

# Canterbury Regional Economic Development Strategy (CREDS) 2005-2015

## Vision

“Canterbury is a world leading regional economy founded on innovation, diversity and sustainability: A region that is a great place to live, learn, work, visit, invest and do business for all.”

## Mission

“Local Government and key stakeholders in CREDS will take a leadership role in transforming Canterbury into a world-class regional economy through the promotion and achievement of high level goals based on the core principles of innovation, sustainable development, social inclusion and balanced regional development.”

### We will achieve our Mission through interventions that:

- attract, develop and grow skills and talent
- provide a world-class infrastructure
- develop and maintain an enterprise culture that promotes investment, growth & innovation
- enhance the region’s international competitiveness & connectedness
- promote a superior standard of living
- support Maori development aspirations and initiatives

### We will be making progress towards achieving our Mission when:

#### Our economy...

- has regional GDP growth per annum consistently above the national average.
- uses an enhanced global connectivity to increase export activity.
- creates a wide range of sustainable family wage jobs.
- has made a separation between GDP growth and resource consumption.

#### Our region...

- invests in refinements to primary sector performance (i.e. value chain management).
- promotes strategically-driven tourism and visitor attraction initiatives.
- embeds consideration of future needs into everyday business to ensure the needs of present and future generations are not compromised.
- promotes our regional brand to showcase Canterbury as an exciting place to live, work and visit.

#### Our people...

- are able to participate in all aspects of the economy.
- have the skills, training and education that are aligned with the needs of business and industry.
- enjoy growing standards of living.
- have ready and affordable access to first-world housing, health and education services.

#### Our infrastructure...

- provides full access to competitively priced telecommunication services (broadband).
- provides access to competitively priced energy supplies which

are reliable and sustainable in the long term.

- provides business and industry with effective access to goods and services.
- provides for sustainable growth.
- provides a balance between competing requirements for water.

## Our Core Principles

### Innovation

If we are to succeed in transforming the region into a world-class economy, we have to be innovative in the way things are done; not just in business and research and development but also in developing skills, talent and infrastructure.

### Sustainable Development

Canterbury can demonstrate parallel gains in economic, natural, social and cultural capital within the region through ensuring long term sustainability principles underpin all key resource and financial decision-making.

### Social Inclusion

Only when all people feel included and are able to participate fully in society will the community and economy reach its full potential.

### Balanced Regional Development

The future success of the region will only be viewed positively if strategies and actions allow all communities in the region to move forward. The challenge therefore, is to create solutions that have the capacity to address specific issues impacting at industry, sector, sub-region and local levels.

## Contents at a Glance

Vision, mission and core principles	Page 1
Introduction and Background	Page 2
Regions and the Global Economy	Page 2-3
Strategic Content: High Level Goals	Page 4
The 10 Major Regional Issues and Opportunities	Page 5-8
1 Skills, Talent, Training & Education	
2 Water	
3 Infrastructure	
4 Energy/Electricity Generation	
5 Primary Production - Value Chain Management	
6 Tourism & Visitor Attraction	
7 Innovation, Technology Commercialisation and Globalisation	
8 Telecommunications/Broadband	
9 Transport Links	
10 Sustainability, Branding and Progress Indicators	
Understanding the Region: Canterbury in 2005	Page 9-10
Measuring Progress	Page 11
Facts & Figures	Page 12

## Introduction and Background

In May 2000, the Canterbury region's local bodies operating through the Canterbury Forum<sup>1</sup> commissioned the Canterbury Development Corporation Ltd (CDC) to co-ordinate the development of a Canterbury Regional Economic Development Strategy (CREDS), 'Creating Tomorrow's Canterbury'.

Two significant catalysts prompted the process:

- A desire and commitment early in 2000, on the part of the Canterbury Forum, for local government to provide leadership and focus to regional economic development, recognising that only by taking a wider regional perspective could appropriate responses be made to the challenges posed by an increasingly global economy.
- A clear signal from the then new Labour-Alliance coalition Government that it wanted to increasingly work in partnership with those regions of New Zealand who could clearly demonstrate a broad based strategic approach to their regional future. Such regions would be able to identify regional initiatives that would benefit from central government funding input on the clear understanding that measurable outcomes would be delivered.

While a significant number of projects and activities resulted from the 2000 strategy, the document and its action framework suffered from being too high-level in its focus. This was a result of trying to capture and address issues of region-wide significance to the exclusion of projects that would have meaning and measurable impact at local and sub-region levels.

The 2005 update of CREDS has a dual role:

- 1) providing strategies and an action framework to address the major region-wide issues identified in the consultation process.
- 2) serving as the regional economic component of the Councils' Long-Term Council Community Plans (LTCCP).

The Action Framework includes responses to issues at the individual district and sub-region level in the form of stand alone strategic plans for those areas. As such, CREDS 2005 provides a 'top down, bottom up' strategic commentary and action agenda for Canterbury and its constituent districts and cities. The CREDS 2005 also recognises the importance of the Ngai Tahu and Maori input.

