

MEMORANDUM

FROM: Nigel Davenport – Venture Timaru Chief Executive
TO: Timaru District Mayor and Councillors
SUBJECT: Venture Timaru Operational Update for the quarter to 31 December 2023
DATE: 29th February 2024

Background

Please find attached an update relating to our Economic Development and Visitor Promotion operations for the quarter to 31 December 2023.

General Commentary

Growth in consumer spending, tourism spending and employment are key features of the latest economic report for Timaru District to the year ended December 2023.

Consumer spending was up 6.3 percent, performing well about the national figures of 0.7 percent, and the December quarter in particular saw strong spending, recorded at 6.3 percent. Visitors to the district were also spending, with figures showing an increase of 8.5 percent over the year and guest nights are up 11 percent.

The rise in employment of 2 percent over the year, is the strongest growth since 2018, notably with retail trade adding 160 jobs to the tally. However there was also a small rise in jobseeker numbers, up 1.6 percent, although with an annual unemployment figure of 3.1 percent, the district still compares very favourably on a national scale.

Overall there was a small drop in economic activity of 0.7 percent, and this is being attributed to a pullback by the construction industry. Provisional GDP (gross domestic product) for the district was \$3,645 million for the year to the end of December.

The high cost of building is having an effect on the number of new home build consents right across the country and Timaru District is no different, with a drop in these consents. But at this stage non-residential work is still going well, so while overall we have a drop in our GDP coupled with the cost of living pressures that everyone is feeling, I think we can still be pretty pleased with the result. Non-residential building consents to the value of \$66.1 million were issued in the district during the year compared with the 10 year annual average of \$51 million.

It's pleasing to see the spending figures, for locals and visitors. For the locals, our result is above the figures for Canterbury and also the national stats. This certainly paints a picture that people in our district are out and about, whether it's buying essentials, Christmas shopping for the December quarter or visitors spending when they come to town.

Infometrics report that house prices in this district have been flat over the past year, with a negligible 0.8 percent decrease in the December 2023 quarter. However, it seems that the market is starting to turn, with new listings up 18 percent, and sales volumes up 2.2 percent over the year to December 2023.

ENABLER PRIORITY – Diversity of Housing stock

- We continue to collaborate 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.
- The initial draft of the Inner/Near City Residential Development Guidelines that we have been charged with producing will be available mid/late March
 - o This document aims to excite and inspire residential development in or near our Timaru CBD – more people staying longer = enhanced vibrancy.
 - o 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.
- Our “Future Preferences Housing Survey” is to be distributed shortly - seeks 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

- We completed the Regional Energy Transition Accelerator (RETA) plan in partnership with Energy Efficiency & Conservation Authority (EECA) last year for 33 of our largest process heat users continue to progress their individual plans to decarbonise and convert to renewable and resilient energy.

Unfortunately, the new government has discontinued the Government Investment in Decarbonising Industry GIDI funding which will impact many of those who were looking to access this funding to support their decarbonisation. We anticipate this will delay or defer many existing plans locally, however will continue our engagement in this space such is the importance of a resilient and renewable energy source as a key economic enabler.

- Venture Timaru is part of a steering group of key local stakeholders progressing a new Energy Strategy for the region. We all want our region to prosper over the long term and energy infrastructure (from generation to distribution to end user) is an essential component of that. But we don't have a common view using the best available information on how the region's energy needs could evolve over the next 30-60 years and what that means for our decisions today.

South Canterbury is unique in its characteristics, including available energy sources, infrastructure and industry, and a diverse local economy which presents both challenges and opportunities. It will change over the coming decades due to how electricity is generated, used, supplied, along with the impact of the evolving physical environment. All parts of the region are interconnected, so the benefit of a consolidated plan is to guide the decisions of our people and companies using a common framing and information set. This strategy will place our communities' future needs at the centre of our long-term planning. Work is underway and we'll keep all informed as this progresses.

