



Quarter One Report 2024-2025

1. Executive summary

This Quarter One (Q1) report provides key data about the city's economic position and activity, and highlights some of the projects ChristchurchNZ (CNZ) has been leading or involved with – working towards our three outcomes for Ōtautahi Christchurch, of increasing:

- Productivity
- Liveability
- Attractiveness.

Our region continues to rank highly on **liveability** measures, with new research finding that wellbeing levels are higher in Canterbury than they are both nationally and in the other major regions. Canterbury outperforms most strongly on housing measures.

Strong business growth over the last year also points to the **attractiveness** of the region for enterprise. Business growth in Canterbury has accounted for 23% of national business growth in the last year, despite making up just 13% of New Zealand's businesses overall. Two significant high-productivity businesses will be making announcements about growth in the city in Q2, and we expect these to be public by the time this report is delivered.

The breadth of CNZ's interventions and contributions to Ōtautahi Christchurch economic development is outlined in this report. From supporting local Cleantech innovators to take their solutions to global markets to hosting a Cannes Festival-award-winning Indian film director on a familiarization visit, CNZ has a wide portfolio of programmes and works alongside national and city partners, businesses and industry sectors.

We report on positive survey results on the cruise industry's impact on local business and highlight recent research that estimates Antarctic-related activities brought \$328.8 million to the Canterbury economy in 2023. We also report on increased city brand health scores following the launch of our new city identity 18 months ago – reflecting Ōtautahi Christchurch's strength of attractiveness and potential for economic growth.

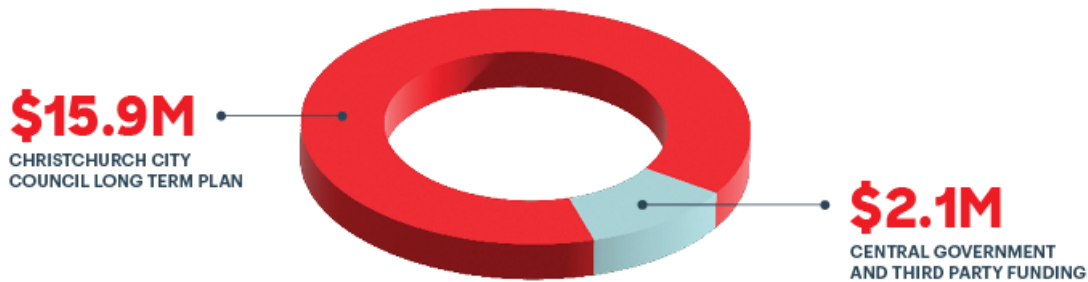
2. About ChristchurchNZ

Structure and funding

CNZ is a Christchurch City Council-controlled organisation and a public benefit entity. It is a wholly owned subsidiary of CNZ Holdings Ltd with a common board. CNZ delivers economic development services as set out in the Levels of Service in the Council's Long-Term Plan. CNZ has an independent board including two Councillor-appointed directors. The organisation has ~73.5 FTE equivalent staff.

We are funded primarily by our shareholder, Christchurch City Council, with \$15.9m in LTP funding for the 2024/25 year plus \$2.1 million from the Crown and third parties. The Board approved a budget of \$18.8 million resulting in a planned deficit of \$0.65 million, funded from reserves.

In addition to the core funding provided through the LTP, the council has approved funding for events and the screen grant (Yr1 \$400,000). The terms of this funding are currently being discussed with Council staff.



Strategic direction and delivering on outcomes

CNZ's purpose is: Together we're shaping an economy where people and places thrive.

The Council provides an annual [Letter of Expectations](#) to CNZ. In response, the Board develops an annual [Statement of Intent](#) outlining objectives, nature, scope of activities, and performance measures based on the Council's expectations.

