

# CHRISTCHURCH'S TECH SECTOR STRATEGY 2015-2025

## A Growing Pie, But Are We Keeping Up?

### Tech Sector Overview

The fastest growing sector in New Zealand – set to be the number 1 GDP earner by 2020

Christchurch is not keeping up with the national growth



We've shifted from being a leader to losing market share

The tech sector is the fastest growing sector in New Zealand and Christchurch has historically outperformed the average New Zealand growth.

In the 10 years prior to the earthquakes, Christchurch's IT services sector grew at more than 1.5 times the national rate, but things have changed.

Since the earthquakes, Christchurch's tech sector has failed to grow at the speed of NZ's growth:

- ICT sector employment has fallen by 7% (2012-14) while New Zealand ICT sector overall has grown by 6.2%
  - This has come from a loss of jobs in telecommunications, and to a lesser extent in ICT manufacturing and wholesaling
  - The fall in telecommunications employment seems to reflect a restructuring of employment away from Christchurch rather than a fall in employment nationally
- Even in our IT services sector (which includes software) Christchurch employment has only grown by 6% from 2012-14, compared with 13% nationally.
- Christchurch median base salary in ICT is \$75,000 compared with \$82,500 in Auckland and \$90,000 in Wellington
- The number of IT full-time students in New Zealand has stagnated since 2010 and Christchurch is below Wellington and Auckland in terms of tertiary student enrolments in IT
- ICT occupations in Christchurch as percentage of total workforce (all industries) is slightly below the NZ figure (4.4% vs 4.2%).

Christchurch is falling behind

## Strategy Background

### *A Chorus of Voices*

Successful achievement of tech sector growth will support economic growth and wealth for the city. The development of this strategy was led by the Christchurch economic development agency, Canterbury Development Corporation (CDC) and involved a range of people – from Christchurch, other parts of NZ and offshore. People took part in conversations in focus groups, one on one meetings and during the Loomio online discussions. CDC also looked at global trends and what other cities were doing. What was clear was the consistency of messaging from all people – they saw the same challenges and identified many of the same solutions; these themes were backed up by the research.

Consistent messages from everyone

### *Issues & Opportunities*

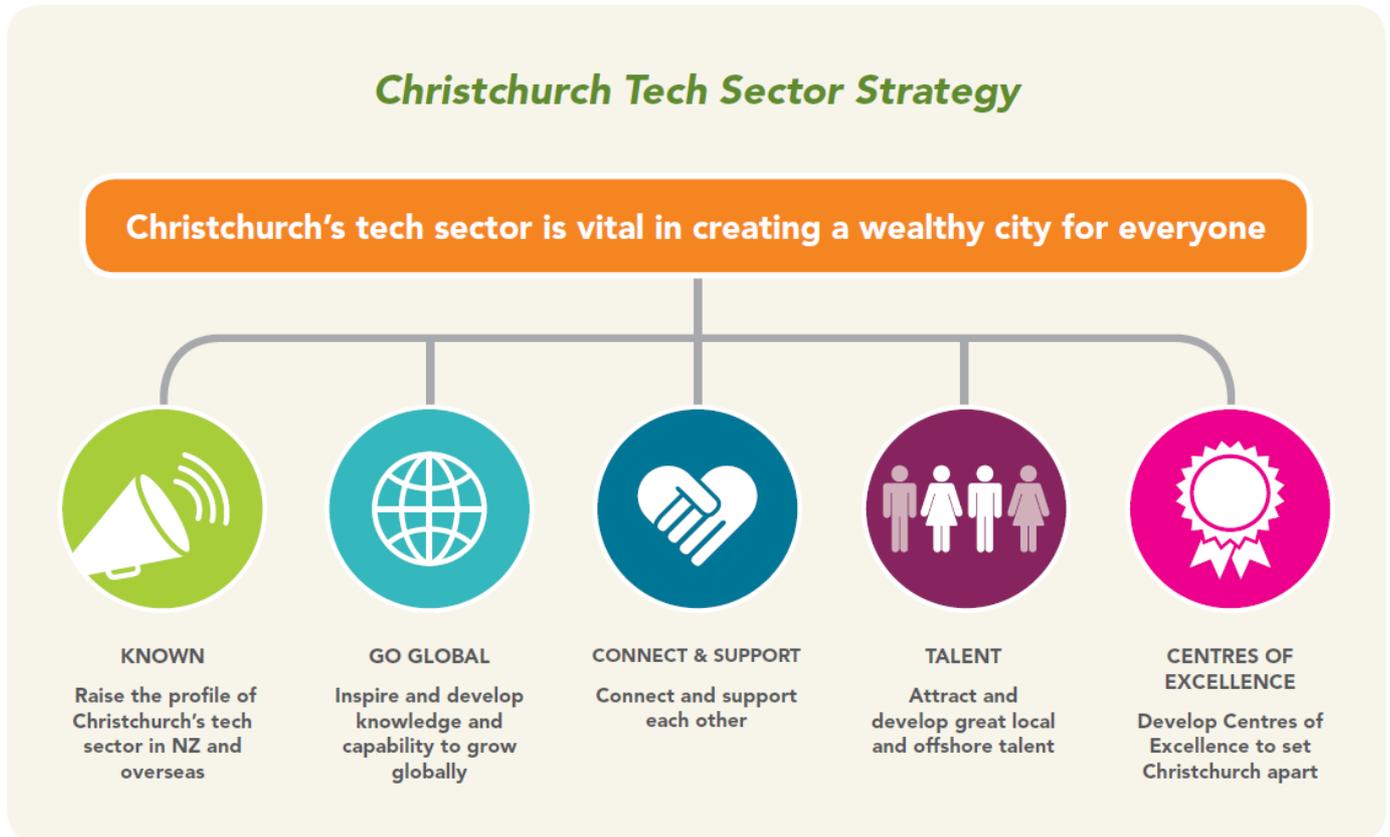
The following themes were identified as being relevant to the development of our strategy.

