



AUCKLAND'S ECONOMIC DEVELOPMENT STRATEGY





MAYOR'S FOREWORD

In November 2010, I offered a vision of an inclusive and united Auckland. A city of proud local communities, secure in their local identities and in their place as part of a metropolitan powerhouse. A city that works, a city that moves, a city that is not held back by inadequate infrastructure or choked by an underdeveloped, under-funded and underperforming public transport system. Few if any of these goals will be realised, however, unless we create a prosperous Auckland.

My vision for Auckland, to be the world's most liveable city, can only be realised if it is underpinned by an internationally competitive, prosperous economy that all Aucklanders can benefit from and participate in.

Auckland took that vision on board. We received literally thousands of responses from Aucklanders as we developed the Auckland Plan and this Economic Development Strategy. These were overwhelmingly supportive of the social, economic, environmental and cultural goals we proposed for Auckland.

Along with the vital community input we also worked in close collaboration with our own economic development agency – Auckland, Tourism, Events and Economic Development (ATEED), our Economic Development Forum, the private sector representatives on our Business Advisory Panel, the Ministry of Business, Innovation and Employment, Ministers of the Crown, firms and business, leadership organisations, and education, skills and community leaders in Auckland.

As Mayor of a united Auckland, I also continually meet with business leaders across the region to gather their views on what needs to be done so that the Auckland economy sustains a quality of life, for all its citizens, befitting the world's most liveable city. Currently, the Auckland economy does most of its business by supplying goods and services to the New Zealand domestic market.

To grow at the rate Auckland needs to, it must add a much stronger export focus while also retaining its role in the domestic economy.

This export focus needs to aim at developing and selling high value goods and services into high growth sectors (e.g. food technology) into rapidly growing economies (e.g. China). To do this we need to fundamentally change the structure of the Auckland economy.

The change needed in Auckland's economic structure, so that high value exports make a much larger contribution to what we produce, is not a small task. We have already started putting the pieces together. For example, we are investing in a technology precinct in the Wynyard Quarter that aims to bring together technology firms, business start up incubators and research institutions together on a collaborating campus. This model brings the essential elements together in one place – ideas, product development, commercialisation and export expertise. This formula can and is being replicated in other sectors, e.g. food innovation, health services for export, and clean technologies.

ATEED and the council have also established a high calibre forum of Auckland's leading innovation thinkers, business people, scientists, research institutions and senior government representatives. This meets regularly to discuss next steps, how to overcome obstacles and to explore opportunities.

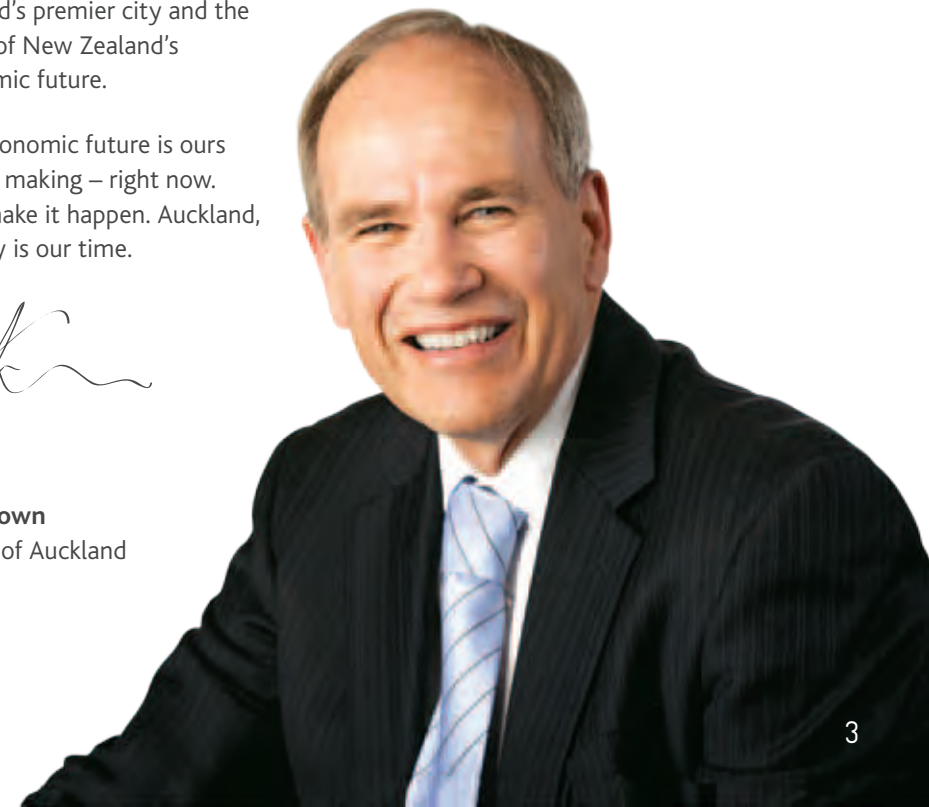
Similar approaches are now being applied to export education and the roll out of ultra fast broadband technology.

This prescription forms the backbone of this strategy. It represents a strong consensus from across Auckland on the economic priorities that the region needs to have to be New Zealand's premier city and the driver of New Zealand's economic future.

Our economic future is ours for the making – right now. Let's make it happen. Auckland, it really is our time.



Len Brown
Mayor of Auckland



GOVERNMENT FOREWORD

THE GOVERNMENT WELCOMES AUCKLAND'S ECONOMIC DEVELOPMENT STRATEGY

The Government believes that strong economic growth, which creates permanent, worthwhile jobs, is best achieved by building a competitive and productive economy that allows our firms to trade successfully with the rest of the world.

The Government has put together a business growth plan that will ensure government ministers and departments are focused on the six important inputs businesses need to access to be internationally competitive – capital, innovation and ideas, skilled and safe workplaces, natural resources, infrastructure and export markets. Our Business Growth Agenda will ensure the Government is focused on what matters to business, and ensure that companies can more easily access the advice and support they need.

The Government appreciates the partnership approach taken by the council in the development of the Economic Development Strategy, which is reflected in its broad alignment with the Government's Business Growth Agenda. The Government encourages the council to continue its engagement with stakeholders going forward. Leadership and engagement by stakeholders, and particularly by business, will be critical to the successful implementation of the strategy.

The Government will continue to engage with the council and the business community, business organisations, tertiary providers, and local iwi to work towards the sustained growth of Auckland's economy.



Hon Steven Joyce,
Minister for Economic Development







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HOW DO WE SEE AUCKLAND IN THE FUTURE?

HE PĒHEA TE ĀHUA Ō TĀMAKI MAKAURAU
KIA TĀTOU, Ā NGĀ WĀ KEI TE HEKE MAI?

The vision for Auckland is set out in the Auckland Plan. The vision is to be the world's most liveable city, with an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand. The Auckland Plan identifies six transformational shifts to achieve the vision.

- » dramatically accelerate the prospects of Auckland's children and young people
- » strongly commit to environmental action and green growth
- » move to outstanding public transport within one network
- » radically improve the quality of urban living

- » substantially raise living standards for all Aucklanders and focus on those most in need
- » significantly lift Māori social and economic wellbeing.

It means Auckland will be:

- » able to attract the skills to support the region's and New Zealand's economic growth
- » capable of harnessing its position as New Zealand's global gateway to promote trade and export opportunities
- » vibrant and distinctive, where diversity is celebrated and acts as a spur for quality of life, creativity and innovation
- » attractive for innovators, investors, business, visitors and all residents
- » a resilient, efficient economy, less reliant on fossil fuels and finite resources.

A strong economy means more jobs and more money in more people's pockets. It allows people, families and communities the freedom to pursue their own prosperity; infrastructure such as roads and rail to be improved, social services such as libraries and youth centres to be expanded; and more amenities such as parks and community halls to be developed – making the city even more liveable. This in turn attracts more skilled workers, businesses and investment.



THE ROLE OF AUCKLAND'S ECONOMIC DEVELOPMENT STRATEGY

TE MAHI O TE RAUTAKI WHANAKETANGA WHAINGA HUA Ō TĀMAKI MAKĀURAU

“ THE ECONOMIC DEVELOPMENT STRATEGY IS A REGIONAL DOCUMENT. IT ADVANCES THE ECONOMIC CHAPTER IN THE AUCKLAND PLAN. ”

To make Auckland an internationally prosperous city we need a clear, collaborative, achievable strategy: one that will help bring about a major change in the way Auckland does business. This document sets out a ten year strategy to achieve this, and the targets against which progress will be measured. Auckland's businesses, with their investment, innovation and people, are the beating heart of our economic growth. The strategy therefore reflects a partnership with business, central government and a range of other parties, and identifies a range of economic and socio-economic actions that will improve prosperity in Auckland as well as underpinning improvement in social conditions. Some projects have council funding confirmed through the Long-term Plan budget process and are included in the statements of intent of many of the council's own CCOs and Local Board Plans and agreements.

The strategy has been developed collaboratively, through a series of discussions and from feedback received via submissions on the Draft Economic Development Strategy.

The strategy aims to strengthen collaboration, provide and develop supporting infrastructure, and attract, build and retain talent and business capability in Auckland. It also aims to make it easier to be innovative, showcase our strengths and benefit from our sectors of competitive advantage.

Auckland Council represents a new model of local government for New Zealand, designed to strengthen regional leadership through the governing body while providing local and community democracy with the local boards. The council's 21 local boards play a lead role in the care of their communities and local economies. They have a key role to play in facilitating a range of place-based economic development initiatives in conjunction with the governing body and other external stakeholders.



“NĀU TE ROUROU – NĀKU TE ROUROU KA ORA AI TE IWI. WITH YOUR FOOD BASKET AND MY FOOD BASKET – THE PEOPLE WILL LIVE.”

Local Economic Development

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. Local economic development is important to Auckland's overall economy. It gives effect to how economic development plays out at the local scale and enhances the interconnection between local, regional and global activities. Some local economic development activity occurs in town centres, business areas and economic corridors. A strong network of centres and interrelated corridors is essential to deliver the Mayor's vision of Auckland as the world's most liveable city, including the quality, compact city approach. Auckland's town centres are a focus for commerce, a source of local employment and a place for social interaction. The economic corridors provide strong linkages between these centres and employment areas.

This strategy provides an overarching vision and framework within which local economic development activity occurs. However, as a regional strategy, this document does not detail the many important community and local projects that local boards and others will undertake. These will be set out in the three-yearly Local Board Plans and annual local board agreements. Local boards and the governing body will work together to ensure that opportunities for local economic development and employment, aligned with the Economic Development Strategy, are found and taken.

Māori Economic Opportunities in Tamaki Makaurau

Te Tiriti o Waitangi – Treaty of Waitangi is the founding document of our nation. The Auckland Plan explains how the articles and principles of the Treaty of Waitangi are relevant to the Auckland Council and provides for the Māori Responsiveness Framework that will guide the council's relationship with Māori. This initiative represents a commitment by Auckland Council to build sustainable relationships with Māori. The framework incorporates three objectives that will guide the council's primary activities concerning Māori:

- » effective Māori communication and engagement
- » contribution to Māori well-being
- » development of Māori capacity.

The Treaty settlement process is a key way to improve the economic and social well-being of Māori. The Crown is currently negotiating with at least 16 iwi to settle historical Treaty claims throughout Auckland. The Treaty settlement process will place additional requirements on the council to recognise and provide for iwi aspirations. Partnership arrangements between iwi, Auckland Council and the wider Auckland community will become an increasingly important means not only of enhancing Māori well-being, but enhancing the future prosperity of Auckland.



WHAT ARE OUR ECONOMIC TARGETS?

HE AHA Ō TATOU TAUMATA WHAINGA HUA?

Following comprehensive analysis and feedback from a wide range of stakeholders, three economic goals have been identified to drive the necessary step change required to meet Auckland's vision.

These are:

- » an average annual increase of regional exports greater than 6 per cent
- » an average annual real gross domestic product (GDP) increase greater than 5 per cent
- » an average annual productivity growth greater than 2 per cent.

The Auckland Plan also includes a target to ensure that there is the ongoing provision of planned and serviced capacity for 'Group 1' business land, including large lots, to meet five-yearly demand as assessed by annual surveys.

Achieving these ambitious economic targets would mean that Auckland's economy would improve 20 places in 20 years in current OECD gross domestic product per capita rankings.

Obtaining these goals will mean a fundamental change in Auckland's economy, which has had historical GDP annual growth rates of 2–3 per cent.¹ It will require the structure of Auckland's economy to shift from being import-led to export-driven, to encourage growth in our significant service sectors (e.g. business and financial services, tourism, international education) as well as in our internationally competing industrial sectors (e.g. food and beverage processing, health technologies, specialised manufacturing), and significant improvement through growth in skills and labour market participation, innovation and access to capital.

The Auckland Plan also details other targets that are relevant to Auckland's economy, and how separate projects of work will be initiated to address them.

¹ Auckland's average annual growth in real GDP (1997 to 2011) was 2.9 per cent. Source: Infometrics regional GDP database series.

AUCKLAND, NEW ZEALAND'S INTERNATIONAL CITY

TĀMAKI MAKAURAU, TE TĀONE AO NUI Ō AOTEAROA

Large, outward-facing global cities are critical for the development of entire nations. They generate and attract businesses, skills and investment by developing their own recognisable brand. Auckland is the only city with the potential to play this role in New Zealand. With over a third of New Zealand's population and 627,100 jobs,² Auckland's economy generated approximately \$50 billion in economic activity in 2011.³ That equates to 36.9 per cent of New Zealand's GDP.

Over the next 30 years Auckland's population is expected to grow by one million people, and another 300,000 jobs will have to be created.⁴ Auckland's importance on the national and international stage will continue to grow. Auckland has a significant productivity premium over any other region in New Zealand, because of how businesses are clustered. For instance, Auckland workers add between 32 per cent and 59 per cent more value than workers elsewhere in New Zealand. These figures increase to between 117 per cent and 156 per cent for Auckland's central business district.⁵

The city centre plays a pivotal role in Auckland's present and future success, as the pre-eminent hub for office-based employment and business/financial services. In 2011, there were 127,000 people in 18,430 businesses working in the city centre and city fringe areas.⁶ The City Centre Masterplan provides for a significant increase in employment and population living within and commuting to and from the city centre. The agglomeration effects of more businesses and people will increase the productivity of the city centre and Auckland.

If New Zealand is to succeed in competing internationally, it is clear that Auckland must be well connected to the rest of New Zealand.

Our cities and regions need to collaborate and not compete for scarce resources and opportunities. Within New Zealand, 85 per cent of our people now live in urban areas. Auckland is working with the six largest metropolitan city councils of Tauranga, Hamilton, Wellington, Christchurch and Dunedin to improve our understanding of the different elements that drive the economy, and to identify opportunities for new models of collaboration and joint ventures.

Auckland also has a particular relationship with the cities and regions of the upper North Island. The area contains 52 per cent of New Zealand's population and employs 50 per cent of the workforce. 52 per cent of New Zealand's total GDP is generated in this area.⁷

Due to its proximity, Auckland has important links with Hamilton and the Waikato, especially in terms of key infrastructure routes, transport and logistics. Agricultural production in this area serves the Auckland market, while Auckland adds value and connects these products to the rest of the world through the port and airport. The Bay of Plenty and Northland are also important connections in terms of infrastructure (such as the fuel pipeline from Marsden Point to Auckland) and transport.

These important relationships have been recognised through the development of the Upper North Island Strategic Alliance (UNISA) between Auckland Council, Bay of Plenty Regional Council, Northland Regional Council, Waikato Regional Council, Hamilton City Council, Tauranga City Council and Whangarei District Council. This alliance is developing an aligned approach towards economic development to support growth in export opportunities.

New Zealand, with Auckland, will have to create its own niche on the international stage. Individually we cannot compete with the world's big cities, but together we can build competitive advantage in some key areas. Our relationships with partners around the world are critical. New Zealand is currently the only country with a free trade agreement with China. Our people and history connect us with cities and countries around the world, and these relationships offer a unique opportunity for Auckland's businesses to engage with both established and fast-growing world markets.

² Statistics NZ, 2011 Employee Counts.

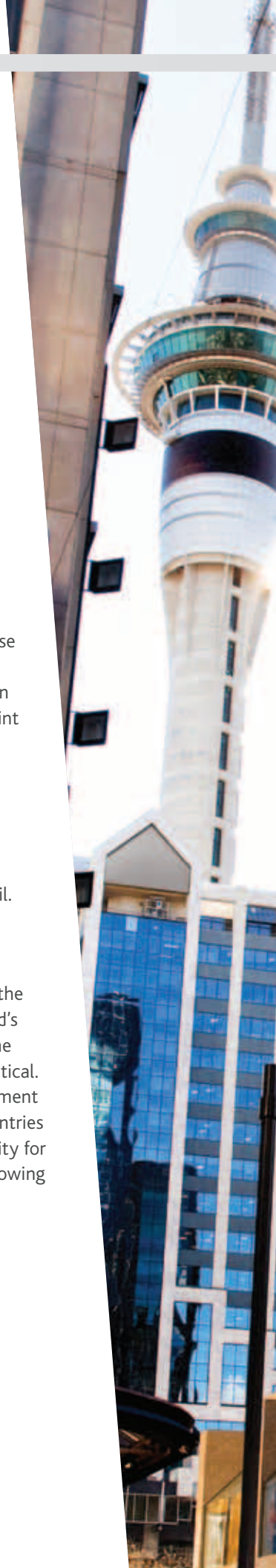
³ Infometrics regional GDP database series, real GDP in 1996 prices, for year ended September 2011. In current prices, Auckland's nominal GDP was approximately \$69.1 billion.

⁴ These figures are on the higher end of projections from the Economic Futures Model (2011) and the Auckland Residential Futures Model (version 3, February 2012) for population growth.

⁵ Maré, D C. 'Labour Productivity in Auckland Firms'. Occasional Paper, Wellington: Ministry of Economic Development, 2008.

⁶ The 2011 employment and business numbers are taken from Statistics New Zealand's Business Demographic Data. The definition of city centre and city fringe areas is from the Auckland's Council's Growth Model definition.

⁷ Infometrics regional GDP database series.



AUCKLAND'S GLOBAL ADVANTAGES

TE AO-Ā-HUANGA O TĀMAKI MAKĀURAU

Auckland has many distinctive features that could potentially provide significant economic advantages.

Our Quality of Life

We are consistently ranked in the top five places to live in Mercer's Quality of Living survey, ranking third in 2011. Aucklanders can choose between a sophisticated urban lifestyle, living in the suburbs, or moving a short distance to the countryside to live on a lifestyle block surrounded by farmland and native bush. Our communities are perceived as being safe and we have the lowest level of public sector corruption in the world, ranking first, ahead of Denmark, Finland, Sweden and Singapore.⁸ Perceptions about quality of life, public safety, housing affordability, cultural diversity, facilities for national and international events, and the natural environment are becoming increasingly important in economic decision making.

Our Natural Amenities

For a major city, our natural environment is unsurpassed. We have beautiful clean harbours and beaches, a stunning volcanic landscape, and fresh, clean air. While some important environmental indicators (such as air, harbour and water quality, soil loss) show evidence of environmental degradation in Auckland, the quality of our environment is high when compared to many other international cities.⁹

The exceptionally fertile soils in rural areas of Auckland are one of New Zealand's less appreciated comparative advantages. These soils contribute significantly to the country's exports and international brand as a producer of high-quality fresh food items. For instance, nationally significant crops of onions, strawberries, capsicums and other fresh vegetables are grown in Auckland and air freighted to markets for sale the same day, in cities such as Tokyo, Hong Kong and Singapore. Auckland's large rural areas provide the basis for industries such as equine, which provides significant export contributions (approximately \$140–150 million per annum).¹⁰

⁸ Transparency International's 2011 Corruption Perception Index.

⁹ Auckland Regional Council. 'State of the Auckland Region Report 2010' Auckland: Auckland Regional Council, 2010.

¹⁰ New Zealand Horse Recreation Incorporated, 2012 Economic Development Strategy hearings.

Auckland is internationally unique, being at the centre of a huge and varied marine park. The Hauraki Gulf Marine Park covers the Waitematā Harbour and the wider Hauraki Gulf as far south as the Firth of Thames, north to the Mokohina Islands, and east to the Alderman Islands off the Coromandel Peninsula. The gulf contains an enormous diversity of geographies, flora, fauna and habitat, some of it internationally recognised and protected. Aquaculture has recently seen a significant amount of investment and development, and Auckland's location on three harbours provides considerable opportunities for sustainable economic development.

Iwi/Māori

The Tāmaki Manawhenua have a history of entrepreneurial endeavour, trading with other tribes as far away as the South Island. This heritage has been incorporated into the contemporary Māori world, culminating in Māori businesses achieving global recognition. Today, there are significant opportunities for the council to support and encourage Māori economic development in Auckland and, where appropriate, to enter into partnerships with them. These opportunities could be across the full spectrum of economic, social, cultural and environmental dimensions but are especially apparent in infrastructure (both economic and social), tourism, exporting, internationalisation and sector development. The transfer of assets from Treaty of Waitangi settlements continues to enhance the platform for iwi and Māori-led economic development. Iwi are increasingly looking to emerging industries and exploring the possibility of partnerships with central and local government on a range of investments.

One consistent theme across Manawhenua is to encourage the return of their people to their ancestral lands. This requires housing, employment, education and healthcare to be provided in and around those ancestral lands. The attraction to return to the land predates Treaty settlements; indeed, the shift from urban to rural areas by Māori has been a gradual process since the late 1970s. However, the ability to secure any standard of living has been thwarted by a range of barriers largely based on access to employment. As the global economy has moved toward free market principles, augmented by the birth of the internet and other new technologies, horizons have shifted, especially for middle-class Māori. Information and its use underpins the world's economy. It also creates opportunities for communities separated by geographical boundaries, to unite with the world and for people to return to their ancestral lands and still maintain a standard of living offered by the new information highway.

¹¹ McCann, P. 'Economic Geography, Globalisation and New Zealand's Productivity Paradox'. New Zealand Economic Papers Vol 43 Issue 3, 2009.

¹² World Bank's 2012 'Ease of Doing Business Index' (www.doingbusiness.org/rankings).

Pacific Peoples

Auckland is home to New Zealand's biggest Pacific population and the highest concentration of Pacific peoples in any one region in the world. Our status as the world's largest Polynesian city is now a key aspect of our identity.

Our Ethnic Diversity

Auckland has a relatively young, ethnically diverse population which offers vitality, flexibility and creativity. We have one of the highest levels of inward international migration in the world, third only behind Toronto and Vancouver, and this is expected to continue. Despite its international geographic isolation, Auckland's diverse population is globally connected, providing valuable networks and entry points into international markets. The business connections of new Asian communities, in particular, have helped strengthen our international focus. These connections form an important foundation for our future success in creating an internationally connected and innovative economy.

However, the benefits stretch much further than this. Immigrants can help build knowledge clusters and provide access to leading-edge ideas and technologies through their international networks. Many immigrants will also provide new opportunities for enhancing trade networks with their home countries.¹¹ Auckland's immigrants are therefore a critical component of an innovative, export-focused and internationally connected city.

Connectivity and Ease of Doing Business

Auckland is a key entry point to New Zealand for business networks and global talent. Auckland's gateway role derives from its built environment having developed around the ports and harbours, and extending along the transport networks. These networks are increasingly global and therefore Auckland remains an important portal for connecting New Zealand to the rest of the world. This confers particular responsibilities on Auckland to protect New Zealand's biosecurity. Freight movement on the national transport system and through the Ports of Auckland and Auckland International Airport, and the size of the warehousing and transportation sector in Auckland, facilitates imports (60 per cent) and exports (32 per cent) throughout the country.

