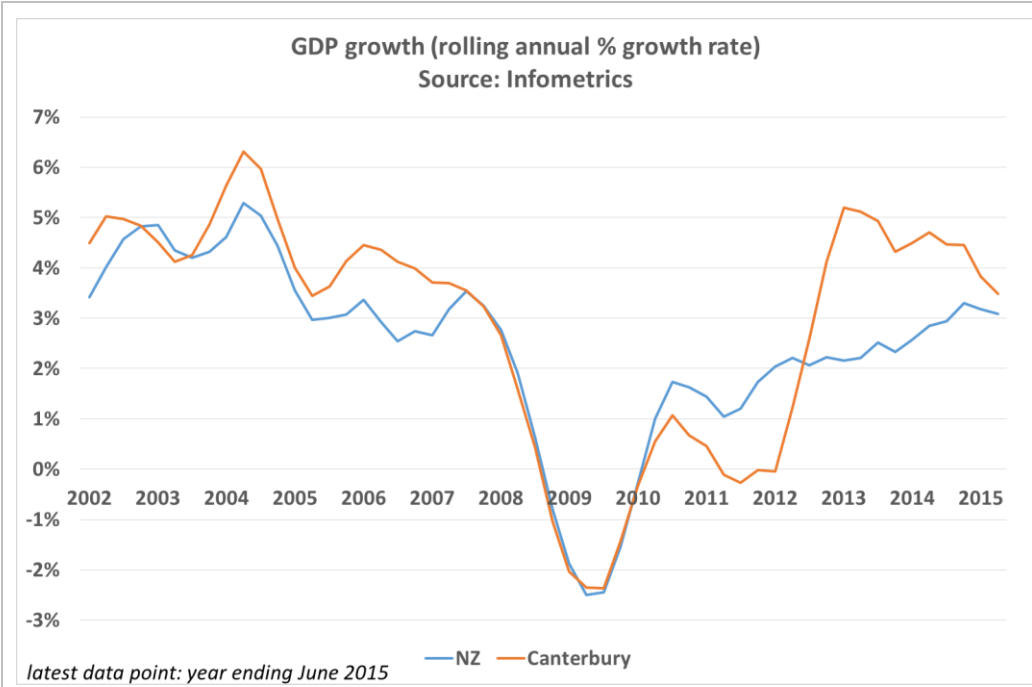


CANTERBURY REGIONAL ECONOMIC DEVELOPMENT STRATEGY

Regional Vision

A region making the most of its natural advantages to build a strong innovative economy with resilient, connected communities and a better quality of life for all

