

# Submission on Notified Proposal for Plan, Change or Variation

Clause 6 of Schedule 1, Resource Management Act 1991

To: Timaru District Council

**Name of submitter:**

Venture Timaru - Nigel Davenport

[State full name]

**This is a submission on the following proposed plan or on a change proposed to the following plan or on the following proposed variation to a proposed plan or on the following proposed variation to a change to an existing plan) (the 'proposal'):**

Proposed District Plan

[State the name of proposed or existing plan and (where applicable) change or variation].

**I ~~can~~ could not\* gain an advantage in trade competition through this submission.**

[\*Select one.]

**\*I ~~am~~ am not† directly affected by an effect of the subject matter of the submission that—**

**(a) adversely affects the environment; and**

**(b) does not relate to trade competition or the effects of trade competition.**

[\*Delete or strike through entire paragraph if you could not gain an advantage in trade competition through this submission.]

[†Select one.]

**The specific provisions of the proposal that my submission relates to are:** [Give details]

Housing Diversity, Subdivisions, Industrial Land and Financial Contributions

**My submission is:** [Include whether you support or oppose the specific provisions or wish to have them amended; and reasons for your views]

[If your submission relates to a proposed plan prepared or changed using the collaborative planning process, you must indicate the following:

- Where you consider that the proposed plan or change fails to give effect to a consensus position and therefore how it should be modified; or
- In the case that your submission addresses a point on which the collaborative group did not reach a consensus position, how that provision in the plan should be modified.]

Refer attached submission

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**I seek the following decision from the local authority:** *[Give precise details as this is the only part of your submission that will be summarised in the summary of decisions requested]*

Refer attached submission  
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**I wish (or do not wish) † to be heard in support of my submission.**

*[\*In the case of a submission made on a proposed planning instrument that is subject to a streamlined planning process, you need only indicate whether you wish to be heard if the direction specifies that a hearing will be held.]*

*[†Select one.]*

~~\*If others make a similar submission, I will consider presenting a joint case with them at a hearing.~~

~~*[\*Delete if you would not consider presenting a joint case.]*~~



**Signature of submitter (or person authorised to sign on behalf of submitter)**

*[A signature is not required if you make your submission by electronic means]*

**Date** 10 December 2022 .....

**Electronic address for service of submitter:** nigel@venturetimaru.nz .....

**Telephone:** 021 792770 .....

**Postal address (or alternative method of service under s352 of the Act):** .....

**Contact person:** *[name and designation, if applicable]* Nigel Davenport - Chief Executive .....

**Note to person making submission**

1. If you are making a submission to the Environmental Protection Authority, you should use form 16B. If you are a person who could gain an advantage in trade competition through the submission, your right to make a submission may be limited by clause 6(4) of Part 1 of Schedule 1 of the Resource Management Act 1991.
2. Please note that your submission (or part of your submission) may be struck out if the authority is satisfied that at least 1 of the following applies to the submission (or part of the submission):
  - It is frivolous or vexatious:
  - It discloses no reasonable or relevant case:
  - It would be an abuse of the hearing process to allow the submission (or the part) to be taken further:
  - It contains offensive language:
  - It is supported only by material that purports to be independent expert evidence, but has been prepared by a person who is not independent or who does not have sufficient specialist knowledge or skill to give expert advice on the matter.

## MEMORANDUM

FROM: Venture Timaru  
TO: Timaru District Council  
SUBJECT: SUBMISSION – Proposed District Plan (PDP)  
DATE: 10<sup>th</sup> December 2022

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### Background

Venture Timaru is a council controlled operation (CCO) 100% owned by the Timaru District Council. We are the Economic Development and Visitor Agency for the Timaru District, and our vision is

**“Attract, grow, and retain people and businesses that contribute to a thriving Timaru District economy”**

Off the strength of a substantially diverse local economy the Timaru District coped better than most other areas of New Zealand with the COVID environment over the past 2 years with a significantly larger number of our workforce deemed essential. That said, pre-COVID, we had one of the countries lowest unemployment rates (averaging c3.0% over the preceding 10 years), a situation that has worsened with us experiencing a critically tight labour market. Generally speaking, every business sector is severely challenged to attract and retain the workforce they need.

### “Aspirational Timaru”

We recently engaged Benje Patterson (Economist and Strategist) to complete a forward looking aspirational look at what Timaru could be. We attach a copy of his report as it provides further context for the basis of our submission.

The scope was:

- Where will Timaru’s economy be in 2050 if the status quo remains?
- How much larger could Timaru’s economy be if there is an aspirational focus on doing better things?
- Which factors would achieving an aspirational economic future rely on?

The three hypothetical scenarios modelled in the report for Timaru’s economy in 2050 are:

- **The ‘status quo’ (low) scenario.** This scenario highlights what will happen to Timaru’s economy if it can only maintain the status quo level of employment and its industries merely muddle along their current productivity trajectories.
- **The ‘more’ (medium) scenario.** This scenario highlights what will happen to Timaru’s economy if it can gradually expand its underlying level of employment, but only in industries based around the district’s current productivity trajectory, rather than in anything transformational.
- **The ‘better’ (high/transformational) scenario.** This scenario is the most ambitious and is based on doing more of things that are better. It highlights what would happen if Timaru can evolve its economy and grow employment into an industry footprint with transformationally higher productivity.

In very brief summary:

- A “status quo” scenario of us muddling along at current population and productivity levels is simply not an option. Whilst GP would grow from current \$3.2bn to \$4.2bn – we would effectively need to grow our population from 48,500 in 2021 to 53,000 by 2050 just to ensure there were sufficient people of working age to maintain Timaru’s current level of employment and counteract increasing retirements o/a of our rapidly ageing population. Without this population growth we will go backwards.
- If however there is an aspirational long-term transformation approach - where one third of businesses in 2050 offer twice the productivity potential than the status quo, then Timaru’s economy could be three times larger than its current the size by 2050. This would require the population to reach 75,000 – to fill the additional roles and to account for an aging population. Getting there in turn would need 200-300 classrooms, 1,500 health workers, and 9,000 homes (build rate of 300 per year).

The upshot is the report highlights the power of being ambitious, transformational, and BOLD. It is not a case of “can we do it” but more a case of “we must”.

Regardless of which industries help Timaru achieve this aspirational economic future, there will be many factors which are necessary enablers. Productivity, employment, and population growth are key drivers of economic prosperity, but these can’t happen in isolation and in turn rely on **investments in underlying foundations** related to skills, natural resources, **housing, infrastructure**, and social and cultural capital.

### **Housing Diversity**

A key consideration for any individual or family looking at work opportunities in our District is their ability to rent or purchase a residence that meets their requirements.

As positioned with, and acknowledged by Council throughout 2022, the need to promptly enable diversification of our housing stock is a priority.

Within the District Plan we pleasingly see some alignment to encouraging this diversity of stock to occur – across inner/near-city apartments & townhouses along with in-fill and larger residential developments that cater for a variety of housing options and not just the traditional house and land package.

