

MEMORANDUM

FROM: Nigel Davenport – Venture Timaru Chief Executive
TO: Timaru District Mayor and Councillors
SUBJECT: Venture Timaru Operational Update for the three months to 30 Sept 2023
DATE: 15th November 2023

Background

Please find attached an update relating to our Economic Development and Visitor Promotion operations for the quarter to 30 Sept 2023.

General Commentary

Cost pressures on Timaru District's primary and manufacturing sectors have had an impact in the latest economic report, with the region's GDP for the year to September growing at a level slightly under the national growth figure. Infometrics new quarterly economic report prepared for Venture Timaru shows GDP growth of 1.3 percent for the year to September, compared with 1.7 percent nationally. The figures show that the district's growth particularly slowed in the September quarter.

Meanwhile consumer spending over the year to September dropped a little to 5.7 percent, but the September quarter fared better, picking up to 6.2 percent growth, which was slightly ahead of inflation. This shows that Timaru household's, are managing to maintain their spending, which is pretty good overall for our community in the current environment.

Employment of Timaru residents also shows growth, up 2.1 percent over the year, which is the fastest growth experienced in the district since 2018. No big surprise to learn that this employment growth had been led by one of our biggest industry groups, the manufacturing sector, which added another 350 jobs over the year.

There has also been a small growth in Timaru District's population, of 0.8 percent, and also a small increase in the unemployment rate, which now stands at 3 percent, which is below the national rate of 3.5%.

Recovery of the tourism sector in the district is continuing, although it has slowed, and domestic guest nights have pulled back over the June and September quarters.

There was a very small rise in Timaru house values in the September quarter of 0.1 percent, but nationally a drop in house values of 5.9 percent. We don't see the big peaks and ebbs in house values compared to areas like Auckland, and that's backed up in these figures.

In summary it's a bit of a mixed bag at present as whilst we are maintaining some good momentum with our economic performance, there remains potential for a more subdued outlook moving forward as we ride out the inflationary and cost of living pressures that face us currently.

ENABLER PRIORITY – Diversity of Housing stock

- We continue to work closely with developers, landowners, Council, and other interested parties on demand for diversity in our housing stock.
- Future Development Areas –(Residential zone and Urban) as identified by Council in the Proposed District Plan remain the priority focus of our engagements.
- We are also progressing the Private Sector Partnership tranche of the City Town project focusing on encouraging inner/near city living opportunities and developments:
 - A number of local architect /designer professionals have provided their feedback on rules and regulations, processes, and perceived barriers to urban living development within or near our CBD.
 - In collating and workshoping their feedback, it has been pleasing to discover that a large number of perceived barriers are not due to inconsistent interpretations and or restrictive rules and regulations but more that the existing rules and regulations are in fact very permissive/flexible – they have just not been fully communicated as such.
 - There are a small number of rules, regulations and processes that will require further assessment and potential “dial shifts” to become more enabling – all of which could have a very positive impact on exciting and inspiring new residential development in and near our CBD.
 - Having recently positioned the summarised feedback with Council SLT we are now progressing the first draft of the new Inner/Near City Urban Living Guidelines which will incorporate:
 - Better/clearer communication of what is possible within existing regulatory framework – e.g. did you know? imagery, suggested “sites for types” etc
 - Subject to confirmation - detail of process improvements that Council would commit to implementing i.e. enhanced pre-application process and formation of a “development team”.
 - Case studies of new developments – recently completed, planned, underway...
 - Overview of the geo-tech report and potential positive impacts on existing EPB assessment %'s.
 - We have also collated a GIS mapped database of CBD development opportunities – intel collated from a variety of sources which is to be held in confidence by us at VT with the primary purpose being to ensure the appropriate support, guidance and introductions are made to get these developments underway and completed.
- Aiming to distribute our “Future Preferences Housing Survey pre-Xmas seeking to gain a data driven understanding of current future housing preferences for our residents to support our call for more diversity of our housing stock and help inform future development and infrastructure investment decisions. The survey to go wide throughout our community to business, community organisations and individuals .