This report provides a quarterly update on how we are implementing our shareholder-approved core strategic directions, through our strategic framework:



- encouraging regenerative economic growth, as set out in the Christchurch Economic Ambition
- strengthening the City Identity locally, nationally and internationally, and
- partnering with stakeholders and local communities to deliver the Destination Management Plans for Ōtautahi Christchurch and Te Pātaka o Rākaihautū Banks Peninsula.

This framework drives progress towards measurable **outcomes to increase** Christchurch's

- Productivity
- Liveability
- Attractiveness.

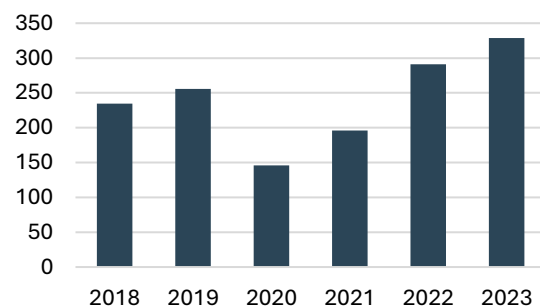
3. Productivity – what’s happening?

Economic update

Economic growth has continued to slow. While national GDP growth has fallen into contraction (down -0.2% over the year to June 2024), GDP growth has remained flat in Christchurch at 0.0 percent. Despite this lack of growth, recent cuts to the OCR and easing inflationary pressure have supported a lift in business and consumer confidence. ANZ’s Business Outlook survey indicates that confidence among Canterbury businesses has lifted to its highest level since 2013.

New research by the Agribusiness and Economics Research Unit (AERU) at Lincoln University and co-sponsored by CNZ indicates that the economic value of Christchurch’s role as an Antarctic gateway city has increased significantly in recent years. The total contribution of Antarctic-related activities to the Canterbury economy lifted to \$328.8 million in 2023, up 12.9 percent or \$37.6 million from 2022. This reflects the economic value of National Antarctic Programmes, tourism and events, fishing, education and research, and Antarctic heritage activities in the region. Antarctic-related employment accounted for almost 3,300 full-time jobs in Canterbury in 2023, up from approximately 2,900 jobs in 2022.

GDP Impact of Antarctic-related activities in Canterbury (\$m)



Source: AERU

City progress and ChristchurchNZ’s contribution

Antarctic gateway value

CNZ facilitates the Canterbury Antarctic Network (CAN), which currently has 100 member organisations. They either supply services to or are directly involved with Antarctic national programs, using Christchurch as their primary gateway.

The AERU research (see above) shows the significant contribution of this gateway activity to the city’s economy. The Christchurch Antarctic Office, which sits within CNZ, continues to work with the Council’s Civic and International Relations team on national programmes’ hosting and welcome activities, and works with the recently established city Antarctic Leadership Group of key stakeholders to optimise gateway opportunities, protect and retain this economic value for the city.

Cleantech global innovation

CNZ is a delivery partner for Callaghan Innovation, which supports national business innovation programmes. One of the programmes, the Arohia Trailblazer grant, provides government funding for innovative New Zealand technology companies to scale-up and go to market.

Christchurch has a cluster of Cleantech businesses innovating to solve global problems. CNZ's business growth advisors have supported two local companies among seven national recipients who received a total of \$17.5 million government funding:

- Fabrum Solutions Limited's technology focusses on the decarbonisation of transport emissions via green hydrogen; current projects will contribute to decarbonising the heavy transport industry globally.
- Zinccovery Process Technologies Limited is working to bring the first 100% recycled, low carbon and high purity zinc product to the market. This is enabled by their innovative zinc recycling technology that avoids the use of fossil fuels, reducing emissions by up to 95% and processing costs by 45%.

Screen industry attraction

Screen CanterburyNZ, which is the regional film office and operates as part of CNZ, has agreed a strategic partnership with Koawa (University of Canterbury Digital Screen Campus) to evaluate and maximise production and student attraction opportunities that the Indian film industry presents for Christchurch.

