

Report of the Waimakariri District Business Survey

April 2005

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Executive Summary

The North Canterbury Business Survey of 54 businesses in the Waimakariri District Council Territorial Local Authority highlighted the following points:

Business characteristics:

It was evident that:

- *Businesses were well-established:* approximately two-thirds of all businesses were over 10 years old and over three quarters had been located in the Waimakariri District for that length of time, although there was clear evidence of many businesses emerging in the last five years
- *Businesses were locally owned:* 85 percent of all business owners were living in the Canterbury region, and 63 percent were living in North Canterbury
- *Businesses were local located:* 83 percent of businesses were fully located in district.
- *Customers were local:* 41 percent of all customers were located in North Canterbury, with almost three-quarters from within the Canterbury region. The largest individual customers were in North Canterbury, just ahead of Christchurch.

Labour and other inputs

- *Noticeable labour growth:* there were 2,270 full-time equivalent workers, with clear evidence of growth in the number of jobs since 2002 and predictions for more jobs in the next two years.
- *Staff were local:* 75 percent in each business lived in North Canterbury, 20 percent in Christchurch and five percent elsewhere in Canterbury.
- *Staff are required:* There were 89 vacancies in total; 16 unskilled, 65 skilled and eight management/administrative. Two-thirds of businesses had trouble recruiting labour. They tended to rely on newspapers and word-of-mouth to source staff.
- *Training is important:* 92 percent of businesses offered a formal training programme to staff, 77 percent of which is conducted in-house.
- *Apprenticeships:* 19 businesses currently train a total of 54 apprentices. Only 14 businesses had a training/recruitment relationship with a local high school.
- *Businesses were not overly concerned by labour turnover:* 40 businesses felt that their labour turnover was 'just right for the present conditions, and only six felt it was too high.

Trends in business development

- *Positive attitudes to business growth:* 35 businesses were growing their business
- *Strong evidence of annual sales growth:* median sales growth 2002-2004 was 10 percent and expected to continue at this level over the next two years.
- *Concerns over increasing production:* while 74 percent of businesses considered that they could sell more, slightly fewer (61%) felt they could not produce more.
- *Market diversification:* North Canterbury was seen as the markets in which sales growth would most likely be, ahead of elsewhere in New Zealand, Christchurch and internationally.
- *Barriers were hampering business growth:* compliance and regulatory issues predominantly, followed by a lack of capital, competitors/market conditions and infrastructural issues were seen as the largest hurdles.

You and your business

- *Respondents were upskilling:* 46 percent of respondents had some form of formal training over the last year. Of those who had not, a lack of time and no need for training were the major reasons.
- *Evidence of diversification:* 23 businesses were developing new products, 19 were finding new markets and 15 were creating new processes.
- *Limited government assistance:* only six businesses had received some form of government assistance over the last five years.
- *Limited business planning:* 43 percent of businesses did not have a formal business plan, 48 percent did not have a formal marketing plan and 62 did not include triple bottom line measurements in their planning and reporting.
- *Widespread computer usage:* Only one respondent did not have a computer or access to email. Over three-quarters of respondents felt that high-speed internet connection was important, although it was noticeable that many could not receive it. Over two-thirds of businesses had a website, while over half over half of these felt it added value to their business.
- *Widespread business collaboration:* 41 percent of businesses collaborated with other local businesses, of which 10 businesses collaborated with marketing/promotion. Overall, 46 percent of businesses would consider a business network to be beneficial.

Regional and location issues

- *Threats to business growth:* The Waimakariri District Council's policies were seen as a barrier to future business development, as were infrastructural issues.

North Canterbury Business Survey

- *Positive aspects of location:* 28 businesses saw cultural/recreational and locational factors, ahead of 25 who selected market access and 25 who cited their role as a supplier of goods and services.
- *Negative aspects of location:* Six businesses saw market access the local labour market as the most negative factor, while one-third of respondents saw no negatives at all.
- *The importance of Christchurch:* 23 businesses believed Christchurch was very important and 19 saw it as important for their livelihood predominantly as a market.
- *Consideration of relocating business:* 24 percent of businesses had considered relocation, and seven businesses contemplated, but decided against, moving to Christchurch.
- *Encouragement for new businesses:* 85 percent of businesses believed that more businesses should be encouraged to relocate or establish in Waimakariri, and a similar number felt that attempts should be made to achieve this aim. There was a belief that retail and service businesses should be the main types of businesses encouraged.
- *Encouragement for more people:* 80 percent of businesses felt that North Canterbury should encourage more people to settle there.
- *Uncertainty over the role of Enterprise North Canterbury:* it was evident from the variety of responses that businesses were not clear on the purpose of Enterprise North Canterbury.

Introduction

1. Purpose

The North Canterbury Business Survey was conducted by Enterprise North Canterbury (the economic development agency for the Waimakariri and Hurunui districts, formed in 2002) and part funded by New Zealand Trade and Enterprise to allow a greater understanding of the operation and role of businesses in local communities. A central aim of the survey was the development of a regional profile to identify and target economic development services and projects at high growth potential businesses. It will form an integral part of the business direction of Enterprise North Canterbury and was incorporated in its 2003/04 Business Plan, as it is an integral element of two of their major objectives:

- To sustain and grow businesses within the region
- The promotion of the region as a location for business and investment

The survey had six key aims:

- To identify the benefits, from a business perspective, of being located in North Canterbury
- To identify the barriers to business location and growth in the district
- To identify potential high-growth businesses within the region
- To identify import substitution opportunities within the region
- To identify potential clusters
- To identify the business leaders within the region

2. Survey methodology

A total of 92 businesses throughout North Canterbury, more specifically in the Waimakariri District Council and Hurunui District Council Territorial Local Authorities, took part in the survey. These businesses were selected because they were the largest employers in the region and because they provided a strategic cross-section of businesses.

Fifty four businesses in the Waimakariri District Council Territorial Local Authority were interviewed by Heather Miller, Project Manager, Enterprise North Canterbury, between July 2004 and March 2005. For the purposes of analysis, respondents were disaggregated into the following survey zones: Kaiapoi, Rangiora and Hurunui Surrounds (including Woodend, Belfast, Loburn, Sefton and Ohoka). The first section of the report relates to an aggregated summary of answers for all businesses and is known as Waimakariri District. Individual summaries of each survey zone follows. Readers are encouraged to refer to each for a more specific breakdown of pertinent issues.

Waimakariri District

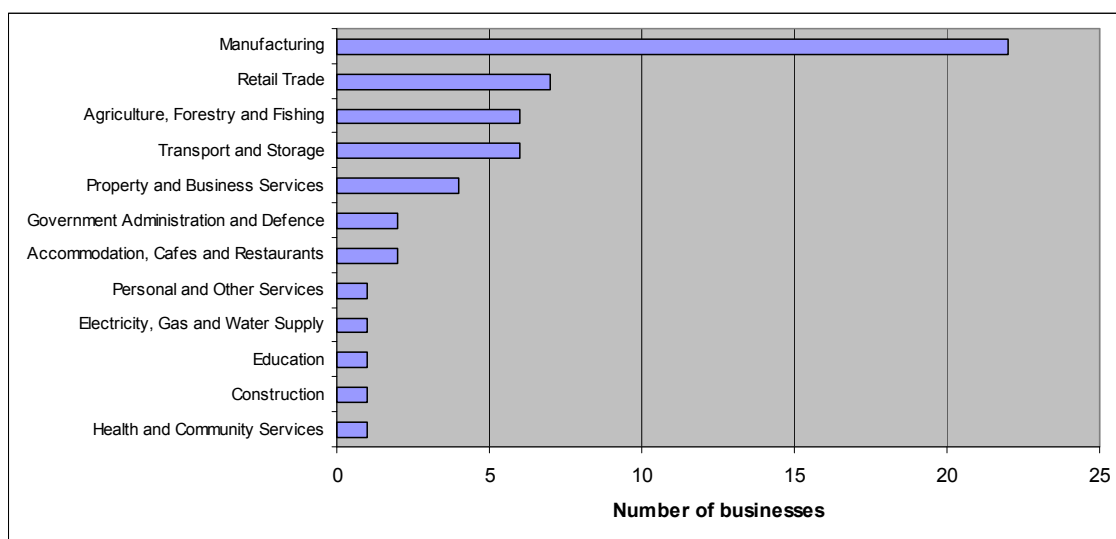
(54 Businesses surveyed)

Section One: BUSINESS CHARACTERISTICS

1.1 Businesses by ANZSIC Classification

Of the 54 surveyed businesses, 22 were in the Manufacturing sector, seven in the Retail Trade, six in Agriculture, Forestry and Fishing, six in Transport and Storage, four in Property and Business Services, two in Government Administration and Defence, two in Accommodation, Cafes and Restaurants, one in Personal and Other Services, one in Electricity, Gas and Water Supply, one in Education, one in Health and Community Services and one in Construction, according to the ANZSIC 1996 Industry Classification:

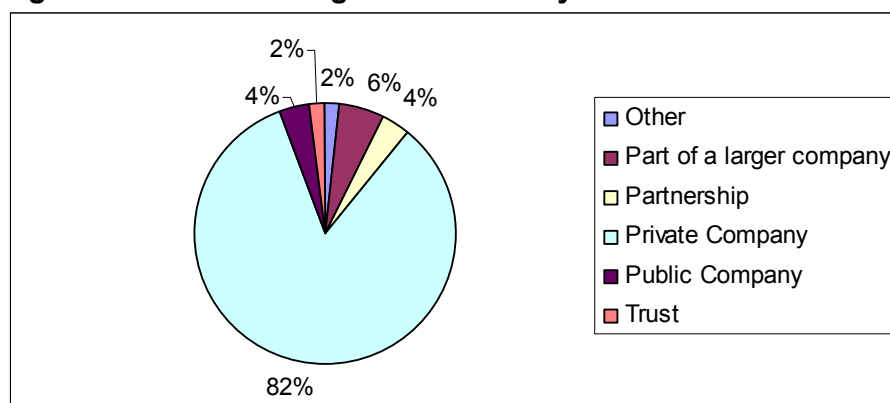
Figure 1: Businesses grouped by 1996 ANZSIC Classification



1.2 Legal structure of surveyed businesses

The vast majority (83%) of the surveyed businesses were private companies, three were part of a larger company, two were public companies, two were partnerships, one was a sole trader, and the other business was a body corporate formed under statute:

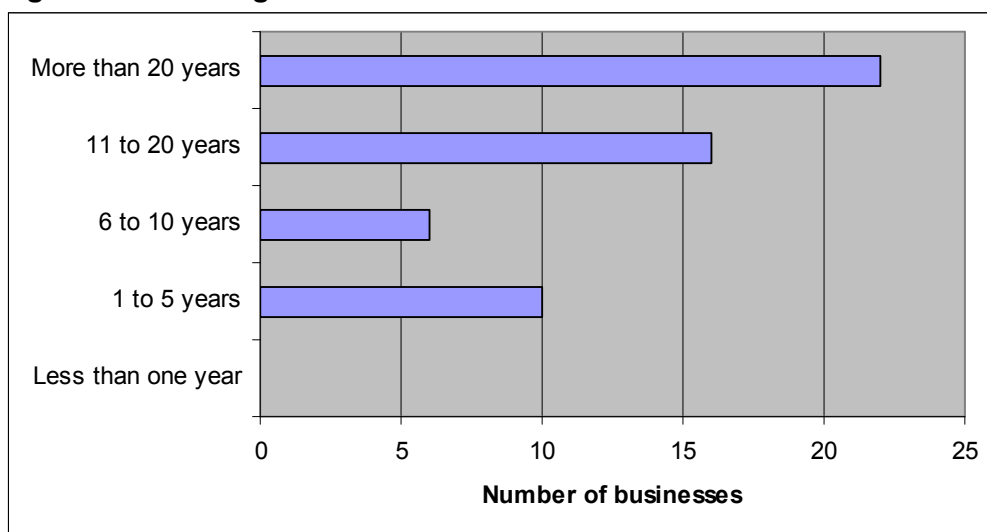
Figure 2: What is the legal structure of your business?



1.3 Length of existence

Of the 54 respondents, none had been in existence less than one year. Ten had existed for one to five years, six for six to 10 years, 16 for 11 to 20 years and 22 for more than 20 years. In other words just over two-thirds had been in business over ten years:

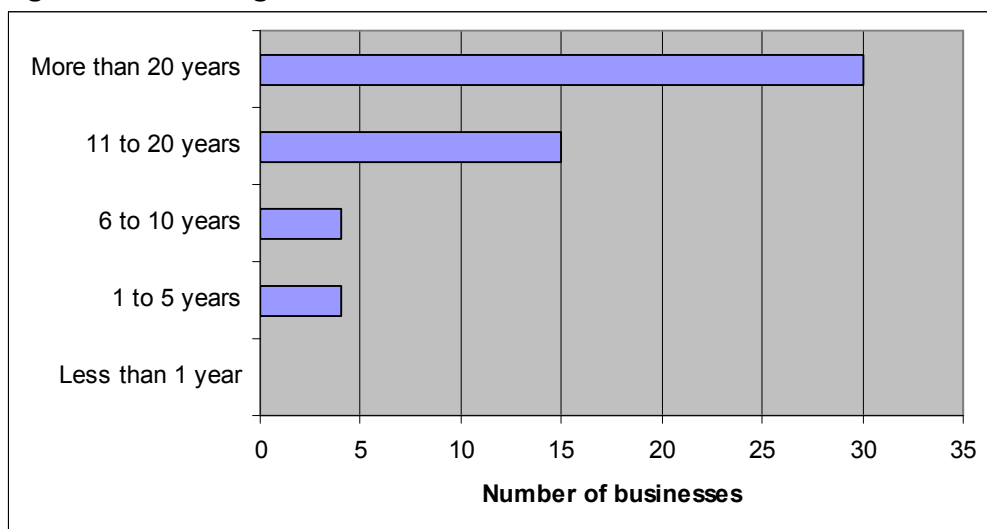
Figure 3: How long has this business been in existence?



1.4 Length of existence in district

Compared with the answers given in question 1.3 above, it is apparent that a number of the businesses had existed in the district before becoming established in their current location. Thirty of the 54 (56%) had been in the district for over 20 years, 15 for 11 to 20 years, four for six to ten years and four for one to five years. Therefore, 83 percent of all businesses had been in the Waimakariri District for over 10 years:

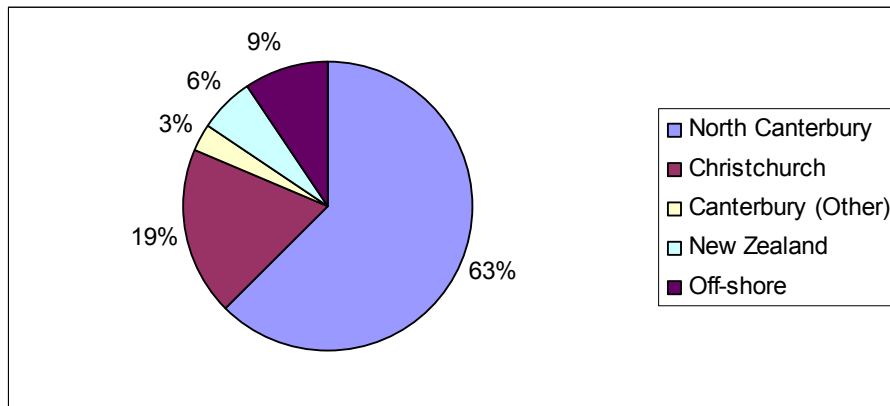
Figure 4: How long has the business been in district?



1.5 Location of business owners

Taking into account that some businesses had more than one owner, 40 of the owners were from North Canterbury, 12 from Christchurch, six from offshore, four from New Zealand and two from elsewhere in Canterbury. This indicates that 85 percent of all business owners were living in the Canterbury region and almost two-thirds (63%) were living in North Canterbury:

Figure 5: Where do the people who own your business live?



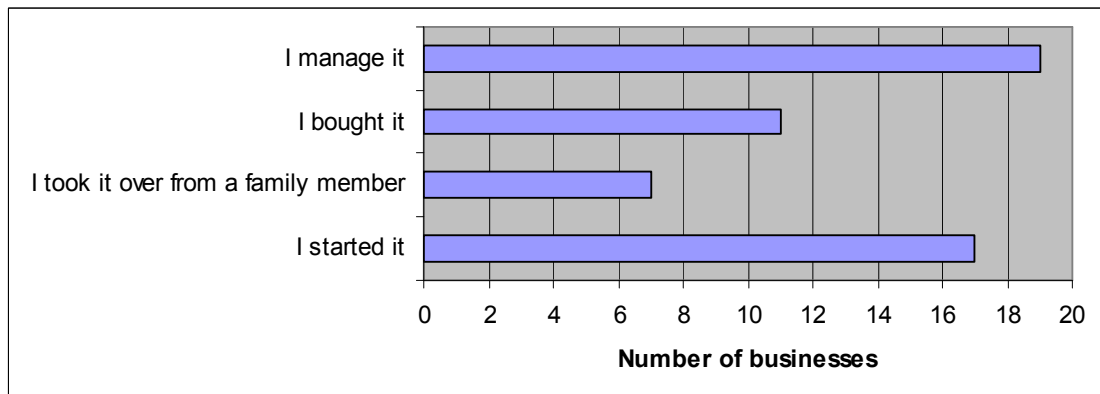
1.6 What proportion of the business (based on staff numbers) is located in the district?

Thirty-two of the 54 businesses (59%) were fully located in district. The range was 5 to 100 percent, with an average of 82 percent.

1.7 Basis of involvement in business

While several respondents provided multiple answers, it is evident that 19 managed the business, 17 started the business, 11 bought the business and seven took it over from a family member:

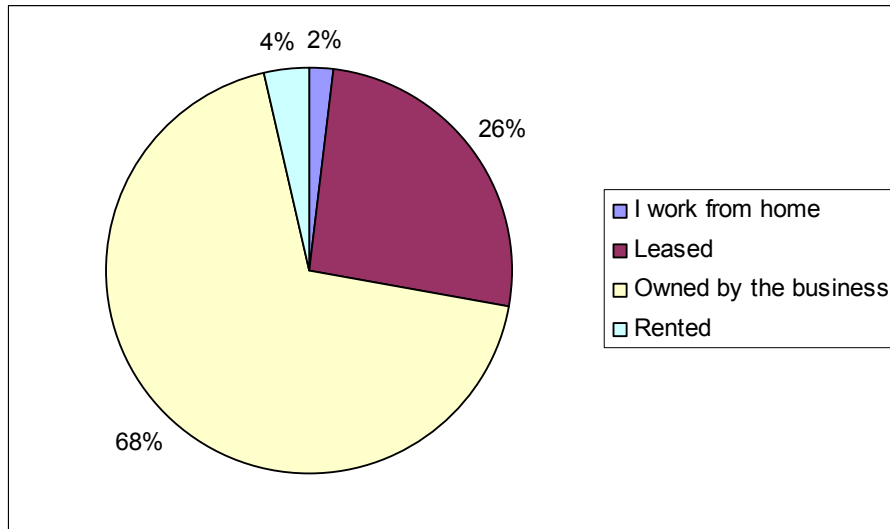
Figure 6: How did you come to be involved in the business?



1.8 Status of premises

Thirty-seven of the premises were owned by the business, 14 were leased, two were rented, and one respondent worked from home:

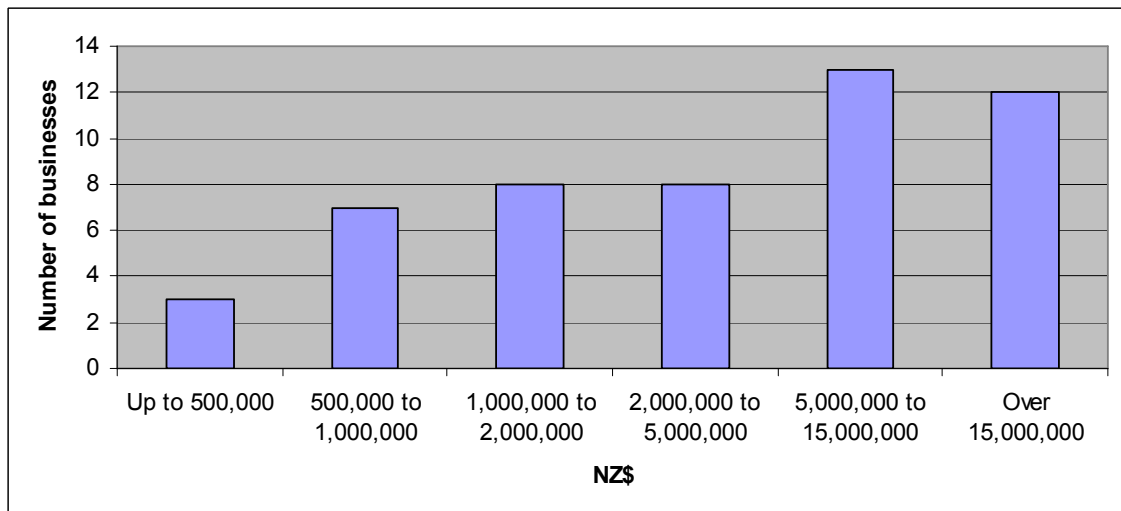
Figure 7: Premises status by category



1.9 Annual Turnover

The survey asked respondents to describe their total turnover per year for the last financial year (inclusive of GST). Three did not provide an answer, and as the following graph shows, three turned over less than \$500,000, seven between \$500,000 and \$1,000,000, eight between \$1,000,000 and \$2,000,000, eight between \$2,000,000 and \$5,000,000, 13 between \$5,000,000 and \$15,000,000 and 12 over \$15,000,000:

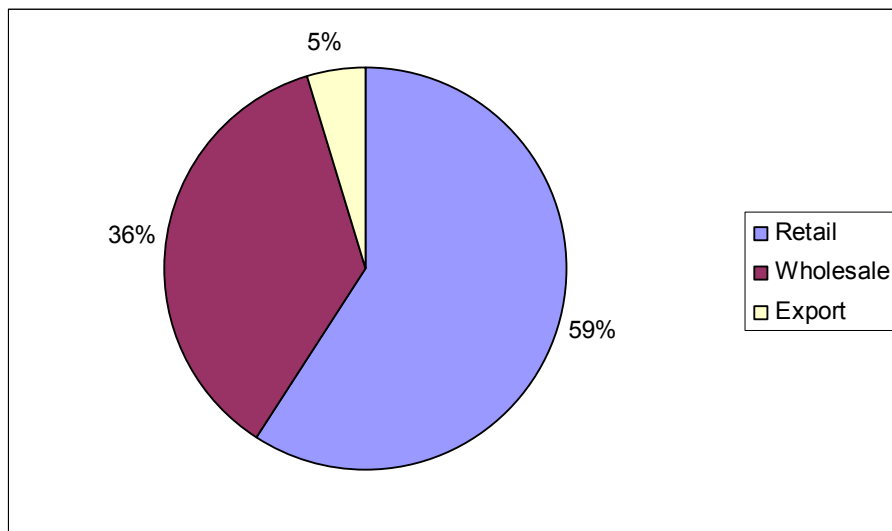
Figure 8: What is your total turnover per year?



1.10 Sales categories

Almost three-quarters of sales were retail (59%), with wholesale making up 36 percent and exporting 5 percent:

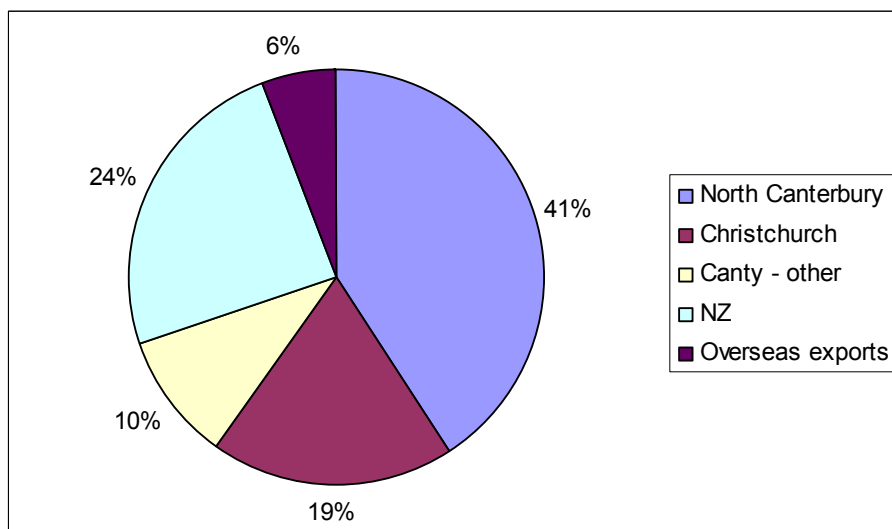
Figure 9: Sales by category



1.11 Location of customers

Under half (41%) of all respondents' customers were from North Canterbury, 24% were from elsewhere in New Zealand, 19% from Christchurch, 10% from elsewhere in Canterbury and 6% from overseas. This indicates that approximately 75 percent of customers were from in the Canterbury region:

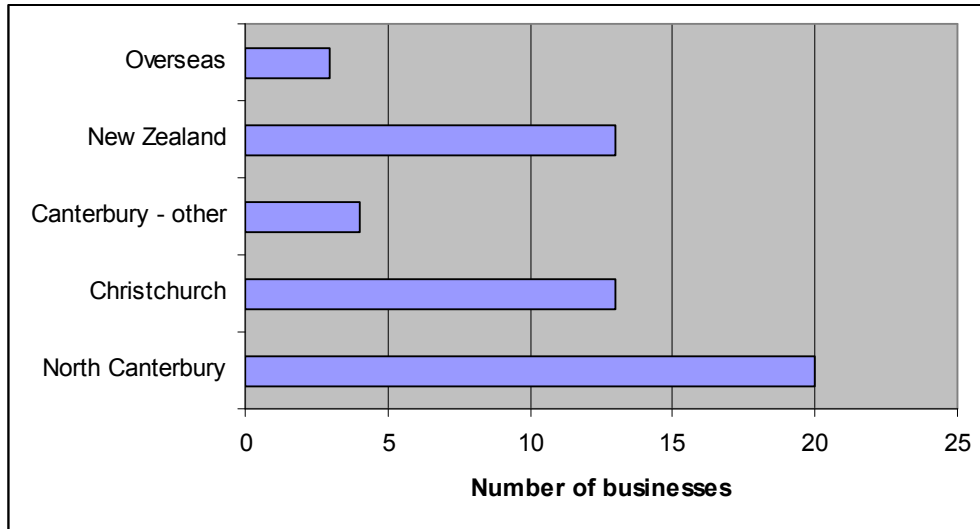
Figure 10: Where are your customers located?



1.12 Location of largest customer

While multiple responses were given, the largest individual customer for 20 businesses were located in North Canterbury, 13 in Christchurch, 13 elsewhere in New Zealand, four elsewhere in Canterbury and three overseas:

Figure 11: Location of largest customer, by category

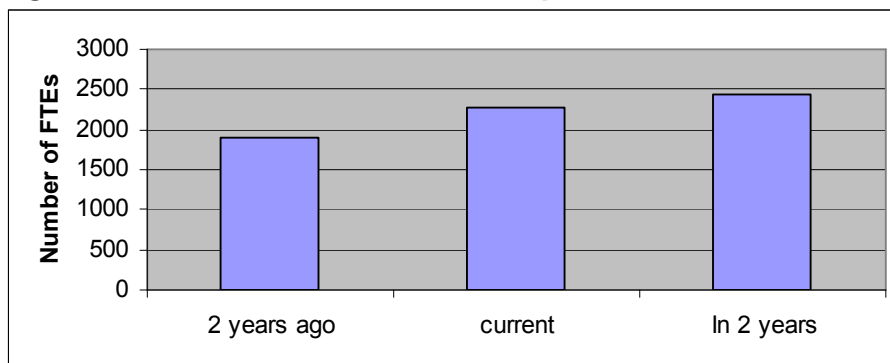


Section Two: LABOUR AND OTHER INPUTS

2.1 Staff numbers

The number of Full-Time Equivalent workers (defined as the number of full-time combined with half of the number of part-time workers) has increased from 1905.5 to 2270 over the last two years (an increase of 19.1%), while respondents expected the number to increase to 2427.5 over the next two years (an increase of 7%). Two years ago, the number of FTEs ranged from 2 to 170, with a median of 22 and an average of 36.6 among the 52 businesses who provided details. At the time of the survey, the number of FTEs also ranged from 3 to 250, with a median of 23 and an average of 42 for the 54 businesses. It is anticipated that in two years time FTEs will range from 4 to 350, with a median of 25 and an average of 47.5 among the 51 businesses prepared to forecast, indicating noticeable growth within the surveyed businesses:

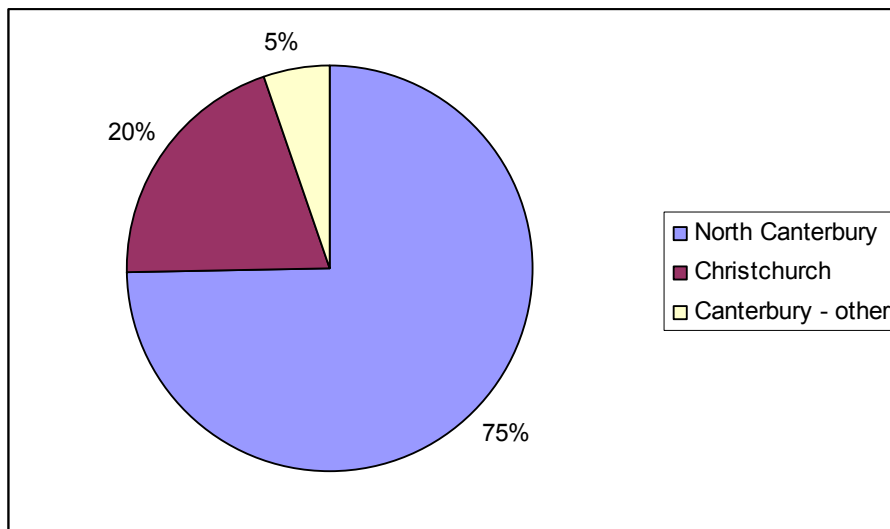
Figure 12: The number of Full-Time Equivalent workers



2.2 Location of staff

Approximately three-quarters of staff (75%) in each business lived in North Canterbury, 20 percent in Christchurch and five percent elsewhere in Canterbury:

Figure 13: Location of staff by area



2.3 Vacancies: current and future

There were 16 vacancies for unskilled staff, 65 for skilled staff and eight for management/administration at the time of the survey. A breakdown of the latter two categories is provided in the following table:

Table 1: Waimakariri vacancies

Vacancies	Number
<i>Unskilled vacancies</i>	16
<i>Specific Skilled vacancies</i>	65
Baker	1
fitter welder	1
sales position	1
moulder/foundry worker - semi skilled	1
1 welder engineer; 1 Customer Service	2
accountant with at least three years experience - junior partner	1
Pre-purchase property inspector	1
property professionals/developers/managers	9
1 sales manager, 1 Sales Administrator, 1 Sales person, 1 Engineer, 1 Retail Manager	5
truck driver who is a specialist fertiliser spreader	1
machinists	5
machine operators	2
project management, specialist heavy lift, crane operators; mechanic	4
motor mechanics	3
foreman; excavator operator	2
NZCE technicians	3
project engineer; engineer/design team leader and a IT analyst	3
electricians, fitters	4
Bar staff	2
chef	1
Tool maker	1
Fitter and turner	1
Agricultural engineer	1
Saw mill workers	5
Machine fitter	1
Timber hand	1
Missing	2
<i>Specific management/administration vacancies</i>	8
general manager; exec chef	2
administrative assistants	4
showroom/sales	1
administrator	1

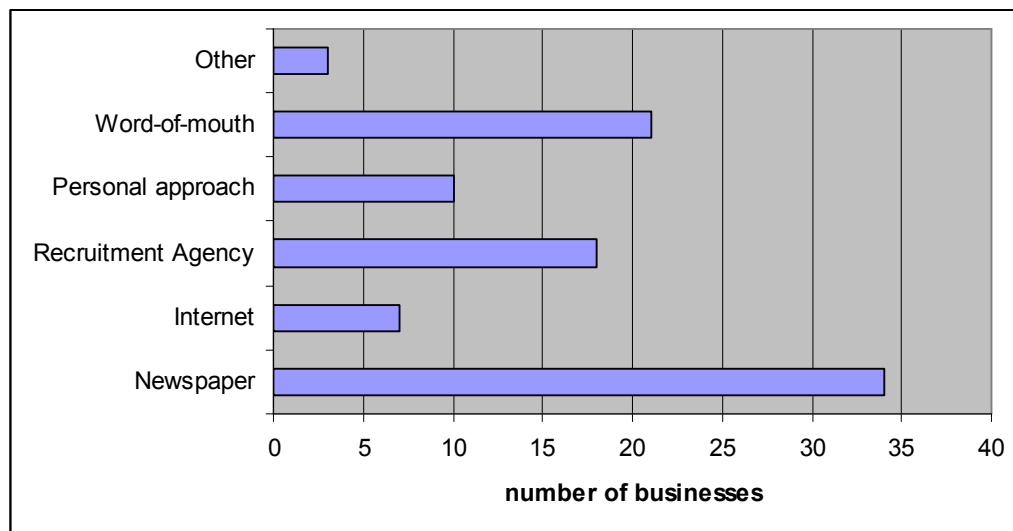
2.4 Difficulties with recruiting labour

Thirty-four of the 53 businesses who answered this question (64%) had problems recruiting the labour they required. These respondents commented that finding good, reliable workers can be difficult given the nation-wide skill shortage, that finding people with the necessary work ethic was difficult, that schools were letting youth down as many had extremely poor literacy and numeracy skills and that the modern apprenticeship scheme was poor. This meant that youth were being redirected out of trades, which would in time make the skill shortage even worse. There was a feeling that skilled staff within the Canterbury region were not interested in living in small towns and that increased working hours, including a seven day week, were deterring skilled staff. Consequently, finding suitably skilled staff was such a problem that businesses were prepared to poach staff from other firms. The shortage was forcing up wage levels which also hampered business growth.