That said we again respectfully suggest that Mayor and Council provide clear direction, both internally and externally, that not only is enabling diversity of the districts housing stock a priority for Council but that we all must take a “how can we make this happen” approach as opposed to a “we can’t do that because” approach.

### **National Policy Statement on Urban Development**

The NPS provides guidance, objectives, and policies for Council to take a proactive approach to housing diversity which we fully encourage specifically in the following areas:

- **Enabling opportunities for development** : Councils must provide enough capacity to meet the **diverse requirements of their communities** and consider If development capacity is expected to be realised.
- **Providing for intensification** : Enabling a greater intensity in areas of high access or demand and enable building heights relative to the demand

## Colliers July 2022 Residential Market Study

We also refer to comments made by Colliers in summarising their above report:

*“...areas around the city centre should be considered to allow for more intensified development to diversify housing stock and cater for an aging population”.*

*“Aging populations downsize when appropriate, but only when there are options to do so”.*

*“Single level homes are preferable and in time low maintenance options are also valuable. Knowing this, single level homes are an option, however apartments with high levels of local amenity also become excellent options, especially with high levels of home ownership in the district”*

*“Medium density housing types, such as townhouses or terraced housing has also been a popular option for first home buyers as the land value component of property is greatly reduced per unit”.*

And importantly:

*“Any new development will have long term effects on the character of the city and the people who live in it”.*

## District Plan

The main focus of our submission is on the subject of Development – specifically residential Development/Diversity of Housing Stock and Industrial Land Development.

## **Residential**

- We acknowledge and welcome the areas throughout our district mapped for **future residential development** and again ask that diversity of housing provision is encouraged by council within their enabling and regulatory environment when either in-fill or new residential developments are progressed.
- One area where we believe more can be done is enabling **inner or near city** apartment and townhouse **development**.

With a widely acknowledged shift in demand nationally for these medium density housing options, the Timaru CityTown Residential Capacity Study, aligned to the Council commitment to enhancing our CBD and near CBD area over coming years, is exploring a variety of alternative and diverse residential options within our CBD that could be progressed as attractive options to young, old, new, and existing residents alike.

This work primarily focusses on Council’s enabling role in facilitating process/partnership/pilot opportunities that unlock the latent potential for urban living in support of the CityTown Strategic Framework. This identifies the importance of increasing inner city population to support viable and consolidated commercial and retail uses.

Being party to this Residential Capacity Study, we fully support the separate PDP submission by consultants Isthmus Group on possible solutions/rule changes focused on better enabling Timaru inner/near city development. This submission speaks to the intent of various existing rules and possible solutions/amendments:

- Quality CCZ-R7
- Ground floor opportunities CCZ-R5, CCZ-S3
- First floor above commercial CCZ-R5
- Facades CCZ-S4 (3&4)
- Vehicle crossings – CCZ-S4 (2)
- Access lanes - Table 15 Transport General
- Mixed Use Zones – MUZ-R11

We too recommend the above proposed changes, and other key rules & considerations, should be incorporated within a **Timaru specific Urban Design Guide** that provides a clear and concise foundation of information which proactively communicates an enabling environment for developers, investors, and landowners to enhance housing/residential options in and near our CBD.

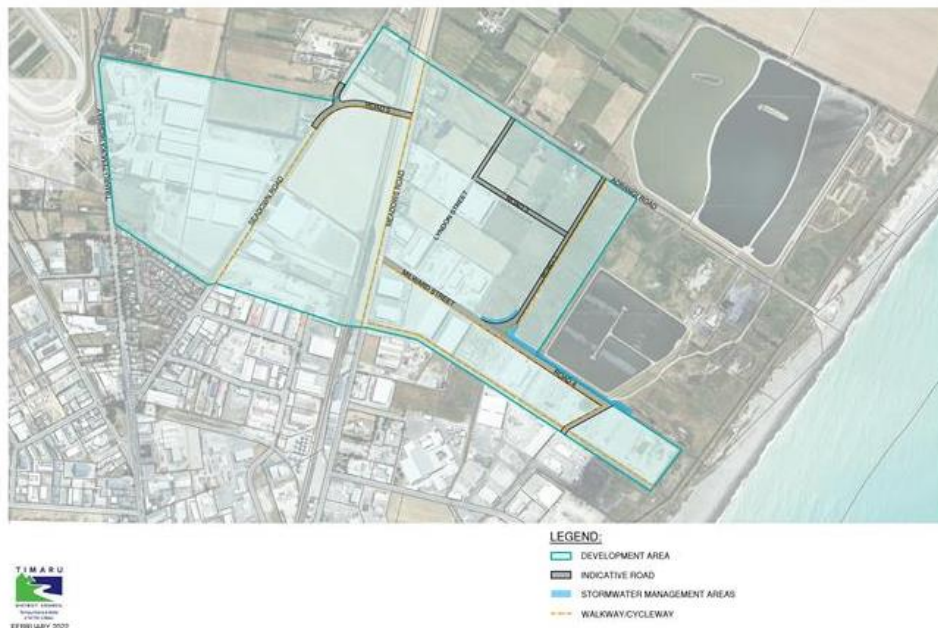
## Industrial

We wish to position the importance of having “shovel ready industrial land” and encourage Council to enable the proactive development of a Washdyke Industrial Park within the area identified in the below DEV3 – Washdyke Industrial Development Plan – a large portion of which is land owned by Council already.

In doing so we acknowledge the commentary within this section of the PDP that *“it is also recognised that through the detailed preparation of a subdivision consent application(s) or asset design, there is the potential for alternative solutions to be developed that better achieve the outcomes sought than the land use pattern shown on the Washdyke Industrial Development Area Plan.”*

Figure 23 – Washdyke Industrial Development Area Plan

DEV3 - WASHDYKE INDUSTRIAL DEVELOPMENT AREA PLAN



This area is effectively our “sweet spot” for growth/consolidation of existing, and attraction of new, Food Processors and Manufacturers (FP&M) given its access to key infrastructure – water, electricity, waste water etc... and its location both centrally within the South Island and proximity to Primeport, SHI and the main trunk line.

We have the largest and most diverse range of entities within this FP&M sector ,in a geographically close location, than anywhere else in New Zealand – its is one of our Districts inherent strengths which we have significant scope to foster, develop and enhance.

Whilst COVID saw a not unexpected drop in new business enquiry this has reignited in recent months – most notably from entities within both the Food Processing & Manufacturing sector but also the Logistics Hub sector. Our near neighbours in Mid Canterbury and North Otago both have a variety of readily available industrial land for immediate use. We risk losing opportunities if we do not act.

As mentioned, a large portion of this land is owned by Council whom we respectfully suggest are not the right entity to proactively develop the landholding – after all Councils are enablers and not developers.

