyond.

Our objectives and associated nature of scope and activities proposed to be undertaken in the next 12 months, include priorities such as:

- A prominent role in the response, recovery and re-ignition of our wider district economy
- Sustained and extensive promotion of the district to visitors, new workforce, and new business
- A targeted approach to the retention, retraining and redeployment of our existing workforce.
- Supporting local business as they recover and reignite their businesses with a leading role in the promotion and encouragement of “buy local” complemented by facilitating our large local procurers to take a lead role in local procurement.

In no way understating the challenges we are facing, and will continue to face, across our business and wider community as a result of the COVID 19 event, locally we are very well placed to recover and reignite quicker than many other parts of the country. Leading economists and others have rightly recognised us as being one of the best placed districts to cope with, adapt, recover, and reignite ourselves as we head through the stages of this COVID 19 event.

We have substantially diversified industry sectors including primary sector, food processing & manufacturing, transport & logistics, trades along with health & social services.

- Our largest industry sectors are recognised nationally as those that will lead us through COVID recovery.
- We have an enhanced level of cooperation and trust across our businesses and wider community
- We are a central South Island “hub” with 80% of the South Island within two and a half hours drive.
- We have strong connectivity to markets, through road, rail, sea, and fibre.

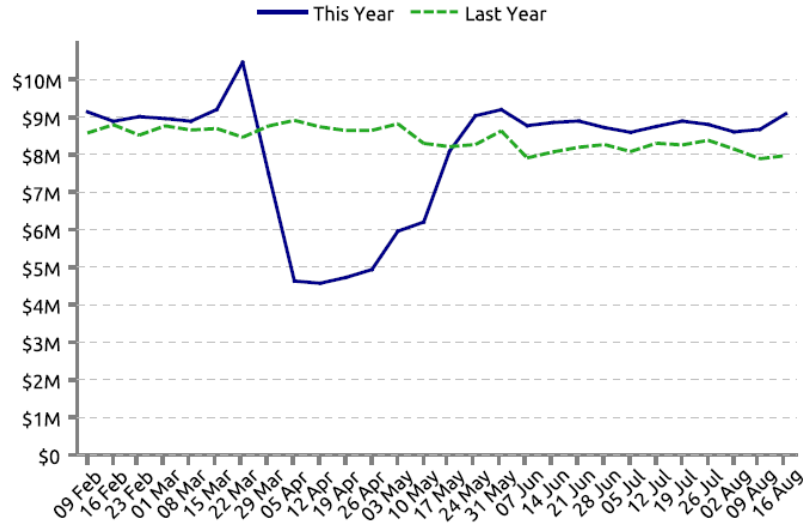
The Timaru District will bounce back and bounce back stronger, and throughout 2020/21 Aoraki Development will take a leading role in facilitating this recovery.

Many of our local businesses are adapting to new work practices and meeting the challenges head on. The pending end of central government wage subsidy support may see a rise in local unemployment however with our unemployment rate at 3.3% as at end June 2020 (up from 3% end March) we have to date not seen the increases that other areas are experiencing. This is in part due to our diverse range of local industry with many affected workers able to be quickly retained and redeployed. Also we anticipate any potential rise in unemployment figures, in months to come, will be somewhat mitigated by the fact we are heading into our traditionally busy spring/summer season where additional roles and opportunities arise. Still we maintain a close watching brief of key indicators across economic and social areas to promptly identify negative trends and help facilitate appropriate action.

The most recently publicised national statistics showing nearly 90% of those newly unemployed are women and also that our youth are finding it extremely difficult to find work, are both of very real concern to us locally and we are progressing work to fully understand this and address as best we can in collaboration with business & industry and other relevant parties.

Of interest will be our district weekly card transaction measure of spend detailed below. Interestingly, despite an anticipated short-lived bounce back since March-May lockdown, spending has in fact steadily maintained at 5-10% higher than the same periods last year.