It is easy to set up business here, with relatively little red tape to contend with. The World Bank's 'Doing Business 2012' ranks New Zealand third of 183 countries on the 'Ease of Doing Business' rank.¹²

These advantages are all relevant to Auckland's ability to compete to attract internationally mobile, skilled workers, firms and investment.

THE MIX OF INDUSTRIES AND CLUSTERS OF ADVANTAGE

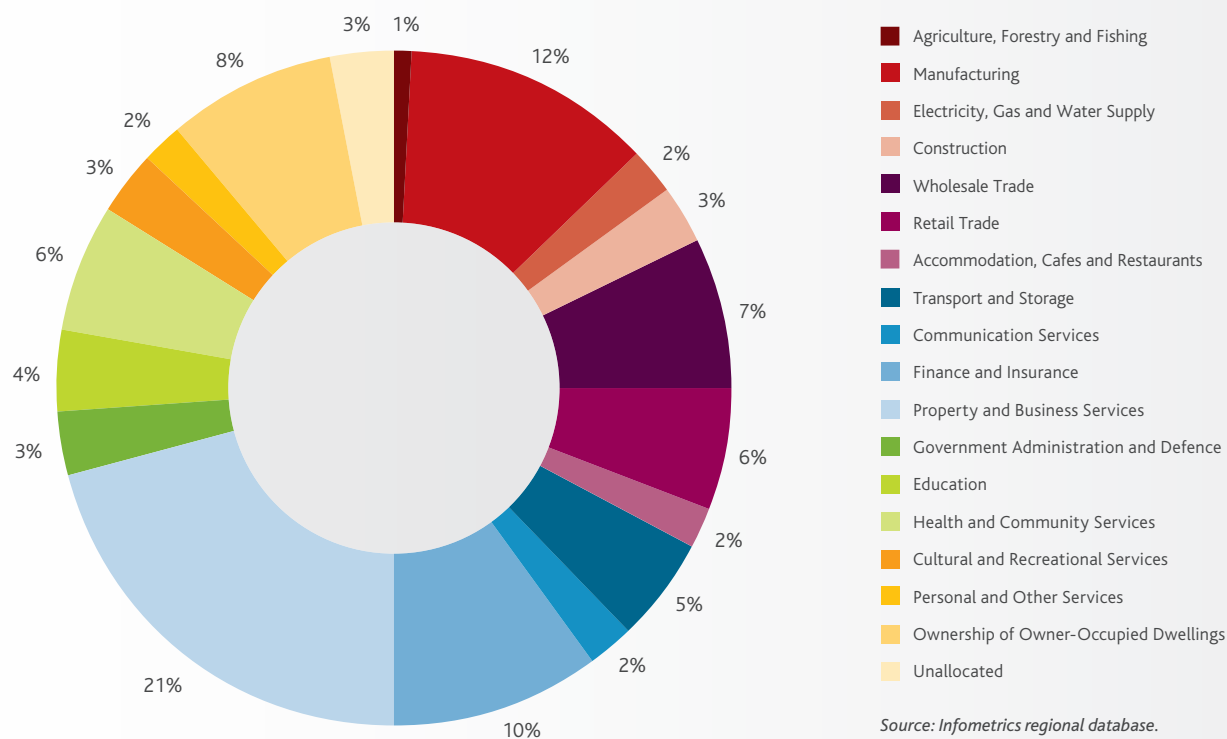
Auckland's mix of specialised and supporting industries is also a potential source of economic advantage. Auckland's economic performance depends on combining a diversified industrial base (to protect against economic shocks) and critical mass in a smaller number of sectors in which Auckland has established strengths. These sectors have the potential to achieve high rates of productivity and export growth. Clusters and concentrations of industries help attract skills and investment, and encourage the growth of specialised supporting services.

Auckland's economy is still primarily inward-focused. Economic growth is driven by strong population growth (mostly from strong migration growth), enabling increased domestic demand or consumption and a reliance on imports. The overall profile of Auckland's industrial mix is shown in **Figure 1**.

FIGURE 1:

Auckland's Current Industrial Mix

(By GDP contribution for year ended September 2011)



The largest industries in most cities worldwide tend to be service industries that primarily serve the local market. These include professional, financial, retail, transport and logistics services. Auckland is no different in this respect and such industries will always provide a foundation for the Auckland economy. As shown in **Table 1**, these sectors account for 40 per cent of Auckland's regional GDP in 2011, with over a quarter provided by property, business and financial services.

These industries are concentrated in a number of areas in Auckland. The city centre accounts for about 23 per cent of employment in business services and 38 per cent in financial services. Other areas of concentrated service activity include Albany, Takapuna, Manukau, Newmarket and Ellerslie/Penrose.

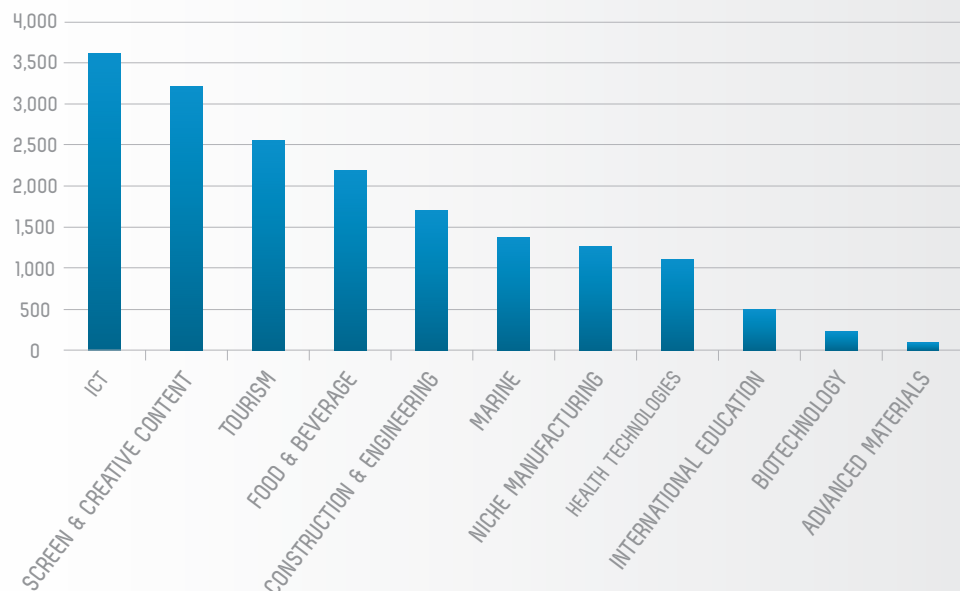
We are looking at structural change to increase sustainable, high-growth, internationally competitive sectors. **Figure 2** outlines the current contributions of key sectors to Auckland's GDP. These sectors have been identified as having the greatest potential to contribute to productivity growth.

TABLE 1:
Selected Service Sectors

	REAL GDP \$M 1996 PRICES, YEAR ENDED SEPTEMBER 2011 (% of Auckland economy)	EMPLOYMENT, AS AT FEBRUARY 2011 (% of Auckland economy)
PROPERTY, BUSINESS AND FINANCIAL SERVICES	14,029 (28.1%)	134,620 (21.5%)
TRANSPORT AND LOGISTICS SERVICES	2,849 (5.7%)	31,240 (5.0%)
RETAIL TRADE	3,091 (6.2%)	60,460 (9.6%)

Source: Infometrics regional database and Statistics New Zealand business demography tables

FIGURE 2:
Current Contributions of Key Sectors to Auckland's Economy (1996 \$Million, 2010)



Source: Infometrics' regional GDP model and Auckland Council calculations¹³.

¹³ Note that sectors are not mutually exclusive and there will be some overlaps in sector definitions. For example, proportions of 'computer system design and related services' will appear in ICT, screen and creative digital content, creative, and health technologies.



Image courtesy of KiwiRail

Auckland has comparative advantages in a number of industry segments that compete internationally. These include food and beverage processing, ICT, health technologies, niche manufacturing, engineering, tourism and international education. Sectors in food and beverage processing, ICT and health technologies demonstrate particular competitive strengths and international market potential. The current contributions of industries that compete internationally to the Auckland economy are shown in **Table 2**. These industries will need to lead the way in achieving a step change in innovation, skills development, international connections, and the region's brand.

TABLE 2:

Sectors that Compete Internationally

	GDP \$M (2010, 1996 \$m)	% OF AUCKLAND ECONOMY	EMPLOYMENT 2011	% OF AUCKLAND ECONOMY
ICT	3,565	7.3%	30,677	4.9%
TOURISM	2,516	5.1%	54,360	8.7%
FOOD AND BEVERAGE	2,191	4.5%	23,300	3.7%
CONSTRUCTION & ENGINEERING	1,686	3.4%	39,156	6.2%
MARINE	1,361	2.8%	4,594	0.7%
NICHE MANUFACTURING	1,251	2.6%	18,690	3.0%
HEALTH TECHNOLOGIES	1,063	2.2%	6,758	1.1%
INTERNATIONAL EDUCATION	483	1.0%	6,016	1.0%

Source: Infometrics' regional GDP model and Auckland Council calculations, Statistics New Zealand Business demography tables.

Some of these industries are also clustered or concentrated in different areas of Auckland. For example, the marine industry tends to cluster in precincts with harbour access, such as Westhaven and Wynyard Quarter. The majority of the food processing industry is within ten minutes of the airport and in southern Auckland. Broader manufacturing activities are clustered in Penrose, Mt Wellington, Highbrook, central Manukau, North Harbour, Rosedale and Wiri.

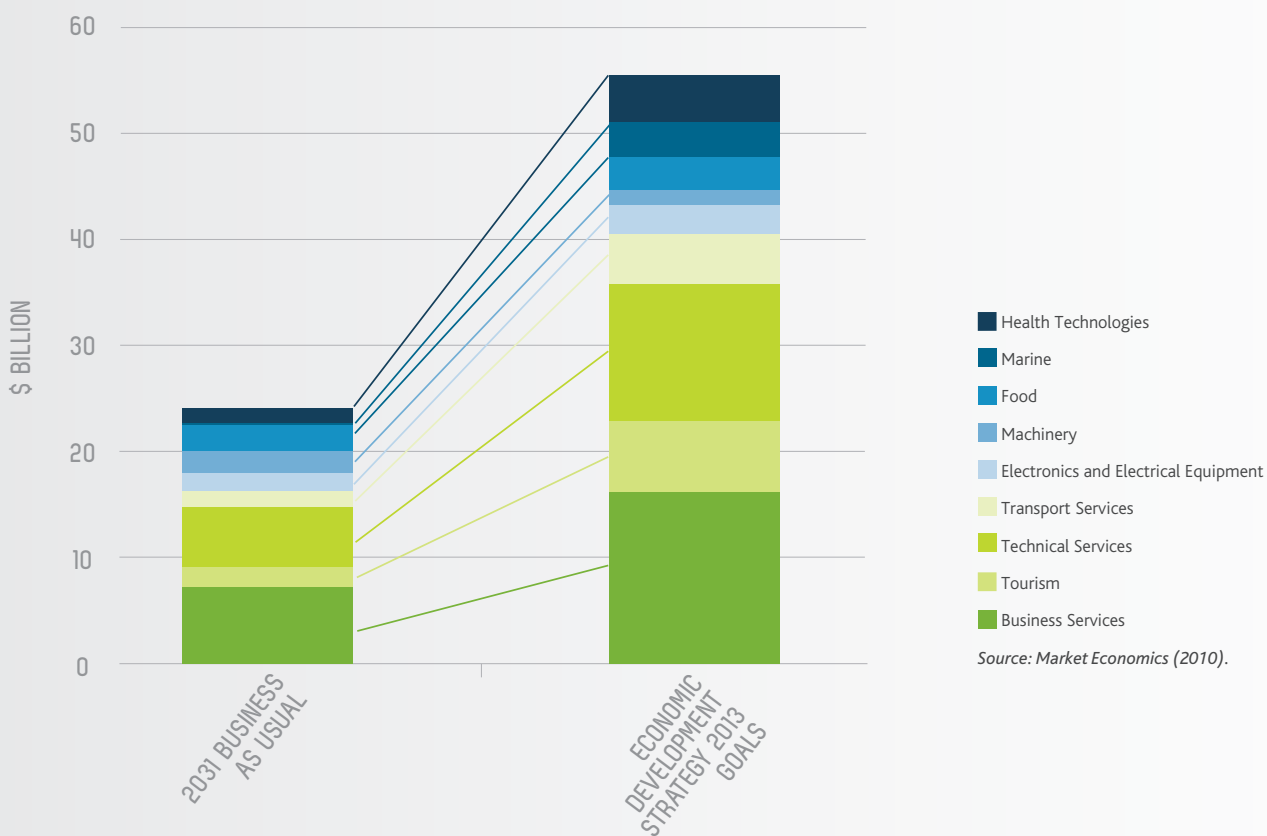
To achieve the challenging GDP and export goals set by this strategy, significant growth across all of Auckland's sectors is required, including service sectors, manufacturing sectors and primary sectors (e.g. equine and aquaculture). It is important for all sectors to improve their productivity and export performance, but the greatest gains may be from first focusing on removing impediments and facilitating opportunities for sectors that demonstrate international competitive advantages. Innovation in these niche areas builds on established expertise and has scope for further development. However, domestic demand is forecast to grow at a slower rate than previously. This will require the structure of Auckland's economy to shift from being import-led and domestically focused to export-driven. As such, we will want to see a significantly increased

contribution from internationally competitive sectors, particularly food and beverage processing, ICT, health technologies and niche manufacturing.¹⁴

Figure 3 indicates that under business as usual performance, key sectors¹⁵ will contribute just over \$23 billion in regional GDP annually to the Auckland economy by 2031 (slightly more than doubling from a base of around \$10 billion now). The growth goals will require these sectors to generate around \$55 billion in regional GDP annually, with internationally competitive sectors providing the bulk of this. As will be discussed later (under Priority 2 and 3), the council will work closely with these sectors to agree on these growth goals and strategies to help the sectors deliver and monitor this growth.

FIGURE 3:

Selected Industry Growth Required to Achieve Goals



¹⁴ Specialised manufacturing often uses flexible, short-run production cycles to supply high-value global niches. Increasingly, they also create value in the areas of design, research and development, production and servicing. (Source: New Zealand Trade and Enterprises).

¹⁵ The definition of these sectors (in terms of segments) differs substantially to the usual ANZSIC inclusions used in the above GDP and employment performance of key sectors. Segments of the sectors that did not exhibit a combination of high export growth, value added and comparative advantage were removed.

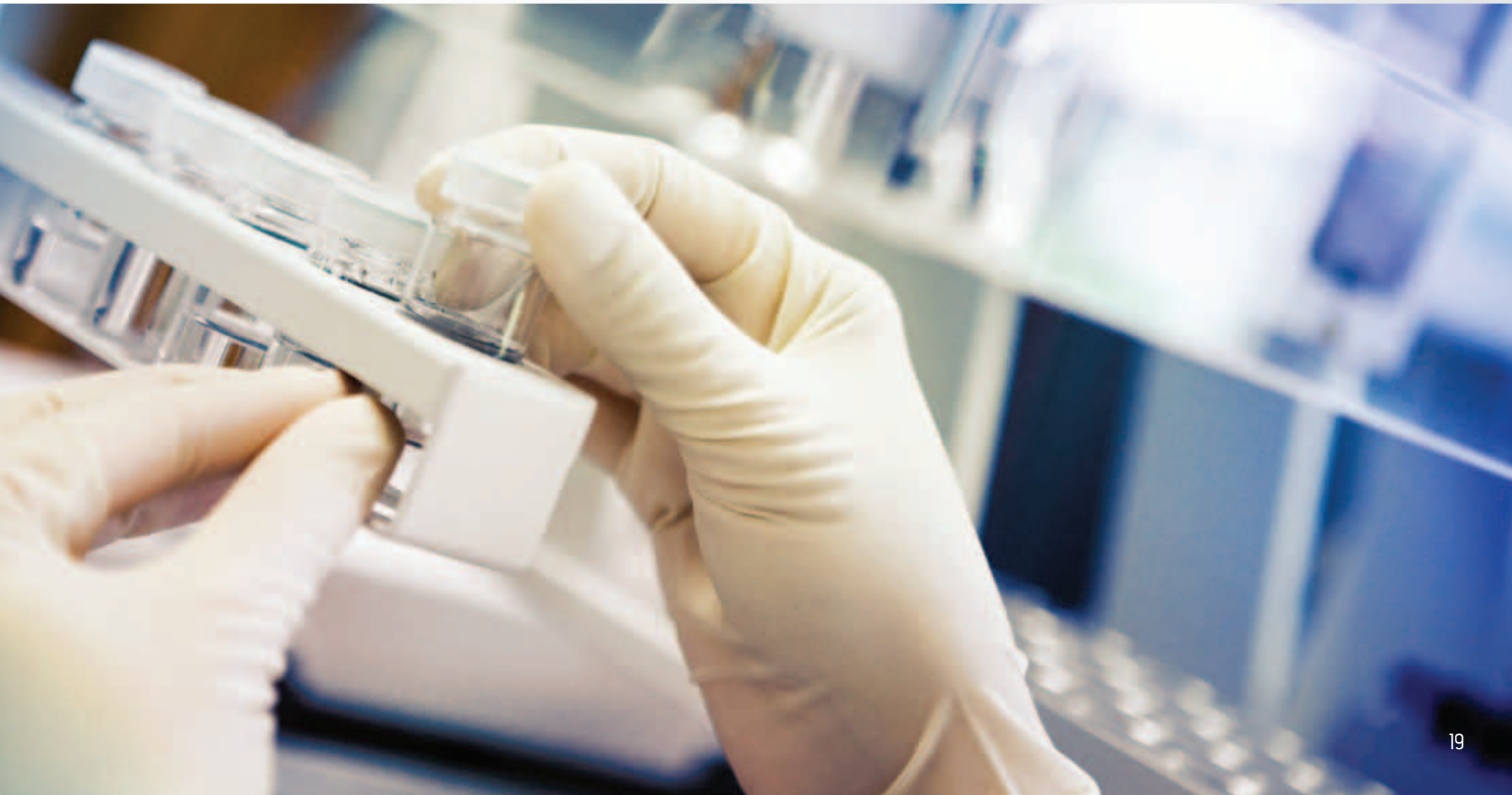
Auckland's industrial mix is also enhanced by the presence of several sectors representing broad technology platforms. There is capability in Auckland in biotechnology, advanced materials, and screen and creative content – all of which underpin growth in other industries. For example, biotechnology is a platform that applies to a large range of industries, including food and beverage, health technologies, and pharmaceuticals. Screen and creative digital content expertise underpins film, television, animation, and publishing (and can be applied to multiple other industries, such as tourism, education, and manufacturing processes). Skills and research in advanced materials (plastics, polymers, composites, metals, and ceramics) support the marine, packaging, construction, aviation, electronics and equipment industries. Building strengths in such areas will be important for attracting and retaining knowledge workers and investment in research and development (R&D) in Auckland. **Table 3** provides a summary of the contribution these sectors make to our economy.

TABLE 3:

Platform Technology Sectors

	GDP (2010, 1996 \$m)	% OF AUCKLAND ECONOMY	EMPLOYMENT 2011	% OF AUCKLAND ECONOMY
SCREEN & CREATIVE CONTENT	3,235	6.6%	16,326	2.6%
BIOTECHNOLOGY	151	0.3%	5,716	0.9%
ADVANCED MATERIALS	79	0.2%	785	0.1%

Source: Infometrics' regional GDP model and Auckland Council calculations, Statistics New Zealand Business demography tables.





At the same time, we can never know what new ideas and innovations might develop in the future. Auckland needs to create an environment which not only supports sectors and platforms with clear potential now, but also enables emerging industries and expertise to develop. Clean technology, for example, is an area where Auckland has promising capability. Another example is the aquaculture sector (both onshore and offshore). Opportunities are also now emerging in areas such as renewable energy, photo-voltaic energy, local energy generation and waste management, high-performance batteries and electric technologies.

Green Growth

The OECD's 'Economic Survey of New Zealand' report¹⁶ identifies that New Zealand's GHG (greenhouse gas) intensity of output is the second highest in the OECD (after Australia), and that New Zealand is a pioneer in implementing an emissions trading scheme covering all sectors and gases.

In the Auckland Plan, the council has developed a target of reducing GHG emissions by 10–20 per cent by 2020, 40 per cent by 2040 and 50 per cent by 2050, all based on 1990 levels. The challenge for Auckland is to play its part in national and international efforts to reverse the trend of rising GHG emissions.

There is good reason to strive towards a low carbon dioxide economy. The low carbon dioxide market is the fastest-growing globally, estimated to be worth £4.3 trillion by 2015. New Zealand Trade and Enterprise notes that a clean economy could result in a \$150 billion high-value, low carbon dioxide export economy for New Zealand by 2025.¹⁷ Green growth provides opportunities for development, commercialisation and deployment of clean technologies and smart thinking to transform existing sectors and create dynamic new ones. Green growth means shifting to a more sustainable (or greener) way of operating and developing the economy.¹⁸

Adopting environmental policies can confer a longer-run competitive advantage, leading to greater investment, product differentiation and expanded export opportunities, innovation, and skills development.¹⁹ An eco-city approach, supporting national efforts, would better position New Zealand to supply new green-based wants and technologies to the world, including emerging markets.

The Economic Development Strategy supports the approach recommended by the Green Growth Advisory Group, which emphasises the importance of fostering green growth across the economy.

¹⁶ OECD. 'OECD Economic Surveys: New Zealand'. Paris: Organisation for Economic Co-operation and Development, April 2011.

¹⁷ Pricewaterhouse Coopers. 'A Clean Economy Vision for New Zealand in 2025'. Auckland: New Zealand Trade and Enterprises 2009.

¹⁸ Green Growth Advisory Group. 'Greening New Zealand's Growth'. Wellington: Ministry of Economic Development, 2011.

¹⁹ OECD (2011), op. cit.

WHERE OUR CHALLENGES LIE

TE TAKOTORANGA Ō Ā TĀTOU WERO?

The huge challenge for Auckland is to move from a domestically focused city to one that is externally driven, with growth being generated by global opportunities and not local population growth.

Distance and Scale

Auckland faces challenges from its geographic remoteness, small economy, and small scale of businesses. These characteristics constrain productivity when compared to other international cities. Auckland's remoteness inhibits access to ideas, knowledge, networks and technology, and makes it more difficult to maintain international relationships. Auckland's businesses do not have a large domestic market in which to build scale and are often at a relatively early stage of development when they seek out offshore markets. This increases the risks and costs of international expansion. Overcoming these challenges is fundamental to building, attracting and retaining international firms in Auckland. These challenges have had a fundamental impact on Auckland's (and New Zealand's) economic performance and have arguably meant that historically Auckland has underperformed relative to comparator cities. Auckland is ranked 69th out of 85 metropolitan regions in the OECD regions in terms of GDP per capita.²⁰

Auckland is also vulnerable to intense international competition for ideas, talent and capital. Australian cities, for example, attract many thousands

of young skilled New Zealanders each year and compete with us for immigrants from Europe and Asia. Among other factors, this has affected Auckland's productivity, which has contributed to our GDP per capita being less than Sydney's (by 27 per cent) and Melbourne's (by 16 per cent).²¹ If we do not compete successfully in the global marketplace we risk not only failing to attract new resources, but losing the human and investment capital we already have.