NEW BUSINESS OPPORTUNITIES

- We are working closely with TDHL to source new business to populate the 13ha industrial park they are developing in Washdyke. This land represents a “sweet spot” for businesses aligned to our food processing and manufacturing sector given its access to water, energy, and waste water treatment. There is a good level of interest being progressed at date with NDA’s having been entered into. There are obvious commercial sensitivities associated with these discussions and details will be made available once the various parties confirm its timely to do so.

- The government recently announced their goal to double NZ exports within 10 years. With 80% of current exports derived from our primary sector this will both be challenging but also presents opportunities. MPI Chief Science Advisor John Roche recently stated two sectors identified with growth opportunities were horticulture and aquaculture.
 - o We have a horticulture workstream in its early stages focused on identifying current and future market/consumer demand in parallel with an “audit” of our processing capability. Coupled with local climate characteristics and engagement with the rural community, this aims to identify diverse/new horticultural opportunities to progress.
 - o Locally we have a strength in aquaculture both maritime and land based. During a recent visit to NIWA’s Aquaculture Centre located at Bream Bay, Ruakaka we saw first-hand the opportunity for on/near shore aquaculture developments. They have a land-based system producing superior fish that can be grown sustainably and supplied all year round. Their land-based recirculating aquaculture system works a lot like an aquarium – just bigger. Up to 99 percent of the water can be recirculated and reused after being filtered and treated to eliminate any impurities. As the demand is growing for high-quality and sustainable fish, NIWA have built an 8-tank kingfish facility that within 12-18 months will be producing 600 tonnes of Kingfish a year. This is one example of additional aquaculture opportunities which could potentially be undertaken in our area.

TOURISM & VISITOR

Summer is continuing to prove a busy season, with anecdotal feedback that the number of international visitors is growing. At present, Germans are being noticed, plus Chinese visitors, particularly multi-generational family groups travelling independently. CPlay is definitely attracting visitors who are choosing to stay overnight, and the Timaru penguins are attracting 150-200 people each night for viewing. The first RTNZ meeting will be held at end of Feb, with data a key discussion point, plus the proposed MBIE support for Destination Management now on hold following the change of Government.

Cruise Season 2023/24

At the time of writing there are three more cruise visits scheduled this season, from our tally of 13. Only one visit has been cancelled to date due to the weather. As the majority of the ships have been larger vessels carrying between 1000-2000 passengers, the impact of the visits has been significant in terms of visitors in town, much to the delight of business owners. Our challenge is to provide enough options for the passengers for tours and activities while on shore, and we are working to grow the offering, but the reality is that this takes time and is likely to be an add-on to a business, rather than core business as we do not have the volume of visitors to sustain all year.

In addition to the shore excursions run by the ground handler for the ship, VT organizes independent tours for passengers. The most popular to date have been trips to Mackenzie Country, Geraldine Village Boutique Tours, Moeraki, 5 Stop Tour in Timaru, E-bikes, with moderate interest in the museum offerings and Raptor Experience.

Two visits have fallen on Sundays and there is often feedback from the general public questioning why more retailers do not open on the Sundays. Through our involvement with the CBD Group we are actively updating retailers about cruise visits and encouraging them to open early on Sundays to capture the visitors, and some take up this opportunity. The chain stores are all open on Sunday from 10am, meaning there is a good selection of shopping available, plus the Artisan Farmers Market at Heritage Place.

In mid-January we hosted Virgin Voyages Miami based product manager for regional shore excursions for three days, in the lead up to the ship's inaugural visit on 18 March. She visited operators offering excursions and gave insights into the kinds of tours their passengers are keen on, and activities that Virgin targets for their "sailors" (Virgin describe their guests as "sailors" not passengers). As a result we managed to get three new tours to offer the ground handler for Virgin for the March visit, but disappointingly, none have been accepted for this season. With three visits booked for 2024/2025 we hope to get a greater uptake next season.

Cruise bookings at this stage for 2024/2025 season are at 11, with capacity of 14,700 passengers and 11 ships booked for 2025/2026 with 14,200 passengers. Half the ships scheduled are smaller luxury vessels carrying between 500-700 passengers, resulting in lower passenger volumes.

PrimePort are now actively chasing the cruise market with the target of reaching 30 visits annually, and will be attending the international trade fair for cruise, Seatrade, in Miami during April. VT will work closely in partnership with Primeport to provide sufficient information services and ensure that there is a positive visitor experience and that the locals remain enthusiastic about cruise visits.

