



# Quarter One Report 2023-2024

ChristchurchNZ Holdings Limited

ChristchurchNZ

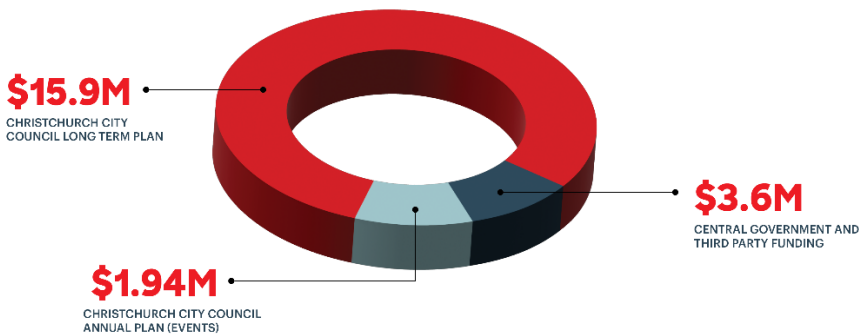


# Introduction

ChristchurchNZ (CNZ) is a council-controlled organisation (CCO) and a public benefit entity. ChristchurchNZ has an independent board with 7 directors (currently 8) including 2 Councillor directors. The company has ~75 permanent staff (74.3 FTE including fixed-term contracts).

The Council’s Long-Term Plan commits to providing fixed funding of \$15.9m per annum (2021 to 2031). For the 2023/24 year, this is supplemented by \$1.94m in funding from the Council for events, plus \$3.6m from the Crown and third parties.

## ChristchurchNZ Funding 2023/24



The CNZ Board has approved a budget of \$23m resulting in a planned \$1.56m loss for the year, funded from reserves.

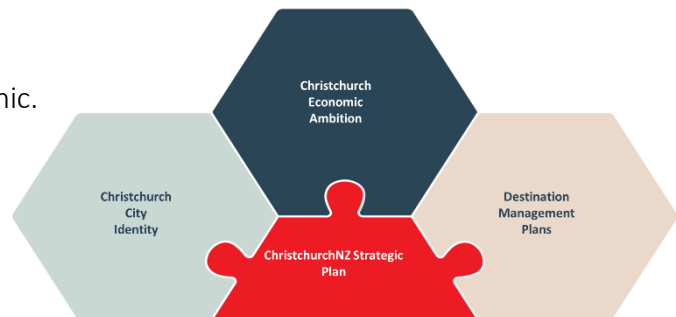
A [letter of expectation](#) is provided annually by Council and the Board develops an annual [Statement of Intent](#) outlining objectives, nature, and scope of activity, and performance measures based on the Council's expectations. CNZ reports on progress quarterly to the shareholder including a financial and activity update, information on health and safety practices, and current risks that may impact the performance of the organisation.

Christchurch NZ’s agreed **purpose** is: *To stimulate sustainable economic growth for a prosperous Ōtautahi Christchurch* on behalf of Christchurch City Council.

Work is informed by a strategic framework outlined in this graphic.

Measurable **outcomes** include an increase in Christchurch’s:

- Productivity
- Liveability
- Workforce
- Attractiveness



To deliver against outcomes ChristchurchNZ **uses a range of tools** including:

- Facilitating central government and local partner investment into Christchurch
- Building on our industry strengths through clustering and encouraging innovation
- Targeted investment in growing and sustaining small and medium sized businesses
- Urban development through place-led investment and partnerships
- Attracting major and business events, businesses, talent, international students and visitors
- Building the brand of Christchurch
- Providing the city with economic insights and leadership to enable evidence led decision making

# Economic Update

Detailed economic reports and a live economic dashboard can be found on the [ChristchurchNZ website](#)

## Economic Growth

Christchurch's economy grew 4.2 percent in the year to June 2023, compared to the previous year. GDP growth in Christchurch was higher than that of New Zealand as a whole, with New Zealand's economy expanding 3.1 percent over the same period.

## Labour Market

Christchurch's unemployment rate continued to fall during the June quarter, dropping to a nine-year low of 3.3 percent. This contrasted with the national unemployment rate, which increased to 3.5 percent over the same period. The labour force participation rate (the share of the working-age population that is employed or seeking employment) sat at 72.5 percent during the June quarter. This is slightly above the average participation rate in Christchurch over the last ten years. While the local labour market remains tight, indicators of labour demand point to a cooling in hiring intentions in recent months. In line with national trends, the number of jobs advertised online in Canterbury have fallen back by -21 percent from the record highs of last year. However, Canterbury job advertisements remain 20% above pre-COVID levels.

