

BUSINESS ENVIRONMENT WORKSHOP – KEY FINDINGS

CHRISTCHURCH ECONOMIC DEVELOPMENT STRATEGY (CEDS)

May/June 2016

PURPOSE

Canterbury Development Corporation is undertaking a review of the Christchurch Economic Development Strategy, 2013.

The CEDS Business Environment workshop was one of four thematic workshops¹, the other of which are as follows:

- CEDs Labour Market workshop
- CEDS Innovation workshop
- CEDS Attractive City workshop

The purpose of the CEDS Business Environment workshop was to consider interventions to ensure Christchurch has an environment that enables businesses to prosper; removing challenges to growth or reducing costs. The workshop involved representatives of Christchurch's business community, local government, tertiaries and other stakeholders.

This document presents the key findings from the discussion. It may be useful to read this along-side the workshop brief¹, which provided context for the discussion.

NEXT STEPS IN THE REVIEW OF CEDS

During June and July 2016, CDC will use the workshop findings and other research to review the CEDS strategic framework and identify potential initiatives with delivery partners. This will be circulated to all workshop participants.

During July and August 2016, CDC will draft the revised strategy.

The strategy will be presented to the Christchurch City Council in late 2016 for endorsement.

¹ All the workshop key findings papers and the workshop briefs can be found at the [web page](#).

KEY WORKSHOP FINDINGS

BUSINESS GROWTH

The main constraints on businesses realising their full growth potential in Christchurch are:

- A lack of skills – particularly specialist exporting capability and experience and middle management. There was a feeling that help was available within business support systems, but people need to ask. Solutions to address skills challenges include:
 - Provision of middle management internships in, for example, the city council
 - Utilising the expertise of migrants and returning New Zealanders
 - Attracting people from Auckland – particularly those with sales skills / international experience
 - Utilising international students
- Attitudinal challenges – people are tired and distracted post-earthquake and the motivation for being in business may not be growth. We need to understand better what motivates people and their risk profile.
- The mismatch of capital and ideas including the lack of smart local capital with the right risk appetite, difficulty attracting international investment. This may relate to the lack of scale of local businesses.
- A lack of scale – related to the small domestic market which resulted in poor economies of scale, a lack of career opportunities and difficulty attracting international investment. Solutions included:
 - Increasing collaboration to build scale
 - Clustering or specialisation or branding
 - Defining specific areas where Christchurch has a depth of skills / capability and supply chain
- Attract multinationals
- A lack of head offices – limiting career opportunities
- The cost of doing business – some felt this had increased in terms of the cost of land and compliance and time delays around consultation. The consenting processing was not seen as high a priority / issue as it was three years ago.

Other constraints identified included:

- The lack of cargo capacity at the airport for perishable goods.
- Ongoing insurance issues

Better utilisation of broadband is an opportunity – the infrastructure is in place and the earthquakes have led to better utilisation and different ways of working. However, there needs to be a strategy to improve utilisation by business.

ATTRACTION & RETENTION OF BUSINESS AND INVESTMENT

Business location – the cost of central city property and the perceived lack of progress (and lack of certainty around timelines) around the anchor projects were seen as constraints on businesses locating in the central city, particularly smaller businesses. This may lead to a lack of diversity in the central city business community. Fragmentation of the business community across different locations was also seen as a challenge, although the size of Christchurch and the ease of commuting / travelling across the city was seen as an advantage.

Infrastructure – the future quality of infrastructure, the airport and seaport are strengths. However, people want more certainty and information about milestones, completion dates etc.

Christchurch's other strengths include:

- The diversity of the economy and the inter-connectedness with the rural hinterland
- The interconnectedness of the business community in Christchurch
- The quality of Christchurch's education system – schools and tertiaries
- Having a strong single iwi – Ngai Tahu

Increasing scale – focus on:

- Clustering or specialisation or branding
- Defining specific areas where Christchurch has a depth of skills / capability and supply chain
- Attract multinationals

Specific opportunities are identified around:

- Telling the tourism story
- Our innovative health care sector
- Leveraging creative / gross roots / EQ-led innovation

Improving the perception of the city as being “open for business” is identified as key – telling the positive story of Christchurch – locally, nationally; public / private – build trust and confidence. Some specific aspects include:

- Relative affordability (compared with Auckland)
- Lifestyle
- New city
- Utilising diverse communication channels
- Be clear about “what we want to be when we grow up”
- Be positive but real
- Use data; ask others outside the city for their perceptions
- Make it simple

There is a need for better joined-up thinking and leadership. Key aspects included:

- A need for strong Council / Mayoral leadership, but also wider leadership by a group of individuals
- Involvement of youth in decision making
- Utilising sister cities
- Use “red hat” model to make specific opportunities happen