1. WEEKLY VALUE OF SPENDING



Week to 16 th Aug 2020 compared to week to 16 Aug 2019	SWLY	
	\$	#
Food, liquor & pharmacies	+28.2%	+10.2%
Hospitality & Accommodation	+1.8%	-4.1%
Fuel & Automotive	-16.9%	-7.2%
Clothing, Footwear & Dept. Stores	-18.8%	-5.4%
Home & Recreational Retailing	+49.6%	+34.8%
All other	-4.8%	-7.3%
TOTAL	+14.0%	+4.2%

Lockdown

Week Ending	SWLY	
	\$	#
03-May	-32.4%	-47.3%
10-May	-25.2%	-40.9%
17-May	-1.5%	-21.4%
24-May	+9.3%	-6.1%
31-May	+6.6%	-3.8%
07-Jun	+10.8%	-0.7%
14-Jun	+9.7%	+1.1%
21-Jun	+8.5%	+1.4%
28-Jun	+5.5%	+0.8%
05-Jul	+6.3%	+1.1%
12-Jul	+5.4%	+2.5%
19-Jul	+7.7%	+6.3%
26-Jul	+5.0%	+5.2%
02-Aug	+5.6%	+4.3%
09-Aug	+9.9%	+6.9%
16-Aug	+14.0%	+4.2%

**information provided to AD by Market View. NB SWLY means comparison being made to the Same Week Last Year*

NAME CHANGE

Whilst just outside this reporting period it is important to note that effective July 2020 Aoraki Development and Promotions Ltd trading as Aoraki Development changed our name to Venture Timaru Ltd trading as Venture Timaru. This new name more appropriately represents who we are as an organisation, linking directly to the district we serve and encompassing both the economic development and tourism components of the organisation. For example, it reflects both streams of work for the organisation – from business ventures, to the adventures that visitors are encouraged to enjoy while in Timaru District.

Objective - Assisting businesses to retain and attract a skilled workforce	
Measurements AD will develop a well-informed local youth, school leaver workforce by achieving all measurements within the MSD MyNextMove Youth Initiative Contract.	Achieved Yes
AD will support businesses to retain and attract a skilled workforce with success measured through year on year improvement via: <ul style="list-style-type: none">- feedback received via Annual Survey of local business and organisations evidencing value added by AD.- Activity and achievements reflected in AD quarterly reporting to Council	Yes Yes
<ul style="list-style-type: none">• MSD MyNextMove Youth initiative Contract retained and expanded and continues to develop as best practice in the field of “expose, Educate and Excite” our next generation of the variety of career pathways and further education opportunities. All measurements and reporting requirements have been fully met• The success of MyNextMove has been nationally recognised and is the basis on which the Ministry of Education established now 24 like Education to Employment Brokerage services throughout NZ effective 1/4/20. Aoraki Development has proactively assisted Ministry of Education and Ministry of Social Development with this new roll out• MyNextMove won an Economic Development New Zealand Best Practice Award for Collaboration in October 2019.• We again assisted the local; Careers Advisors Group with the 2019 Employment Expo where >650 year 11&12 local secondary school students were in attendance, hearing from 20+ local businesses from a variety of industries.• Although activities were impacted significantly through the last quarter of the year due to COVID-19, the 2019/20 year saw Aoraki Development facilitate:<ul style="list-style-type: none">○ 21 events introducing local youth to career opportunities via Sector Days, Pathway Speakers, Teacher Only Days, Business Visits and Employment Expos○ 2229 individual student/parent/teacher interactions with local business and industry – over the past three years these interactions have now totalled more than 12,750○ 150 varied local businesses commitment to this initiative○ 24 students individually mentored by mentors from our business community.• The initiative continues to develop with success evident via growing numbers of local students actively engaged in local Gateway Placements, Work Experience, Dual Pathways, Course Development, Internships and Part & Full Time Employment.• Aoraki Development has, as a result of the prominence of MyNextMove, been a member of both the Industry Funding Reference Group (assisting the development of the new funding model for the Reform of Vocational Education – RoVE) and most recently as an appointed member to the interim Canterbury Regional Skills Leadership Group.• Aoraki Development was kindly gifted a driver simulator by Fulton Hogan during the year which will be used as a community asset to help facilitate increased awareness of the need for our youth obtaining their drivers licences. We are working closely with the District Council’s Road Safety Officer and local instructors to do this.• The MyNextMove website continues to develop with increasing usage with a student requested Job Board soon to be added further enhancing the relationship between local students and the workplace.• Further enhancements have been made to our suite of freely accessible online/hardcopy collateral and promotions associated with Workforce Attraction. We continue to utilise and update the very successful “WeloveTimaru” campaign utilising national billboards, social media, curtain siding on transport operator trucks/trailers etc....• In the 2019/20-year Timaru Districts average annual unemployment rate compared favourably to NZ and identified like district Taranaki:<ul style="list-style-type: none">○ Timaru District 3.2% (3.3%)	

- New Zealand 4.1% (4.3%)
- Taranaki 4.8% (4.9%)

The recent COVID event has seen a slight increase in work ready jobseekers locally, however our diverse industry sector base and strong foundation of collaboration has seen many affected workers quickly retained and redeployed.