Skill Base

To increase Auckland's prosperity, we need more skilled workers. The skills of our existing workforce are not well aligned with aspirations to be a wealthy and liveable city. Auckland needs more highly skilled people, and more people with the skills to develop, manage and grow business, underpinned by strong networks and alliances between business, education and research organisations in the city.

With many of our younger, educated and skilled workers taking up opportunities offshore, Auckland must look to immigrants as well as upskilling our youth. This is not an easy proposition, as the global workforce is more mobile and has more opportunities than at any other time in history. By filling critical labour shortages, immigrants are important in stimulating Auckland's growth.²²

Literacy and numeracy continue to be reported as a challenge in Auckland for individuals and firms. Youth unemployment is significant, demonstrated by an unemployment rate of 31 per cent for those aged between 15 and 19 years. Unemployment and low educational attainment levels have a disproportionate impact on certain ethnicities and are concentrated in geographic pockets throughout the region. Education levels for Māori and Pacific school leavers are well below the national trends. This is of concern because Māori and Pacific peoples will form almost half of Auckland's new labour force entrants by 2031.

²⁰ OECD Metropolitan regions database for 2003 when GDP per capita data was available for Auckland.

²¹ Auckland City Council. 'Auckland City Business and Economy Report 2009'. Auckland: Auckland City Council, 2009.

²² McCann, P. (2009), op. cit.

Generating Greater Value From Our Knowledge and Innovation System

While there are R&D strengths in pockets of industry, and in our education and research institutions, Auckland is a moderate innovation performer. Auckland's performance resembles that of a region that is entering the knowledge economy and a user rather than a producer of technology. Business expenditure on R&D in Auckland as a percentage of regional GDP is less than a third of the OECD average. Auckland also has a low rate of patenting activity compared with comparator cities.

Access to Capital to Fund Innovation

The number of firms within Auckland that use equity to fund innovation is limited, with the majority relying on their own retained earnings and bank debt.²³ Firms have cited this lack of equity capital as an inhibitor of growth and innovation. The shallowness of Auckland's equity market is in part due to the reluctance of firms to use equity, the limited number of experienced investors, and the small number of attractive investments.²⁴ A joined-up approach to deepen Auckland's equity market is required, bringing together angel investors, venture capitalists, other financiers, and those in the business of commercialising innovation.

Infrastructure

Although there has been increased investment in Auckland's infrastructure in recent years, under-investment has been a historical constraint on Auckland's connectivity. Because of Auckland's projected population growth and its importance as a centre of economic activity, further investment will be required to avoid limiting its growth potential and to realise the benefits of greater agglomeration.

Auckland is highly dependent on external sources of energy, water and fuels. Ensuring a secure supply and resilient infrastructure for businesses poses a significant challenge for Auckland. Options for reducing our reliance on key external sources of energy, water and fuels need to be carefully evaluated.

Connectivity is a crucial determinant of international competitiveness. This includes the physical (e.g. road and rail, seaports and airports) and electronic infrastructure (e.g. broadband and ICT) that are needed for businesses to operate effectively. Overseas firms that Auckland businesses are competing with have fast and efficient links within their city-region and to other cities and regions by broadband, rail, road

and air, enabling cost-effective transfer of goods, services, technology, knowledge and people. A fast, affordable and safe integrated transport system is essential to any successful city.

Three sets of vital connections must be maintained, developed and improved for Auckland to meet its economic aspirations:

- » within and across Auckland
- » between Auckland and the rest of New Zealand
- » between Auckland and the rest of the world.

The upper North Island must be able to meet the short and long-term growth requirements of an export-driven economy, through the capacity of its ports and freight transport system. Auckland plays a vital role in connecting New Zealand internationally through its airport and seaports. Auckland Airport is a key business for Auckland in several respects – as the gateway for international and domestic tourists and migrants; as an export port for high-value goods; and as a provider of business development in surrounding areas.

Ports of Auckland play an important role in New Zealand's freight capacity, operating ports on both Waitematā and Manukau harbours, and an inland port at Wiri. Auckland's planning needs to take into account the export and import function served by both Auckland Airport and Ports of Auckland, and the associated operational needs of both. Under all growth scenarios, Auckland will continue to need a major seaport. The growth plans for the Ports of Auckland need to be consistent with the Mayor's vision to be the world's most liveable city.

Perceptions of Auckland

Auckland needs to be perceived nationally and internationally as an important place to live, work and do business. On an international level of brand awareness, Auckland does not feature very strongly on most people's world map. Current international perceptions of Auckland and New Zealand are based predominantly on 'clean and green' and sporting endeavours such as sailing and rugby. While clean, green pastoral images work well for some major export sectors, such as tourism and some areas of food and beverage, it is less relevant and potentially an impediment to developing credibility in other sectors unless turned to advantage in line with our green growth.



²³ Statistics New Zealand 'Innovation in New Zealand 2003'. Wellington: Statistics New Zealand, 2004.

²⁴ Auckland Metro Innovation Project. 'Maximising High Growth Potential: The Case for Improving Early Stage Investment'. Auckland: AucklandPlus, 2009.

WHAT ARE THE RIGHT CONDITIONS FOR AUCKLAND BUSINESSES TO FLOURISH?

HE AHA NGĀ RITENGA TIKA E PUAWAI AI NGĀ
PAKIHI Ō TĀMAKI MAKĀURAU

The way to grow Auckland's economy, and simultaneously the well-being of Auckland people, is to make Auckland internationally competitive by getting businesses that live here to grow. Auckland needs to be a city where businesses can sustainably and competitively deliver their products and services to markets across the globe. There is no magic bullet to reform the economy and many areas need attention, including improved public service to enable businesses to trade successfully with the rest of the world. Local government has a core role in delivering what matters most to business and in some areas will need to do things a bit differently, working closely with business, central government and community organisations to leverage the small amounts of public money available.

During feedback on the Draft Economic Development Strategy, businesses told us that they want the council to create the right conditions for them to get on with their business. This will help them bring about prosperity and quality of life improvements for Aucklanders and create more high-value jobs. Important enabling ingredients for businesses are:

- » regulations and policies that are simple, easy to navigate and have a realistic impact on a business's bottom line
- » urban and virtual infrastructure that's world-class and highly efficient, making it easier and faster to conduct business and connect globally with customers, suppliers and knowledge
- » timely access to capital and technology to grow ideas and develop products
- » skilled and 'ideas' people, created through education and training alongside research-business partnerships that generate and showcase knowledge
- » vibrant cultural events, a built environment and urban amenities that make Auckland a desirable place to live, work, visit and invest.

The recipe for Auckland's economic growth, and the key to business success, is the right combination of these factors, underpinned by an environment where business-driven innovation is nurtured. Business-friendly conditions will help free up the city's businesses to focus more on research and development, to export more highly desirable and highly innovative products and services, and to compete globally on price derived from efficiencies and innovations in production, distribution and sales. The conditions required for Auckland's businesses to flourish are highly interdependent and are reflected in each of the strategy's five priority areas.

“AUCKLAND'S ECONOMIC DEVELOPMENT STRATEGY IS A GREAT LAUNCHING PAD. IT SETS STRETCH TARGETS FOR AUCKLAND'S ECONOMIC GROWTH AND, IMPORTANTLY, PRODUCTIVITY – THE TRUE INDICATOR OF ECONOMIC PROGRESS. THE FOCUS IS RIGHTLY ON REDUCING RED TAPE, IMPROVING INFRASTRUCTURE, PROMOTING INNOVATION, BOOSTING EXPORTS AND FOREIGN DIRECT INVESTMENT, AND INVESTING IN EDUCATION AND SKILLS.”

Shamubeel Equb, Principal Economist, NZIER

OUR FIVE PRIORITIES

Ō TĀTOU WHAINGA NUI E RIMA

There are many ways to achieve our economic goals for Auckland.

The best way is through a step change in the level of exports and being more internationally connected. We will work with business, government and our partners to grow the skills of our local workforce, including people who have immigrated here permanently. We will strengthen local business areas and town centres. We will streamline the council's business processes. And we will develop Auckland into a city that's alive with events and creative talent – one that is attractive to visitors and residents alike.

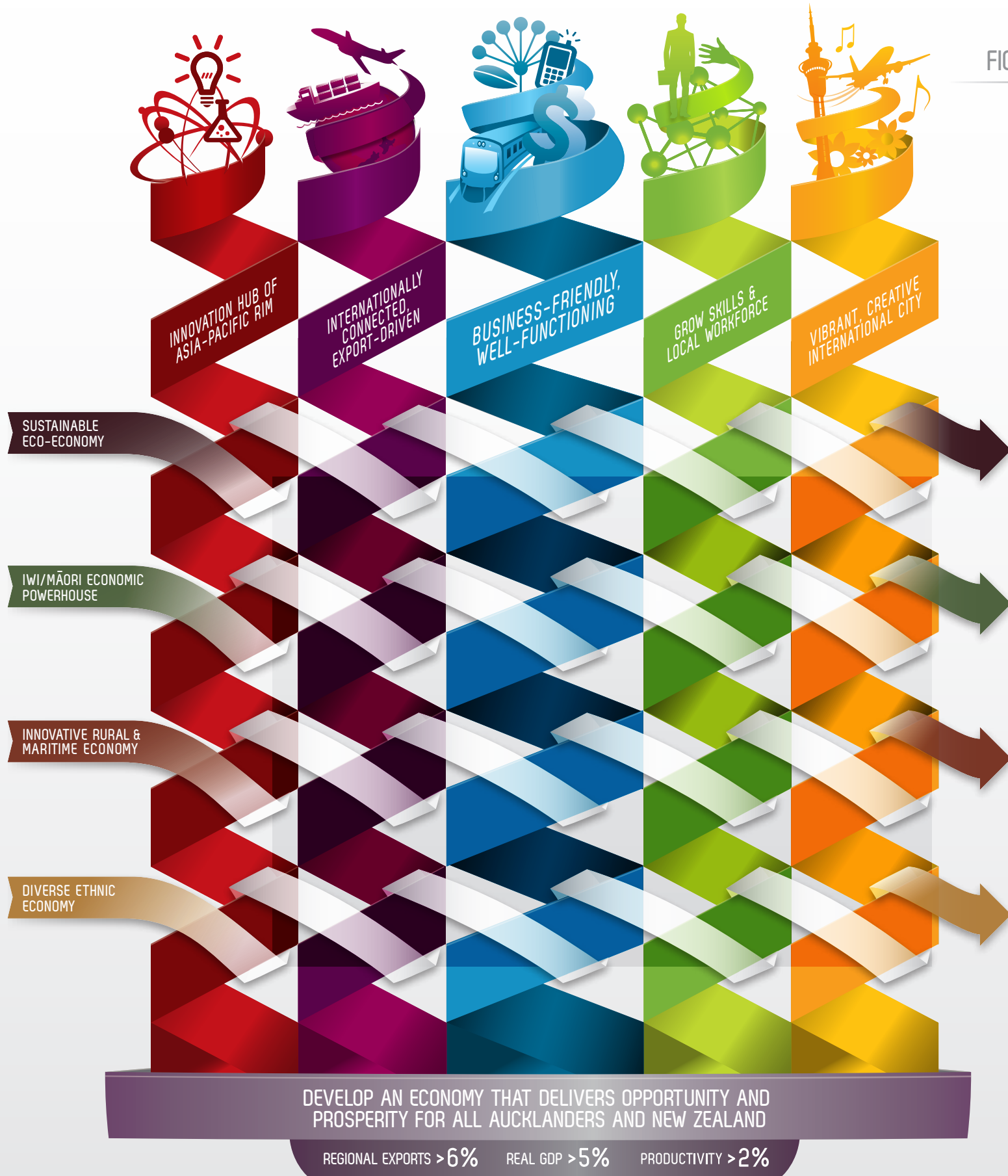
To accomplish all of this, we have identified five priorities.

- » Grow a business-friendly and well-functioning city.
- » Develop an innovation hub of the Asia-Pacific rim.
- » Become internationally connected and export-driven.
- » Enhance investment in people to grow skills and a local workforce.
- » Develop a creative, vibrant international city.

These five priorities are supported by four cross-cutting themes. The priorities and cross-cutting themes are discussed in the following sections.

The themes are as important as the priorities in achieving the strategy's aims. **Figure 4** illustrates how the priorities, cross-cutting themes and targets form an integrated Economic Development Strategy to address the overall vision and goals.

FIGURE 4:



PRIORITY ACTIONS AND INITIATIVES

Of the 66 proposed actions generated in this strategy, the following ten actions and key initiatives have been identified as priorities for progress and inclusion in Auckland Council's Long-term Plan.

BUSINESS FRIENDLY AND WELL-FUNCTIONING

- » Deliver an integrated transport system, with emphasis on facilitating the following priority projects: City Rail Link, Auckland Manukau Eastern Transport Initiative (AMETI), East-West link and an additional Waitematā Harbour Crossing.
- » Support broadband deployment across Auckland, and work with the industry to ensure that the rollout programme balances economic, commercial, funding and social priorities.

DEVELOP A CREATIVE, VIBRANT INTERNATIONAL CITY

- » Significantly grow Auckland's visitor economy through growing demand for Auckland and enhancing the visitor proposition.
- » Grow Auckland as a global events city through a portfolio of exciting and distinctive major and local events that increase civic pride and enhance both social and economic well-being.

A number of other actions and key initiatives have also been identified as critical to achieving the step change required. These actions require concerted collaboration by local and central government, business and others.

INNOVATION HUB OF THE ASIA-PACIFIC RIM

- » Support the establishment of strong linkages between Auckland research institutions, business and organisations so that a larger number of firms are innovating to a high level.
- » Support the development of clusters, precincts and industry infrastructure that supports innovation in key sectors of sectors of competitive advantage.

INTERNATIONALLY CONNECTED AND EXPORT-DRIVEN

- » Deliver initiatives to ensure businesses with international potential build up the skills and capacity to enable them to enter global markets and focus on global growth opportunities.
- » Support the development of clusters, precincts and industry infrastructure that support innovation in key sectors of competitive advantage.

INVEST IN PEOPLE'S SKILLS AND LOCAL WORKFORCE

- » Deliver improvements in literacy, language and numeracy to raise productivity, particularly for Māori and Pacific peoples and with a strong connection through the Southern Initiative.
- » Build, attract and retain skills to better match Auckland's needs, especially through improved tertiary/industry engagement that focuses on skills for innovation and research for commercialisation opportunities.





**PRIORITY 1
GROW A BUSINESS-FRIENDLY
AND WELL-FUNCTIONING CITY**

TE HANGA PAKIHI HOAHOA. Ā HE TAONE E HAERE TINO PAI ANA



‘THE NUMBER ONE ECONOMIC DEVELOPMENT ACTION THAT AUCKLAND COUNCIL CAN UNDERTAKE (AND WHERE IT HAS MOST CONTROL) IS MAKING THE COUNCIL MORE BUSINESS-FRIENDLY AND OPEN.’

GREG CLARK, INTERNATIONAL EXPERT ON CITIES



GROW A BUSINESS-FRIENDLY AND WELL-FUNCTIONING CITY

TE HANGA PAKIHI HOAHOA, Ā HE TAONE E HAERE TINO PAI ANA

It is our job to make it easier for all businesses to do business, and to help create a city that attracts more productive business, especially from overseas. A city that is known for being internationally 'business-friendly'. This was thoroughly recognised through the submissions process on the Draft Economic Development Strategy.

'Business-friendly' can be defined as the explicit attempts by local governments and their partners (including central government) to reduce the regulatory and non-regulatory barriers, costs, risks and uncertainties in all forms of commercial activity to stimulate and support local business growth, local business retention, and the attraction of new business to the local area.²⁵

There are two ways in which the council can directly help by:

- » providing business-friendly, 'can-do' service and maintaining excellent customer relationships
- » creating a well-functioning city through quality decision making on the planning, regulation and development of the built environment, especially infrastructure.

Why Auckland Needs to be More Business-Friendly

Businesses contribute significantly to Auckland's economic performance, and they contribute considerable revenue to the council by way of rates, development contributions, and general fees and charges. The vast majority (96 per cent) of Auckland firms are small to medium enterprises (SMEs). It is cheap and easy to establish a firm in Auckland but the failure rate of start-ups is high. For SMEs, as well as large Auckland firms, extra costs incurred through council inefficiency and uncertainty stand in the way of business success and ultimately economic prosperity.

A business-friendly 'can-do' organisational culture is being fostered within the wider council group, which includes its council-controlled organisations. Today's businesses are very mobile. If it is difficult to do business in Auckland, these businesses can relocate elsewhere in New Zealand or overseas. Recognising the value of our key businesses across the organisation and providing a dedicated business service is one initiative the council will be implementing.

²⁵ Clark, G, and J Huxley. 'Business-Friendly Cities: City Government and the Local Business Growth and Investment Climate'. Auckland Council, September 2011.

» CASE STUDY

KEY ACCOUNT MANAGEMENT – FACILITATING APPROVALS FOR CONSENTING

A regional Key Account Management (KAM) service was introduced following amalgamation to ensure that major consent customers find it easy to work with the council and that major projects are well managed.

KAM is for high-volume, high-profile customers spending \$50–100 million across a range of public and private sector developments including: large scale residential, commercial, infrastructure, greenfield and brownfield re-development.

The service acts as a conduit, helping customers navigate the council and CCOs, troubleshooting, problem-solving and facilitating the resolution of issues. Relationships are built with key customers to understand the context, nature and forward work programme of their business to determine consenting and resourcing requirements. KAM also provides an avenue for feedback to the council on its consenting processes, systems and people.

“ WHEN THE IDEA OF A KEY ACCOUNT MANAGER WAS FIRST PROPOSED WE WERE A LITTLE SCEPTICAL ABOUT THE VALUE THAT THIS WOULD HAVE, AS WE HAD NOT ENCOUNTERED SUCH A SERVICE BEFORE. HOWEVER, I WOULD HAVE TO SAY THAT SEVERAL MONTHS ON, THE PROVISION OF A KEY ACCOUNT MANAGER TO WINSTONE AGGREGATES HAS PROVED INVALUABLE, I WHOLEHEARTEDLY SUPPORT THE KEY ACCOUNT MANAGERS AND ONLY WISH OTHER COUNCILS WOULD FOLLOW AUCKLAND COUNCIL'S LEAD. ”

Andrea Cave, Environmental Manager, Winstone Aggregates



Simple, Transparent and Accessible Plans

Auckland Council will ensure that all council plans are simple, transparent and accessible. A key factor affecting the regulatory process is how regulatory frameworks and policies are developed, for example Auckland's Unitary Plan and bylaws.

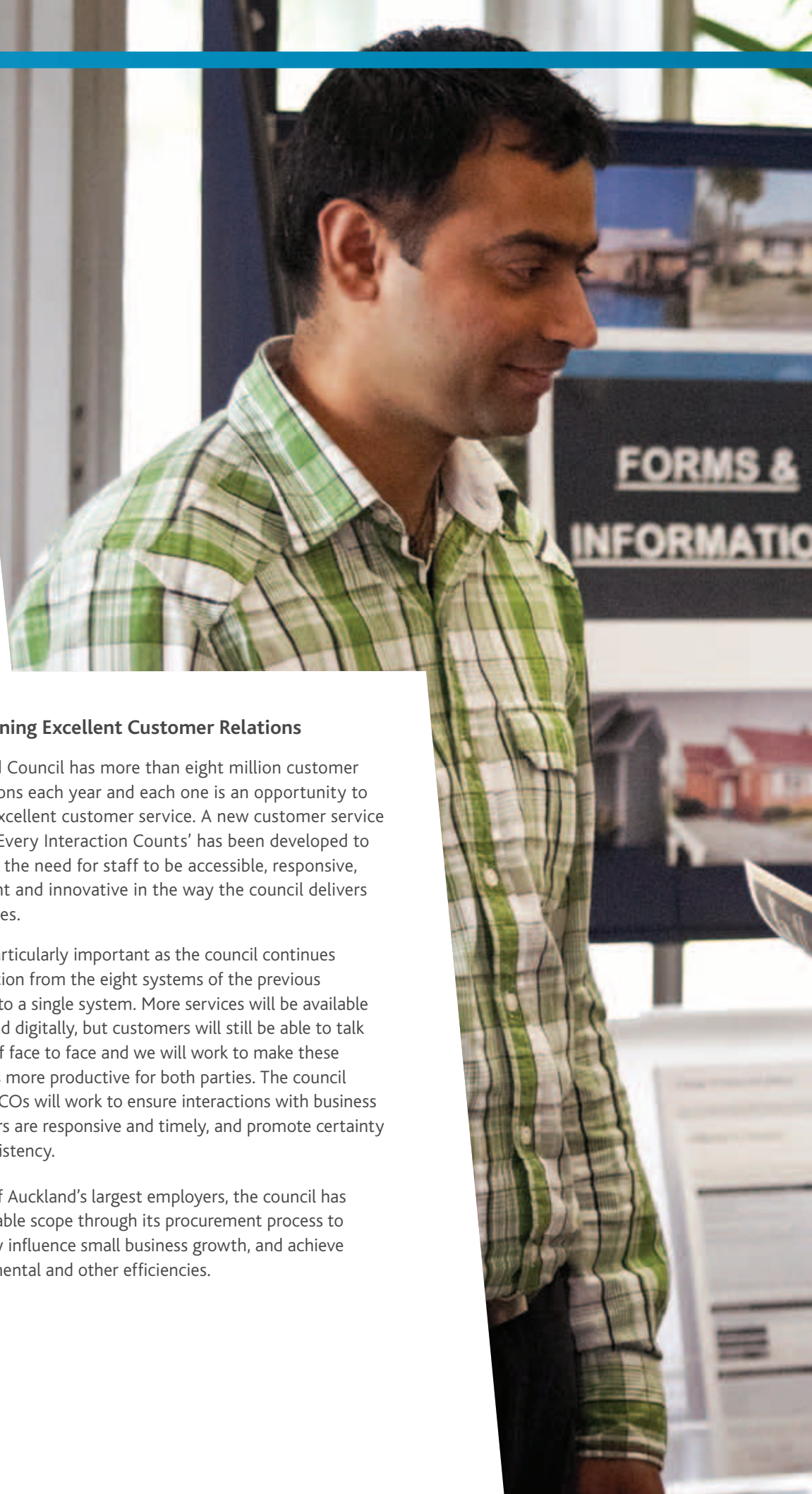
We are currently developing the new Auckland Unitary Plan (which will replace most of the district and regional plans). Auckland's Unitary Plan sits below the Auckland Plan and Economic Development Strategy, and will be informed by it. In Auckland's Unitary Plan the policies, rules and other methods set out what activities can take place where, which then drive regulatory services. It needs to be easy to navigate and have a level of flexibility, while providing as much certainty and consistency as possible. The Unitary Plan will set out clear and reasonable rules and provide certainty about what is permissible and what is not.

Bylaws also have an impact on how business-friendly we can be in our service delivery. They can permit, regulate or prohibit activities as well as requiring licences, fees and inspections before certain activities can take place. Good policies, plans and bylaws then need to be supported by 'can-do' operational delivery that is professional, responsive, and joined up within the council.

Understanding Business Needs

The council needs a better understanding of the diverse needs of businesses: big and small, urban and rural, established and emerging. Once collected, this information can contribute to the council's evidence base for economic research. In turn this will inform policy development, implementation and monitoring.

Auckland Council and Auckland's business community are closely linked through regulatory processes. The regulatory environment is one of the critical areas where the council can become more business-friendly and 'can-do'. Regulation has to achieve a balance between the need for businesses to have regulatory certainty, while still being flexible enough to change rapidly to meet current conditions. The council will make sure that regulatory decision-making processes are fair and timely.