We wish to position all or a large portion of Councils industrially zoned land at Washdyke (not identified for buffer/future expansion of the Waste Treatment plant) is sold, with appropriate terms and conditions, to either a private developer with a proven track record or alternatively to Timaru District Holdings with a clear directive that development of a Washdyke Industrial Park is immediate. The resultant benefits from existing business expansion and attraction of new business into this area, all of which will bring increased opportunities for existing and “new to region” workers and their families, would have a significant multiplier effect both economically and socially for our District.

We urge decisive action is taken.

Furthermore, in line with the above it would be appropriate for Council to also consider identifying the next areas for expansion of our Industrial zoned land – including identifying cluster locations for differing industry use – e.g. FP&M v Storage etc...

### **Financial Contributions**

The final point we would like to make relates to Financial Contributions, in that it is important when apportioning these between developer and council that the percentage of public versus private benefit appropriately considers the long term economic and social benefits to the district and sub-region that the particular development brings – many of which will be realised over future years not just the term during or immediately post the development occurring.

We thank you for the opportunity to submit to the PDP.



Nigel Davenport  
Chief Executive  
Venture Timaru  
Ph 03 687 2682 Cell 021 792 770 Email [nigel@venturetimaru.nz](mailto:nigel@venturetimaru.nz)



**Benje  
Patterson**  
People & Places

October  
2022

# Scenarios of an aspirational economic future for Timaru District



Report commissioned by Venture Timaru

Prepared by: Benje Patterson

Benje Patterson | People & Places

[www.benjepatterson.co.nz](http://www.benjepatterson.co.nz)

October 2022



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## 2. Executive summary

This report has been commissioned by Venture Timaru. Its purpose is to highlight what an aspirational economic future could look like for Timaru, and what achieving such an outlook would rely on.

At its heart, this report helps show:

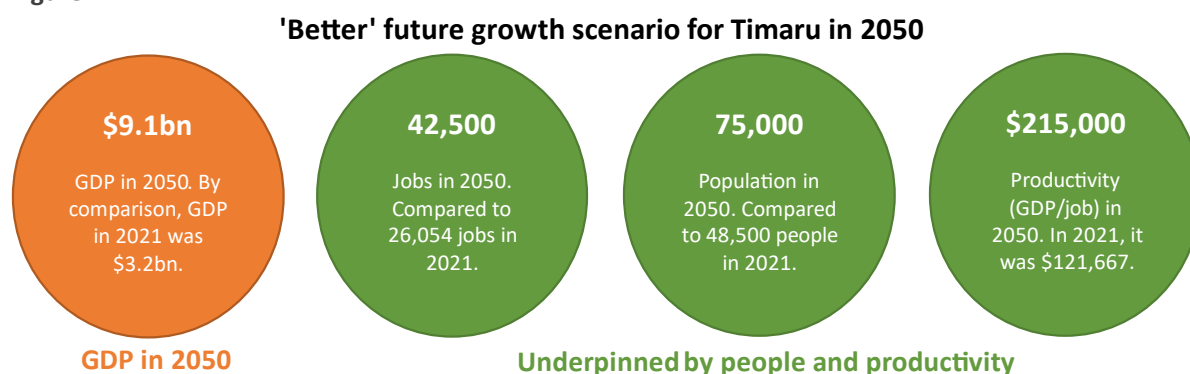
- Where will Timaru's economy be in 2050 if the status quo remains?
- How much larger could Timaru's economy be if there is an aspirational focus on doing better things?
- Which factors would achieving an aspirational economic future rely on?

### 2.1. Key findings

The potential 'size of the prize' for Timaru's economy from being ambitious is large:

- Timaru currently generates \$3.2 billion of GDP (2021).
- If Timaru does no better than just muddle along, with its status quo level of employment and current productivity trajectory then the economy would be worth \$4.2 billion in 2050.
- If, instead, there is transformational growth into high productivity employment, then Timaru's economy could be worth \$9.1 billion by 2050, which is almost three times its current size.

Figure 1

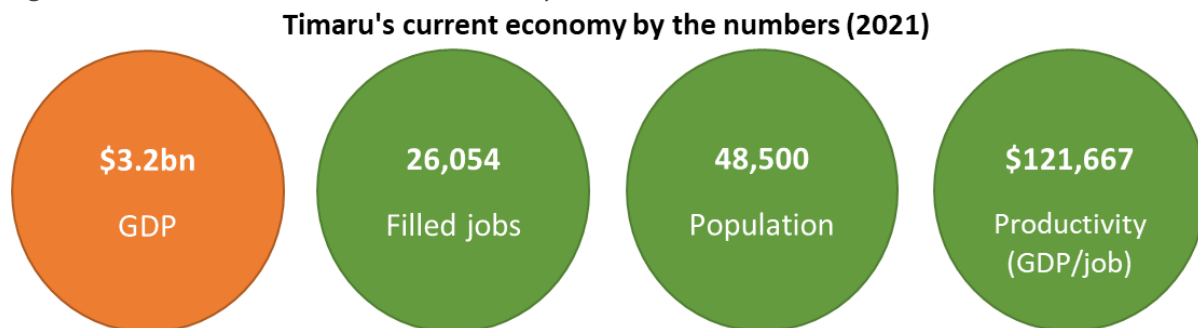


- The outcomes needed to achieve the 'better' future growth scenario are ambitious – both in terms of how many people Timaru would need to attract to fill jobs and how productive industries would need to be:
  - Timaru would need to attract average net migration gains of just over 1,000 people each year to reach a population of 75,000 by 2050.
  - The aspirational productivity outcome in the 'better' scenario would require transformation towards at least one third of Timaru businesses doing things that were at least twice as productive as opportunities under the status quo by 2050.
- Ambitious industry transformation won't happen overnight. Initially many of Timaru's productivity wins will be found working with existing businesses in existing industries. But through time, Timaru can progressively step out from this base and become more transformational in what it does, including breaking into new industries.
- Regardless of which industries help Timaru achieve an aspirational economic future, there will be many factors which are necessary foundations. For example, an additional 9,000 homes, 200-300 classrooms, and 1,500 more health and social assistance workers would be needed by 2050 to support the population growth needed under the aspirational 'better' future growth scenario.

### 3. Timaru’s current economic context

There were 48,500 residents in Timaru in 2021 and employment sat at 26,054 jobs. Each job produced \$121,667 of GDP (compared to \$124,980 nationally), meaning Timaru generated total GDP of \$3.2 billion.