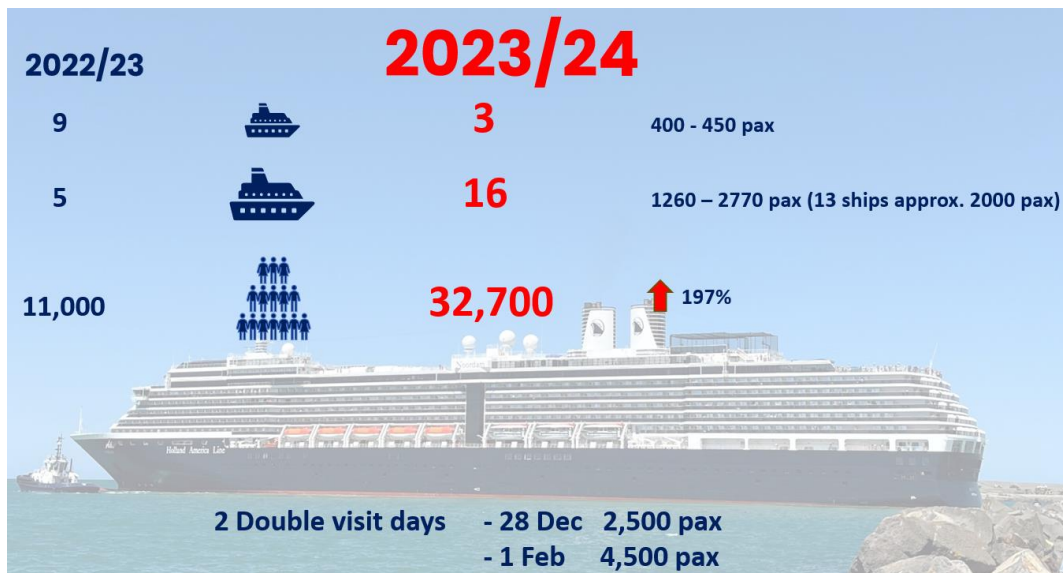
ENABLER PRIORITY – Energy

- 33 of our largest process heat users continue to progress their individual plans to decarbonise and convert to renewable and resilient energy. We are engaging with EECA, Alpine Energy and the Energy academy on how best we monitor, celebrate, and communicate the progress being made as we see this as an ideal platform to position the region as a leader in this space.
- We also took part in an initial session with Alpine Energy, Council’s, Iwi, and other key stakeholders to progress a regional energy strategy. We will be part of the steering group progressing this in the coming months.

Cruise Season 2023/24


With the first ship of the season due 20th November – the coming cruise season is shaping up as a massive one with up to 33,000 international visitors due to arrive across Nov – March. Last seasons 14 Visits/11,000 generated an economic benefit of \$2.80m – this seasons 19 visits/33,000 passengers are forecast to generate **\$6.60m economic benefit** and wider reputational and social benefits.

Last season’s expenses were met approx. 50/50 by VT (ex-reserves) and Primeport, however we are seeking support of up to \$40K towards this cruise season costs from the Councils Economic Development Fund.



Schedule

SHIP	DATE	ARRIVAL TIME	DEPARTURE TIME	PASSENGERS
Noordam	Mon 20 Nov 2023	07:00	17:00	1972
Pacific Explorer	Thurs 23 Nov 2023	08:00	18:00	1998
Seabourn Odyssey	Tue 28 Nov 2023	08:00	18:00	458
Seabourn Odyssey	Thurs 28 Dec 2023	08:00	18:00	458
Noordam	Thurs 28 Dec 2023	10:00	18:00	1972
Europa	Sat 30 Dec 2023	06:00	18:30	408
Norwegian Spirit	Mon 8 Jan 2024	09:00	19:00	2018
Noordam	Sun 21 Jan 2024	07:00	15:00	1972
Norwegian Spirit	Weds 24 Jan 2024	07:00	16:30	2018
Noordam	Thurs 1 Feb 2024	08:00	17:00	1972
Norwegian Spirit	Thurs 1 Feb 2024	07:00	TBC	2018
Vasco De Gama	Sat 10 Feb 2024	07:00	19:00	1260
Norwegian Spirit	Sun 25 Feb 2024	09:00	19:00	2018
Noordam	Tues 27 Feb 2024	08:00	17:00	1972
Volendam	Fri 8 Mar 2024	08:00	18:00	1432
Norwegian Spirit	Tues 12 Mar 2024	07:00	16:30	2018
Noordam	Sun 17 Mar 2024	07:00	16:00	1972
Resilient Lady	Mon 18 Mar 2024	10:00	19:00	2700
Norwegian Spirit	Wed 20 Mar 2024	09:00	19:00	2018