Maintaining Excellent Customer Relations

Auckland Council has more than eight million customer interactions each year and each one is an opportunity to deliver excellent customer service. A new customer service charter 'Every Interaction Counts' has been developed to reinforce the need for staff to be accessible, responsive, consistent and innovative in the way the council delivers its services.

This is particularly important as the council continues to transition from the eight systems of the previous councils to a single system. More services will be available online and digitally, but customers will still be able to talk with staff face to face and we will work to make these meetings more productive for both parties. The council and its CCOs will work to ensure interactions with business customers are responsive and timely, and promote certainty and consistency.

As one of Auckland's largest employers, the council has considerable scope through its procurement process to positively influence small business growth, and achieve environmental and other efficiencies.

ACTIONS NEEDED TO SUPPORT THE PRIORITY

The council will take a leadership role to make Auckland a business-friendly city through delivering timely and efficient 'can-do' processes and services, and by setting business rates and charges that encourage business.

ACTION 1.1

AUCKLAND COUNCIL WILL LEAD AND BUILD AN INTERNATIONAL REPUTATION FOR AUCKLAND BEING OPEN AND BUSINESS-FRIENDLY

Key initiatives

- » Foster a business-friendly culture across the organisation that can respond to diverse businesses.
- » Deliver a Unitary Plan that plays a key role in supporting sustainable business development and enables economic growth.
- » Work with the business community to identify and implement critical regulatory and other improvements required within the council (e.g. through regular workshops with business).
- » Deliver a key account service that attracts and retains businesses and significant customers.
- » Deliver a dedicated website providing domestic and international businesses, investors and entrepreneurs with information on how easy it is to set up business in Auckland, and the opportunities and services that exist here (e.g. a prospectus for Auckland).

THE IMPORTANCE OF A WELL-FUNCTIONING CITY

Decisions regarding the built environment, including which major city-shaping investments are the priorities for Auckland, may have long-term economic impacts and are addressed in the Auckland Plan. Having quality urban form, amenities and economic infrastructure is particularly important for growing Auckland's service industries. Service firms tend to be attracted to high-quality, attractive urban areas where there are large pools of knowledge workers.

Quality Urban Form

Quality city form and design supports liveability, provides location opportunities for business, and is an important part of creating an attractive world-class city. It also supports economic growth, as well as local economic development and employment. The city's combination of historic buildings and regenerated and modern precincts can create efficiencies for firms, workers and consumers, and facilitate interaction and exchange of ideas. As well as ensuring Auckland has a variety of housing, we also need to protect and enhance the economic value of our natural and heritage environment, and advocate for quality urban design and heritage solutions that are efficient, smart and reduce land-use pressures. Auckland's central city area and town centres are important areas of economic activity, and require continued investment to ensure they remain accessible and attractive. This in turn will continue to support local economies, as hubs for local employment and social interaction.

Business Land

Auckland will continue to need land for its industrial and manufacturing base. The Auckland Plan recognises that we need to protect it from encroachment from competing land uses, such as residential and office. Within Auckland a key issue exacerbating industrial land availability is that nearly a third of take-up has been for non-industrial purposes (mainly retail, some office and residential). This reduces the overall amount of land available, putting further pressure on supply. Additionally, vacant land is not always appropriate for industrial activities due to small lot sizes and ownership (freehold/leasing) structures. **Figure 5** identifies the region's business land, key employment areas and Business Improvement Districts.

Auckland's limited reservoir of industrial-zoned land will be actively managed to ensure it is effectively utilised in the region for industrial use.

This will require safeguarding existing industrial-zoned sites, effectively reusing brownfield sites, and providing new industrial-zoned land in suitable locations. Auckland is predicted to require at least 1,400 hectares of additional business land to meet expected growth of 12.5 million m² of new floor space over the next 30 years. This represents an additional 275,000 jobs by 2041, just over half (51 per cent) of which are expected to be located in the central area, with a further quarter located in south Auckland. In order to meet forecast demand, the release of greenfield land will be managed to ensure an adequate and phased supply of industrial land is provided across the region.

The council is responsible for ensuring that sufficient business and employment land is available for development. Through its Auckland Plan, Unitary Plan and infrastructure investment, the council has an important role to play in directing this development and in identifying the type of amenity and urban form it is seeking, as well as the rate and scale of growth in any one area.

To enable agglomeration benefits, new business activities should continue to be located in existing centres and business areas, to make best use of existing infrastructure and investment and to support greater agglomeration. In some instances, the significant land demands of industrial activities will necessitate developing new business areas to ensure there is sufficient land for these activities in the region.

The council's current work plan ensures that existing business land is protected for productive uses, while work with government and infrastructure providers ensures that these areas remain accessible and have the support necessary to thrive.

Accordingly, business precinct plans will be developed for key business areas that are or have undergone recent significant change and growth. These plans provide an integrated framework to foster growth, by considering how transport, land use, built form, infrastructure and open space influence the development of a business area. The council will continue to work with business to implement the Tamaki, Penrose and Rosebank plans, and look to develop plans for Wiri, North Harbour, Wairau Valley and Greater East Tamaki.

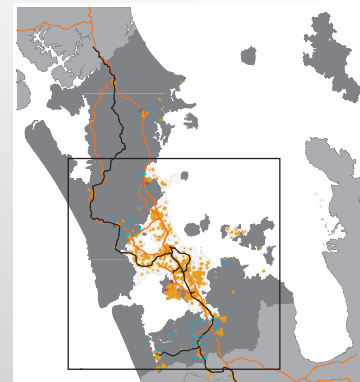
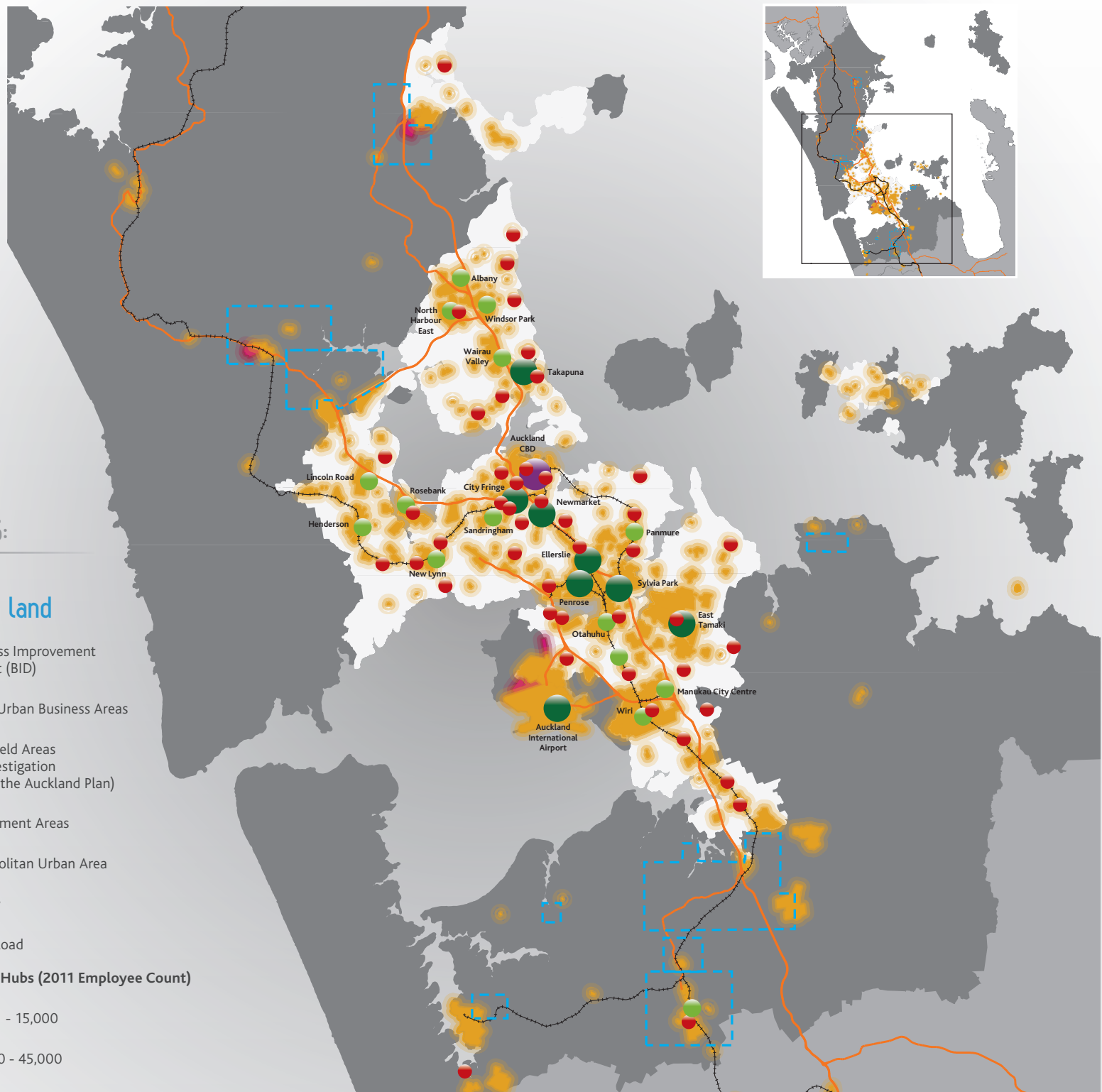
FIGURE 5:

BIDs and Business land

- Business Improvement District (BID)
- Future Urban Business Areas
- Greenfield Areas for Investigation (as per the Auckland Plan)
- Employment Areas
- Metropolitan Urban Area
- Railway
- Major Road

Employment Hubs (2011 Employee Count)

- 5,000 - 15,000
- 15,000 - 45,000
- 45,000 - 90,000



Business Improvement Districts

Auckland has 46 established Business Improvement Districts (BIDs), representing over 25,000 businesses operating in large urban and rural centres, and industrial precincts. BIDs are a key way for the council to connect with individual and local businesses, across retail, industrial and commercial sectors. The BIDs partnering programme enables the council and business associations to work collaboratively to create vibrant town centres, efficient business precincts and local business improvement projects. BIDs may undertake an extensive range of activities, related to: street environment; town centre clean-ups; safety and security; marketing and promotion; events; local improvement projects; advocacy; communications; and business development and networking. Local boards have the day-to-day relationship with the business associations, as a joint partner in the BID programme.

“ LOCAL BOARDS HAVE THE DAY-TO-DAY RELATIONSHIP WITH THE BUSINESS ASSOCIATIONS, AS A JOINT PARTNER IN THE BID PROGRAMME. ”

Business Assistance and Advice

Auckland's productivity must improve. The council and government can support businesses to improve productivity, working with firms to overcome barriers to productivity growth. This includes business assistance and advice, such as capability development programmes,

mentoring, business networking and events, innovation and Foreign Direct Investment (FDI) attraction initiatives. These initiatives are progressed by our council-controlled organisation Auckland Tourism, Events and Economic Development Limited (ATEED), in partnership with central government, business and industry – and through our BID programme.



» CASE STUDY

NORTH HARBOUR BUSINESS ASSOCIATION (NHBA) – EMPOWERING BETTER BUSINESS

The North Harbour Business District is one of the fastest-growing commercial areas in Auckland and the NHBA has been a Business Improvement District since 2008. It represents some 1,300 businesses and commercial organisations, which together employ more than 13,000 people. In March 2012 members confirmed their support with 74% voting to continue the targeted rate.

NHBA has successfully established New Zealand's first Transport Efficiency District, designed to bring together business and government leaders to plan, develop and promote an efficient and diversified transport system. Projects include:

'Look Before You Leave' - a network of traffic cameras installed at six key entry/exit points, which provides all commuters to the area a way to organise their journey timing, deciding the most efficient route based on real-time visual information.

'CarpoolNow' - a free carpool matching service launched in November 2010 offers users a flexible transport alternative underpinned by the NHBA-funded guaranteed ride home. CarpoolNow reduces congestion, frees up parking spaces for clients and enhances business sustainability credentials.

Police recognise NHBA's growing contribution to the economy and the community while acknowledging the business district's vulnerability to criminal activity. NHBA is also partnering with New Zealand's biggest secondary school, Rangitoto College, offering a Bachelor of Business Studies Scholarship to its students.

“ I'M SURE EVERYONE IN THE NORTH HARBOUR BUSINESS AREA WILL BENEFIT HUGELY FROM HAVING SOME CONTROL OVER EVENTS THAT SURROUND GOOD BUSINESS PRACTICE. THERE ARE HUGE BENEFITS, BOTH MONETARY AND PRACTICAL, TO BE GAINED BY ALL MOVING TOGETHER AS ONE ON THINGS THAT ARE COMMON TO ALL. ”

Brian Neeson, Chair, Upper Harbour Local Board

» CASE STUDY

GREATER EAST TAMAKI BUSINESS ASSOCIATION (GETBA) – A GREAT PLACE TO DO BUSINESS

East Tamaki is a manufacturing and distribution hub of some 2,000 businesses strategically located close to the motorway, airport and port. The area generates \$3 billion to the New Zealand economy each year.

The Greater East Tamaki Business Association (GETBA) was founded in 1994 and voted to adopt Business Improvement District targeted rate funding in 2009. GETBA advocates strongly for business and property owners in the economic and infrastructure development of East Tamaki. GETBA trouble shoots on local issues and links local businesses to a wide range of useful information and resources to improve productivity, through a comprehensive website, workshops and events.

There has been an 80 per cent reduction in business burglaries in the East Tamaki commercial industrial area since 2006, through a comprehensive crime prevention programme in partnership with the New Zealand Police and security manager's network.

GETBA has also collaborated with Auckland Civil Defence to develop a Neighbourhood Response Plan. This is the first such plan in an industrial area.

“ THE BID PARTNERSHIP PROGRAMME DOES NOT REPLICATE SERVICES PROVIDED BY COUNCIL, BUT CHANNELS THE CAPABILITIES AND KNOWLEDGE OF THE PRIVATE SECTOR TO IMPROVE ECONOMIC OUTCOMES AND ACHIEVE COMMON GOALS. ”

Elspeth Mount, QSM, Chair, Greater East Tamaki Business Association

Economic Infrastructure

Having the right infrastructure in place is critical. Infrastructure and services have a critical role in supporting economic growth and primary production in both rural and urban Auckland (e.g. broadband, energy, water supply, gas, ports, airports, labour, transport, innovation centres). Strong public/private partnerships are also needed.

The Canterbury earthquakes have highlighted the importance of quality and resilient infrastructure and the need to define, provide, enhance and protect critical infrastructure. Christchurch has also demonstrated that all businesses need to have business continuity plans in place, to aid recovery if disaster strikes.

It costs a significant amount of money to maintain and build new infrastructure. The council is looking at new ways to fund infrastructure and how innovative regulation and financial tools can encourage desired economic outcomes and provide appropriate soft and hard infrastructure for Auckland's projected population growth.

Auckland Council's investment also needs to align with national and private sector investment to enable improvements in productivity. A key role of Auckland Council is to invest in public infrastructure that fosters the conditions for greater private sector investment (i.e. through a multiplier effect). A good example of this is Manukau Institute of Technology's

decision to co-locate its tertiary campus with the Manukau integrated transport hub.

Not all infrastructure that is important for the economy is physical or hard infrastructure. Auckland's people are also important – community volunteers and community support networks contribute to economic development at the community level.

Transport

Investing in integrated transport infrastructure and public transport services to ensure strong transport connections is essential, so that Auckland is attractive to skilled workers as well as visitors. This includes ensuring that there is good access to key business areas, and gateways such as the airport and ports, educational facilities, and cultural and recreational opportunities.

Four particular transport projects are critical to Auckland's future growth – the City Rail Link (CRL), AMETI (Auckland-Manukau Eastern Transport Initiative), the East-West Link and an additional Waitematā Harbour Crossing. Providing effective and affordable public transport infrastructure also generates considerable positive socio-economic outcomes by allowing easier access to areas of employment, and frees up the roads for freight and commercial travel, improving productivity and competitiveness.





Energy

Energy infrastructure is also a key determinant of growth, with various energy sources supporting different industrial activities and creating different land use demands. Opportunities exist to improve the efficiency of Auckland's energy infrastructure through a range of demand management initiatives and further alignment with development sequencing.

Broadband

Fast broadband is internationally recognised as core infrastructure essential for economic and social prosperity, and is a key priority for Auckland Council. Central government is driving the national rollout of fast broadband through two broadband deployment funds.

Ultrafast broadband (UFB) will deploy fibre past all urban premises by 2019. The Rural Broadband Initiative (RBI) will deliver a mix of wired and wireless broadband solutions to rural New Zealanders by 2016. Government has a broadband investment fund of \$1.65 billion (\$1.35 billion for UFB and \$300 million for RBI). The funds prioritise delivering fast broadband to schools, hospitals and businesses, most of which will be connected by 2015. Residential premises will be connected throughout the deployment programmes. The council is working closely with industry representatives to ensure that rollout achieves the greatest benefits for all Aucklanders.

This infrastructure build has the potential to drive economic growth and change across the region by supporting enhanced connectivity locally, regionally, and internationally. Since broadband is an enabling technology, success relies heavily on the timely rollout, connection and uptake of broadband services, as well as ensuring that Aucklanders are confident in using digital technology to work, live and play.

To maximise the benefits of enhanced connectivity, the council has recognised the importance of developing key relationships, optimising operational processes and ensuring that infrastructure is deployed in the most cost-effective and least disruptive way possible across Auckland – making broadband go further, faster. The council has established a Digital Leadership Forum (DLF) that brings together key government, council, CCOs, external business, community, education and health stakeholders to accelerate take-up of UFB.

The council has also recognised that UFB and RBI do not capture all access opportunities and that complementary work is needed to ensure enhanced connectivity for all Aucklanders. This includes expanding Auckland Council's WiFi service and exploring alternative access solutions.

ACTIONS NEEDED TO SUPPORT THE PRIORITY

Auckland Council will work with its CCOs, central government and private infrastructure providers to develop a long-term plan to have critical and resilient infrastructure in place to support growth.

ACTION 1.2

AUCKLAND HAS WELL-FUNCTIONING ECONOMIC INFRASTRUCTURE

Key initiatives

- » Optimise, integrate and align infrastructure provision and planning to ensure resilient and comprehensive supply.
- » Deliver an integrated transport system, with emphasis on facilitating the following priority transport projects: City Rail Link, Auckland Manukau Eastern Transport Initiative, East-West Link, an additional Waitematā Harbour Crossing and improvements to inter-regional connections.
- » Support Auckland's business and financial services sectors by continuing to develop and enhance the city centre as Auckland and New Zealand's premier district through the City Centre Masterplan, Waterfront Plan and key infrastructure projects such as the City Rail Link, Wynyard Quarter and the New Zealand Convention Centre.
- » Support broadband deployment across Auckland, and work with the industry to ensure that the rollout programme balances economic, commercial, funding and social priorities.
- » Implement and support programmes which increase the level of uptake, demand and economic opportunities offered by ultrafast broadband.
- » Work with Māori on partnering/joint ventures and active engagement in the delivery and supply of infrastructure.
- » Support private-public partnerships for infrastructure provision.

Auckland needs to value and encourage business activity. We need to better understand and provide for the needs of small, medium and large businesses in industrial and rural areas and to ensure that our businesses have access to the resources they need to be productive.

ACTION 1.3

AUCKLAND'S BUSINESSES HAVE ACCESS TO THE RESOURCES THEY NEED TO BE PRODUCTIVE

Key initiatives

- » Identify, monitor and manage the impacts of residential and other uses' growth on business and high-value productive areas, including rural areas.
- » Protect and enhance existing business-zoned land and deliver precinct plans for key business areas that have undergone significant change and potential for growth (e.g. including implementing Penrose, Rosebank and Tamaki Innovation Business Precinct Plans, and commencing work on new plans for Greater East Tamaki, North Harbour, Wairau Valley and Wiri).
- » Identify new business land requirements, and provide certainty on the timing for release of new business land (including greenfield land development in rural areas).
- » Deliver and advocate for regulation and legislation that allows for both certainty and innovative business activity.
- » Deliver the Auckland Business Improvement Districts (BID) programme by engaging in activities (either jointly or separately) that enhance business improvement outcomes at a local level.









**PRIORITY 2
DEVELOP AN INNOVATION
HUB OF THE ASIA-PACIFIC RIM**

TE WHAKATŪ I TETAHI PŌKAPŪ HIIHIKO O TE TAPA-Ō-ĀHIA-Ā-KIWA



‘IT IS NOT POSSIBLE TO IMAGINE
THAT NEW ZEALAND WILL SUCCEED
UNLESS A REAL INNOVATION ECOSYSTEM
DEVELOPS IN AUCKLAND, THAT
IN TURN IS DEPENDENT ON A
VIBRANT RESEARCH ECOSYSTEM.’

PROFESSOR SIR PETER GLUCKMAN, CHIEF ADVISOR TO THE PRIME MINISTER



DEVELOP AN INNOVATION HUB OF THE ASIA-PACIFIC RIM

TE WHAKATŪ I TETAHI PŌKAPŪ HIIHIKO
O TE TAPA-Ō-ĀHIA-Ā-KIWA

Aucklanders and New Zealanders are renowned for being inventive, entrepreneurial and able. However, inventiveness is not the same as innovation.²⁶ Innovation is fundamentally about introducing new ideas and new ways of doing things, in response to new opportunities. Businesses and other organisations can innovate in a number of ways - by introducing a new or improved product, service or process, opening up a new market, adopting a new technology, or changing the way businesses organise themselves. Economies which are more innovative are more productive and have higher levels of prosperity.²⁷

Even though Auckland has internationally recognised tertiary institutions with outstanding research and applied research capability, the level of innovation and commercialisation of new ideas is limited for a city of our size (especially to the point where major new products can be exported or internationalised at scale).



²⁶ Boven, R et al. 'A Goal Is Not a Strategy: Focusing Efforts to Improve New Zealand's Prosperity'. Auckland: The New Zealand Institute, 2010.

²⁷ World Economic Forum, 'The Global Competitiveness Report 2011-12'.



BUILDING AUCKLAND'S INNOVATION SYSTEM

Innovation is a key driver of Auckland's economic performance. We wish to make Auckland an innovation hub of the Asia-Pacific rim. To do this we must create an effective innovation system in Auckland.

