

12. CHRISTCHURCH ECONOMIC DEVELOPMENT STRATEGY

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PURPOSE OF REPORT

1. The purpose of this report is to seek Council endorsement of the Christchurch Economic Development Strategy (CEDS) (**Attachment 1**) separately circulated.

EXECUTIVE SUMMARY

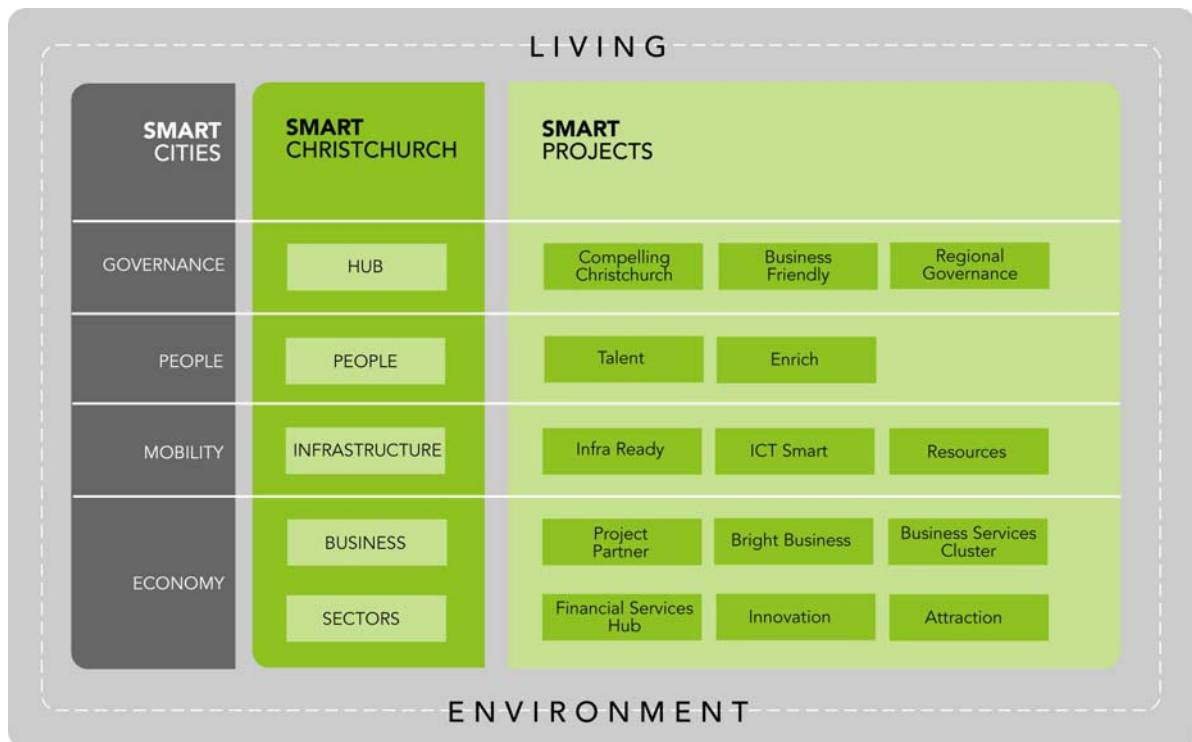
2. Canterbury Development Corporation (CDC) has lead the development of the Christchurch Economic Development Strategy, with input from Council staff.
3. The process to develop CEDS has broadly included the following stages:
 - A stocktake of the economic environment – both at a local and national/international level. As part of this process 120 one-on-one interviews were undertaken and 600 telephone surveys were carried out with Christchurch businesses.
 - The development of an economic model was used to understand the interdependencies and drivers of the Christchurch economy, to forecast scenarios based on changes in activity, investment and exports, to help develop criteria to determine priority industry sectors; and later in the process, to model the impact of selected interventions.
 - High growth potential business sectors were identified and work was undertaken with these to develop road maps for their future development.
 - A series of themes were synthesised from the analysis and ‘expert’ groups formed around each of these to identify and evaluate possible interventions.
 - A vision and goals were drafted for the strategy and the interventions identified were assessed and prioritised.
 - The draft strategy was tested with key people in the Christchurch business community, the Mayoral Forum and the Christchurch City Holdings Limited (CCHL) companies’ Chief Executives.
 - The Strategy was approved by the CDC Board.
4. The Council was briefed on the development of CEDS at a workshop on 11 March 2010.
5. CEDS positions Christchurch as the hub of the South Island and as a counterweight to the development of the Auckland economy.
6. CEDS identifies the following vision for Christchurch:

Christchurch is a smart city; the hub of the South Island economy.

A nimble, connected city, driving exports, adding value, generating wealth and providing a superior quality of life to all.

7. The CEDS Goals are:
 - Doubling the historic growth rate of gross domestic product (GDP in 2010 is \$25.1 billion rather than the \$19.5 billion (based on static growth rates), an additional \$5.7 billion.
 - Doubling the value of exports from \$3.5 billion to \$7 billion.
 - Increasing the average annual earnings for workers from \$39,000 to \$75,000 (an increase of 92 per cent).
 - Having the highest quality of life in New Zealand (as measured by the Big Cities Quality of Life Survey).
 - Managing economic growth in a sustainable manner.

8. A series of SMART projects have been identified to begin moving the city to achieving these goals.



9. Quality of life is noted in CEDS as being of crucial importance as it is paramount to the people of Christchurch and Canterbury and is a cornerstone to making Christchurch attractive to smart people, capital and businesses. It is a large part of the City's value proposition. Clearly large parts of the Council's activity impinges on maintaining and enhancing quality of life.

FINANCIAL IMPLICATIONS

10. To align with the new strategy it is anticipated that CEDS will lead to a review of the levels of service that CDC delivers within the Regional Economic Development Activity Management Plan in the LTCCP. These levels of service in the LTCCP note that they can be altered by the CDC Board. Consequently in the immediate term CEDS will lead to a re-focus of the existing resources the Council provides to CDC for economic and labour force development work.
11. The Regional Economic Development Activity Management Plan includes a Level of Service for the Council to develop a strategic framework for Council's involvement in economic planning and development. This economic framework will identify how the Council will support CEDS, in addition to its resourcing of CDC. As part of the development of this economic framework it is anticipated that consideration be given to 'how' the Council carries out elements of its work to give effect to CEDS and identify linkages to work the Council already carries out that supports CEDS e.g. in maintaining and enhancing quality of life. If anything is identified through this process that requires a change in a level of service or additional funding, this will be fed in to the process to develop the 2012 LTCCP for consideration by the Council.
12. It is highly likely that in time CDC's efforts to achieve the goals in CEDS will identify opportunities to enhance the City's economy which it believes require funding from the Council (either partially or wholly). These will be considered on a case by case basis through the Annual Plan and LTCCP processes.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

13. Yes. Budget was provided in the Regional Economic Development Activity for CDC to develop CEDS.

LEGAL CONSIDERATIONS

14. There are no legal implications of this report.

Have you considered the legal implications of the issue under consideration?

15. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

16. Completing CEDS is a level of service in itself in the Regional Economic Development Activity Management Plan.

17. As noted in paragraph 10 above CEDS will lead to a realignment of the levels of service delivered by CDC.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

18. As noted above.

ALIGNMENT WITH STRATEGIES

19. The recommendations align with other Council strategies and policies including the Greater Christchurch Urban Development Strategy (UDS).

20. CEDS is consistent with the Vision and Goals of the Canterbury Regional Economic Development Strategy (CREDS).

Do the recommendations align with the Council's strategies?

21. As above.

CONSULTATION FULFILMENT

22. As noted earlier in this report extensive consultation was carried out with the business community in Christchurch in the development of CEDS.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Endorses the Christchurch Economic Development Strategy (CEDS).