 Double visit days

 3 in 4 days

Additional snapshot updates:

- **Scott Base** – At time of writing all parties are in an “push pause and reset phase” which sees them completing an options analysis on how best to ensure the project is completed within the now max budget of c507m. We expect to hear the outcome of this options analysis soon and remain hopeful a new start date for the project early in the new year.
- **Timaru District 2050** – this aspirational project will be progressed across 2023/24 to be aligned to, and help inform, Council’s LTP deliberations but most importantly provide an exciting aspirational goal for our whole district. We await the outcome of an application to Council’s Economic Development Fund for \$25K to partner fund 50/50 of stage one of this project.
- **Major Events Fund** - Twelve events to be held in the Timaru District in the next year have been successful in securing funding in the August 2023 round of applications for the Major Events Support Fund (MESF). This year there was \$245,000 available, with applications totaling \$363,000. The successful applicants range from new and newly established events right through to longstanding community events, and span a range of cultural, sporting and community events. The successful events bring vitality, excitement and economic benefit to the region and as importantly make our district vibrant, welcoming, and inclusive and add significantly to the wellbeing of everyone who lives here.

One new event being supported this year is the Colour Festival which is also run in other parts of the country. This event combining colour, music, activities and food will be held this summer in the Botanic Gardens. Back for its second year will be the highly popular Illuminate Light & Sound Experience that was held in the Timaru Botanic Gardens in May 2023. Both these events are delivered by experienced event management company, Event Hire.

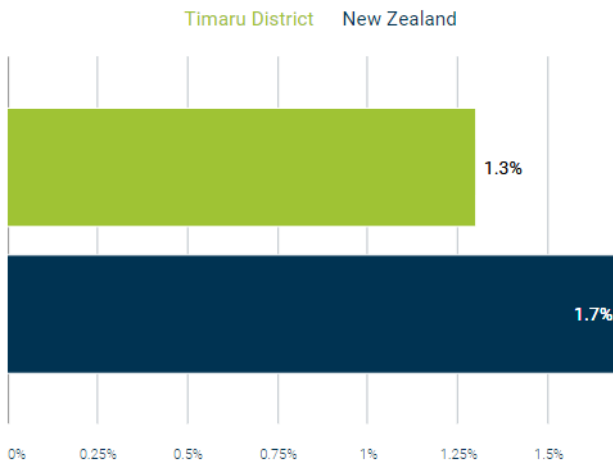
The successful events being supported this 2023/24 events season are:

- Caroline Bay Carnival
- 4 & Rotary South Island Championships
- Illuminate Light & Sound Experience
- Caroline Bay Rock and Hop
- Rally South Canterbury
- Matariki Twilight Market
- The Geraldine Festival
- Christmas on the Bay
- Colour Festival
- Multicultural Festival
- Pasifika o Aoraki Festival
- Seaside Festival
- **Kaylee Bell** – we are thrilled to have secured Kaylee as the headline act for the Timaru Xmas Carnival where she will perform Thursday 4th January. <https://www.stuff.co.nz/timaru-herald/300974591/kaylee-bell-announced-in-lineup-for-caroline-bay-carnival>
- **SCOFF** again very successful with extensive social and print media coverage. Within the first week of SCOFF there were 20,493 SCOFF website visits alone !!
 - <https://www.stuff.co.nz/timaru-herald/132793129/outstanding-food-festival-returns-to-menu-in-south-canterbury>
 - <https://www.stuff.co.nz/timaru-herald/132967744/south-canterbury-outstanding-food-festival-keeps-pleasing-punters-and-eateries-alike>
- **Audited Financial Statements** – A clean audit of our financial results for the year to 30th June 2023 was achieved and submitted to Council by end Sept 2023.