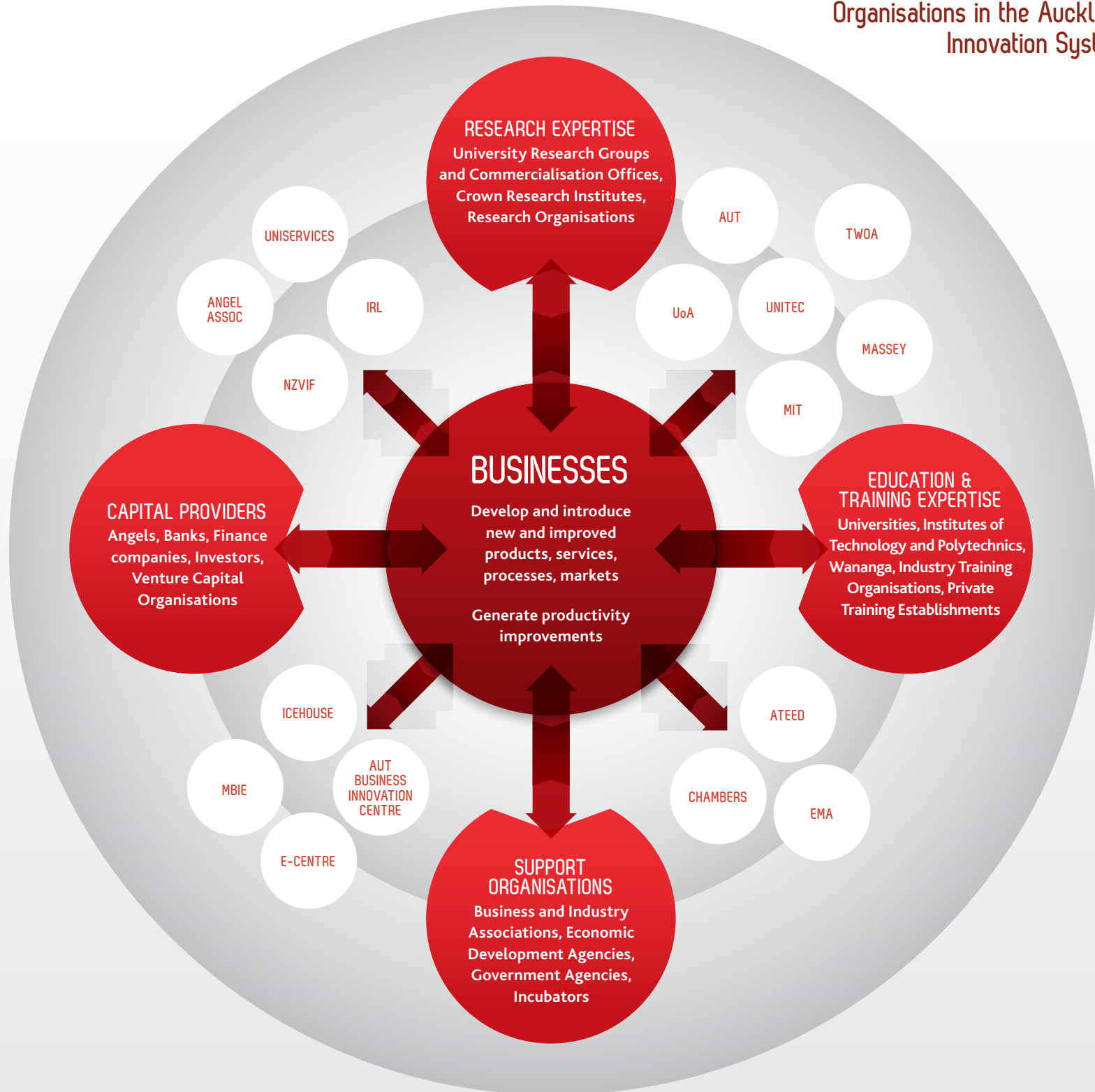
An innovation system involves thinking about the linkages between the different individuals and organisations involved in developing new and improved products, services, processes and markets. Although most innovation occurs in businesses, a range of other actors (businesses, universities, research institutes, education providers, government agencies, industry associations, financiers) have knowledge, skills and technology that can improve the chances of innovation being successful, or help a business avoid wasting resources in the process. Interactions between businesses and these actors might take the form of joint research, staff exchanges, equipment loans, conversations, or a range of other channels. The easier it is for businesses to understand and navigate the complex web of actors and potential linkages, the more likely it is that these formal and informal interactions will occur, and the more likely the new ideas will be converted into high-value products, services and processes.

Figure 6 illustrates the complex array of linkages facing businesses in the Auckland innovation system. A significant range of research, education and training, financial and business support expertise is available. Coordinating expertise across the different actors, and ensuring its relevance and responsiveness to business needs, will be an important step in improving the quantity and quality of innovation in Auckland.

A long-term strategic partnership needs to be developed between Auckland Council and its CCOs, central government, businesses and the research community to enable existing players in the innovation system to fully contribute to Auckland and New Zealand's economic development. Roadblocks that hinder the ability to commercialise research and new ideas need to be overcome.

FIGURE 6:

Organisations in the Auckland Innovation System



INNOVATION HUBS, NETWORKS AND INFRASTRUCTURE

Auckland is unusual in that, compared with other successful city-regions in small developed economies (such as, Denmark, Singapore, Finland and Israel), it has historically not had strong clusters or any innovation parks/precincts. Since Auckland's business generally lacks in-house innovation capability and resources to invest, access to innovation infrastructure is important.

Increased clustering, shared infrastructure and innovation precincts or parks will be key factors for some sectors for improving value from R&D innovation and/or a significant part of improving the quality and quantity of linkages and capturing opportunities to achieve scale. Such an approach would see location-specific agglomeration benefits established, which create efficiencies for the production of high-value goods in Auckland, through greater density as demonstrated by McCann's 'spikes'.²⁸

Clustering activity, for example around an innovation park or precinct, allows innovation between institutions and domains that would not normally interact. It often enables an existing cluster to accelerate. Clusters are particularly relevant to Auckland's high-technology industries, such as food processing, marine, ICT and electronics and health technologies, which often rely on specific infrastructure and where clustering allows for shared investment and use. Supporting these sectors with appropriate infrastructure and planning is a key element of this strategy.

There is significant scope in Auckland to catalyse clusters and precincts, building from earlier projects, while also ensuring that initiatives in our region link with related activities in other New Zealand cities. In this way we can create national networks of innovation with each region focusing on its own strengths and specialisations. Several projects are being both advanced and explored to create innovation centres and catalyse clusters for Auckland sectors, including ICT and digital media (Wynyard Quarter), food and beverage (New Zealand Food Innovation Centre, Manukau), and marine (Hobsonville) – refer to **Figure 7**.

An important component of Auckland's innovation system is the education sector, with its emphasis on advanced and applied learning and research. Tertiary education organisations provide skilled graduates, train managers, supply R&D facilities, and offer technical support for business.

Examples of innovation and collaboration between universities, industry and government that have benefits for industry and the community include the Auckland Tertiary Education Network – a formal partnership between Auckland's tertiary organisations to generate greater commercial application of research knowledge. Another example is the AUT Millennium Campus – a joint venture between AUT and the Millennium Institute of Sport and Health, aimed at providing a world-class environment for high-performance sport training, community sport, health and well-being, and related research and education.

FIGURE 7:

Auckland's Innovation System by Sector



²⁸ McCann, P. 'Globalization and Economic Geography: The World is Curved, Not Flat'. *Cambridge Journal of Regions, Economy and Society* 1, no. 3 (2008).

» CASE STUDY

WYNYARD QUARTER INNOVATION PRECINCT

Situated in between the Auckland CBD and the majestic Waitematā Harbour, Wynyard Quarter is an exciting new multi-purpose development.

Located within this, the Wynyard Quarter Innovation Precinct is a purpose-built innovation cluster that will position Auckland as centre for high-tech businesses, research and development in the Asia-Pacific region.

The Wynyard Quarter Innovation Precinct is the strategic vision of central and local government, Auckland Council and the Ministry of Business, Innovation and Employment and is central to Auckland's plans for a strong economy.

It will bring together in one place the focus, resources, connections and opportunity to launch high-tech business success on the global stage. It will attract investment, collaboration and skilled migration.

It will provide budding entrepreneurs the ideal incubator environment in which to start-up, with flexible stylish workspaces and close proximity to business, financial and legal advice. It is a place where like-minded and complementary high-tech companies, particularly ICT and digital media, can work alongside one another, collaborate and create new possibilities.

The benefits will be in jobs, GDP and exports, in faster growth and better survival rates for new business, attracting and employing highly-skilled professionals and stimulating the creation of high-tech business.

The product sets a benchmark for community-driven tourism, not just for Auckland but nationwide.

“...WE MUST ACT AGGRESSIVELY IF KNOWLEDGE-BASED INDUSTRIES ARE NOT TO BE PULLED ACROSS THE TASMAN. HENCE THE IMPORTANCE OF AUCKLAND BEING VERY PUBLIC, LOUD AND CREDIBLE IN PROMOTING ITSELF AS A KNOWLEDGE-BASED CITY. HENCE THE IMPORTANCE OF THE WYNYARD QUARTER OF CELEBRATING OUR INSTITUTIONS, OF PROMOTING TECHNOLOGY CLUSTERS, OF THE CITY BEING ACTIVE RATHER THAN PASSIVE.”

PROFESSOR SIR PETER GLUCKMAN, CHIEF ADVISOR TO THE PRIME MINISTER.

INVESTING IN INNOVATION

The vast majority of businesses rely on their own internal sources for capital.²⁹ The lack of equity capital to fund innovation in Auckland acts as a constraint to economic growth.

The shallowness of Auckland's equity market is in part due to the reluctance of firms to use equity, the limited number of experienced investors, and the small number of attractive investments.³⁰ A joined up approach to deepen Auckland's equity market is required, which would require bringing together angel investors, venture capitalists, other financiers, and those in the business of commercialising innovation. Explaining key sectors' differing investment needs to angel investors and capital markets is required to attract investment and support innovation in

these sectors. ATEED will play a lead role, partnering with central government and others, in implementing a FDI strategy that aligns with national strategy, sets out clear proposals for investing in Auckland, and targets niche areas for FDI investment.

The actions opposite bring into sharp focus the need for better linkages and the removal of barriers among research and industry, as well as business-to-business links. These actions will be achieved through promoting and celebrating the importance of innovation; seeding technology parks and precincts; providing information on Auckland's innovative potential and expertise; ensuring that infrastructure to make and commercialise discoveries is in place; and that discoveries with commercial potential can attract investment.



²⁹ Knowledge Matrix Asia Pacific, Business Economic Research Limited (BERL), and PricewaterhouseCoopers. 'Understanding Auckland's Role in New Zealand's Global Engagement: Foreign Direct Investment'. Report for Auckland Regional Council, Auckland Regional Council, 2009.

³⁰ Auckland Metro Innovation Project (2009), op. cit.

ACTIONS NEEDED TO SUPPORT THE PRIORITY

The council, ATEED and government will support Auckland's research institutions and the business community to better connect to fuel innovation and cluster development in Auckland. Within the innovation system, additional consideration should be given to leveraging off and supporting green growth opportunities.

ACTION 2.1

SUPPORT THE ESTABLISHMENT OF STRONG LINKAGES BETWEEN AUCKLAND RESEARCH INSTITUTIONS, BUSINESS AND ORGANISATIONS SO THAT A LARGER NUMBER OF FIRMS ARE INNOVATING TO A HIGH LEVEL

Key initiatives

- » Auckland Tertiary Education Network: Facilitate and enable improved cooperation between Auckland tertiary institutions, research institutions and businesses in Auckland, to improve the commercialisation of intellectual property and generate greater value from research and development.
- » Deliver Auckland's Innovation Plan to promote a culture of innovation and create a strong innovation system.
- » Build high-value skills sets that are tailored to the high-growth sectors.
- » Support and promote a 'one stop shop' that enables better access and interaction between companies and research organisations.
- » Work with investors and the business sector to identify ways to foster a vibrant equity market to fund innovation in Auckland.

The council, ATEED and government will, with business and industry, explore options for clustering, industry precincts and infrastructure development and innovation centres for key industries within Auckland, and as a key element of integrated national networks. Innovation involving knowledge and technology is critical to greening the growth of every sector.

ACTION 2.2

SUPPORT THE DEVELOPMENT OF CLUSTERS, PRECINCTS AND INDUSTRY INFRASTRUCTURE THAT SUPPORT INNOVATION IN KEY SECTORS OF COMPETITIVE ADVANTAGE

Key initiatives

- » **FOOD AND BEVERAGE PROCESSING.** Further develop the food and beverage cluster in South Auckland and its links with the Food Bowl and the Food Innovation New Zealand network.
- » **FINANCE.** Support Auckland's business and financial services sectors by continuing to develop and enhance the city centre as Auckland and New Zealand's premier district, through the City Centre Masterplan and key infrastructure projects such as the City Rail Link and the New Zealand Convention Centre.
- » **SPECIALISED MANUFACTURING.** Develop a cluster of specialised manufacturing, clean technology and materials companies, research expertise and support organisations building on the research strengths of Auckland University.
- » **MARINE.** Support and foster the marine clusters and/or precincts at Hobsonville, Wynyard, Westhaven and Devonport.
- » **ICT.** Support the development of the Wynyard Quarter Innovation Precinct and use this as a catalyst to grow a cluster of ICT and digital media companies and support organisations.
- » **HEALTH.** Deliver the Auckland arm of the National Health Technology Hub as part of the New Zealand network.
- » **FILM.** Support and deliver the development of an internationally competitive screen production studio complex, accommodating latest sector requirements, such as motion capture technology (to develop digital/animated content).

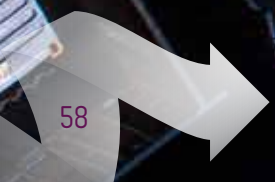
Auckland Council and ATEED will actively promote and celebrate innovation through a Mayoral-led campaign and active marketing of innovation success stories.

ACTION 2.3

SHOWCASE INNOVATION AND THE ADVANTAGES OF AUCKLAND'S INNOVATION SYSTEM

Key initiatives

- » Support innovation as a key criterion of the regional business awards.
- » Showcase Auckland's business innovation success to help attract and develop businesses.
- » Support opportunities to deliver catalytic projects that fast-track the adoption of new and emerging low carbon dioxide technologies.





PRIORITY 3 BECOME INTERNATIONALLY CONNECTED AND EXPORT-DRIVEN

KIA TŪHONO KI TE ĀO, KIA HIHIRI TE HOKO RAWA KI TĀWAHI



**'NEW ZEALAND'S NUMBER ONE
CHALLENGE IS TO EARN MORE. SYNONYMOUS
WITH EARNINGS IS EXPORTS. GROWING
EXPORT EARNINGS MUST BE PUT TOP
OF THE ECONOMIC AGENDA.'**

GANESH NANA, CHIEF ECONDMIST, BERL



BECOME INTERNATIONALLY CONNECTED AND EXPORT-DRIVEN

KIA TŪHONO KI TE ĀO, KIA HIHIRI TE HOKO RAWA KI TĀWAHI

The international connections that Auckland builds and maintains with other economies and city-regions will be critical if we are to attract and retain the entrepreneurs, talent and investment we need to lift growth. These resources are internationally mobile and actively sought after. Auckland's ability to improve its connections depends, in part, on the city's position and function within the Australasian and Asia-Pacific city network.

In developing a targeted and outward-focused strategy for Auckland, aligned with national strategies, the council will partner with central government and others to strengthen international connections. The focus will be on improving trade and investment ties, capitalising on the international connections of overseas-born Aucklanders, and improving the capability of all Auckland's firms to go global. We will also look to improve links with global networks of finance/capital through implementing a FDI strategy.

GOING GLOBAL

There is clear evidence of a strong link between firms exporting or investing abroad and more rapid productivity growth.³¹ International expansion provides scale, allows for a city's (and a country's) more productive firms to grow, and also exposes them to international competition and knowledge. In general, successful cities are globally engaged cities. They act as gateways for people, capital and ideas, and are the hubs of the global economy. Growth is obviously about getting many things right – such as tax, education, and infrastructure – but going global is also a critical element.

Research shows that the economic importance of exports to Auckland is low relative to the rest of New Zealand, and has declined during the last decade when measured in terms of value added and employment impacts.³² This reflects Auckland's increasing role as a gateway for facilitating the movement of goods and services for the rest of New Zealand. However, improving our own export performance will have large benefits for the regional and national economy.

³¹ Skilling, D and D Boven. 'No Country is an Island: Moving the New Zealand Economy Forward by Taking it to the World'. Discussion paper, The New Zealand Institute, Auckland, 2005; Skilling, D, and D Boven. 'Dancing with the Stars? The International Performance of the New Zealand Economy'. Discussion paper, The New Zealand Institute, Auckland, 2005; Skilling, D, and D Boven. 'The Flight of the Kiwi: Going Global From the End of the World'. Discussion paper, The New Zealand Institute, Auckland, 2006.

³² McDonald, G et al. 'Understanding Auckland's Role in New Zealand's Global Engagement: Exports of Merchandise Trade and Services'. Report for Auckland Regional Council, Market Economics, Auckland, 2010.

As noted earlier, there are a number of industry segments in which Auckland has a competitive advantage and the potential to increase export and productivity growth, although many are starting from a small base. The export performance of key sectors is shown in **Table 4**. Fostering these sectors will help Auckland diversify into high-value, differentiated exports and achieve sustained growth in export returns.

Providing appropriate infrastructure is also important to rural and maritime Auckland. Given that the majority of Auckland's firms are small, getting these factors right is crucial.³³

In investment terms, Auckland attracts the bulk of FDI coming into the country (some 55 per cent of FDI projects over 2003–09),³⁴ but these deals have tended to focus on increasing market penetration in the retail and property sectors, rather than in high-value industries or for R&D. More high-quality FDI needs to be encouraged, particularly by building relationships with the multinationals and skilled migrants present in Auckland.

The international competitiveness of these industries must be addressed in a comprehensive way, including providing efficient infrastructure, supporting them to become highly productive, and ensuring there is a readily available and skilled workforce.

TABLE 4:

Export performance of key sectors

	EXPORT ESTIMATES, 2008 (NZD million)	COMPOUND AVERAGE GROWTH RATE (2001-08)
ICT	1,028	5.7%
TOURISM	1,686	3.9%
FOOD AND BEVERAGE	3,674	0.6%
CONSTRUCTION AND ENGINEERING	221	5.9%
MARINE	424	4.1%
NICHE MANUFACTURING	1,237	4.0%
HEALTH TECHNOLOGIES	288	13.6%
INTERNATIONAL EDUCATION	1,343 (2007)	7.3% (2002-07)

Source: Market Economics estimates based on data from the Household Economic Survey and zero-rated GST data.



³³ In 2010, 96.4 per cent of total enterprises in Auckland had fewer than 20 employees. Source: Statistics New Zealand.

³⁴ Knowledge Matrix Asia Pacific, BERL, and PricewaterhouseCoopers (2009).

» CASE STUDY

AUCKLAND COUNCIL'S TRADE MISSION TO CHINA

Auckland Council's first international trade mission in April 2012 to China promoted the region as open for business with one of New Zealand's most important trading partners.

The Mayor led a delegation of 28 Auckland businesses and key organisations on a ten day, five city trade mission to China. The delegation visited sister cities Guangzhou, Qingdao and Ningbo, and the political and economic centres of Beijing and Shanghai.

The delegates represented key economic sectors, including education, film and animation, tourism, biotechnology, investment and infrastructure. The delegation was supported by the Ministry of Foreign Affairs and Trade (MFAT) and New Zealand Trade and Enterprise (NZTE), in a 'NZ Inc' joint approach between government and the council.

Delegates attended business seminars and briefings, networking sessions, site visits, sector and business matching forums, and accompanied the Mayor to a number of high-profile civic events.

Business delegates welcomed the opportunity to form and strengthen commercial relationships.

The trade mission resulted in successful outcomes for the business delegates. Work will continue by the businesses, organisations and the council to pursue opportunities generated through the trade mission. A number of Chinese businesses and investors are undertaking reciprocal visits to Auckland as a result of the trade mission and the connections that were made.

The mission deepened and strengthened Auckland's sister city relationships, which are important platforms for cultural and economic exchange and mutually beneficial opportunities. The civic, cultural and social relationships between the cities, be they Auckland's sister cities of Guangzhou, Qingdao and Ningbo, or the growing friendly relations developing with the powerhouses of Shanghai and Beijing, are valued connections for Auckland as an international city.

“ AT THE HIGHEST LEVELS, THE CHINESE GOVERNMENT AND INDUSTRY ARE OPENING DOORS IN AN UNPRECEDENTED WAY. ”

KIM CAMPBELL, CHIEF EXECUTIVE, EMPLOYERS AND MANUFACTURERS ASSOCIATION (NORTHERN).

INTERNATIONAL CONNECTIONS AND PARTNERSHIPS

The Auckland region currently plays the major role in New Zealand's international engagement, and is the essential hub of the country's connection with the rest of the world. Many of New Zealand's international linkages in terms of trade, investment and people flows are conducted through Auckland as a result of:

- » the city's infrastructural capacity
- » the agglomeration of business sectors
- » population dominance, including the importance of immigrants as a proportion of its population.

Internationalising is a complementary strategy to exporting. Rather than relying solely on exporting, going global is about Auckland firms expanding their activities beyond Auckland's boundaries and adding value to other parts of the value chain.

Examples of this include the decisions by companies such as Fisher & Paykel, Icebreaker and Kathmandu to maintain their corporate headquarters and R&D divisions in Auckland and New Zealand, and relocate manufacturing to locations closer to major international markets. Another example is Fonterra acquiring farms in South America and Asia.

Both strategies, if successful, can break firms free of the limits and costs imposed by distance, and open up a scale of market that is otherwise difficult to achieve. In Auckland there is considerable merit in adding value to exports and developing Auckland as a hub between the Asian markets (e.g. China) and South America in the Asia-Pacific region.

The council can have a major positive influence on business and internationalisation through its network of international partner cities. The council has formal relationships with 19 partner cities and countries worldwide, including New Zealand's most important trading partners: Australia, China, Europe, Japan, Korea, the Pacific Islands and the United States. These networks offer significant opportunities for closer economic relations, and provide a conduit for Auckland and New Zealand businesses and sectors to form closer connections with our current and future markets for goods and services.

To ensure Auckland is globally connected and engaged, the council will build alliances with international cities and networks. The council's international relationships will be used to achieve economic and cultural outcomes by 'opening doors' and leveraging business and investment attraction opportunities. Examples include facilitating projects, enquiries, official visits and delegations between Auckland and its partners.

The council and ATEED will work closely with central government, other agencies and onshore partners to leverage the collective resources already in place to achieve better export outcomes for Auckland and develop international connections. This includes developing emerging exporting businesses, working with co-located central government offices offshore, and supporting NZ Inc. and free trade agreement work through hosting delegations, encouraging and facilitating local industry input, and enabling a business-friendly city.



ACTIONS NEEDED TO SUPPORT THE PRIORITY

The council and ATEED will work with others to maximise the opportunities for internationally competitive businesses and sectors, and to ensure these businesses have the capability to succeed and grow.

ACTION 3.1

BUILD UP THE INTERNATIONAL CAPABILITY OF BUSINESSES TO MAXIMISE GLOBAL GROWTH OPPORTUNITIES

Key initiatives

- » Deliver initiatives to ensure businesses with international potential build up the skills and capacity to enable them to enter global markets and focus on global growth opportunities.
- » Deliver and implement a FDI attraction strategy for Auckland, aligned with a national strategy.
- » Facilitate opportunities for internationally competitive sectors presented by increased air linkages between Auckland, Asia and South America, and other key markets.
- » Support development of the international education sector through aligning international marketing efforts, building business capability and leveraging alumni.
- » Work in partnership with iwi to identify and support international commercial opportunities from the Māori asset base in Auckland and support the innovative and entrepreneurial capacity of iwi/Māori.
- » Work in partnership to develop international commercial opportunities in the Pacific and leverage Auckland as the gateway to the Pacific, and support the innovative and entrepreneurial capacity of Pacific peoples.

To ensure Auckland is globally connected, the council will engage with its international partner cities and build alliances with other international cities where there is alignment with the council's goals and objectives.

ACTION 3.2

ENSURE AUCKLAND IS GLOBALLY CONNECTED AND ENGAGED IN ORDER TO LEVERAGE BUSINESS, INVESTMENT AND CULTURAL OPPORTUNITIES

Key initiatives

- » Provide for the long-term needs of the Ports of Auckland and Auckland Airport in an appropriate and environmentally sustainable manner, to support New Zealand's international freight, trading competitiveness and visitor industry.
- » Facilitate linkages between business and migrants, New Zealand expats and overseas students to leverage offshore expertise and investment.
- » Facilitate business and market development outcomes from the council's international relationships through; cultural engagement; joint initiatives with the council's partner cities and other stakeholders; inbound and outbound trade missions and official visits.
- » Support initiatives to improve firm productivity.