2.5 Means of recruiting staff

Thirty-four respondents relied on newspapers, 21 on word-of-mouth, 18 on recruitment agencies, 10 on the personal approach, seven on the internet and three on other means (internal recruitment and Work and Income New Zealand) to recruit staff:

Figure 14: How do you usually source staff?



2.6 Do you have a formal staff training programme?

Forty-nine of the 53 respondents who answered this question (92%) had a formal staff training programme.

2.7 If no, why not?

The four respondents who did not have a formal training programme cited reasons for why they did not. These included a lack of time, the fact that training needs were undefined and that staff were sufficiently trained before they began the current job.

2.8 Type of training

Over three-quarters of training (77%) was conducted in-house. The remainder was provided externally by industry-specific providers.

2.9 Training of apprentices

Nineteen surveyed businesses (35%) train 54 apprentices, as summarized in the following table:

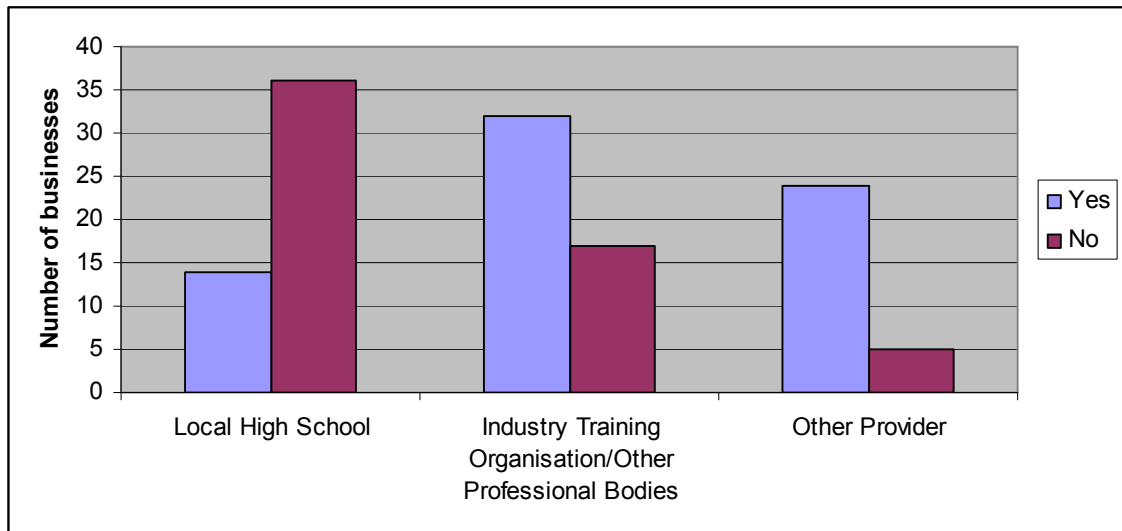
Table 2: Waimakariri apprentices

Number	Apprenticeships
1	heavy fabrication
2	joinery
2	Fitter and Diagnostics, Heavy Engineering
4	sign writing
2	engineering
2	engineers, electricians
4	metal work, concrete, carpentry, mechanical
6	mechanics
7	Linesmen and electricians
3	electricians
9	Bakers
5	Butcher
1	Car painter
1	machinist
1	Saw doctor
3	Tool maintenance and diagnostics
1	Cheese maker

2.10 Training/recruiting relationships

Only 14 respondents (26%) had a relationship with the local high school. However, 32 (60%) had a relationship with an Industry Training Organisation/other professional body and 24 (44%) with other providers:

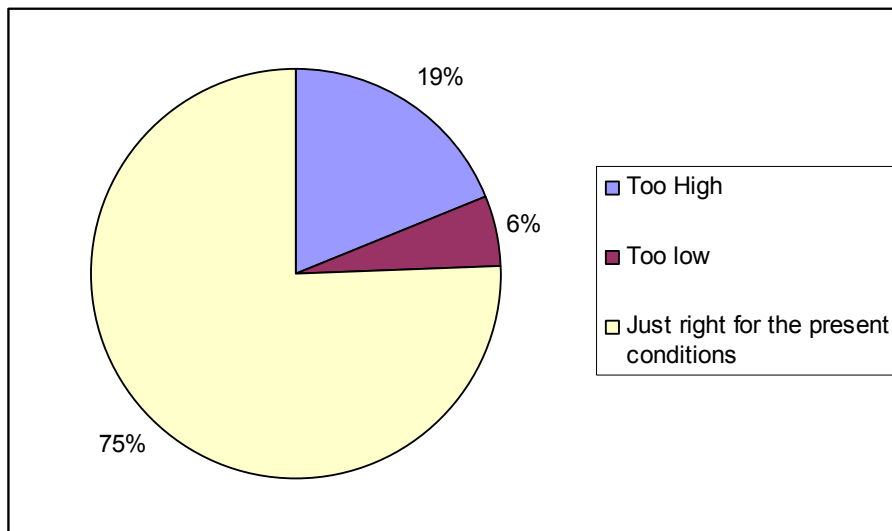
Figure 15: Training/recruiting relationships by type



2.11 Annual labour turnover

Forty respondents considered that their labour turnover in the previous year (in terms of the number of resignations) was 'just right for the present conditions'. Ten felt that the number was too high and three considered it too low:

Figure 16: Description of labour turnover per year



2.12 Wage bill as a percentage of total business costs

For the 51 respondents who provided an answer, the average was 17.6 percent, the median was 26 percent and range between 1 and 60 percent.

2.13 Extent of difficult accessing inputs in Waimakariri

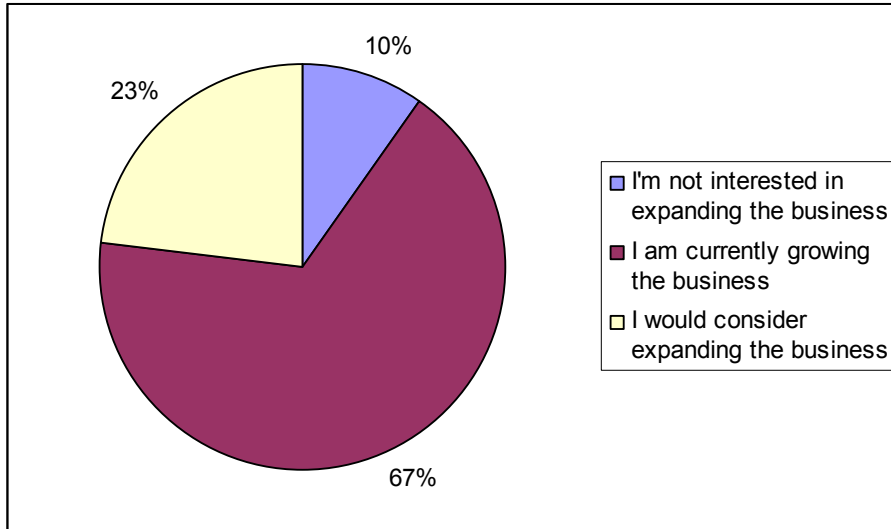
Forty-three of the 50 respondents who answered this question (86%) felt that the location of their business was not an issue in accessing inputs of goods and services. The main point raised by those who had issues was that transport problems (congestion and delays receiving couriered goods and freight costs) were a significant burden.

Section Three: TRENDS IN BUSINESS DEVELOPMENT

3.1 Outlook towards business growth

Thirty-five respondents were currently growing their business, 12 would consider expansion and five were not interested in doing so:

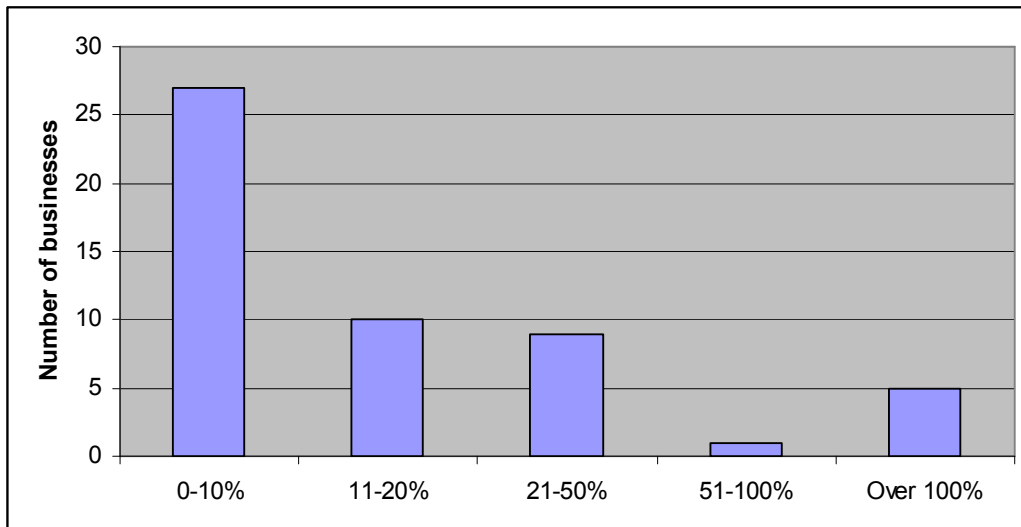
Figure 17: Outlook towards business growth, by category



3.2 Average annual sales growth over last two years

Twenty-seven of the surveyed businesses had annual sales growth rates over the last two years of between 0 and 10 percent, 10 had 11 to 20 percent growth, nine had 21 to 50 percent growth, one had 51 to 100 percent growth and five over 100 percent growth. Responses ranged from 0 to 400 percent, with a median of 10 percent.

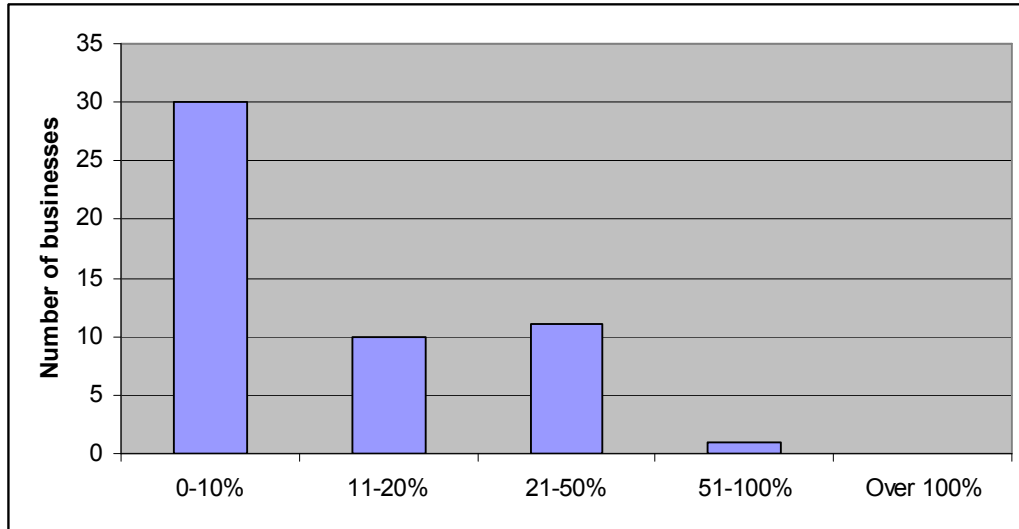
Figure 18: Average annual sales growth 2003-2004



3.3 Anticipated annual sales growth over next two years

Thirty respondents indicated that their business will experience annual sales growth of between 0 and 10 percent over the next two years, 10 predicted 11 to 20 percent growth, 11 between 20 to 50 percent growth and one between 50 and 100 percent growth. The range was 0 to 100 percent, with a median of 10 percent:

Figure 19: Anticipated annual sales growth 2003-2004



3.4 Could businesses sell more of their current range of goods and services if they could produce more?

Thirty-nine respondents felt that they could sell more of their current range of goods and services if they could produce more (74%), while 14 did not.

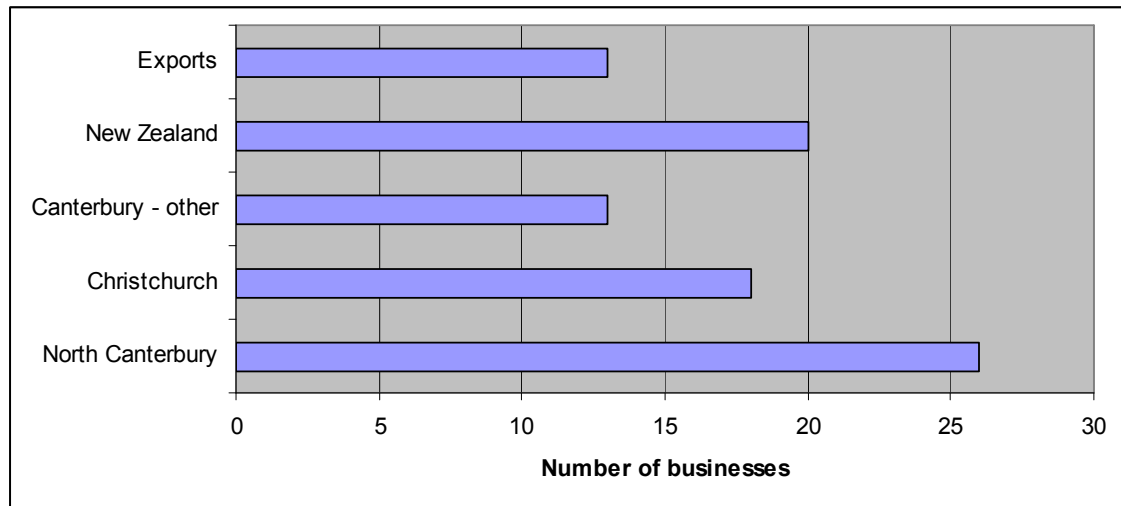
3.5 Is it possible to produce more using your current workforce, buildings and equipment?

Twenty-one respondents felt that they could not produce more using their current workforce, buildings and equipment (39%), while 33 (61%) felt they could, which differs from the response given to question 3.4 above. Several noted that they had reached capacity or needed new premises.

3.6 Market for anticipated sales growth

North Canterbury were seen by 26 respondents as the source of anticipated sales growth, ahead of 20 who felt that growth would be derived from elsewhere in New Zealand, 18 who opted for Christchurch, 13 overseas exports and 13 elsewhere in Canterbury:

Figure 20: Anticipated sales growth by market



3.7 Barriers to business growth

Compliance and regulatory issues (more specifically concerns with the local council and central government) was highlighted as the leading barrier to business growth, ahead of a lack of capital (more specifically a lack of capital and capital for plant and buildings), competitors/market conditions, infrastructure and labour/staff, as summarized in Table 3:

Table 3: Barriers to business growth, by category

Labour/Staff				16
Lack of capital				30
	<i>land</i>			4
	<i>buildings</i>			6
	<i>plant</i>			11
	<i>product development</i>			3
	<i>marketing</i>			3
	<i>working capital</i>			3
Competitors/market conditions				21
Compliance and regulatory issues				34
	<i>Local Government</i>			15
	<i>ECan</i>			7
	<i>Central Government</i>			12
Information and training				6
	<i>Staff training and capability</i>			5
	<i>Management T & C</i>			1
Infrastructure				20
	<i>Roading</i>			5
	<i>Energy supplies</i>			4
	<i>Water supply</i>			1
	<i>Sewerage</i>			3

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	Land drainage			1
	Telecommunications			1
	Land availability and zoning			5
Location				2
Interest rates				1
Raw material supply				4
Raw material and input costs				1

Comments of note:

Labour/staff:

- Respondents considered that there was a serious skill shortage and felt that the continuous pressure of wage increases were hindering business growth.

Lack of capital:

- Some respondents' businesses were becoming too small for the production required. Another noted that more mechanization was needed.

Competitors/market conditions:

- Substandard operators offering lower priced goods/services were causing frustration
- More advertising, word-of-mouth and greater reputation will increase business demand for some respondents
- Cheaper imported goods were hard to compete against

Compliance and regulatory issues:

- The Waimakariri District Council was seen as inefficient in relation to resource consent applications, lacking in vision, needs to focus on zoning land and improving infrastructure and uncertain about how it wants the district to develop in the future.
- Occupational Safety and Health regulations were seen as too harsh

Infrastructure:

- Rangiora needs a road bypass
- Sewerage is poor in Southbrook
- Flaxton Road is too busy
- Ashley River bridge needs replacing

Information and training:

- Systems and processes have changed in recent years, increasing a demand for newer types of training

Section Four: YOU AND YOUR BUSINESS

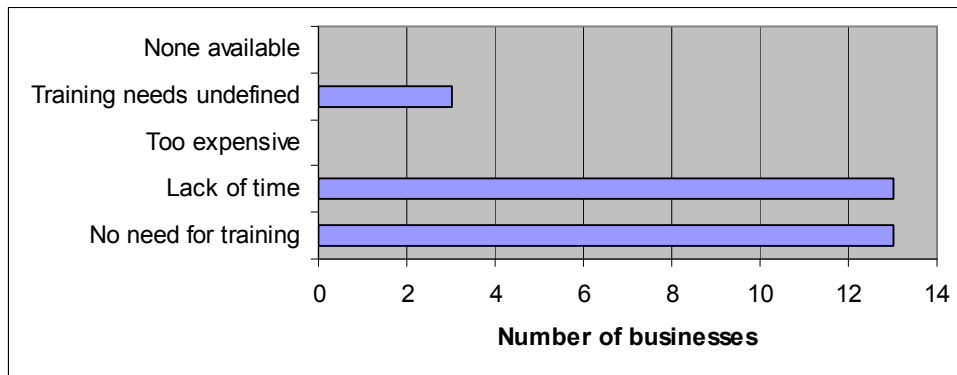
4.1 Participation in formal training programmes

Less than half of respondents (25 or 46%) had participated in formal training programmes over the previous year, although 29 had not.

4.2 Reasons why respondents did not attend formal training

Thirteen of the respondents who had not attended formal training cited a lack of time as the reason, while 13 also felt that they had had no need for training, and three had undefined training needs:

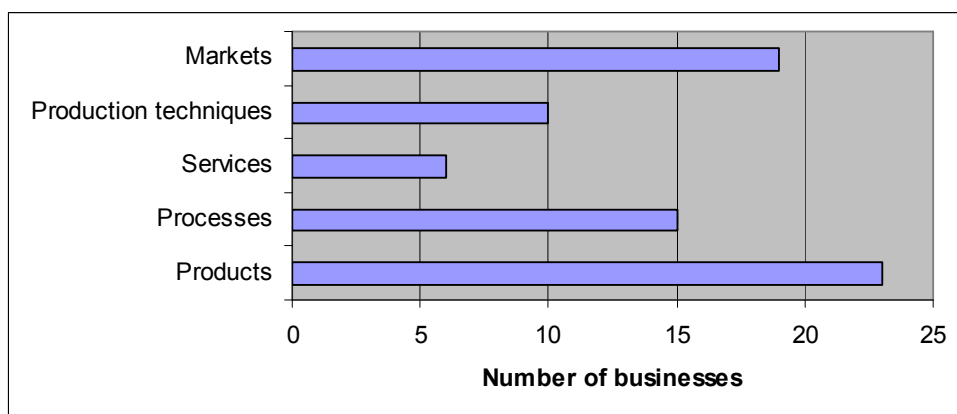
Figure 21: Reasons why respondents did not attend formal training, by category



4.3 Business developments

The survey asked respondents if their business was developing new products, processes, services, production techniques or markets. As the following graph shows, 23 were developing new products, 15 were creating new processes, six were establishing new services, 10 new production techniques and 19 new markets:

Figure 22: Business development, by category



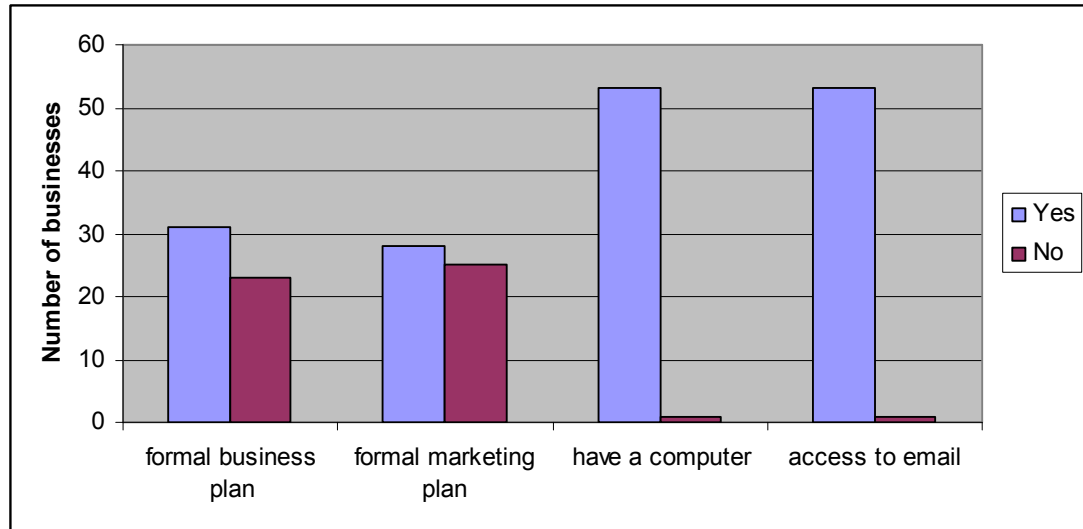
4.4 Have you had any government funding/assistance for your business development over the last five years?

Only six respondents had received government assistance over this time period, which equates to 11 percent of surveyed businesses.

4.5 Business planning and computer usage

Over half (57%) of respondents had a formal business plan, 52 percent a formal marketing plan, and all but one had a computer and access to the internet:

Figure 21: Extent of business planning and computer usage



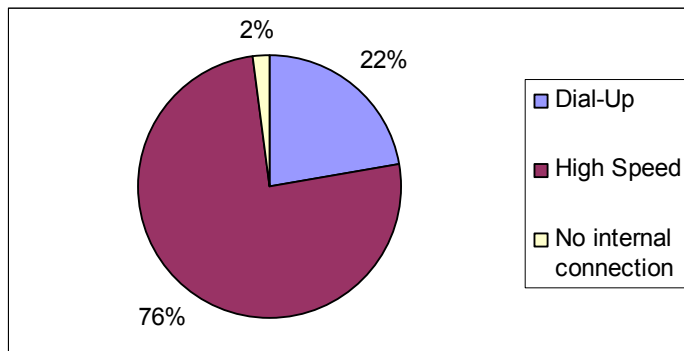
4.6 Triple bottom line reporting

Fifteen respondents (28%) included triple bottom line measurement in their business planning and reporting.

4.7 Internet connection

Forty-one of the respondents had high-speed internet access, 12 had dial-up access and only one did not have internet connection. It is important to note that a number of those who had dial-up noted that they did not have the option of getting high-speed connection:

Figure 22: Internet connection, by category



4.8 Importance of broadband connection

Forty-two respondents (78%) felt that high-speed two way (broadband) internet connection was important for their business.

4.9 Business websites

Thirty-eight respondents (70%) had websites. Of these, 22 (58%) felt that it added value to their business.

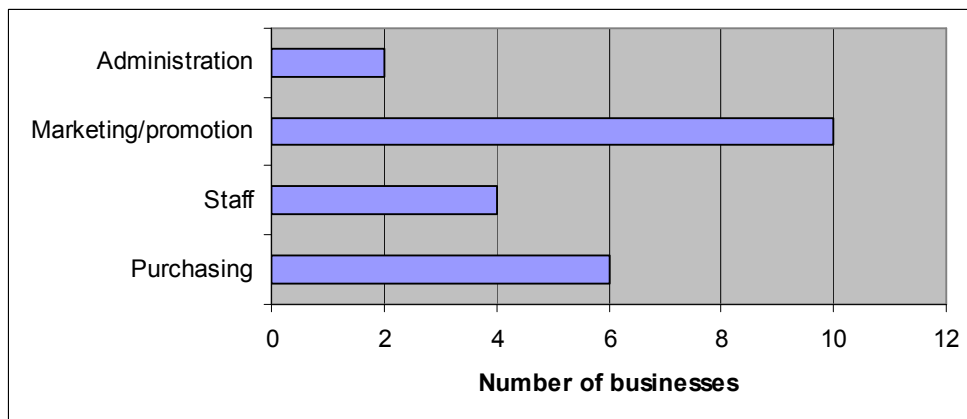
4.10 Collaboration with other businesses

Twenty-two of the surveyed businesses (41%) collaborated with other businesses.

4.11 Type of business collaboration

Collaboration between businesses took the form of marketing/promotion (10 businesses), purchasing (six), staff (four) and administration (two):

Figure 23: Business collaboration by category



4.12 How could these business networks be improved?

Respondents made several points of interest:

- Collaboration between tourism businesses was advocated
- A business network like the Southbrook Business Group was recommended
- Working alongside larger local businesses
- Learning more about local business types
- More synergy with competitors and services providers

Section Five: REGIONAL AND LOCATIONAL ISSUES

5.1 Reasons for business location in the district

Respondents cited a range of reasons why their businesses were located in the district. Some had lived there all their lives, while others were attracted to the lifestyle that Waimakariri affords. It was also evident that meeting specific market needs was a prime motivation. The central location of Rangiora and passion for the district were singled out by a number of respondents.

5.2 Visions for the district's future

Respondents had interesting views on the district's future. Those from Kaiapoi saw greater future development with more people to support businesses, although preserving the environment was important. Greater promotion of the district was advocated. One respondent wanted to ensure that the rural nature of the district be retained (which could be achieved by making available small blocks but making the next size up not less than 100 acres). The need for a shopping mall, greater support for local businesses and a desire to leave the district in good shape for the next generation were also expressed by respondents.

For Rangiora respondents, life 'north of the river' was seen as 'exciting', 'strong' and 'vibrant' and that it would grow in terms of business numbers and demographically in the future, provided more industrial land was zoned, and roading and sewerage improved. The Waimakariri District Council had a responsibility to ensure that Rangiora did not become a satellite of Christchurch by attracting businesses and improving infrastructure. There was a feeling that the town lacked leadership, a unique identity and goals, but there was optimism about the future of the district because of developments in industries such as viticulture. It was also seen as a safe community which would benefit from sustained growth. Moreover, it was blessed with flat, fertile land, good, clean water, close to an affluent city and well positioned to take advantage of a tourist boom.

Those from Waimakariri surrounds felt that Waimakariri was becoming the 'dormitory' of Christchurch, and that 'lifestylers' only sleep in North Canterbury and work and shop in Christchurch and helped to keep land prices high. There was optimism, however, that an increase in visitors not just from overseas, but elsewhere in New Zealand, and the potential for industrial relocation to North Canterbury would serve Waimakariri well in the future.

5.3 Major opportunities for the district

A range of potential opportunities for the region were outlined by respondents which were also reasonably localized. For Kaiapoi respondents, tourism and light industry, residential growth and the good agricultural base were seen as key factors in the town's future. Opening up more land for subdivision in Kaiapoi and a 'Dirty Industry Park' (fibre glass and paint manufacturing etc) was one respondent's suggestion.

Rangiora respondents believed that opening up more industrial land (both light and heavy, particularly for an industrial park in Southbrook or between Woodend and Rangiora) and improving infrastructure (especially transport links) were seen as critical to future prosperity. Specific local initiatives such as modernizing the High Street shopping area (making it the 'vibrant hub' of the community), updating the movie theatre, offering more activities and a covered swimming pool were needed if the region was to be promoted to attract more businesses and people. The uniqueness of Rangiora, which was undervalued by many locals, could be utilized to attract tourists. Similarly, more intensive usage of land and the promotion of home-based businesses would attract more people which would benefit existing businesses. Other areas of North Canterbury, particularly Amberley, Waipara and Kaiapoi, it was argued, would continue to grow. A proactive 'business-friendly' council was required to keep people in the district and attract new ones. Industry 'feeds off' other industry, which meant that the council must improve roading, water and sewerage infrastructure in parts of Rangiora if it was serious about growth. More retail zoning was needed as larger retailers were needed if the region was to benefit fully from the expected boom in tourism and agriculture. Expanding Rangiora airport and taking light air traffic away from Christchurch was another interesting recommendation.

Some respondents from Waimakariri surrounds expressed the belief that the development of cottage industry on smaller blocks of land was a worthwhile lifestyle option. The need to attract small businesses was seen as beneficial for the community's growth. The fertile land, climate and water of the region was seen as providing a basis for thriving primary production and there was also confidence that increased tourism would benefit the district. A greater number and range of manufacturing and retailing businesses was also advocated.

5.4 Major threats to the district

Kaiapoi respondents expressed an interesting range of opinions on threats to the region. Infrastructural concerns (particularly traffic congestion), higher agricultural production costs, too many lifestyle blocks and the prohibitive costs of starting businesses because of the Resource Management show the range of respondents' concerns.