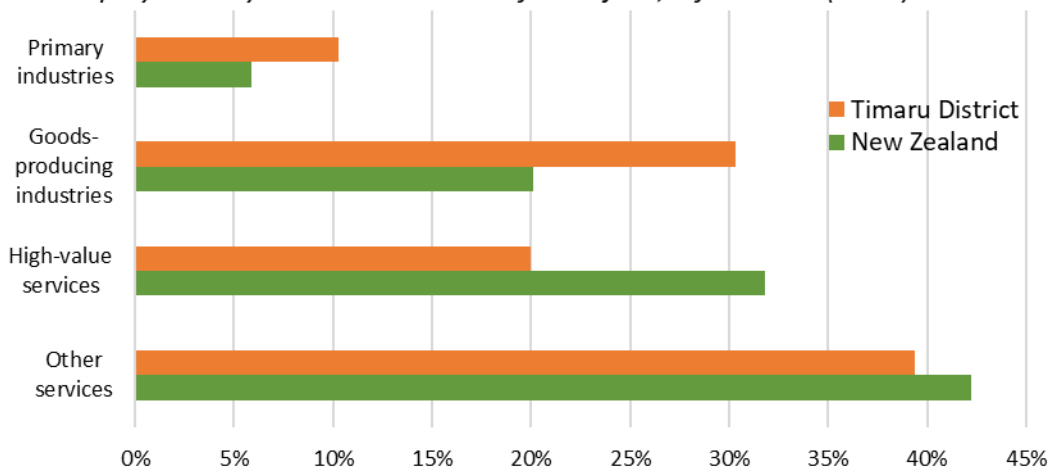
**Figure 2** – The current size of Timaru’s economy, source: Infometrics and Statistics NZ



Employment in Timaru is more heavily concentrated on primary and goods-producing industries than nationally. Primary industries centre on dairy farming, sheep and beef farming, arable farming, and fishing. Goods-producing industries tend to be concentrated on processing of food and fibre products, although there is some machinery and equipment manufacturing to support the primary sector. High-value professional services are less represented in Timaru than the rest of New Zealand, but Timaru is a service centre for South Canterbury so has relatively high health, education, and retail employment.

**Figure 3**

**Contribution to employment by broad sector**  
*Employment by broad sector as % of total jobs, Infometrics (2021)*



Over the past 10 years, growth in Timaru has lagged the New Zealand average for GDP, jobs, and population. But productivity growth in Timaru was slightly above the national average.

**Table 1**

Comparing growth in Timaru against New Zealand over the past decade		
<i>Annual average percentage change, 2011-2021, calculations from Infometrics and Statistics NZ data</i>		
	Timaru	NZ
GDP (\$ billion)	2.2%	2.6%
Jobs	1.2%	1.9%
Population	0.8%	1.6%
Productivity (GDP/job)	1.0%	0.8%

## 4. Aspirational future scenarios for 2050

This section introduces three scenarios for where Timaru's economy could be in 2050. The scenarios range from conservative to aspirational – and are designed to highlight the 'size of the prize' from being ambitious.

### 4.2. Overview of future scenarios for the Timaru economy

The three hypothetical scenarios modelled in this report for Timaru's economy in 2050 are:

- **The 'status quo' (low) scenario.** This scenario highlights what will happen to Timaru's economy if it can only maintain the status quo level of employment and its industries merely muddle along their current productivity trajectories.
- **The 'more' (medium) scenario.** This scenario highlights what will happen to Timaru's economy if it can gradually expand its underlying level of employment, but only in industries based around the district's current productivity trajectory, rather than in anything transformational.
- **The 'better' (high/transformational) scenario.** This scenario is the most ambitious and is based on doing more of things that are better. It highlights what would happen if Timaru can evolve its economy and grow employment into an industry footprint with transformationally higher productivity.

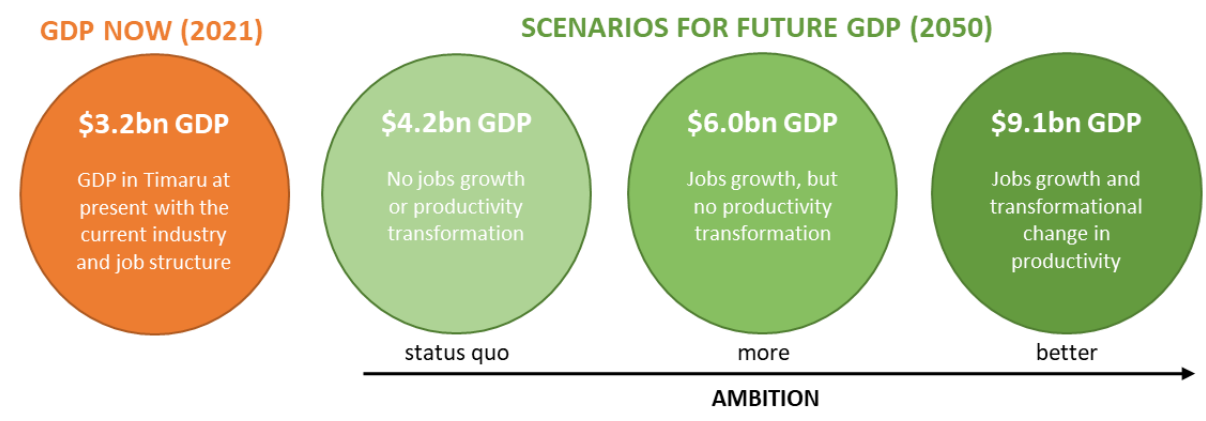
The rest of this section outlines the potential economic impacts for Timaru of each scenario. The detailed assumptions underpinning each scenario and their practicalities are also examined, with a focus on how many people and what productivity levels would be needed to support them.

### 4.3. 'Size of the prize' for Timaru's economy in each scenario

The potential 'size of the prize' for Timaru's economy from being ambitious is large. Calculations under the three future scenarios show that:

- If Timaru does no better than just muddle along, with its status quo level of employment and current productivity trajectory then the economy would be worth \$4.2 billion in 2050, which is one third larger than its current level (\$3.2 billion in 2021).
- If instead there is transformational growth into high productivity employment, then Timaru's economy could be worth \$9.1 billion by 2050, which is almost three times its current size.

**Figure 4** – Timaru's future economic activity (GDP) under conservative through to ambitious scenarios



## 4.4. Assumptions for achieving future scenarios

Each scenario of future economic activity is driven by assumptions based on jobs and productivity growth. The rest of section 4.4 unpacks the practicalities of each scenario's assumptions.

### 4.4.1. Assumptions for achieving the 'status quo' future scenario

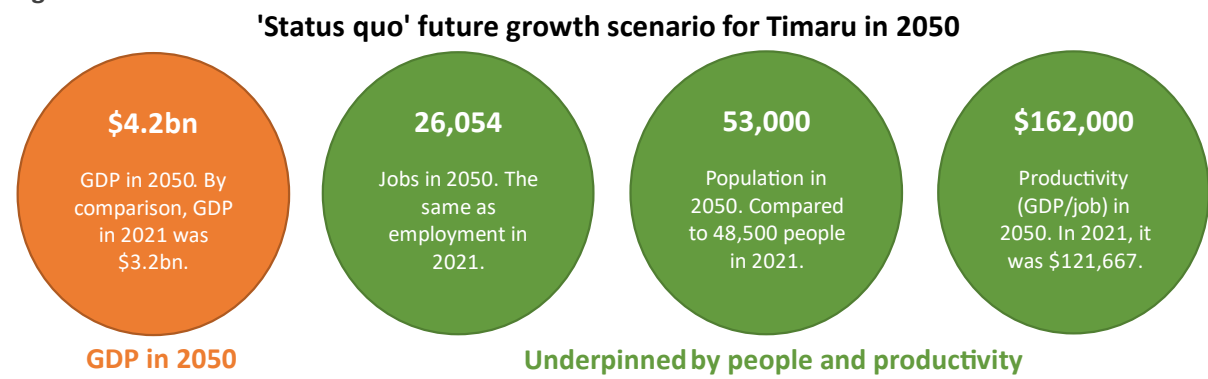
The 'status quo' scenario has the lowest level of ambition for 2050. It simply assumes that:

- Employment in Timaru remains at its current level (26,054 in 2021)
- Productivity growth muddles along at its current trajectory (1.0%pa growth).