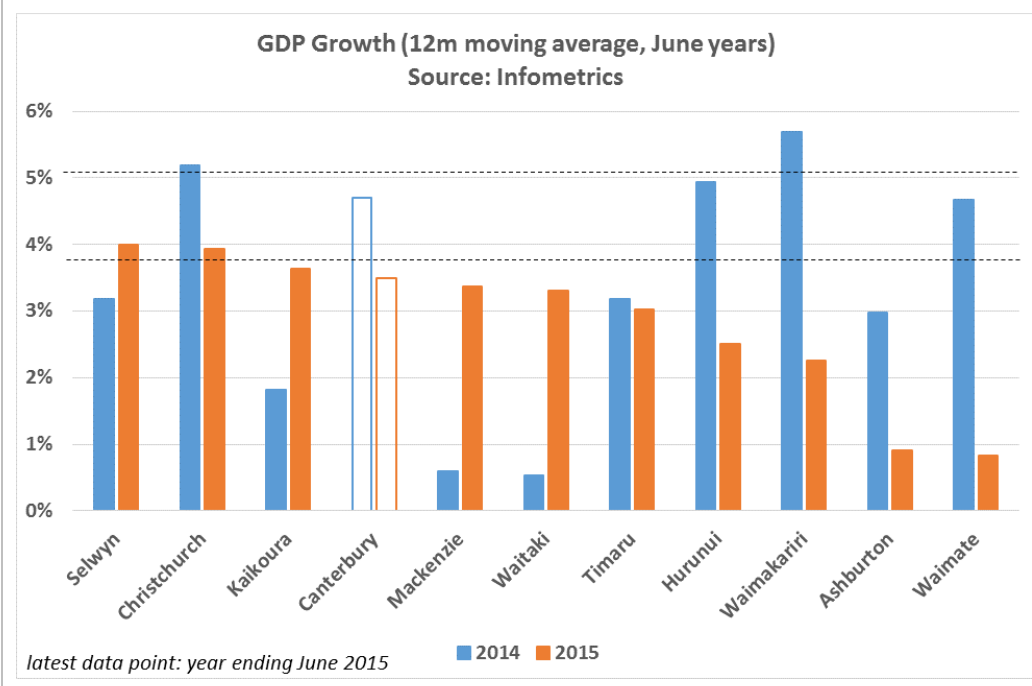


Canterbury's GDP growth has been significantly higher than New Zealand's since the earthquakes, reflecting the rapid expansion of rebuild activity.

Of course, that rebuild activity has now reached a high and steady plateau, helping to explain why the growth rate of overall GDP in the Canterbury region is now slowing.

Yet the *level* of activity in Canterbury is set to stay elevated for at least another two years, or in other words this will remain a busy economy.

And even after the rebuild has ended, other underlying or core parts of the economy, such as manufacturing and agribusiness, are well placed to take the baton.



GDP growth across Canterbury's districts varies significantly. This in part reflects the volatility inherent in small economies – one-off events can have a significant impact.

Growth remains positive in all districts. The variability in growth rates appears to reflect the impact of the North Canterbury drought and falling dairy prices in 2014/15 combined with strong tourism growth in districts such as Kaikoura, Mackenzie and Waitaki.

ECONOMIC INDICATORS REPORT

Dec-2015



In tune with the picture for the wider economy, employment growth in Canterbury has also consistently outperformed New Zealand as a whole in the past 3-4 years.

It was inevitable, however, that as employment in the region rapidly scaled up to meet the rebuild needs the same pace of growth could not be sustained forever. We are currently seeing this slowdown.

However, it seems pretty unlikely that we will see employment *fall* anytime soon.