Monitoring Indicators (non-financials) as per 2022/23 Statement of Intent - as at 30th Sept 2023

1. Gross Domestic Product – Tim Dist v NZ – source Infometrics

Gross domestic product growth (provisional)
Annual average % change September 2022 - September 2023



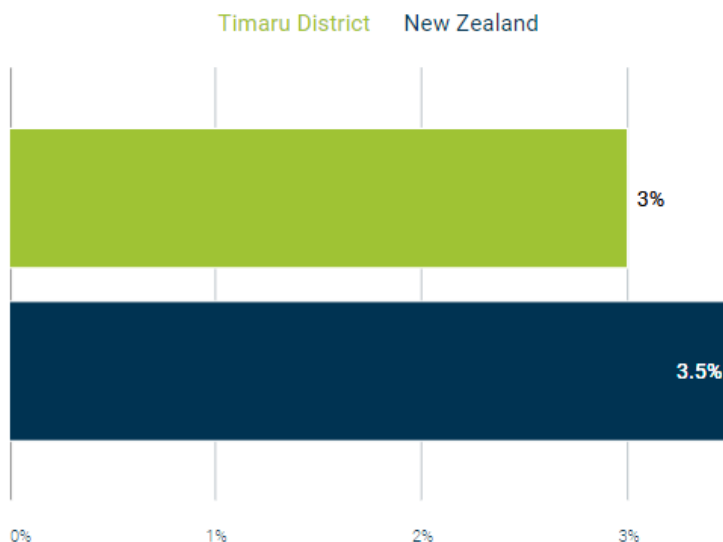
GDP in the Timaru District was provisionally up 1.3% for the year to September 2023, compared to a year earlier. Growth was lower than in New Zealand (1.7%).

Provisional GDP was \$3,563 million in Timaru District for the year to September 2023 (2022 prices).

Annual GDP growth in Timaru District peaked at 7.7% in the year to June 2021.

2. Unemployment Rate – Tim Dist v NZ – source Infometrics

Unemployment rate
Annual average rate to September 2023



The annual average unemployment rate in Timaru District was 3.0% in the year to September 2023, the same as in the previous 12 months.

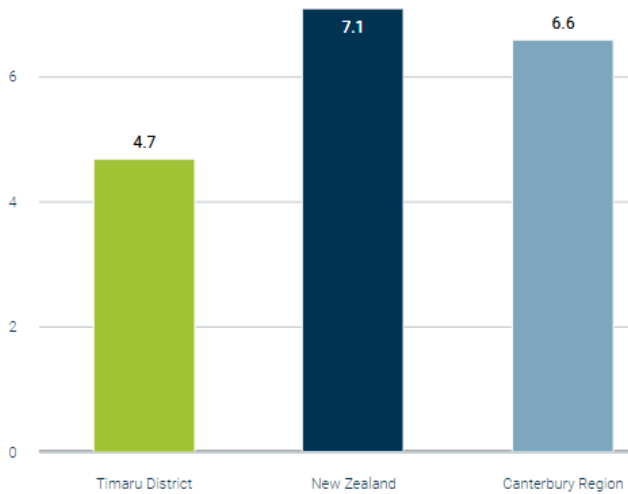
In the year to September 2023, the annual average unemployment rate in Timaru District was lower than in New Zealand (3.5%).

Over the last ten years the annual average unemployment rate in Timaru District reached a peak of 4.1% in June 2021 and a low of 2.8% in June 2023.

3. Housing Affordability – source Infometrics/Corelogic

Housing affordability

September 2023



For Timaru 4.7 times the average household income \$109K buys you the average house valued at \$511K.

Household incomes are a better measure for housing affordability than individual incomes as it reflects the true ability of a household to afford housing. A higher ratio, therefore, suggests that average houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