## Regions and the Global Economy - Preparing for the Future

In successful, modern, regional economies new jobs and income growth are increasingly being linked with information, knowledge and innovation; successfully applying ideas, research, inventions and new technologies, not just to industry, but to the wider economy.

Over the last five years the New Zealand economy in general, and the Canterbury economy in particular, have performed well:

Canterbury's unemployment rate averaged 4.1% over the year to June 2004, compared to a national rate of 4.3%. The region's labour force participation rate is the highest in New Zealand, suggesting that a significant majority of able and willing workers are actively employed. This is reflected in the relatively high GDP per capita (by NZ standards) in the region. It also indicates that any additional economic growth will have to stem largely from population growth or labour and capital productivity gains.

Population growth has been aided by net migration inflows from other parts of New Zealand. Between 1996 and 2001, nearly 8,800 more people entered Canterbury on a permanent basis than those who left.

Labour productivity (real GDP per employee) in Canterbury grew at an average of 0.8% between 2000 and 2004 compared with 0.9% nationwide.

Canterbury accounted for 5.9% of total overseas investment in New Zealand between 1999 and 2003, with most of this being in the form of land sales. This is lower than the region's share of national GDP.

For the YE September 2004, over 1 million overseas tourists visited Canterbury, over 45% of the total number of overseas tourists visiting New Zealand. Further, the tourism industry generated 12% of all employment in Christchurch.

Historically, the region's economic performance was attributed significantly to its commodity based agricultural industries. More recently there has been a much broader base to the region's economic performance, a trend that is expected to continue.

Both in the region's new economy, epitomised by the tourism industry and ICT industries such as electronics and software, and in the more traditional primary sector industries, knowledge and innovation are expected to become more and more critical over time.

Globally, leading regions recognise that a strong commitment to research and development is important in helping to ensure that traditional commodity based industries remain consistently viable in price and quality despite fluctuations in world commodity prices.

To help deliver the long term sustainable growth necessary to improve the quality of life of all New Zealanders (and by definition all Cantabrians), the government launched its Growth and Innovation Framework (GIF) in February 2002. Its primary objective is to raise New Zealand's per capita GDP to the top half of OECD rankings. The GIF focuses on 7 areas for action to raise economic growth.

*continued on next page*

<sup>1</sup> Canterbury Forum is a regular, informal meeting of Mayors and Chief Executives of the eleven Canterbury Councils.



### *Regions and the Global Economy...continued*

A number of these areas (in bold) inform our thinking about the issues needing to be addressed in Canterbury:

- **Strengthening the innovation system**
- **Developing skills and talents**
- **Increasing international connections**
- Engaging with sectors
- Working with regions
- **Assisting business development**
- **Strengthening infrastructure**

Not surprisingly action points addressing a number of these factors, feature strongly in this update of the CREDS.

Since the publication in 2000 of the original CREDS document, it is interesting to see how New Zealand and Canterbury have fared when gauged against a set of 17 indicators of growth and innovation designed to measure the progress toward achieving a higher valued added economy.<sup>2</sup>

The following indicators for New Zealand (and by reasonable assumption, Canterbury) show that<sup>3</sup>:

- The material standard of living remains lower in New Zealand than in most other OECD countries but the fall in relative income has stabilised and perhaps even reversed marginally in recent years.
- Productivity growth while improved, particularly labour productivity, remains low by OECD standards.

- Levels of R&D particularly in the private sector, remain low by international standards.
- Improvements are evident in levels of innovation, entrepreneurship, technology adoption and adaptation and openness to trade.
- Export performance levels, for a heavily dependent trading nation, still need to improve.
- Quality of life surveys consistently rank New Zealand cities and regions highly, ensuring that provided policy settings are appropriate, a strong inflow of skilled migrants can be expected to continue.
- Recent new levels of foreign direct investment have declined and continue to decline relative to global trends.
- Levels of capital investment are relatively low in the productive and infrastructure sector of plant, machinery and equipment.
- The proportion of the population with post secondary qualifications is improving but still below international averages in contrast to favourable levels of continuing adult education and training.

All of the above report card elements serve to inform us regionally and nationally about what we have to do to get better.

Ideally, Canterbury needs to develop a regional GIF. Until such time that such a framework is drawn up and agreed, the above report card provides direction as to action areas we need to collectively focus upon.

<sup>2</sup>An economy that is less dependent in products that compete in price and increasingly aligned with differentiated products and services that compete in functionality, quality, image customisation and other attributes that are anchored in innovation and productivity.

<sup>3</sup>See Ministry of Economic Development & The Treasury *Economic Development Indicators 2005 Growth through Innovation Sustainable Economic Growth for all New Zealanders*

## Strategic Content: High Level Goals

The CREDS 2005 "Creating Tomorrow's Canterbury" is founded on a sustainable Economic Growth Framework as illustrated. The premise is simple; in order for Canterbury to become a world-leading regional economy, local government, business, the

education and community sectors plus the region's people must have a mutually supportive relationship founded on a shared vision. In order to attract highly-skilled immigrants, investment (both foreign and local) and innovative enterprises and industries, the region must be in a position to provide a platform for sustainable growth, which includes a talented and skilled work force, first world infrastructure and other support services.