In practical terms, achieving the 'status quo' scenario's two assumptions would imply that by 2050:

- Timaru would need a population of 53,000 people, up from its current population of 48,500
- Productivity (GDP per job) would reach \$162,000, compared to \$121,667 at present.

Figure 5



It might seem counterintuitive that Timaru would have to expand its population just to maintain its status quo employment levels. But the reason is simple, Timaru's population is rapidly aging and 30% of residents are expected to be aged over 65 by 2050<sup>1</sup>, compared to just over 20% aged 65+ at present.

Timaru would need to grow its population from 48,500 in 2021 to 53,000 by 2050 just to ensure there were sufficient people of working age to maintain Timaru's current level of employment and counteract increasing retirements.

The productivity growth assumption in the 'status quo' scenario is relatively unambitious. It only requires GDP per job in 2050 (\$162,000) to sit approximately one third higher than it does currently (\$121,667). Several places in New Zealand already have productivity at or approaching this level<sup>2</sup>.

### 4.4.2. Assumptions for achieving the 'more' future growth scenario

The 'more' scenario is based around a slightly more ambitious growth scenario to 2050, where Timaru expands its underlying level of employment. It simply assumes that:

- Employment in Timaru grows at its current trajectory (1.2%pa growth)
- Productivity growth muddles along at its current trajectory (1.0%pa growth).

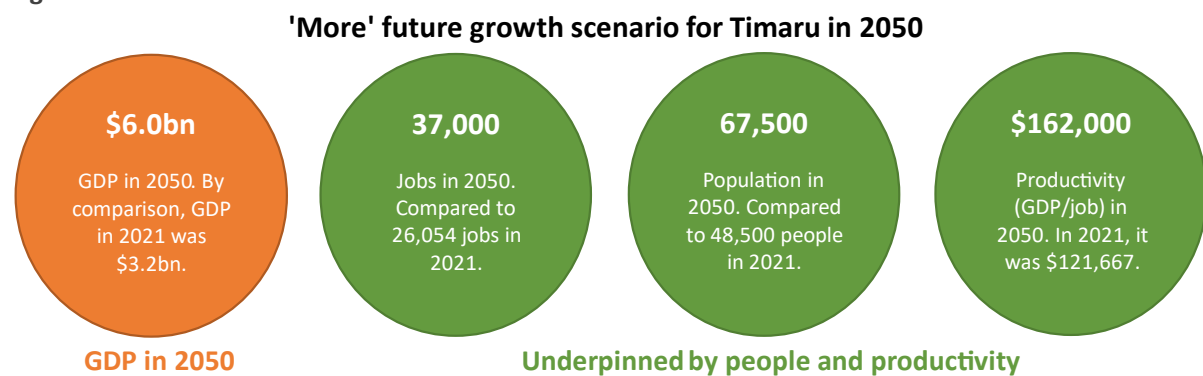
<sup>1</sup> Statistics NZ, subnational population projections (medium scenario), published 31/03/21.

<sup>2</sup> For example, Infometrics Regional Economic Profile shows that productivity (GDP per job) in Waitomo, Waitaki, South Taranaki, Wellington, New Plymouth, and Buller already exceeded \$150,000 in 2021.

In practical terms, achieving the ‘more’ scenario’s assumptions would imply that by 2050:

- Employment in Timaru would sit 11,000 jobs higher than currently
- To fill these jobs, Timaru’s population would need to rise from 48,500 people to 67,500 people
- Productivity (GDP per job) would reach \$162,000, compared to \$121,667 at present.

Figure 6



Timaru’s aging population<sup>3</sup> means that lifting the population from 48,500 to 67,500 would need to increasingly be driven by migration from around New Zealand and overseas rather than natural increase.

Timaru would need to attract a net 800 people each year to lift the population to 67,500 by 2050. This level of migration would be twice as high as Timaru’s average migration gains in recent history<sup>4</sup>.

### 4.4.3. Assumptions for achieving the ‘better’ future growth scenario

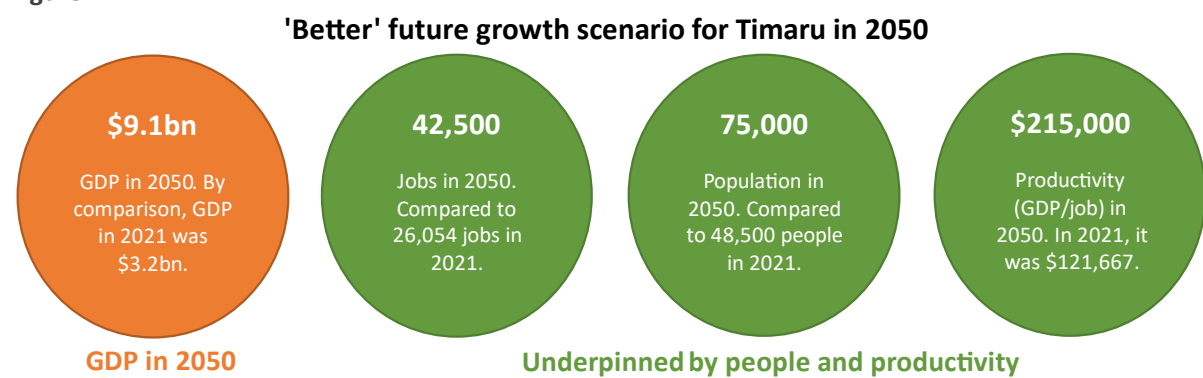
The ‘better’ scenario is the most ambitious and transformational scenario. It assumes that up to 2050:

- Employment will grow by 0.5%pa above its current trajectory (1.7%pa growth instead of 1.2%pa)
- Productivity will grow at 1%pa above its current rate (2.0%pa growth instead of 1.0%pa).

In practical terms, achieving the ‘better’ scenario’s assumptions would imply that by 2050:

- Employment in Timaru would sit 16,500 jobs higher than it does currently
- To fill these jobs, Timaru’s population would need to rise from 48,500 people to 75,000 people
- Productivity (GDP per job) would need to reach \$215,000, compared to \$121,667 at present.