- The 2019/20 Aoraki Development survey was again undertaken by an independent third party that ensured confidentiality and openness in the responses, was received. This year we received 116 responses v 148 last year. In light of COVID19 and the proliferation of many business surveys we consider this level of response whilst down on prior year as acceptable in the circumstances. The results evidenced:
 - The largest concern not unexpectantly related to the COVID 19 event with
 - **75%** of respondents advising reduced income was the biggest effect of COVID 19 on their business.
 - **58%** of respondents advising their largest concern was for their income/sales post COVIDF 19 with **56%** citing general COVID 19 issues (known and unknown) as their largest concern
 - **35%** of respondents have confidence in the general NZ business situation improving over the next 6 months with **32%** believing conditions will deteriorate further.
 - **94%** (67%) of respondents have had direct involvement with AD via the variety of projects undertaken during the year
 - **86%** (91%) of respondents acknowledged AD had added value with projects they had been involved in.
 - Respondents on average rated the ease of doing business in the Timaru District at **86%** well up on the 75% on 2017/18 year.

Objective - Encouraging innovation and facilitating the growth of existing business

Measurements	Achieved
AD will encourage innovation and facilitate the growth of existing business, with success measured through year on year improvement via: <ul style="list-style-type: none"> - a minimum of 20 new connections facilitated for existing businesses per month. - feedback received via Annual Survey of local business and organisations evidencing value added by AD - Activity and achievements reflected in AD quarterly reporting to Council 	Yes Yes Yes

- Ongoing scheduled meetings of key industry sectors via Business Connection Groups (Food Processing & Manufacturing, Trades, Transport & Logistics and Hospitality & Tourism) which meet 4-6 weekly to collaboratively address key workforce issues, promotion of their sectors/businesses into secondary schools and further afield, sharing of best practice and enhanced communication between businesses.

Some key successes in this area include:

 - The industry led Transport & Logistics course involving 16 + local companies has completed 3 student intakes with more than 85% obtaining fulltime employment – many before the end of their respective courses. As administrator for the local T&L Panel, Aoraki Development led an application to the Provincial Growth Fund’s Te Ara Mahi Fund from which the panel has received \$600,000 over two years to assist with the course costs. The 4th intake for the course of approx. 15 students commences August 2020
 - The Sustainable is Attainable project involving nearly 20 different businesses from our Food Processing and Manufacturing sector. Focused on being a fully collaborative approach to identifying waste and by product output and finding value add and collaborative treatment solutions this is a NZ first involving so many companies. The SiA project has partnered with 12+ NZ universities and research and development organisations to complete on-site waste data collection and subsequent assessment. Various projects both immediate, medium, and long term have now been identified and are being progressed as appropriate. University of Canterbury along with Aoraki Development facilitate this exciting collaboration and are appreciative of the ongoing support of Callaghan Innovation.
 - Aoraki Development has recently been approached by the Government to act as third party administrator of the recently announced Regional Apprenticeship Initiative (RAI) for Mid & South Canterbury and North Otago. RAI priority sectors being Primary, Construction, Engineering, Manufacturing and Wood Processing have initially indicated at least 100 new apprentices will be appointed within our central South Island location in the next 12 months – all of which will benefit from RAI.
- Having assumed responsibility for the District’s Tourism operations as the RTO from Timaru District Council on 28th April, we have quickly established a local Tourism advisory board with sector representatives across hospitality, tourism operators, sports, event organisers and accommodation. This is already seeing a much improved level of collaboration across this sector as we implement the adopted Visitor Strategy for the 2020/21 year which will be informed and guided by this group. We have immediately commenced an Escape to Timaru Campaign

targeted at protecting our existing c\$200m domestic tourism market and growing our share of same. There is also a strong focus of this group on reigniting local events big and small post COVID 19 as a way for our communities to reconnect with each other.