The challenge is to ensure that all people regardless of gender, age, ethnicity and social standing see benefit from playing a full part in the life of the region. Canterbury is uniquely diverse. Any strategy designed to drive its future direction and growth needs to ensure that both urban, rural and Maori and Pacifica issues are identified, needs addressed and opportunities taken.

To become a world leading regional economy, Canterbury must therefore:

- **Attract, develop and grow skills and talent**
- **Provide a world-class infrastructure**
- **Develop and maintain an enterprise culture that promotes investment, growth & innovation**
- **Become increasingly globally competitive and connected into world markets**
- **Aspire to and work towards achieving a superior standard of living for all**

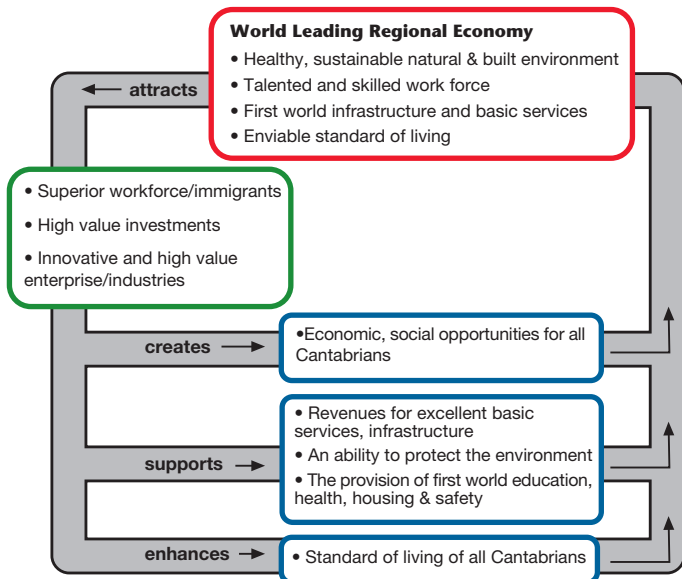


Fig 1.0



# The 10 Major Regional Issues and Opportunities

Six focus group workshops were held between July and September 2004 attended by stakeholders from industry, business, tertiary, local and central government and community sectors. The meetings were held to gather feedback on a consultation document and to identify the key economic development issues and opportunities around the Canterbury region over the next 10 years.

The following are the top 10 'big picture' regional issues that surfaced most frequently throughout the series of stakeholder workshops. These issues and opportunities were identified as the critical economic development challenges needing to be addressed if Canterbury is to be taken seriously as a progressive 21st century regional economy:

## 1: Skills, Talent, Training & Education

Strategies to:

- train skilled people
- better align education and training programmes with the needs of business and industry
- provide challenging and rewarding employment and lifestyle opportunities

are critical to maximising Canterbury's future development potential and its ongoing success as a region.

Strategic Objectives:	Key Action Points:
Identify the current and future skill needs of employers and move to ensure availability.	<ul style="list-style-type: none"> <li>■ Undertake a survey of local industry in the region to identify the current and future skill needs of employers.</li> <li>■ Every six months bring together education representatives (eg: school principals, tertiary leaders etc) and employers and businesses to learn about and discuss emerging trends and plan future actions.</li> </ul>
Improve attitudes to learning, work and business success and to encourage positive attitude to lifelong learning.	<ul style="list-style-type: none"> <li>■ Tour Canterbury schools and universities to promote stories of successful Cantabrians in business and employment.</li> <li>■ Encourage the development of E-Portfolios for all students in learning.</li> </ul>
Ensure all young people (under 25) are in work, training or further education.	<ul style="list-style-type: none"> <li>■ Coordinate with Canterbury schools to track school leavers and ensure they are appropriately placed either in work, training or further education.</li> </ul>

### Key Stakeholders:

Economic Development Agencies (EDAs)  
Industry Training Organisations (ITOs)  
Relevant Community Groups

Education Institutions  
Ministry for Education  
Te Puni Kokiri

Industry  
Ministry of Pacific Island Affairs  
Tertiary Education Commission



## 2: Water

The realisation of many of Canterbury's development opportunities relies on the availability of a sustainable water supply. Water is a finite natural resource requiring management and use strategies which provide a balance between competing requirements, including natural ecosystems and consumptive water users.