Additional snapshot updates:

- **Statement of Intent** - post receipt of Council's Letter of Expectation and our subsequent board strategy session held early February, this past months key focus has been on collating and developing our draft SOI which has been submitted to Council. Timaru Towards 2050 remains our long term strategic goal whilst we will refocus our efforts back into the key objectives associated with new & existing business, workforce, promotion, and investment attraction. We have also realigned our KPI's to include some numeric and 2050 specific indicators.
- **Reality TV show** - We have been working with South Pacific Pictures as they look to commence the filming of an NZ reality show on the outskirts of Timaru for 4-6 weeks from April. Introductions to local accommodation and service providers have been made whilst we have also distributed details of local crew that they are keen to employ during the course of filming.
- **Major Events Fund** – as detailed in our Sept 23 quarterly report twelve events were successful in securing funding in the August 2023 round of applications for the Major Events Support Fund (MESF) (see below). The successful applicants ranged 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 an experienced event management company, Event Hire.

The events completed July - February 2023:

- Caroline Bay Carnival \$15K – completed. Good attendance, positive feedback from attendees. Concern over freedom camping at Caroline Bay. Keen to see better controlled with restrictions (e.g., no dogs and in designated area). Could introduce a charge in future.
- 4 & Rotary South Island Championships \$15K – completed. A total of 4695 attendees and 415 competitors. More people coming from outside region, with Chch/Canterbury biggest market. Many stayed two nights.
- The Geraldine Festival \$20K – completed. Crowd estimate for market days 15k. Increase in market stall numbers. Predominantly Chch/Canterbury market plus locals.
- Christmas on the Bay \$10K – completed. Awaiting report.
- Pasifika o Aoraki Festival \$25K – completed. Awaiting report.
- Seaside Festival \$35K – completed. Successful event spanning 11 days, including kite day, beach dig, movies on the bay, cocktail tasting, storytelling at CPlay. Attracting predominantly locals, and wider South Canterbury region.
- NZ Young Farmer of the Year \$14K – completed. Series of events culminating in gala night national final. 98 contestants supported by their communities from around the country. Significant national media and social media exposure. Estimated attendance of 1k attendees for the overall event.
- Kaylee Bell Summer Concert \$26K – completed. Massive turnout estimated at possible 5000-6000. Huge support of hometown girl who is riding wave of success.

To come:

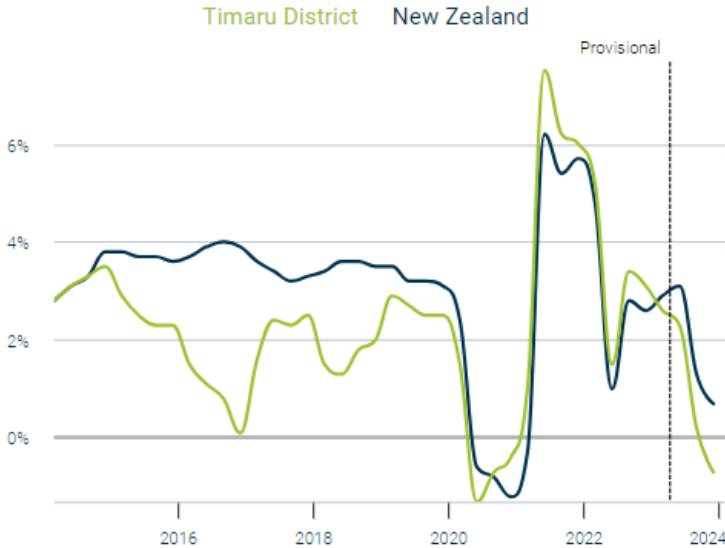
- Colour Festival \$10K – April 2024
 - Rally South Canterbury \$15K – May 2024
 - Illuminate \$10K – May 2024
 - Matariki Twilight Market \$15K – July 2024
- We launched the district's new **Official Visitor Guide Oct 2023** check it out here [Timaru OVG](#)

Monitoring Indicators (non-financials) as per 2022/23 Statement of Intent - as at 31st Dec 2023

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

Gross domestic product growth

Annual average % change



GDP in the Timaru District was provisionally down 0.7% for the year to Dec 2023, compared to a year earlier. Growth was lower than in New Zealand (0.7%).