India produces more than 2,700 films each year. With more than 2.5 million people working in the Indian screen industry and an average film budget of USD15 million (EY Media and Entertainment report), this rapidly growing industry presents a significant opportunity to grow the New Zealand screen industry and attract international students to Christchurch.

Indian filmmakers regularly produce films offshore, but there is currently little knowledge of New Zealand and Canterbury as film destinations. Following market research, carried out in partnership with the University, Screen CanterburyNZ has developed material targeted at the Indian market, highlighting our locations, facilities and incentives.

MOUs are in progress with the Producers Guild of India, the Indian Motion Pictures Producers Association and the Telugu Chamber of Commerce; connections have been made with Indian Production companies Annapurna Studios and Whistling Wood regarding student exchange programmes; and Screen CanterburyNZ arranged a familiarization visit to Christchurch by Mohana Nadar, a Cannes Film festival award winning Indian producer.

Aerospace and innovation sectors

Innovate Ōtautahi is a CNZ-developed brand used to promote a week of innovative business events in Christchurch – the Canterbury Tech Summit, the National Aerospace Summit and the Smart

Cities innovation expo. The brand positions Christchurch as an innovative city but also encourages collaboration between the events, helping delegates to attend more than one event. It promotes local business and attracts investment to the city. It highlights city strengths in our start-up community, aerospace, and tech sectors. This year, Innovate Ōtautahi engaged with more than 11,000 people, with 109 keynote business speakers, and 127 exhibitions across the three events.

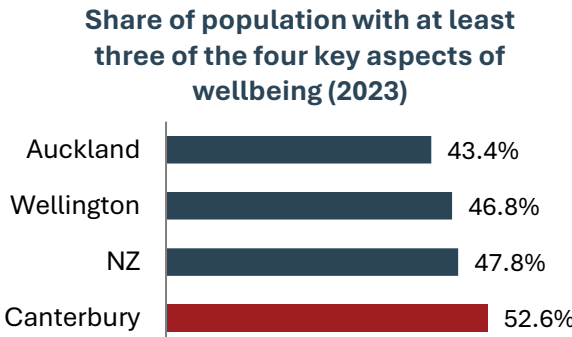
The National Aerospace Summit held in September showcases Christchurch’s innovations in aerospace, bringing together scientists, entrepreneurs, investors, and government officials. Over the past three years, the summit has seen significant growth, doubling its attendance from 300 participants in 2022 to more than 650 in 2024. Next year, the event is set to attract 1,000 attendees, thanks to a partnership with an international aerospace conference held in Sydney. CNZ is collaborating with Aerospace New Zealand to maximize the strategic and commercial benefits for the city.

Liveability – what’s happening?

Economic update

Recently released data from the 2023 Census indicates that the number of people living within Christchurch’s Four Aves has increased by just over 2,200 people or 38% from the last Census (2018) and is now above pre-quake levels.

Insights from Statistics New Zealand’s recent bi-annual Wellbeing Survey indicate that overall wellbeing levels are higher in Canterbury than they are nationally and in the other major centres. Four aspects of life have a strong relationship with wellbeing in New Zealand - health, income, social connection, and housing. Canterbury outperformed the national average most strongly in the housing measure in 2023, highlighting the higher quality housing stock in the region. Cantabrians were more likely to report that their homes were warm, dry, and not in need of repairs or maintenance. People in Canterbury were also more likely to feel that their income was adequate for meeting their everyday needs. Average incomes in Canterbury tend to sit below the national average, meaning this stronger affordability performance reflects Canterbury’s comparatively lower cost of living.



Source: Statistics NZ

City progress and ChristchurchNZ's contribution

New Brighton Regeneration Project

In New Brighton, private developer Martini Investments' planned redevelopment of the laneway buildings at the north-east end of the mall includes construction of new buildings for hospitality, retail, and entertainment. In the short-term, the focus is on the Pierside building with work on a co-working space and gastropub expected in coming weeks. This, alongside the Community Leadership Group's plans for the Village Green development and progress on new housing developments, is delivering on the New Brighton Regeneration Project to spur private action and investment following significant development work led by CNZ (and previously DCL).

