



# Draft Long Term Plan 2024-2034

# 1. Introduction

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- 1.1. Business Canterbury (formerly Canterbury Employers' Chamber of Commerce) welcomes the opportunity to make a submission on the Christchurch City Council Draft Long Term Plan 2024-34 ("the draft LTP").
- 1.2. Business Canterbury welcomes the opportunity to present an oral submission.
- 1.3. Business Canterbury is the home and voice of business in Waitaha Canterbury. Representing over 2,600 businesses and approximately 75,000 employees, we are a not-for-profit and the largest business support agency in Te Wai Pounamu South Island. We also form part of the BusinessNZ Network, alongside BusinessNZ, the EMA, Business Central, and Business South. We are also part of the New Zealand Chamber of Commerce Network.
- 1.4. Canterbury businesses are bold and have big aspirations for their future, the future of the city and region they choose to do business in. But like the rest of the country and the world, Canterbury is facing challenges of productivity and growth, particularly now, as we also navigate an economy still recovering from the effects of COVID-19 and the global economic slowdown associated with it.
- 1.5. With a strong backbone of manufacturing, construction, and agriculture, alongside our growing reputation as a hub for innovation, world-leading tertiary education and new technology, Waitaha Canterbury is in a good position to move in tandem with local government and lead the transition to a more innovative, productive, growing and sustainable economy.
- 1.6. Our advocacy is informed through in-depth discussions with Canterbury business leaders from a wide range of sectors and sizes, to set out a range of fit-for-purpose policy settings that will enhance the role of local government as an enabler for our economy and our business community rather than an enforcer of regulation that can hinder productivity and sustainable economic growth.
- 1.7. If we work together and get that right, our businesses thrive, our economy grows, and our communities enjoy higher standards of living.

## 2. General comments

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- 2.1. At the end of this LTP period we should be looking back at a 'golden decade' for Christchurch. As the earthquake rebuild ends, with all major infrastructure projects due to be completed in the next few years, as a city and a region, we are in a great position to be the best city in New Zealand to live, work, play, and invest. Being able to look back at these next 10 years and reflect on a 'golden decade' will not happen by accident. To take advantage of the opportunities our city is faced with requires a deliberate and ambitious approach with bold and courageous leadership from both our business community and those in positions of influence in local government.
- 2.2. While we are facing a 'rates hump,' the council must be focused on ensuring we remain an affordable city, supported by high-quality and efficient services. While the draft LTP discusses costs being high and out of the Council's control, it is not alone. Every business in Christchurch has been impacted by the same inflationary pressures and rising costs that the Council has, yet few would be comfortable, nor get away with raising prices by 14% right now. They would find that customers, who are also facing those pressures would simply choose to no longer be customers. The Council, however, is in a position where customers do not have a choice, and with that comes a responsibility to ensure that complacency does not set in around cost control.
- 2.3. Cutting costs and cutting services are not the same thing. Much has been said in the draft LTP about 'getting back to the basics,' but unfortunately this has been a line used many times and with a focus on external rather than internal 'basics,' without much success or obvious changes or impact. Like businesses, the focus for the Council should be improving efficiencies, removing bureaucracy, and ensuring that staffing levels and capability are aligned with efficiently delivering core services and driving Christchurch forward into the 2030s. But we cannot let the current economic environment cloud our ambition as a city. Business Canterbury understands that the Long Term Plan process is highly mandated by central Government but the lack of ambition and long-term thinking in the draft LTP, particularly when considering sustainable economic growth, is concerning. Throughout this submission, we have pointed out areas where embedding 'sustainable economic growth' into various strategies, goals and plans could start to shape thinking and action that will enable the Council to play its role in our city's growth and its future.
- 2.4. Taking the lens of working on efficiencies and mitigating rising costs, this should also be balanced with more transparency and clearer accountability on the delivery of outcomes and improved levels of service. Few targets, measures or strategies in the document properly inform ratepayers about the level of service and ambition required to grow. For example, we might expect that over time a measure of growth activity could be that GDP per capita grows

by 5% per year, while house prices stay at or below 10% of the national median house price, and the average commute time remains 20 minutes and so on. While we appreciate that some of these measures are not all within local government control, that should not stop the Council having a clearly outlined ambition to help guide decisions and set a future vision and aspiration.