## Migration

Migration inflows into New Zealand from overseas have been very strong since the borders re-opened. Just under 11,000 people moved to Christchurch from overseas in the year to August 2023, an average of 900 people per month. An additional 4,200 people moved from overseas to the wider Canterbury area over the same period. Migration inflows have begun to support an easing of labour market pressures, with growth in the size of the labour pool expanding the pipeline of skilled staff. The number of Canterbury businesses that feel that labour market conditions have improved has lifted from 13 percent in May to 24 percent in August (Canterbury Employers Chamber of Commerce- Canterbury Business Survey).

## Retail Spending

Headline retail spending trends continue to display growth in Christchurch. In August 2023, the volume of electronic card spending increased by 7.1 percent from the same time in 2022. However, retail performance is uneven across different store types. In line with national trends, reductions in discretionary or 'non-essential' spending have started to show up in spending patterns in Christchurch. This reflects weakened consumer confidence and cost-of-living pressures on purchasing decisions. However, international visitor spending is partially offsetting reductions in spending by locals and domestic visitors.

'Discretionary spending' transactions, Christchurch (August 2023 vs August 2022)	
<b>Apparel &amp; Personal</b> Including clothing, footwear & jewellery stores	-1.8%
<b>Home &amp; Recreation Retail</b> Including furniture, homewares, garden, electronics, books & toy stores	-1.6%
<b>Other Consumer Spending</b> Including transport, arts & culture, leisure, accommodation, & other recreation spend	-10.1%

## Visitor Economy

Christchurch's international tourism sector has continued to recover, with international arrivals at Christchurch Airport sitting at 70 percent of pre-COVID levels in August. Arrivals have continued to climb closer to pre-pandemic levels despite sluggish recovery in Chinese demand for overseas travel (visitors from China made up 13 percent of arrivals in August 2019). Spending by international visitors is injecting spending into Christchurch's retail sector, with an additional \$292m in electronic card spending carried out by international visitors in the year to August 2023.

## KPIs and Levels of Service

ChristchurchNZ key performance indicators are measured six-monthly and are scheduled to be measured in Quarter 3.

At the end of quarter one, all 26 Levels of Service agreed with Council are on track to be achieved by year-end. See Appendix One for the Levels of Service.

## Financial Update to 30 September 2023

<b>CNZH Financial Summary</b> \$000's	<b>Actual to September 2022</b>	<b>Actual to September 2023</b>	<b>Budget to September 2023</b>	<b>Budget Variance</b>	<b>Twelve Months to June 2023</b>
		<i>Unaudited, per Management Accounts</i>			<i>Audited</i>
CCC Core Funding	4,075	3,975	3,975	0	15,902
Other Operating Revenue (including interest)	2,567	884	678	205	8,262
Operating Expenditure	(6,243)	(4,066)	(4,093)	(27)	(25,960)
Other Gain/(Loss)		-	-	-	21
<b>Total Surplus/(Deficit) before tax</b>	<b>400</b>	<b>793</b>	<b>561</b>	<b>232</b>	<b>(1,775)</b>
Total Assets	16,117	10,410			8,667
<b>Shareholder Equity</b>	<b>6,294</b>	<b>4,885</b>			<b>4,094</b>
<b>Shareholder funds/total assets</b>	<b>39%</b>	<b>47%</b>			<b>47%</b>

ChristchurchNZ had a budget variance of \$232k at the end of Q1 which is due to the early release of \$233k of central government regional event funding, passed on to the regional districts. At the end of Q1 ChristchurchNZ has spent 13% of the programme activity budget vs an expected expenditure of 13%. Due to the seasonal nature of some of our work it is expected that 63% of the programme activity budget will be spent in Q2 and Q3.

Notes:

- i) The Urban Development Function (which includes Place Led Investment and Property & Partnerships) continues to operate under a contract for services with DCL. The amalgamation is expected to occur by the end of the calendar year.

## ChristchurchNZ Operating Model



## ChristchurchNZ Highlights for Quarter 1 (July - September 2023)

## Destination and Attraction

### Business Events

The first quarter has had a positive start - 25 bids achieved with an Estimated Visitor Spend of \$16.9M.