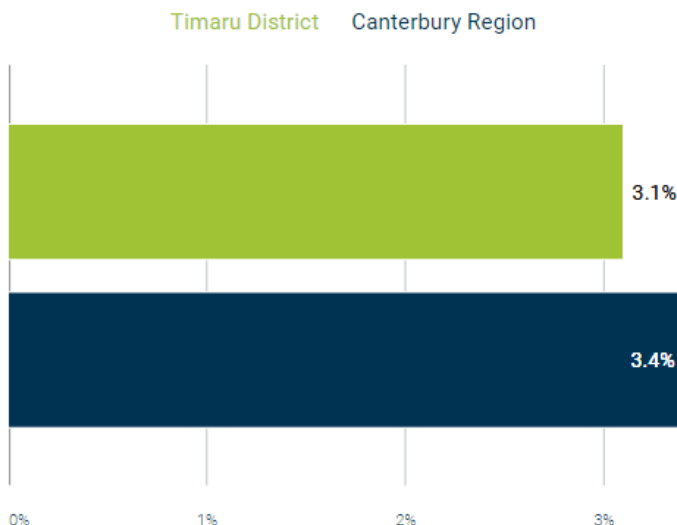
Provisional GDP was \$3.645bn in Timaru District for the year to Dec 2023 (2023 prices).

Annual GDP growth in Timaru District peaked at 7.5% in the year to June 2021.

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

Unemployment rate

Annual average rate to December 2023



The annual average unemployment rate in Timaru District was 3.1% in the year to December 2023, up from 2.9% in the previous 12 months.

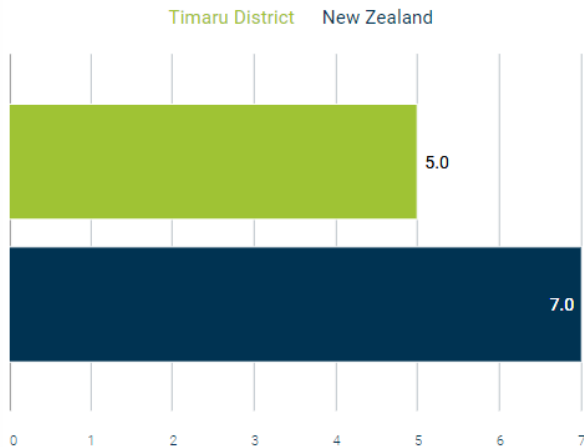
In the year to December 2023, the annual average unemployment rate in Timaru District was lower than in New Zealand (3.4%).

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

3. Housing Affordability – source Infometrics/Corelogic

Housing affordability

Ratio of house prices to household incomes, year to December 2023



For Timaru 5.0 times the average household income \$107K buys you the average house valued at \$516K.

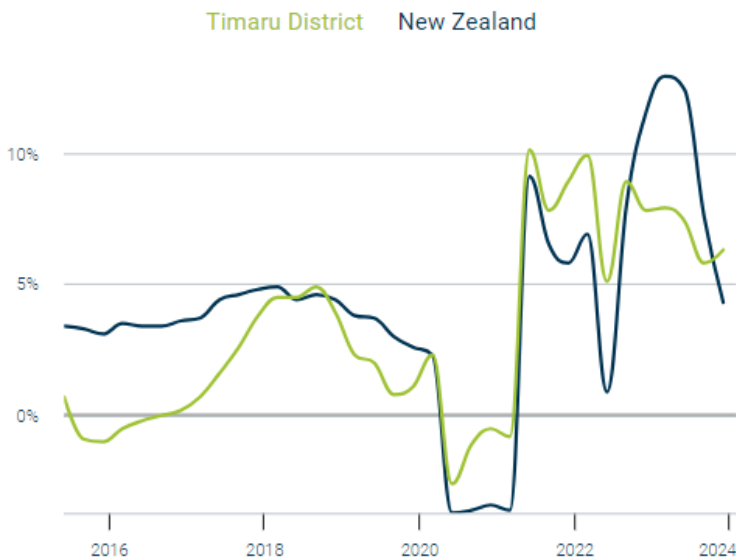
Household incomes are a better measure for housing affordability than individual incomes as it reflects the true ability of a household to afford housing. A higher ratio, therefore, suggests that average houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