- 2.5. Local government can be perceived by the business community as a handbrake and installer of red tape. When we asked businesses about Council performance recently, we found that only 11% think the Council supports and enables businesses well.
- 2.6. Through its stewardship of the local regulatory environment, the Council has a significant role to play in facilitating a 'golden decade' for Christchurch. For years, Business Canterbury has advocated for the Council to adopt an 'enabler' rather than an 'enforcer' approach. If we want to meet our goals as a city, businesses need to have confidence and certainty that local government is transparent in its decision-making processes, consistent in its policies, and responsive and supportive to their needs. Businesses may not always like the decisions that Councils make, but they do need to understand them, and they need to be consistent rather than changing at a whim which creates uncertainty and a lack of trust leading to a loss of future investment and commitment to this city. Embracing an enabler mindset involves shifting from a reactive stance to a proactive one, anticipating the needs of businesses which means genuinely seeking to understand their needs and future aspiration through actively working alongside them to help facilitate sustainable growth. Instead of enforcing regulations, the Council should proactively engage with businesses to understand their challenges, identify barriers to growth, and create solutions with the business community that foster a better business environment.
- 2.7. Christchurch is the main centre in Canterbury. While not required to by law, careful consideration should be given to ensure that decisions made in Christchurch are not at the expense of wider Canterbury but support it to thrive. All opportunities to collaborate and share value across Hurunui, Waimakariri, Selwyn and Mid Canterbury should be considered as part of the leadership role Christchurch City Council has in our region. What is good for Canterbury is good for Christchurch and vice versa.
- 2.8. Businesses are ready to play their part in the growth of our city. They are committed to doing business here and in fact many who are based in Christchurch have made a deliberate decision to base themselves here, stay here or move here. They are looking to the future and navigating how to sustainably grow, what investments they need to make to achieve that whether that is in people, plant, technology to increase their productivity, reduce their emissions and contribute to the local economy and communities across Christchurch. Businesses that choose to do business in Christchurch also provide the livelihoods of the people who choose to live in Christchurch.

- 2.9. Businesses are looking for certainty, confidence, and trust in their relationships with local government which play a significant role in their business outcomes. In return businesses will continue to contribute a significant return to the city through their rates to Council, the local economic activity, and the employment of local people. The tax they pay helps to fund our future infrastructure, health system, education and so on.

### 3. Specific comments

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#### Community outcomes

- 3.1. Business Canterbury broadly supports the Council's Strategic Framework 2024-34, but recommends some modifications to appropriately recognise the role that businesses play in our communities, and to ensure that as a city we have a dual focus on externally positioning ourselves, as well as being, the best place in New Zealand to live, work, play, and invest:

Stated strategic priority "Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents" should be modified to "Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents **and businesses**."

Stated strategic priority "Champion Ōtautahi Christchurch and collaborate to build our role as a leading New Zealand city" should be modified to "Champion Ōtautahi Christchurch and collaborate to build our role **and reputation** as a leading New Zealand city."

#### Strategic assets

- 3.2. The management of strategic assets will play a significant role in enabling Christchurch and Canterbury to sustainably grow over the next decade. Recent Council decisions, including to direct Christchurch City Holdings Limited ("CCHL") to continue operating within its existing mandate is extremely short-sighted and will have an impact on our city in two ways:

- The potential dividend earnings forgone by the decision could have reduced rates pressure, giving the city a runway to fund much-needed future infrastructure.
- There is now a hugely reduced mandate for the CCHL subsidiaries, like the Port of Lyttelton to grow and respond to increasing demand, which aside from limiting the growth of Christchurch businesses will be particularly felt in the wider Canterbury context as these assets operate as hubs for the South Island.

- 3.3. Business Canterbury recommends that the Council makes it a priority to identify a plan for CCHL strategic assets that allow the subsidiary company to take a longer-term view of asset management, potentially at the cost of current term dividend yield which may be appealing in the short term, but will have significant longer term impacts.

#### Infrastructure

- 3.4. Recognising that long-term planning is foundational to building a pipeline of work and an appropriate workforce to support it, it is vital that Greater Christchurch has a clear, actionable

roadmap with buy-in across Canterbury. This is particularly important now, with many centres across the country gearing up to bid for city/regional deals where having an infrastructure plan with regional support and appropriate funding commitments by local government will be a competitive advantage.