Image courtesy of New Zealand Bloodstock Ltd.





PRIORITY 4
ENHANCE INVESTMENT IN
PEOPLE TO GROW SKILLS
AND A LOCAL WORKFORCE

TE WHAKAKAHA I TE TUKU MANA KI TE TANGATA. HEI WHAKATUPU
PUKENGĀ MĀTAURANGA KI NGĀ KAIMAHI Ā ROHE



'AN EDUCATED, KNOWLEDGEABLE, SKILLED AND WORK-READY COMMUNITY IS AT THE VERY HEART OF ECONOMIC DEVELOPMENT. IT IS GREATLY HEARTENING THAT THIS STRATEGY RESPONDS TO THE MANY CONNECTIONS THAT MAKE CLEAR THIS DRAW ATTENTION TO THE ISSUES FACING AUCKLAND IN THIS REGARD.'

STUART MIDDLETON, DIRECTOR EXTERNAL RELATIONS, MANUKAU INSTITUTE OF TECHNOLOGY



ENHANCE INVESTMENT IN PEOPLE TO GROW SKILLS AND A LOCAL WORKFORCE

TE WHAKAKAHA I TE TUKU MANA KI TE TANGATA, HEI
WHAKATUPU PUKENGA MĀTAURANGA KI NGĀ KAIMAHI Ā ROHE

Economic growth, innovation and productivity are dependent on sufficient skill levels in the workforce to ensure highly productive, high-value workplaces. Auckland's future prosperity will depend upon our people having employment opportunities, as well as a range of skills and abilities to be able to compete effectively in a global economy and improve the quality and value of work. We need to develop the skill levels of our workforce and better link these to Auckland's labour market. This is particularly important for key employment and high-growth sectors where initiatives to build, attract and retain skill and talent will help drive enterprise, jobs and growth. Focusing on increasing Aucklanders' core and foundation learning skills will also create sustainable economic growth through building a strong, inclusive and equitable society.



BOOSTING SKILLS AND EMPLOYMENT

Skills are critical to economic change; the skills of workers increasingly determine firms' ability to build competitiveness. For skills development to be effective it must be focused on the needs of industry and the economy; qualifications must reflect the skills needed in the jobs for which they are designed; and managers must support workers to work to the best of their ability and potential.

We know that Auckland's skills needs change over time, and the relative competitiveness of cities and nations depends on having the right mix of skills available at the right time. This is why many cities have strategies to match the skills of workers with the needs of industry, and to address skill shortages associated with ageing populations, technological change and the increased global movement of skilled workers.

We also know that 80 per cent of people working now will still be in the Auckland workforce in 2020. This makes it vital to improve the skills of the current workforce and the value of the work they do. Low-skill jobs will remain important to keep Auckland's economy and society functioning; however, skill levels must increase if Auckland is to improve its position in the OECD rankings. This includes increasing the proportion of advanced trade qualifications, diplomas and degrees. We also need to develop a workforce with high levels of generic and technical competencies, including increased management and leadership capability, and focus on increasing post-graduate qualifications in science and technology, engineering and mathematics that can help foster innovation.

We will support all Aucklanders to grow, attract and retain talent. The Auckland Plan recognises that learning is a lifelong process, with early childhood learning, for example, being an important building block in achieving a highly skilled workforce. While a whole of life approach needs to be taken to learning and training, from early childhood through to adulthood, the Economic Development Strategy focuses on the transition from secondary education into further training or the workforce, higher education partnerships and workforce development.

Research highlights that the key skills issues in Auckland centre on foundation learning, work-based training and career development, skill gaps (particularly at the higher end), and labour shortages. These issues sit within a complex system of multi-levelled educational and training provision, labour market forces (domestic and global), social and community dynamics, and economic opportunities (see **Figure 8**). If we overlay the system with existing disparities in educational achievement, including literacy and numeracy, and the mismatch of supply and demand of skills, it is clear that significant effort is required to improve Auckland's future skills supply and economic performance.

The council is well placed to champion a joined-up systems approach to the skill development challenge through its leadership, facilitation and advocacy role with central government, and through its strong community and business networks. It is important that any new partnerships and activities align with national policy and leverage economic opportunities successfully.

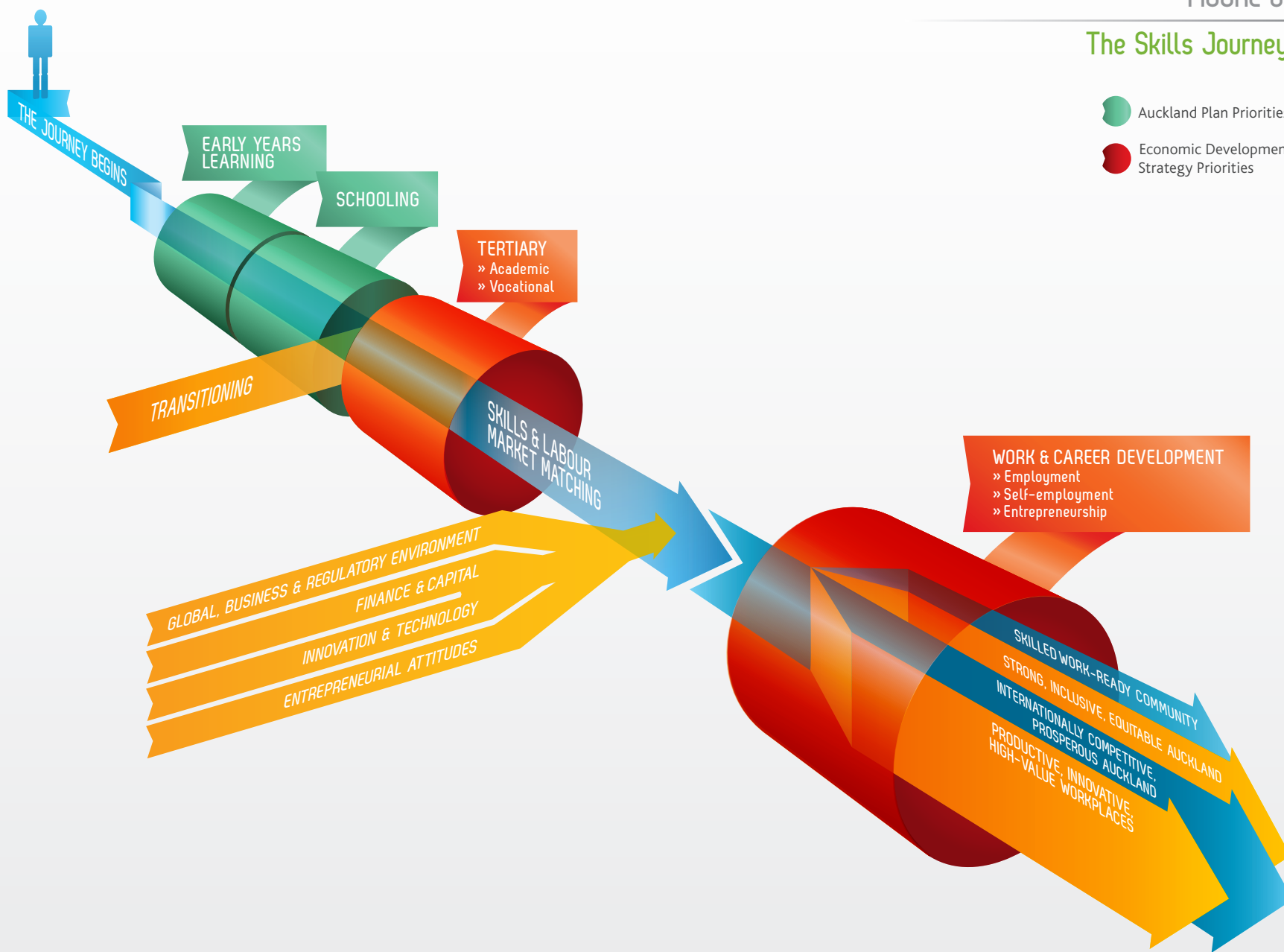
The council can also play a role in some of the broader aspects of skills development, such as encouraging greater participation in physical activities and sports, which are important in developing a motivated and skilled workforce.

The council's broad role in place-making also helps attract and retain skilled workers (e.g. ensuring a quality built environment and celebrating diversity, arts and cultural activities).

FIGURE 8:

The Skills Journey

- Auckland Plan Priorities
- Economic Development Strategy Priorities



FOUNDATION LEARNING

Success in education is essential to building a productive and competitive economy. In Auckland there are many people whose social circumstances and educational attainment limit their ability to participate fully in the economy and society. While the volume of school leavers with a university entrance qualification is higher in Auckland than elsewhere in New Zealand, a significant proportion of those leaving school have no university entrance and low formal educational attainment.

These students are proportionally more likely to be Māori, Pacific or from low socio-economic communities. The sheer size of Auckland's population means that the number of people with little or no foundational skills presents a significant challenge to potential employers and the wider economy. Each year, approximately 1,700 Auckland youths leave school with no qualifications at all, adding to the longer-term adult literacy challenge.

“SUCCESS IN EDUCATION IS ESSENTIAL TO BUILDING A PRODUCTIVE AND COMPETITIVE ECONOMY.”

In 2006, there were nearly 200,000 young people in Auckland (37 per cent of the nation's youth). This is projected to grow to between 220,720 and 245,880 by 2021.

Auckland's young demographic offers huge potential to meet current and future workforce needs but the current mismatch between the supply, their skill set and workforce demands needs addressing. The disparities for those young people with qualifications (mostly European and Asian) and those without (Māori and Pacific youth are over-represented) are growing, and youth unemployment within Auckland in the March 2011 quarter was 31.1 per cent for 15–19 year olds and 12.4 per cent for 20–24 year olds. It is estimated that youth unemployment, youth incarceration and youth sole parent benefits cost New Zealand around \$900 million per year.³⁵ A considerable amount of this cost is concentrated in Auckland, and more specifically, in certain sub-regional areas such as South Auckland. Improving education and labour market outcomes for these communities is therefore critical to Auckland's prosperity and a key focus of the Southern Initiative.

Realising the potential of Auckland's youth requires concerted effort from all players in the system to better align skills development and qualifications to the needs of industry and the wider economy. It is now recognised that the generally linear pathway to university does not suit all students. Transition programmes and flexible skills pathways are being developed across a number of central government agencies, schools, tertiary organisations and industry. There are many initiatives happening across the city, and the education and training system can be difficult for young people and employers to navigate. Auckland would benefit from a better connected and more accessible system. Alongside this, a framework for action could help build the capacity and capability needed to improve outcomes for young people and employers alike.

³⁵ Boven, R et al. 'More Ladders, Fewer Snakes: Two Proposals to Reduce Youth Disadvantage'. Discussion paper, The New Zealand Institute, Auckland, 2011.

» CASE STUDY

THE SOUTHERN INITIATIVE

The Southern Initiative has the potential to achieve transformational change in skills and local workforce development.

Over the next 30 years, over one third of Auckland's growth in employment opportunities will occur in the south, ranging from entry-level hospitality jobs in the visitor and tourism industry to specialist high-skills jobs in transport and logistics, and innovative export industries, such as high-value manufacturing in food and health technologies. The Southern Initiative has a young and ethnically diverse population, with high numbers of Māori and Pacific communities, rapid population growth and generally lower qualifications and employment status. The area, Auckland and New Zealand will all benefit significantly from targeted action.

A range of skills and local workforce projects already under way in the Southern Initiative area can be built on to deliver social and economic change. These initiatives include networking between local boards, schools, tertiary providers, major employers like the Counties Manukau District Health Board, Auckland Airport and other businesses in key employment areas. ATEED is involved in projects that will help grow employment opportunities, such as the New Zealand Food and Innovation Centre Auckland, the Health Technology Hub, and through capability work with southern businesses.

The Māngere-Ōtāhuhu and Otago-Papatoetoe local boards have secured funding from the philanthropic sector to develop local initiatives to support school leavers and youth into employment pathways. This is part of the 'Youth Connections across Auckland' project and a wider youth employment platform that the council and local boards are supporting through the Mayor's Taskforce for Jobs, a nationwide network.

COMET is working with the Manurewa local board to identify local education and skills issues so that the community can better advocate and mobilise community resources. This includes focusing on building pathways for young people into study or employment, and having local opportunities for adults to get a step-up in education and training. COMET will also work with other Southern Initiative local boards to support education, skills and employment outcomes.

These place-based partnership approaches can also extend to working with other local boards, communities and strategic partners across Auckland, where there are significant concentrations of educational and skills challenges and employment opportunities.

IMPROVING AUCKLANDERS' SKILLS

People with the right skills can give firms a competitive edge, through increased innovation, use of new technologies, improved workplace practices and access to new markets. Therefore, it is important to consider skill development as an integral part of improving New Zealand's productivity.

Literacy demands in the workplace are steadily increasing. New technology is also changing the skills people need to participate at work and in their communities (e.g digital literacy). The low levels of adult literacy and numeracy in Auckland (over 410,000 adults with low literacy and 478,000 with low numeracy)³⁶ act as a barrier to upskilling and productivity growth. Auckland must meet the challenge of continuously upskilling workers at all levels, so that they are part of the region's economic success story.

Another complex challenge for firms will be managing diverse sets of skills to achieve positive outcomes in the workplace. For firms wishing to grow and sustain progress in their performance, managers and management systems must become more sophisticated.

³⁶ Sutton, A., and B Yeaman. 'Unlocking Auckland's Potential: Adult Literacy and Numeracy Skills in the New Auckland'. A COMET Working Paper. COMET, Auckland, 2010.



Firms must take full advantage of returns from their productive assets, especially the talents of their people, in order to compete in today's globally competitive marketplace. Enhancing the ability of managers to better use, develop and retain the skills of their employees is crucial. The skills capability of firms is about how effectively a firm attracts, develops, uses and retains skills at all levels of the organisation to enable it to produce goods and deliver services, and to provide quality work.

A clear understanding of skill requirements in high-value and high-growth sectors is also needed to support our exporting sectors. High-value, high-growth sectors need skilled workers tailored to each sector's need. Opportunities will be explored to build and develop partnerships, with a focus on establishing better linkages between industry and education.

“HIGH-VALUE, HIGH-GROWTH SECTORS NEED SKILLED WORKERS TAILORED TO EACH SECTOR'S NEED.”

ATTRACTION AND RETENTION

Changing population demographics, worldwide competition for skills and increased labour mobility have made it far more difficult to predict and fill labour and skill shortages. Competing for a limited share of the labour pool, especially highly skilled workers, requires government and business to have well-designed strategies to attract workers to Auckland, and to retain them.

Central and local government have dual roles when attracting workers to regions: first, to provide the economic conditions that stimulate job growth; and second, to provide the necessary economic and social infrastructure. It is widely acknowledged that there are many imperatives which contribute to the attraction and retention of skilled workers, but job opportunities, housing, infrastructure, health and education facilities, lifestyle and community factors all figure highly.

As New Zealand's largest city and home to a number of tertiary education facilities, Auckland attracts thousands of national migrants every year. However, Auckland competes nationally and internationally for skilled workers.

Attracting and retaining skilled migrants offers connections to new and emerging markets, international experience and global networks, with research showing that diversity can increase the potential for innovation. Against the background of intensifying global competition for skilled people, immigration plays a vital role in allowing access to skills and talent to support New Zealand's economy.

Without immigration New Zealand would be unable to maintain its population or fill skill shortages, even in a time of economic slowdown. Recruiting and retaining high-quality skilled migrants constitutes a major challenge for New Zealand.

Migrants to Auckland currently face a wide range of barriers and problems that prevent them from fully integrating with, and contributing to, the Auckland economy. On average, it takes an immigrant 12 years to return to the professional status and level of remuneration he/she had before leaving for Auckland.³⁷ This is a significant lost opportunity for our city.

Initiatives are under way, through the Auckland Regional Migrant Settlement Strategy, to address these challenges and the council will continue to support these and to advocate to central government the importance of ensuring that immigration programmes seek to attract highly skilled migrants.

The council, ATEED and the government will also explore options to support the tertiary education sector, business and industry to attract and retain skills in Auckland. Local boards play an important role in developing community buy-in to education initiatives and are well positioned to champion, action and own outcomes in relation to skills, education and employment in their local communities.

³⁷ Based on background research work undertaken by the former Department of Labour in setting up the Economic Settlement Action Leadership Team (Economic SALT) under the Auckland Regional Settlement Strategy and draws on the DOL and Jacques Poot's 'New Zealand Research on the Economic Impacts of Immigration 2005–2010: Synthesis and Research Agenda', *Economic Impacts of Immigration Working Paper Series, 2010*.



ACTIONS NEEDED TO SUPPORT THE PRIORITY

The Mayor and the council will take a leadership role in advancing and monitoring skills and education in Auckland.

ACTION 4.1

CHAMPION EDUCATION, SKILLS AND CAREER DEVELOPMENT IN AUCKLAND

Key initiatives

- » Facilitate better agency and service alignment to improve capacity-building and service delivery in the skills and education pipeline.
- » Work with local boards to support education, skills and employment in their communities.
- » Develop a unified approach to monitoring and evaluating transition and career development initiatives.

Auckland Council and COMET will work with central government to leverage the benefits of national policy settings in Auckland, particularly in the Southern Initiative where pockets of low skills, high unemployment and underemployment exist alongside employment and growth centres.

ACTION

4.2

INCREASE AUCKLAND'S WORKFORCE PARTICIPATION AND LABOUR PRODUCTIVITY

Key initiatives

- » Deliver improvements in literacy, language and numeracy to raise productivity, particularly for Māori and Pacific peoples and with a strong connection through the Southern Initiative.
- » Facilitate 'earn as you learn' opportunities in Auckland (e.g. trades, apprenticeships and cadetships).
- » Facilitate targeted interventions to improve skills outcomes for Māori.
- » Facilitate targeted interventions to improve skills outcomes for Pacific peoples.
- » Facilitate targeted interventions to improve skills outcomes for new migrants and refugees.

Auckland Council, COMET and ATEED will work with government to promote high-value skills in internationally competitive growth sectors and help facilitate tertiary education providers to provide programmes and courses that better align with industry and workforce needs. The emergence of green jobs and a low carbon dioxide economy will also require new skills. Ensuring that education and training providers include sustainability elements in their programmes is critical to match supply with likely demand.

ACTION 4.3

BUILD, ATTRACT AND RETAIN SKILLS TO BETTER MATCH AUCKLAND'S NEEDS, ESPECIALLY THROUGH IMPROVED TERTIARY/INDUSTRY ENGAGEMENT THAT FOCUSES ON SKILLS FOR INNOVATION AND RESEARCH FOR COMMERCIALISATION OPPORTUNITIES

Key initiatives

- » Identify critical skill shortages and create a better match between skills supply and skills demand.
- » Facilitate the attraction and retention of skilled workers (in key industries).
- » Facilitate tertiary education organisations to work collaboratively with industries to improve the relevance and responsiveness of educational programmes.
- » Support the inclusion of education for sustainability to enable green growth.





**PRIORITY 5
DEVELOP A VIBRANT,
CREATIVE INTERNATIONAL CITY**

KIA WHAKATURIA HE TĀONE AO NUI. TIKORIKORI. WAIRUA AUAHA



'THE VISITOR ECONOMY TOUCHES AND BENEFITS PEOPLE THROUGHOUT OUR COMMUNITIES. THE QUALITIES THAT ATTRACT PEOPLE TO VISIT OUR COMMUNITIES ARE ALSO THOSE THAT ATTRACT PEOPLE TO RETURN AND LIVE, TO WORK, DO BUSINESS AND CREATE NEW BUSINESSES IN THE REGION.'

MARTIN SNEDDEN, CHIEF EXECUTIVE, TOURISM INDUSTRY ASSOCIATION NEW ZEALAND



DEVELOP A VIBRANT, CREATIVE INTERNATIONAL CITY

KIA WHAKATURIA HE TĀONE AO NUI, TIKORIKORI, WAIRUA AUAHA

Auckland has significant advantages. It is an attractive city, with a stunning natural environment and indigenous and diverse cultures. But there is significant scope to develop Auckland into a vibrant world city by promoting and building on Auckland's creative, cultural and recreational experiences.

To help create an attractive world city, a distinctive city brand is increasingly recognised as an important tool. A brand is much more than just a logo. It's a complete value proposition which sets a city apart, creates interest and activity, and attracts investment. A clearly articulated brand for the city is important for attracting not only tourists, but also students, researchers, innovators, entrepreneurs, investors and events, and the associated benefits they bring.

Auckland and New Zealand companies stand to gain significantly from overseas consumers, wholesale buyers, regulators and others having favourable perceptions of our products and services, and associations with attributes such as being 'green' and/or innovative. Environmental integrity and stewardship, and innovation more generally, are strong brand propositions and Auckland would greatly benefit from developing and leveraging a reputation and brand (or brands) consistent with these themes.

Developing Auckland's brand is vital in promoting Auckland internationally, driving economic growth and contributing to an improved lifestyle for all Aucklanders. ATEED has a key leadership and implementation role in this area.



THE VISITOR ECONOMY

Auckland is New Zealand's major gateway and currently welcomes 70 per cent of all arrivals to New Zealand. However, Auckland still struggles with the perception of being a gateway rather than a destination in its own right. In comparable international cities the visitor population sits at 7–10 per cent of total population; in Auckland it is just five per cent.

By implementing the Auckland Visitor Plan we will enhance the visitor proposition, making Auckland more visitor-friendly and growing demand across the entire region, encouraging higher-value visitors to come in greater numbers and stay longer in Auckland. Improving our social fabric, such as the range of retail, cultural and event facilities, access to public transport and public services, green spaces, and our arts, culture and heritage offerings are all important in drawing both visitors and skilled workers to Auckland. This also improves the region for residents.

A focus on the visitor economy, including event experiences, will enhance Auckland's ability to compete internationally as a desirable place to visit, live, work and invest.

Domestic and international visitors play a significant direct role in the regional economy³⁸, and the Auckland Visitor Plan sets out an ambitious plan for growing this role over the next 10 years.

The benefits of an enhanced visitor economy extend beyond the direct economic impacts of increased visitor numbers. Visitor expenditure helps to subsidise the development of Auckland's publicly and privately provided amenity, by enabling us to invest well beyond the constraints imposed by the size and spending power of the resident population. The resulting increase in the scale and quality of the infrastructure, public goods and services, and consumption choices available to Auckland residents will have a material impact on Auckland's economy. The legacy benefits from the Rugby World Cup 2011 are a prime example of this.

Visitors are also skilled people and entrepreneurs. They can transition from tourist to worker and to investor. The council and ATEED will endeavour to develop our visitor economy and complement Auckland's visitor offering to and with the rest of New Zealand. Opportunities for joint inter-regional visitor packages as part of international and national marketing campaigns will be explored.

We are also working to actively promote Auckland internationally by developing a distinctive event and festival portfolio (at both regional and local levels). Through the Auckland Major Events Strategy, ATEED seeks to develop Auckland into a global events destination that will deliver economic benefits while enriching the region's social well-being.

“ A FUTURE-PROOF CRUISE-DEDICATED TERMINAL ON QUEENS WHARF WILL TAKE ADVANTAGE OF CURRENT OPPORTUNITIES AND THE GROWTH POTENTIAL OF NEW ZEALAND'S CRUISE SECTOR, TO POSITION AUCKLAND AS THE REGION'S CRUISE HUB. ”

Craig Harris, Chief Executive, McKay Shipping Limited



³⁸ The Auckland visitor economy was worth \$3.33 billion in 2010, made up of \$1.96 billion from international visitors and \$1.37 billion from domestic visitors.