Strategic Objective:	Key Action Points:
Develop and manage a sustainable management plan for the region's water resource and educate the people of Canterbury about the value of water and its benefits.	<ul style="list-style-type: none"> <li>■ Prepare a strategic water plan for Canterbury which recognises and preserves our privileged position globally as a region with a relative abundance of water and maximises the value we gain from this position and that co-ordinates the following: 1) the value of water and its benefits (advocacy and education of its importance); 2) its efficient use, storage, allocation and entitlement to water that is aligned with Government's proposed Water Programme for Action; 3) inter-generational financing and uptake of water development projects.</li> </ul>

### Key Stakeholders:

District Councils  
Ministry for the Environment

Economic Development Agencies (EDAs)  
Ministry of Agriculture and Forestry

Environment Canterbury (ECAN)  
Special Interest Groups

Manawhenua

### 3: Infrastructure

Cost-effective access to goods and services is a key requirement for the success of regions in the rapidly evolving global marketplace. Increasingly, there is a recognition that infrastructure includes more than the hard infrastructure such as power, water, airport, rail and roads. Skills and training, telecommunications and networks to support innovation and technology are increasingly important enablers of modern economic activity.

<b>Strategic Objective:</b> Prepare an action plan to prioritise and address issues identified.	<b>Key Action Points:</b> <ul style="list-style-type: none"> <li>■ Commission an infrastructure audit.</li> <li>■ Develop a regional infrastructure plan that identifies individual stakeholders and their responsibilities.</li> <li>■ Prioritise a programme of work.</li> <li>■ Lobby Government re resource provision for identified priority regional infrastructure projects.</li> </ul>
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**Key Stakeholders:**

Christchurch City Council Environment Canterbury (ECAN)	District Councils Ministry of Economic Development	Economic Development Agencies (EDAs) Visitor Co-Ordination Group
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### 4: Energy/Electricity Generation

Competitively priced electricity and reliability of supply will provide development opportunities throughout the region. Electricity generation is a finite resource requiring management and use strategies which provide a balance between competing requirements for power and address the environmental impact on climate change.

<b>Strategic Objective:</b> Ensure competitively priced electricity and reliable supply.	<b>Key Action Points:</b> <ul style="list-style-type: none"> <li>■ Develop community-mandated investigation of regional solutions on demand side and energy efficiency/conservation management.</li> <li>■ Develop a sustainable energy system in consultation with the community including while not limited to renewable energy streams.</li> <li>■ Initiate an Economic Impact Assessment of \$400mn distributed generation project in the region.</li> </ul>
Maintain current capacity of the Waitaki Power Scheme.	<ul style="list-style-type: none"> <li>■ Advocate to retain current operational capacity and flexibility.</li> </ul>

**Key Stakeholders:**

Canterbury Employers' Chamber of Commerce Community Groups such as Energy Action Energy Efficiency and Conservation Authority (EECA) Ministry of Economic Development Energy Group Local Research and Innovation players such as Centre for Advanced Engineering and WhisperTech	Canterbury Manufacturing Association Economic Development Agencies Environment Canterbury Orion and other Lines Companies	Christchurch City Council Electricity Commission Meridian Solid Energy
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### 5: Primary Production- Value Chain Management – Functional Foods<sup>4</sup>

Refinements to the primary sector are required if Canterbury is to compete more effectively in global markets. It is proposed that entities in agri-business sectors will achieve better results individually and collectively if they adopt a 'value-chain' management approach where a value chain is defined as a 'vertical alliance of enterprises collaborating to achieve a more rewarding position in the market.'

<b>Strategic Objective:</b> Increase the export competitiveness of the region's valuable foods (nutraceuticals, food ingredients and differentiated foods) industry.	<b>Key Action Points:</b> <ul style="list-style-type: none"> <li>■ Research the potential for value chain management interventions to increase the region's export earnings potential from agricultural land.</li> <li>■ If research findings warrant, seek RPP MRI funding to establish a Centre of Excellence (COE) in value chain management.</li> </ul>
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**Key Stakeholders:**

Crown Research Institutes (CRIs) Food and Beverage industry Primary sector support agencies and businesses	District Councils Lincoln University	Economic Development Agencies (EDAs) New Zealand Trade & Enterprise	Federated Farmers Ngai Tahu
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<sup>4</sup>Functional Foods – “a conventional food or similar in appearance to one that is consumed as part of a usual diet, that is demonstrated to have physiological benefits and/or reduce the risk of chronic disease beyond basic nutritional functions.”

<sup>5</sup>Regional Partnership Programme - Major Regional Initiative Funding available from New Zealand Trade and Enterprise.

## 6: Tourism & Visitor Attraction

Recent work carried out by Lincoln University has highlighted that it is timely for key parties to commit to the development of a regional tourism strategy. The Lincoln research provides a raft of recommendations to address issues and tensions evident in tourism in Christchurch and Canterbury. Specifically,

- Maintaining a suitable and sustainable level of long-term growth.
- Addressing regional imbalance evident in smaller centres (Akaroa, Hanmer, Kaikoura).