The highlight is the 8th Adaptation Futures Conference, which is part of the United Nations World Adaptation Science Programme. This is an international conference that will bring together 1500 of the world's top climate change scientists, indigenous scholars, and policymakers to Christchurch in 2025.

Another significant international conference win announced in Q1 was the International Play Association World Triennial Conference 2026 – dovetailing perfectly into the unveiling of the new city brand.

Domestically – Christchurch has won the hosting rights for the Australasian Society of Association Executives Linc Conference, strategically an important win as the conference will bring approximately 150 Association Executives who make decisions on conference destinations for their organisations to Christchurch in September 2024

### Visitor Attraction

ChristchurchNZ organised and hosted an Auckland Showcase with 45 partners/exhibitors and 130 trade attendees. Three famils from Australia were hosted in partnership with Emirates and Christchurch International Airport (retail agents, media, and cruise execs).

ChristchurchNZ also partnered with West Coast and Tourism New Zealand to present the city and International Marketing Alliance (Canterbury region) to travel specialists in the US ahead of the direct United Airlines flight from San Francisco.

isite reopening in the central city, with support from ChristchurchNZ, the Visitor Information Network awarded the isite licence for Christchurch to The Grand, which will open in Cathedral Square ahead of the upcoming cruise ship season.

### Major Events

Post-event evaluation of Cirque Du Soleil Crystal finalised – the event generated 13,552 visitor nights and \$2,787,088 in visitor spend in Christchurch.

Silver Ferns v England Roses - Tiani Jamison Test Match was successfully delivered at Wolfbrook Arena with a capacity crowd attendance of 4,836 and pre-match community activation with the Silver Ferns.

CNZ attracted investment through Hine te Hiringa – Empower Women to utilise FIFA Women’s World Cup 2023 fund and multiple events and projects were undertaken. Events included the commissioning and creation of the Wāhine Toa mural on Hereford Street, which celebrates the lives, achievements, legacies, and impact of a group of influential, change-making wāhine toa from Christchurch’s history. As well as partnering with the Christchurch Foundation for their 130th suffrage anniversary high tea event held at Te Pae.

## City Narrative and Promotion

**City Brand** – ChristchurchNZ is working alongside Christchurch International Airport, TourismNZ, and Mana Whenua to showcase and integrate the new city brand at Christchurch International Airport as part of the visitor’s arrival experience. Anticipating that this will be operational for the commencement of the start of the summer tourism season.

Fieldwork has been completed to get a baseline understanding of associations with the city identity across residents, visitors, potential talent, and business. The report has been developed and will be presented to key stakeholders. This will then inform the next phase of the City Brand implementation.

**On Show** - Our citywide spring campaign launched on 7 August and runs through until October. On Show brings together attractions, fashion, concerts, sports, and the beauty of spring under one campaign.

The core objective for the campaign is to drive visitation, resident engagement, and event attendance for Ōtautahi Christchurch during Spring as well as:

- Increase visitation to Christchurch City over the spring season
- Present Christchurch as a vibrant and exciting city by highlighting the events and attractions on offer
- Position Christchurch as THE spring destination, a season we own and are known for

The campaign is on track to hit all campaign KPIs - 4 million impressions, 250,000 engagements, 25,000 plays for our hype reel, and 40,000 pageviews on our spring landing page. We have received over 2,500 entries to our ON SHOW Ultimate Christchurch Getaway Competition.

This past quarter has seen our **PR and media** efforts result in 151 stories with a potential reach of ~ 143 million people and an Advertising Value Equivalency of approximately \$1.32M.

## Innovation and Business Growth

### Clusters & Sector Growth

#### Innovation Week “Innovate Ōtautahi”

ChristchurchNZ created an overarching framework (Innovate Ōtautahi) to support the city in positioning itself as a national innovation hub. The framework supported three major Innovation events in the city, attracting over 8,000 attendees over the week:

1. Canterbury Tech Summit (Key sponsor)
2. Aerospace Summit - Strategic events partnership with AerospaceNZ to anchor the Aerospace Summit in Ōtautahi for 2023 and 2024
3. Innovation Expo - Supported Smart Cities to attract businesses to showcase at the event, and ran 2 workshops with central government for educators to demonstrate innovation happening in the city

#### Health Tech Sector set for growth

Health tech is one of Christchurch’s focus clusters. ChristchurchNZ has partnered with Te Papa Hauora and the Health Technology Centre to establish a vision for health tech innovation in Canterbury. We are working with MedtechIQ Aotearoa, a national network of medical device/digital health innovation hubs with a focus on accelerating the MedTech innovation ecosystem nationally, and creating the infrastructure needed to de-risk, seed, and accelerate new concepts in medical devices/digital health technologies through an Ōtautahi Hub.