Area	Housing affordability index			House values		
	Sep 2022	Sep 2023	Change	Sep 2022	Sep 2023	Change
South Waikato District	3.9	3.3	▼	\$469,970	\$416,707	▼
Ruapehu District	4.2	3.3	▼	\$431,914	\$357,617	▼
Wairoa District	4.0	3.6	▼	\$400,290	\$383,742	▼
Taranua District	4.3	3.6	▼	\$461,241	\$413,441	▼
Grey District	3.5	3.6	▲	\$344,931	\$371,495	▲
Rangitikei District	4.4	3.8	▼	\$453,520	\$419,556	▼
Waitomo District	4.7	3.9	▼	\$416,581	\$368,528	▼
Buller District	4.1	3.9	▼	\$332,422	\$332,716	▲
South Taranaki District	4.6	4.2	▼	\$450,267	\$434,449	▼
Westland District	4.8	4.4	▼	\$396,174	\$382,713	▼
Timaru District	4.9	4.7	▼	\$510,613	\$511,242	▲
Waitaki District	5.4	4.8	▼	\$492,892	\$465,778	▼
Clutha District	5.8	4.8	▼	\$434,272	\$379,681	▼
Kawerau District	5.0	4.9	▼	\$407,652	\$394,990	▼
Manawatu District	5.4	4.9	▼	\$622,704	\$598,181	▼
Invercargill City	5.2	4.9	▼	\$456,472	\$458,040	▲
Gisborne District	5.5	5.0	▼	\$631,977	\$596,121	▼
Porirua City	5.7	5.0	▼	\$883,343	\$824,166	▼
Southland District	5.6	5.0	▼	\$505,120	\$488,974	▼
Whanganui District	5.8	5.1	▼	\$534,395	\$490,210	▼
Gore District	5.2	5.1	▼	\$383,651	\$393,454	▲
Upper Hutt City	6.1	5.2	▼	\$808,727	\$727,042	▼
Waimate District	5.7	5.2	▼	\$429,032	\$417,712	▼

Note the table opposite – as at 30/9/23 Timaru ranked 11/60 of all NZ territorial authorities when it comes to Affordable Housing. By comparison at the top end of least affordable areas were:

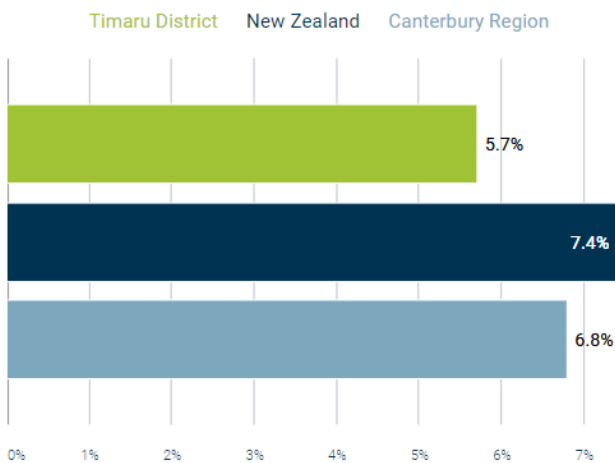
Ashburton	5.6
Christchurch	6.3
Mackenzie District	10.4
Queenstown-Lakes District	12.2
Thames-Coromandel District	15.5

4. **Visitor & Consumer Spend** - source *Infometrics*.

At the time of collating this report visitor spend data to end Spt 2023 was not yet available. The most recent data available up to July 2023 showed Visitor Spend \$181.6m v \$169m the year before - boosted by the arrival of 14 Cruise Ships during the 2022/23 summer cruise season – 11,000 passengers.

Growth in consumer spending

Annual average % change September 2022 - September 2023



Consumer Spending rise 5.07% inb the year to 30 Sept 2023 which equates to **\$761m** v \$720m.

By comparison the year to 30 Sept 2019 (pre covid) was \$620m and to 30 Sept 2021 (immediately post Covid) was \$661m

Financials

Venture Timaru
Profit & Loss Statement

1 July 2023 - 30 Sept 2023

	YTD ACTUAL 30/09/2023	YTD BUDGET 30/09/2023	TDC SOI BUDGET 2023/24
INCOME			
Economic Development Grant - TDC	\$ 180,000	\$ 180,000	\$ 720,000
Tourism Grant - TDC	\$ 98,751	\$ 98,748	\$ 395,000
MyNextMove Contract - ex MSD	\$ 36,251	\$ 36,249	\$ 177,300
Reg Apprenticeship Initiative - ex Kanoa (Provincial Development Unit)	\$ 138,315	\$ 138,315	\$ 520,000
Major Events Funding - Tourism ex TDC	\$ 89,552	\$ 35,000	\$ 245,000
Regional Events Funding - Tourism ex Central Government	\$ 15,000	\$ 15,000	\$ 15,000
Other Income - ED	\$ 76,561	\$ 76,475	\$ 81,500
Other Income - Tourism	\$ 23,663	\$ -	\$ -
TOTAL INCOME	\$ 658,093	\$ 579,787	\$ 2,153,800
EXPENDITURE			
Economic Development	\$ 83,871	\$ 88,432	\$ 328,585
Human Resources	\$ 55,558	\$ 57,935	\$ 300,290
Tourism	\$ 124,029	\$ 104,576	\$ 414,970
MyNextMove	\$ 31,380	\$ 30,953	\$ 180,470
Reg Apprenticeship Initiative	\$ 138,315	\$ 138,315	\$ 520,000
Major Events Funding	\$ 89,552	\$ 35,000	\$ 245,000
Regional Events Funding	\$ 15,000	\$ 15,000	\$ 15,000
Special Project	\$ 8,556	\$ 8,500	\$ 150,000
TOTAL EXPENSES	\$ 546,261	\$ 478,711	\$ 2,154,315
OPERATING SURPLUS/(DEFICIT)	\$ 111,832	\$ 101,076	-\$ 515