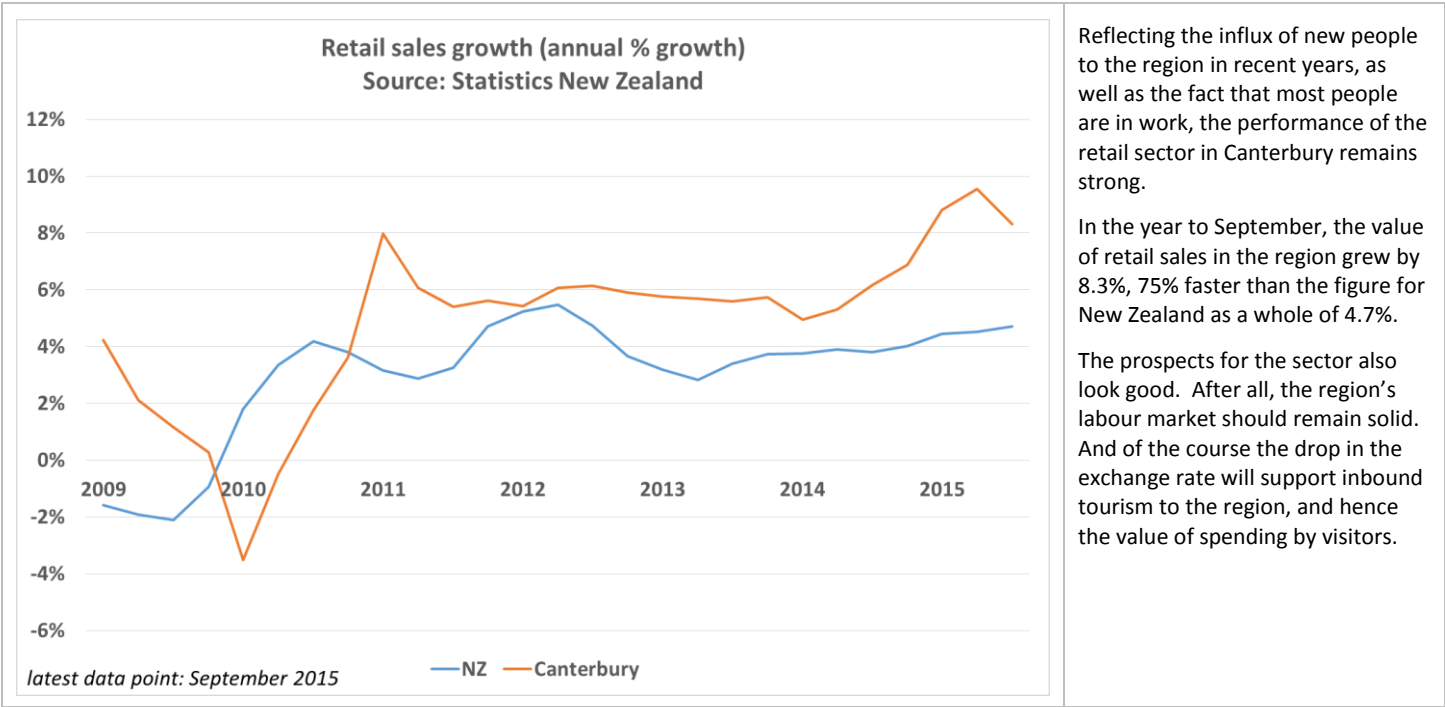


The mirror image of strong employment growth in Canterbury is of course a low unemployment rate.

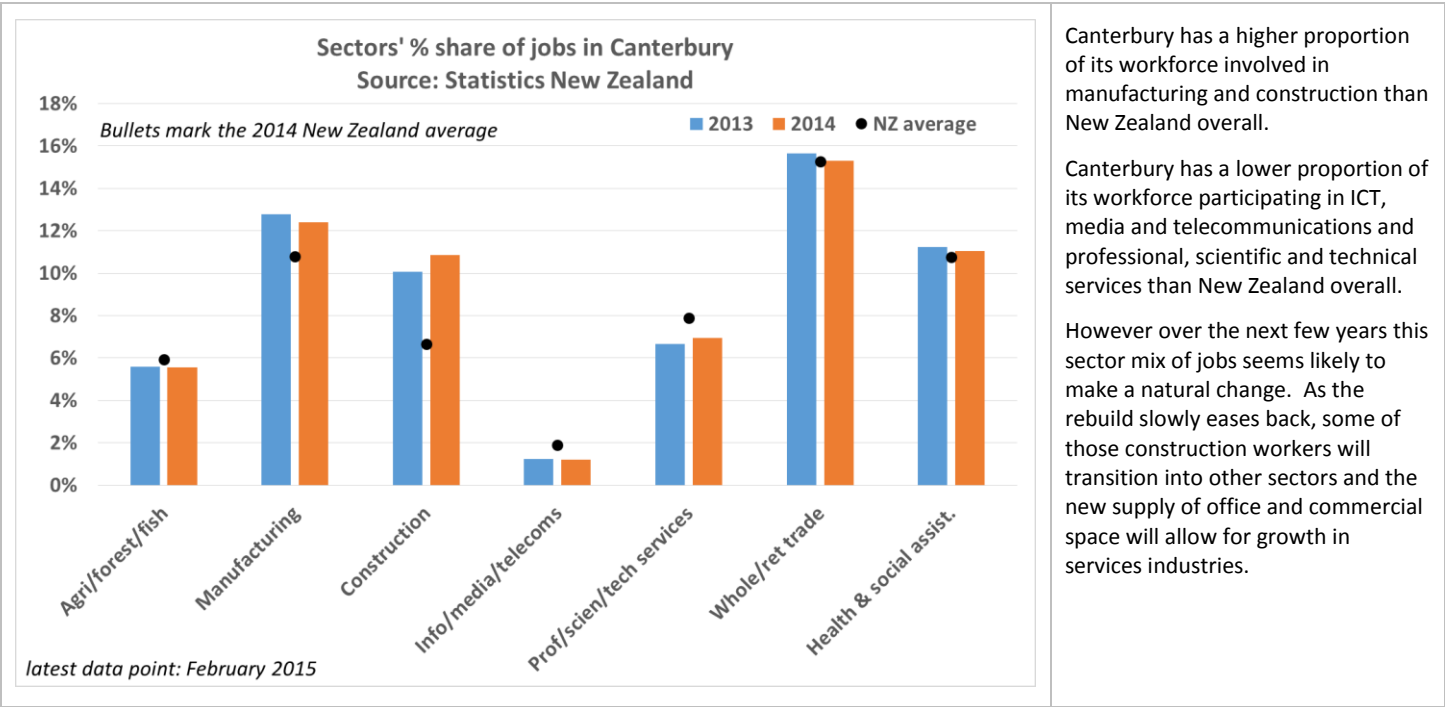
From 2012 onwards Canterbury's unemployment rate diverged away from the national average and currently sits at 3.9% - 2.1 percentage points below the national figure of 6.0%.