VISITOR INFRASTRUCTURE

Key infrastructure, such as a cruise ship terminal and convention centre, is critical in making Auckland attractive internationally, especially for business visitors. Auckland's seaport is the most popular port of call for cruise liners. Over 2012/13 Auckland will host more than 95 cruise ship visits, with capacity for 250,000 passengers and crew and increasing exchange activity.

Cruise ship facilities on Queens Wharf need to be fit for purpose to cater for the predicted growth. We wish to encourage cruise lines to expand their New Zealand presence and increase passenger exchange activity in Auckland, in tandem with a strengthened visitor programme.

Conferences and conventions are the cornerstone of many visitor economies around the world. A prerequisite for hosting these events is a large-scale conference and convention facility. Auckland's current conference capacity is limited and the region lacks critical infrastructure to optimise the market for larger conferences. A convention and exhibition centre is seen to be of national importance, as it would allow New Zealand to promote and showcase its industries to the world, as well as bringing some of the world's most influential business and industrial leaders to the country.

The council will work with funders and infrastructure providers to ensure that key infrastructure is developed in Auckland, and that its benefits are fully capitalised on for the advantage of all Aucklanders.

AUCKLAND'S CULTURAL, CREATIVE AND RECREATIONAL OFFERINGS

The Auckland Plan recognises the importance of the creative and cultural sector in contributing to Auckland's vibrancy, sense of community and economy. The creative industries and professionals have a vital role to play in our economic future and in showcasing our rich and diverse cultural identity to the world.

Māori

Auckland, Tāmaki Makaurau, is the ancestral homeland to several of New Zealand's Māori confederations. There are 19 iwi and approximately 70 recognised pan-tribal organisations, with a network of marae across Auckland. The Auckland Plan

recognises that the Māori identity is Auckland's point of difference in the world. Through creating viable partnerships and leveraging off the economic opportunities provided by this cultural identity, we have the potential to raise Auckland's international profile.

Through its stated aspiration for 2021, the Auckland Visitor Plan recognises the potential for our region's strong Māori roots to be woven into Tāmaki Makaurau's contemporary cultural identity, and the need to develop a specific programme of action for progressing the Māori cultural elements of the Visitor Plan.

» CASE STUDY

TE HANA TE AO MARAMA

Te Hana Te Ao Marama is Auckland's leading Māori cultural tourism centre offering an array of authentic Māori cultural experiences. These include marae visits and accommodation, Māori cultural concerts and enriching Māori village tours through Te Hana Te Ao Marama's 17th century traditional Māori village and fortified pa site. The centre is a community-driven Māori local economic development initiative that leverages cultural knowledge, language, history and genealogy and creates sustainable opportunities for whānau (local families).

Located on State Highway 1, equal distance between Auckland's CBD and Whangarei, Te Hana Te Ao Marama Marae was the first of two marae out of 1,000 in New Zealand to be Qualmarked. Its offerings include exceptional facilities available for hireage, tours, cultural events, conferences, educational visits, hui, weddings and noho (overnight stays). Visitor numbers have peaked at several thousand per month.

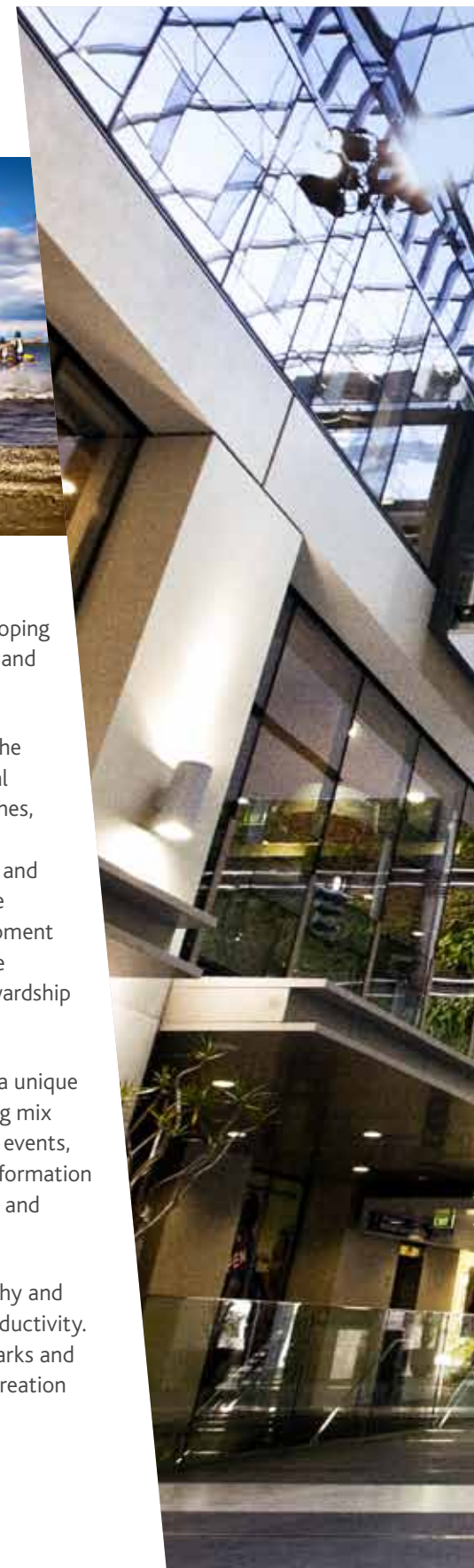
Profits generated from these enterprises are reinvested into the community by the Te Hana Charitable Trust to facilitate education and skills training and grow employment and enterprise opportunities arising. As such, the marae acts as a base for tourism development related activities such as catering, transport, leisure and adventure tours.

Te Hana Te Ao Marama is a prime example of a community social enterprise which demonstrates the competitive advantage that Māori culture brings to New Zealand's tourism offering. It enhances and diversifies Auckland's marketing proposition as a visitor destination, aligning with many of the goals set in the Auckland Visitor Plan and the strategic priorities of the Economic Development Strategy that presents Auckland to the world as a creative, vibrant city.

The product sets a benchmark for community-driven tourism, not just for Auckland but nationwide.

“OUR MĀORI COMMUNITY HAS THE POTENTIAL TO MAKE A SIGNIFICANT POSITIVE ECONOMIC, SOCIAL AND CULTURAL CONTRIBUTION TO THE FUTURE OF AUCKLAND.”

Linda Clapham, Chief Executive Officer, Te Hana



Pacific

Auckland is also the largest metropolitan Polynesian city in the world. Fostering Pacific arts and culture will help open up exporting opportunities through Pacific enterprises and result in job creation. Auckland hosts the world's largest annual Pasifika Festival and numerous local festivals and markets that add vibrancy to our city. There are opportunities to build on and grow these festivals.

Auckland's ethnic diversity provides opportunities for originality and expression through the arts, music, food, fashion and design, IT (digital animation, web-based language tools and programmes) and industry - adding up to a unique tourism offering.

Creative, Cultural, Natural and Recreational

Enhancing the creative sector (design, publishing, performing and visual arts, music and screen production) in Auckland would generate an exciting, stimulating city with great lifestyles, amenities and rich cultural and social environments. Such a vibrant environment would attract high-skilled talent, underpin creative thinking, and support the innovation system.

Auckland also has a number of key cultural institutions and venues, including the Auckland Art Gallery Toi o Tāmaki, the Auckland War Memorial Museum, Aotea Precinct and the waterfront area. There is real potential to create an attractive and stimulating environment

in which to work and live, especially through further developing a distinctive retail offer in the central city and waterfront, and creative hubs throughout the city.

We also have significant natural capital to build on, from the Hauraki Gulf and islands and volcanic cones to our regional parks, the Waitakere Ranges and the wild west coast beaches, as well as a range of unique heritage and other attractions reflecting the character of local areas. Exceptional cultural and natural visitor experiences generate additional expenditure through longer stays and repeat visits. Sustainable development and investing in nature-based tourism products will ensure economic returns over the long term and appropriate stewardship of natural resources.

Auckland's waterfront is currently being transformed into a unique destination for everyone to enjoy. The waterfront's exciting mix of uses – marine, fishing, recreational, residential, boating, events, dining, hospitality and port – are contributing to the transformation of this space, which is a key step toward helping Auckland, and New Zealand, achieve its full economic potential.

Sport and recreation are important contributors to a healthy and active city. They have strong links to improving labour productivity. Auckland Council has an important role in providing the parks and sporting facilities needed for participation in sport and recreation in Auckland.

ACTIONS NEEDED TO SUPPORT THE PRIORITY

Auckland will build its brand, develop and secure high-profile events that generate significant economic returns for Auckland and New Zealand, and develop the Auckland city centre and waterfront as the cultural, recreational, academic and business centre of the region, attractive to business, workers, residents and visitors alike. Natural and cultural resources right across Auckland distinguish what Auckland has to offer, and all have the potential to increase length of stay.

ACTION 5.1

AUCKLAND IS NATIONALLY AND INTERNATIONALLY RECOGNISED AS HAVING EXCEPTIONAL VISITOR AND EVENT EXPERIENCES

Key initiatives

- » Significantly grow Auckland's visitor economy through growing demand for Auckland and enhancing the visitor proposition.
- » Support the development of a national convention centre and ensure its full integration with the associated value chain in Auckland and New Zealand.
- » Deliver destination marketing into key international markets that promotes Auckland's event, retail and visitor offerings.
- » Grow Auckland as a global events city through a portfolio of exciting and distinctive major and local events that increase civic pride and enhance social and economic well-being (see Auckland's Major Events Strategy).
- » Promote the city centre as a focus for cultural institutions, and develop a diverse supporting network of cultural programmes across Auckland.
- » Deliver the City Centre Masterplan, including the retail proposition and retail action plan.
- » Support the creative sector's contribution to Auckland's economy, as an enabler of talent attraction and creative places and precincts.



The council and ATEED will build on Auckland's diversity and work with iwi/Māori to drive business growth in areas such as tourism and events.

ACTION 5.2

PROMOTE MĀORI CULTURE TO CREATE A UNIQUE VISITOR, TALENT AND INVESTMENT PROPOSITION

Key initiatives

- » Support iwi/Māori to explore the potential of establishing Māori entrepreneurship initiatives and points of difference for Auckland that build on rich cultural heritage.
- » Develop an integrated communication network that utilises Māori media providers, small business networks, hi-tech web tools (which provide an information service concerning Māori heritage, culture, and status; and which can be used to promote the 'face of Auckland').
- » Provide partnership opportunities for authorised Māori tourism ventures to accentuate Auckland's point of difference through use of waai tapu and cultural sites of significance, and using signage in Te Reo.



The council and ATEED will build on Auckland's diversity and work with unique ethnic communities to drive business growth in areas such as tourism and events.

ACTION 5.3

SUPPORT PACIFIC AND MIGRANT CULTURES TO CREATE A UNIQUE VISITOR, TALENT AND INVESTMENT PROPOSITION

Key initiatives

- » Support Pacific peoples entrepreneurship initiatives that build on rich cultural heritage and connections to countries of origin and create cultural innovation for commercialisation.
- » Support migrant entrepreneurship initiatives that leverage talent and international connections in a cultural capacity.





CROSS-CUTTING THEMES

NGĀ KAUPAPA AUKATI WHITINGA

The five priorities are supported by four cross-cutting themes, which are described in more detail in this section.

CREATING A SUSTAINABLE ECO-ECONOMY

TE WHAKATŪ WHAINGA HUA TAIAO

The world's most liveable city provides a strong social, environmental and economic vision that recognises the global reality of increasing resource constraints and increasing demand for those resources. An eco-city and eco-economy integrates ecological and economic objectives for the benefit of society as a whole.

Transitioning to a sustainable eco-economy requires 'green growth' – this can be defined as means to create jobs and economic growth while reducing costs and environmental impacts over the long term.³⁹ This requires new thinking and a new approach from businesses, industry, the council and central government. This new thinking is about creating a resilient, efficient economy within Auckland that is less reliant on fossil fuels and finite resources. Some initial investment will be required, as the costs of inaction will be higher as mitigation becomes increasingly expensive and inaccessible.⁴⁰ Developing a sustainable eco-economy has the potential to be a major component of creating an innovative, internationally focused economy that leverages New Zealand's 'clean and green' brand.

Encouraging the adoption of 'greener' technologies and better environmental management practices will require a broad range of approaches by all of government and industry. Market drivers, including new procurement and certification processes in the public and private sectors, can be strong incentives for business to move in this direction. Similarly, regulatory requirements (e.g. the New Zealand Emissions Trading Scheme, national environmental standards) and other industry-specific requirements can be drivers of change.

Education and information can also be powerful change agents as they spur more informed decision making.⁴¹ We will work with key stakeholders to ensure that education and training providers include sustainability elements within their educational offerings.

Everyone has a role to play in transitioning Auckland to an eco-economy. Auckland Council recognises the urgency of this issue and is committed to working with government, business, industry and local communities to identify an integrated set of policies and actions to achieve our targets. Small and medium-sized enterprises will particularly need their capacity built, through developing a practical understanding of how to improve their environmental performance and ways to create savings by being 'eco-smart'. Wider areas of focus will include investing in public transit initiatives, making optimal use of new and emerging electronic networks and other digital technologies (e.g. advanced metering and smart grid networks), and identifying where the biggest gains can be made. The council also has a significant opportunity to lead by example as a catalyst for change, and to articulate a long-term vision and plan for sustainability in business and the economy.

The Economic Development Strategy and Auckland Plan propose a number of actions to transition towards an eco-economy. In conjunction with key stakeholders we will support opportunities to deliver catalytic projects that fast-track the adoption of new and emerging low carbon dioxide technologies. We will identify opportunities to advance business sustainability solutions and support demonstration projects that illustrate sustainable innovation and value (e.g. showcasing sustainability initiatives that could be implemented by Auckland Council and its CCOs – see **Priority 1 and 2**).

The council and government wish to accelerate the capacity for businesses to innovate sustainably. Eco-innovation can be fostered across a range of sectors by hosting and partnering with businesses, organisations and research institutions to build sustainable innovation capabilities, developing a strong eco-economy based on them – see **Priority 2**.

Targeting sustainability-orientated sectors to help grow their impact and size, and to improve our competitiveness internationally is a key element of **Priority 3**. Examples might include renewables and distributed energy (to retain our carbon-friendly brand), alternative transport, green building (to grow our experience and skill base), and aspects of the food and beverage sector (to increase our exports). We will also seek to foster emerging sectors with high growth potential such as eco-tourism and eco-fashion.

³⁹ Hammer, S, et al. 'Cities and Green Growth: A Conceptual Framework'. *OECD Regional Development Working Papers 2011/08*, OECD Publishing, 2011.

⁴⁰ Stern, N. 'The Economics of Climate Change'. *Client Report for HM Treasury*, London, United Kingdom, 2006.

⁴¹ Green Growth Advisory Group. 'Green Growth: Issues for New Zealand'. Green Growth Advisory Group Secretariat, Ministry of Economic Development, Wellington, 2011.



A photograph of a modern, multi-story office building with a glass facade. The building features the 'ERNST & YOUNG' logo and a red 'W' logo. In front of the building is a large, modern fountain with a central spire and water spraying outwards. The scene is set in an urban environment with trees and a clear blue sky.

» SUMMARY OF SUSTAINABLE ECO-ECONOMY KEY INITIATIVES

1.1.2

Deliver a unitary plan that plays a key role in supporting sustainable business development and enables economic growth.

1.2.2

Deliver an integrated transport system, with emphasis on facilitating the following priority transport projects: City Rail Link, Auckland Manukau Eastern Transport Initiative (AMETI), East-West Link and an additional Waitematā Harbour Crossing.

2.3.3

Support opportunities to deliver catalytic projects that fast-track the adoption of new and emerging low-carbon technologies.

4.3.4

Support the inclusion of education for sustainability to enable green growth.

FACILITATING AN IWI/MĀORI ECONOMIC POWERHOUSE

TE WHAKAHAERE I TE WHARE IHI,
WHARE WHAINGA HUA O TE IWI MĀORI

In 2006 there were more Māori entrepreneurs in Auckland than any other region.⁴² Māori have steadily increased their contribution to New Zealand's economy, as evidenced in the gradual growth in value Māori have added to GDP – from 1.4 per cent in 1996 to 5.9 per cent in 2010.⁴³

The Māori Economic Development Panel⁴⁴ has identified three elements to the Māori economy:

- » **Whānau – who are the powerhouse of the Māori economy, financially secure and well-positioned to confidently participate in society**
- » **Iwi and Māori Collectives – who are the highway to national and international growth**
- » **Māori Enterprises – who lead growth and influence growth in the New Zealand economy.⁴⁵**

The Māori economy is not only based upon enterprises, investment and transactions: it also bases its point of difference on culture and the language.

The Māori Economic Development Panel has suggested four initiatives to improve the performance of the Māori economy⁴⁶ by strengthening capability, increasing collaboration, generating growth and using comparative advantage.

Access to education and employment are crucial enablers of the Māori economy. These enablers rely on community-driven education programmes being supplied in conjunction with access to formal education institutes, funding provision, and investment and decision-making processes. There are opportunities for Māori to continue to make gains in terms of skills and education as well as using their assets to increase economic prosperity domestically and internationally. Māori employer and self-employed enterprises play a key role in the Māori economy, meaning that stronger links to science, innovation, research and development will also provide opportunities to grow the Māori contribution to Auckland's economy.

The transfer of assets from Treaty of Waitangi settlements continues to enhance the platform for iwi and Māori-led economic development in Auckland. The Crown is currently negotiating with at least 16 iwi to settle historical Treaty claims throughout Auckland. The settlement process is expected to be completed within two to three years. The land settlements are estimated to be \$250 million, which includes the return of South Mangawhai, Woodhill and Riverhead forests as well as a number of Crown properties including Auckland's volcanic cones.

Further opportunities are also being negotiated for purchasing back land from the Crown under a first right of refusal. This will provide a substantial base for iwi to grow their wealth and contribute to Auckland's economy. To put this into context, Ngati Whatua o Orakei turned their \$3 million settlement into a \$300 million asset over 20 years.

In addition to these negotiations, there are other types of settlement that iwi and hapu are entitled to seek. Commercial fishing has been settled, providing iwi with substantial interests in commercial fishing. The completion of aquaculture settlements will entitle iwi to 20 per cent of any new aquaculture space, which increases the opportunities for Māori to move into joint adventures with national and international investors.⁴⁷ Māori employer and self-employed enterprise make up majority of the Māori asset base⁴⁸, so economic opportunities exist within the Māori business community and in the development of people.

Marae can be a focal point for social, economic and cultural development. In a similar manner, papakāinga have the potential to become a model for community/village development. Like marae, papakāinga are an important extension of who iwi are, where they came from and their aspirations for future development. Enhancing opportunities for existing papakāinga and establishing new papakāinga continue to be important matters for iwi. Addressing the constraints to develop Māori land is a key factor in ensuring that the potential to increase the number of papakāinga in the Auckland region is not unnecessarily fettered. Council's contribution as in the Auckland Plan will be targeted with a view to accomplishing outcomes that productively address Māori well-being through papakāinga and marae development.

This theme provides the scope in which the Auckland Council and partners can contribute to Māori economic aspirations. This will be supported through partnerships and working with Māori. A number of actions in this strategy focus on providing joint programmes to facilitate training and employment outcomes⁴⁹, to facilitate sustainable networks to inform regional economic development and to enable durable working relationships between Māori organisations.

Actions also include forming partnerships between Māori, the Auckland Council and the private sector on infrastructure development and leveraging off the Māori identity to provide opportunities for Māori tourism ventures to accentuate Auckland's point of difference. The Southern Initiative is another area where the delivery of transformative change can significantly improve Māori well-being and economic development.

» SUMMARY OF IWI/MĀORI KEY INITIATIVES

1.2.6

Work with Māori on partnering/joint ventures and active engagement in the delivery and supply of infrastructure.

3.1.5

Work in partnership with iwi to identify and support international commercial opportunities from the Māori asset base in Auckland and support the innovative and entrepreneurial capacity of iwi/Māori.

4.2.3

Facilitate targeted interventions to improve skills outcomes for Māori.

5.2.1

Support iwi/Māori to explore the potential of establishing Māori entrepreneurship initiatives and points of difference for Auckland that build on rich cultural heritage.

⁴² Te Puni Kōkiri. 'Making Ngā Kaihanga Hou a Reality in Auckland'. *Fact Sheet*, Te Puni Kōkiri, Wellington, 2009.

⁴³ Te Puni Kōkiri and BERL. 'The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy'. Māori Economic Taskforce, Wellington, 2010.

⁴⁴ In 2011 the Minister of Māori Affairs and the Minister for Economic Development established an independent Māori Economic Development Panel, charged with developing a Māori economic strategy and action plan.

⁴⁵ Māori Economic Development Panel, 'Discussion Document 2012'.

⁴⁶ *Ibid.*

⁴⁷ Auckland Council. 'Māori Policy and Strategy in the Auckland Plan'. *Auckland Plan Māori Technical Paper*, Auckland Council, Auckland, 2011.

⁴⁸ Te Puni Kōkiri and BERL (2010), *op. cit.*

⁴⁹ This includes cadetships, apprenticeships and short-term training programmes.

DEVELOPING AND ENHANCING AN INNOVATIVE RURAL AND MARITIME ECONOMY

TE WHAKATINANA, WHAKAMANA WHAINGA HUA
TAIWHENUA, RERE MOANA

Aucklanders place considerable value on our rural and maritime environments. How Auckland's urban, rural and marine environments are planned, built and regulated to enable economic activity are key drivers of Auckland's future economy. The Auckland Plan identifies that Auckland must manage natural resources, and achieve a sustainable balance between environmental protection and rural production. Achieving this, is essential to ensuring Auckland's reputation as an island city, with quick and easy access to a pristine marine and rural environment.

Our rural areas host diverse economies: from the north with its increasing focus on rural tourism attractions, vineyards and niche food products, to the south, which grows a significant proportion of New Zealand's onions, tomatoes and potatoes. Rural production is valuable in many ways. It is a key part of the food and beverage sector's value chain. The proximity to Auckland Airport means that rural ventures can attract investment in growing, processing and packaging, and same-day air freight to markets in the Asia-Pacific rim. Rural ventures in Auckland can also build close links with key players in the innovation system (e.g. commercial, research, marketing sources) more easily than in more remote parts of New Zealand. Export opportunities also exist with emerging industries such as the equine and aquaculture sectors.

Growing these aspects of the rural economy and production system are critical elements of the Auckland Plan and this strategy.

We need to ensure that our resources and the production systems that underpin working rural land are protected, maintained and improved. The margins between rural and urban areas pose a particular challenge for Auckland. The rural area is under pressure to accommodate more population and non-agricultural uses. The Auckland Plan proposes to implement a Rural Urban Boundary (RUB) through the Unitary Plan to tackle the challenging balancing act of providing direction to the provision of future urban land supply and urban infrastructure, encouraging well-planned quality compact development and protecting the productive potential of rural land. This RUB will identify the long-term 30 year limit to potential urban growth and greenfield growth within this RUB will be delivered in an orderly, expedient and sequenced way over the next 30 years.

Many activities in the rural environment are associated with land-based activities. Activities not directly related to land-based production are equally important to the ongoing vitality of these areas. These include tourism ventures, hospitality services and recreational activities. These activities are all part of the dynamic future of rural Auckland and contribute to our economic performance. We need to ensure that the Unitary Plan accommodates a broad range of land uses.