4. Visitor & Consumer Spend - source Infometrics.

Consumer spend in the district over the year to Dec 2023 increased 6.3% v a NZ wide increase of 4.3%. – up from \$725m v \$775m in total.

Consumer spending

Annual average % change



Noting how consistent our spend has been since 2020/21 compared to the highs and lows of NZ in total.

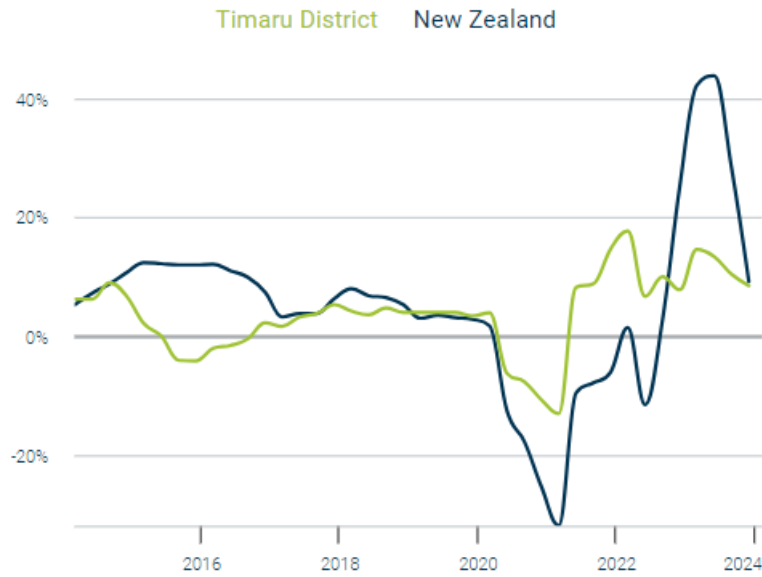


Tourism expenditure

Annual average % change



Tourism expenditure grew 8.5% for the year to 31 Dec 2023 compared to NZ wide growth of 9.2% - totaling \$255m v \$235m a year ago.



Financials

Venture Timaru
Profit & Loss Statement

1 July 2023 - 31 Dec 2023

	YTD ACTUAL 31/12/2023	YTD BUDGET 31/12/2023	TDC SOI BUDGET 2023/24
INCOME			
Economic Development Grant - TDC	\$ 360,000	\$ 360,000	\$ 720,000
Tourism Grant - TDC	\$ 197,500	\$ 197,498	\$ 395,000
MyNextMove Contract - ex MSD	\$ 74,000	\$ 78,498	\$ 177,300
Reg Apprenticeship Initiative - ex Kanoa (Provincial Development Unit)	\$ 285,113	\$ 285,113	\$ 520,000
Major Events Funding - Tourism ex TDC	\$ 180,098	\$ 245,000	\$ 245,000
Regional Events Funding - Tourism ex Central Government	\$ 15,000	\$ 15,000	\$ 15,000
Private Sector Partnership project	\$ 96,622	\$ 48,000	\$ 195,000
Other Income - ED	\$ 55,934	\$ 50,650	\$ 81,500
Other Income - Tourism	\$ 31,784	\$ 31,784	\$ -
TOTAL INCOME	\$ 1,296,051	\$ 1,279,759	\$ 2,348,800
EXPENDITURE			
Economic Development	\$ 139,748	\$ 153,406	\$ 328,585
Human Resources	\$ 132,278	\$ 127,175	\$ 300,290
Tourism	\$ 232,882	\$ 205,612	\$ 414,970
MyNextMove	\$ 62,350	\$ 81,606	\$ 180,470
Reg Apprenticeship Initiative	\$ 285,113	\$ 285,113	\$ 520,000
Major Events Funding	\$ 180,098	\$ 245,000	\$ 245,000
Regional Events Funding	\$ 15,000	\$ 15,000	\$ 15,000
Private Sector Partnership project	\$ 52,589	\$ 16,000	\$ 195,000
Special Project	\$ 20,448	\$ 20,400	\$ 150,000
TOTAL EXPENSES	\$ 1,120,506	\$ 1,149,312	\$ 2,349,315
OPERATING SURPLUS/(DEFICIT)	\$ 175,545	\$ 130,447	-\$ 515