Rangiora respondents were critical of the 'stifling' Waimakariri District Council. 'Real' planning was needed because infrastructure problems were hindering growth. The council needs a vision and has to move away from seeing that business must be restricted to the CBD of Rangiora if it is to flourish, given fierce competition for retailers in Christchurch, it was argued. Respondents were frustrated by the lack of industrial zoned land, an industrial park, poor roading (a bypass around Rangiora and better linkages to Christchurch were needed) too much emphasis on small block sub-division at the expense of valuable agricultural land and the lengthy resource consent process which was making setting up businesses or business expansion too difficult. The proliferation of lifestyle blocks through the cutting up of good farmland meant that local agricultural businesses had to look further afield for opportunities. An unwillingness on the part of some locals to endorse business growth, the lack of skilled workers, lack of activities options for youth and job prospects for this group

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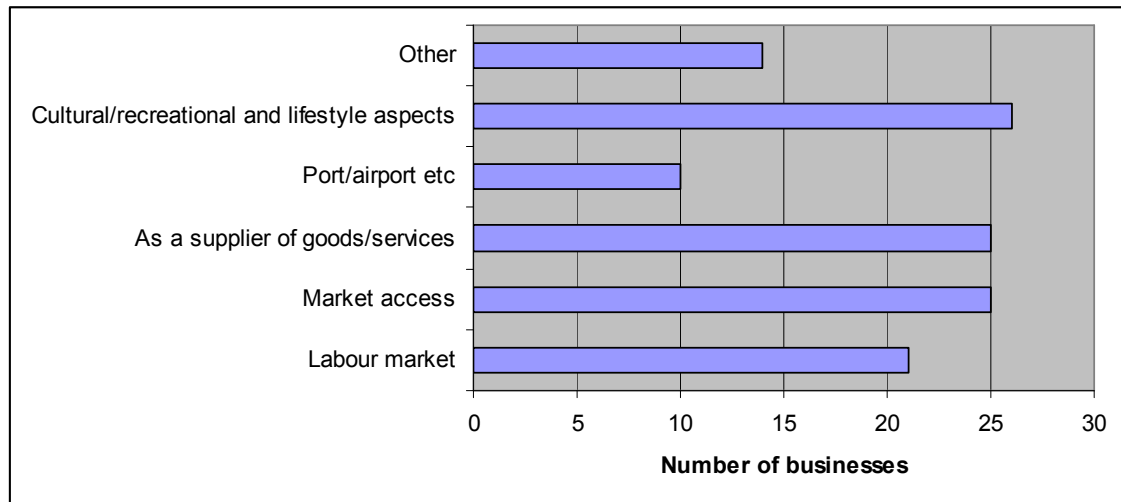
who were central to the district's future, a downturn internationally in key industries (for example, forestry) and the threat of larger businesses withdrawing North Canterbury meant that the council had to make greater efforts to attract new businesses and people and try to be 'business-friendly', but respondents were skeptical about whether it could do so.

Respondents from Waimakariri surrounds felt that there the encroachment of residential housing could stop existing businesses from expanding as the cost of land was increasing too quickly. An increasingly 'transient' population was seen as eroding a sense of community. There was a risk that North Canterbury was losing its agricultural base and rural character. The Waimakariri District Council was seen as focusing too much on residential and small block growth, not industry growth or on the necessary infrastructure. Increased road congestion and an aging population were also noted.

5.5 Positive aspects of business location in Waimakariri

Twenty-eight of the respondents felt that the cultural/recreational and lifestyle aspects was the most positive aspect of living in Waimakariri, ahead of market access (25), as a supplier of goods and services (25), labour market (21), ports/airports (10) and other factors (14), which included the water resources, pleasant working conditions, focal point of major towns, the calibre of local people, cheaper wage rates and rent than elsewhere and good biosecurity:

Figure 24: The most positive aspects of business being in Waimakariri



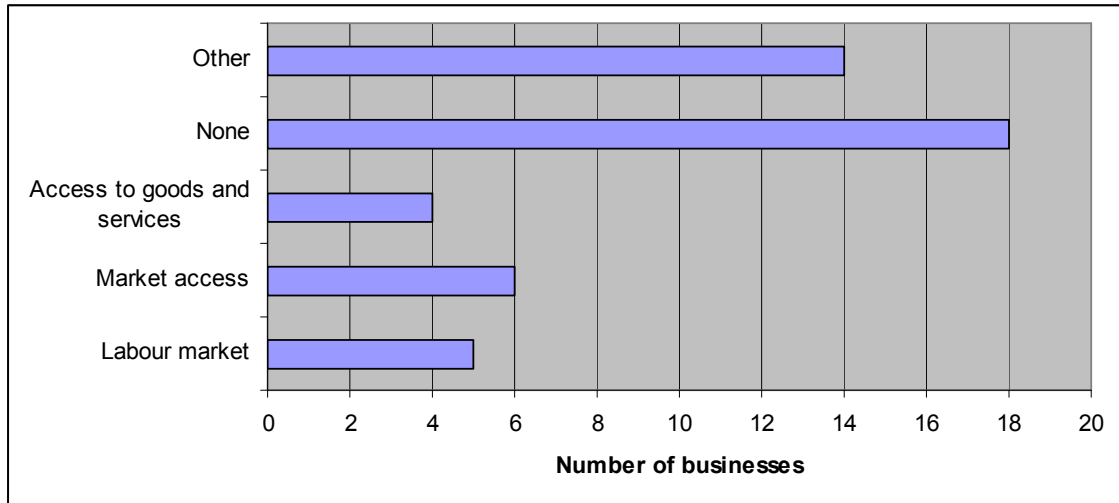
5.6 Negative aspects of business being located in Waimakariri

Respondents felt that the most negative aspects of being located in Waimakariri were market access (6), the labour market (5), access to goods and services (4) and other (14), which included distance from neighbours in places, the growth in lifestyle blocks and that the council was too political in decision-making and lacked vision. It was also felt that roading problems and transport costs were downsides of conducting

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business in Rangiora. Significantly, 18 respondents considered that there were no negative factors associated with living in Waimakariri.

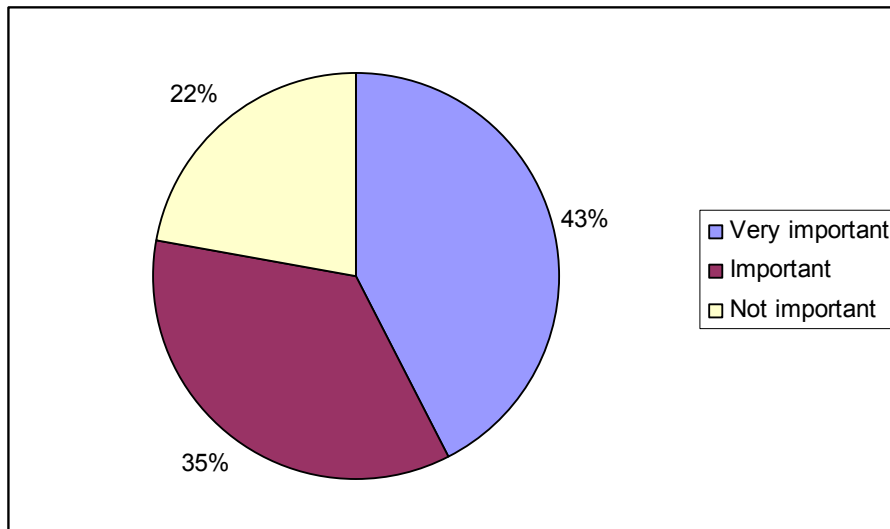
Figure 25: The most negative aspects of being located in Waimakariri



5.7 Importance of proximity to Christchurch

Twenty-three respondents felt that proximity to Christchurch was very important, ahead of 19 who deemed it be important and 12 not important. No respondent felt that the location of Christchurch in relation to Waimakariri was a negative factor:

Figure 26: How important is proximity to Christchurch for your business?



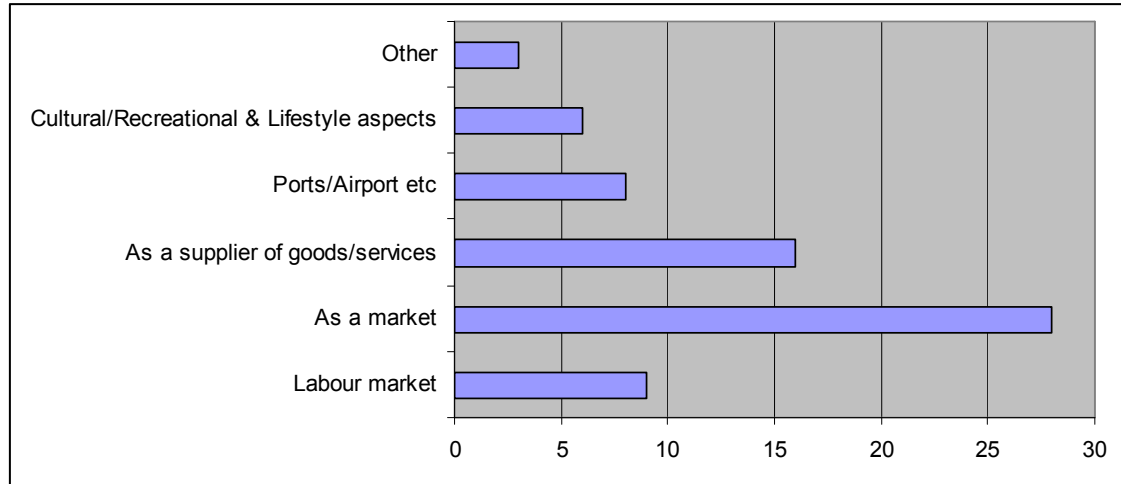
5.8 Reasons why Christchurch's proximity is important

Respondents felt that the most important positive factor relating to proximity to Christchurch was as a market (52 percent of respondents), well ahead of as a

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supplier of goods and services (16%) and ports/airport (15%), cultural/recreational and lifestyle aspects (11%) and other (5%), which included the point that Christchurch was sufficiently far away that Rangiora residents had to shop locally.

Figure 27: Why is proximity a positive factor?



5.9 Have you considered relocating your business elsewhere?

Thirteen respondents (24%) had considered relocating their business elsewhere. Seven of these considered moving to Christchurch, three to elsewhere in Canterbury, on to overseas and one to elsewhere in Canterbury:

5.10 Would a local business network be of benefit?

Twenty-five respondents (46%) said a local business networks would be beneficial. The following comments deserve mention. A number of Kaiapoi respondents were members of KPA, but several felt that more emphasis on promoting Kaiapoi was required. Others would see the benefit in collaborating with businesses providing the same services as themselves. Similarly, a number of respondents were members of the Southbrook Stakeholders' Group and were generally happy with it, while there was some dissatisfaction with OTR. Others felt a network would be a good means of articulating business' opinions to the council, as long as it was for all businesses, not just retailers. A local Chamber of Commerce was advocated by a few, while others wanted industry-specific networks.

5.11 Should more businesses be encouraged to establish or relocate?

Forty-six respondents (85%) believed that more businesses should be encouraged in Waimakariri.

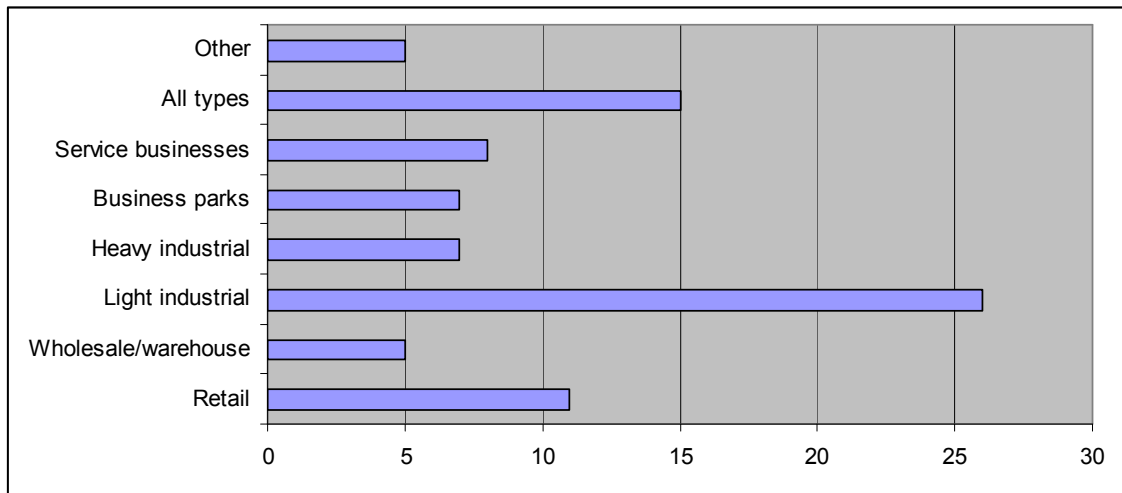
5.12 If no, why not?

The respondents felt that there were sufficient businesses at present, and they cited the fact that the district was sufficiently serviced already.

5.13 Types of businesses that should be encouraged

Twenty-six respondents saw light industry as the most important for Waimakariri. Fifteen selected all types of businesses, 11 opted for retail businesses, eight for service businesses, seven for business parks, seven for heavy industry, five for wholesale and five selected 'other', which included tourism, research, larger retailers and dirty industry:

Figure 28: Which type of businesses?



5.14 Should the region actively attempt to attract more businesses?

Thirty-nine of the 46 respondents who advocated increasing the number of Waimakariri businesses agreed that the region should actively attempt to attract them. Suggestions relating to how to do so included having the Waimakariri District Council attract more industry and employers with a 'business-friendly fast-track' scheme. It was suggested that Enterprise North Canterbury be funded further to promote the district. It was also felt that rate subsidies and other incentives were needed, but infrastructural and land zoning issues had first to be resolved. It was also evident that while the council should fund any promotion, private businesses or the likes of Enterprise North Canterbury should conduct it.

5.15 Are there obvious businesses missing from North Canterbury?

Respondents tended to make more localized suggestions (refer to individual survey areas), but a number of common themes were evident in their responses and included the following:

- Boat building in Kaiapoi
- A rail/passenger service between Christchurch and North Canterbury
- Windscreen repair service
- A super mall complex
- Air 'parks' – storage base for of small aircraft
- A light and heavy industrial park close enough to Christchurch of about 50 acres
- Large indoor swimming pool from Rangiora
- Small manufacturing businesses
- A centrally located information centre
- Hallensteins/Glassons type clothing shops
- Lighting shops
- Dick Smith Electronics
- More banks
- More legal and accounting services
- Footwear shops
- Structural and civil engineering
- Furniture manufacturing
- Security firms
- A mall with movie theatres, major retail chains, a foot court
- More quality accommodation
- McDonalds
- Petrol stations
- Heavy transport repair

5.16 Should more people be encouraged to live in the region?

Forty-three respondents (80%) agreed that more people should be encouraged to live in the district for the following reasons:

- More businesses will emerge if the population grows
- Little room left in Christchurch
- More people will move to North Canterbury
- Increased prosperity will help retain youth in the district
- Increased demand for services will follow
- A great place to live
- It is the answer for growth and prosperity
- It is the key to critical mass

5.17 What factors discourage people from moving to North Canterbury?

The following reasons were cited by respondents, in no particular order:

- Rate levels
- Traffic congestion and poor roading to Christchurch
- Lack of jobs
- Distance from Christchurch
- Increased cost of living
- Increased housing costs
- Lack of schooling choices
- The District Plan
- Small-mindedness of locals
- 'small town syndrome'
- Lack of shops
- Lack of nightlife

5.18 Things Enterprise North Canterbury should be doing over the next three years to enhance the economic growth of the district

Respondents offered an interesting range of tasks that Enterprise North Canterbury may consider, in no particular order:

- Provide information on funding opportunities
- Encourage the Waimakariri District Council and Environment Canterbury to work together to make it easier for local businesses
- More training
- Encourage healthy country living
- Promote tourism
- Facilitate programmes for youth
- Assisting businesses to apply for government grants
- Assisting businesses with resource consent processes
- Educate 'misguided' youth
- Become a lobby group to push council to get a cohesive plan to attract light industrial businesses to provide jobs for new people to avoid the risk of satellite status for North Canterbury
- Ensure that businesses take more risks employing young people as they need a start
- Continue training and workshops
- Provide management skills courses
- Nurture youth into trades
- More business breakfasts
- Induction days for students
- Provide exceptional keynote speakers
- Be proactive in lobbying Transit New Zealand and Waimakariri District Council for an improved roading network, a truck bypass for Rangiora and a business/industry park etc
- Lobby central government over Resource Management Act
- Be more open – let people know what opportunities exist
- Facilitate and promote land-based and water resources of North Canterbury

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- Publicise key facts, e.g. projected growth rates
- ‘oiling the wheels’ of fast-tracking of new businesses
- Assist in attracting more workers to the district, both skilled and unskilled
- Start being more noticeable – increase profile
- Increase marketing the district internationally and nationally
- Support OTR
- Encourage people to use local services and buy locally
- Encourage Hurunui and Waimakariri District Council’s to work together
- Identify barriers to business

Conclusion

The survey of 54 Waimakariri businesses has shown that there is much optimism in the district. Respondents foresee much growth 'north of the river'. However, it was evident that a number of respondents considered that more industrial land needed to be opened up if growth was to be achieved. It was also apparent that increasing the number of people moving to Waimakariri and a number of new businesses would have many spin-offs for the district. Frustrations over land zoning (principally a lack of industrial land and small blocks 'life-stylers' 'squeezing' out existing businesses) and infrastructural problems (particularly roading) were widespread. It was generally felt that the Waimakariri District Council needed to do much more to alleviate these problems. There was a perception that Rangiora was becoming a 'dormitory' of Christchurch concerned respondents, and it was generally felt that if the region is to realize its potential, then more 'friendly' policies on the part of the local council were urgently needed. When it is considered that most businesses were willing to expand their operations, both locally and outside of Canterbury, and were achieving impressive rates of annual sales growth, then the potential economic gain for the region of fewer barriers to business seem obvious.

In many respects the region seems at a key transition point. While pride in Waimakariri was commonplace, with many respondents born there or attracted to its qualities, there were concerns about the region's future. Youth, for instance, were leaving for employment and activities elsewhere, and too many new residents lived and 'slept' there, but commuted daily to Christchurch. If the district was to reach a critical mass through the attraction of new people and industry, particularly light industry, then the entire community seems likely to benefit.

The findings of this survey will greatly assist Enterprise North Canterbury's five-year Strategic Plan, approved in October 2004. In particular, the results will play a key part in fulfilling the business objective – "To sustain & grow existing business, and promote new business within the region". Key stakeholders (business, community and councils) will be consulted as part of the process of seeking endorsement of the ENC Strategic Plan and the identification of the key economic development issues and opportunities for the region. In particular, it will contribute towards the achievement of major ENC strategic actions, specifically to:

- Liase with existing and prospective businesses, the developers, local authorities, and relevant government agencies, to facilitate appropriate light industrial and commercial development in the proposed Southbrook Industrial Park and Pegasus Bay township.
- Undertake a review of national and international regional development programmes in regions of a like nature, to identify business development initiatives relevant to North Canterbury.
- Participate in local, regional and, where appropriate national, planning and policy development initiatives to ensure that a business friendly environment exists in the region.

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- Provide industry specific training programmes to develop customer service skills
- Identify skill shortages in the region and implement programmes to attract and develop a skilled workforce
- Promote remote learning and business management as a means of meeting human capital development needs from within in the region
- Investigate the economic contribution made by small holdings to the region, to identify potential land uses suited to the natural features and ownership structure of small holdings, and to identify collaborative development & marketing opportunities for them.
- Undertake research to identify those lifestyle qualities that attract people to the region, and those features causing people to leave the region, so that the population growth drivers can be protected.
- Participate in the development of the Waimakariri and Hurunui District Long Term Council Community Plans to promote the economic, environmental, cultural, and social well being of the North Canterbury community
- Establish regional performance measures for North Canterbury (a mix of social, environmental and economic factors to address qualitative as well as quantitative performance which will be benchmarked against regions with similar characteristics).

Kaiapoi

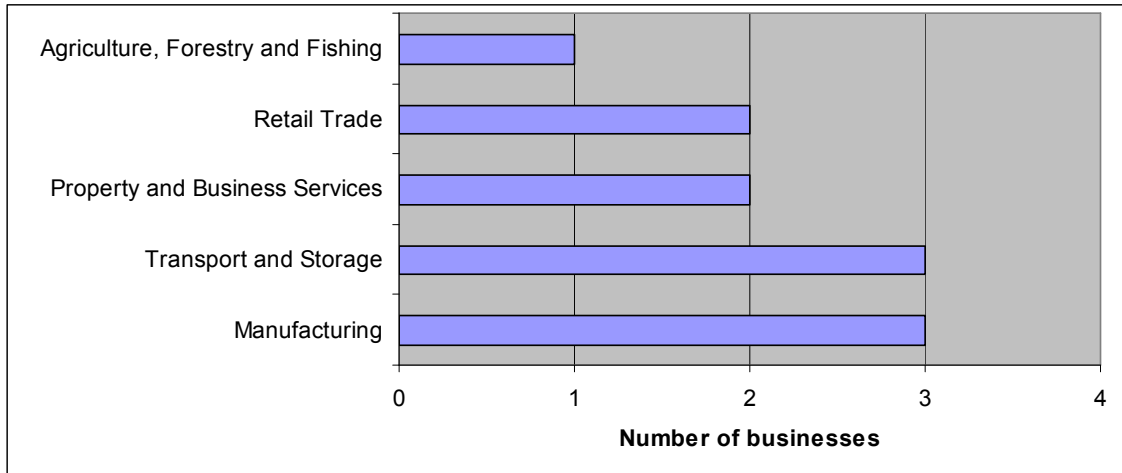
(11 businesses surveyed)

Section One: BUSINESS CHARACTERISTICS

1.1 Businesses by ANZSIC Classification

Of the 11 surveyed businesses, three were in the Manufacturing sector, three in Transport and Storage, two in the Retail Trade, two in Property and Business Services and one in Agriculture, Forestry and Fishing, according to the ANZSIC 1996 Industry classification:

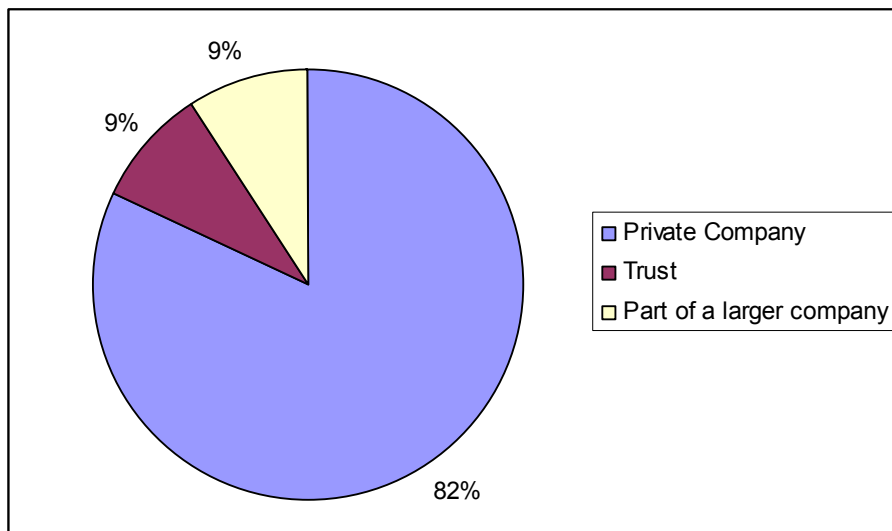
Figure 1: Businesses grouped by 1996 ANZSIC Classification



1.2 Legal structure of surveyed businesses

Nine of the surveyed businesses were private companies, one was a trust and one was part of a larger company:

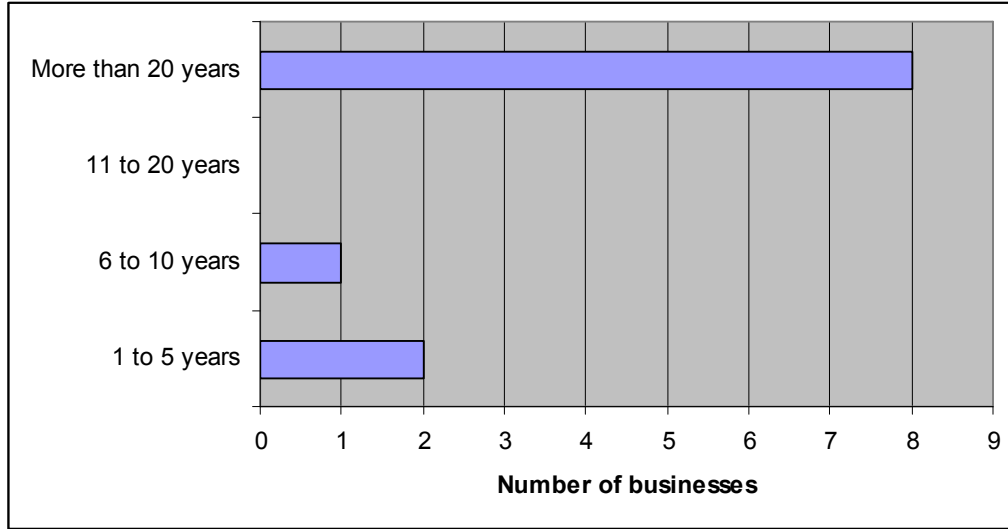
Figure 2: What is the legal structure of your business?



1.3 Length of existence

Eight businesses had existed for over 20 years, two for one to five years and one for six to 10 years:

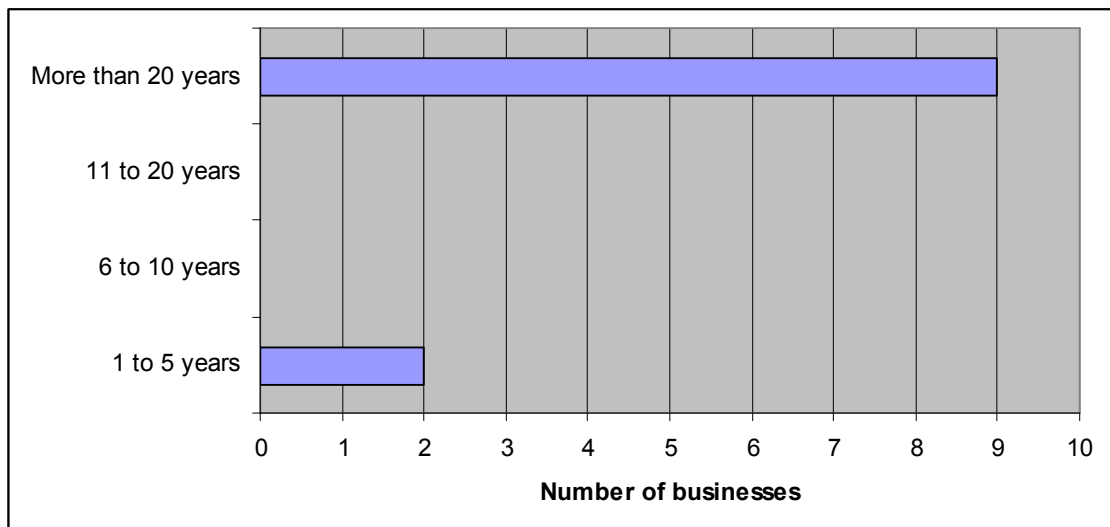
Figure 3: How long has this business been in existence?



1.4 Length of existence in district

Compared with the answers given in question 1.3 above, it is apparent that a number of the businesses had existed in the district before becoming established in Kaiapoi. Nine had been in the district for over 20 years, and the remaining two for one to five years:

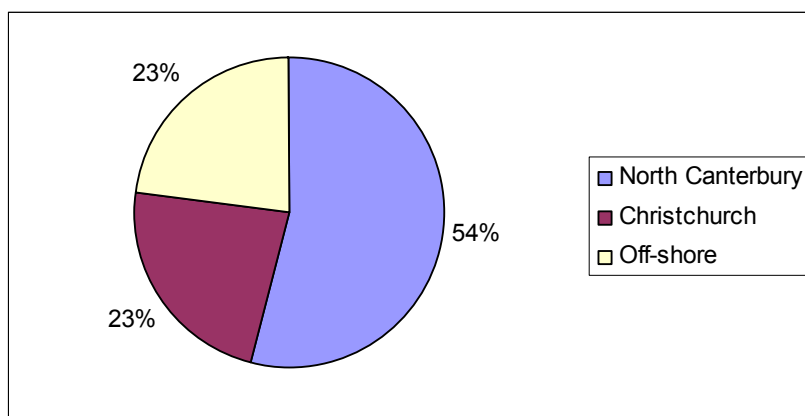
Figure 4: How long has the business been in district?



1.5 Location of business owners

Taking into account that some businesses had more than one owner, it is apparent that seven of the owners were from North Canterbury, three from Christchurch and three from overseas:

Figure 5: Where do the people who own your business live?



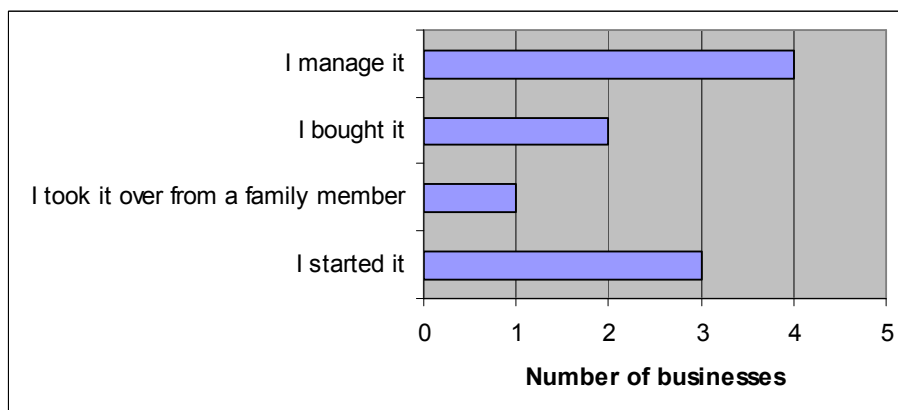
1.6 What proportion of the business (based on staff numbers) is located in the district?

Six of the businesses which provided an answer were fully located in district. Overall, the range was 10 to 100 percent, with an average of 82 percent.

1.7 Basis of involvement in business

Four respondents manage the business, three started the business, two bought the business and one took it over from a family member:

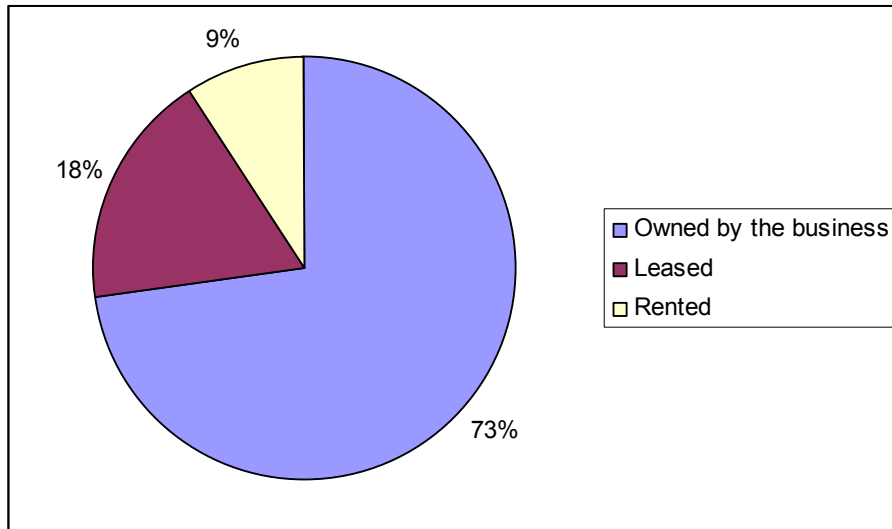
Figure 6: How did you come to be involved in the business?