3.5. The Council must ensure that they take a wider regional view recognising that good outcomes for our region mean good outcomes for our city. The Government is looking for well organised, collective aspirational thinking from regions and the Christchurch City Council have a key role to play in this, alongside other District Councils. As an independent, neutral organisation, Business Canterbury can assist in this process.

3.6. Priority consideration should be given to projects which:

- Enhance connectivity between the Port of Lyttelton, commercial centres, the Christchurch International Airport, and state highway corridors north and south of the city.
- Enhance resilience while at the same time delivering or at least enabling sustainable economic growth opportunities for the future.
- Are backed by a strong business case centred around sustainable economic growth, which can be measured against performance and productivity metrics.
- Consider the impact on cost or delivery timelines from leveraging alternative funding and financing measures such as public-private partnerships, private investment, value capture, and user pays.

3.7. Asset renewal is important for maintaining the levels of service and lifespan expected of public infrastructure. However, our view is that the draft LTP places too much of a focus on renewal, at the expense of proactive infrastructure delivery. Business Canterbury understands there is some uncertainty now from changes in Government policy – but if we want to continue being a “leading New Zealand city” we will need to be bold about the projects we invest in and advocate for as a city.

3.8. Business Canterbury supports the four key action areas outlined in the Infrastructure Strategy but recommends the recognition of **sustainable economic growth** as a crucial focus area, separate to water supply, wastewater management, stormwater systems, transport, facilities, parks, and waste management.

### **Transport**

3.9. Access to resilient, efficient transport networks is critical to the operation and sustainable growth of Christchurch businesses.

- 3.10. Business Canterbury agrees that (as noted in 'Our Draft Long Term Plan 2024-2034 – Volume 1') the potential negative economic effects of a poor transport environment worsen "Traffic congestion and delays [which] can result in productivity losses, hamper the economic recovery and growth of the city and subregion." That said, when looking at transport projects listed in the draft LTP, there is a significant focus on access corridors for active transport but there should also be a standalone and ongoing freight access and efficiency programme to ensure that as a hub for the South Island, our roads are efficient and fit for purpose. With a focus on network planning and improvements to the network noted as key deliverables, more consideration needs to be given to the role that efficient transport infrastructure plays in sustainable economic growth.
- 3.11. Similar to the Infrastructure Strategy, there is a significant focus on renewals rather than new investments. If the Council's view is that significant government funding support is required for that, then there are very limited roading projects committed to by the city over the next 10 years when reading this draft LTP in conjunction with the draft Government Policy Statement on Land Transport.
- 3.12. The Council should take care to ensure that spending on alternative transport modes is targeted and prioritised (or funded) based on the ability to reduce congestion and within the context of other methods of reducing congestion (i.e. increased speed limits, light phasing etc). Business Canterbury supports the Nor'West Arc, Northern Line, Wheels to Wings and South Express projects but suggests that there might be other funding priorities for the Council to promote sustainable growth outside of starting work on recreational cycleways given the wider impact that needs to be taken into account.
- 3.13. Improving the levels of service for the transport environment is almost all centred on cycleways, public transport, or walking modes. While important, getting people to work efficiently is only part of the problem and solution, and service levels again highlight a lack of ambition for enabling sustainable economic growth.

### **Economic development**

- 3.14. Economic development Sustainable economic development is seen by Business Canterbury members as a core deliverable for the Council, so consideration must be given across all services the Council delivers, oversees and funds as without a strong economy, the Council's ability to deliver their services is compromised as are the livelihoods of our residents and the future of business (and commercial rates payers).
- 3.15. Business Canterbury recommends that the Council has a stronger focus on internal economic development activity, supported by ChristchurchNZ and other stakeholders to ensure that all council decisions and strategies are aligned with economic development objectives. While we



acknowledge the work that ChristchurchNZ does leading economic development, it should be taken into account across the whole Council when making decisions about priorities.

### **Bid funding for major and business events**

- 3.16. We are right on the cusp of having a fully functional entertainment and cultural offering in Christchurch, and to maximise the benefits of these facilities (Te Pae, Te Kaha, Parakiore) we need to ensure that sufficient funding is dedicated to attracting and retaining major events.
- 3.17. Not only do these major events produce economic return, but they also help reposition the image and perception of Christchurch to future investors, developers, tourists and people who may be considering here, investing or establishing themselves in our city.
- 3.18. Other main centres like Auckland and Wellington appear to have significantly higher major event bid funding than Christchurch, and as we gear up to compete for more events with Te Kaha coming online, there must be a corresponding increase in the level of funding.
- 3.19. Business Canterbury supports the 'option to provide additional event bid funding for major and business events' – but would like to see that funding ringfenced with a major event calendar that businesses can plan around and economic impacts from those events shared widely.
- 3.20. The context and parameters for deciding which events to pursue should include engagement with the business community.