Strategic Objective:	Key Action Points:
<p>Manage projected tourism growth in the region in a sustainable and equitable way to ensure that Canterbury gains economic benefit from visitors across the region while ensuring local residents continue to view tourism positively and the environment is not compromised.</p>	<ul style="list-style-type: none"> <li>■ Develop a regional tourism strategy that addresses:               <ul style="list-style-type: none"> <li>– issues of sustainable management of the industry including provision of infrastructure and superstructure</li> <li>– development of new attractions</li> <li>– workforce needs and capability</li> <li>– local citizen expectations</li> <li>– visitor satisfaction</li> <li>– strategic marketing</li> <li>– increased yields and capability</li> <li>– improved quality experience and services</li> </ul> </li> </ul> <p>and leverages on the region's natural, built, Maori and wider cultural heritage.</p>

### Key Stakeholders:

Aviation, Tourism and Travel Training Organisation  
Christchurch and Canterbury Marketing Ltd (CCML)  
Industry leaders  
Ngai Tahu

Canterbury Development Corporation (CDC)  
Christchurch Polytech Institute of Technology  
Lincoln University

Christchurch City Council (CCC)  
District Councils  
Tourism Industry Association of New Zealand

## 7: Innovation, Technology Commercialisation and Globalisation

Systematic investment in 'soft' and 'hard' infrastructure is required to increase the application of enabling technologies to support business and industry growth across all sectors of the economy.

Strategic Objectives:	Key Action Points:
<p>Develop a growing number of local technology companies able to commercialise their technology ideas in New Zealand and international markets in a sustainable manner.</p>	<ul style="list-style-type: none"> <li>■ Further develop an integrated system of support services for technology start ups, emerging companies and spin-outs including:               <ul style="list-style-type: none"> <li>– Incubator services</li> <li>– Capital raising</li> <li>– Management capability training</li> <li>– Market connections</li> <li>– Technology acceleration support</li> <li>– Compliance and regulatory advice</li> <li>– Cluster support</li> <li>– Intellectual property management</li> </ul> </li> </ul>
<p>Attract greater levels of Foreign Direct Investment (FDI) and corporate relocations to the region to strengthen the existing critical mass of technology companies and support services.</p>	<ul style="list-style-type: none"> <li>■ Identify key multinational companies (MNCs) in the region and work to retain and strengthen their presence here.</li> <li>■ Identify and target new corporates to attract to Canterbury.</li> <li>■ Identify and target research, science and technology individuals and groups to relocate to Canterbury.</li> </ul>

### Key Stakeholders:

Canterbury Development Corporation (CDC)  
Central Government Agencies  
Orion

Canterbury Innovation Incubator (Cii)  
Christchurch Polytech Institute of Technology  
Universities and Canterprise

Canterbury Manufacturing Association (CMA)  
Connect Canterbury  
EDA/District Councils

## 8: Telecommunications/Broadband

Competitively priced access to world-class telecommunication services (broadband) will be a basic requirement for large and small businesses, education and science institutions, communities and individual consumers to operate in the new economy both in a geographically dispersed region such as Canterbury and internationally.

Strategic Objectives:	Key Action Points:
<p>Ensure that every house in the region has affordable access to high speed internet.</p>	<ul style="list-style-type: none"> <li>■ Explore innovative ways to provide access with traditional suppliers (telecom companies) and other potential players (lines companies, wireless providers).</li> <li>■ Develop and roll-out the preferred solutions with appropriate central and local partners.</li> </ul>
<p>Ensure that the business, science, education and government sectors have access to cost-effective, real time next generation internet capability.</p>	<ul style="list-style-type: none"> <li>■ Investigate and action initially an effective linkage for Christchurch, Lincoln and immediate surrounds to be part of an advanced New Zealand network backbone supported by Canwire – a local loop, connecting key sites/precincts to the network.</li> </ul>

**Key Stakeholders:** *Continued on next page*

## 8: Telecommunications/Broadband continued

### Key Stakeholders:

Broadband Taskforce  
District Councils  
Ngai Tahu  
Tertiary Education Organisations/Providers

Canterbury Development Corporation  
Ministry of Economic Development (MED)  
Other interested multinational companies  
Universities and Crown Research Institutes (CRIs)

Christchurch City Council  
New Zealand Trade and Enterprise (NZTE)  
Telecommunication companies

## 9: Transport Links

Strategies for integrating transport infrastructure development with economic priorities must continue to focus on ensuring fast and efficient transport links that are aligned with the needs of business and industry with the intention to put in place a region wide process for developing and implementing such strategies.

Ready access to goods and services is crucial to support the region's priorities in economic development, job creation and enhancing the region's liveability. Opportunities and challenges require excellent access through efficient and integrated road, rail, air and marine transport systems along with the associated logistics support, sound location decision making and greater use of 'virtual contact' where appropriate.

Strategic Objective:	Key Action Points:
Ensure that the region's transport system leads in quality, efficiency and capacity for sustainable growth of the region's economy.	<ul style="list-style-type: none"> <li>■ Investigate access improvements to and from Christchurch City to the rest of Canterbury for the effective movement of freight and people in ways that are efficient, safe and sustainable.</li> <li>■ Improve transport links between towns and the rest of the country by developing Canterbury's transport system to provide access for both people and freight.</li> <li>■ Improve transport links between Canterbury and the world for people and freight by providing appropriate air and shipping services.</li> </ul>

### Key Stakeholders:

Christchurch City Council  
Environment Canterbury  
Ministry of Transport

Christchurch International Airport Ltd.  
International port companies in Canterbury  
New Zealand Rail

Civil Aviation Authority  
Land Transport NZ  
ONTRACK

District Councils  
Maritime Safety Authority  
Transit New Zealand

## 10: Sustainability, Branding and Progress Indicators

**Sustainability:** Policies and programmes that meet the needs of present generations without compromising the ability of future generations to meet their own needs.