Figure 7



<sup>3</sup> A rising death rate, relative to births, is projected to reduce Timaru’s population by an average of 175 people a year from 2023 to 2048. Source: Statistics NZ subnational population projections (published 31/03/21).

<sup>4</sup> Between 2013 and 2018, net migration to Timaru averaged 400 people per annum. Source: Statistics NZ subnational population projections (published 31/03/21) which drew on censuses for historical perspectives.

The outcomes needed to achieve the 'better' future scenario are ambitious – both in terms of how many people Timaru would need to attract to fill jobs and how productive industries would need to be.

Timaru would need to attract average net migration gains of just over 1,000 people each year to reach a population of 75,000 by 2050. This level of migration is ambitious – even during the high growth years of 2013 to 2018 Timaru only attracted an average of 400 people a year.

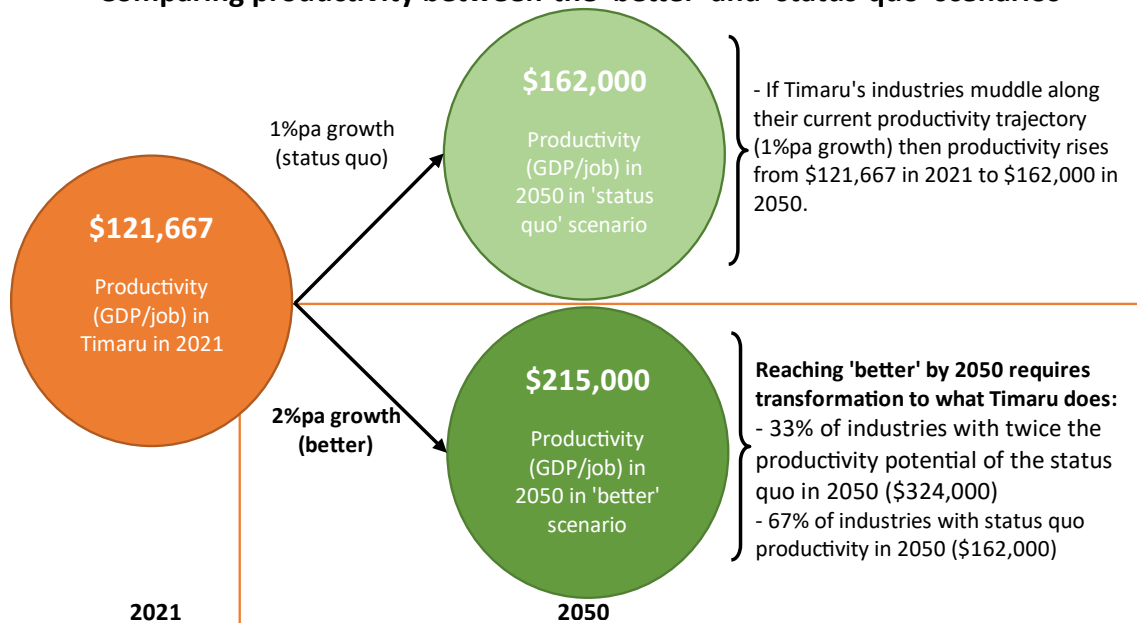
The 'better' scenario's assumption that the long-term rate of productivity growth in Timaru increases from 1.0%pa to 2.0%pa might not sound too ambitious at first brush, but only one district in New Zealand has achieved sustained productivity growth of at least 2.0%pa over the past decade<sup>5</sup>.

Only fundamentally shifting the productivity dial into better ways of doing business would allow Timaru to achieve such a sustained high level of productivity growth over a 30-year period to 2050.

The aspirational productivity outcome in the 'better' scenario would require transformation towards at least one third of Timaru businesses doing things that were at least twice as productive as opportunities under the status quo.

Figure 8

**Comparing productivity between the 'better' and 'status quo' scenarios**



Achieving transformational change in Timaru's productivity would be a powerful thing, particularly given that attracting new workers to Timaru will be difficult against a context of heightened national and global competition for people. After all, productivity is about working smarter, not harder.

To put things in perspective, even in the extreme situation that Timaru can't attract enough new residents to lift employment, then a transformative shift in productivity alone would be enough to almost double the size of Timaru's economy (from \$3.2 billion of GDP in 2021 to \$5.6 billion of GDP in 2050).

<sup>5</sup> Infometrics Regional Profile shows only Taranaki (2.0%pa) had productivity (GDP/job) growth of at least 2.0%pa over the past decade. New Zealand's average productivity growth over the past decade was 0.7%pa.



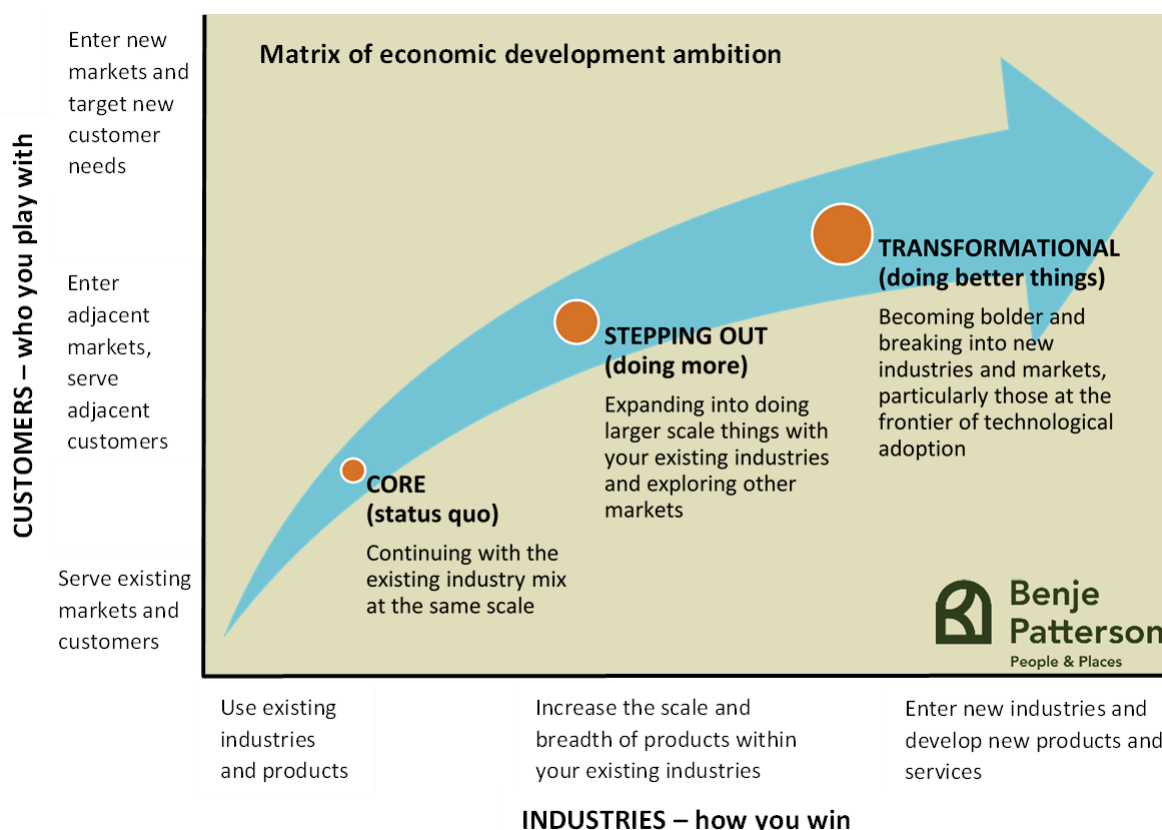
## 4.5. Stepping towards ambitious industry transformation