1.8 Status of premises

Eight of the premises were owned by the business, two were leased and one was rented:

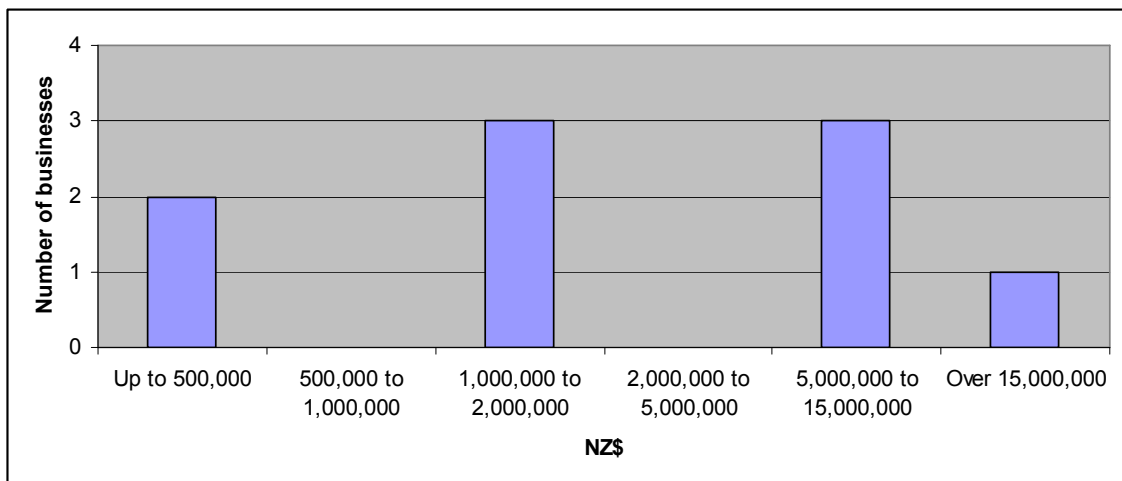
Figure 7: Premises status by category



1.9 Annual Turnover

The survey asked respondents to describe their total turnover per year for the last financial year (inclusive of GST). Two did not provide an answer, and as the following graph shows, two turned over less than \$500,000, three turned over \$1,000,000 and \$2,000,000, three between \$5,000,000 and \$15,000,000 and one over \$15,000,000:

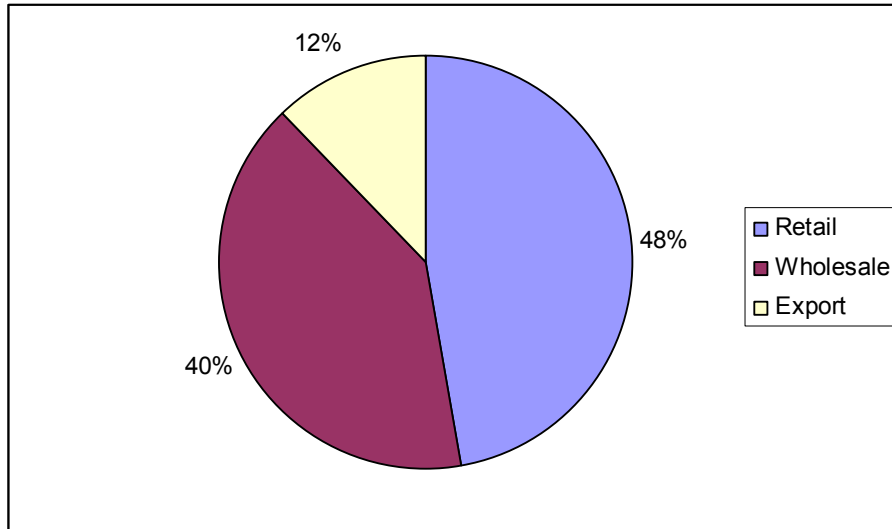
Figure 8: What is your total turnover per year?



1.10 Sales categories

Almost half of sales were retail (48%), followed by wholesale (40%) and exports (12%). This was considerably different from other survey areas:

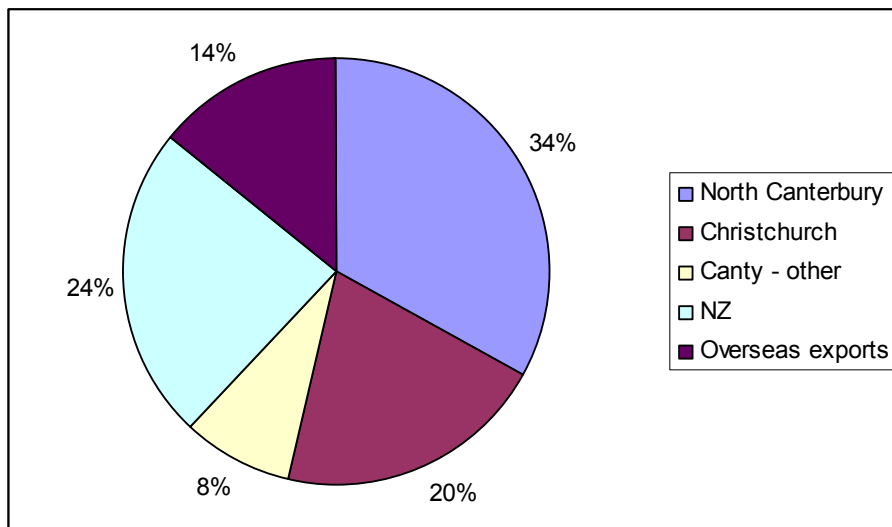
Figure 9: Sales by category



1.11 Location of customers

One-third (34%) were from North Canterbury, 24 percent were elsewhere in New Zealand, 20 percent from Christchurch, 14 percent from overseas exports and 8 percent elsewhere in Canterbury. This more even split also differed from other survey areas:

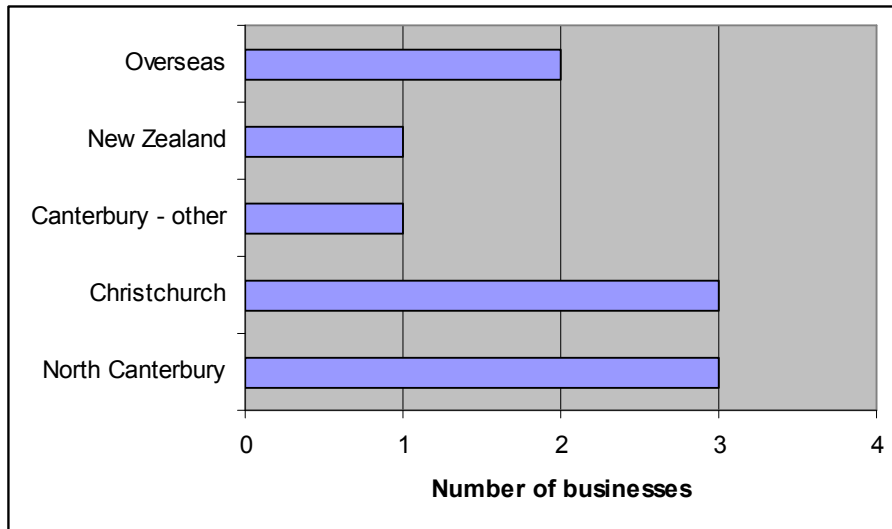
Figure 10: Where are your customers located?



1.12 Location of largest customer

For three businesses, the largest customer was located in North Canterbury or Christchurch, two were overseas, one elsewhere in Canterbury and one elsewhere in New Zealand. This differs somewhat from the pattern shown in Figure 10 above:

Figure 11: Location of largest customer by category

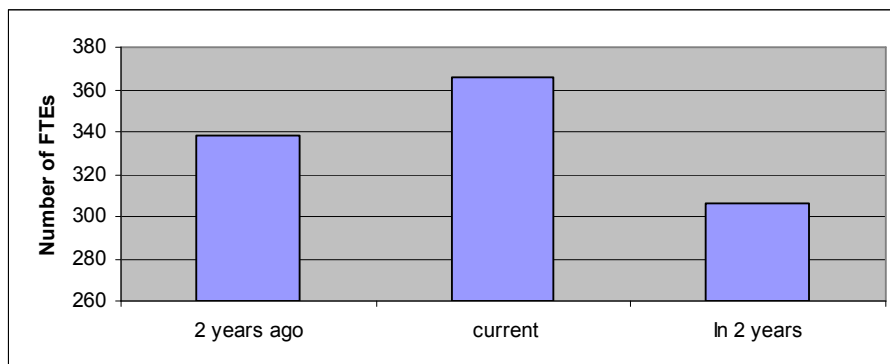


Section Two: LABOUR AND OTHER INPUTS

2.1 Staff numbers

The number of Full-Time Equivalent workers (defined as the number of full-time combined with half of the number of part-time workers) has increased from 338 to 365.5 over the last two years (an increase of 27.5%), while respondents expected the number to decrease to 306.5 over the next two years (a decrease of -16.1%). The latter decrease is explained by the fact that only nine of the 11 surveyed businesses were prepared to speculate on future staff numbers. Two years ago, the number of FTEs ranged from 4.5 to 110 (an average of 33.8) for the 10 businesses that provided details. At the time of the survey, the range was 4.5 to 128 (an average of 33.2) and in two years time the range will be 4.5 to 130 (an average of 34.1), which is a better indication of employment growth within Kaiapoi.

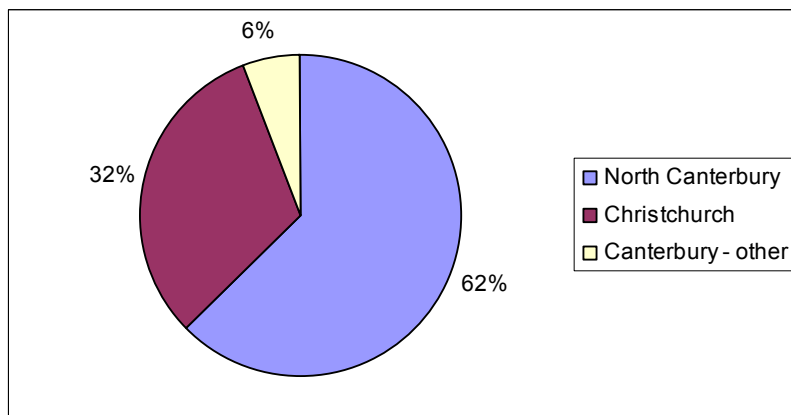
Figure 10: The number of Full-Time Equivalent workers



2.2 Location of staff

Almost two-thirds of staff (62%) in each business lived in North Canterbury, 32 percent in Christchurch and only 6 percent elsewhere in Canterbury. This pattern also differs from other survey areas where the proportion of staff living in North Canterbury was considerably higher:

Figure 11: Location of staff by area



2.3 Vacancies: current and future

There were two vacancies for unskilled staff, seven for skilled staff and none for management/administration at the time of the survey. The skilled staff required were experienced saw mill workers (5), a machine fitter (1) and a timber hand (1).

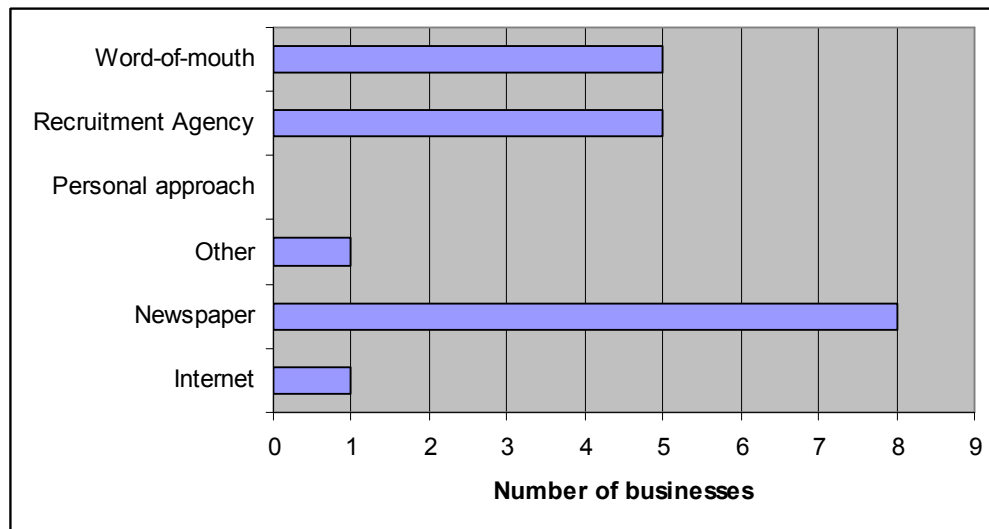
2.4 Difficulties with recruiting labour

Five of the 11 businesses (45%) had problems recruiting the labour they required. These respondents commented that finding good, reliable workers can be difficult given the nation-wide skill shortage, that finding people with the necessary work ethic was difficult, that schools were letting youth down as many had extremely poor literacy and numeracy skills and that the modern apprenticeship scheme was poor.

2.5 Means of recruiting staff

Eight respondents relied on newspapers, five on word-of-mouth, five on recruitment agencies, and one on the internet to recruit staff. The remaining respondent who selected the other option used the human resources of their larger company:

Figure 12: How do you usually source staff?



2.6 Do you have a formal staff training programme?

Ten of the 11 respondents had a formal staff training programme.

2.7 If no, why not?

The one respondent who answered this question noted that his/her workers were sufficiently trained before they began their current job.

2.8 Type of training

The vast majority of training (91%) was conducted in-house. The remainder was provided externally by industry-specific providers.

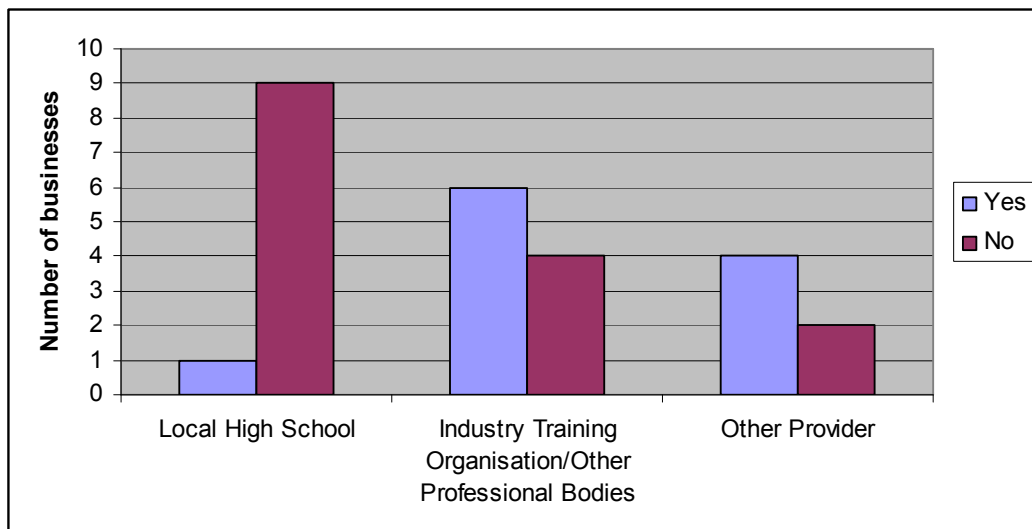
2.9 Training of apprentices

Three surveyed business trains apprentices. Apprentices were in the following trades: mechanic (1), car painter (1), machinist (1), saw doctor (1), tool maintenance and diagnostics (3).

2.10 Training/recruiting relationships

Only one respondent had a relationship with the local high school. However, six had a relationship with an Industry Training Organisation/other professional body and four with other providers:

Figure 13: Training/recruiting relationships by type



2.11 Annual labour turnover

Nine respondents considered that their labour turnover in the previous year (in terms of the number of resignations) was 'just right for the present conditions'. Two felt that the number was too high.

2.12 Wage bill as a percentage of total business costs

For the seven respondents who provided an answer, the average was 30 percent, the median was 30 percent and range between five and 60 percent.

2.13 Extent of difficult accessing inputs in Kaiapoi

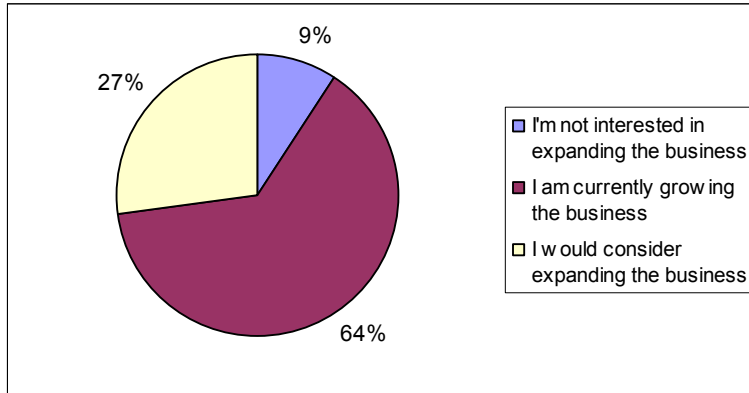
Nine respondents felt that the location of their business was not an issue in accessing inputs of goods and services. The main point raised by those who had issues was that transport problems were a significant burden.

Section Three: TRENDS IN BUSINESS DEVELOPMENT

3.1 Outlook towards business growth

Seven of the respondents were currently growing their business, three would consider expansion and only one was not interested in doing so:

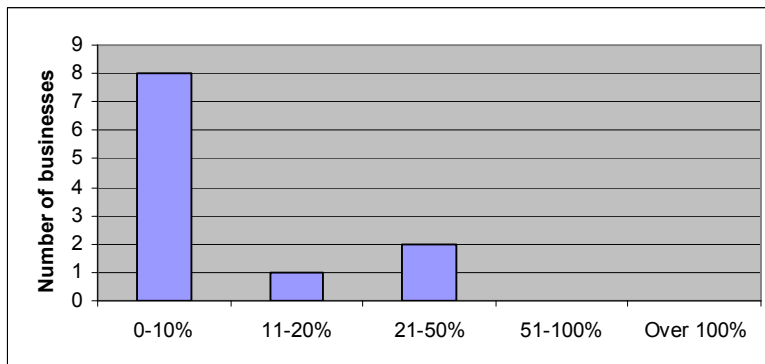
Figure 14: Outlook towards business growth, by category



3.2 Average annual sales growth over last two years

Eight of the surveyed businesses had annual sales growth rates over the last two years of between 0 and 10 percent, one had 11 to 20 percent growth and two had 21 to 50 percent growth. Responses ranged from zero to 100 percent, with an median of 10 percent.

Figure 15: Average annual sales growth 2003-2004



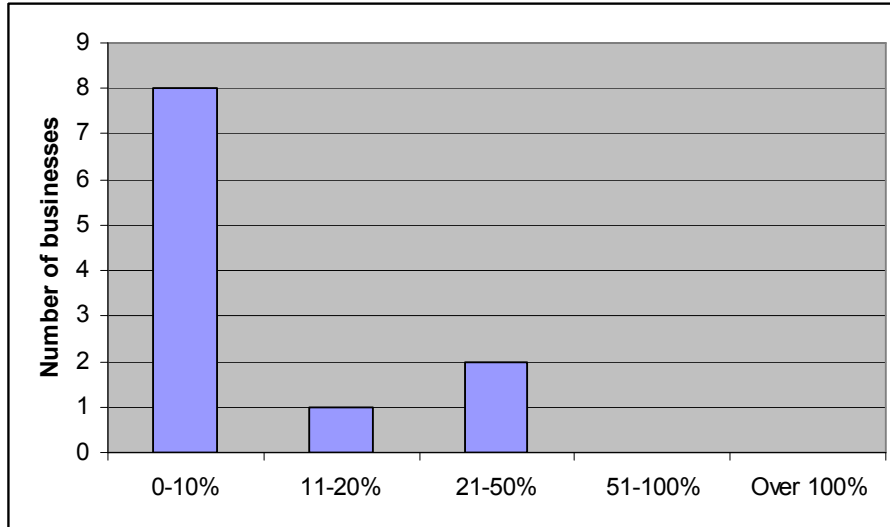
3.3 Anticipated annual sales growth over next two years

Eight respondents indicated that their business will experience annual sales growth of between 0 and 10 percent over the next two years, one anticipated 11-20 percent

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growth, and two 20 to 50 percent growth, which mirrors the pattern shown in Figure 15 above. The range was 0 to 30 percent, with a median of five percent, suggesting that a slowing of growth levels is projected:

Figure 16: Anticipated annual sales growth 2003-2004



3.4 Could businesses sell more of their current range of goods and services if they could produce more?

Ten respondents felt that they could sell more of their current range of goods and services if they could produce more, while only one did not.

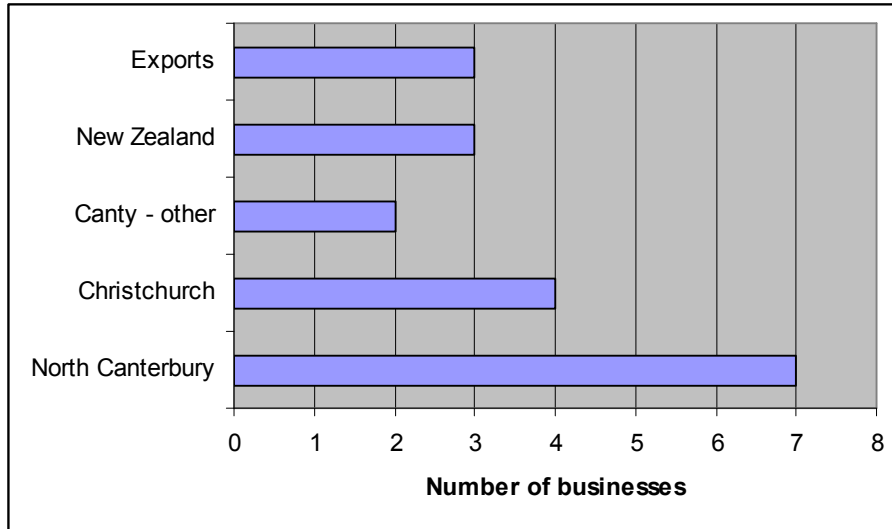
3.5 Is it possible to produce more using your current workforce, buildings and equipment?

Seven respondents felt that they could produce more using their current workforce, buildings and equipment, while four did not, which differs from the response given to question 3.4 above.

3.6 Market for anticipated sales growth

North Canterbury were seen by seven respondents as the source of anticipated sales growth, ahead of four who felt that growth would be derived from the Christchurch market, three from exports, three from elsewhere in New Zealand and two elsewhere in Canterbury:

Figure 17: Anticipated sales growth by market



3.7 Barriers to business growth

A lack of capital (more specifically a lack of capital for plant and buildings) was highlighted as the equal leading barrier to business growth with compliance and regulatory issues (more specifically concerns with the council, Environment Canterbury and the Central Government). Next was competitors/market conditions, followed by infrastructure (roading and energy supplies), while only one respondent selected labour/staff, location, interest rates and raw material supply, as summarized in Table One:

Table One: Barriers to business growth by category

Labour/Staff				1
Lack of capital				5
	<i>buildings</i>			1
	<i>plant</i>			4
Competitors/market conditions				3
Compliance and regulatory issues				5
	<i>Local Government</i>			2
	<i>Ecan</i>			2
	<i>Central Government</i>			1
Information and training				1
	<i>Management T & C</i>			1
Infrastructure				2
	<i>Roading</i>			1
	<i>Energy supplies</i>			1
Location				1
Interest rates				1
Raw material supply				1

Comments of note:

Lack of capital: One respondent's business was becoming too small for the production required. Another noted that more mechanization was needed.

Compliance and regulatory issues: Several respondents stated that information on and assistance gaining resource consents was a major problem.

Information and training: One respondent felt his/her business was hampered by a lack of management skills.

Section Four: YOU AND YOUR BUSINESS

4.1 Participation in formal training programmes

Respondents were relatively evenly divided, with six having and five not having participated in formal training programmes over the previous year.

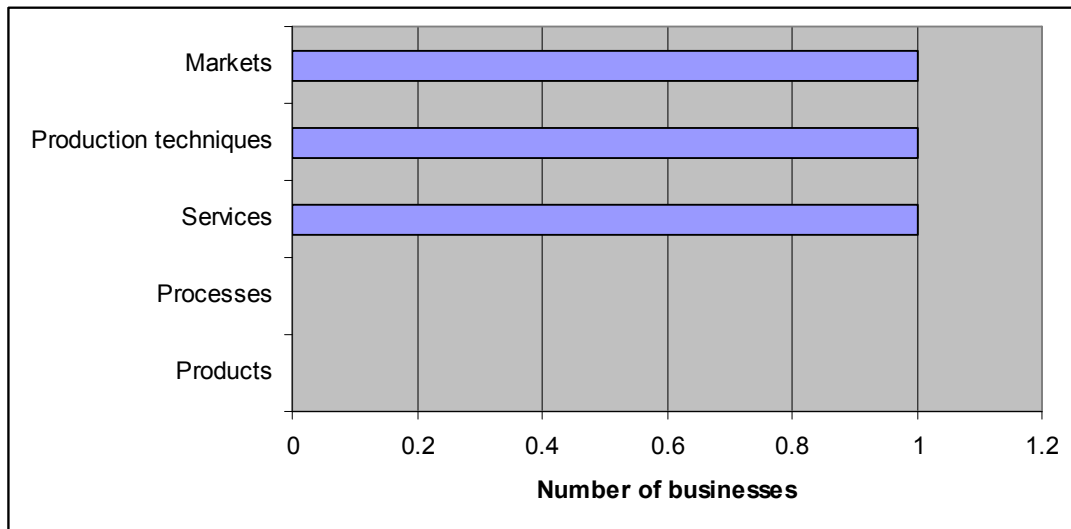
4.2 Reasons why respondents did not attend formal training

All three respondents who provided an answer considered that they had no need for training.

4.3 Business developments

The survey asked respondents if their business was developing new products, processes, services, production techniques or markets. As the following graph shows, one was developing new production techniques, one finding new markets and one planning new services:

Figure 18: Business development, by category



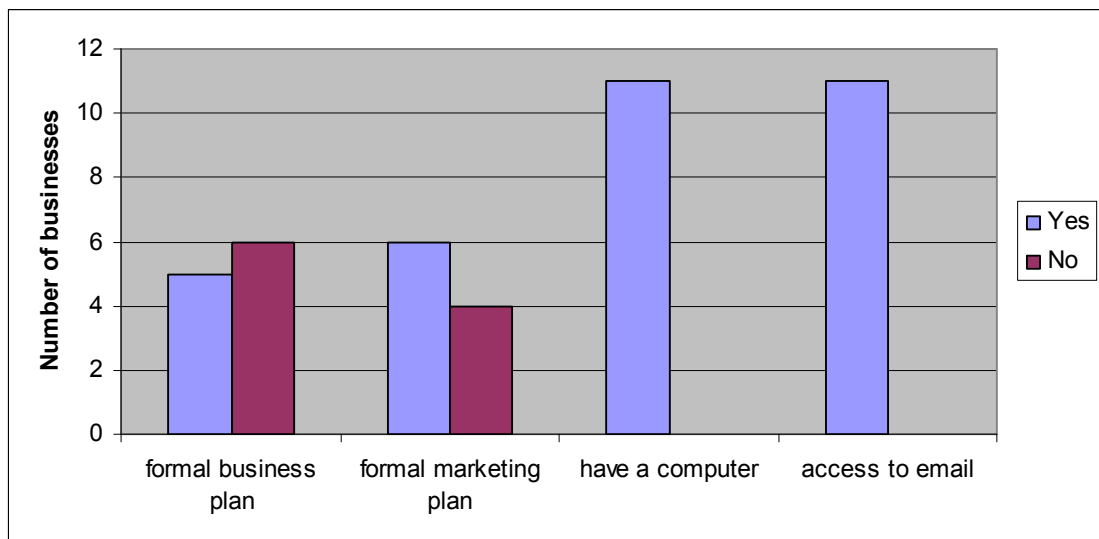
4.4 Have you had any government funding/assistance for your business development over the last five years?

Ten respondents have not received government assistance over this time period and only one had.

4.5 Business planning and computer usage

Five respondents had a formal business plan, six a formal marketing plan, and all had a computer and access to the email:

Figure 19: Extent of business planning and computer usage



4.6 Triple bottom line reporting

Four respondents included triple bottom line measurement for their business planning and reporting.

4.7 Internet connection

Seven of the respondents had high-speed internet access, with the other four had dial-up access and only.

4.8 Importance of broadband connection

Eight respondents felt that high-speed two way (broadband) internet connection was important for their business.

4.9 Business websites

Four respondents had websites. All but one felt that a website added value to their business.

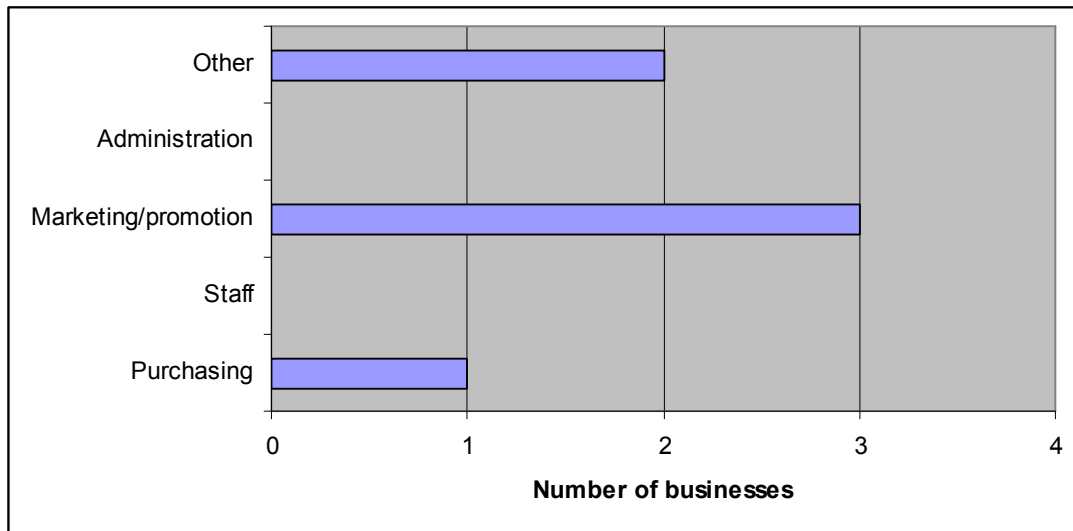
4.10 Collaboration with other businesses

Six of the surveyed businesses collaborated with other businesses.

4.11 Type of business collaboration

Collaboration between businesses in Kaiapoi took the form of marketing/promotion (three surveyed businesses) and purchasing (1). Those who selected other noted that they received referrals from other businesses:

Figure 19: Business collaboration by category



4.12 How could these business networks be improved?

One respondent suggested that they did not need to be, while another felt that more collaboration between tourism businesses would be wise.

Section Five: REGIONAL AND LOCATIONAL ISSUES

5.1 Reasons for business location in the district

Respondents cited a range of reasons why their businesses were located in the district. Some had lived there all their lives, while others were attracted to the lifestyle that Kaiapoi affords. It was also evident that meeting specific market needs was a prime motivation. One noted the local labour base was a pull-factor and another wanted a site without neighbours.

5.2 Visions for the district's future

Respondents had interesting views on the district's future. A number of respondents saw greater future development with more people to support businesses, although preserving the environment was important. Greater promotion of the district was advocated. One respondent wanted to ensure that the rural nature of the district be retained (which could be achieved by making available small blocks but making the next size up not less than 100 acres). The need for a shopping mall, greater support for local businesses and a desire to leave the district in good shape for the next generation were also expressed by respondents.

5.3 Major opportunities for the district

A range of potential opportunities for the region were outlined by respondents. Tourism and light industry, residential growth and the good agricultural base were seen as key factors in Kaiapoi's future. Opening up more land for subdivision in Kaiapoi and a 'Dirty Industry Park' (fibre glass and paint manufacturing etc) was one respondent's suggestion. Expanding Rangiora airport and taking light air traffic away from Christchurch was another interesting recommendation.

5.4 Major threats to the district

Respondents expressed an interesting range of opinions on threats to the region. Infrastructural concerns (particularly traffic congestion), higher agricultural production costs, too many lifestyle blocks and the prohibitive costs of starting businesses because of the Resource Management show the range of respondents' concerns.