**Branding:** Promoting the Canterbury brand to showcase the region as an exciting place to live, work, study and visit.

**Progress Indicators:** Identify and develop appropriate measures at all levels that effectively monitor the general (not just economic) progress and performance of Canterbury.

Strategic Objectives:	Key Action Points:
Ensure needs of present generations of Cantabrians are met while building the natural, social, cultural and financial capital for future generations.	<ul style="list-style-type: none"> <li>■ Audit and map regional sustainability technologies and potentials with a view to developing a sustainability cluster/CoE.</li> <li>■ Establish education and behaviour programmes to improve understanding around the region's sustainable long term future aspirations.</li> <li>■ Facilitate a programme that will help minimise the impact of Canterbury businesses on the environment through low waste production and efficient use of resources, including energy.</li> </ul>
Promote the regional brand to showcase Canterbury as an exciting place to live, work, study and visit.	<ul style="list-style-type: none"> <li>■ Develop a programme that will promote the regional brand and showcase Canterbury as an exciting place to live, work, study and visit.</li> </ul>
Monitor and measure the development and growth of Canterbury at a regional, district and local level to ensure growth is not only economically beneficial but is also sustainable, inclusive and regionally distributed.	<ul style="list-style-type: none"> <li>■ Undertake audit of regional statistics &amp; information currently available for measuring progress and develop a regional progress indicators report which is published regularly.</li> </ul>

### Key Stakeholders:

**Sustainable Development:**

- Canterbury Development Corporation
- District Councils
- Landcare Research (Sustainable Industry Group)
- NZ Business Council for Sustainable Development
- Sustainable Business Network
- Te Puni Kokiri
- The Natural Step

- Christchurch City Council
- Environment Canterbury
- Ministry for the Environment
- Statistics New Zealand
- Sustainable Otautahi (Christchurch)
- Tertiary Education Organisations/Providers

**Branding:**

- Canterbury Development Corporation
- Christchurch City Council
- Industry and businesses
- Visitor Co-Ordination Group

- Christchurch & Canterbury Marketing
- District Councils
- Statistics New Zealand

**Progress Indicators:**

- Canterbury Development Corporation
- District Councils

- Christchurch City Council
- Statistics New Zealand

# Understanding the Region: Canterbury in 2005

Canterbury is made up of the following districts: Ashburton, Banks Peninsula, Christchurch City, Hurunui, Kaikoura, Mackenzie, Selwyn, Timaru, Waimakariri, Waimate and Waitaki, extending from Kaikoura in the north to the Waitaki River in the south, a distance of approximately 400 kilometres covering a land area similar to Denmark and with a population of slightly over half a million people.

Characterised by large tracts of flat, fertile land, Canterbury is New Zealand's strongest arable cropping region. It offers wide-ranging opportunities in agriculture, food processing, manufacturing (particularly in information & communication technology) and service sectors especially tourism, international education and research and development.

Given the region's size and diversity, it is useful for economic development purposes to view the region as 4 sub regions, each made up of a number of geographically proximate districts. These regions are:

**North Canterbury** including Kaikoura, Waimakariri and Hurunui. The region is chiefly an agricultural and horticultural production centre with an increasing focus in viticulture around Waipara. Tourism is increasingly important in Kaikoura and Hurunui while Waimakariri has wood processing facilities along with key agricultural services.

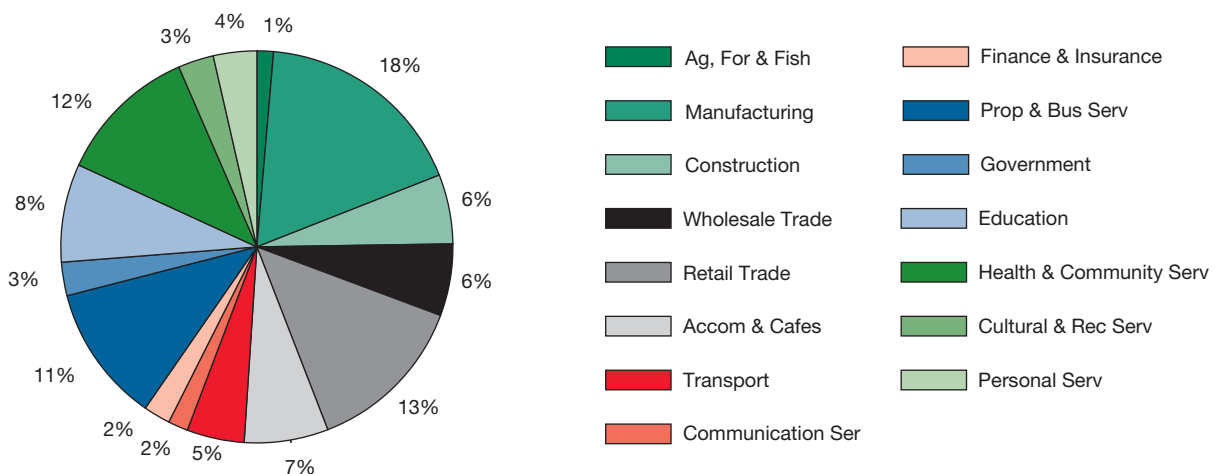
**Christchurch City** is the region's major urban centre. It is the hub for a diverse range of manufacturing and service industries that have made the city into one of New Zealand's most important economic units. It is also an important and respected education, research and science centre. With its international airport and deep water port at Lyttelton, Christchurch is the major gateway to Canterbury, the South Island and the Antarctic continent.

