

THE REMOTE ECONOMY IN THE QUEENSTOWN LAKES DISTRICT



A profile of residents who earn their income from outside of the district, and their potential to help diversify the local economy.

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INTRODUCTION

This research was commissioned by Queenstown Lakes District Council to understand more about residents who earn their income from outside the district, and their potential to help diversify the local economy.

The research explores the current experiences and intentions of these people, and tests the interest they have in growing their own teams and supporting other local entrepreneurs to do so. It clarifies the role these people could play in helping diversify and strengthen the local economy, and how this could be facilitated.

“I LOVE BOTH THE AUTONOMY AND THE FACT I GET TO GO FOR A RUN ON THE TRAILS DURING THE DAY JUST ON MY DOORSTEP.”

Thank you to all the remote earners who took part in this research. Your insights have confirmed you are part of a deep pool of talented people who want to connect and contribute locally.

Thank you also to everyone who helped make this research possible, including:

- **Kate Campbell from Swoop Content:** survey project management, interviews, results analysis and reporting
- **James Burnes:** website and survey design
- **Peter Harris:** research design and final report editing
- **Startup Queenstown Lakes, Queenstown Chamber of Commerce, Ignite Wanaka, Lakes Weekly Bulletin:** survey promotion
- **Queenstown Lakes District Council:** research funding

SUMMARY

The research included 130 remote earners who responded to the online survey and also 17 one-on-one interviews. While these were only a subset of all remote earners in our district, the respondents offered interesting insights including:



Around one third are interested in growing a team.

37% see potential to build a team or hire other remote earners in the district as an expansion of their current work. This potential is strongest amongst those people who have a stake in their business (45%).



They prefer smaller communities.

Compared to the average resident in the district, they are more likely to live in the Wānaka/Hāwea area.



Half of respondents want to start a business or help others to.

53% are interested in either creating new business themselves (or helping others create new business).



They work nationally and internationally.

73% make all their income outside the district (of which 23% make all their income internationally).



They are happy with their situation.

75% are satisfied with their remote working situation.



They are keen to connect.

49% want to rub shoulders with other remote earners, including 20% who want to work from a shared workspace.



They travel regularly.

74% regularly travel to maintain their contacts with employers/customers.



The majority are self-employed New Zealanders working in knowledge intensive industries.

There is also a relatively even split between females and males.

The survey confirms there is a deep and diverse pool of highly skilled people working remotely from our district, and that most are keen to engage more with our community. The desire of talented remote earners to connect is the gold that our district hasn't mined yet.

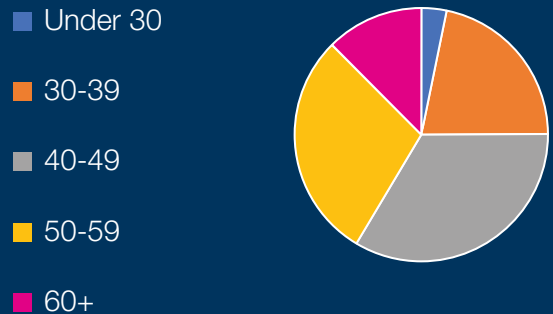
CHARACTERISTICS OF REMOTE EARNERS

Those surveyed have helped to paint a picture of the people who choose to work remotely from our district.

Demographics

The average respondent was 47 years of age. There was a relatively even balance between males and females.

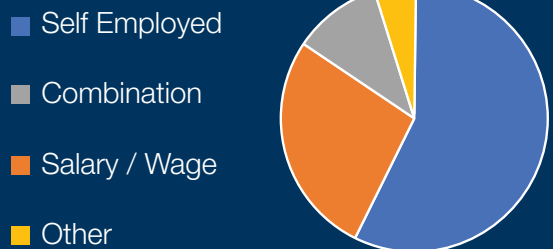
Age of remote earners



Employment

The majority of respondents are self-employed (58%) while 27% earn a salary.

