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# **BUSINESS EXPECTATIONS** OF LOCAL GOVERNMENT 2022-2025

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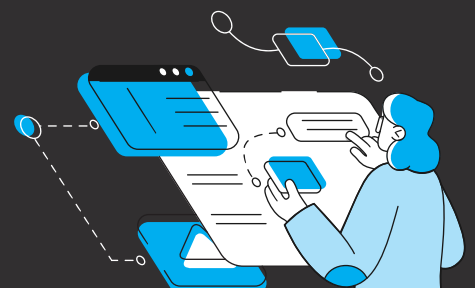
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# INTRODUCTION FROM LEEANN WATSON:



This document outlines the expectations of The Canterbury Employers' Chamber of Commerce (The Chamber) and the Canterbury business community for the Christchurch City Council as we collectively make a decision as to who is best suited to represent our interests for the next three years.

The last term of local government has been dominated by the COVID-19 pandemic, and now, as restrictions are eased and the borders reopen, we see the people of Christchurch re-engage and our business community reignite to make up for the significant impacts that COVID has had. The focus must shift at both a central and local level to address not only the current challenges and requirements of today, but also take the opportunity to reposition our great city for the future.

It is time to reinforce our role in New Zealand as the second largest city and create a strong vision with strong aspirations for the people and businesses that choose to live and work in Christchurch and the Canterbury region, and we need to identify the decisions and actions to achieve it.

As the beating heart of the region that represents 400,000 people and 43,000 businesses, the decisions and actions of the Christchurch City Council have significant consequences for both those within the city limits and those outside of it. Therefore, the expectations set forth in this document, unless otherwise specified, relate to the Christchurch City Council.

The Chamber has a longstanding history with the Christchurch City Council and its elected representatives – it is our expectation that the points outlined in this document are not only taken on board but are implemented throughout the next local government term.

The business community has an overwhelming desire to elect people who are supporters and advocates of our shared interests, and The Chamber will be encouraging our members to exercise their vote to help result in a positive outcome for our city and for our region.

Our expectations are based on insights gathered from The Chamber's members and the wider business community through our advocacy activities, including our quarterly regional business survey, advocacy workshops and our day-to-day engagement with the nearly three thousand organisations that we represent who employ approximately 70,000 local residents.

## Our expectations cover three priority areas:

01. Supporting economic growth by enabling businesses to succeed, reducing red tape, and establishing initiatives to support challenges such as labour market constraints, the resumption of tourism and ensuring our infrastructure is fit for purpose and future proofed.
02. Futureproofing our region and repositioning Christchurch as a city of the future, with a clear purpose and a clear vision of what we want to stand for and be known for.
03. Supercharging the Christchurch City Council to deliver for both residents and businesses, in a manner which is efficient and transparent and results in strong economic growth and positive community outcomes.

The next three years are crucially important. We are teetering on the edge of either capitalising on the progress that the post-earthquake environment has facilitated, or risk becoming an irrelevant city in a period where global competitiveness has never been more important.

No longer is local government just about the delivery of core services and it is no longer about rebuilding a city, it is about repositioning our great city and supercharging Christchurch and the Canterbury region, and preparing us for the future.

We need – not want – a local government that understands the needs of the business community, has the ability to meet our expectations, and understands the interdependences between creating a strong economy by providing an enabling environment for business resulting in strong community outcomes. This document serves as a starting point to engage in these important discussions and actions.

Nga mihi,

**Leeann Watson**

Chief Executive  
Canterbury Employers' Chamber of Commerce

# ABOUT THE CANTERBURY EMPLOYERS' CHAMBER OF COMMERCE:

The Canterbury Employers' Chamber of Commerce (The Chamber) is a not-for-profit membership-based service organisation that has been the home and voice of business in Waitaha Canterbury since 1859. Comprised of over 2,700 members, The Chamber's purpose is to create a thriving Canterbury business community by advocating, connecting, inspiring, and empowering people.

This is done through providing advisory and consultancy support in employment relations, human resources, health and safety, international trade, manufacturing, research and development grants, training and development, and events to inspire, inform and educate our members.