Operating surplus variance of actual v budget six months into our 2023/24 year largely represented by unexpensed funds c\$44K held and relating to the Private Sector Partnership project – delivering an Inner/Near City Residential Development guide for our CBD. This is largely o/a timing as the guides development commenced Dec/Jan and is scheduled to progress over coming months - with initial draft available mid/late March. Held funds will be expensed in alignment with the guides development.

We Love Timaru
January 4 · 🌐

Today's the day 🥳 Who's as excited for [Kaylee Bell](#) at [Caroline Bay](#) as we are?

We're thrilled to present this fantastic FREE concert! Additionally, our team will be present, graciously accepting donations in support of our local mental health and addiction service, Ampss Timaru

Empty out the piggy bank and search down the back of the couch and bring some coins along for this great cause.



GOLD COIN DONATION TO



We Love Timaru · Following
Public

Timaru's newest playground is officially opening this weekend,

and this is a playground that even the big kids will want to experience!

The long-awaited Cplay playground is officially opening this weekend, and boy are we excited! Something sure to make your bucket list this summer!

We Love Timaru
November 24, 2023 · 🌐

It's beginning to look a lot like Christmas 🥰🌲

#timarunz #events #southcanterbury #southcanterburynz #christmas #temuka #temukanz #Geraldine #geraldinez #nz

WHAT'S ON GUIDE

Downtown Timaru
TWILIGHT NIGHT MARKET
Friday 24 November 2023
5pm - 9pm Stafford Street, Timaru

TIMARU
ALBERT LEVISON STREET
Timaru CBD

We Love Timaru
October 26, 2023 · 🌐

How amazing is the new **KORYU** official masterpiece on the **Coffee Culture Timaru** building 🥰

We've added this piece to our street art trail on our Timaru Trails app. Download it from the Google Play and App Store.



TEMUKA CHRISTMAS PARADE
FRI 4 NOV 6PM
TEMUKA MAIN STREET

SONS OF REMO
SAT 25 NOV
The Village Inn Geraldine 9pm

TIMARU HARNESS RACING CLUB
25 NOVEMBER
+2
BEST DRESSED HAT PRIZES
KIDS GO RACING PACKS
BANKY FUN ACTIVITIES
LUCKY RACES ONLY

FREE ENTRY | FIRST RACE 1:30PM
PHAR LAP RACEWAY | ENTRANCE ON STATE HIGHWAY 8



Venture Timaru
December 1, 2023 · 🌐

Great to see our new mobile Virtual Reality Driving Simulator out and about in the community - great job Lucy and the team at [South Canterbury Road Safety](#). Such an awesome addition to the 11 simulators now fully installed in all secondary schools across Mid & South Canterbury. All made possible by the amazing family of supporters listed below.

If you are keen to have the simulator at your workplace (a great way to refresh the skills of our drivers) or at an upcoming event please get in touch with us at Venture Timaru - enquiries@venturetimaru.nz.

Mid & South Canterbury VR Simulator partners and supporters include: [Timaru District Council](#) [CODE - New Zealand's Centre of Digital Excellence](#) [CoDrivr](#) [Fulton Hogan](#) [Kānoa - Regional Economic Development & Investment Unit](#) [Ministry of Social Development](#) [NZ Ashburton District Council](#) [Waimate District Council](#) [Community Trust of Mid & South Canterbury](#) [Brake New Zealand](#)



South Canterbury Road Safety
November 27, 2023 · 🌐

The team had a great time in Twizel on Friday and Saturday, the driving simulator was a big hit with many having a go. A big thank you to all those who helped ... [See more](#)

We Love Timaru
November 1, 2023 · 🌐

He's done it again 🙌 [KORYU official](#) continuing to add colour to our district. This time at the Temuka Outdoor Pool 🐟




Of New Zealand's 31 regional tourism organisations, 18 have visitor spending which is above pre-pandemic levels, with 13 still sitting below their pre-pandemic level.

