



Quarter Three Report 2023-2024

1. Executive summary

This Quarter Three (Q3) 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:

- Increased productivity/workforce
- Liveability
- Attractiveness.

The number of people working in our highest productivity sectors grew last year but overall, there is an increase in unemployment. The economy is showing signs of slowing here as elsewhere, although GDP growth for Christchurch over the year to March 2024 remained slightly above the national average (0.5 percent locally, compared to 0.2 percent nationally).

Positive **productivity/workforce** news includes the launch of the sealed runway at the Tāwhaki National Aerospace Centre in February, which ChristchurchNZ has been involved with throughout its gestation. Tāwhaki is predicted to provide over 1,300 highly skilled, high-paying local jobs and up to \$2.4 billion in economic benefits over the next 10 years. Another milestone opening where ChristchurchNZ has and will continue to be actively involved, was the March opening of the \$25 million Riverlands Pet Food factory in Hornby - creating 28 jobs, with more anticipated as expansion plans come to fruition.

Our city's **liveability** continues to appeal in terms of house prices, which remain comparatively low, whilst the local housing market has been shielded from the sharp declines that have occurred nationally in the last two years.

ChristchurchNZ continues to work closely with a major mixed housing development in the city's east (Te Pākau Maru) and has reached the stage of seeking requests for development for the Sydenham Yard neighbourhood project. Our establishment of the New Brighton Working Group with Council, commercial developers, community partners and groups, signals the cohesive, coordinated approach being taken to public:private development of the eastern Mall area.

The data shows that Ōtautahi Christchurch's **attractiveness** as a travel destination continues to grow, with Q3 international visitor spending hitting a new quarterly record of \$127.3 million.

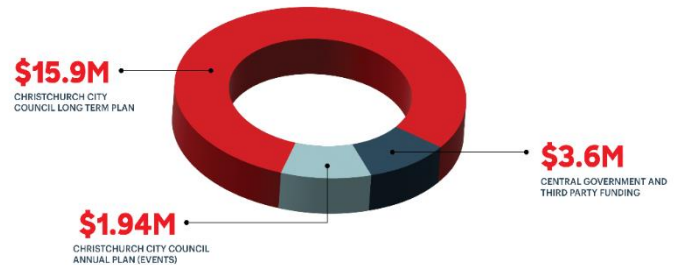
The city's hosting of a breadth of major events on land and water over the summer months - from sailing, cricket, busking and a music festival to a hydrogen drift car and rugby league clash - demonstrated the benefits of City Partners Group's collaboration (ChristchurchNZ, Council, Venues Ōtautahi and external stakeholders) delivering on the city's major events strategy. Media coverage of stories relating to hosted events and city economic activities reached an all-time high in Q3, with 413 pieces of coverage, resulting in potential reach of 443.53 million. This equates to an Advertising Value Equivalency of approximately \$4,102,662 for Q3.

2. About ChristchurchNZ

Structure and funding

ChristchurchNZ is a Christchurch City Council-controlled organisation and a public benefit entity. It is a wholly owned subsidiary of ChristchurchNZ Holdings Ltd with a common board. ChristchurchNZ delivers economic development services as set out in the Levels of Service in the Council's Long-Term Plan. ChristchurchNZ has an independent board including two Councillor-appointed directors. The company has ~75 FTE equivalent staff.

We are funded primarily by our shareholder, the Council. For the 2023/24 year, this investment has been supplemented by one-off \$1.94 million events funding from Council, plus \$3.6 million from the Crown and third parties. The Board approved a budget of \$23 million resulting in a planned \$1.56 million loss for the year, funded from reserves.



Strategic direction and delivering on outcomes

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

The Council provides an annual [Letter of Expectations](#) to ChristchurchNZ. 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/Workforce
- Liveability
- Attractiveness.

3. Productivity/Workforce – what’s happening?

Economic update

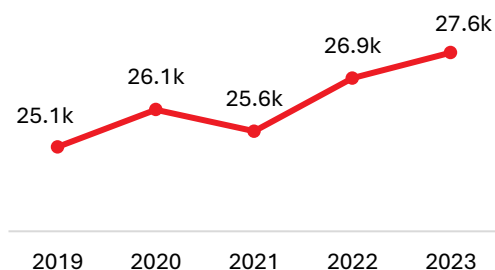
The number of people working in Christchurch’s five highest-productivity sectors increased by 2.4% to 27,550 people in 2023. This was equivalent to 9.8% of the local workforce (see **Fig. 1**).