The Chamber provides a voice for the local business community and advocates for policies that will help shape and enable a local and national business environment that promotes innovation, productivity and economic growth as critical success factors underpinning a thriving economy and community.

We are committed to responsible business behaviour and proactively encourage our members to engage in best business practices in relation to positive social and environmental outcomes.

As a founding member of the national business advocacy group BusinessNZ, The Chamber and our members are represented through advocacy work both locally and nationally that we undertake. We collectively utilise our capabilities and resources to provide a strong business voice on issues that impact local business.

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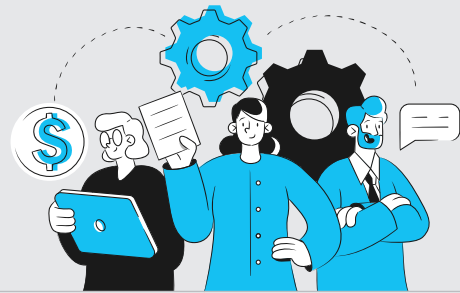
# CANTERBURY ECONOMIC **OVERVIEW**

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Provided by Westpac, who  
are the Principal partner of  
the Canterbury Employers'  
Chamber of Commerce.

# CURRENT SITUATION



Canterbury's diversified economy continues to outperform its metropolitan counterparts.

On balance, the region's dairy and meat farmers are doing well, with strong incomes reflecting the impact of still high prices. However, many have been faced with sharply higher input costs and processing delays.

Residential building activity in the region has also been strong to date. But like other sectors, builders have been grappling with shortages of materials and staff, and the related large increases in operating costs are squeezing developers' margins.

At the same time, Canterbury's housing market has begun to slow. That slowdown has been more measured than in other major centres, reflecting relative valuations and the fact that the recent upswing in house prices was more restrained than in other regions.

Manufacturing activity in the region has tracked lower and is now contracting. That is likely to reflect the disruptions caused by Omicron with many manufacturers continuing to struggle with ongoing supply constraints, skilled labour shortages, and increased absenteeism. Export-focused manufacturers in the region are also faced with high costs of shipping, carrying capacity issues and a slowing global economy.

Labour market conditions remain very tight with unemployment at just 3.5%. A strong labour market is likely to have contributed to firm household spending. That's been evidenced by an increase in retail sales volumes.

# REGIONAL OUTLOOK



We expect that growth in economic activity in Canterbury will slow over the coming year but should still outperform the other big metropolitan regions.

In large that is because we expect the housing market will continue slowing as interest rates rise, and that will be a drag on spending in the region. That said, housing in this region has been undervalued for some time, so we expect the magnitude of the drop in house prices to be relatively small.

But that is not the only factor that is likely to act as a drag on spending. With interest rates rising, higher debt servicing requirements will weigh on discretionary spending. Cost-of-living increases will also be a drag on spending.

The prospects for agriculture in the region are good. Strong prices for sheep, beef and dairy

should help to support farmgate incomes in the region. The region's meat producers are also likely to benefit from less constrained processing capacity, while dairy farmers should see a pickup in production volumes over the course of the next year.

Construction activity is flattening off, but is expected to remain firm for some time yet, with consents issuance pointing to a healthy pipeline of work. The related demand for supplies will help to support local manufacturing, although exporting manufacturers will be adversely affected by an expected global economic slowdown.

Increased tourism activity should also support the region's economy, following the removal of border restrictions.



# NATIONAL OUTLOOK

For the past two years domestic demand has been running hot, buoyed by extraordinary levels of policy stimulus including the very low level of the Official Cash Rate (OCR). That stimulus helped offset much of the drag on activity that resulted from the pandemic, such as the loss of international tourist dollars and the downturn in population growth. And although conditions have been uneven across sectors and regions, overall economic activity has been strong, with unemployment having fallen to just 3.3% on nationwide basis.

However, the economy isn't just running hot; it's overheating. Strong demand has compounded the pressure on business operating costs, pushing inflation to a 32 year high of 7.3%. That's squeezing households' spending power. At the same time, the large and continued increases in operating costs have seen business profit margins shrinking, even in sectors where demand has been strong.

