



## Economic development



I certainly think there's a role for local government in economic development. Regions have to compete for business, but the difficulty is how you go about it. Is it worth spending on? You have to look at each business case and ask honestly what do you hope to achieve from it.

I think working out what it takes to make sure companies don't want to leave is as important as attracting new ones. Here, there's a strong tie between the university's engineering school and the electronics firms and infrastructure has a lot to do with why companies decide to remain in a place.

***Roger Brough***

Engineer  
Avonhead

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## Why is the Council involved in economic development?

In order to achieve our social, cultural and environmental goals, a sound, even-growing economy is essential. A degree of economic prosperity, shared fairly among all Christchurch residents, enables adequate access to health care, education and other services and events that make up the city's social and cultural life. An economy based increasingly on technology and adding value places fewer demands on the natural environment.

## What activities are included in economic development?

### City promotions

The Council produces and distributes promotional material.

### International relations

The Council develops international relations programmes for Christchurch.

### Business support

The Council develops business capability to aid economic development.

### Regional economic development

The Council promotes and manages economic development in the region.

### Employment support

The Council promotes and manages employment development in the region.

### Visitor marketing

The Council markets Christchurch and the Canterbury region as a destination of choice to international and domestic visitors.

## How does the Council's work contribute towards our community outcomes?

<i>Community Outcome</i>	<i>How the Council contributes</i>	<i>How much?</i>
 <b>Community</b>	By developing international relations to provide greater cultural understanding.	✓
 <b>Prosperity</b>	By promoting Christchurch to local and international people as a good place to live, work, visit and do business. By helping to ensure that Christchurch and Canterbury have a healthy economy. By promoting sustainable employment.	✓✓✓



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## What does the Council plan to do in the future?

<i>What is the Council's objective?</i>	<i>What policies, strategies or drivers support these objectives?</i>	<i>What is the Council already doing?</i>	<i>What will we do in years 1 to 3?</i>	<i>What will we do in years 4 to 10?</i>	<i>How will we know if we achieve our objective?</i>
To increase the capability of business in the region.	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Canterbury Regional Economic Development Strategy</li> <li>• Central City Revitalisation</li> <li>• Greater Christchurch Visitor Strategy</li> <li>• NZ Tourism Strategy 2010</li> <li>• Sister Cities Strategy</li> <li>• Prosperous Christchurch</li> <li>• Statement of Intent with Christchurch City Holdings Limited</li> </ul> <b>Drivers</b> <ul style="list-style-type: none"> <li>• Skills and education required to fully participate in sustainable employment</li> <li>• Inability of businesses to market the city/region</li> <li>• Social and economic conditions</li> </ul>	Assisting in business start-ups through: <ul style="list-style-type: none"> <li>• Mentoring,</li> <li>• Coaching,</li> <li>• Assessments,</li> <li>• Assistance in raising capital, and</li> <li>• Globalisation services.</li> </ul>	Continue to do the same.	Continue to do the same.	Business mentoring and coaching takes place Business start-ups.
To promote and manage regional economic development.		Acting on key points from Canterbury Regional Economic Development Strategy and Prosperous Christchurch.	Continue to do the same.	Continue to do the same.	Overseas students studying in Christchurch. Number of skilled migrants re-located per annum.
To promote sustainable employment.		Develop and deliver initiatives that address employment issues including: <ul style="list-style-type: none"> <li>• Youth employment,</li> <li>• Youth entrepreneurship,</li> <li>• Community group employment support, and</li> <li>• Apprenticeship promotion.</li> </ul>	Continue to do the same.	Continue to do the same.	Participation in sustainable education, training and work.
Attract international and domestic visitors to Christchurch.		Coordinate and host media and trade shows to increase awareness of Christchurch as a destination.	Continue to do the same.	Continue to do the same.	Visitor numbers.
		Engaging in joint venture promotional initiatives with industry operators.	Continue to do the same.	Continue to do the same.	Visitors' length of stay and spend.



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## Measuring our achievements

<i>Measures and targets</i>	<i>Current performance</i>	<i>06/07</i>	<i>07/08</i>	<i>08/09</i>	<i>09/10</i>	<i>10/11</i>	<i>11/12</i>	<i>12/13</i>	<i>13/14</i>	<i>14/15</i>	<i>15/16</i>
Number of business start-ups per year.	500	500	500	500	Target 500 per year						
Business mentoring and coaching.	1,000 hours of coaching.	1,000 hours of coaching.	1,000 hours of coaching.	1,000 hours of coaching.	Target - 1,000 hours of coaching						
	400 mentor matches.	400 mentor matches.	400 mentor matches.	400 mentor matches.	Target - 400 mentor matches						
Growth in international visitor numbers.	Visitor numbers to Christchurch 10.7% above national average for the year.	Achieve national growth rate at all times. Exceed year end number by at least 10%.	Achieve national growth rate at all times. Exceed year-end number by at least 10%.	Achieve national growth rate at all times. Exceed year-end number by at least 10%.	Achieve national growth rate at all times. Exceed year end number by at least 10%.						
Increase in international visitors' length of stay, and their spend.	Length of stay is 0.8% above national average.	Length of stay achieves national average at least.	Length of stay achieves national average at least.	Length of stay achieves national average at least.	Length of stay achieves national average at least.						
		Regional spend per visitor achieves national average at least.	Regional spend per visitor achieves national average at least.	Regional spend per visitor achieves national average at least.	Regional spend per visitor achieves national average at least.						
Increase in domestic visitor numbers.	Development and successful implementation of research, action plans and results.	Will be determined as an outcome of Greater Christchurch Visitor Strategy by September 2006.									
Number of skilled migrants relocated per year.	40	40	40	40	Target 40						

\*\*Please note: due to national and international economic variables, economic development targets are liable to change.