Sydenham Yard

CNZ has delivered additional technical work to support negotiations on the residential development. The key challenges are addressing site contamination and meeting the Council requirement for community housing given Government funding uncertainty.

Lyttelton Stables site

CNZ's investigations into options for a mixed-use redevelopment of the heritage Lyttelton Stables site on Norwich Quay and Donald Street — potentially including housing, hospitality and entertainment, community workspaces and consideration of heritage restoration — received support from the Te Pātaka o Rākaihautū Banks Peninsula Community Board. Early technical and commercial feasibility work have confirmed the opportunities and discussions are underway with Council staff to agree next steps and how the work will be managed.

Central city activations

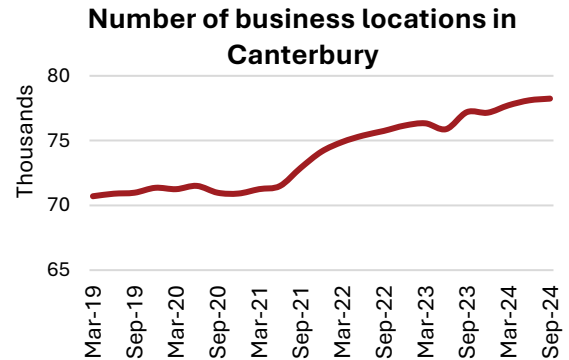
CNZ-led urban activation on key Central City projects is showing positive outcomes:

- Street Art – with funding confirmed in the LTP, CNZ is working with Watch this Space and Flare on delivery with the first artworks being installed in Welles Street and at New Brighton. Planning is now well underway for the Flare Festival in March 2025 and the Little Street Art Festival in December. The project is receiving positive local and media interest.
- Creative Illumination Strategy – the vision is to 'Transform the Central City into a global nighttime destination showcasing our arts and culture through Creative Illumination'. Work is now underway on shaping the actions and implementation plan with city partners. (Noting that Councillors have requested a briefing to take them through the vision and next steps.)
- Walk City – the draft Christchurch Walk City concept is being developed by Action Reaction Central City (ARCC) / SALT trust. This will create a series of curated Central City walks, leading people to key destinations and telling stories, virtually and with signage, that celebrate our past, present and future.

4. Attractiveness – what’s happening?

Economic update

The number of businesses in Canterbury increased by just over 1,000 in the September quarter compared to the same time in 2023. Business growth in Canterbury accounted for 23% of national business growth over this period, despite making up just 13% of New Zealand businesses overall. This highlights the ongoing ability of the region and local business community to attract and sustain business, despite a more challenging economic climate.



Source: Statistics NZ

The Canterbury Region recorded a net migration gain of 9,300 people over the year to June 2024. International migration accounted for 66% of this net gain, while domestic migration made up the remaining 34%. Canterbury experienced the highest regional net gain from domestic migration for the sixth year in a row (3,200 people). Christchurch City recorded a total net migration gain of 3,900 people. This was entirely driven by international migration, while net gains in Selwyn and Waimakariri were mainly driven by domestic migration.

City progress and ChristchurchNZ’s contribution

City brand score up

The new city identity was launched in May 2023, followed by a marketing campaign. The brand has been adopted by key stakeholders such as Christchurch International Airport, who we have partnered with to incorporate on brand story-telling in the international arrivals area.

Our recent market research surveyed public perception of the City brand and its impact on Christchurch’s image. The results show a 3.6% increase in the City Brand Health score, with positive shifts among residents and Australian audiences.

- Our brand score for Christchurch residents has increased from 57.1% to 62.5%. 81% of residents are proud of their city, up 6% from last year. 82% would recommend Christchurch as a place to live, also up 6% from last year. Perception of livability continues to be strong for residents.
- Residents like the green spaces, outdoor options, ease of getting around and how great the city is for families. They dislike the lack of public transport (and want it to be better/cheaper), lack of major sports events, lack of music events and lack of arts/cultural events to attend.