To offset the rise in inflation, the Reserve Bank has already reversed the interest rate reductions that followed the initial COVID-19 outbreak, and the OCR is now moving into tight territory.

Signs that demand is cooling have become increasingly evident in recent months. House sales and prices have continued to drop.

Consumer sentiment has fallen to the lowest level on record. And some businesses, including builders and retailers, have reported a drop-off in forward orders.

We expect that the slowdown in demand will become increasingly stark over the coming months as the rise in interest rates continues to ripple through the economy. We're now forecasting that GDP growth will slow to around 2% by the end of next year. That would be a sizeable step down from the rates of 3% to 4% per annum that we saw prior to the pandemic.

But while the New Zealand economy is likely to lose some steam over the coming year, we're not forecasting a crash or a recession. Rather, we expect the economy will experience a soft landing, with a relatively modest rise in the nationwide unemployment rate to around 4.3%. The economy is entering the slowdown from a strong position. In addition to a strong labour market, prices for our key commodity exports remain firm despite recent falls, our tourism sector is opening up again, and household balance sheets have come through the pandemic in good shape. Those conditions mean that as a nation we are better positioned to deal with the drag from higher interest rates and the softening in demand. Even so, the impacts of the coming slowdown are expected to be varied across the economy.

**Paul Clark** (Industry Economist) and  
**Satish Ranchhod** (Senior Economist)



*Westpac are the Principal Partner of the Canterbury Employers' Chamber of Commerce*

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# BUSINESS EXPECTATIONS OF LOCAL GOVERNMENT

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# SUPPORTING ECONOMIC GROWTH LABOUR MARKET:



The Christchurch City Council has a mandate to help support and promote economic growth in Christchurch, and that includes understanding and sufficiently responding to the challenges that are affecting the business community, that may not necessarily be the sole responsibility of the Council.

Throughout the last two years New Zealand has been affected by severe labour market constraints which are impeding the ability for businesses to sufficiently operate, preventing their growth and having an impact on our local economy as a result. The impact of this has been palpable throughout the city.

Along every stretch of the city it is not difficult to locate a shopfront sign advising reduced hours and advertising staff vacancies. It is not uncommon to discover a retail or hospitality outlet that has unexpectedly closed.

Mandatory self-isolation periods along with increased absenteeism through other non-COVID illnesses are all contributing factors to a disruption in business operations; however, it is the acquisition and retention of labour that is having the most profound effect on business.

The most recent Canterbury Quarterly Business Survey conducted by the Chamber indicated that three out of four businesses within the region are negatively impacted by the labour market.

Christchurch City Council has a significant role to play in alleviating these pressures. The city, being recently rebuilt, means it is in an advantageous position with our infrastructure having the capacity to sustain population growth and our city has a sense of modernity and vibrancy to it.

It is important that we maximise this opportunity and ensure we remain at the forefront as New Zealand's most livable city.

## SUPPORTING ECONOMIC GROWTH LABOUR MARKET:

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### OUR EXPECTATIONS ARE THAT THE CHRISTCHURCH CITY COUNCIL:

- Commits to prioritising actions that will position Christchurch as an attractive and competitive location to attract new residents and contributors to the workforce, in addition to ensuring that Christchurch remains a viable location for existing residents.
- Identify specific targets for business attraction that will add further value to our business community and economy.
- Ensure that core services and infrastructure are operating at a first-world standard.
- Prepare for growth by planning adequate infrastructure and ensuring major infrastructure projects such as the stadium are built rapidly and not with undue delay.
- Scale up the provision of events and activities in line with other main cities in New Zealand that promote economic growth within the city and demonstrate to visitors that we are a viable location.
- Appropriately resource ChristchurchNZ and other agencies operating within Christchurch to promote the city in a deliberate and targeted way to get the desired outcomes.
- Actively shape perceptions of the city to maintain relevancy in both New Zealand and overseas markets.
- Futureproofing our region and repositioning Christchurch as a city of the future, with a clear purpose and a clear vision of what we want to stand for and be known for.
- Focus on attracting both residents and new businesses to the region.