Where has visitor spending in New Zealand recovered the most against pre-Covid levels?


Visitor spending for September 2023 year as % of September 2019 year, MBIE MRTes

Rank	Regional Tourism Area	Domestic	International	Total
1	Whanganui	133%	154%	136%
2	Venture Taranaki	134%	124%	132%
3	Manawatū	120%	158%	125%
4	Timaru	130%	90%	122%
5	Central Otago	126%	98%	121%
6	Tairāwhiti	119%	123%	119%
7	Southland	127%	82%	115%
8	Wairarapa	111%	123%	113%
9	Bay of Plenty	110%	123%	113%
10	Hamilton & Waikato	110%	119%	112%
11	Marlborough	121%	88%	111%
12	Hawke's Bay	112%	104%	110%
13	Northland	116%	92%	110%
14	Christchurch	125%	79%	107%
15	Lake Taupō	121%	74%	107%
16	Dunedin	110%	91%	105%
17	Wellington	111%	88%	103%
18	Kaikōura	126%	75%	101%
19	Nelson Region (Nelson Tasman)	114%	73%	98%
20	Waitaki	116%	52%	97%
21	Coromandel	99%	70%	94%
22	West Coast	130%	68%	93%
23	Hurunui	96%	77%	92%
24	Auckland	114%	71%	92%
25	Clutha	94%	69%	91%
26	Queenstown	137%	71%	89%
27	Lake Wānaka	118%	63%	87%
28	Mackenzie	145%	50%	80%
29	Ruapehu	81%	58%	77%
30	Rotorua	92%	57%	77%
31	Fiordland	113%	59%	73%
	<i>Not elsewhere classified</i>	125%	79%	116%
	New Zealand	116%	76%	100%


 **Brews on the Bay**
November 5 at 9:25 AM · 🌐

How gooooood... we'll do it all over again in 2024...



 **AutoMatic80s**
November 5 at 7:27 AM · 🌐

Brews on the Bay four seasons in one day! Thanks for having us. Cheers to all who partied through the thunder storms and lightning. Massive ups to the productio... See more

 **We Love Timaru**
October 13, 2023 · 🌐

We are excited to unveil our new Timaru District Official Visitor Guide📖

Featuring all the best things to do in the district, including activities, eateries, accommodation and shopping as well as walking trails, itineraries, events and more!

Check it out for yourself here 📄 <https://www.vttourism.co.nz/.../0011/803459/OVG-web.pdf>



'We're pretty chuffed': Cruise ship arrival marks strong start to Timaru season

"One of the highlights we did was go to Jack's Point where the lighthouse was, and we saw some cool succulent flowers looking over the ocean – something we have never seen before," Eric Steinbicker said.

"It was really cool to get off the ship and just take a five-minute taxi ride and really explore the countryside."



The Steinbicker family: from left are Ethan, 13, Eric, Mariola and Luciana, 10.
JOHN BISSET / STUFF

When asked if they would come back to South Canterbury, he said: "Absolutely. It's gorgeous."

Christopher and Susan Birdsey, of Lock Haven in the US state of Pennsylvania, hopped on the Noordam in San Diego about 40 days ago and will hop off in Auckland in a few days' time.

They visited Caroline Bay, the rose garden, the aviary and Te Ana Ngāi Tahu Māori Rock Art Centre, and they also did a bit of shopping on the main street.

Christopher Birdsey said he found Timaru and New Zealand very interesting and said there was a "rich, deep culture" here.

"You couldn't ask for nicer people. The people here are amazing."

Fred Smit and Nancy Vendetti from New York described Timaru as a "beautiful city" and had spent their time in town exploring Stafford St and the farmers market.

"We found some interesting things," Smit said. "There's spectacular landscapes and wildlife here."