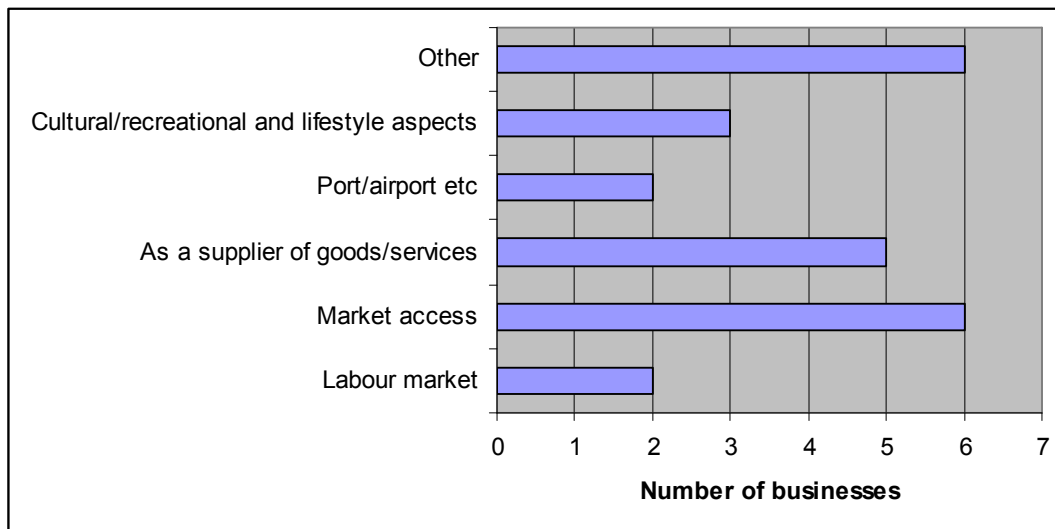
5.5 Positive aspects of business location in Kaiapoi

Six of the respondents felt that market access was the most positive aspect of living in Kaiapoi, ahead of as a supplier of goods and services (5), cultural/recreational and lifestyle aspects (3), the labour market (2), port/airport etc (2) and other (6),

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which included the water resource, pleasant working conditions and Kaiapoi being a good focal point.

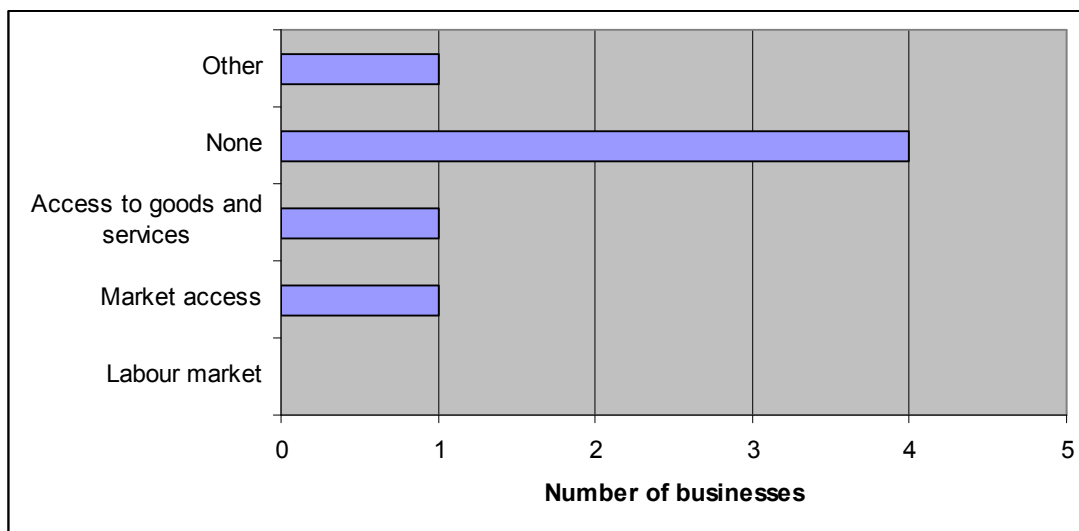
Figure 20: The most positive aspects of business being in Kaiapoi



5.6 Negative aspects of business being located in Kaiapoi

Significantly, four respondents considered that there were no negative aspects associated with Kaiapoi. One selected the labour market, one access to goods and services and the one who chose the other option noted the distance from neighbours:

Figure 21: The most negative aspects of being located in Kaiapoi



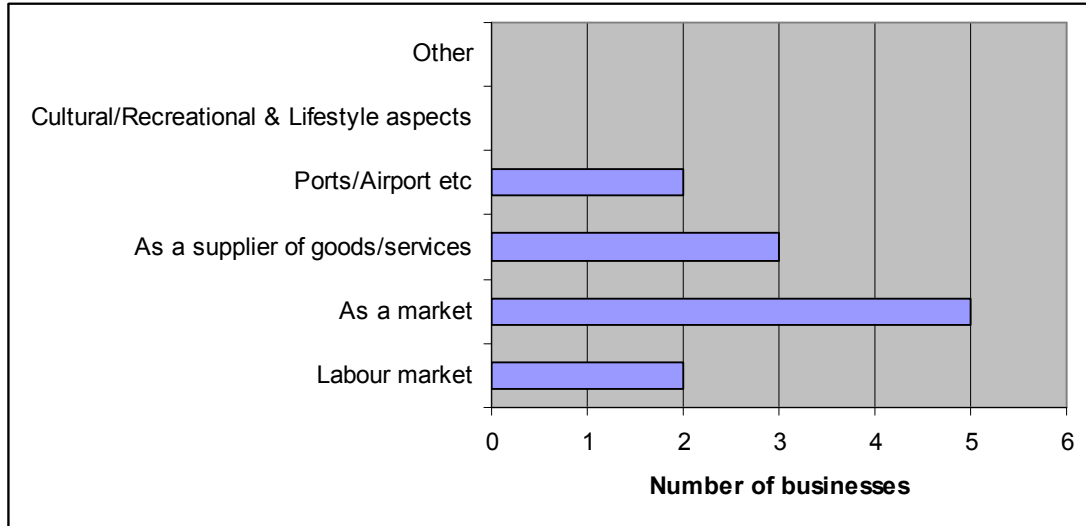
5.7 Importance of proximity to Christchurch

Six respondents felt that proximity to Christchurch was very important, ahead of the other five who deemed it be important for their business.

5.8 Reasons why Christchurch's proximity is important

Five respondents felt that the most important positive factor relating to proximity to Christchurch was as a market, ahead of as a supplier of goods and services (3), the port/airport (2) and labour market (2):

Figure 22: Why is proximity a positive factor?



5.9 Have you considered relocating your business elsewhere?

Two respondents had considered relocating their business elsewhere (to Christchurch and overseas because of opportunities that arose)

5.10 Would a local business network be of benefit?

Five who answered this question said it would be and three did not see the benefit of local business networks. A number were members of KPA, but several felt that more emphasis on promoting Kaiapoi was required. Others would see the benefit in collaborating with businesses providing the same services as themselves.

5.11 Should more businesses be encouraged to establish or relocate?

Eight of the nine respondents who answered this question believed that more businesses should be encouraged in Kaiapoi.

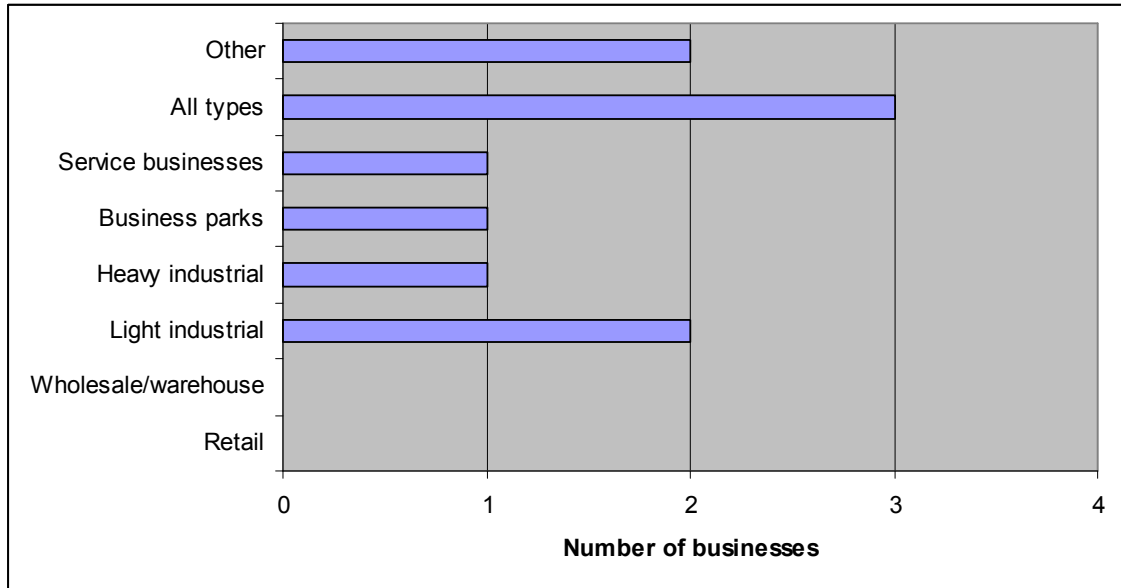
5.12 If no, why not?

The one respondent did not want to 'ruin' the area by adding more businesses.

5.13 Types of businesses that should be encouraged

Light industrial businesses (2) were seen as the most important business category that should be encouraged in Kaiapoi, ahead of heavy industry (1), business parks (1), service businesses (1) and other (2), which comprised tourism and 'dirty' industry. Significantly, three respondents advocated attracting all types of businesses:

Figure 23: Which type of businesses?



5.14 Should the region actively attempt to attract more businesses?

Seven of the eight respondents who advocated increasing the number of Kaiapoi businesses agreed that the region should actively attempt to attract them. Suggestions relating to how to do so included having the Waimakariri District Council attract more industry and employers with a 'business-friendly fast-track' scheme. It was suggested that Enterprise North Canterbury be funded further to promote the district.

5.15 Are there obvious businesses missing from North Canterbury?

Respondents made the following recommendations:

- Boat building in Kaiapoi
- A rail/passenger service between Christchurch and North Canterbury
- Windscreen repair service
- A super mall complex
- Air 'parks' – storage base for of small aircraft

5.16 Should more people be encouraged to live in the region?

Seven of the ten respondents who answered this question agreed that more people should be encouraged to live in the district for the following reasons:

- More businesses will emerge if the population grows
- Little room left in Christchurch

5.17 What factors discourage people from moving to North Canterbury?

The following reasons were cited by respondents:

- Rate levels
- Traffic congestion and poor roading to Christchurch
- Lack of jobs
- Distance from shops in Christchurch

5.18 Things Enterprise North Canterbury should be doing over the next three years to enhance the economic growth of the district

Respondents offered an interesting range of tasks that Enterprise North Canterbury may consider:

- Lobby Central Government for improved roading and other important issues
- Provide information on funding opportunities
- Encourage the Waimakariri District Council and Environment Canterbury to work together to make it easier for local businesses

North Canterbury Business Survey

- Create a higher regional profile
- More training
- Encourage healthy country living
- Promote tourism
- Facilitate programmes for youth

Rangiora

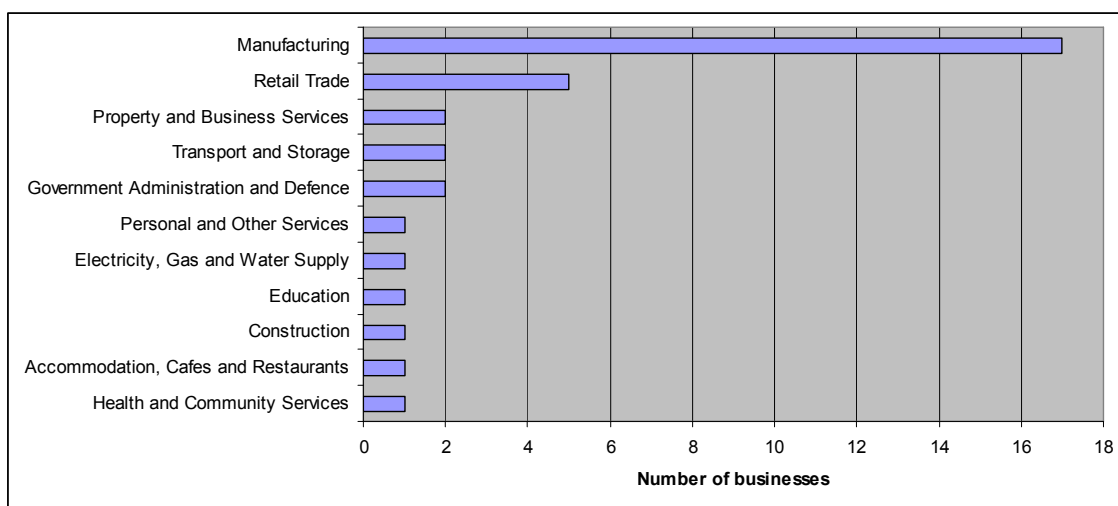
(34 businesses surveyed)

Section One: BUSINESS CHARACTERISTICS

1.1 Businesses by ANZSIC Classification

Of the 34 surveyed businesses, 17 were in the Manufacturing sector, five were in Retail Trade, two in Property and Business Services, two in Transport and Storage, two in Government Administration and Defence, and one each in Accommodation, Cafes and Restaurants, Construction, Education, Electricity, Gas and Water supply and Personal and Other Services, according to the ANZSIC 1996 Industry Classification:

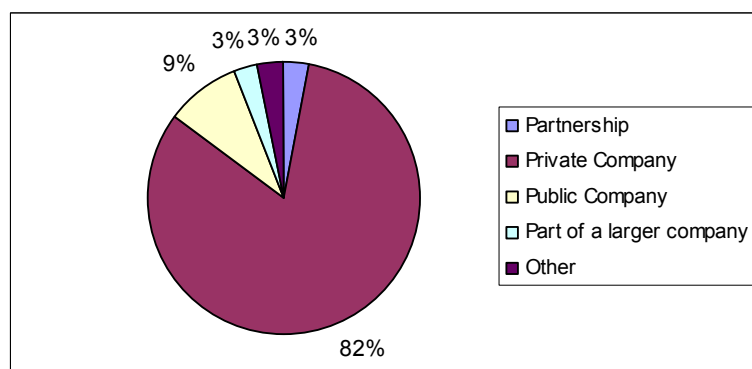
Figure 1: Businesses grouped by 1996 ANZSIC Classification



1.2 Legal structure of surveyed businesses

Twenty-eight of the surveyed businesses were private companies, three were public companies, one was a partnership, one part of a larger company and one a body corporate formed under statute:

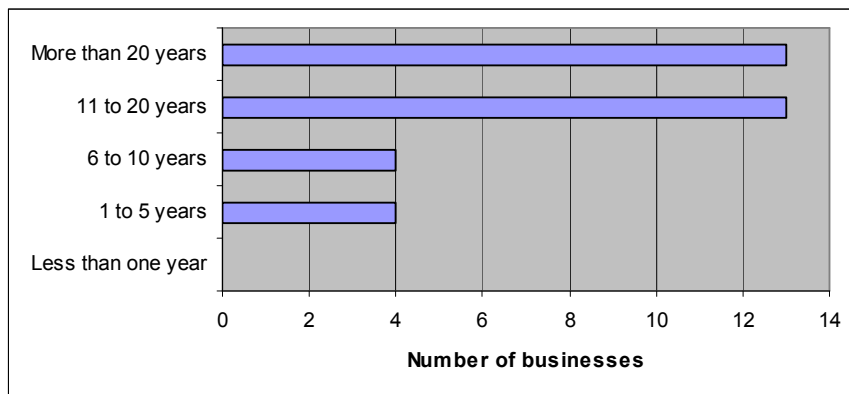
Figure 2: What is the legal structure of your business?



1.3 Length of existence

Surveyed Rangiora businesses were well-established. Thirteen had been in existence for over 20 years, 13 for 11 to 20 years, four for six to 10 years and four for one to five years. In other words, 76% of businesses surveyed had been running for more than 10 years:

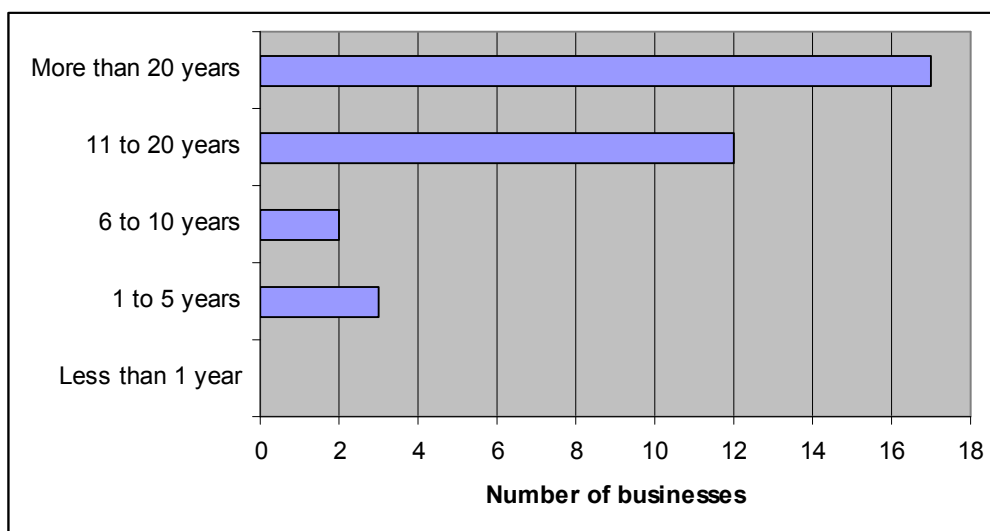
Figure 3: How long has this business been in existence?



1.4 Length of existence in district

Compared with the answers given in question 1.3 above, it is apparent that a number of the businesses had existed in the district before becoming established in their current location. Seventeen of the 34 had been in the district for over 20 years, 12 for 11 to 20 years, two for six to ten years and three for one to five years. In total, 85 percent of businesses had been in the district for over 10 years:

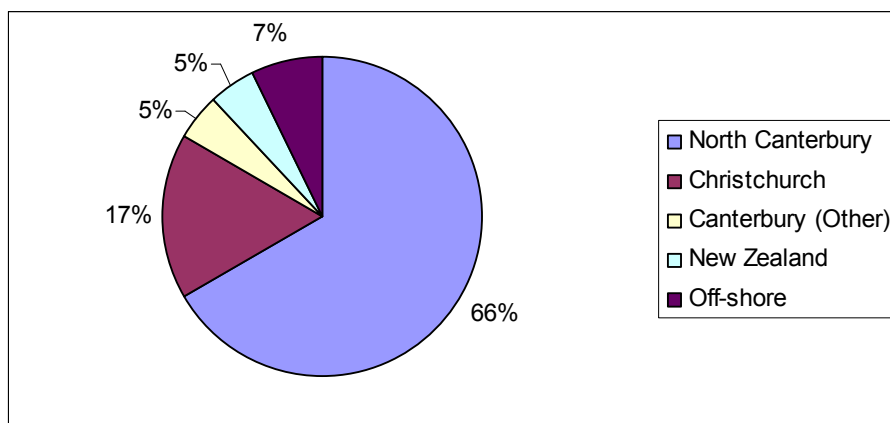
Figure 4: How long has the business been in district?



1.5 Location of business owners

Taking into account that some businesses had more than one owner, 28 of the owners were from North Canterbury, seven from Christchurch, two from New Zealand, two from elsewhere in Canterbury and three from elsewhere in overseas. This indicates that 88 percent of all business owners were living in the Canterbury region, and 67 percent were living in North Canterbury:

Figure 5: Where do the people who own your business live?



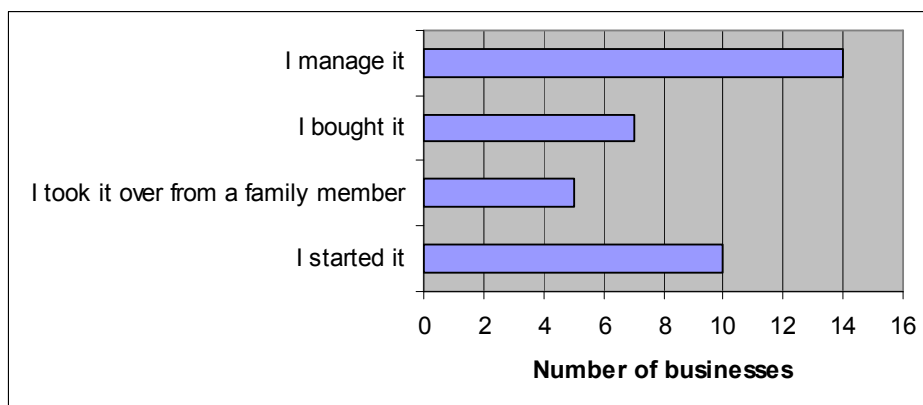
1.6 What proportion of the business (based on staff numbers) is located in the district?

Nineteen of the 34 businesses (56%) were fully located in district. The range was 5 to 100 percent, with an average of 76 percent.

1.7 Basis of involvement in business

While several respondents provided multiple answers, it is evident that 14 respondents manage the business, 10 started their own business, seven bought the business and four took it over from a family member:

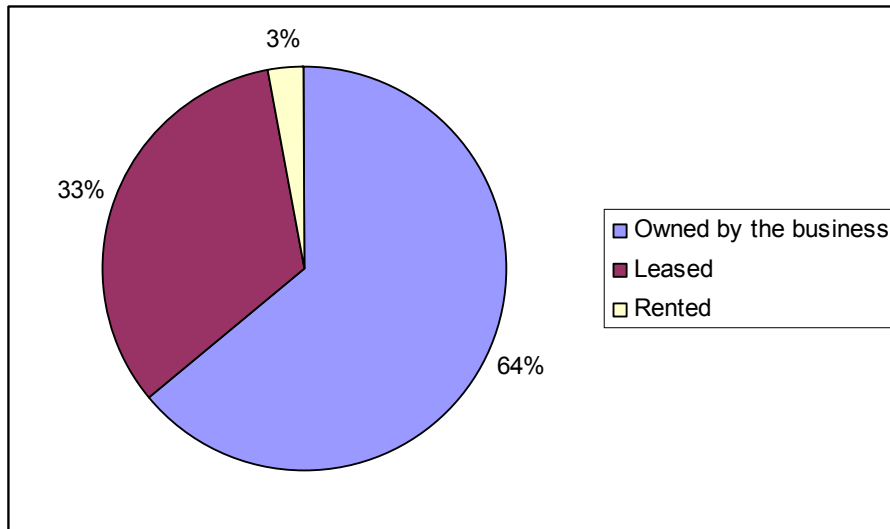
Figure 6: How did you come to be involved in the business?



1.8 Status of premises

Twenty-three of the premises were owned by the business, 12 were leased and one was rented:

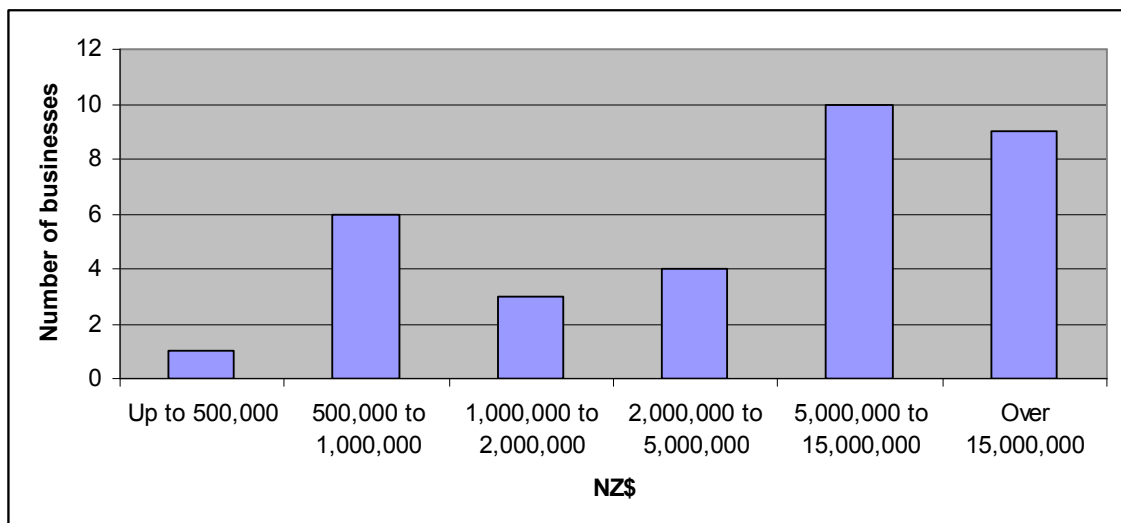
Figure 7: Premises status by category



1.9 Annual Turnover

The survey asked respondents to describe their total turnover per year for the last financial year (inclusive of GST). One did not provide an answer, and as the following graph shows, there are a number of high turnover businesses in Rangiora, with 10 businesses turning over between \$5,000,000 and \$15,000,000 and nine turning over more than \$15,000,000:

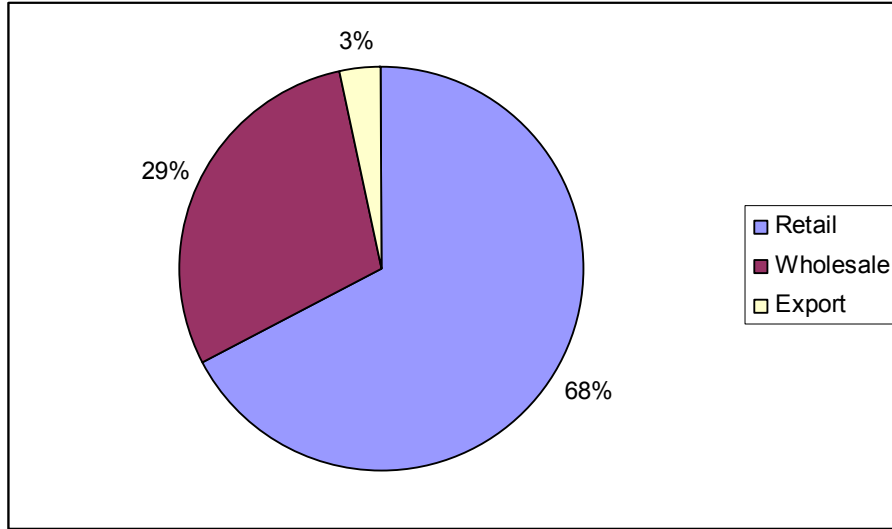
Figure 8: What is your total turnover per year?



1.10 Sales categories

Over two-thirds of sales were retail (68%), with wholesale making up the 29 percent and exporting three percent of sales:

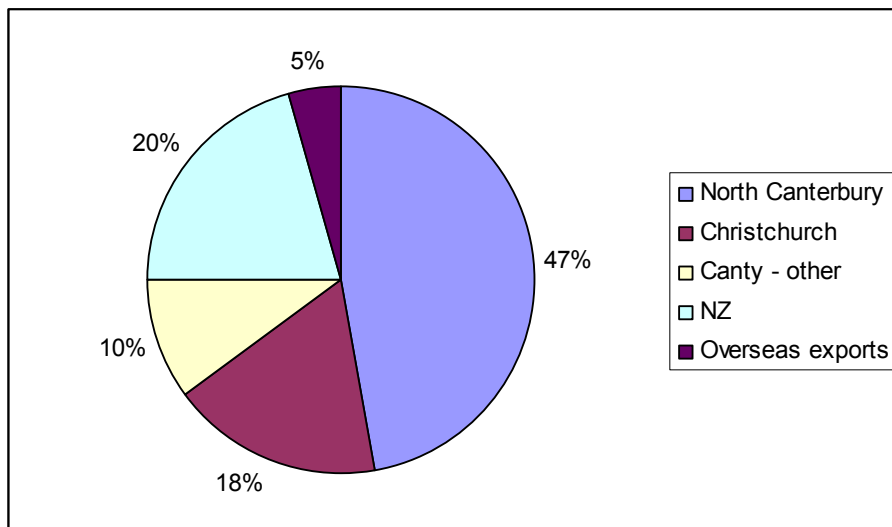
Figure 9: Sales by category



1.11 Location of customers

Almost half (47%) of all respondents' customers were from North Canterbury, 20 percent from elsewhere in New Zealand, 18 percent from Christchurch, 10 percent from elsewhere in Canterbury and five percent from overseas. This indicates that approximately 75 percent of customers were from in the Canterbury region:

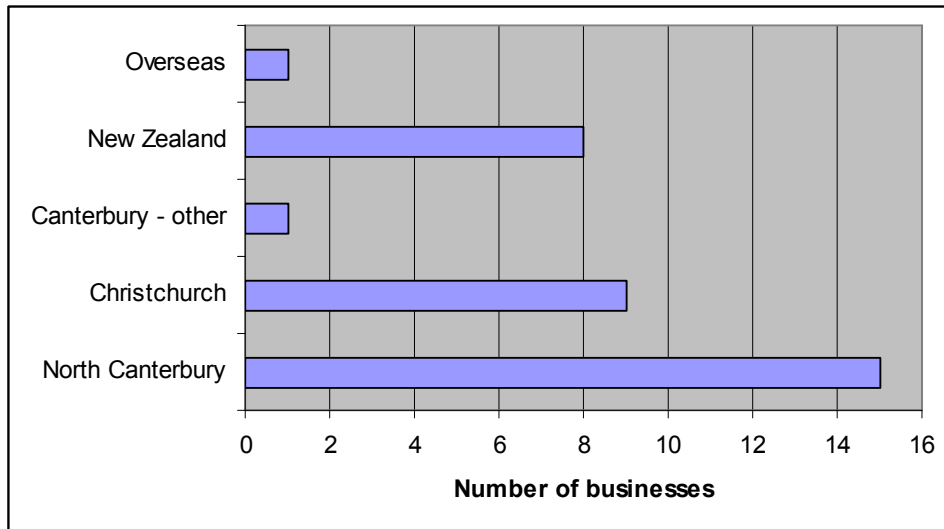
Figure 10: Where are your customers located?