Employment status of remote earners



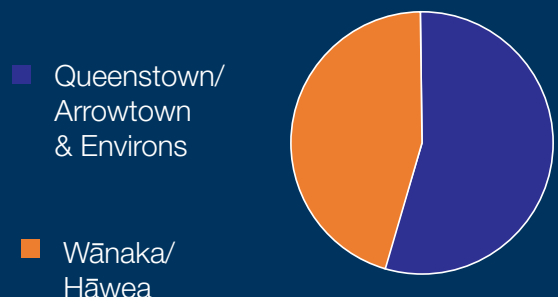
Homebase

The data indicated most remote earners are independent mid-career New Zealanders who choose to base themselves from quieter spots within our district.

45% live in the Wānaka/Hāwea area which compares to 31% of the overall Queenstown Lakes population. Arrowtown is a popular location for those based in Queenstown-Wakatipu.

In order to maintain contact with their colleagues, employers, and clients, most travel regularly (74%). Of those who travel, they spend on average 44 days away from the district each year, spending 65% of this time traveling internationally.

Where remote earners live

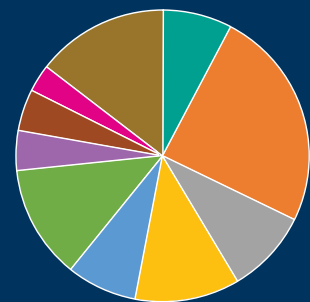


SKILLS AND SOURCES OF INCOME

What are the typical skills of remote earners?

There is a wide variety of skills amongst remote earners, the most dominant being Management, HR, and Marketing. 82% of those surveyed work within Knowledge Intensive industries.

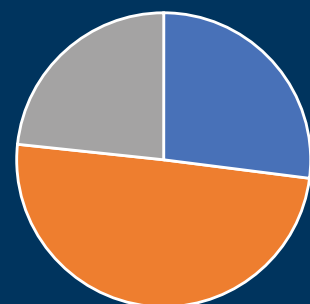
- Health Professional
- Arts & Media Professionals
- Chief Execs, General Managers, Legislators
- ICT Professionals
- Education Professionals
- Business, HR & Marketing Professionals
- Design, Engineering, Science Professionals
- Specialist Managers
- Engineering, ICT & Science Technicians
- Other



Where do remote earners generate income from?

23% of respondents indicated all their income is earned overseas, while 50% make their money from a mix of national and international sources. Only 27% make some of their income locally.

- Makes some income within the district
- No local income, mix of nationals and overseas
- All income overseas

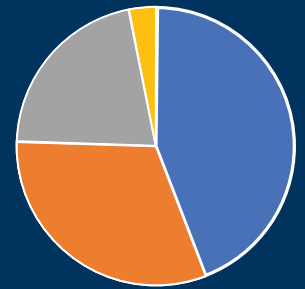


SATISFACTION, INTERESTS AND WANTS

How satisfied are remote earners?

Most remote earners are happy with their situation, with 44% indicating they are extremely satisfied. 25% said they felt 'average' or dissatisfied with their situation.

- Extremely Satisfied
- Satisfied
- Average
- Dissatisfied



WHAT THEY TOLD US

“Generating a remote income means that I can remain living in such an expensive but attractive location.”

“The flexibility of work/life balance, and being able to connect with the remote team whilst having some autonomy.”

What would boost the satisfaction of remote earners?

When those who would like a change in their situation were asked what would boost their satisfaction, around one third (32%) stated they would like to find work locally. 53% are interested in creating a business opportunity either alone or with others.

- Launching my own business in the district
- Engaging in contract or freelance work in the district
- Earning a salary or wage in the district
- Turning my expertise into a product or service
- Licensing original content that I have created to others
- Collaborating with local talent to launch a new product or service
- “Re-inventing” my career



WHAT THEY TOLD US

“Keen to redirect my skills and energy into something that benefits the local environment and/or community.”

“In Sydney I do a lot of mentoring of business owners & CEOs and that is something I’d be happy to do here.”

What are remote earners seeking?

Remote earners want to connect. This is illustrated by the respondents who said they would like to work from a shared space (20%) or would like to meet locals in a similar situation to them (29%).