# SUPPORTING ECONOMIC GROWTH TOURISM:



The reopening of New Zealand's borders after nearly two years of restrictions is a key component of recovering, our regional economy, reconnecting with the world and a significant opportunity for our region.

The resumption of tourism not only directly supports the strength of our economy it also provides a vehicle to showcase the best of what our region has to offer. An attractive city with an abundance of events, a quality of life second to none and opportunities to explore.

We want tourists to stay for longer, to spend more and to leave with a positive impression, to the point where Christchurch becomes a viable option for some as an attractive destination to live and invest.

Migration statistics already show an influx of domestic relocations to both Selwyn and the Waimakariri regions. Christchurch must be in the mix.

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## OUR EXPECTATIONS ARE:

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| <ul style="list-style-type: none"><li>• Continue to develop campaigns that attract visitors to the Central City and surrounds.</li><li>• Ensure appropriate funding for economic development and major events within the city.</li><li>• Appropriately resource city promotion and actively shape perceptions of the city to</li></ul> | <ul style="list-style-type: none"><li>maintain relevancy in both New Zealand and overseas markets.</li><li>• Continue to ensure that appropriate tourism infrastructure is in place, particularly given the return of cruise ships.</li><li>• Actively collaborate with social development agencies and law enforcement to</li></ul> | <ul style="list-style-type: none"><li>mitigate vagrancy and antisocial behaviour within the Central City.</li><li>• Ensure that through the provision of core services that our city remains clean and tidy, free from rubbish and viewed as sustainable, green, and progressive.</li></ul> |
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# SUPPORTING ECONOMIC GROWTH

## REMOVING REGULATIONS AND BARRIERS TO BUSINESS:



Christchurch City Council, and local government in general are often perceived as a handbrake on business through the enforcement of regulations in an overly bureaucratic and risk-averse manner.

More than half of businesses in the Quarterly Canterbury Business Survey reported that the length of time and paperwork required throughout consenting processes is causing

significant disruption to business activity, with some opting to invest and build elsewhere.

We want to see the reverse occurring, with businesses opting to engage and invest in Christchurch with a city council that is known for being in tune with the expectations of businesses and providing both encouragement and the framework to proactively enable and support growth, not to hinder it.

# SUPPORTING ECONOMIC GROWTH

## REMOVING REGULATIONS AND BARRIERS TO BUSINESS:

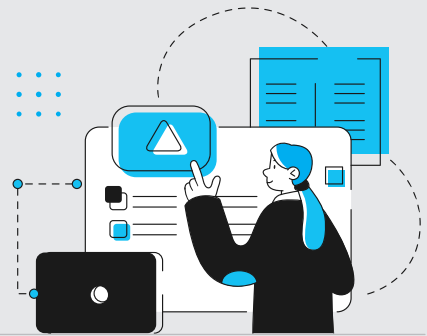
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### OUR EXPECTATIONS ARE:

- The Council develops a culture of enablement that actively supports business development and innovation, and discourages unnecessary bureaucracy, conservatism and risk aversion.
- The processing times of building and resource consents is significantly sped up by maximising efficiencies, streamlining of internal processes and ensuring the culture within the Council supports the right outcomes and in a timely manner.
- Statistics are regularly published and shared with the business community on the processing times for building and resource consents. When processing times increase, a clear explanation for why is provided.
- That the Christchurch City Council commits to not penalising developers where consenting processes and the actions of the Council have impacted the progress of development.
- That the vacant land differential is repealed and/or significantly narrowed in scope to only apply to such plots of land that are considered abandoned with no intention to develop.
- Where regulations are implemented, amended, or continued to be enforced, they are done with a focus on enablement rather than risk aversion.
- That the Christchurch City Council work with other councils within the Canterbury region to achieve a consistent and integrated approach to regulations across the region.
- That the Council actively consults and actively engages with the business community on any decisions which may have a perceived or actual impact on the ability for a business to operate, increase compliance costs or otherwise create a barrier which did not previously exist.
- As above, the Council actively consults with the business community on any decisions which may make it easier for business to operate, reduce compliance costs or otherwise remove a barrier.
- That the Christchurch City Council commits to working with businesses in a constructive manner to improve outcomes for both the city and the region, and where an issue is identified to constructively engage with the business community to constructively address it.
- That the Christchurch Council provides further incentives and encouragement to continue investment in the city.