Over the next few years the unemployment rate may well edge higher. But it's starting from such a low level so it would take fairly big and sustained rises before this became a prominent issue.

Regional Vision (continued)



Work-stream 4 – Value added production



Work-stream 1 – Integrated regional transport planning and infrastructure investment

Measures under investigation

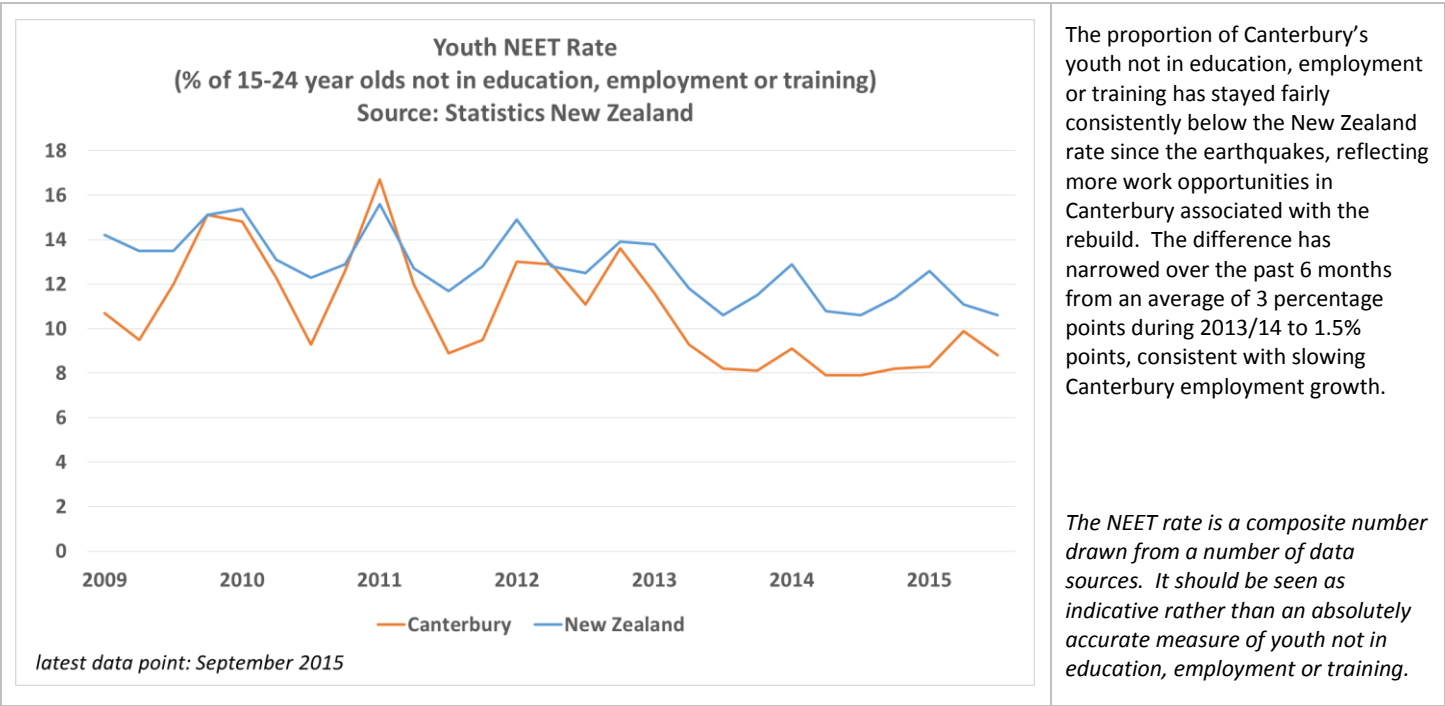
Work-stream 2 – Digital connectivity: extension and uptake of broadband in rural areas