- Locally-based expertise, R&D resources and providers
- Investment opportunities in established businesses and/or startups and technologies in the district
- Less travel and/or nights away
- To meet locals in similar industries or occupations to explore opportunities
- A shared work space with other remote workers



WHAT THEY TOLD US

Access to co-working spaces that foster a sense of community and not just a desk with internet connection. Opportunities to meet and network with people outside the region to increase collaboration with people beyond the limited population of Queenstown, without having to travel to other cities.

I'd like to see co-working environments that foster the needs of an international mind set community and international level education via speakers.

It can be quite isolating. Often I think Queenstown needs my expertise but the focus is all on the tourism industry.

OPPORTUNITIES AND CHALLENGES

The research highlighted several opportunities and challenges in building and establishing local teams. 40% of respondents believe there is potential to grow from being a remote earner to being part of a team based in the district. This was strongest amongst those who have a stake in the business they work for (45%) and weakest in remote employees (28%).

Access to talent was mentioned as a barrier by 27% of those who chose from the list of 'barriers to growth' in the survey. With a number of remote earners based in smaller communities that are yet to be supplied with fibre (Hāwea area and parts of Wānaka and Arrowtown), this was mentioned as a barrier by 11% of respondents.

CHALLENGES



Access to talent



Proximity to customers



Costs of housing and commercial premises



Broadband access



Freight costs



Attitudes of head office to remote working



Transport networks and infrastructure



Access to capital



Ability to generate income from local sources

CASE STUDIES OF REMOTE EARNERS

Jeremy Ullrich

Jeremy is an experienced technology investor and manager with nearly 20 years' experience across a range of FinTech industries, including payments processing, taxi industry software, and fitness industry platforms. Jeremy also has significant startup experience co-founding Island Brewing Co in Fiji, Zoomy Taxi App and investment in Generator serviced offices.



Jeremy generates 100 percent of his income from outside the District, he is extremely satisfied with his situation as a remote earner and his favourite thing is the lifestyle that Queenstown offers for his family. To increase his satisfaction Jeremy considers that Queenstown badly needs co-working spaces, similar to the Generator in Auckland. The Generator is “a shared space with diverse thinkers in an innovative ecosystem.”
<http://www.generatornz.com>

Jeremy would consider hiring additional employees or contractors, consider expanding by hiring full or part-time employees; and consider hiring remote earners based in this District. However, the barriers that are preventing him or his business from expanding locally include commercial space affordability, and again he says that Queenstown needs quality co-working spaces, which he says would help foster innovation and new companies and attract and retain staff in Queenstown.

David Wallace

David Wallace is Joint Managing Director of Armillary Private Capital which has offices in Auckland and Wellington. David is based in Wānaka. Armillary Private Capital would also consider opening a larger office/branch in this District if it had sufficient clients within the lower South Island region.

He would consider engaging in contract work in the District. The barriers to this include the transport network and infrastructure, the ability to generate adequate income from local sources and the proximity to customers.



He has a background in asset management, investment banking, equities research and corporate treasury with 30 years' experience working in the capital markets in NZ. He has had corporate treasury roles for Winstone Limited, NZ Steel, and Clear Communications and worked for JP Morgan (formerly Ord Minnett).

Throughout his career, he has overseen a broad range of transactions including IPO's, debt raisings, MBOs, mergers, acquisitions and divestments and has been a rated equities analyst for the telco and IT sectors.

David currently chairs Eurotech Design, NZ Crane Hire and the advisory board of AE Tillet. He is also chair of Snow Sports NZ and Startup Queenstown Lakes.

Sarah Pearson

Sarah is a Managing Director for SPQR Limited, an international legal consultancy firm. Sarah qualified as a solicitor in UK (England and Wales) Hong Kong and Australia (NSW), Sarah has multi-jurisdictional expertise and specialises in clients currently based in Hong Kong.

Sarah started her legal career with Osborne Clarke in Bristol. She subsequently worked at Clifford Chance in their Banking Department for seven years and joined Credit Suisse in 1994. Sarah worked for Credit Suisse in a variety of roles until 2012 and was based in London, Hong Kong, Singapore, Tokyo and Sydney.