1.12 Location of largest customer

While multiple responses were given, the largest individual customer for 15 businesses were located in North Canterbury, nine in Christchurch, eight elsewhere in New Zealand, and one each elsewhere in Canterbury and overseas:

Figure 11: Location of largest customer by category

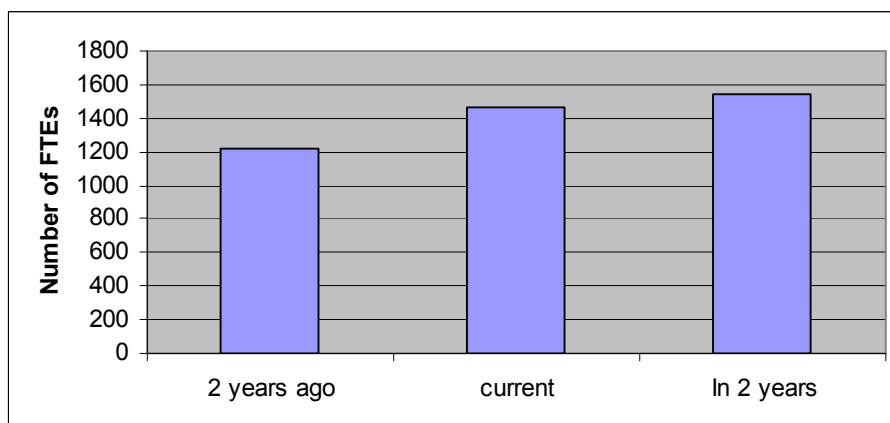


Section Two: LABOUR AND OTHER INPUTS

2.1 Staff numbers

The number of Full-Time Equivalent workers (defined as the number of full-time combined with half of the number of part-time workers) has increased from 1223 to 1460 over the last two years (an increase of 19.4%), while respondents expected the number to increase to 1538 over the next two years (an increase of 5.3%). Two years ago, the number of FTEs ranged from 2 to 170, with an average of 37.1 among the 33 businesses who provided details. At the time of the survey, the number of FTEs ranged from 3 to 180, with an average of 42.9 for the 34 businesses. It is anticipated that in two years time FTEs will range from 4 to 190, with an average of 46.6 among the 33 businesses prepared to forecast, indicating noticeable employment growth within the surveyed businesses:

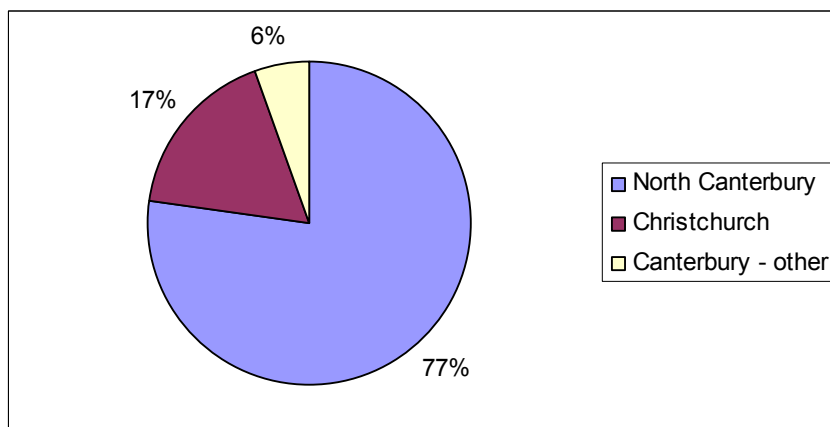
Figure 12: The number of Full-Time Equivalent workers



2.2 Location of staff

Over three-quarters of staff in each business (77%) lived in North Canterbury, 17 percent in Christchurch and six percent elsewhere in Canterbury:

Figure 11: Location of staff by area



2.3 Vacancies: current and future

There were 12 vacancies for unskilled staff, 51 for skilled staff and eight for management/administration at the time of the survey as outlined in the following table:

Table one: Rangiora vacancies

Vacancies	Number
<i>Unskilled vacancies</i>	12
<i>Specific Skilled vacancies</i>	51
Baker	1
fitter welder	1
sales position	1
moulder/foundry worker - semi skilled	1
1 welder engineer; 1 Customer Service	2
accountant with at least three years experience - junior partner	1
Pre-purchase property inspector	1
property professionals/developers/managers	9
1 sales manager NI, 1 Sales Admin, 1 Sales person NI, 1 Engineer, 1 Retail Manager	5
truck driver who is a specialist fertiliser spreader	1
machinists	5
machine operators	2
project management, specialist heavy lift, crane operators; mechanic	4
motor mechanics	3
foreman; excavator operator	2
NZCE technicians	3
project engineer; engineer/design team leader and a IT analyst	3
electricians, fitters	4
Missing	2
<i>Specific management/administration vacancies</i>	8
general manager; exec chef	2
administrative assistants	4
snowroom/sales	1
administrator	1

2.4 Difficulties with recruiting labour

Twenty-three of the 34 businesses (68%) had problems recruiting the labour they required. These respondents commented that there was a nation-wide skill shortage which was impacting on Rangiora. Parents and schools were redirecting pupils out of trades, one respondent argued, which was worsening the problem as there were not the apprentices coming through to replace retiring tradespeople. Consequently, finding suitably skilled staff was such a problem that businesses were prepared to poach staff from other firms. The shortage was forcing up wage levels which hampered business growth. There was a feeling that skilled staff within the

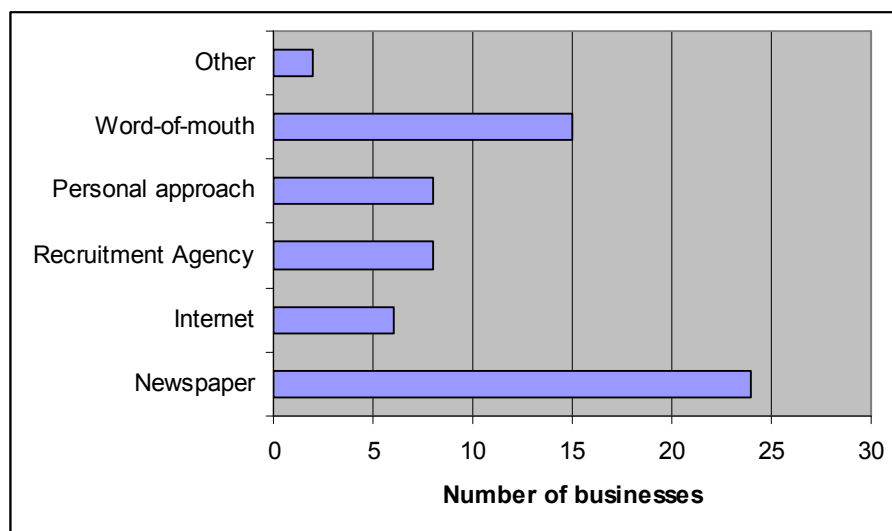
North Canterbury Business Survey

Canterbury region were not interested in living in Rangiora and that increased working hours, including a seven day week, were deterring skilled staff. A poor attitude among workers was also seen as a significant problem, with many not lasting in a job and preferring to survive on a benefit while doing 'cash jobs'.

2.5 Means of recruiting staff

Twenty-four respondents relied on newspapers, 15 on word-of-mouth, eight on recruitment agencies, eight on the personal approach, six on the internet and two on other means (Work and Income New Zealand) to recruit staff:

Figure 12: How do you usually source staff?



2.6 Do you have a formal staff training programme?

Thirty-one of the 34 respondents (91%) had a formal staff training programme.

2.7 If no, why not?

Two of the three respondents who did not have a formal training programme cited reasons for why they did not. These included a lack of time and the fact that training was informal.

2.8 Type of training

Almost three-quarters of training (71%) was conducted in-house. The remainder was provided externally by industry-specific providers.

2.9 Training of apprentices

Fourteen surveyed businesses train a total of 44 apprentices, as detailed in the following table:

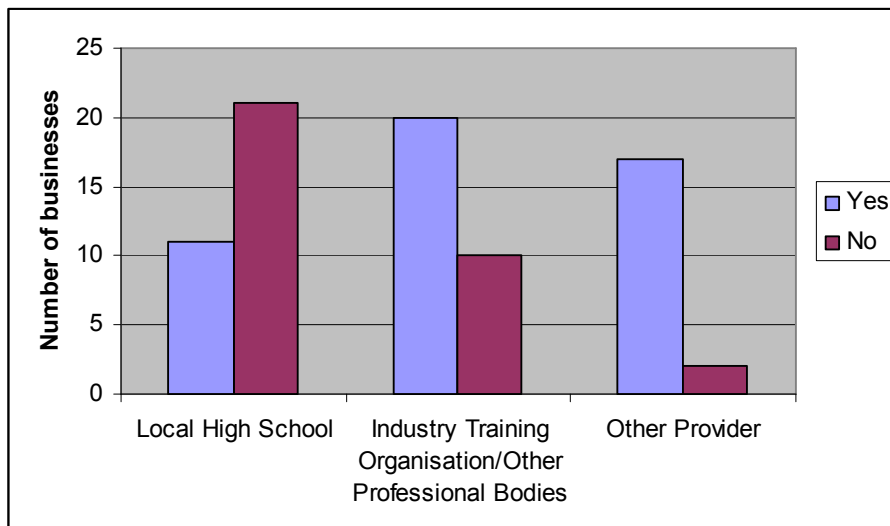
Table 2: Rangiora apprentices

Number	Apprenticeships
1	heavy fabrication
2	joinery
2	Fitter and Diagnostics, Heavy Engineering
4	sign writing
2	engineering
2	engineers, electricians
4	metal work, concrete, carpentry, mechanical
5	mechanics
7	Linesmen and electricians
3	electricians
9	Bakers/butchers
3	Butcher

2.10 Training/recruiting relationships:

Only 11 respondents (32%) had a relationship with the local high school. However, 20 (59%) had a relationship with an Industry Training Organisation/other professional body and 17 (50%) with other providers:

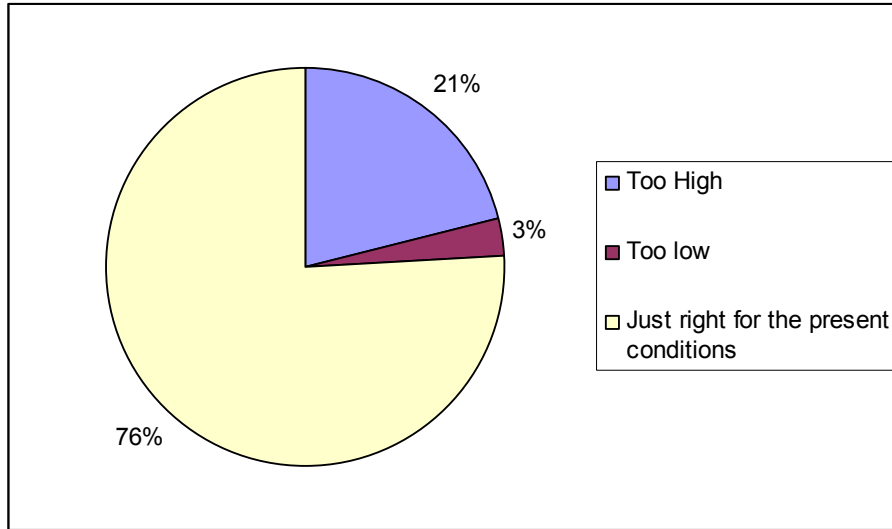
Figure 13: Training/recruiting relationships by type



2.11 Annual labour turnover

Twenty-five respondents (74%) considered that their labour turnover in the previous year (in terms of the number of resignations) was 'just right for the present conditions'. Seven felt that the number was too high and one considered it too low:

Figure 14: Description of labour turnover per year



2.12 Wage bill as a percentage of total business costs:

For the 29 respondents who provided an answer, the average was 25.8 percent, and the range between one and 70 percent.

2.13 Extent of difficult accessing inputs in Rangiora

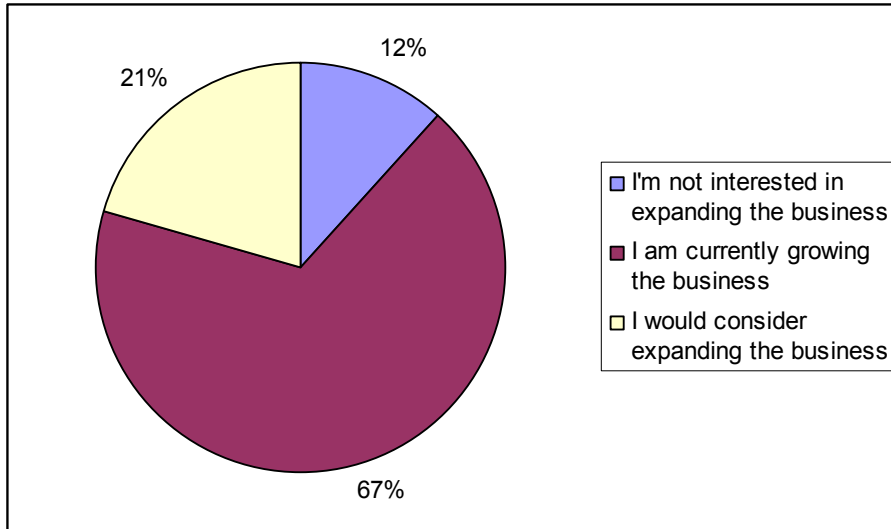
Twenty-six of the 31 respondents who answered this question (84%) felt that the location of their business was not an issue in accessing inputs of goods and services. The main points raised suggest that transport freight costs and roading congestion (particularly on Southbrook Road) were burdens.

Section Three: TRENDS IN BUSINESS DEVELOPMENT

3.1 Outlook towards business growth

Twenty-three of the respondents (67%) were currently growing their business, seven would consider expansion and four were not interested in doing so:

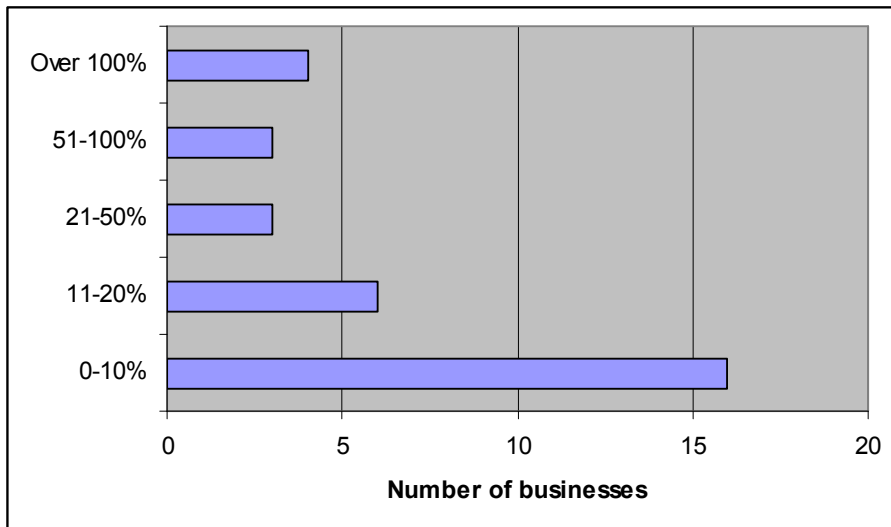
Figure 15: Outlook towards business growth, by category



3.2 Average annual sales growth over last two years

Sixteen of the surveyed businesses had annual sales growth rates over the last two years of between 0 and 10 percent, six had 11 to 20 percent growth, three had 21 to 50 percent growth, three had 51 to 100 percent growth and four over 100 percent growth. Responses ranged from 0 to 400 percent, with a median of 11 percent.

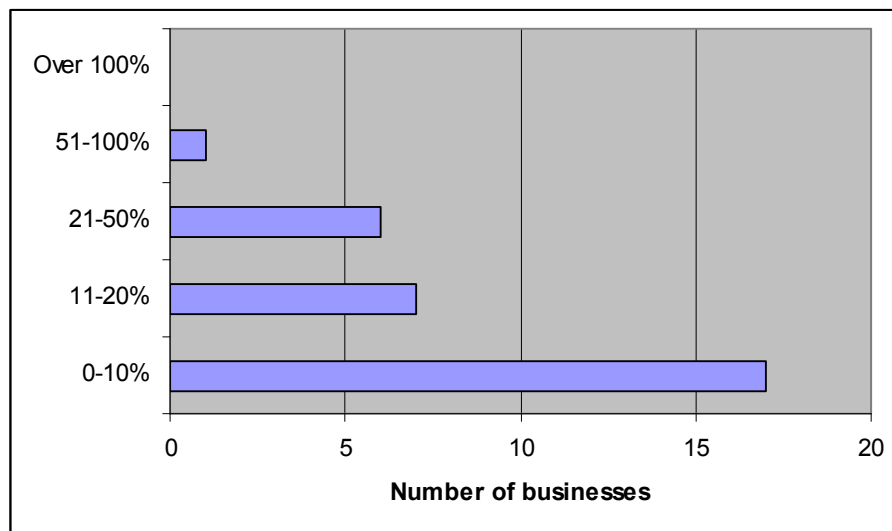
Figure 16: Average annual sales growth 2003-2004



3.3 Anticipated annual sales growth over next two years

Seventeen respondents indicated that their business will experience annual sales growth of between 0 and 10 percent over the next two years, seven predicted 11-20 percent growth, six 20 to 50 percent growth and only one over 50 percent. The range was 0 to 100 percent, with a median of 10 percent:

Figure 17: Anticipated annual sales growth 2003-2004



3.4 Could businesses sell more of their current range of goods and services if they could produce more?

Twenty-three respondents (68%) felt that they could sell more of their current range of goods and services if they could produce more, while 11 did not.

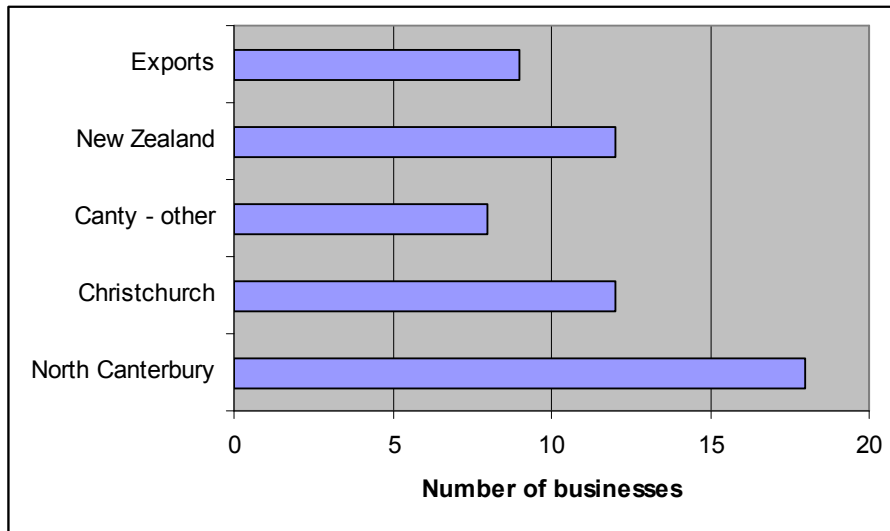
3.5 Is it possible to produce more using your current workforce, buildings and equipment?

Twenty-one respondents (62%) felt that they could not produce more using their current workforce, buildings and equipment, while 13 did not, which differs slightly from the response given to question 3.4 above. Several noted that they had reached capacity or needed new premises.

3.6 Market for anticipated sales growth

North Canterbury were seen by 18 respondents as the source of anticipated sales growth, ahead of 12 who felt it would come from elsewhere in New Zealand, 12 who opted for the Christchurch market, nine from overseas exports and eight from elsewhere in Canterbury:

Figure 18: Anticipated sales growth by market



3.7 Barriers to business growth

Compliance and regulatory issues (specifically concerns with local and central government in particular) was highlighted as the leading barrier to business growth, ahead of a lack of capital, infrastructure, competitors/market conditions and labour/staff, as summarized in Table One:

Table Two: Barriers to business growth, by category

Labour/Staff			11
Lack of capital			18
	<i>land</i>		4
	<i>buildings</i>		3
	<i>plant</i>		4
	<i>product development</i>		2
	<i>marketing</i>		2
	<i>working capital</i>		3
	<i>other</i>		
Competitors/market conditions			15
Compliance and regulatory issues			21
	<i>Local Government</i>		10
	<i>Ecan</i>		3
	<i>Central Government</i>		8
	<i>Other</i>		
Information and training			5
	<i>Staff training and capability</i>		5
Infrastructure			16
	<i>Roading</i>		3

North Canterbury Business Survey

	Water supply			3
	Sewerage			1
	Land drainage			3
	Telecommunications			1
	Land availability and zoning			5
Location				1
Raw material supply				3
Raw material and input costs				1
Other				1

Comments of note:

Competitors/market conditions:

- Substandard operators offering lower priced goods/services were causing frustration
- More advertising, word-of-mouth and greater reputation will increase business demand for some respondents
- Cheaper imported goods were hard to compete against

Compliance and regulatory issues:

- Occupational Safety and Health regulations were seen as too harsh
- The Waimakariri District Council was seen as inefficient in relation to resource consent applications, lacking in vision, needs to focus on zoning land and improving infrastructure and uncertain about how it wants the district to develop in the future.

Information and training:

Systems and processes have changed in recent years, increasing a demand for newer types of training

Infrastructure:

- Rangiora needs a road bypass
- Sewerage is poor in Southbrook
- Flaxton Road is too busy
- Ashley River bridge needs replacing

Section Four: YOU AND YOUR BUSINESS

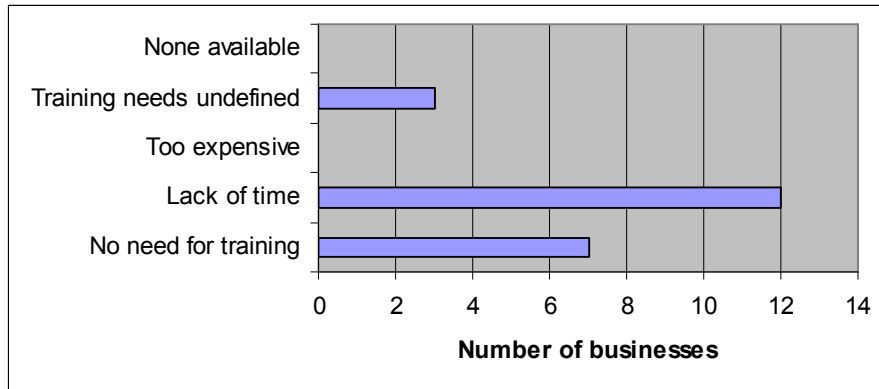
4.1 Participation in formal training programmes

Only 14 respondents (41%) had participated in formal training programmes over the previous year.

4.2 Reasons why respondents did not attend formal training

Twelve of the 20 respondents who had not attended formal training cited a lack of time as the reason, seven who felt that they had no need for training and three who had undefined training needs. Interestingly, none cited expense or a lack of training options as justifications:

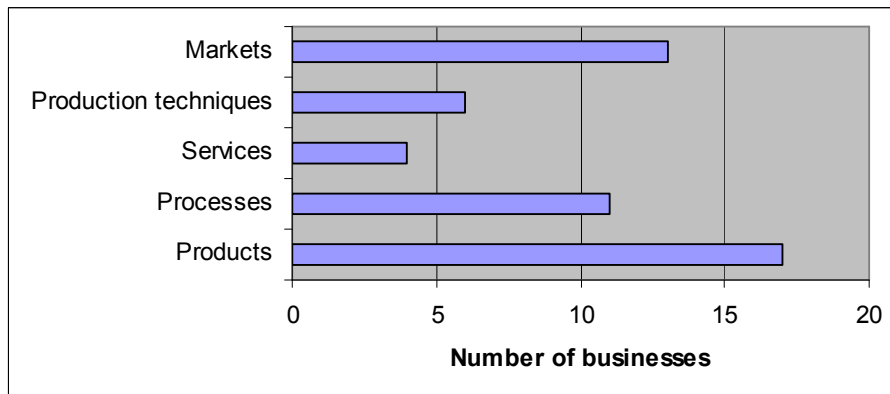
Figure 19: Reasons why respondents did not attend formal training by category



4.3 Business developments

The survey asked respondents if their business was developing new products, processes, services, production techniques or markets. As the following graph shows, 17 were developing new products, 13 were finding new markets, 11 were creating new processes, six new production techniques and four new services:

Figure 20: Business development, by category



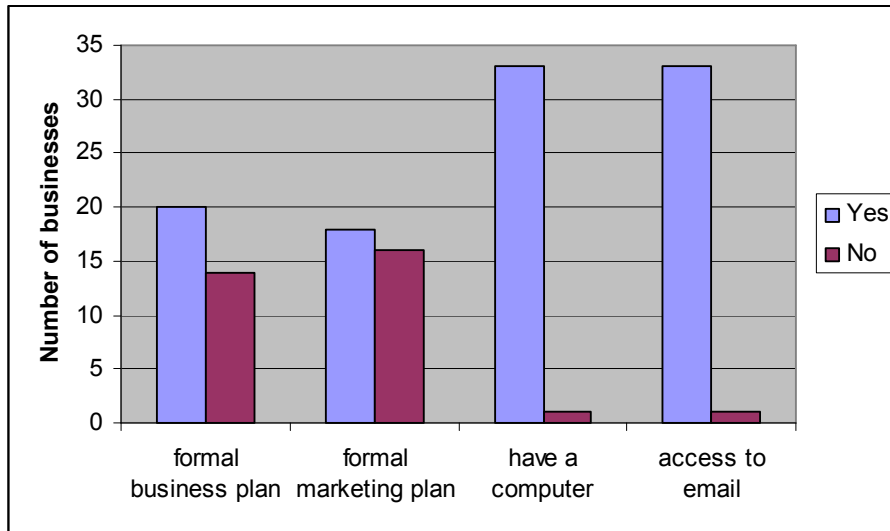
4.4 Have you had any government funding/assistance for your business development over the last five years?

Only four respondents had received government assistance over this time period, which equates to 12 percent of surveyed businesses.

4.5 Business planning and computer usage

Over half (58%) of respondents had a formal business plan, 53 percent a formal marketing plan, and all but one had a computer and access to email:

Figure 21: Extent of business planning and computer usage



4.6 Triple bottom line reporting

Six respondents (18%) included triple bottom line measurement in their business planning and reporting.

4.7 Internet connection

Thirty of the respondents (91%) had high-speed internet access and three had dial-up access.

4.8 Importance of broadband connection

Twenty-five respondents (74%) felt that high-speed two way (broadband) internet connection was important for their business.

4.9 Business websites

Twenty-nine respondents (85%) had websites, but only 17 of these (59%) felt that it added value to their business.

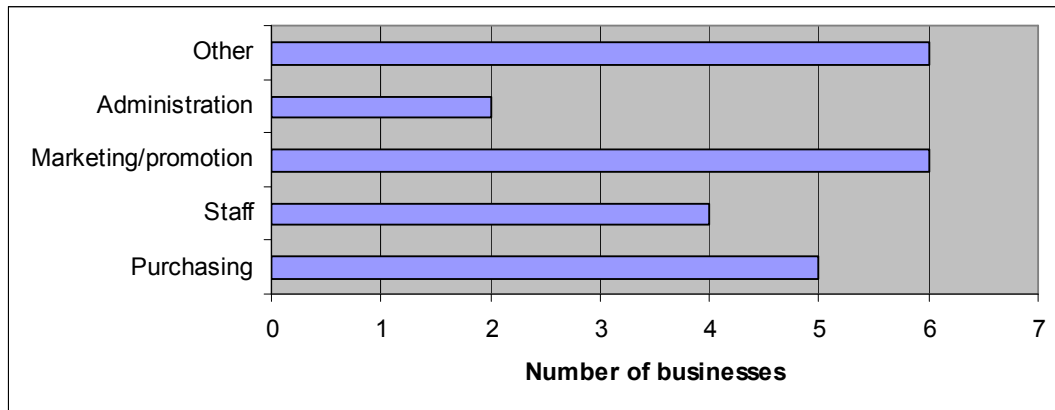
4.10 Collaboration with other businesses

Fourteen of the 30 businesses who answered this question (47%) collaborated with other businesses.

4.11 Type of business collaboration

Collaboration between businesses took the form of marketing/promotion (six businesses), purchasing (five), staff (four), administration (two) and other forms (six) which included networking, consulting, visiting key clients and working with Work and Income New Zealand to source staff:

Figure 22: Business collaboration by category



4.12 How could these business networks be improved?

Respondents made several points of interest:

- A business network like the Southbrook Business Group
- Working alongside larger local businesses
- Learning more about local business types
- More synergy with competitors and services providers

Section Five: REGIONAL AND LOCATIONAL ISSUES

5.1 Reasons for business location in the district

Respondents cited a range of reasons why their businesses were located in the district. Some had lived there all their lives, while others were attracted to the lifestyle of the Waimakariri. It was also evident that meeting specific market needs was a prime motivation. The central location of Rangiora and passion for the district were singled out by a number of respondents.

5.2 Visions for the district's future

Respondents had interesting views on the district's future, largely determined by local issues. Life 'north of the river' was seen as 'exciting', 'strong' and 'vibrant' and that it would grow in terms of business numbers and demographically in the future, provided more industrial land was zoned, and roading and sewerage improved. The Waimakariri District Council had a responsibility to ensure that Rangiora did not become a satellite of Christchurch by attracting businesses and improving infrastructure. There was a feeling that the town lacked leadership, a unique identity and goals, but there was optimism about the future of the district because of developments in industries such as viticulture. It was also seen as a safe community which would benefit from sustained growth. Moreover, it was blessed with flat, fertile land, good, clean water, close to an affluent city and well positioned to take advantage of a tourist boom.

5.3 Major opportunities for the district

A range of potential opportunities for the region were outlined by respondents. Opening up more industrial land (both light and heavy, particularly for an industrial park in Southbrook or between Woodend and Rangiora) and improving infrastructure (especially transport links) were seen as critical to future prosperity. Specific local initiatives such as modernizing the High Street shopping area (making it the 'vibrant hub' of the community), updating the movie theatre, offering more entertainment and a covered swimming pool were needed if the region was to be promoted to attract more businesses and people. The uniqueness of Rangiora, which was undervalued by many locals, could be utilized to attract tourists. Similarly, more intensive usage of land and the promotion of home-based businesses would attract more people which would benefit existing businesses. Other areas of North Canterbury, particularly Amberley, Waipara and Kaiapoi, it was argued. A proactive 'business-friendly' council was required to keep people in the district and attract new ones. Industry 'feeds off' other industry, which meant that the council must improve roading, water and sewerage infrastructure in parts of Rangiora if it was serious about growth. More retail zoning was needed as larger retailers were needed if the region was to benefit fully from the expected boom in tourism and agriculture.

5.4 Major threats to the district

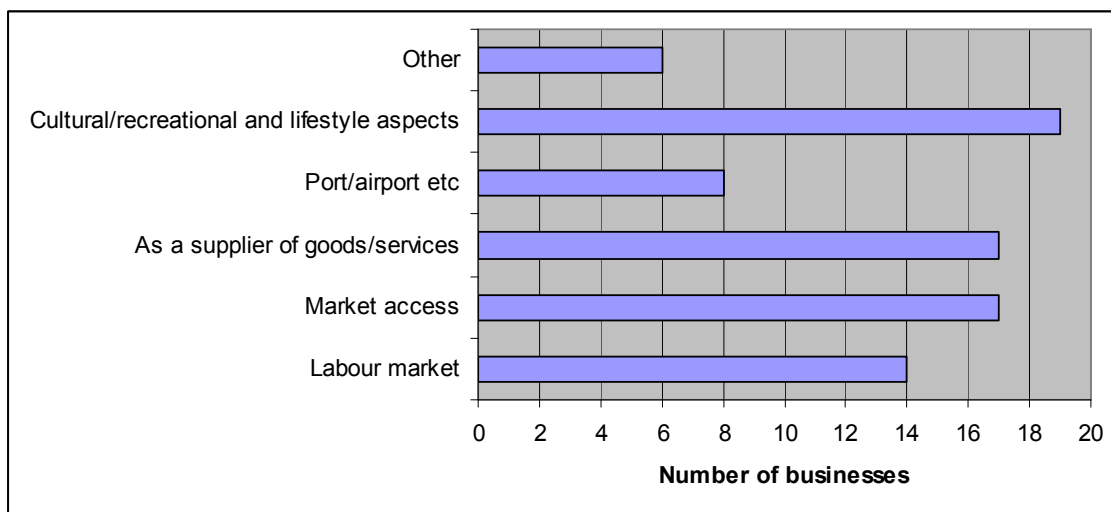
Rangiora respondents were critical of the ‘stifling’ Waimakariri District Council. ‘Real’ planning was needed because infrastructure problems were hindering growth. The council needs a vision and has to move away from seeing that business must be restricted to the CBD of Rangiora if it is to flourish, given fierce competition for retailers in Christchurch, it was argued. Respondents were frustrated by the lack of industrial zoned land, an industrial park, poor roading (a bypass around Rangiora and better linkages to Christchurch were needed) too much emphasis on small block sub-division at the expense of valuable agricultural land and the lengthy resource consent process which was making setting up businesses or business expansion too difficult. The proliferation of lifestyle blocks through the cutting up of good farmland meant that local agricultural businesses had to look further afield for opportunities

An unwillingness on the part of some locals to endorse business growth, the lack of skilled workers, lack of entertainment options for youth and job prospects for this group who were central to the district’s future, a downturn internationally in key industries (for example, forestry) and the threat of larger businesses withdrawing North Canterbury meant that the council had to make greater efforts to attract new businesses and people and try be ‘business-friendly’, but respondents were skeptical about whether it could do so.

5.5 Positive aspects of business location in Waimakariri

Nineteen of the respondents felt that the cultural/recreational and lifestyle aspects were the most positive aspect of living in Waimakariri, ahead of being a supplier of goods and services (17), market access (17), the labour market (14), ports/airport (8) and other reasons (6), which related to the calibre of local people, cheaper wage rates and rent.