# FUTUREPROOFING DEVELOP A BLUEPRINT:



As the major anchor projects associated with the rebuild of the city come to a completion, with the exception of Te Kaha, the multi use arena, Christchurch needs to present a future-focused and integrated plan on what is next.

We must continue to invest in the city to ensure it remains a vibrant, energetic and well-appointed city that is unmatched with other regions. We must have a strong point of difference that will continue to attract and retain both new business and residents.

The business community has overwhelmingly remarked throughout the last few years that a blueprint for the city is lacking, to guide business and investment decisions, and to ensure both the business community, investors and local government are working in tandem to achieve the same outcomes for the city in a well-coordinated and integrated manner.

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## OUR EXPECTATIONS ARE:

- That the Christchurch City Council continues to enact the work of the Greater Christchurch Plan and Mayoral Forum, and actively works with local government authorities within the region, local businesses, leaders and city planners to develop a strategic plan for the future of the city that is integrated across the region.
- Show bold and courageous leadership by investing in the future right now, including passenger rail, roading infrastructure and ensuring three waters infrastructure (notwithstanding the outcome of the central government led reform) will remain up to scratch in the coming decades. This includes ensuring we have a future-focused public transport system that does not prohibit access to businesses and does not favour one mode over another.
- That the Council works with developers and investors in the city to continue building a modern city that is world class, against a shared blueprint.



# FUTUREPROOFING OUR IDENTITY:



Christchurch has always been regarded as a main city in New Zealand, one that is a gateway to the rest of the South Island. The events of the last decade have left a mark on the city and our identity. Now is the time to reconsider what we want Christchurch to be known for in the decades to come and ensure that decisions are aligned with that identity.

It is also fundamental that we are recognised at central government level as a city of opportunity that is future-focused with a strong eco-system to deliver results to ensure we are not overlooked for future investment decisions.

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## OUR EXPECTATIONS ARE:

- That the Christchurch City Council immediately establishes a taskforce comprising of local economic development and tourism agencies, together with local business leaders to develop a new identity for Christchurch and its surrounds that is progressive, unique and

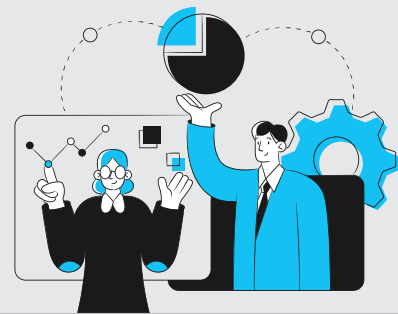
succinctly details what we want to be known for into the future.

- That the Council resets the aspirations and vision for the city outlining key metrics to measure our progress.
- Reframe the city as one that is diverse, welcoming

and accepting to all people from all backgrounds and all locations that is underpinned by a quality of life second to none, with world-class innovation and future-focused industries.

- Showcase both the innovative businesses and assets the city has on a world stage.

# GOVERNANCE INCREASED EFFICIENCIES:



Throughout the last two and a half years, businesses have had to make difficult decisions, scale back on investment decisions, downsize operations and dramatically change the way in which they operate to reflect the disruption – and economic pressures – that continue to occur.

Fiscal responsibility and cautious, deliberate spending have become a necessity, and not a nice to have. The business community expects local government to operate in a similar manner.

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## OUR EXPECTATIONS ARE:

- Demonstrate a commitment to minimising waste and maximising efficiencies throughout the entire operational environment of the Council.
- That the Christchurch City Council commits to embedding a culture throughout the entire Council staff that is focused on enabling business and economic growth.
- Improve processes relating to Council recruitment, training and development to ensure the right people with the right attributes, experience and skills are in the right jobs.
- Be open to the idea of managing assets and services in a new manner.
- That the Christchurch City Council engage more with local businesses and experts in the private sector to deliver specific projects.
- Collaborate with the business community and the private sector, not replicate or compete with it.
- Without venturing into austerity measures, identify areas where costs can be saved without compromising the level of service delivery.