- We facilitated support during/post lockdown via Professional Services Grants to local business and the implementation of a free to list BuylocalSC business listing platform which currently has >210 listings.
- Ongoing involvement in the Timaru CBD Group who are proactively focused on enhancing the Timaru CBD by attracting people and business. They are also a prominent voice with the development of the new Hub Strategy for the CBD.
- The alignment of Economic Development to central and local government’s wellbeing pillars has seen increased involvement for us across our wider community. Aoraki Development is now a member of the Strengthening Families Group – facilitated by Family Works this is a group of 20+ local social service agencies, police etc... which meets regularly to discuss and collaborate on community wide matters of importance.
- We have also actively assisted the Aoraki Migrant Centre including involvement with the first of our new residents following Timaru District’s appointment as a Refugee Settlement Area for 2020 and beyond.
- Aoraki Development continues to foster national and central government relationships to the benefit of the district e.g. as a board member of Economic Development NZ, Canterbury Regional Skills Leadership Group member, varied and direct relationships into many central government agencies MSD, MOE, TEC, MPI, MBIE, and Provincial development Unit

Objective - Creating an environment to attract and assist new business

Measurements

AD will continue to develop an environment that attracts and assist new and developing business, with success measured through year on year improvement via:

- a minimum of 10 new and developing business opportunities identified and engaged per quarter, with a minimum 10% conversion rate of new business established.
- A minimum of 30 “District Influencers” identified and supplied with the new quarterly Timaru District Heartbeat Report.
- Feedback received via Annual Survey of local business and organisations evidencing value added by AD.
- Activity and achievements reflected in AD quarterly reporting to Council

Achieved

Yes
Yes
Yes
Yes

- Developed and fostered relationships with key central government agencies to extensively promote the districts key points of difference to new national and international businesses.
- Progressed a database of available Industrial Land in Washdyke, Port and Redruth area with extensive interaction with existing landowners.
- A variety of type and size new business opportunities progressed during the year across retail, manufacturing, tourism, primary, aviation and service industry sectors.
- Introductions of new and existing business owners to industrial landowners in Washdyke and Redruth.
- Throughout COVID 19 a number of local businesses adapted their operations to meet demand for associated products and services and we at Aoraki Development facilitated a number of introductions to enable this to occur e.g. PPE, health products etc....
- A District Influencer database has been established and is updated regularly with key district stats and information that enables them to be better informed ambassadors of the District.
- Ongoing promotion of the substantial benefits of doing business in the Timaru District – via web, social & TV media, printed material and developing networks.
- As a member of the NZOG Southern Community Panel – Aoraki Development is the key local stakeholder representative at the forefront of the district’s engagement re the potential offshore exploration opportunity.
- Sourced via Companies office records approx. 313 new companies were established in the Timaru District during the 2019/20 year which evidences a similar level of activity to 2018/19 - 270 registrations. Noted this is a high-level measurement as difficult to accurately assess trading v non-trading.

AORAKI DEVELOPMENT
Profit & Loss Statement

1 July 2019 - 31 June 2020

	YTD ACTUAL	YTD REFORECAST	FULL YEAR BUDGET
INCOME			
Economic Development Grant TDC	\$ 530,000	\$ 530,000	\$ 530,000
Tourism Grant ex TDC	\$ 143,384	\$ -	\$ -
MyNextMove Contract ex MSD	\$ 93,595	\$ 95,000	\$ -
Transport & Logistics Funding ex Prov Develop Unit	\$ 26,000	\$ -	\$ -
Prov Growth Fund Capability Funding - Special Proj Role	\$ 20,831	\$ 20,833	\$ -
Other Income	\$ 5,397	\$ 2,000	\$ 4,000
TOTAL INCOME	\$ 819,207	\$ 647,833	\$ 534,000
EXPENDITURE			
Economic Development Expenses	\$ 229,228	\$ 235,754	\$ 239,454
Human Resources	\$ 312,388	\$ 314,179	\$ 293,346
Tourism Expenses	\$ 84,425	\$ -	\$ -
MyNextMove Expenses	\$ 92,748	\$ 95,000	\$ -
Transport & Logistics Panel Expenses	\$ 24,579	\$ -	\$ -
TOTAL EXPENSES	\$ 743,368	\$ 644,933	\$ 532,800
OPERATING PROFIT/(LOSS)	\$ 75,839	\$ 2,900	\$ 1,200

Financial Commentary

The above end of year financial position (still subject to audit and associated adjustments at time of writing) is reflective of yet further significant diversification of our funding base over and above traditional Council funding relating to both additional responsibilities and new central government contracts/funding successfully obtained during the year. This shows both the responsibility for Tourism & Visitor operations, and residual 2019/20 funding, transitioning from TDC to AD and also the government contracts/funding we have successfully retained and obtained for the benefit of our district – MyNextMove and Transport & Logistics Course.

The accumulated surplus of \$75,839 is attributed to our specific areas of operation such as Economic Development \$14,613, Tourism & Visitor \$58,959, MyNextMove \$847 and Transport & Logistics Course \$1,421 – all of which will be fully utilised in the 2020/21 work plan.