Economic growth is clearly slowing, in line with national trends. Despite this, Christchurch’s GDP growth over the year to March 2024 remained slightly above the national average with the economy expanding by 0.5 percent (compared to 0.2% across New Zealand).

Demand for labour continued to cool in the March quarter, consistent with slowing economic activity both locally and nationally. Strong migration inflows mean that Christchurch’s labour force has been growing faster than new jobs are being created. This, combined with a smaller decline in employment levels, has driven an increase in the unemployment rate (see **Fig. 2**).

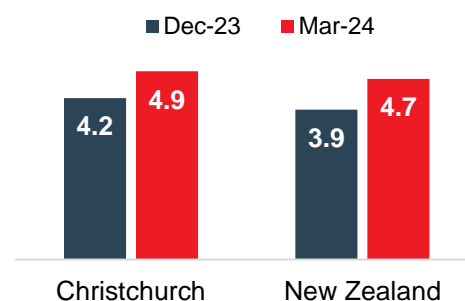
Job ads continued to fall in the March quarter, with the most significant declines from average levels taking place in sectors most closely linked to the business cycle - construction, manufacturing, and the primary sector. Labour demand has remained more resilient (compared to average levels) in education and healthcare, which are more linked to population growth.

Fig. 1- Size of workforce in highest-productivity sectors, Christchurch



Source: Statistics NZ & CNZ

Fig. 2- Unemployment rate % (unadjusted)



Source: Statistics NZ

City progress and ChristchurchNZ’s contribution

- ChristchurchNZ facilitated the set-up process enabling Riverland Pet Food’s opening of its new \$25 million Hornby factory in late March 2024. We will continue to work with Riverland as it aims to double investment to \$50 million over the next three years by boosting capacity, adding new product lines, and moving capabilities in-house. The current job creation figure for Christchurch is 28 FTEs but this is expected to grow with the expansion plans.
- The opening of the Tāwhaki National Aerospace Centre’s new 1km sealed runway in February 2024 (just four months after a \$5.4 million grant from the Kānoa Regional Strategic Partnership Fund was announced) was a milestone result and culmination for CNZ of several years’

continued work to connect, facilitate and lobby for critical infrastructure for the local Aerospace sector. This investment is predicted to provide over 1,300 highly skilled, high-paying local jobs and up to \$2.4bn in economic benefits over the next 10 years. With the runway in place, key local businesses like Kea Aerospace, Dawn Aerospace and Aerosearch are able to test their technology locally.

- CNZ continues investigative work with stakeholders into establishment of a bioprocessing and innovation hub in Woolston. The hub would revitalise industrial land, facilitating commercial scalability, and foster deep tech innovation collaboration and human capability development.
- The recent collaboration between the Christchurch Antarctic Office (CAO) and the Polar Research Institute of China (PRIC) marks a significant advancement in Antarctic relations. Playing host to the arrival of the Xuelong II research vessel, the CAO orchestrated a comprehensive engagement, uniting key stakeholders from PRIC, the Chinese Arctic and Antarctic Administration (CHINARE), China Government Officials, and the local China Consulate, alongside City and New Zealand Government Leaders. Additionally, the CAO facilitated a productive meeting between Chinese researchers and key members of the New Zealand scientific community to enhance collaboration in science. The Xuelong II made five visits to Lyttelton Port for fuel, provisions, and team changes, with its expedition team consisting of 460 researchers and support staff. By convening government officials from New Zealand, Christchurch, and China, as well as Antarctic stakeholders and scientific experts, the CAO has demonstrated its key role in fostering international cooperation among all National Antarctic Programs utilising the Christchurch Antarctic Gateway, supporting the advancement of understanding in one of the world's most remote and critical regions.