The first three months of the 2023/24 year sees us tracking very much in line with budget with variances in actual v budget largely o/a timings.

Additional Tourism income represents new Official Visitor Guide placement charges and residual Central Govt funding carried forward and expenses YTD.

Success for 12 events securing slice of Major Events Support Fund

Yashas Srinivasa · 17:23, Sep 19 2023



JOHN BISSET/STUFF

Timaru's Illuminate light and sound show will return in 2024 thanks to the Major Events Support Fund.

We Love Timaru · 5d · 🌐

WIN WIN WIN

#SCOFFSC

GRAND PRIZE WORTH OVER \$1000

TEKAPO SPRINGS
SOAK, PLUNGE, STEAM & SAUNA X2

NGĀ WHARE MĀNATU
3 NIGHT STAY

HOUSE OF HOP
\$100 GIFT VOUCHER
BREWERY & RESTAURANT

THE RAPTOR EXPERIENCE
EXPERIENCE FOR 2

SCOFF
September 18 at 11:26 AM · 🌐

Did you know there's a SCOFF GRAND PRIZE worth over \$1000? 🎉
That's right OVER \$1000!
How do you enter? Just order one of the many SCOFF specials!

We Love Timaru · 4d · 🌐

KAYLEE BELL IS COMING TO TIMARU! 🎉

Yes, you read that right, multi-award winning country music artist Kaylee Bell is coming to Timaru THIS SUMMER to play a FREE concert at the Caroline Bay Carnival! 🎉

Venture Timaru has worked with the Caroline Bay Association to bring Kaylee and her band to town for this concert.

Who are you going to go with? — 😄 feeling excited.



STUFF.CO.NZ

Kaylee Bell announced in lineup for Caroline Bay Carnival

Multi-award winning country music artist Kaylee Bell has been announced in the lineup for the fre...

👍👍 Wendy Smith, Sheryl Bradley and 83 others

14 comments 3 shares

We Love Timaru
August 14 at 3:54 PM · 🌐

A massive congratulations to [The Raptor Experience](#) who have received a Qualmark Silver rating 🏆

A Qualmark accreditation is recognition of an organisation's commitment to sustainable tourism. Something that is becoming more of a factor when travellers are choosing activities to do while visiting New Zealand.

Haven't done The Raptor Experience yet? Book it here - <https://nzraptor.org/>



We Love Timaru
September 22 · 🌐

What's on these school holidays? Plenty as always 😊
#schoolholidays #welovetimaru #timarunz #nz #geraldinenz

WHAT'S ON SCHOOL HOLIDAY GUIDE

Timaru Night Sky Tours
Viewing our beautiful Timaru night sky

**school holiday
GIVEAWAY**

Upload your school holiday picture/pictures

use the hashtag #welovetimaru

Tag @welovetimaru

You're in the prize draw!

UPCOMING EVENTS

SCHOOL HOLIDAY WORKSHOPS

- SEPTEMBER 30: Matariki & Daughter's "Dance of the Ancestors" Workshop 10:30am - 12:30pm
- SEPTEMBER 30: Kids' Doodl' Please! Workshop 10:30am - 12:30pm
- OCTOBER 2: School holidays film workshop 10:30am - 12:30pm

Timaru Matariki Spring Reception
SUN 1 OCTOBER

FOR THE FAMILY
+6

Lively, exciting holiday horse races, kids lucky numbers and much more...

FREE ENTRY | FIRST PACE 10AM

We Love Timaru
Reels · Jul 31 · 🌐

Come along and experience the Matariki Night Market 2023 with us in Timaru ⭐
Who else was there? 🤔

Timaru · Original audio We