Sarah's appointments include: Regional General Counsel – Asia Pacific for Credit Suisse, Chief Operating Officer for Credit Suisse Australia and Chief Operating Officer for Credit Suisse Asset Management, Asia Pacific and Emerging Markets.

Sarah has served on boards and supervisory committees of a number of Credit Suisse companies and funds/General Partners as well as joint venture companies, e.g. Emerging Markets Credit Opportunity Fund Limited, Cim (Mauritius) Ltd, E.L. & C Baillieu stockbrokers and ICBC CS Asset Management.

Sarah travels to Hong Kong approximately twice a year to meet with financial advisers. Sarah would potentially consider expanding locally, and employing people in the District. Sarah finds the regulatory costs for small business excessive in the District, and undertakes ex gratis legal work for small organisations, such as the Arrowtown Golf and Wood Work Club.

She would be interested in starting a new business, or collaborating and operating as a director. She thinks the region could benefit from a small group of professionals such as accountants and lawyers to advise businesses. She'd like more opportunities to talk to local people within similar industries, networking, and forums to discuss matters. She'd be interested in targeted opportunities.



Simon Flood

Simon is based in Queenstown, after a 25-year overseas career in London, Hong Kong and Singapore. He returned to NZ in 2015 after heading the Asia Pacific investment arm of AXA IM. Simon sits on the Board of Trustees of the University of Canterbury Foundation as well as the Lakes District Hospital Trust.



Simon believes that if Queenstown, and the wider District is to become more economically sustainable it needs to broaden the number of industries operating here.

"At present we are far too dependent on tourism which has implications for the type of jobs that are being created, the level of temporary residents we have and the levels of income able to be made. In order to achieve economic sustainability, we need to broaden the base of businesses operating here. For starters I think that the Basin could usefully play a role in expanding NZ's health, IT and education offering. If we are able to build momentum in these areas, other ancillary industries and services will follow.

Queenstown, and the Lakes District in general, is hugely attractive as a destination and not just for tourists but as importantly for professionals who would love the opportunity to establish themselves as residents. The challenge is the availability/prospect of substantive and interesting roles.

For those of us who have moved to the region one of the challenges with operating in Queenstown and getting more involved is that it appears to operate as something like a club whereby the key interesting positions/directorships that come up seem to end up with the same group of people.

From a personal perspective, I would love to be more involved and would like to see the establishment of a database of candidates for key roles such that the opportunity to at least be considered is more level than it currently appears to be. There are a number of people who reside in the Basin who have a vast array of business skills garnered globally and are here because they choose to be. Many of these people also have a genuine desire to be engaged locally and to be able to leverage their domain expertise/experience, but struggle to navigate the system."

Richard McLeod

Richard McLeod is the CEO of a private NZ investment company, mainly providing sub-ordinated debt to companies with young entrepreneurs at the helm.

They are active investors and work closely alongside the companies they invest in to help them remove some of the roadblocks which may be preventing them from growing.

Richard is also CEO of Loaded Reports. Loaded Reports is a SaaS(y) hospitality software company that helps make bar, restaurants and café owners lives easier. It was built because it seemed far harder than it needed to be to run a hospitality business, now other business owners are getting the benefit of using Loaded Reports.



Richard provides an illustration of companies that have innovated based on scalability. The tourism industry provided the opportunity for Richard to develop a product in the knowledge-based ICT sector. Loaded's administrative function is based in Dunedin, the development team in Christchurch with offshore support provided from Ukraine.

While, Richard would like to operate more of Loaded's functions locally there is a concern that they cannot access skills and talent particularly in the development area.

Richard, along with other innovators in the ICT space are keen to create an opportunity for a collective office space as none of the businesses alone can take on the primary lease. Richard thinks that in order to support the development of tech businesses in the District one shared facility could be established, potentially a private-public partnership, where high quality content can be created for digital and online marketing, such as for the development of webinars, blog articles, support videos, and interviews with prominent people.