Measures under investigation

Work-stream 3 – Freshwater management and irrigation infrastructure

Monitored via the Canterbury Water Management Strategy Targets Report (every two years) – latest report 2015 is available at <http://ecan.govt.nz/GET-INVOLVED/CANTERBURYWATER/TARGETS/Pages/targets-progress-report-2015.aspx>

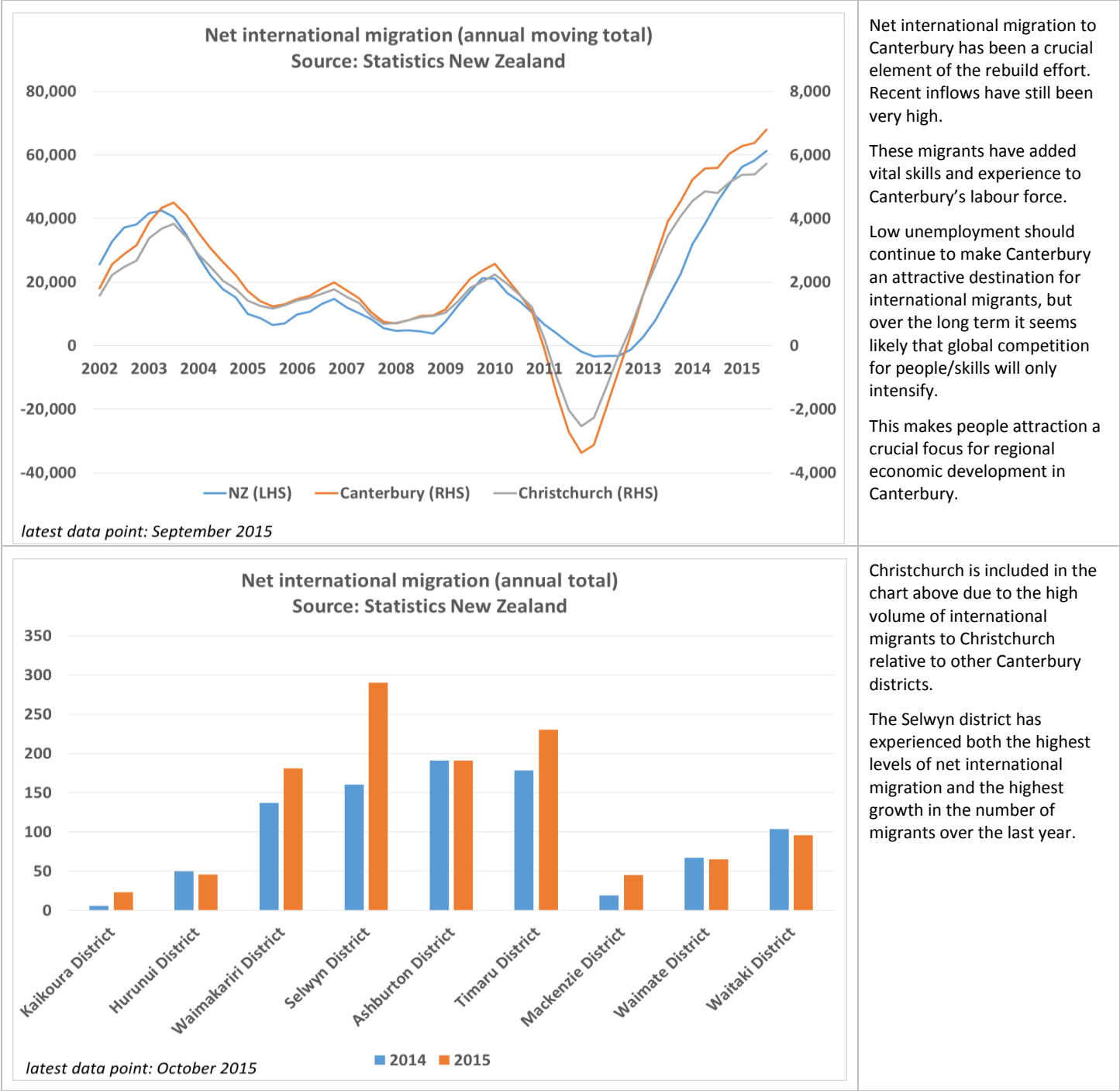
Work-stream 5 – Education and training for a skilled workforce