**Mid Canterbury** is the seed & grain capital of New Zealand but the region is also a significant tourism centre, particularly for winter snow sports. Lincoln is an important base for agricultural and horticultural research and Ashburton is host to a number of innovative manufacturers including bus design and manufacture and related engineering services.

**South Canterbury's** main centre is the international port town of Timaru. Surrounding this manufacturing and services centre are the regions of Mackenzie, renowned for its natural beauty and tourism, hydro-electrical generation and agriculture, and Waimate, a centre for land based activities including agriculture, horticulture, floriculture and forestry.

## Key Industry Sectors

Canterbury Industry by Employees (2004)



source: StatsNZ

Fig 2.0

In the past five years Canterbury has continued its diversification away from traditional land based activities to service sectors activity such as tourism and international education. Health and community services experienced the largest increase in employment followed by property and business services, education and retail. Manufacturing is still the largest employment sector, although it has experienced a drop in employee numbers over recent years along with the agricultural, government and defence sectors.

## Innovation & Talent

The Canterbury economy has a strong innovation base to enhance the existing and emerging land and city based industry sectors and leverage science and technology led economic growth.

Canterbury has excellent research and academic institutions including ten publicly funded tertiary education providers and nine Crown Research Institutes (CRIs). The CRIs and academic institutions are involved in a wealth of public and private sector research and development (R&D) which is augmented by an extensive base of R&D coming out of numerous manufacturing companies. In addition to these R&D organisations, there are private tertiary education providers specialising in a range of technology and trades training.

In addition to the tertiary sector and CRIs, Canterbury has private sector focused R&D expertise in:

- Electronics
- Telecommunications
- Software
- Food processing
- Precision engineering
- Health-related industries
- Agricultural technology
- Aviation engineering
- Multimedia

## Our People

Of the half a million people that live in Canterbury, more than 75% are concentrated in and around the city of Christchurch. Two thirds of the region's population live in the city with an increasing number of people moving to the relatively fast growing proximate districts of Waimakariri, Selwyn, Banks Peninsula and Hurunui.

Cantabrians, along with all New Zealanders, are an ageing and increasingly ethnically diverse people. With over 14% of the population born overseas, the region is increasingly international in its outlook and connections. With this growing diversity comes a challenge for the community around social inclusion and issues of cultural awareness and integration for the workforce. The ageing population also poses new challenges with respect to managing the future supply-demand balance for skills and talent in the labour force.

Education is vital for the transformation of the economy. Current levels of attainment vary dramatically across the region with Banks

Peninsula having the highest concentration of tertiary qualified people in the country and Christchurch, Selwyn and the Mackenzie basin on par with the NZ average of tertiary qualified people in their populations.

Ngai Tahu – the largest Maori tribe in the southern islands of New Zealand has a significant presence in the region. Te Runanga o Ngai Tahu (TRONT) is the governing body of Ngai Tahu within which the Ngai Tahu Holdings Corporation holds significant land and sea-based assets and operates businesses in tourism, property, equities and seafood. Of the 18 Papatipu Runanga that provide elected representation to TRONT, 8 are located within the Canterbury region.

## Infrastructure

Canterbury is globally linked through its two international ports, Lyttelton and Prime Port Timaru, plus Christchurch International Airport. The region is well serviced by a modern congestion-free roading system and extensive rail services.

Concerns are increasingly being expressed about the region's electricity generation capacity and reliability, water availability and allocation and increasingly out-dated telecommunications and rail infrastructures. These issues are increasingly affecting the region's ability to grow its economy and it is not surprising that the timely resolution of issues of infrastructure quality is central to the strategic focus of this document.