4. Liveability – what’s happening?

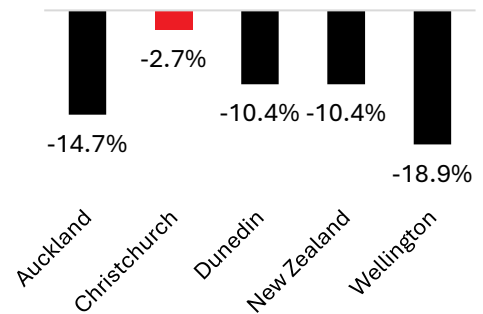
Economic update

The average house price in Christchurch was \$688k during Q3, which was -32% lower than in Auckland and -13% lower than in Wellington over the same period.

Comparatively lower house prices have also partly shielded the local housing market from the sharp declines from peak levels that have occurred in New Zealand over the last two years (see **Fig. 5**).

The annual CPI inflation rate was lower in Canterbury than it was nationally during the March quarter (3.7% vs 4.0%). This was partly due to annual increases in the cost of constructing a new home being lower in Canterbury.

Fig. 5- CoreLogic House Price Index- March 2024 vs peak



Source: CoreLogic

City progress and ChristchurchNZ’s contribution

- CNZ is involved with Te Pākau Maru project, which will see 63 new homes built on vacant land adjacent to the commercial centre in New Brighton. Home NZ is building this mixed housing development, the first of its kind in the city’s east, which includes affordable and progressive home ownership options and will be built to Home Star 7 standards. Pre-construction site blessing took place in New Brighton, with construction about to start.
- The New Brighton Working Group has been established by CNZ, to coordinate major investment projects (> \$20 million) in the eastern end of the mall. This includes developments by the Harris family, the Community Village Green project, the Christchurch City Council mall upgrade, and involvement from local Councillor Celeste Donovan. These projects are interdependent, focusing on cohesive public and private spaces for an enhanced experience, along with timing and ongoing operational relationships.
- CNZ has now shortlisted and met with developers and issued the Request for Development Proposal for the Sydenham Yard neighbourhood development project. This is expected to deliver approximately 80 sustainably built homes, with a mix of affordable, community and market options to deliver on the project outcomes of ‘Housing Choice, Healthy Living and Connected Communities’.

5. Attractiveness – what’s happening?

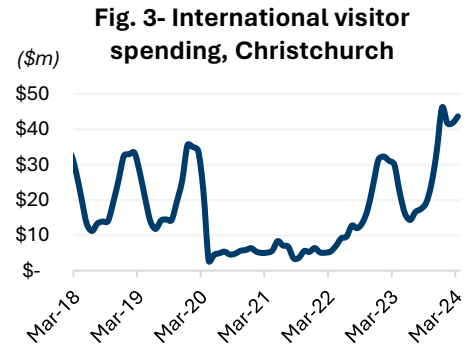
Economic update

Q3 saw international visitor spending in Christchurch hitting a new quarterly record of \$127.3 million (see **Fig. 3**). Monthly international visitor arrivals at Christchurch Airport and accommodation occupancy also both hit their highest levels recorded in the post-COVID period during February.

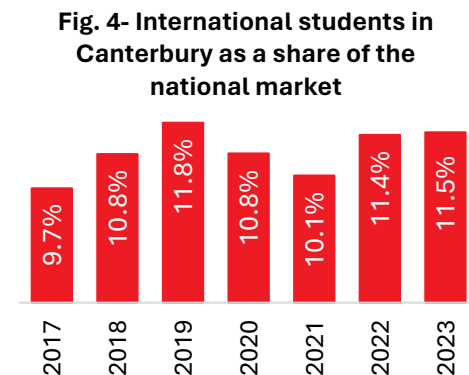
Increased travel over Chinese New Year saw Chinese visitor arrivals at Christchurch Airport lifting to 73% of pre-COVID levels during February (up from 44% in January), and arrivals from the USA hit their highest level since 2009.

International tourism is boosting service sector performance, with Canterbury’s services sector in expansion during every month of the March quarter (compared to just one month nationally).

Preliminary data on international student numbers indicates that the Canterbury region is tracking steadily compared to its pre-COVID market share (see **Fig. 4**).