Delivered the HealthTech Challenge in partnership with the University of Canterbury. This is a 10-week Validator that helps individuals and teams with an idea, research or non-commercialised product or service to develop commercially feasible solutions for the health sector. 18 ventures will have the opportunity to access a \$10,000 cash prize pool, and an in-kind support package to take their venture to the next level.

## **Business Sustainability & Growth**

### Christchurch companies maximising central government funding

The ChristchurchNZ business advisors work one on one with local businesses, to understand the business and provide support, advice and connections to help local businesses grow.

One of the programmes we deliver is the Callaghan Innovation Ārohia grant program, which provides central government funding to companies to facilitate the commercialisation of innovation. There are two parts to this program:

1. A seed grant which is up to \$25,000 per company to advance its innovation.
2. A full grant which is a contestable grant, with a funding value of between \$100k and \$4 million, to assist with activities related to taking an innovation to market.

ChristchurchNZ advisors have supported approximately 60 businesses through Seed Grant applications since 1 July with 12 successful applicants and total funding of \$300k to Christchurch businesses.

The team has worked with 102 businesses to prepare applications for the full grant. The decisions on the full grants are pending, and we are optimistic that several Christchurch companies will be successful.

## **Screen Office**

### Final Screen Canterbury grants awarded

Screen Canterbury completed the 6<sup>th</sup> and final round of incentive grants designed to attract film productions to the region. This was another competitive process, and two productions were each awarded \$200,000. These productions will employ an estimated 85 people and both projects will exceed \$6M spend in the region.

## **Urban Development**

### **Sydenham Yard**

Barnett Avenue settlement has been completed with site enabling and demolition works underway. Strong interest from the market as part of the Expression of Interest process in the development of sustainable housing, including affordable and community options and will contribute to the creation of a comprehensive residential development of 60 to 80 homes at Sydenham Yard.

### **New Brighton**

The future of New Brighton's Roy Stokes Hall as a much-loved community hub was secured with the appointment of the Youth Alive Trust to take stewardship of the centre.

Engagement with the community on the planned demolition of 56 Brighton Mall (the old Westpac building) in New Brighton supporting progress on opening up the north-south corridor. The announcement of work getting underway drew positive attention from the community.

### **Central City**

Supported the inaugural Fire on High event. This saw an estimated 4,000 people attend a BBQ-focused street festival in Central Christchurch. There was positive media coverage and feedback from suppliers indicated big aspirations for the future of the event.

## Organisational Risks

ChristchurchNZ regularly reviews organisational risks and discusses these with the Health, Safety, Audit and Risk Committee of the Board. The following are the risks (and planned mitigations) that may impact the Shareholder.

	Risk	Description	Mitigation
1.	Economic Volatility/ Recession	Economic Volatility/Recession impacting financial, business interruption, reputation, and corporate objectives	Economic Development Strategy, clear vision, and outcomes agreed for CNZ (Statement of Intent) purposeful investment and prioritisation, place brand development, government contracts in place to support recovery and repositioning activity, appropriate use of CNZ reserves.
2.	Political/Social licence	Stakeholder disengagement impacting on financials, opportunity cost, external relationships, reputation, and corporate objectives	Clear vision and outcomes agreed (Statement of Intent), clear roles/responsibilities (social licence to operate), performance story (reporting, website, media) including return on investment, strong relationships with mana whenua.
3.	Climate Change	Work programme/project impacted by climate change; planning required for climate change	Regenerative Economic Development Ambition, increase support for business sustainability, programme, and project prioritisation, working with Council on coastal adaptation plan and destination management plans.
4.	Disaster/ Business disruption	Business / Work Programme disrupted by a disaster impact on financial, Health, safety and well-being, business interruption, reputation, and corporate objectives	Business continuity plans in place, strong remote working capability, Cloud backup in place, strong and regularly updated/communicated emergency response plan, and insurance.