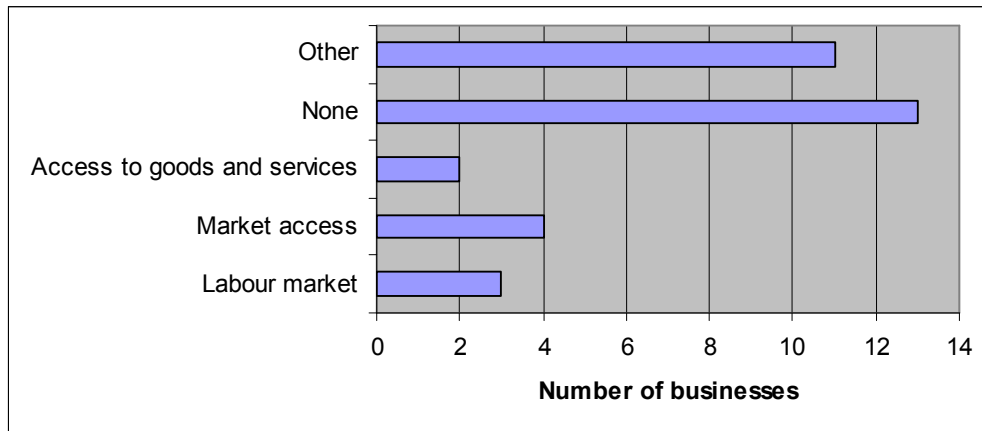
Figure 23: The most positive aspects of business being in Waimakariri



5.6 Negative aspects of business being located in Waimakariri

The negative aspects of being located in Waimakariri were market access (4), labour market (3) and access to goods and services (2). Eleven respondents selected the other option, and noted that the council was too political in decision-making and lacked vision. It was also felt that roading problems and transport costs were downsides of conducting business in Rangiora. Significantly, 13 respondents considered that there were no negative aspects associated with living in Waimakariri.

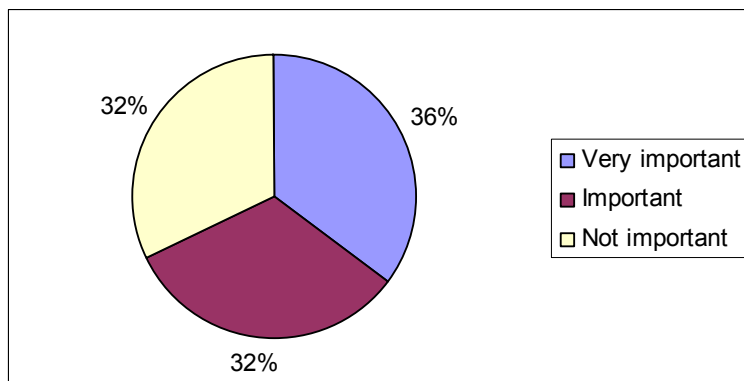
Figure 24: The most negative aspects of being located in Waimakariri



5.7 Importance of proximity to Christchurch

Twelve respondents (35%) felt that proximity to Christchurch was very important, ahead of 11 (32%) who deemed it be important and 11 (32%) not important, which differed from other survey zones where Christchurch was deemed more significant to the needs of businesses.

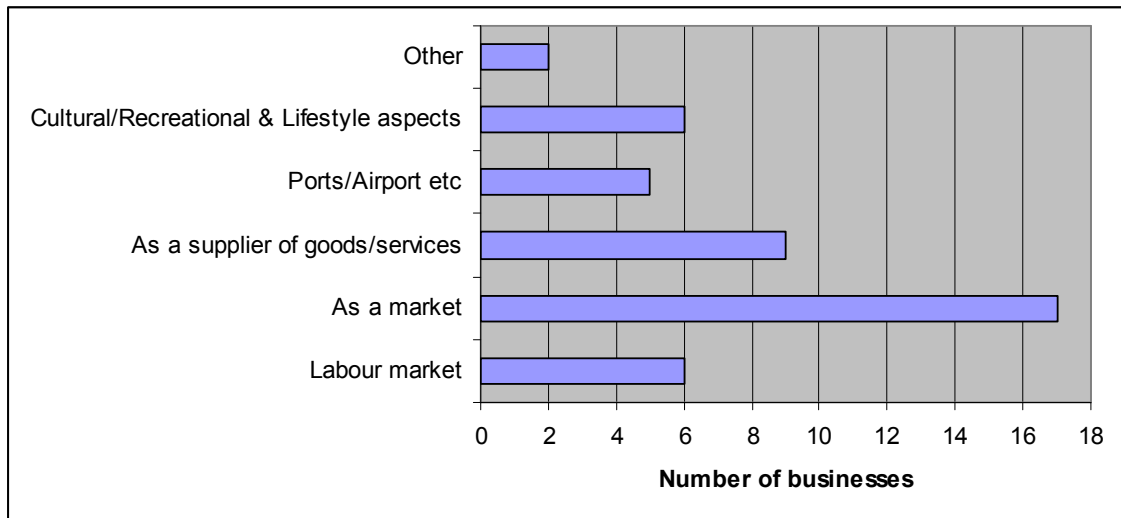
Figure 25: How important is proximity to Christchurch for your business?



5.8 Reasons why Christchurch's proximity is important

Respondents felt that the most important positive factor relating to proximity to Christchurch was as a market (50 percent of respondents), ahead of as a supplier of goods and services (26%), labour market (18%) ports/airport (15%), and other, which included the point that Christchurch was sufficiently far away that Rangiora residents had to shop locally.

Figure 26: Why is proximity a positive factor?



5.9 Have you considered relocating your business elsewhere?

Eight respondents (24%) had considered relocating their business elsewhere. Five of these considered moving to Christchurch because of its larger labour market and industrial land-base, one considered moving else where in Canterbury and one outside of the Canterbury region.

5.10 Would a local business network be of benefit?

Fifteen respondents (44%) said it would local business networks would be beneficial. The following comments deserve mention. A number of respondents were members of the Southbrook Stakeholders' Group and were generally happy with it, while there was some dissatisfaction with OTR. Others felt a network would be a good means of articulating business' opinions to the council, as long as it was for all businesses, not just retailers. A Chamber of Commerce was advocated by a few, while others wanted industry-specific networks.

5.11 Should more businesses be encouraged to establish or relocate?

Thirty of the 31 respondents who answered this question (97%) believed that more businesses should be encouraged in Waimakariri.

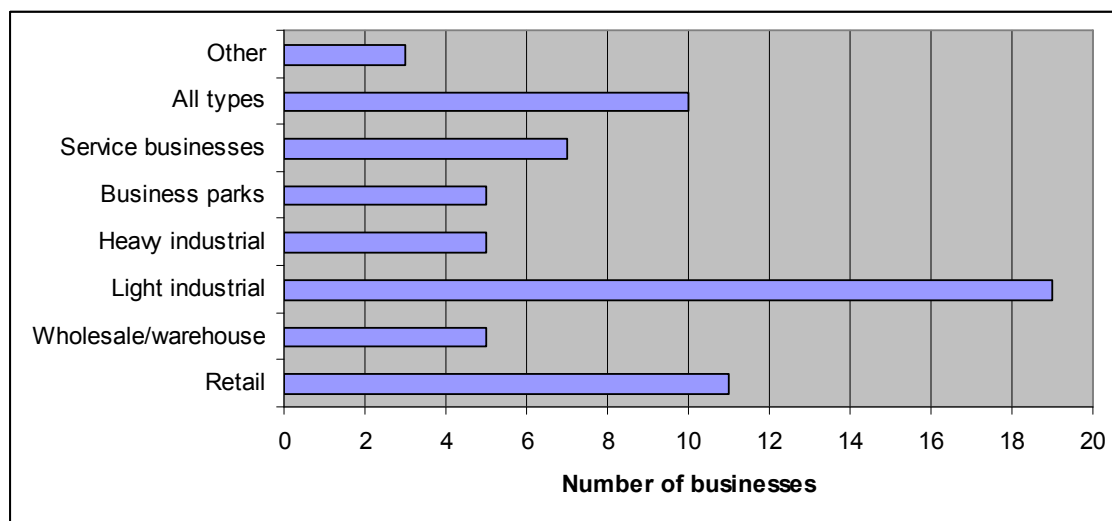
5.12 If no, why not?

The one respondent felt that there were sufficient businesses at present, considering the size of the district.

5.13 Types of businesses that should be encouraged

Nineteen respondents saw light industrial businesses as the most important for Waimakariri. Eleven favoured retail businesses, 10 wanted all types, seven service businesses, while five advocated heavy industry, business parks and wholesale businesses. Those who wanted other businesses suggested the creation of a café culture through more cafes and the establishment of research centres.

Figure 27: Which type of businesses?



5.14 Should the region actively attempt to attract more businesses?

Twenty-five of the 30 respondents (83%) who advocated increasing the number of Waimakariri businesses agreed that the region should actively attempt to attract them. Suggestions relating to how to do so included greater promotion of the district's benefits: the existing population, cheaper land prices and proximity to markets. Criticism of the council's role in encouraging new business was outlined, and it was felt that rate subsidies and other incentives were needed, but infrastructural improvements, more industrial-zoned land issues had first to be resolved. It was also evident that while the council should fund any promotion, private businesses or the likes of Enterprise North Canterbury should conduct it.

5.15 Are there obvious businesses missing from North Canterbury?

Respondents tended to make more localized suggestions (refer to individual survey areas), but a number of common themes were evident in their responses and included the following:

- A centrally located information centre
- Hallensteins/Glassons type clothing shops
- Lighting shops
- Dick Smith Electronics
- More banks
- More legal and accounting services
- Footwear shops
- Structural and civil engineering
- Furniture manufacturing
- Security firms
- A mall with movie theatres, major retail chains, a foot court
- More quality accommodation
- McDonalds
- Petrol stations
- Heavy transport repair

5.16 Should more people be encouraged to live in the region?

All 31 respondents who answered this question agreed that more people should be encouraged to live in the district for the following reasons:

- More people will move to North Canterbury
- Increased prosperity will help retain youth in the district
- Increased demand for services will follow
- A great place to live
- It is the answer for growth and prosperity
- Is the key to critical mass

5.17 What factors discourage people from moving to North Canterbury?

The following reasons were cited by respondents, in no particular order:

- Traffic problems, especially for those who work in Christchurch
- Lack of jobs
- Increased cost of living
- Increased housing costs
- Lack of schooling choices
- The District Plan
- Small-mindedness of locals
- 'small town syndrome'
- Lack of shops
- Lack of nightlife

5.18 Things Enterprise North Canterbury should be doing over the next three years to enhance the economic growth of the district

Respondents offered an interesting range of tasks that Enterprise North Canterbury may consider, in no particular order:

- More business breakfasts
- Induction days for students
- More training programmes
- Provide exceptional keynote speakers
- Be proactive in lobbying Transit New Zealand and Waimakariri District Council for an improved roading network, a truck bypass for Rangiora and a business/industry park etc
- Lobby central government over Resource Management Act
- Be more open – let people know what opportunities exist
- Facilitate and promote land-based and water resources of North Canterbury
- Publicise key facts, e.g. projected growth rates
- 'oiling the wheels' of fast-tracking of new businesses

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- Assist in attracting more workers to the district, both skilled and unskilled
- Start being more noticeable – increase profile
- Increase marketing the district internationally and nationally
- Support OTR
- Encourage people to use local services and buy locally
- Encourage Hurunui and Waimakariri District Council's to work together
- Identify barriers to business

Waimakariri surrounds

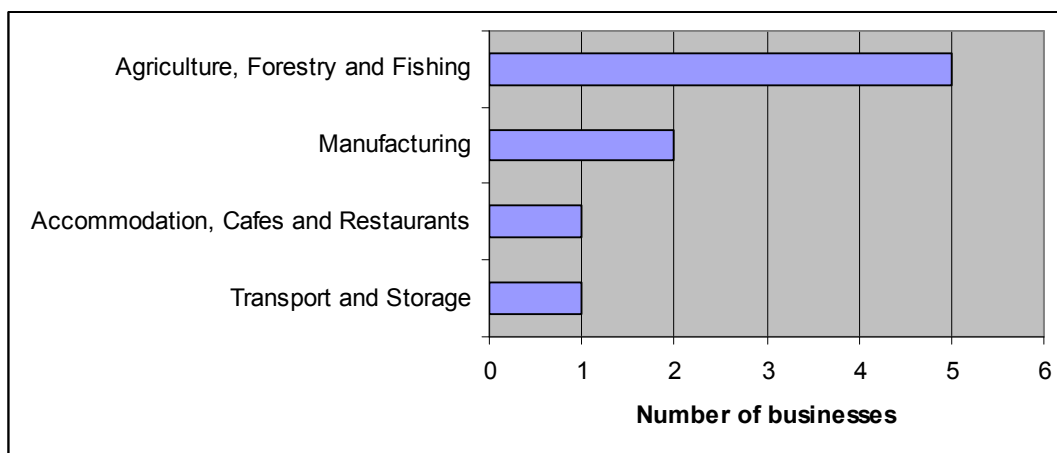
(Nine businesses surveyed)

Section One: BUSINESS CHARACTERISTICS

1.1 Businesses by ANZSIC Classification

Of the nine surveyed businesses, five were in the Agriculture, Forestry and Fishing sector, two in the Manufacturing sector and one in the Accommodation, Cafes and Restaurants sector and one in the Transport and Storage sector, according to the ANZSIC 1996 Industry classification:

Figure 1: Businesses grouped by 1996 ANZSIC Classification



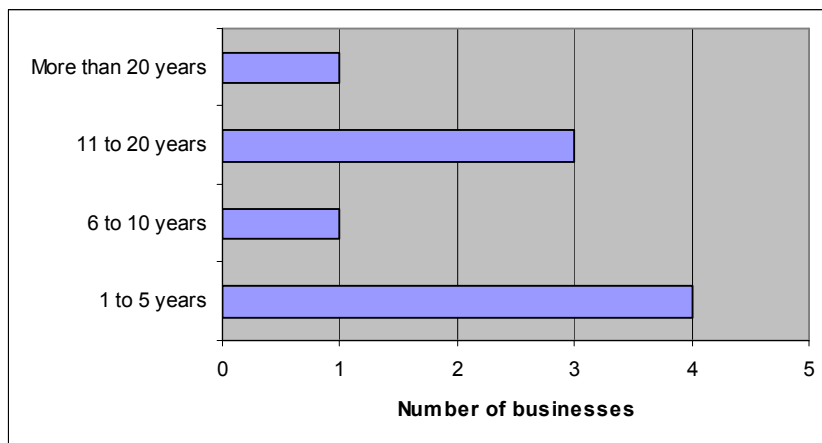
1.2 Legal structure of surveyed businesses

Eight of the surveyed businesses were private companies and the other was part of a larger company.

1.3 Length of existence

Four businesses had existed for over 1 to 5 years, three for 11-20 years, one for 6-10 years and one for more than 20 years:

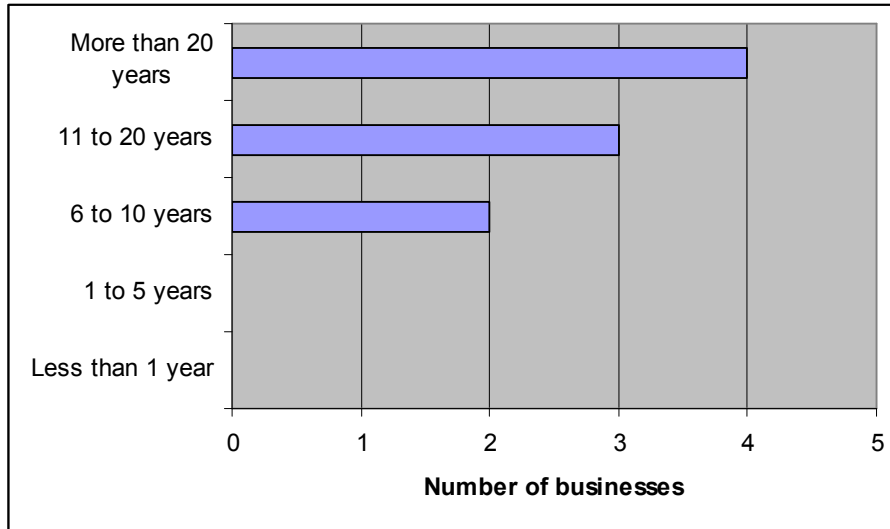
Figure 2: How long has this business been in existence?



1.4 Length of existence in district

Compared with the answers given in question 1.3 above, it is apparent that a number of the businesses had existed in the district for longer. Four had been in the district for over 20 years, and three for 11 to 20 years and two for 6 to 10 years:

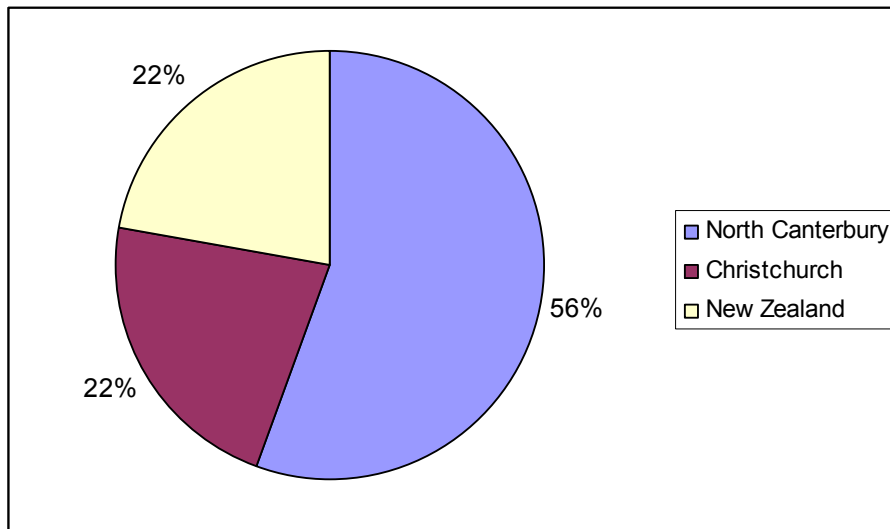
Figure 3: How long has the business been in district?



1.5 Location of business owners

Taking into account that some businesses had more than one owner, it is apparent that five of the owners were from North Canterbury, two from Christchurch and two from elsewhere in New Zealand:

Figure 4: Where do the people who own your business live?



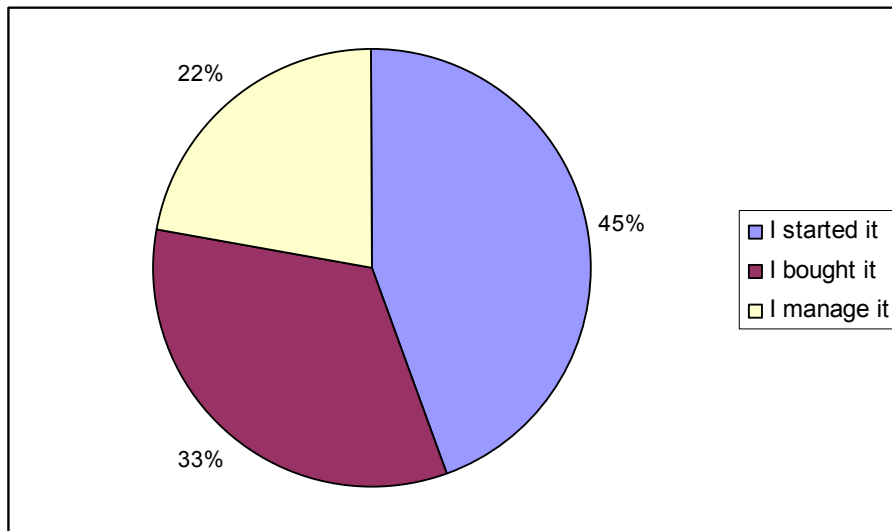
1.6 What proportion of the business (based on staff numbers) is located in the district?

Seven of the businesses (77.8%) were fully located in district. Of the remainder, one was 70% located and the other 60% located in the district, giving an average of 92.2%

1.7 Basis of involvement in business

Four respondents started their own business, three bought the business, and two manage the business:

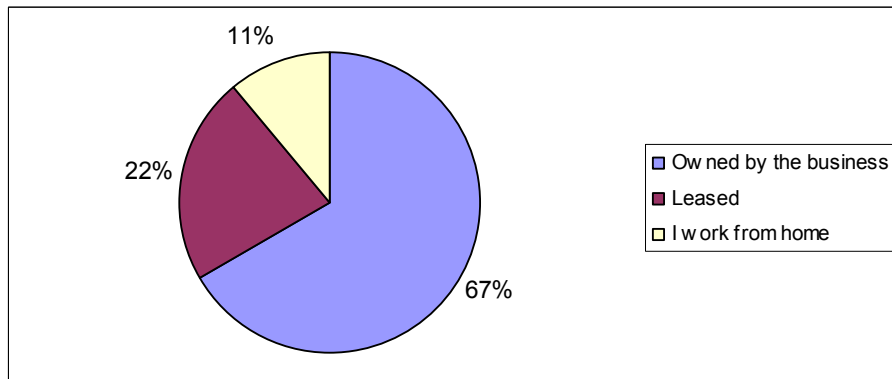
Figure 5: How did you come to be involved in the business?



1.8 Status of premises

Six of the premises were owned by the business, two were leased and one respondent worked from home:

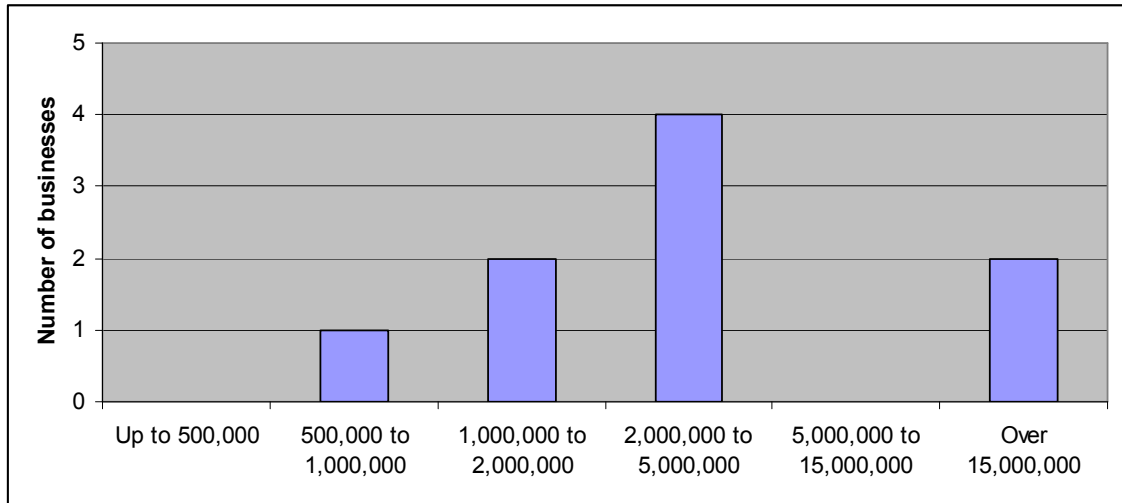
Figure 6: Premises status by category



1.9 Annual Turnover

The survey asked respondents to describe their total turnover per year for the last financial year (inclusive of GST). One turned over less than \$500,000, two turned over less than \$1,000,000, four turned over between \$2,000,000 and \$5,000,000 while two turned over more than \$15,000,000:

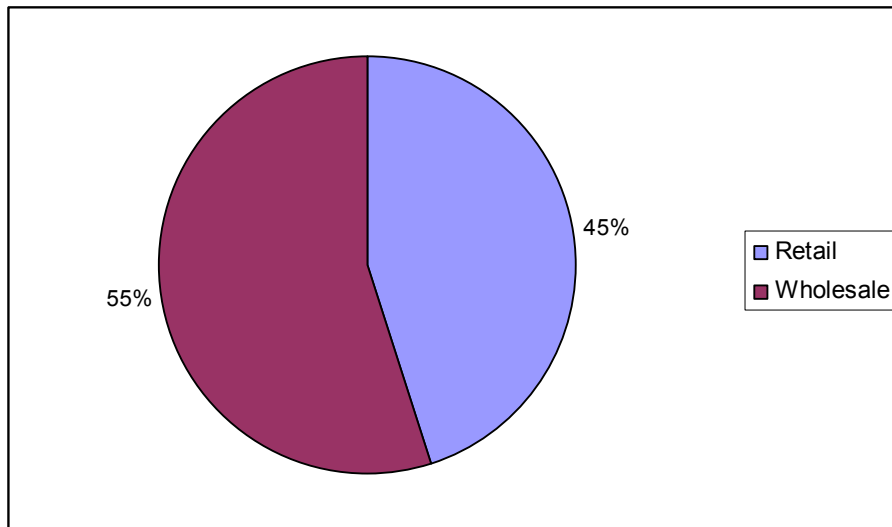
Figure 7: What is your total turnover per year?



1.10 Sales categories

Just over half of sales were from retail (55%), with wholesale making up the rest, except for a fraction of a percentage from exporting:

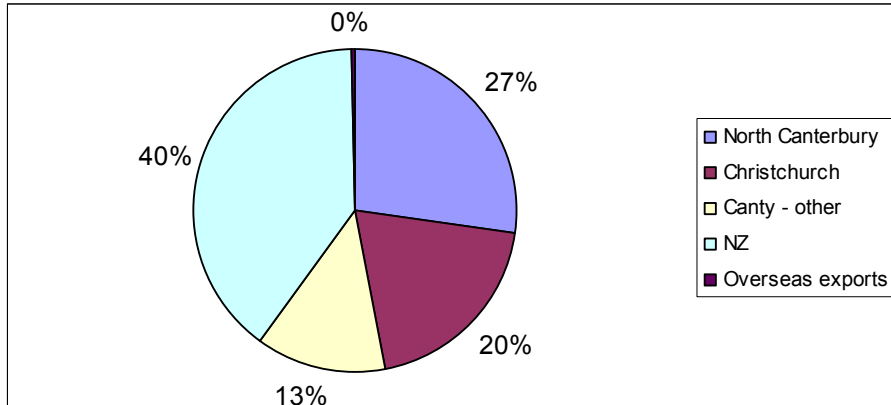
Figure 8: Sales by category



1.11 Location of customers

Forty percent of customers for the surveyed businesses came from outside of the Canterbury region within New Zealand, ahead of 27% from North Canterbury, 20% from Christchurch and 13% from elsewhere in Canterbury:

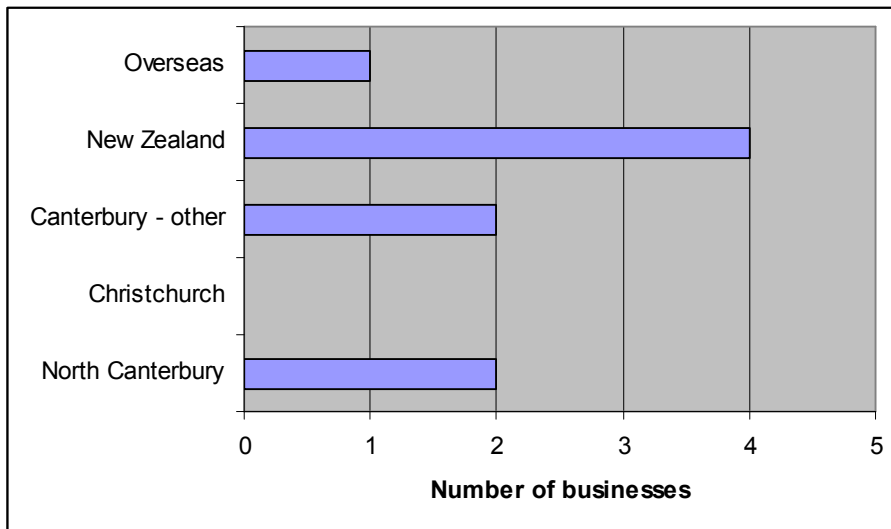
Figure 9: Where are your customers located?



1.12 Location of largest customer

For four of the businesses, the largest individual customer was located in New Zealand, two in North Canterbury and two elsewhere in Canterbury and one overseas. It is interesting to note, in comparison with Figure 9 above, that no respondent had their largest customer based in Christchurch:

Figure 10: Location of largest customer by category

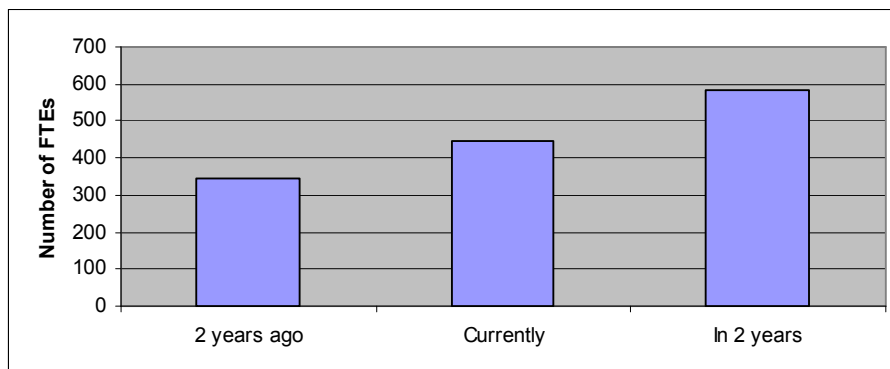


Section Two: LABOUR AND OTHER INPUTS

2.1 Staff numbers

The number of Full-Time Equivalent workers (defined as the number of full-time combined with half of the number of part-time workers) has increased from 344.5 to 446.5 over the last two years (an increase of 29.2%), while respondents expected the number to increase to 583 over the next two years (an increase of 30.6%). Two years ago, the number of FTEs ranged from 6.5 to 125, with an average of 38.3 among the 9 businesses who provided details. At the time of the survey, the number of FTEs ranged from 7.5 to 250, with an average of 49.6 for the nine businesses. It is anticipated that in two years time FTEs will range from 8 to 350, with an average of 64.8, indicating very noticeable growth within the surveyed businesses:

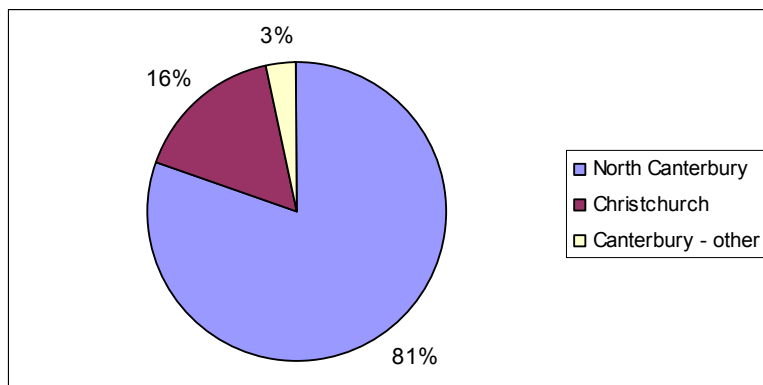
Figure 11: The number of Full-Time Equivalent workers



2.2 Location of staff

The vast majority of staff (81%) in each business lived in North Canterbury, 16 percent in Christchurch and only three percent elsewhere in Canterbury:

Figure 12: Location of staff by area



2.3 Vacancies: current and future

There were two vacancies for unskilled staff, and seven for skilled staff at the time of the survey. The skilled staff required included bar staff (2), chef (1), tool-maker, (1) fitter and turner (1) and an agricultural engineer (1).