Source: Marketview



Source: ENZ

City progress and ChristchurchNZ’s contribution

Visitor Spend

- SailGP was hosted on Te Whakaraupō Lyttelton Harbour on 23-24 March 2024. Preliminary event analysis results indicate Visitor Spend of approximately \$3 million. The event attracted a total event attendance of 19,893 people. Additional data points including viewership, visitor nights and satisfaction are still to come. Electronic card transactions within Lyttelton’s core retail area increased by 15% compared to SailGP weekend in 2023, and by 49% compared to a baseline weekend in March 2023.
- Our city hosted Round 5 of the Super Sprint NZ Motorsport Championship, where they took a proactive stance towards decarbonisation teaming up with local company Fabrum to deliver the world’s first hydrogen drift car.
- \$20 million of visitor spending was injected into the Christchurch economy from 12 major events investments over the summer months:

- Foo Fighters concert - 55% of attendees from outside of Christchurch, with \$3 million in visitor spend.
- Bread & Circus World Buskers Festival entertained a total audience of 109,000 attendees, with \$590,000 in visitor spend.
- \$3.8 million generated in visitor spending from the 5-day test match of the Blackcaps v Australia at Hagley Oval.
- Electric Avenue summer music festival created over 30,000 visitor nights and \$5.2 million in visitor spend.
- NRL match between One New Zealand Warriors v Canberra Raiders achieved 98% satisfaction from event attendees.
- Preliminary results from the Cruise Research project conducted by NZIER show:
 - The average spend in Christchurch of a free, independent travel cruise ship passenger (not booked on a shore excursion) is \$135/day – up from \$75 pre-COVID from a similar survey undertaken in Akaroa. Shore excursion spend is significantly higher.
 - 90% of surveyed cruise ship visitors to the city were ‘very satisfied’ and the remaining 10% were ‘satisfied’.
 - When asked whether they were likely to consider returning to Christchurch in the future, 61% were very likely and 25% were likely. Only 2% were very unlikely (indicating it was because of distance from their home or they were on a “once in a lifetime” trip).

City Positioning

- The City brand was seen by over 17 million people both domestically and internationally during Q3, through three key events and partnerships - SailGP, BLACKCAPS and Crusaders.
- 73 pieces of media coverage and close to 500,000 digital engagements saw a total attendance of 109,237 people – across both ticketed and free shows at the 2024 Bread & Circus Festival - this is an increase of 14,000 from 2023.
- Media activity attributable to CNZ generated 413 pieces of coverage over Q3, resulting in potential reach of 443.53 million (an all-time high). This activity equated to an Advertising Value Equivalency of approximately \$4,102,662 over the three months.
- CNZ showcased Christchurch as a destination to 100 Australian media and 200 trade and business events agents travel trade in Melbourne, Sydney, Brisbane and the Gold Coast, and participated in a 3-day business events education programme for influential professional conference organisers in New Zealand.
- CNZ hosted a visit by Hemisphere magazine (United Airlines’ monthly inflight publication (reaching 139 million passengers annually) which is preparing a multipage feature on Christchurch, Canterbury, and the South Island.
- CNZ joined New Zealand Major Events and Sport NZ Sport at Sport Accord in Birmingham, to begin developing the major events sporting pipeline for the city, including Te Kaha and Parakiore.
- China Southern announced their commitment to Christchurch, launching a year-round, 5 day a week service between Guangzhou and Christchurch.

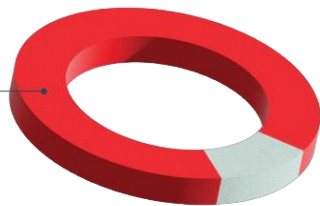
6. Organisation – performance results

KPIs

ChristchurchNZ key performance indicators are measured six monthly. As reported in the half-year report all KPIs are on track, but the KPIs around GDP and investment attraction are highly dependent on several large economic opportunities landing in the current financial year.

Levels of Service

23 OUT OF 26
LEVELS OF SERVICE ON
TRACK OR ACHIEVED



Levels of Service on track or achieved

The three Levels of Service that required remedial action:

- The number of businesses in the Antarctic Business Network
- Number of employment opportunities that have been attracted to the city
- Number of screen enquires

Of the 26 Council Levels of Service at ChristchurchNZ, 23 measures are expected to be achieved by year-end. Three Levels of Service are identified for remedial action. For a comprehensive list of all 26 measures and the ongoing remedial actions, see Appendix 1.