Work-stream 5 (continued)

<div><p>18 year olds with NCEA Level 2 Source: Education Counts</p><table><tr><th>Region</th><th>2013 (%)</th><th>2014 (%)</th></tr><tr><td>New Zealand</td><td>78</td><td>81</td></tr><tr><td>Canterbury</td><td>80</td><td>82</td></tr><tr><td>Ashburton</td><td>78</td><td>75</td></tr><tr><td>Christchurch</td><td>78</td><td>81</td></tr><tr><td>Hurunui</td><td>74</td><td>80</td></tr><tr><td>Kaikoura</td><td>79</td><td>71</td></tr><tr><td>Mackenzie</td><td>87</td><td>86</td></tr><tr><td>Selwyn</td><td>89</td><td>88</td></tr><tr><td>Timaru</td><td>82</td><td>85</td></tr><tr><td>Waimakariri</td><td>80</td><td>82</td></tr><tr><td>Waimate</td><td>82</td><td>70</td></tr><tr><td>Waitaki</td><td>85</td><td>81</td></tr></table><p>latest data point: academic year 2014</p></div> <div><p>Canterbury is slightly ahead of the national proportion of 18 year olds with NCEA Level 2, with a similar growth between 2013 and 2014.</p><p>Within Canterbury, the proportion of 18 year olds with NCEA level 2 is higher in Mackenzie and Selwyn and Timaru than in New Zealand overall while the proportion is lower in Waimate, Kaikoura and Ashburton.</p><p>Between 2013 and 2014, the proportion of 18 year olds achieving NCEA level 2 has grown by more in Hurunui and Christchurch than in Canterbury and New Zealand overall while Waitaki, Waimate, Kaikoura and Ashburton have experienced a fall in the proportion of 18 year olds with NCEA level 2.</p></div>	Region	2013 (%)	2014 (%)	New Zealand	78	81	Canterbury	80	82	Ashburton	78	75	Christchurch	78	81	Hurunui	74	80	Kaikoura	79	71	Mackenzie	87	86	Selwyn	89	88	Timaru	82	85	Waimakariri	80	82	Waimate	82	70	Waitaki	85	81	<div><p>Number of students - UC Source: Education Counts</p><table><tr><th>Year</th><th>Qualification 1-7</th><th>Bachelor</th><th>Post Graduate</th></tr><tr><td>2013</td><td>~500</td><td>~8,500</td><td>~5,000</td></tr><tr><td>2014</td><td>~500</td><td>~8,000</td><td>~5,500</td></tr></table><p>latest data point: academic year 2014</p></div> <div><p>Enrolments at Canterbury University have stabilised following significant post-earthquake decline in enrolments reflecting the disproportionate impact of the earthquakes on the university.</p></div>	Year	Qualification 1-7	Bachelor	Post Graduate	2013	~500	~8,500	~5,000	2014	~500	~8,000	~5,500	<div><p>Number of students - Lincoln Source: Education Counts</p><table><tr><th>Year</th><th>Qualification 1-7</th><th>Bachelor</th><th>Post Graduate</th></tr><tr><td>2013</td><td>~3,500</td><td>~2,000</td><td>~1,000</td></tr><tr><td>2014</td><td>~2,500</td><td>~1,500</td><td>~1,000</td></tr></table><p>latest data point: academic year 2014</p></div> <div><p>After rapid growth in enrolments post-earthquake, Lincoln has experienced a small decline in student numbers over the past year primarily due to a fall in students enrolled in qualifications 1-7.</p></div>	Year	Qualification 1-7	Bachelor	Post Graduate	2013	~3,500	~2,000	~1,000	2014	~2,500	~1,500	~1,000
Region	2013 (%)	2014 (%)																																																															
New Zealand	78	81																																																															
Canterbury	80	82																																																															
Ashburton	78	75																																																															
Christchurch	78	81																																																															
Hurunui	74	80																																																															
Kaikoura	79	71																																																															
Mackenzie	87	86																																																															
Selwyn	89	88																																																															
Timaru	82	85																																																															
Waimakariri	80	82																																																															
Waimate	82	70																																																															
Waitaki	85	81																																																															
Year	Qualification 1-7	Bachelor	Post Graduate																																																														
2013	~500	~8,500	~5,000																																																														
2014	~500	~8,000	~5,500																																																														