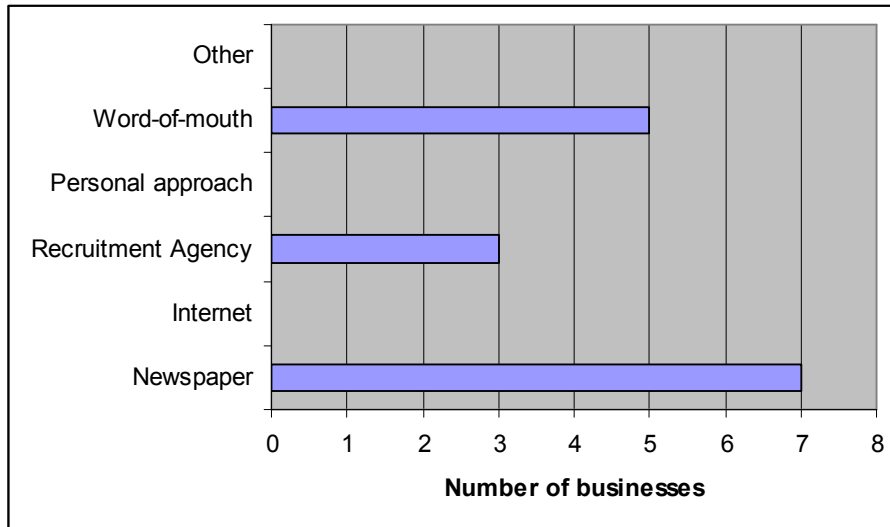
2.4 Difficulties with recruiting labour

Six of the eight businesses who answered this question had problems recruiting the labour they required. These respondents commented that small town locations, a lack of reliable people with passion and a nation-wide skill shortage were key contributing factors.

2.5 Means of recruiting staff

Seven respondents relied on newspapers, five on word-of-mouth and three on recruitment agencies to recruit staff:

Figure 13: How do you usually source staff?



2.6 Do you have a formal staff training programme?

All eight respondents who answered this question had a formal staff training programme.

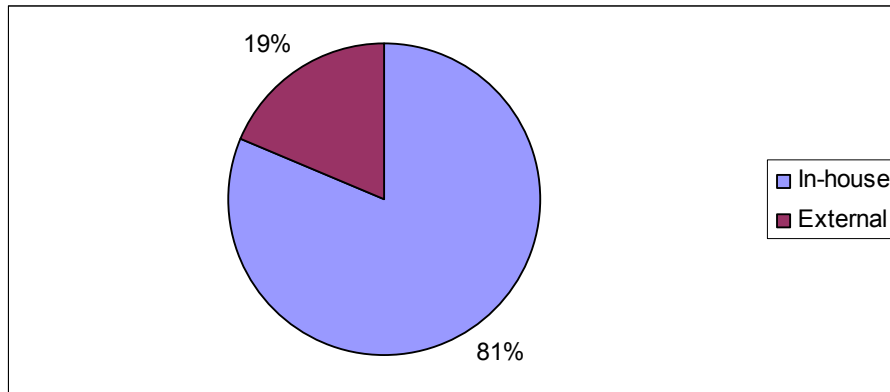
2.7 If no, why not?

Not applicable

2.8 Type of training

The great majority of training (81%) was conducted in-house. The remainder was provided externally by industry-specific providers.

Figure 14: Type of training by category



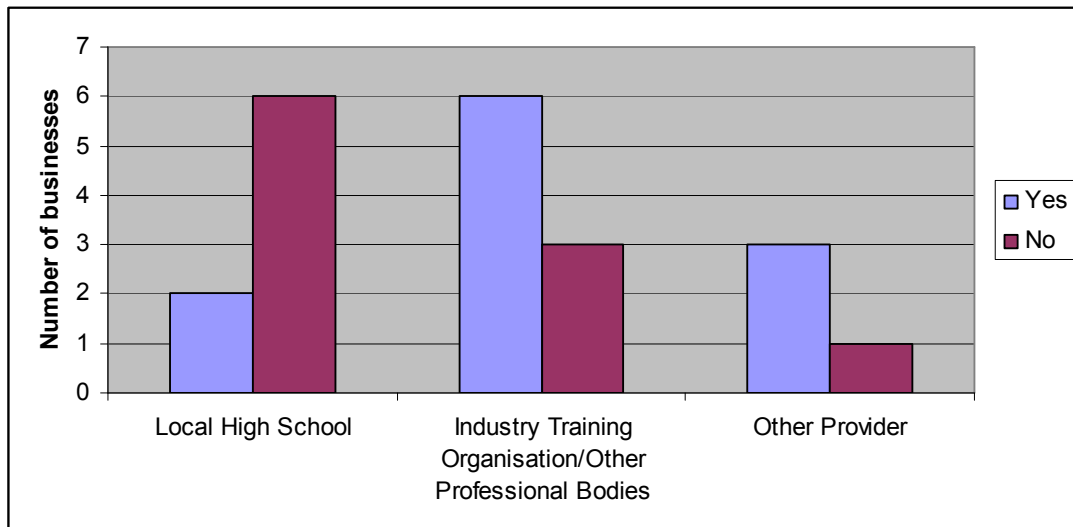
2.9 Training of apprentices

Two surveyed business trains apprentices. Apprentices were in the following trades: retail meat (2 apprentices) and cheese-maker (1 apprentice).

2.10 Training/recruiting relationships

Only two respondents had a relationship with the local high school. However, six had a relationship with an Industry Training Organisation/other professional body and three with other providers:

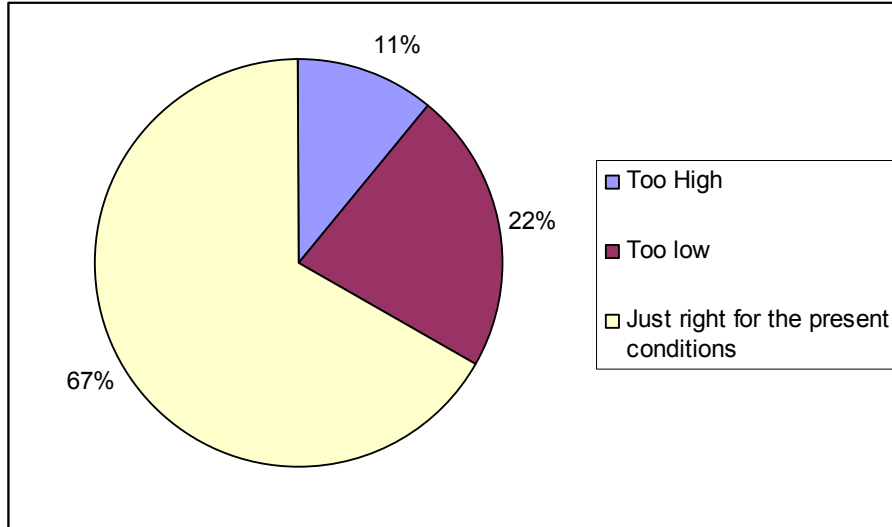
Figure 15: Training/recruiting relationships by type



2.11 Annual labour turnover

Six respondents considered that their labour turnover in the previous year (in terms of the number of resignations) was 'just right for the present conditions'. Two felt that the number was too low and one considered it too high:

Figure 16: Description of labour turnover per year



2.12 Wage bill as a percentage of total business costs

For the seven respondents who provided an answer, the average was 28.8 percent, the median was 25 percent and range between nine and 60 percent.

2.13 Extent of difficult accessing inputs in Waimakariri

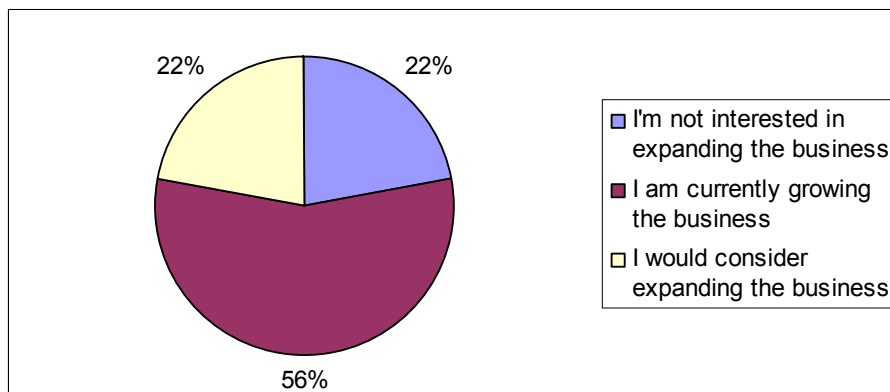
Eight respondents felt that the location of their business was not an issue in accessing inputs of goods and services. The one respondent who considered their location an issue considered that delays in receiving couriered goods was a problem.

Section Three: TRENDS IN BUSINESS DEVELOPMENT

3.1 Outlook towards business growth

Five of the respondents were currently growing their business, two would consider expansion, while two were not interested in doing so:

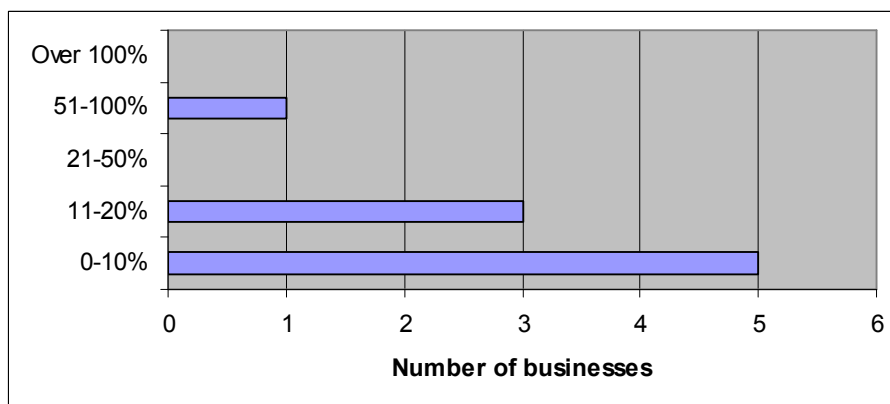
Figure 17: Outlook to business growth by category



3.2 Average annual sales growth over last two years

Five of the surveyed businesses had annual sales growth rates over the last two years of between 0 and 10 percent, three had 11 to 20 percent growth and one had 50 to 100 percent growth. Responses ranged from 0 to 60 percent, with a median of 10 percent:

Figure 18: Average annual sales growth 2003-2004



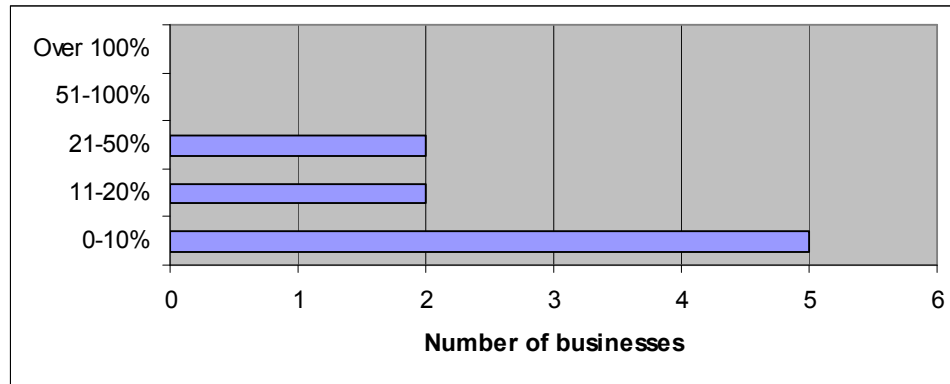
3.3 Anticipated annual sales growth over next two years

Five respondents indicated that their business will experience annual sales growth of between 0 and 10 percent over the next two years, two between 11-20 percent

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growth, and two between 20 to 50 percent growth. The range was 0 to 35 percent, with a median of 10 percent:

Figure 19: Anticipated annual sales growth 2003-2004



3.4 Could businesses sell more of their current range of goods and services if they could produce more?

Two-thirds of respondents (6) felt that they could sell more of their current range of goods and services if they could produce more, while three did not.

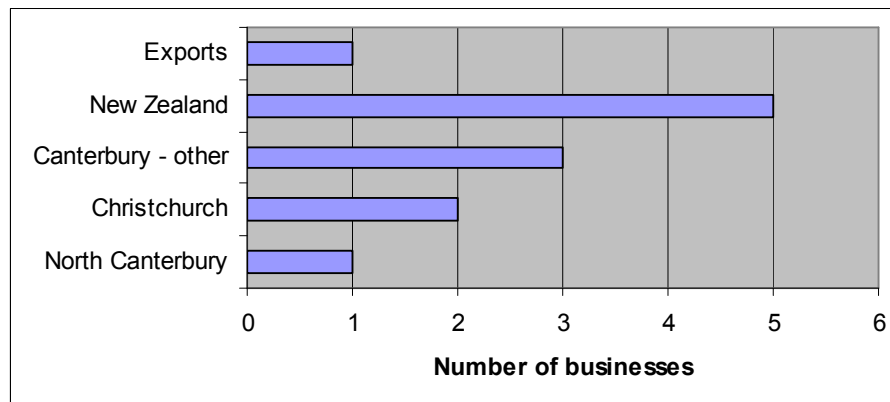
3.5 Is it possible to produce more using your current workforce, buildings and equipment?

Five respondents felt that they could produce more using their current workforce, buildings and equipment, while four did not.

3.6 Market for anticipated sales growth

Elsewhere in New Zealand (outside of Canterbury) was seen by five respondents as the source of anticipated sales growth, ahead of three who felt that growth would be derived from elsewhere in Canterbury, two from Christchurch and one from North Canterbury and exports. This pattern differs considerably from other survey areas.

Figure 20: Anticipated sales growth by market



3.7 Barriers to business growth

A lack of capital (more specifically a lack of capital for buildings and for plant) was highlighted as the equal leading barrier to business growth with compliance and regulatory issues (more specifically issues relating to the central government, Waimakariri District Council and Environment Canterbury). Labour/staff issues were also evident, ahead of competitors/market conditions and infrastructure, as summarized in Table One:

Table 1: Barriers to business growth, by category

Labour/Staff			4	
Lack of capital			7	
<i>buildings</i>				2
<i>plant</i>				3
<i>product development</i>				1
<i>marketing</i>				1
Competitors/market conditions			3	
Compliance and regulatory issues			7	
<i>Local Government</i>				2
<i>Ecan</i>				2
<i>Central Government</i>				3
Infrastructure			2	
<i>Roading</i>				1
<i>Land availability and zoning</i>				1

Comments of note:

Labour/staff: respondents considered that there was a serious skill shortage and felt that the continuous pressure of wage increases were hindering business growth.

Compliance and regulatory issues: Several respondents expressed frustration with acquiring resource consents.

Section Four: YOU AND YOUR BUSINESS

4.1 Participation in formal training programmes

Respondents were relatively evenly divided, with five having and four not having participated in formal training programmes over the previous year.

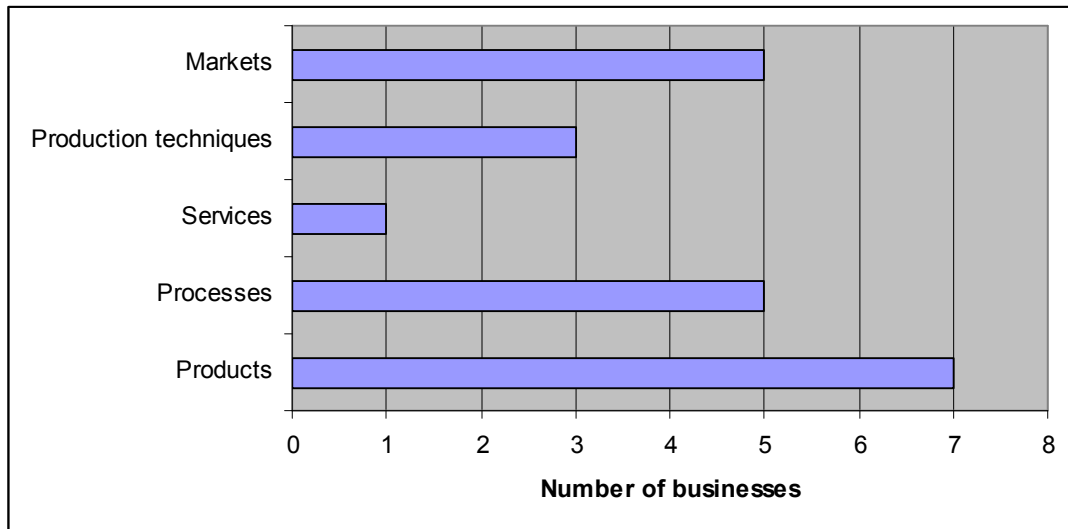
4.2 Reasons why respondents did not attend formal training

Three of the respondents who had not attended formal training considered that they had no need for training. The other cited a lack of time as the reason.

4.3 Business developments

The survey asked respondents if their business was developing new products, processes, services, production techniques or markets. As the following graph shows, seven were developing new products, five new processes, five new markets, three new production techniques and one new services, which suggests a great deal of development within surveyed businesses:

Figure 21: Business development by category



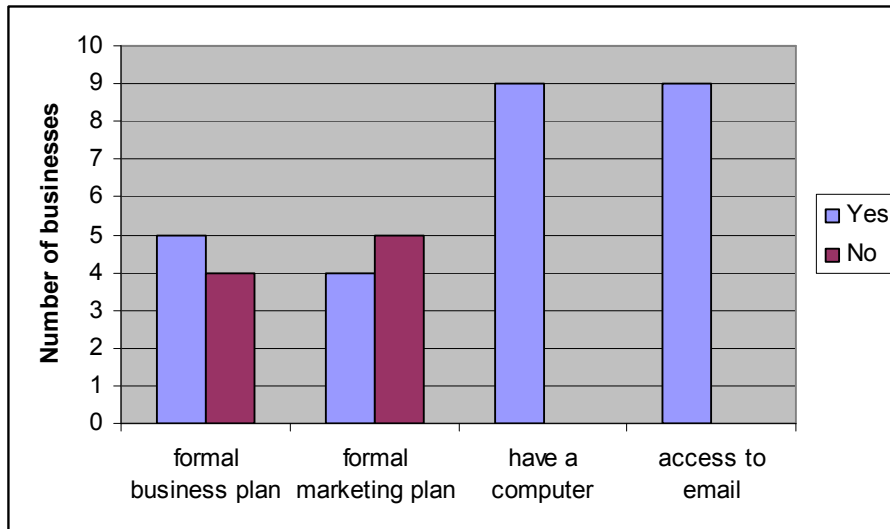
4.4 Have you had any government funding/assistance for your business development over the last five years?

Eight respondents have not received government assistance over this time period and only one had.

4.5 Business planning and computer usage

Five respondents had a formal business plan, four a formal marketing plan, and all had a computer and access to email:

Figure 22: Extent of business planning and computer usage



4.6 Triple bottom line reporting

Five respondents included triple bottom line measurement for their business planning and reporting.

4.7 Internet connection

Five of the respondents had high-speed internet access, with the remaining four only having dial-up connection which was a source of frustration.

4.8 Importance of broadband connection

All nine respondents felt that high-speed two way (broadband) internet connection was important for their business.

4.9 Business websites

Five respondents had websites, but only two of them considered it added value to their business.

4.10 Collaboration with other businesses

Four of the surveyed businesses collaborated with other businesses.

4.11 Type of business collaboration

Collaboration between businesses took the form of marketing or assisting other businesses in specific tasks.

4.12 How could these business networks be improved?

No comments provided.

Section Five: REGIONAL AND LOCATIONAL ISSUES

5.1 Reasons for business location in the district

Respondents cited a range of reasons why their businesses were located in the district. Some had lived there all their lives, while others were attracted to the lifestyle. It was also evident that meeting specific market needs and opportunities was a prime motivation.

5.2 Visions for the district's future

Respondents had interesting views on the district's future. Some felt that Waimakariri was becoming the 'dormitory' of Christchurch, and that 'lifestylers' only sleep in North Canterbury and work and shop in Christchurch and helped to keep land prices high. There was optimism, however, that an increase in visitors not just from overseas, but elsewhere in New Zealand, and the potential for industrial relocation to North Canterbury would serve Waimakariri well in the future.

5.3 Major opportunities for the district

A range of potential opportunities for the region were outlined by respondents. The development of cottage industry on smaller blocks of land was highlighted as a worthwhile lifestyle choice by one respondent. The need to attract small businesses was seen as beneficial for the community's growth. The fertile land, climate and water of the region was seen as providing a basis for thriving primary production and there was also confidence that increased tourism would benefit the district. A greater number and range of manufacturing and retailing businesses was also advocated.

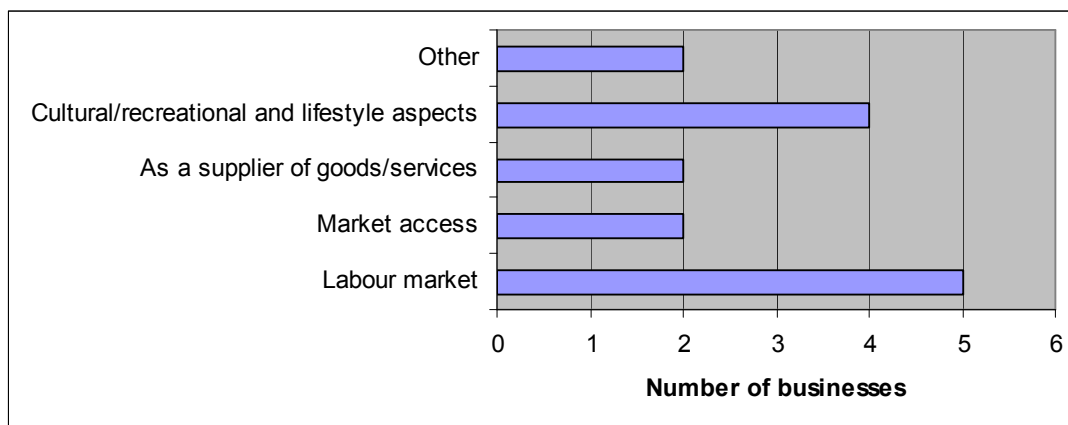
5.4 Major threats to the district

Respondents provided some interesting comments. It was felt that there the encroachment of residential housing could stop existing businesses from expanding as the cost of land was increasing too quickly. An increasingly 'transient' population was seen as eroding a sense of community. There was a risk that North Canterbury was losing its agricultural base and rural character. The Waimakariri District Council was seen as focusing too much on residential and small block growth, not industry growth or the necessary infrastructure. Increased road congestion and an aging population were also noted.

5.5 Positive aspects of business location in Waimakariri

Five of the respondents felt that the labour market was the most positive aspect of living in Waimakariri, ahead of cultural/recreational and lifestyle aspects (4), market access (2), as a supplier of goods and services (2) and other (2), for which one cited good biosecurity as a reason:

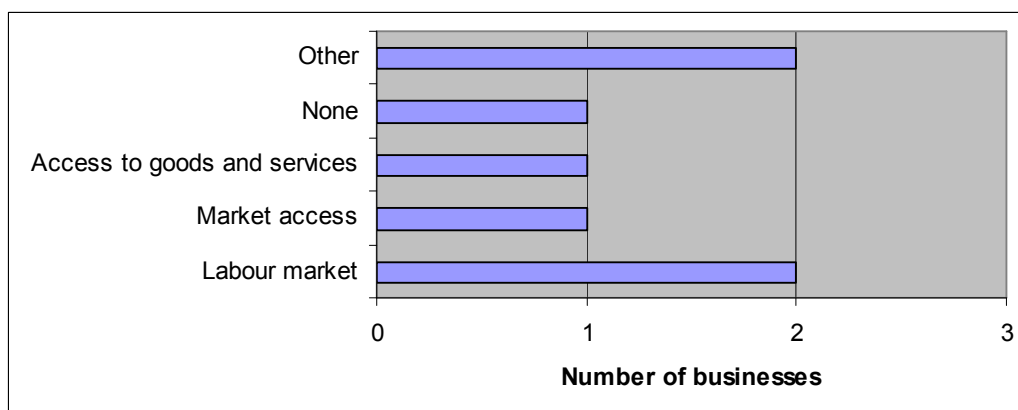
Figure 23: The most positive aspects of business being in Waimakariri



5.6 Negative aspects of business being located in Waimakariri

Respondents recorded fewer negative aspects than positive aspects. These included the labour market (2), market access (1), access to goods and services (1), none (1) and other (2): that residents do not like industry and the growth in lifestyle blocks

Figure 24: The most negative aspects of being located in Waimakariri



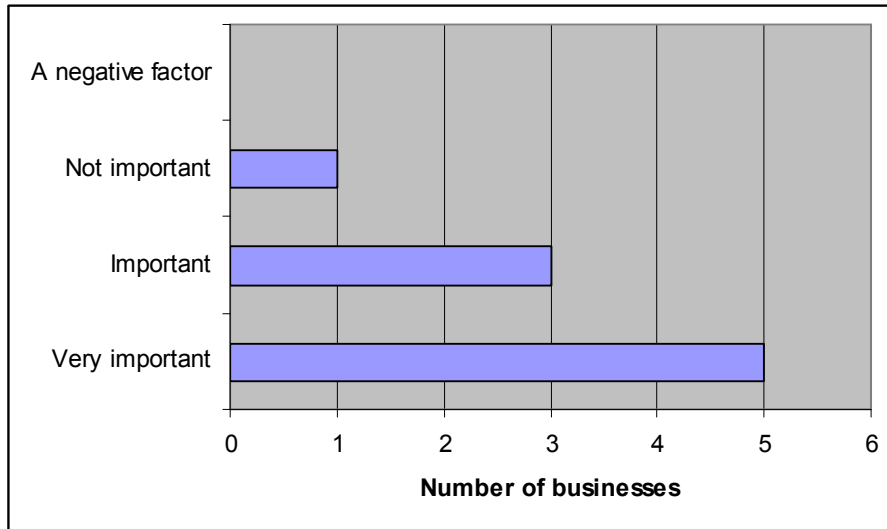
5.7 Importance of proximity to Christchurch

Five respondents felt that proximity to Christchurch was very important, ahead of three who deemed it be important and only one who considered it to be not

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important. No respondent felt that the location of Christchurch in relation to Waimakariri was a negative factor:

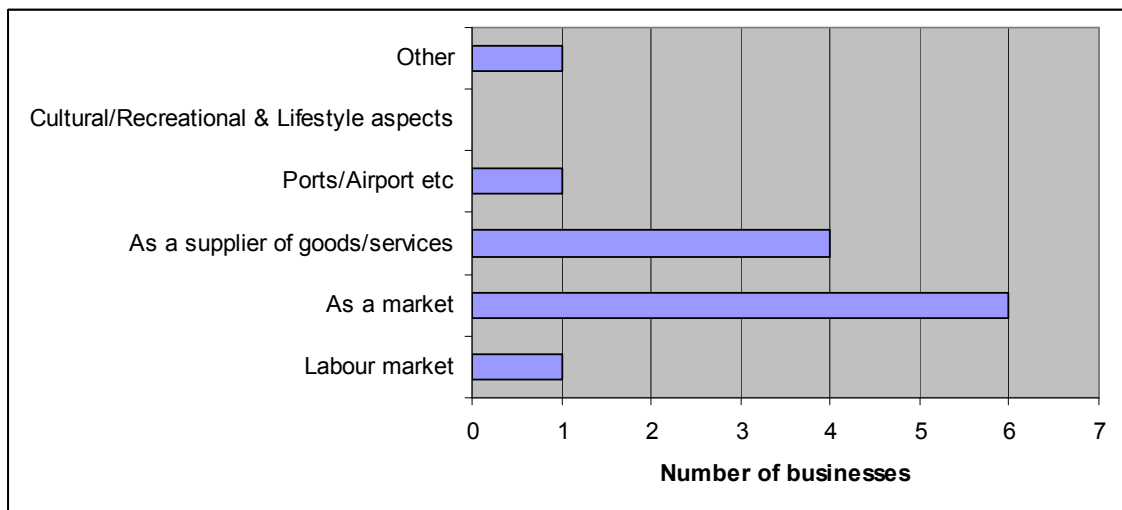
Figure 25: How important is proximity to Christchurch for your business?



5.8 Reasons why Christchurch's proximity is important

Respondents felt that the most important positive factor relating to proximity to Christchurch was as a market (6) ahead of as a supplier of goods and services (4):

Figure 26: Why is proximity a positive factor?



5.9 Have you considered relocating your business elsewhere?

Three respondents had considered relocating their business elsewhere (two to Christchurch and one to North Canterbury)

5.10 Would a local business network be of benefit?

Five who answered this question said it would be, while three did not. One respondent noted that he/she would prefer to be involved with a local Chamber of Commerce than the one in Christchurch.

5.11 Should more businesses be encouraged to establish or relocate?

Eight respondents believed that more businesses should be encouraged with only one respondent disagreeing.

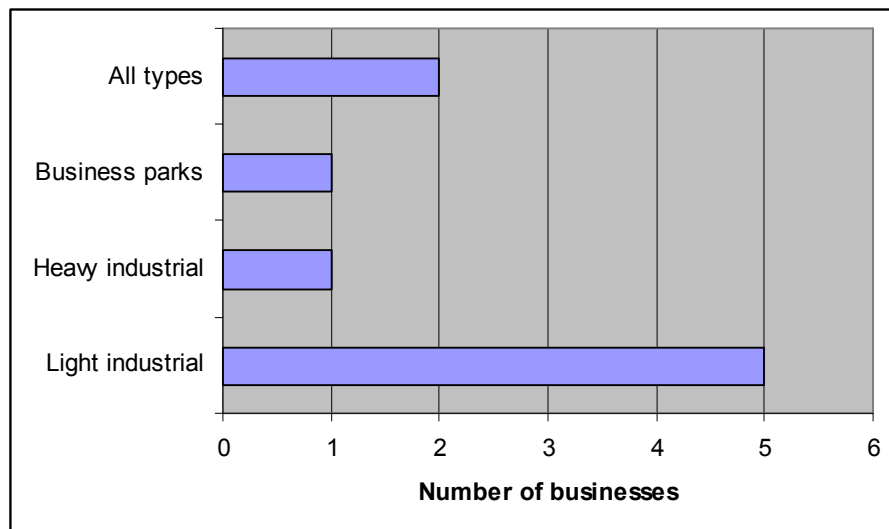
5.12 If no, why not?

The one respondent noted that nothing was lacking in North Canterbury.

5.13 Types of businesses that should be encouraged

Light industrial businesses were seen as the most important businesses that should be encouraged, ahead of all types:

Figure 27: Which type of businesses?



5.14 Should the region actively attempt to attract more businesses?

All respondents who advocated increasing the number of businesses agreed that the region should actively attempt to attract them. Suggestions relating to how to do so included greater efforts to improve infrastructure, make more industrial zoned land and more promotion of the district.

5.15 Are there obvious businesses missing from North Canterbury?

Respondents made the following recommendations:

- A light and heavy industrial park close enough to Christchurch of about 50 acres
- Large indoor swimming pool from Rangiora
- Small manufacturing businesses

5.16 Should more people be encouraged to live in the region?

Respondents were divided over whether more people should be encouraged to live in the district for the following reasons, with five agreeing and four disagreeing. Those who agreed did so on the basis that it was controlled, would bring a greater demand for services and good for the whole community. Those who disagreed noted that unless there was work available the risk of North Canterbury becoming more of a satellite town of Christchurch was a great risk, that it would change the lifestyle of North Canterbury and because the region could not sustain more people.

5.17 What factors discourage people from moving to North Canterbury?

The following reasons were cited by respondents:

- Poor roading (particularly with expensive petrol prices)
- Distance from Christchurch

5.18 Things Enterprise North Canterbury should be doing over the next three years to enhance the economic growth of the district

Respondents offered an interesting range of tasks that Enterprise North Canterbury may consider:

- Assisting businesses to apply for government grants

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- Assisting businesses with resource consent processes
- Provide motivational speakers
- Educate 'misguided' youth
- Become a lobby group to push council to get a cohesive plan to attract light industrial businesses to provide jobs for new people to avoid the risk of satellite status for North Canterbury
- Ensure that businesses take more risks employing young people as they need a start
- Continue training and workshops
- Provide management skills courses
- Nurture youth into trades