7. Quarter 3 Financial summary to 31 March 2024

ChristchurchNZ Holdings Financial Summary \$000's	Actual to March 2023	Actual to March 2024 Unaudited, per Management Accounts	Budget to March 2024	Budget Variance
<i>CCC Core Funding</i>	11,926	11,926	11,926	0
<i>Other Operating Revenue (including interest)</i>	6,779	3,189	3,568	(379)
<i>Operating Expenditure</i>	(18,038)	(14,234)	(14,729)	(495)
Total Surplus/(Deficit) before tax	667	881	765	117
<i>Total Assets</i>	10,404	9,121		
Shareholder Equity	6,558	4,973		
Shareholder funds/total assets	63%	55%		

ChristchurchNZ had a budget variance of \$116,651 at the end of Q3. This is due to less than budgeted income being recognised, and \$350,600 MBIE Regional Event Funding (REF) has been deferred from the current financial year.

Operating expenditure is less than budgeted due to the deferral of payments attached to REF and timing differences for activity which will occur later than initially planned. Overall delivery remains on track and this timing difference is expected to resolve by year end.

8. Risk management

ChristchurchNZ regularly assesses and reports organisational risks to the Board’s Health, Safety, Audit and Risk Committee. High-level risks:

	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 ChristchurchNZ (Statement of Intent) purposeful investment and prioritisation, place brand development, government contracts in place to support recovery and repositioning activity, appropriate use of ChristchurchNZ’s 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 the 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.
5.	Urban Development Mandate	Mandate for urban development functions and capitalisation from the shareholder is uncertain, 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.

Appendix 1: Levels of Service Quarter 3 results (July 2023 – March 2024)

LEVEL OF SERVICE MEASURE	TARGET 23-24		REMEDIAL ACTION
Build innovation & entrepreneurial strength			
Number of Initiatives to Support Industry Cluster Development	6 initiatives	●	
Number of start-up/scale-up companies supported to grow innovation and entrepreneurship capability aligned with priority focus areas	40 companies	●	
Number of employment opportunities that have been attracted to the city.	100 employees	◆	We have a strong pipeline in place, but there is uncertainty over our ability to meet this measure due to external commercial decisions influencing the timing of key projects being announced. We continue to pursue new opportunities and support our existing pipeline through collaboration and assistance.
Build a productive knowledge city to grow decent work			
Number of initiatives that deliver better education outcomes and skills development to meet industry needs and lead to high-value decent work	4 Initiatives	●	
Partner with mana whenua to support growth in Māori prosperity and self-determination			
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	●	
Ensure Christchurch businesses have access to comprehensive advice & support to grow competitiveness, resilience & sustainability			
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	●	
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	●	
Satisfaction of businesses accessing support or advice services	Net promotor score for business support services is +50 or greater	●	
Value of Central government or private sector funding secured into economic development activities	\$1,750,000	●	
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	●	
Number of businesses in a business network which secures higher revenues from the National Antarctic Programmes	100 businesses in the network	◆	A membership drive is underway, aimed at recruiting additional businesses to the network.
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
City bids prepared to attract business events to Christchurch in line with the business event strategy	50 bids	●	
The success rate of bids for business events	At least 37.5% success rate	●	

LEVEL OF SERVICE MEASURE	TARGET 23-24		REMEDIAL ACTION
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	●	
Number of destination product offerings, experiences, or itineraries developed and supported which embed the city narrative	5 destination products	●	
Number of screen enquiries attracted and supported, with a view to growing Canterbury's market share of screen GDP.	100 screen enquiries	◆	The Writers' strike has significantly impacted this measure, resulting in decreased enquiries throughout NZ. An MoU has recently been signed with the University of Canterbury to research screen prospects in India which should lead to more enquiries.
Number of screen productions attracted to Christchurch through a grant fund	At least 1 production	●	
Ensure Christchurch is well positioned as a Confident City that is attractive to businesses, residents, visitors, students, and potential migrants			
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	●	
Number of engagements on ChristchurchNZ-owned digital channels and platforms	4 million	●	
The number of engagements with trade agents and investors in priority markets and sectors.	60 engagements with trade agents or investors	●	
Provide leadership in inclusive and sustainable economic development for Christchurch			
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.	●	
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	●	
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	●	
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	●	
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	●	

KEY: ● On Track ◆ Remedial Action