The previous sub-section highlighted that under the most aspirational scenario Timaru’s economy could expand three-fold over the thirty years to 2050. This aspiration relies on growing and transforming the economy to at least one third of jobs having twice the productivity opportunities to the status quo.

The precise composition of what these industry transitions will be is uncertain and beyond the scope of this report. Nevertheless, this sub-section makes general comments about the decision-making context.

Transformations that build on existing strengths are easier to conceptualise, but ‘blue sky’ opportunities in new industries are harder to map out and many are reliant on yet-to-be-developed technologies.

Figure 9- Matrix of economic development ambition



What is known is that achieving ambitious industry transformation won’t happen overnight. Initially many of Timaru’s productivity wins will be found working with existing businesses in existing industries to streamline processes, explore adjacent products, and invest in proven technologies.

This approach is consistent with the Productivity Commission’s recent inquiry into New Zealand’s ‘frontier firms’ (businesses in the top 10% of those with the highest productivity)<sup>6</sup>. The inquiry researched how the economic contribution of frontier firms can be maximised to lift productivity across the economy. In its findings, the Commission said that we need to identify our frontier firms, learn about the characteristics of these businesses, implement focused innovation policy to strengthen the ecosystems that support them, and encourage the diffusion of their knowledge into non-frontier firms.

The 2021 Timaru District Economic Development Strategy (EDS) highlighted that the sectors in which Timaru has a competitive advantage are related to:

<sup>6</sup> Available here: <https://www.productivity.govt.nz/assets/Documents/benchmarking-new-zealands-frontier-firms/2d6a4cd0ea/Benchmarking-New-Zealands-frontier-firms.pdf>.

- Food and fibre (particularly dairy, meat, seafood, and food manufacturing)
- Logistics
- Professional, scientific and technical services.

These three sectors are a logical starting point for shifting Timaru's productivity dial. Furthermore, these sectors are also well-aligned to central government strategies and funding mechanisms. For example, all three are embedded directly and indirectly across the government's various Industry Transformation Plans<sup>7</sup>, while optimising logistics is the focus of the New Zealand freight and supply chain strategy<sup>8</sup>.

Through time, Timaru can progressively step out from this base and become more transformational in what it does, including breaking into new industries with at least twice the productivity potential to the status quo. Exactly what new industries will succeed is uncertain, but in exploring high productivity opportunities, Timaru must be cognisant of broader megatrends. These megatrends are long-term forces that can structurally change the industries in which Timaru might be competitive. Some megatrends to take note of when considering potential new high productivity opportunities include:

- **An increased focus on inclusive growth.** Higher GDP isn't the only goal, instead there must be a balance with the wellbeing of people, communities, and the environment. Investment in productivity can be a vehicle to inclusive growth, as high productivity, technologically driven industries can achieve prosperity and higher wages without unduly pressuring resources.
- **COVID-19's legacy will endure long after the pandemic is over.** Consumer demand patterns have evolved, and businesses may permanently adjust their practices, logistics, and supply chains to minimise future risks of disruptions. The changes create opportunities for localism and for regional locations with good transport connections to major metropolitan areas.
- **The nature of work is changing.** Younger workers have different expectations of work and are more likely to prioritise lifestyle with shorter working weeks and remote working. With good digital and transport connections there are opportunities for Timaru to capitalise on remote working trends and in other jobs that can deliver services 'weightlessly' to customers.
- **Automation will have widespread effects,** particularly in sectors with a lot of routine tasks. Automation brings productivity benefits, but new opportunities will likely focus on workers needing to develop different skills. There may be scope for Timaru to develop and pilot automation on local industries, for example agritech and drone-based agricultural solutions.
- **Adapting to emissions and other environmental factors will have direct and indirect effects.** Government regulations will directly create costs and constraints, particularly within agriculture for those with intensive pastoral farming models. Changing consumer preferences will also create indirect effects, which will likely favour more sustainably managed and lower impact business models. These changes will bring opportunities, for example to research and test how Timaru's food and fibre sector can pilot world-leading productive and sustainable transitions.

The above list should only be taken as a starting point when considering potential 'blue sky' industry opportunities that could help transformationally lift Timaru's productivity. Megatrends by their very nature are uncertain – it is important to regularly consider other emerging forces. As stated in the Timaru EDS: "Timaru District, its people and businesses, need to embrace and respond to these changes, realising new opportunities and responding to disruptions".

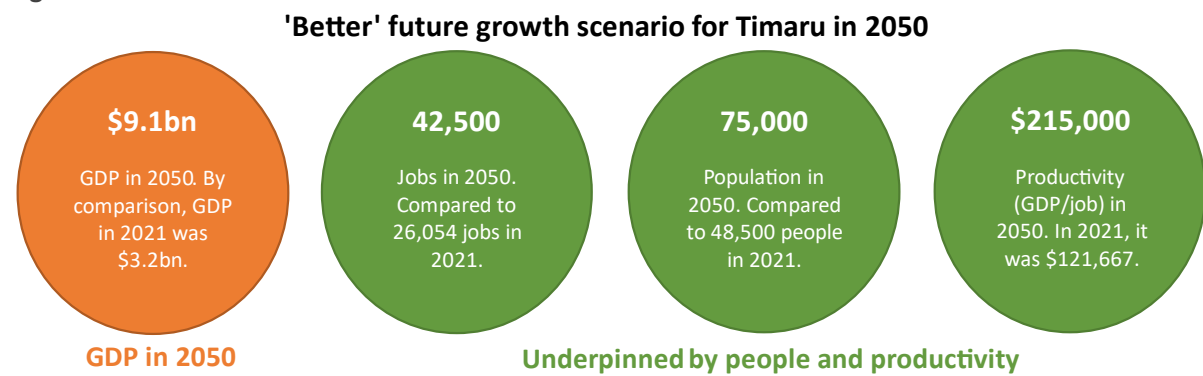
<sup>7</sup> Industry Transformation Plans (ITPs) are a mechanism for implementing the Government's industry policy. ITPs have actions focused on long-term transformation. More here: <https://www.mbie.govt.nz/business-and-employment/economic-development/industry-policy/industry-transformation-plans/>

<sup>8</sup> The New Zealand freight and supply chain strategy takes a 30+ year view and will inform government and private sector investment. Productivity is key to the strategy. More here: <https://www.transport.govt.nz/area-of-interest/freight-and-logistics/new-zealand-freight-and-supply-chain-strategy/>

## 5. Which enabling factors does ambition rely on?

Regardless of which industries help Timaru achieve an aspirational economic future, there will be many factors which are necessary enablers. Productivity, employment, and population growth are key drivers of economic prosperity (see Figure 10), but these can't happen in isolation and in turn rely on underlying foundations related to skills, natural resources, housing, infrastructure, and social and cultural capital.