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## What negative effects or risks can occur in relation to economic development activities?

<i>Negative effects</i>	<i>Mitigation options</i>
Pressure on Christchurch's infrastructure.	Planning and implementation of national and local government strategies.
Pressures on our social framework and the environment.	Planning and implementation of national and local government strategies, and education.

## The Council's key assets relating to economic development

The Council holds minimal assets for these activities. The capital purchases set out on the next page are for material to promote the city.





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<b>Cost of Proposed Services</b>	CCC 2006/07 \$000's	BPDC 2006/07 \$000's	Total Plan 2006/07 \$000's	Plan 2007/08 \$000's	Plan 2008/09 \$000's	Forecast 2009/10 \$000's	Forecast 2010/11 \$000's	Forecast 2011/12 \$000's	Forecast 2012/13 \$000's	Forecast 2013/14 \$000's	Forecast 2014/15 \$000's	Forecast 2015/16 \$000's
<b>Activity Operational Cost -</b>												
City Promotion and International Relations	1,087	-	1,087	1,157	1,167	1,208	1,273	1,301	1,326	1,359	1,380	1,391
Economic Development	5,430	-	5,430	5,266	5,624	6,093	6,557	6,776	6,994	7,198	7,391	7,578
Employment Development	2,001	-	2,001	2,067	2,124	2,155	2,244	2,292	2,340	2,382	2,419	2,452
Visitor Promotions	1,823	36	1,859	1,630	1,707	1,768	1,838	1,910	1,987	2,063	2,152	2,244
<b>Total Expenditure</b>	<b>10,341</b>	<b>36</b>	<b>10,377</b>	<b>10,120</b>	<b>10,622</b>	<b>11,224</b>	<b>11,912</b>	<b>12,279</b>	<b>12,647</b>	<b>13,002</b>	<b>13,342</b>	<b>13,665</b>
<b>Activity Operational Revenue -</b>												
City Promotion and International Relations	17	-	17	18	18	18	19	19	20	20	20	21
Economic Development	120	-	120	124	128	131	134	138	141	143	146	147
Visitor Promotions	36	-	36	37	38	40	41	41	42	44	44	45
<b>Total Operational Revenue</b>	<b>173</b>	<b>-</b>	<b>173</b>	<b>179</b>	<b>184</b>	<b>189</b>	<b>194</b>	<b>198</b>	<b>203</b>	<b>207</b>	<b>210</b>	<b>213</b>
Fees and charges	153	-	153	158	163	167	172	175	180	183	186	188
Grants and subsidies	20	-	20	21	21	22	22	23	23	24	24	25
<i>Total Operational Revenue (by source)</i>	<i>173</i>	<i>-</i>	<i>173</i>	<i>179</i>	<i>184</i>	<i>189</i>	<i>194</i>	<i>198</i>	<i>203</i>	<i>207</i>	<i>210</i>	<i>213</i>
<b>Net Operational Cost</b>	<b>10,168</b>	<b>36</b>	<b>10,204</b>	<b>9,941</b>	<b>10,438</b>	<b>11,035</b>	<b>11,718</b>	<b>12,081</b>	<b>12,444</b>	<b>12,795</b>	<b>13,132</b>	<b>13,452</b>
Vested Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cost of Service</b>	<b>10,168</b>	<b>36</b>	<b>10,204</b>	<b>9,941</b>	<b>10,438</b>	<b>11,035</b>	<b>11,718</b>	<b>12,081</b>	<b>12,444</b>	<b>12,795</b>	<b>13,132</b>	<b>13,452</b>
<b>Capital Expenditure</b>												
Renewals and Replacements	110	-	110	90	80	136	147	83	139	142	95	147
Improved Service Levels	-	-	-	-	-	-	-	-	-	-	-	-
Increased Demand	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>110</b>	<b>-</b>	<b>110</b>	<b>90</b>	<b>80</b>	<b>136</b>	<b>147</b>	<b>83</b>	<b>139</b>	<b>142</b>	<b>95</b>	<b>147</b>

### Rationale for activity funding (see also the Revenue and Financing Policy, page 258)

There are few opportunities for direct revenue from these activities. Revenue is sought from grants and subsidies where possible. The balance of the net operating cost is funded by General rates, as the whole community benefits from these activities.

Capital expenditure is funded corporately in accordance with the Revenue and Financing Policy. Refer to page 259 for a summary of the corporate funding approach for capital expenditure.