## Upcoming Operational Risks

**Business events** - The opportunity to bid for international conferences especially from our key market Australia remains strong, however increased competition (eg Takina Convention Centre, Wellington) and limited accommodation inventory across key months is impacting conversions. This will be mitigated through targeted event bidding.

**isite** — The official opening date for The Grand has been delayed due to a funding shortfall and building material delays. A temporary site has been established to support visitor services until the building can be opened.

**Major Events** - World Buskers Festival central city busking site locations are at risk due to the scope of work being carried out on the carpark behind the (old) Rydges. The noise and dust will impact the traditional Scott Statue and The Green busking sites. Currently investigating alternative sites for two new pitches.

**Regional Business Partner Programme** – Central government voucher funding to support business growth is constrained, we will need to work within the constraints to get the best value.

**Antarctic Office** - The city as a gateway continues to have ongoing stakeholder challenges (Fuel + Accommodation). The pausing of the Scott Base Rebuild (Antarctic NZ) will impact on commercial activity and potentially disrupt the Antarctic community.

### Screen Office

New Australian film incentives have the potential to make filming in Australia more attractive for international productions.



## ChristchurchNZ Expected Highlights – Quarter 2

### Business Events

In December the bid is to be submitted for Christchurch to host APCS 2025. In October a Christchurch delegation inclusive of the Mayor, CCC CE & Ali Adams attended the 2023 Asia Pacific Cities Summit and Mayoral Forum.

### Major Events

FAST5 World Netball Series 11-12 Nov

Freestyle Kings 2 December (new event for ChCh) and Terrace Jump PR Stunt 14 Nov (Cup Day).

### Visitor Attraction

Final consultation and approval for the Destination Management Plans and Cruise season opens on 7 November

### City Narrative and Promotion

The City Brand is a finalist in two awards:

- Economic Development NZ Awards – Best Practice for Primary Research.
- City Nation Place Awards – Place Brand of the Year (Global)

The design for the new look Christchurch International Airport arrivals lounge featuring the City Brand will be completed and signed off. The Airport will begin rolling out the implementation based on their arrivals schedule.

### Clusters and Sector Growth

The Christchurch Aerospace city strategy will be finalised, setting an aspirational vision for the city with specific operational plans to deliver a thriving Aerospace industry. This strategy will inform any Christchurch proposals for city deal partnerships with central government.

### Business Sustainability & Growth

The team will finalise the cities Innovation and entrepreneurial ecosystem Strategy and begin implementation. Announcement of Ārohia Full Grant recipients - first round.

### Christchurch Antarctic Office

The Antarctic season opening is a big focus for the Antarctic office, the team will deliver a programme of events aligned with the city's Antarctic strategy. We are continuing to position Christchurch as the preferred Antarctic gateway for international programs to access the Ross Sea.

### Screen Office

Screen Canterbury is partnering with SKY Originals, the content arm of SKY TV, to create an event to connect the local creative community to pitch projects to Sky.

### Sydenham Yard

Preparation of land for development ahead of work starting on a NIWA research facility, key infrastructure upgrades, and a sustainable residential housing development. This will include demolition and land clearing, establishment of hoardings and engagement activities to involve the local community, and progression of discussions with interested developers to consider options for residential development.

### Economic Ambition

Focus on implementing the engagement plan to get other organisations across the city to work with us on the implementation of the ambition.