- A. International research** suggests that successful tech cities combine:
1. High levels of business connectivity and mutual support
  2. A strong, business-orientated university
  3. A high quality of life
  4. A supportive environment for entrepreneurship
- B. Christchurch is characterised** by:
1. A strong base of tech businesses and is seeing strong growth in knowledge intensive services, but the ICT and high-tech manufacturing sectors have not performed as well as nationally since the earthquakes
  2. Strong level of business connectivity, with some start-up support
  3. Relatively small city distant from domestic and international markets increases the difficulty and cost of expansion, and potentially limits the attractiveness of Christchurch to business, investment and talent
  4. Strong tertiary education sector which will potentially be enhanced by the ICT grad school
  5. Relative advantage in terms of “technical culture” in education
- C. Consultation feedback** consistently identified the following issues for Christchurch:
1. Profile – the value and offering of the Christchurch tech sector is not known locally, nationally or internationally. This is impacting Christchurch’s ability to attract talent, investment, businesses, experts and customers
  2. Capability – businesses need ‘sharpening up’ especially in relation to going offshore, sales and marketing, pitching and investor readiness
  3. Attracting talent continues to be a significant issue
  4. Local sector connectivity and leadership – seen as a possible point of advantage (a “human scale city”), but was not functioning as well as it could

We can build on our strengths

## Christchurch 2025 - The Strategy

Realising our vision together - imagine what we will achieve by working collaboratively.



### Implementation Principles

The implementation of the tech sector strategy will be underpinned by the following principles:

1. **Ten-year strategy** – this is a long-term strategy which will enable us to think big; we also consider what we need to do on each step of the way to achieve our vision. The focus initially is on building connections and profile as this will help underpin success of the whole strategy
2. **Partnership** – this strategy will only be successful if everyone plays a part. It relies on partnership with other stakeholders and partners to achieve; it relies on many people working individually and together to make this happen; without this we will continue to slip behind
3. **Innovative ways achieve greater impact** – innovative approaches will achieve greater profile and impact with fewer resources; they will also resonate with the values and culture of the tech sector



## What Now?

To achieve our vision we need to break the plans down into bite-sized chunks; below is a summary of the short-term priorities. The first four are all needed just to stay in the game:

### 1. *Known*

- We must be known – let's raise the profile of Christchurch's tech sector locally, nationally and internationally

#### Priorities

1. Develop and tell our 'story', including the Innovation Precinct
2. Identify target audiences on and off-shore e.g. funders, influencers
3. Develop and support 'sector advocates' to speak out more
4. Educate, inform and encourage each other to get us known
5. Work with partners for government understanding and influence



### 2. *Connect and Support*

- We need to connect and support each other – the different parts of Christchurch's tech sector must work better together

#### Priorities

1. Work with partners to increase connectivity e.g. Canterbury Software Cluster, Innovation Precinct tenants
2. Share experiences, what works/doesn't
3. Bring in expert visitors sharing their experiences and making connections



### 3. *Go Global*

- We need to go global – Christchurch tech businesses and entrepreneurs will have the inspiration, knowledge and capability to grow globally

#### Priorities

1. Coordination and communication of events e.g. KLP, NZTE, AmCham
2. Capability focus on sales, marketing, pitching, investor-readiness
3. Linkages with funders, advisors, experts e.g. KEA NZ
4. Global trends – exposure to, understanding of and "what it means to me"



### 4. *Talented*

- We need talent – Christchurch's tech sector must focus on attracting and developing great local and offshore talent

#### Priorities

1. Continue Nurturing Home Grown Talent initiative
  - a) Build profile and inspire students to consider tech as a career
  - b) Support and encourage connections between schools and industry
2. Women in Tech initiatives
3. Maximise opportunity of the ICT Grad School
4. In-work exposure for students



In order to have significant impact on the scale, growth and attractiveness of Christchurch's tech sector we also identified 'game-changer' opportunities:

### 5. *Centres of Excellence*

- We must develop centres of excellence – in areas of commercial, research and academic capability that will set Christchurch's tech sector apart

#### **Priorities**

1. Work with partners to understand and develop the opportunity for a health-tech centre of excellence
2. Integrate as part of the Christchurch tech sector story



## Be a Part of It

If you are excited about what we are going to make Christchurch be by 2025 then be a part of it.

For more information and to find out how to get involved go to [www.cdc.org.nz](http://www.cdc.org.nz)