- Our brand score for Australian travelers has increased from 9.3% to 11.7%. Net consideration to visit Christchurch by Australians has increased from 81% to 86% and consideration to live has increased from 35% to 42%. We are also seeing a reduction in references to earthquakes.
- Our brand score for domestic travelers has decreased from 29.8% to 25.6%. This is consistent across all other cities except Auckland. We believe reduction in this market is driven by the recession and cost of living. We still have the strongest brand score of all main centres.

As a result of our Air New Zealand and Christchurch International Airport-partnered spring visitation campaign, total passenger bookings for all Christchurch routes increased by 103% within our sale's targeted travel periods, versus the prior five-week average.

Over this period, our media activity generated 262 pieces of coverage attributable to CNZ, with a total reach of 404.12 million people and an Advertising Value Equivalency of \$3,738,215. Highlights included the RNZ article "[Is Christchurch the coolest place in Aotearoa](#)" as well as the 6-page Kia Ora magazine spread "New tricks". (The latter was worth \$40,000 but we secured it at no cost.)

Cruise survey results

Recent survey data from NZIER estimates cruise passenger expenditure in Christchurch and Canterbury at \$23-\$35 million p.a. In summary:

- 61% of passengers surveyed are very likely to return to the city; another 25% say they are likely to return.
- 65% of businesses surveyed say cruise has a positive or very positive impact on their business.
- 75% of locals surveyed consider cruise important or extremely important for our economy (via the Council's "Life in Christchurch" survey).

Starry destination attracts off-peak visitors

CNZ successfully pitched Kura Tawhiti/Castle Hill to Tourism New Zealand (TNZ) as the location for "Stargazing" – an event designed to promote our dark skies, stargazing, and local food provenance. It was the first in a new global PR campaign by TNZ for off-peak seasonal attraction. CNZ facilitated the connection between TNZ, Ngāi Tūāhuriri and the private landowner where the event was held.

Stargazing hosted 46 key opinion leaders and media from 10 key markets for 2 – 3 days, resulting in a large amount of social media content featuring Christchurch and Canterbury. For our city, it was a significant opportunity to promote our accommodation, hospitality, and experiences to influential media and content developers. See: [‘Stargazing’: Canterbury set to shine with new campaign promoting star tourism and food.](#)

5. Organisation – performance results

KPIs and Levels of service

CNZ's key performance indicators (KPIs) are measured six-monthly and are scheduled to be measured in Quarter 3, refer to Appendix One, which contains a list of CNZ's KPIs and Targets.

At the end of Quarter 1, all nine Levels of Service agreed with Council are progressing well and are expected to be achieved by year-end. For a detailed overview, refer to Appendix Two, which contains the complete list of CNZ's Levels of Service.

6. Quarter 1 Financial summary to 30 September 2024

ChristchurchNZ Holdings Financial Summary \$000's	Actual to September 2023	Actual to September 2024 <small>Unaudited, per Management Accounts</small>	Budget to September 2024	Budget Variance
<i>CCC Core Funding</i>	3,975	3,975	3,975	0
<i>Other Operating Revenue (including interest)</i>	884	662	681	(19)
<i>Operating Expenditure</i>	(4,106)	(3,902)	(3,848)	(17)
Total Surplus/(Deficit) before tax	753	736	772	(36)
<i>Total Assets</i>	10,554	8,427		
Shareholder Equity	4,845	6,325		
Shareholder Equity Ratio	46%	75%		

CNZ Finance Update

The net position for Q1 was a surplus of \$735,661 which is \$36,318 or -5% less than budgeted, this is due to a timing difference. There has been a year-on-year decrease of total assets due to a reduction in third party income. This income, in particular Regional Events Funding, was received in advance of expenditure and held in term deposits until required. Shareholder equity has increased year on year due to shareholder funding allocated for major and business events not being spent in the year. These funds are tagged and are being held in reserve for allocation when event payments are due.