Year	Qualification 1-7	Bachelor	Post Graduate																																																														
2013	~3,500	~2,000	~1,000																																																														
2014	~2,500	~1,500	~1,000																																																														
<div><p>International fee-paying student enrolments Source: Education Counts</p><table><tr><th>Year</th><th>Canterbury (LHS)</th><th>NZ (RHS)</th></tr><tr><td>2008</td><td>~14,500</td><td>~95,000</td></tr><tr><td>2009</td><td>~14,500</td><td>~100,000</td></tr><tr><td>2010</td><td>~15,000</td><td>~105,000</td></tr><tr><td>2011</td><td>~9,500</td><td>~100,000</td></tr><tr><td>2012</td><td>~6,500</td><td>~95,000</td></tr><tr><td>2013</td><td>~7,000</td><td>~90,000</td></tr><tr><td>2014</td><td>~8,500</td><td>~105,000</td></tr></table><p>latest data point: academic year 2014</p></div> <div><p>International student numbers in Canterbury unsurprisingly took a hit immediately after the earthquakes.</p><p>But international students are now starting to return to the region and, although there is still a long way to go to return to past levels, at least the growth in enrolments has exceeded the New Zealand-wide figure in the past two years.</p><p>A renewed official focus on the sector, for example the International Education Strategy (commissioned by CDC and Education NZ), should see these international student numbers continue to grow long term.</p></div>	Year	Canterbury (LHS)	NZ (RHS)	2008	~14,500	~95,000	2009	~14,500	~100,000	2010	~15,000	~105,000	2011	~9,500	~100,000	2012	~6,500	~95,000	2013	~7,000	~90,000	2014	~8,500	~105,000	<div><p>Number of students - CPIT Source: Education Counts</p><table><tr><th>Year</th><th>Qualification 1-7</th><th>Bachelor</th><th>Post Graduate</th></tr><tr><td>2013</td><td>~8,500</td><td>~3,000</td><td>~1,000</td></tr><tr><td>2014</td><td>~9,000</td><td>~3,500</td><td>~1,000</td></tr></table><p>latest data point: academic year 2014</p></div> <div><p>Enrolments at CPIT have returned to close to pre-earthquake levels. There has also been growth in Bachelor level qualifications and a fall in Certificate 1-4 levels qualifications.</p></div>	Year	Qualification 1-7	Bachelor	Post Graduate	2013	~8,500	~3,000	~1,000	2014	~9,000	~3,500	~1,000	<div><p>Number of students - Aoraki Polytech Source: Education Counts</p><table><tr><th>Year</th><th>Qualification 1-7</th><th>Bachelor</th><th>Post Graduate</th></tr><tr><td>2013</td><td>~2,500</td><td>~0</td><td>~0</td></tr><tr><td>2014</td><td>~1,850</td><td>~0</td><td>~0</td></tr></table><p>latest data point: academic year 2014</p></div> <div><p>Student enrolments at Aoraki Polytech continue to fall year on year from an average of around 9,000 pre earthquake to 1,850 in 2014.</p></div>	Year	Qualification 1-7	Bachelor	Post Graduate	2013	~2,500	~0	~0	2014	~1,850	~0	~0															
Year	Canterbury (LHS)	NZ (RHS)																																																															
2008	~14,500	~95,000																																																															
2009	~14,500	~100,000																																																															
2010	~15,000	~105,000																																																															
2011	~9,500	~100,000																																																															
2012	~6,500	~95,000																																																															
2013	~7,000	~90,000																																																															
2014	~8,500	~105,000																																																															
Year	Qualification 1-7	Bachelor	Post Graduate																																																														
2013	~8,500	~3,000	~1,000																																																														
2014	~9,000	~3,500	~1,000																																																														
Year	Qualification 1-7	Bachelor	Post Graduate																																																														
2013	~2,500	~0	~0																																																														
2014	~1,850	~0	~0																																																														

Work-stream 6 – Newcomer and migrant settlement (skilled workforce, cohesive communities)



Work-stream 7 – Regional visitor strategy