# GOVERNANCE COLLABORATION AND TRANSPARENCY:



A perception that has emerged in both the business community and the general public throughout the last term is that the Christchurch City Council has demonstrated a lack of transparency and a lack of collaboration, and whilst this is partially attributable to the challenges associated with COVID-19 restrictions throughout the last two years, there is significant room for improvement.

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## OUR EXPECTATIONS ARE:

- That the Christchurch City Council increases its level of engagement with the business community on matters of local significance.
- That the rationale for making decisions is clearly explained and the outcomes of decisions clearly reflect the intent.
- That the existing strength of connecting businesses to the right people within the Christchurch City Council in order to obtain the information they need, is continued.
- There is a proven demonstration of a willingness to understand the needs and requirements of the business community.
- That decisions take into account the role of business across our community.

# GOVERNANCE FUNDING, FINANCING AND FISCAL RESPONSIBILITY:



Rates are not the only funding mechanism available to local government and as we are confronted with the not insignificant costs of operating a city, investing in infrastructure, and completing major projects such as the Te Kaha, multi use arena , we expect that much like within the business community, that the Christchurch City Council explores all alternative funding and financing options available to them before automatically reverting to rate increases.

Asset recycling and demonstrating an openness to public-private partnerships are just as important. For example, is it necessary for local authorities to own and operate infrastructure if these can be outsourced at a fraction of the cost? What additional benefits and expertise could be gained by bringing on board strategic partners for some assets?

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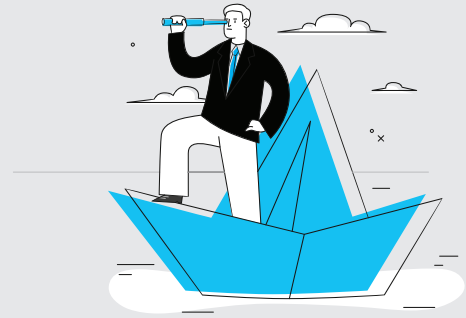
## OUR EXPECTATIONS ARE:

- That the Christchurch City Council actively engages in regularly reviewing their position on asset recycling and exploring alternative funding and financing options.
- That further collaboration occurs between councils in the region as to who

should be responsible for funding what assets and to what degree. Roading infrastructure that crosses regional boundaries and a stadium that will be used by the entire region are two such examples.

- That alternative levers are pulled within the Christchurch City Council in addition to rates as a financing mechanism.
- Public-private partnerships are utilised for the delivery of major infrastructure projects.

# GOVERNANCE LEADERSHIP:



With a handing over of the mayoral chains and the opportunity to reset the Christchurch City Council at the upcoming election, we expect to see a candidate emerge who demonstrates bold and courageous leadership, with a vision

of not only propelling our city forward but an intent to supercharge the council into a highly efficient machine, with an improved level of service delivery and an internal culture that is a facilitator rather than a hinderer.

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## OUR EXPECTATIONS ARE:

- That bold and courageous leadership is demonstrated from not just the Mayor, but all elected officials and those with unelected senior leadership positions within the Council.
- That the incoming Council act as not only enablers for business, but advocates for the business community.
- That councillors make decisions with the best interests of the city at the centre versus individual areas or groups.
- That steps are taken to mend the perceived disconnect between elected representatives, senior leadership and frontline council staff.
- That as the largest employer in the city, there is firm demonstration of good business values, a commitment to delivering value for money and with the right people in the right jobs with the right culture to create the right outcomes.
- That all actions and decisions bear some consideration to the business community, to ensure that it is not hindered, and that it is understood and recognised that a strong local economy contributes to a strong positive community, and that is led by business.
- That any debate or position developed on major central government reform such as three waters and the reform of the Resource Management Act are not done in isolation, and that the business community is consulted.







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