7. Risk management

CNZ regularly assesses and reports organisational risks to the Board and the Health, Safety, Audit and Risk Committee. High-level organizational risks reported during the quarter:

	Risk	Description	Mitigations
1	Climate Change (10 years plus)	Work programme/projects/social licence impacted by climate change.	Regenerative economic development Ambition, increasing support for business sustainability programme, working with the Council on coastal adaptation plans and destination management plans, CNZ internal emissions targets
2	Economic Volatility/ Recession	Economic volatility/recession impacting economic development outcomes.	Clear purpose and outcomes in the Economic Ambition and Statement of Intent. Purposeful investment through proactive and reactive prioritisation of work programmes. Development of long-term financial sustainability strategy.
3	Disaster/ Business Disruption	Business / Work programme disrupted by a disaster impacting on finances, health, safety and well-being, business interruption, reputation, and corporate objectives.	Business continuity plans in place, strong remote working capability, cloud back-up, strong and regularly updated/communicated emergency response plans, and insurance cover.
4	Cyber Attack	Phishing, DDoS (direct denial of service), ransomware or other cyber-attack impacting on the business	Regularly tested systems and tools and ongoing regular training/education/testing for all staff to reduce risk, business continuity plans in place, cloud back-up, and appropriate insurance cover.
5	Urban Development Mandate	Mandate for urban development functions and capitalisation from the shareholder is delayed, impacting on CNZ's ability to engage with stakeholders, deliver projects and meet commercial contract obligations.	Service level agreement with DCL, governance process for approvals in place, ongoing regular engagement with CCHL and CCC. Targeted stakeholder engagement to reduce risk, ongoing communications plan.
6	Major Events Mandate and Funding	Uncertainty of funding for major events, impacting on long term planning and commitments.	Ongoing communication and engagement with Events City Partners Group for event planning, advocacy and approvals.

Appendix 1: ChristchurchNZ KPIs and Targets

KPI MEASURE	TARGET 2024-25	STRETCH TARGET
Long-lasting job creation supported by ChristchurchNZ	180 FTE jobs	220 FTE jobs
Short-term job creation supported by ChristchurchNZ through events, urban development, and screen activity	320 FTE jobs	350 FTE jobs
Estimated value of GDP contribution attributable to ChristchurchNZ activity	\$40 Million	\$60 Million
Contribution to visitor spend supported by ChristchurchNZ*	\$27 Million	\$30 Million
Value of investment into Christchurch supported by CNZ. (excluding local government)	\$35 Million	\$65 Million

Appendix 2: Levels of Service Quarter One results (1 July – 30 September 2024)

LEVELS OF SERVICE MEASURE	TARGET 2024-25	REMEDIAL ACTION
Targeted Innovation Investment and Business Support		
Partner with Mana Whenua to support growth in Māori prosperity and self-determination	2 initiatives	●
Ensure Christchurch businesses have access to comprehensive advice and support to grow competitiveness, resilience, and sustainability.	800 businesses access business support or advice	●
Attraction of external investment for sustainable economic development service	\$1,500,000 external investment	●
Activating Assets, the Central City and Strategic Locations		
Prepare City bids to attract business events to Christchurch	30 City bids	●
The city is successful in its bids to attract business events to Christchurch	At least 35% success rate	●
Area of improvement to public and private space	4,000 square metres	●
City Positioning		
High level of engagement on CNZ owned digital channels and platforms	4 million engagements	●
Meeting benchmark brand tracking targets with key audiences	Christchurch ranks higher than comparison cities for resident pride and domestic traveller consideration	●
Number of familiarisation, trade or policy engagements with trade agents, investors, government, or media supporting: business, investment, visitor, talent, convention, major events, screen, Antarctic programmes or international education attraction and retention	60 engagements	●