## APPENDIX ONE - CHRISTCHURCHNZ PERFORMANCE MEASURES 2023 – 2024

### Levels Of Service Quarter 1 Results (July – Sept 2023)

LEVEL OF SERVICE MEASURE		TARGET 2022-23	STATUS	ACTUAL	COMMENTARY
<b><i>Build innovation &amp; entrepreneurial strength</i></b>					
1.0	Number of Initiatives to Support Industry Cluster Development	6 initiatives	Will meet target		
1.1	Number of start-up/scale-up companies supported to grow innovation and entrepreneurship capability aligned with priority focus areas	40 companies	Will meet target		
1.2	Number of employment opportunities that have been attracted to the city	100 employees	Will meet target		
<b><i>Build a productive knowledge city to grow decent work</i></b>					
2.0	Number of initiatives that deliver better education outcomes and skills development to meet industry needs and lead to high-value decent work	4 Initiatives	Will meet target		
<b><i>Partner with mana whenua to support growth in Māori prosperity and self-determination</i></b>					
3.0	Number of initiatives delivered in partnership with mana whenua and Te Runanga o Ngāi Tahu entities to grow the value of the Māori economy deliver intergenerational prosperity and create decent work	2 initiatives	Will meet target		
<b><i>Ensure Christchurch businesses have access to comprehensive advice &amp; support to grow competitiveness, resilience &amp; sustainability</i></b>					
4.0	Number of initiatives delivered with local and central government agencies to drive and advocate for competitiveness, resilience, and sustainability (including carbon footprint reduction) of Christchurch and Canterbury organisations	4 initiatives	Will meet target		
4.1	Number of Christchurch and Canterbury businesses accessing support, mentors, and advice provided in partnership with central Government and industry and peak bodies, including the Chamber	500 businesses access business support or advice	Will meet target		
4.2	Satisfaction of businesses accessing support or advice services	Net promotor score for business support services is +50 or greater	Will meet target		

LEVEL OF SERVICE MEASURE		TARGET 2022-23	STATUS	ACTUAL	COMMENTARY
4.3	Value of Central government or private sector funding secured into economic development activities	\$1,750,000	Will meet target		
<b>Realise greater value from Christchurch's Antarctic Gateway</b>					
5.0	The Antarctic Gateway Strategy progress report is produced annually and is available on the CCC website	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Will meet target		
5.1	Number of businesses in a business network which secures higher revenues from the National Antarctic Programmes	100 businesses in the network	Will meet target	76 members	
<b>Develop Christchurch as an attractive destination</b>					
6.0	The Number of initiatives delivered that focus on developing Christchurch and Canterbury as a more attractive and sustainable visitor destination in partnership with third parties where joint outcomes can be amplified	4 initiatives	Will meet target		
6.1	City bids prepared to attract business events to Christchurch in line with the business event strategy	50 bids	Will meet target	25 bids	
6.2	The success rate of bids for business events	At least 37.5% success rate	Will meet target		
6.3	Assess portfolio of events supported against the Major Events Strategy	Annual report on the performance of the major event portfolio against the Major Events Strategy	Will meet target		
6.4	Number of destination product offerings, experiences, or itineraries developed and supported which embed the city narrative	5 destination products	Will meet target		
6.5	Number of screen enquiries attracted and supported, with a view to growing Canterbury's market share of screen GDP.	100 screen enquiries	Will meet target	22 Enquiries	The writers' strike has impacted on this measure.
6.6	Number of screen productions attracted to Christchurch through a grant fund	At least 1 production	Will meet target		
<b>Ensure Christchurch is well positioned as a Confident City that is attractive to businesses, residents, visitors, students, and potential migrants</b>					
7.0	Number of people using city narrative assets and content to tell the Christchurch story integrated with their own organisation or business story	5000 Toolkit asset downloads	Will meet target		



LEVEL OF SERVICE MEASURE		TARGET 2022-23	STATUS	ACTUAL	COMMENTARY
7.1	Number of engagements on ChristchurchNZ-owned digital channels and platforms	4 million	Will meet target		
7.2	The number of engagements with trade agents and investors in priority markets and sectors.	60 engagements with trade agents or investors	Will meet target	23	23 engagements completed in Quarter 1
<b><i>Provide leadership in inclusive and sustainable economic development for Christchurch</i></b>					
8.0	City economic strategies are reviewed and approved in the context of Greater Christchurch 2050 Strategic Framework and Goals	To be requested and confirmed through the annual letter of expectation and statement of intent process.	Will meet target	No Strategies were requested this financial year	
8.1	Number of economic research and insights reports delivered to provide city partners with robust evidence base on which to base strategies and investment decisions	12 economic reports are produced	Will meet target	6	6 economic reports are produced
8.2	Number of people actively engaging with ChristchurchNZ economic and strategic insights	Deliver economic information to at least 1,000 people through presentations and online information	Achieved	1688 people	
8.3	Number of reports on the feasibility of urban development proposals and projects	At least three opportunities for urban development are identified and assessed for feasibility	Will meet target		
8.4	Deliver existing urban development programme (New Brighton) and develop pipeline of urban development projects utilising Council family-owned property or other acquired property	New urban development projects added to the pipeline in line with the strategy	Will meet target		