Figure 10



Enabling factors needed to support achieving the 'better' future growth scenario for 2050 include:

- **Sufficient business land and the right infrastructure.** For businesses to do better things, they will need suitable premises. Even at the lower end of land needed per worker, 16,500 additional jobs would demand a minimum of 30 extra hectares of adequately serviced business land by 2050<sup>9</sup>.
- **Access to capital.** Transformational changes in productivity are inherently capital intensive. Accessing investment capital for small to medium businesses is especially difficult in the regions.
- **Digital and transport connections.** Digital and transport connectivity are crucial for businesses' productivity. Remaining connected to friends and family is also important for new residents.
- **People with the right skills.** The 16,500 new jobs would be in much higher productivity roles, with different skills demands to the status quo. Ongoing training to build capability of existing workers to use new technologies will be as important as attracting people with the right skills.
- **Housing.** Population growth of 26,500 people could equate to 9,000 more households by 2050. This number of new households is equivalent to 300 extra houses per year for the next 30 years.
- **Schools.** Within the population expansion of 26,500 people, there would be around 6,000 children of early childhood and school age. Depending on average classroom sizes this could mean an additional 200 to 300 classrooms would be needed in Timaru District by 2050.
- **Health.** An increasing population will place higher demand on health services. In order to maintain similar health service levels<sup>10</sup>, Timaru would need at least 1,500 more health and social assistance workers by 2050<sup>11</sup> to account for population growth from 48,500 to 75,000 people.
- **Social and recreational infrastructure.** Community infrastructure and services play an important role in supporting wellbeing, as well as helping to integrate and retain new residents. Investment should scale as populations increase. The 2019/20 Timaru Resident Opinion Survey showed 87% of residents visited a park or reserve in the past year, while 91% used a community facility.

<sup>9</sup> A BERL study showed businesses require 17 to 100 sqm per employee depending on if they are service-based or heavy industry (see page 14: <https://www.waikatoregion.govt.nz/assets/WRC/Services/regional-services/BERL-Report-UNISA-Industrial-Land-Demand-Study.pdf>).

<sup>10</sup> There were 2,837 employed in health and social assistance in Timaru in 2021 against a population of 48,500.

<sup>11</sup> This estimate is conservative as there would also be additional health demands from an aging population.

## 6. Concluding remarks

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This report has highlighted the power of being ambitious and transformational.

If Timaru can do no better than maintain its current level of employment and muddle along its status quo productivity trajectory then it will only be one third larger by 2050 than it is today.

However, if Timaru can be aspirational in terms of how many jobs it creates, people it attracts, and how productive these jobs are then Timaru's economy could triple in size over the same period. Such a goal would require a transformational shift into at least one third of Timaru's businesses doing things that were at least twice as productive as opportunities under the status quo.

Getting there won't be easy. Transformations that build on existing strengths are easier to conceptualise, but 'blue sky' opportunities in new industries are harder to map out and many are reliant on yet-to-be-developed technologies.

Furthermore, regardless of which industries help Timaru achieve an aspirational economic future, there will be many factors which are necessary enablers. Productivity, employment, and population growth are key drivers of economic prosperity, but these can't happen in isolation and in turn rely on investments in underlying foundations related to skills, natural resources, housing, infrastructure, and social and cultural capital.

## Michelle Reeves

---

**From:** Nigel Davenport <nigel@venturetimaru.nz>  
**Sent:** Monday, 12 December 2022 12:59 pm  
**To:** Jane Marine  
**Subject:** RE: Submission Form 5 Required  
**Attachments:** 636102-Form-5-Venture Timaru PDP Submission.pdf

Thanks Jane

Completed form attached

Ngā mihi

Nigel

## Nigel Davenport

Kaiwhakahaere Matua / Chief Executive



**Venture Timaru**  
DISTRICT - ECONOMIC & TOURISM AGENCY

2 Sefton Street East | PO Box 560 | Timaru | New Zealand  
ddi: [03 687 2738](tel:036872738) | p: [03 687 2682](tel:036872682) | c: [021 792 770](tel:021792770)  
email: [nigel@venturetimaru.nz](mailto:nigel@venturetimaru.nz) | [www.venturetimaru.nz](http://www.venturetimaru.nz)



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**From:** Jane Marine <Jane.Marine@timdc.govt.nz>  
**Sent:** Monday, 12 December 2022 9:54 AM  
**To:** Nigel Davenport <nigel@venturetimaru.nz>  
**Subject:** Submission Form 5 Required

Good Morning Nigel Davenport,

Again thank you for your submission on behalf of Venture Timaru. I have attached a Form 5 submission form that is required to accompany all submissions on the Proposed District Plan. Please fill it out and email It back so that your submission is complete. Thank you.

Regards

Jane

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**From:** PDP  
**Sent:** Friday, 9 December 2022 1:32 pm  
**To:** Nigel Davenport <[nigel@venturetimaru.nz](mailto:nigel@venturetimaru.nz)>  
**Subject:** RE: SAVED CM: Venture Timaru PDP Submission

Good Morning Afternoon Nigel Davenport,

Thank you for your submission on behalf of Venture Timaru.  
You will be provided with a unique identifier and copy of your submission when it has been uploaded into the system.  
Following the consultation period all submissions will be summarised and a 'Summary of Submissions' will be published for further submission.

regards

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**From:** Nigel Davenport <[nigel@venturetimaru.nz](mailto:nigel@venturetimaru.nz)>  
**Sent:** Friday, 9 December 2022 12:32 pm  
**To:** PDP <[pdp@timdc.govt.nz](mailto:pdp@timdc.govt.nz)>  
**Subject:** SAVED CM: Venture Timaru PDP Submission

Hi

Please find attached our submission to the PDP along with a supporting document.

Ngā mihi

Nigel

**Nigel Davenport**

Kaiwhakahaere Matua / Chief Executive



2 Sefton Street East | PO Box 560 | Timaru | New Zealand  
ddi: [03 687 2738](tel:036872738) | p: [03 687 2682](tel:036872682) | c: [021 792 770](tel:021792770)  
email: [nigel@venturetimaru.nz](mailto:nigel@venturetimaru.nz) | [www.venturetimaru.nz](http://www.venturetimaru.nz)