### **Financial strategy and rates**

- 3.21. Business Canterbury welcomes the Council's intention to fund operational spending through rates rather than borrowing, however we also need to ensure we are not deferring maintenance work and that we are also planning and investing in long term future growth and any opportunity for the Council to bring this forward should be explored. This is a fitting example of where an updated mandate for CCHL could have helped, allowing the council to reduce rates pressure while putting our city in the best position to be financially sustainable and enable growth over the next 10 years.
- 3.22. A sensible and transparent approach to communicating finances, and narrowing the conversation about cost control, would be through reporting against financial (and non-financial key performance indicators) each year, similar to a publicly listed company.
- 3.23. Business Canterbury reiterates the importance of maintaining sustainable rates. Businesses pay a sizeable proportion of the rates in Christchurch, and during challenging economic times cannot afford sustained double-digit rates rises (58% over the LTP period), particularly without

a corresponding increase in the levels of service supported by the Council or levels of growth enabled.

### **City Vacant Differential**

- 3.24. Business Canterbury has long argued that a City Vacant Differential is seen by businesses as a revenue gathering exercise rather than one that genuinely changes behaviour. While the draft LTP points to the ‘successes’ of the differential, this is equally likely a consequence of the timeline in the redevelopment of the central city, and the time being right for the development of sites in the central city.
- 3.25. Business Canterbury does not support the expansion of the differential into suburban centres, without balancing measures that actually promote the development of vacant sites.
- 3.26. If this proposal is to proceed, Business Canterbury would like to see an appropriate quid pro quo from the Council. Currently, businesses who would otherwise be required to pay the differential are eligible for a remission only if where “Council’s actions or inactions have caused a delay in processing a building or resource consent relating to that land” and further, that the “rates remit is at the Council’s discretion”.
- 3.27. There is an opportunity to be more proactive here, balancing the interests of the Council in limiting the costs of service to land which if developed would earn significantly higher value-based rates. Instead of only providing a rates remission where the Council has caused a delay, and giving that remission at its discretion, the Council should be incentivising the development of that land by:
- Offering an immediate hold on future differential payments once a consent to develop/improve has been received by the Council.
  - Application of the current year’s differential payments to credit/offset consenting fees.
  - There would still be a requirement to keep the site in an ‘improved and maintained state’ during this process.

### **Charges and fees**

- 3.28. Business Canterbury is supportive of Council efforts to increase cost-recovery from user pay methods where it is appropriate to do so and does not impact on economic activity and growth.
- 3.29. There must be care taken when increasing the fees for services currently being charged for, that there is an appropriate justification and corresponding increase in the levels of service (i.e. increasing consenting fees should result in a faster, easier process).

### **Disposal of Council-owned properties**

- 3.30. Business Canterbury supports the disposal of Council-owned properties where appropriate. However, funds raised from the sale of any assets should not be used by the Council for operational spending, and instead, treated as funds for investing in the development of other assets and infrastructure.
- 3.31. Consideration should be given by the Council to strategically package some of these properties for a larger sale that may have a more positive amenity benefit (i.e. through the enablement of a larger development opportunity), rather than individually consulting on and selling the assets.

### **Climate resilience**

- 3.32. Business Canterbury recognises that Christchurch is faced with significant climate change risk, potentially more so than other main centres. With billions of dollars of assets, both public and private potentially at stake, the Council should take care to ensure that we are responding to that risk in advance and not delaying decisions to investigate funding and financing measures at the cost of being unprepared when an issue arises.
- 3.33. Business Canterbury welcomes the prospect of a Climate Resilience Fund, with the following caveats:
- That the fund is not only a **climate** resilience fund but a resilience fund. This is important as we do not want to limit the scope of a fund to deal with events in the future (i.e. is a major weather/geological event climate-related?)
  - That Councillors do not have decision-making authority about investments or costs that the fund must meet, or the continuation or cessation of the fund at any time in the future.
  - That the fund explicitly notes the beneficiaries of the fund to include businesses and freight corridors.

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