## Quality of Life

Canterbury provides an enviable lifestyle for its people. The region needs to ensure however, that lifestyle is matched by a similarly high standard of living. Christchurch has all the vibrancy and sophistication of a big city without the hassles – there is minimal traffic congestion or the social problems associated with large metropolitan cities. The region, with its temperate climate and the easy accessibility to the mountains and sea, offers outdoor opportunities for adventurers and nature lovers alike. Canterbury and Christchurch provide a safe family environment with comprehensive public health and education systems. Living costs, particularly housing and transport, remain lower than the major North Island cities and overseas cities of comparable size and sophistication. The challenge is to ensure this enviable quality of life which does not compromise sustainable development is not seen as a substitute for a first-world standard of living as measured by internationally competitive per capita levels of disposable income.



# Measuring Progress

Set out below is a series of headline indicators that collectively act as a reference point which describes how Canterbury is progressing as a region.

## Our Economy

A growing region requires a thriving economy which is inclusive of its entire population. Prosperity is linked to the ability to purchase goods and services; allow the maintenance of an enjoyable standard of living and access increased life opportunities.

Indicator	We will be making progress when:
Regional GDP	Canterbury's regional GDP growth is consistently above the national average.
Regional Economic Activity	Canterbury's regional economic activity is growing sustainability and is consistently one of the top three regional economies in New Zealand.
Average Weekly Income	Canterbury's average weekly income is trending upwards and is consistently above the national average.
Productivity	Productivity per worker is increasing.
International Trade	Export Trade through our airport and ports shows an increase in value over time.
Innovation	The amount of R&D funding allocated to Canterbury is growing.
Tourism	The number of international and national visitors is growing consistently and their spend and length of staying are increasing.

## Our Region & Infrastructure

Economic growth is vital for a prosperous region but development must not be at the expense of our environment. Having an attractive region with highly liveable urban centres with appropriate infrastructure assists Canterbury retain its labour force and attract knowledge workers.

Indicator	We will be making progress when:
Telecommunications	All homes in Canterbury have affordable access to high speed internet. Key sectors have access to cost-effective, real time next generation internet capability.
Electricity	Cantabrians have reliable, competitively priced electricity.
Perceptions of Liveability	Cantabrians continue to perceive the region as an enjoyable place to live and work that offers an excellent quality of life.

## Our People

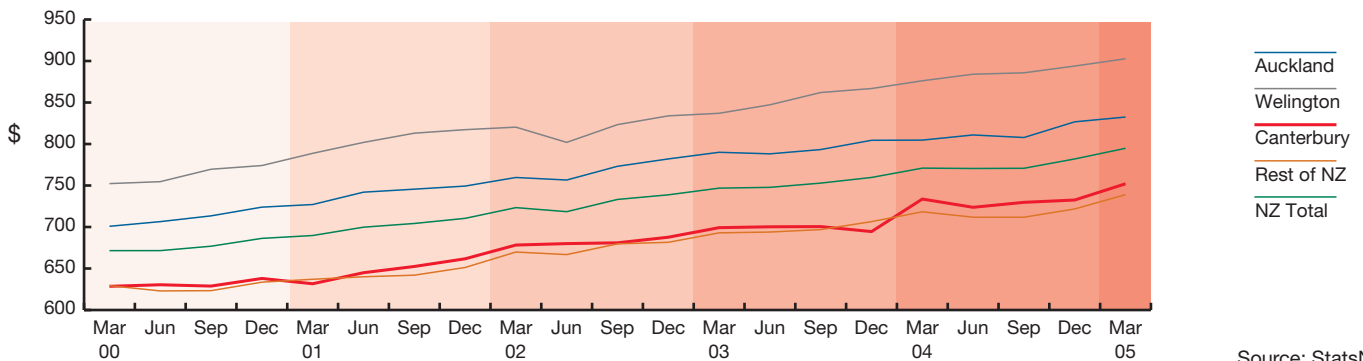
Ensuring all of our people have the skills and talent to fully participate and contribute to a growing knowledge economy is essential to the overall prosperity of Canterbury.

Indicator	We will be making progress when:
Labour Force Participation	Canterbury's labour force participation rate continues to rise and is consistently among the highest in the country.
Unemployment	Canterbury's unemployment rate remains below the national average and Maori and Pasifica numbers are declining significantly.
Highest qualification	Educational attainment is increasing for all people.
Educational Participation	Levels of participation in pre-school and community education is increasing.
Housing Affordability	Housing throughout Canterbury is affordable for all people.
Health	Access to adequate and affordable health care is available for all people.

## Canterbury Economy: Facts & Figures

- The Canterbury economy accounted for 14.6% of total economic activity in New Zealand in the year to March 2004.
- Regional GDP to March 2004 was \$19.9 billion.
- Economic growth in the region between March 2000 and 2004 averaged 4.8%. In the same period the national economy grew at an average of 3.5%.
- Canterbury's per capita real GDP grew at an average of 3.7% between March 1998 and 2003, well above the New Zealand growth rate of 2.3%.
- Labour Force Participation in Canterbury shared the highest rate in the country sitting at 72.1% in March 2005 compared with the national figure of 67.6%.
- Canterbury's unemployment rate hit record lows in December 2004. In March 2005 3.9% of the population was unemployed, on par with the rest of New Zealand.

### Average Weekly Earnings



### Annual Average Growth Rates