The marine environment is also part of the rural environment. Around 70 per cent of the region consists of coastal waters. Auckland has a range of coastal uses that support our economy. These include New Zealand's major port, marine transport links, a destination waterfront development, as well as the aquaculture, fishing and marine industries. Integrated management is necessary to address the effects of land-based activities on the marine area and to enhance links across Auckland's land and sea. Marine spatial planning is a collaborative approach that can assist with achieving more effective management of Auckland's marine environment and economy.

The Auckland Plan has a number of actions to ensure that resources for production systems underpinning working rural land are protected, maintained and improved. Directives also include ensuring that a regulatory framework is developed that accommodates and encourages productive rural uses, changing activities and associated enterprises. These are implicit in **Priority 1, Priority 5 and Action 5.1**.



» SUMMARY OF RURAL/MARINE KEY INITIATIVES AND ACTIONS

1.1.2

Deliver a unitary plan that plays a key role in supporting sustainable business development and enables economic growth.

ACTION
1.3

Auckland's businesses have access to the resources they need to be productive.

1.3.1

Identify, monitor and manage the impacts of residential and other uses' growth on business and high-value productive areas, including rural areas.

2.2.1

Food and Beverage Processing. Further develop the food and beverage cluster in South Auckland and its links with the Food Bowl and the Food Innovation New Zealand network.

2.2.4

Marine. Support and foster the marine clusters and/or precincts at Hobsonville, Wynyard, Westhaven and Devonport.

3.1.1

Deliver initiatives to ensure businesses with international potential build up the skills and capacity to enable them to enter global markets and focus on global growth opportunities.

3.2.1

Provide for the long-term needs of the Ports of Auckland and Auckland Airport in an appropriate and environmentally sustainable manner, to support New Zealand's international freight, trading competitiveness and visitor industry.

5.1.3

Deliver destination marketing into key international markets that promotes Auckland's events, retail and visitor offerings.

SUPPORTING A DIVERSE ETHNIC ECONOMY

TAUTOKO WHAINGA HUA Ō TAUIWI I ROTO I
NGĀ ĀHUA REREKĒTANGA

Auckland is now far more ethnically diverse than New Zealand as a whole. Auckland has significant migrant populations of Pacific peoples, Asian, African, European, Middle Eastern and Latin American peoples. Links between migrants and their home countries underscore Auckland's emerging international identity as a significant city in the Asia-Pacific region.

Migrants have historically provided New Zealand and Auckland with a labour market supply in most needed areas over time, contributing to Auckland's economic and social fabric. Diverse and vibrant cities attract innovative people and investment. Even though New Zealand is geographically isolated, Auckland's ethnically diverse population is globally connected, with social and business connections around the world. New migrants can enhance our ability to build knowledge clusters; they can provide access to leading-edge ideas and technologies; and they often create new possibilities for increased trade through their international networks.

However, if Auckland's existing communities and new migrants are to fully realise the benefit of increased diversity, migrants must be able to readily integrate and access employment that makes full use of their qualifications and experience. This requires collaboration and adaptation on the part of employers, host communities and migrants themselves, and the appropriate immigration policy settings.

We also need to work more effectively with Auckland's diverse population to design systems and processes that better meet their needs, and promote a readily available and skilled workforce.

Local boards already facilitate local education forums, where education organisations report on their strategic and action plans for Pacific peoples.

Pacific Peoples

The strategy recognises that investing in Pacific languages, arts, culture and innovation has the potential to create commercial and export opportunities. Pacific people contribute to Auckland's economy, and connect us to the Pacific and related trade opportunities. Pacific peoples must look to leverage commercial opportunities that enhance these connections. Showcasing international partnerships in events and festivals is a key element in achieving a vibrant, creative international city.

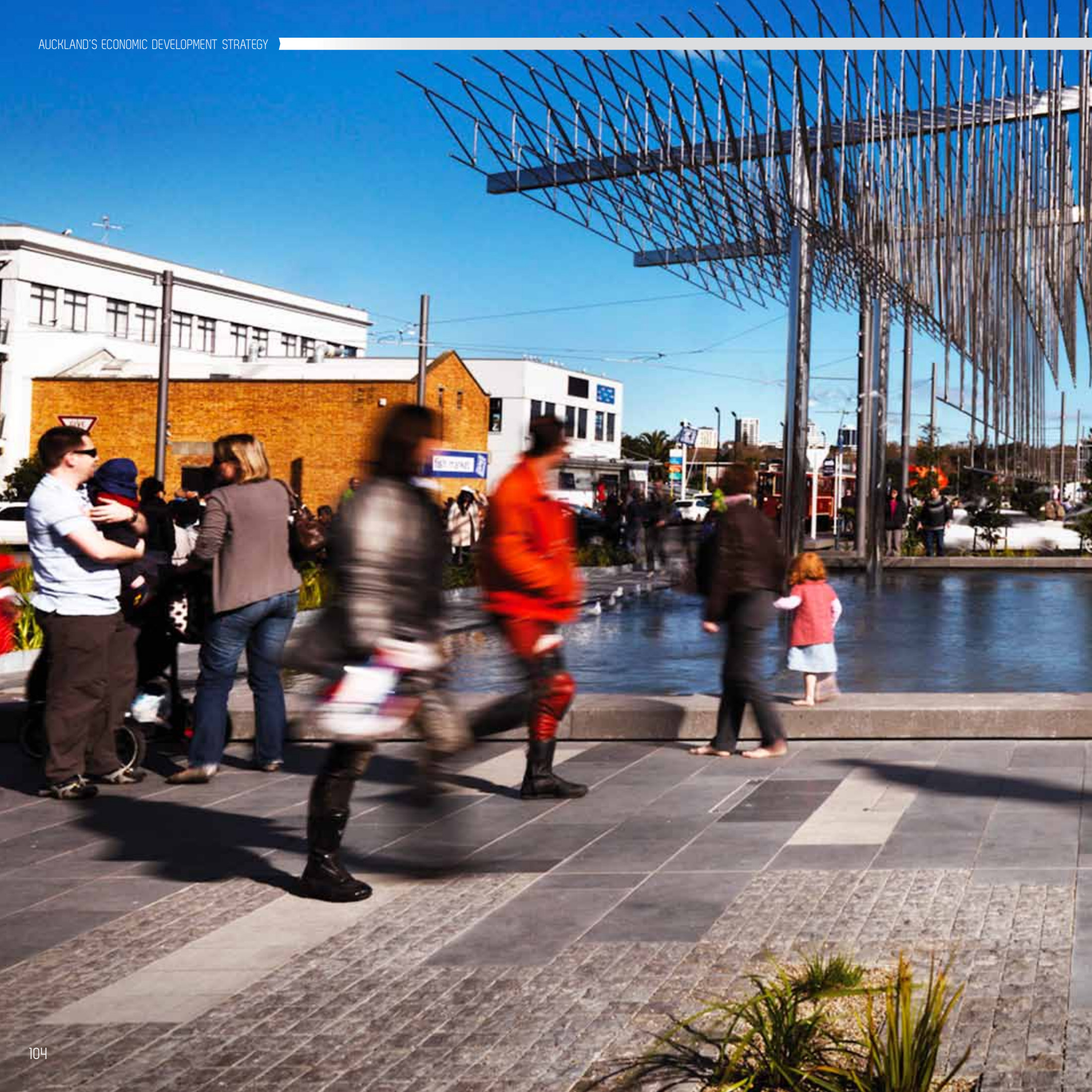
The Southern Initiative

The Southern Initiative has a critical role in Auckland's economic performance. The Southern Initiative area has a distinctive combination of attributes not found elsewhere in New Zealand. The focus on this initiative is to accelerate the prospects for Māori and Pacific communities, by focusing on skills, building capability for enterprise development and cultural innovation, and showcasing arts and culture.



» SUMMARY OF DIVERSITY KEY INITIATIVES

- 3.1.4** Support development of the international education sector through aligning international marketing efforts, building business capability and leveraging alumni.
- 3.1.6** Work in partnership to develop international commercial opportunities in the Pacific and leverage Auckland as the gateway to the Pacific, and support the innovative and entrepreneurial capacity of Pacific peoples.
- 3.2.2** Facilitate linkages between business and migrants, New Zealand expats and overseas students to leverage offshore expertise and investment.
- 4.2.4** Facilitate targeted interventions to improve skills outcomes for Pacific peoples.
- 4.2.5** Facilitate targeted interventions to improve skills outcomes for new migrants and refugees.
- 5.3.1** Support Pacific peoples and migrant entrepreneurship initiatives that build on rich cultural heritage and connections to countries of origin and create cultural innovation for commercialisation.



PUTTING THE STRATEGY INTO ACTION

TE WHAKAMAHI | TE MAHERE RAUTAKI

PUTTING THE STRATEGY INTO ACTION

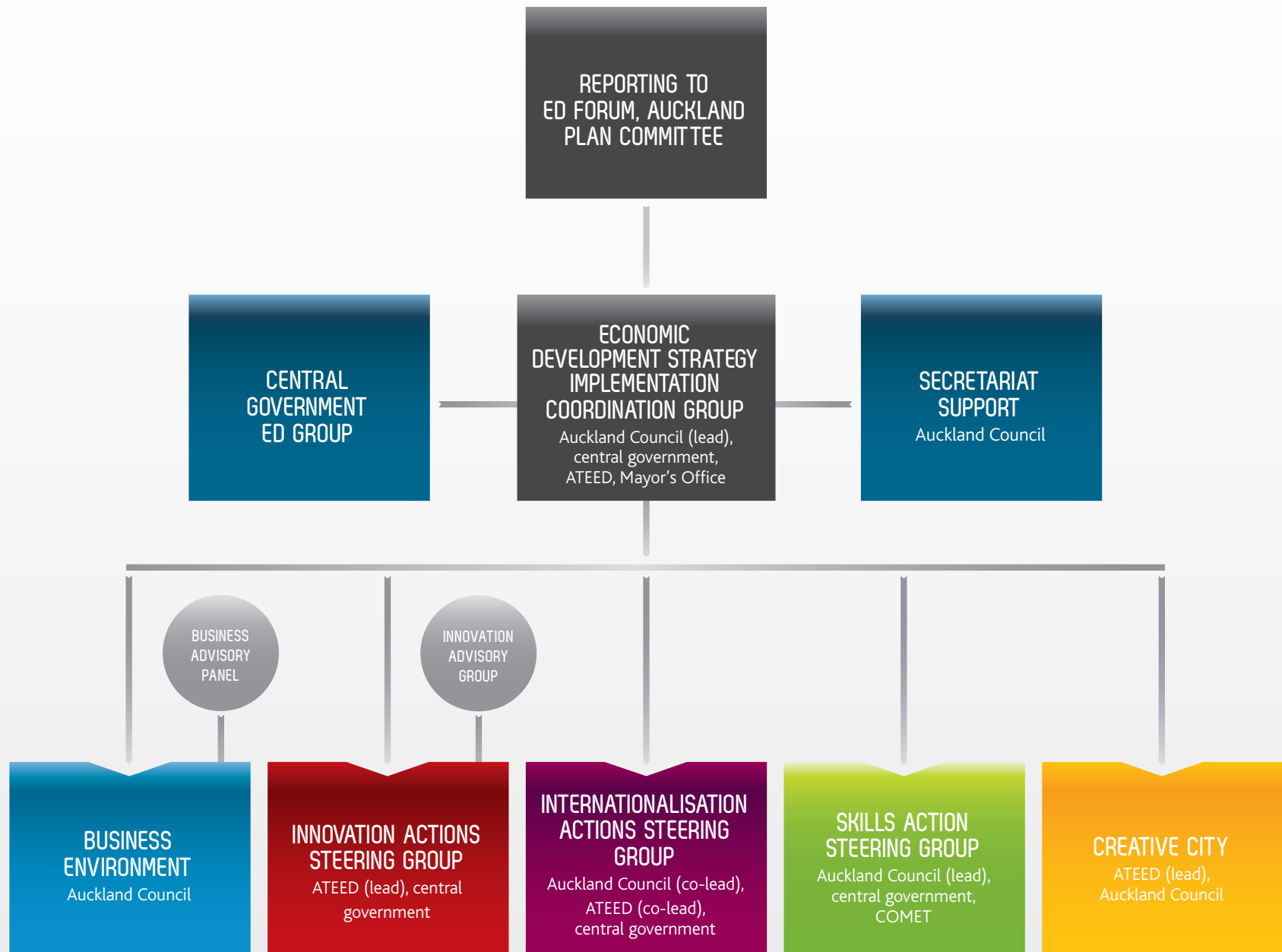
TE WHAKAMAHI | TE MAHERE RAUTAKI

The Economic Development Strategy will only be effective if there is strong commitment to, and resourcing for, the actions needed to achieve the vision and objectives. This requires a clear process for delivery and coordination, a willingness to work in partnership, and a process for monitoring and measuring progress.

DELIVERY AND COORDINATION ARRANGEMENTS

Auckland Council has been working with central government and private sector bodies to coordinate the implementation of the Economic Development Strategy. The coordination structure is shown in **Figure 9**.

FIGURE 9:
Coordination Structure



WORKING IN PARTNERSHIP

The Economic Development Strategy has been developed in conjunction with representatives from business, central government, ATEED, council-controlled organisations and key stakeholders. It has also been influenced by the engagement undertaken during the development of the Auckland Plan and seeks to build enduring implementation partnerships.

Crucial Role of Business and Industry

By and large, it is firms who innovate, take chances, invest capital, employ people and export products. Business and business organisations have a crucial role to play in implementing the Economic Development Strategy. Many of New Zealand's most successful entrepreneurs and innovators are in Auckland. The council needs to seek out these experts and ensure that there are opportunities for a business perspective in the work it undertakes. These business leaders in turn need to act as ambassadors for Auckland and economic development. The council's Business Advisory Panel is an example of this, as are the external appointees to the council's CCOs. The Business Advisory Panel comprises 34 members and also has a key role in communicating the interests and priorities of the business community in Auckland in relation to council policies, plans and strategies.

Auckland Council's Contribution

Auckland Council exerts a significant influence on Auckland's economy through providing infrastructure, services and the leadership framework for the orderly development of the city. Auckland Council can facilitate economic growth by bringing diverse groups together to capture opportunities that may otherwise remain out of reach. The council will lead, facilitate, regulate, and deliver investment where it is appropriate. We will act as a catalyst and seek to create the right environment for improving our innovation system and enabling sustained economic growth.

As the council's economic development agency, ATEED will lead and support the development and delivery of a number of actions in this document, through its strategic and business plans. The council and CCOs will also ensure that the key actions are incorporated into statements of intent and business plans.

Central Government's Contribution

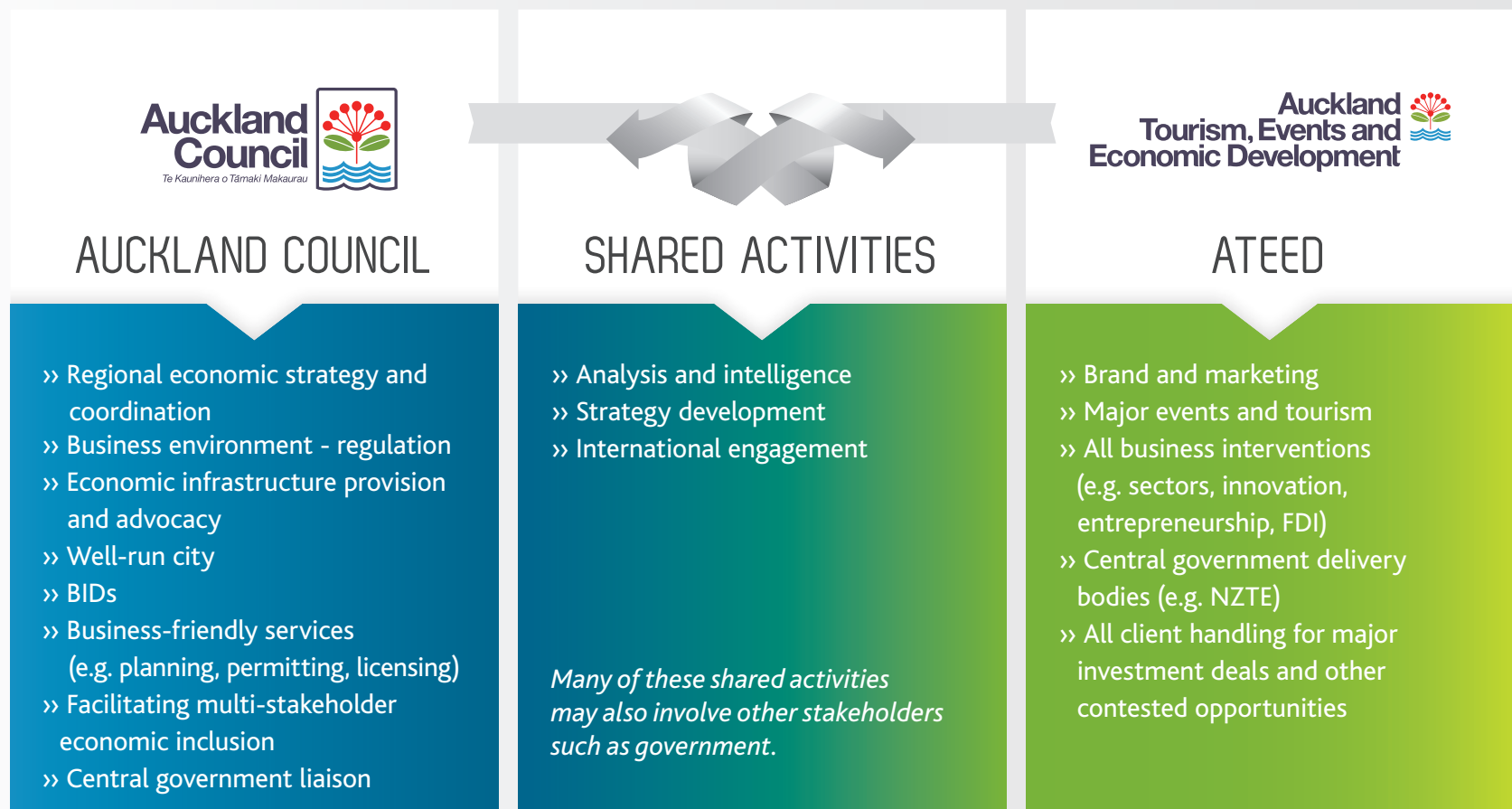
Central government is an indispensable partner in achieving the council's economic vision. The government provides national policy and long-term goals, vital access to international networks, financial support, and leads initiatives with national and Auckland-wide benefit. Where appropriate we will align policy and decisions between national and local government, to ensure we achieve better outcomes. The council has taken full account of the government's Better Public Services result areas and Business Growth Agenda (BGA), and has worked with ministers and government officials to ensure a high level of alignment between the Economic Development Strategy and the BGA.

Central government funds much of the public spending in Auckland, principally in transport, health, education and social welfare. The council will impress on the government the high return that can be achieved for the nation from investing in Auckland's economy and infrastructure, and the case for enabling and supporting a business-friendly council in terms of plans, policies, consents and compliance. In many cases it is not about spending more public money, but rather maximising the value from each dollar spent.



FIGURE 10:

The roles of Auckland Council and ATEED in economic development



WHAT WE WILL DO

The key initiatives developed under each action, the lead agencies and timeframes for completion are provided in the following table.

TABLE 5:

Actions and Key Initiatives

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
ACTION 1.1 AUCKLAND COUNCIL WILL LEAD AND BUILD AN INTERNATIONAL REPUTATION FOR AUCKLAND BEING OPEN AND BUSINESS-FRIENDLY			
1.1.1 Foster a business-friendly culture across the organisation that can respond to diverse businesses.	Under way	Auckland Council, ATEED, Auckland Transport and Watercare	Within 3 years
1.1.2 Deliver a unitary plan that plays a key role in supporting sustainable business development and enables economic growth.	Under way	Auckland Council, Auckland Transport, Watercare	Within 3 years
1.1.3 Work with the business community to identify and implement critical regulatory and other improvements required within the council (e.g. through regular workshops with business).	Under investigation	Auckland Council, ATEED, Auckland Transport, Watercare	Within 3 years
1.1.4 Deliver a key account service that attracts and retains businesses and significant customers.	Under way	Auckland Council, ATEED	Ongoing
1.1.5 Deliver a dedicated website providing domestic and international businesses, investors and entrepreneurs with information on how easy it is to set up business in Auckland and the opportunities and services that exist here (e.g. a prospectus for Auckland).	Under investigation	Auckland Council, ATEED, central government, Auckland Transport, Watercare	Within 3 years
ACTION 1.2 AUCKLAND HAS WELL-FUNCTIONING ECONOMIC INFRASTRUCTURE			
1.2.1 Optimise, integrate and align infrastructure provision and planning to ensure resilient and comprehensive supply.	Under way	Auckland Council, business and industry, central government, Auckland Transport, Watercare	Within 3 years
1.2.2 Deliver an integrated transport system, with emphasis on facilitating the following priority transport projects: City Rail Link, Auckland Manukau Eastern Transport Initiative (AMETI), East-West Link, an additional Waitematā Harbour Crossing and improvements to inter-regional connections.	Ongoing	Auckland Council, Auckland Transport, central government	3–10 years

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
1.2.3 Support Auckland's business and financial services sectors by continuing to develop and enhance the city centre as Auckland and New Zealand's premier district through the City Centre Masterplan, Waterfront Plan and key infrastructure projects such as the City Rail Link, Wynyard Quarter and the New Zealand Convention Centre.	Under way	Auckland Council, central government, Waterfront Auckland (WA), business and industry	Within 10 years
1.2.4 Support broadband deployment across Auckland, and work with the industry to ensure that the rollout programme balances economic, commercial, funding and social priorities.	Under way	Auckland Council, central government, Chorus, Vodafone, key sector stakeholders	Within 10 years
1.2.5 Implement and support programmes which increase the level of uptake, demand and economic opportunities offered by ultrafast broadband.	Under way	Auckland Council, central government, Chorus, Vodafone, key sector stakeholders	Within 10 years
1.2.6 Work with Māori on partnering/joint ventures and active engagement in the delivery and supply of infrastructure.	Under investigation	Auckland Council, iwi, central government, business and industry	Ongoing
1.2.7 Support private-public partnerships for infrastructure provision.	Under investigation	Auckland Council, central government, private providers and funders	Ongoing
ACTION 1.3 AUCKLAND'S BUSINESSES HAVE ACCESS TO THE RESOURCES THEY NEED TO BE PRODUCTIVE			
1.3.1 Identify, monitor and manage the impacts of residential and other uses' growth on business and high-value productive areas, including rural areas.	Under investigation	Auckland Council	Within 3 years
1.3.2 Protect and enhance existing business-zoned land and deliver precinct plans for key business areas that have undergone significant change and potential for growth (e.g. including implementing Penrose, Rosebank and Tamaki Innovation Business Precinct Plans, and commencing work on new plans for Greater East Tamaki, North Harbour, Wairau Valley and Wiri).	Under way	Auckland Council, business and industry	Within 5 years
1.3.3 Identify new business land requirements, and provide certainty on the timing for release of new business land (including greenfield land development in rural areas).	Under way	Auckland Council	Within 3 years
1.3.4 Deliver and advocate for regulation and legislation that allows for both certainty and innovative business activity.	Under way	Auckland Council, central government	Ongoing
1.3.5 Deliver the Auckland Business Improvement Districts (BID) programme by engaging in activities (either jointly or separately) that enhance business improvement outcomes at a local level.	Under way	Auckland Council, local boards, BIDs, business and industry	Ongoing

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
ACTION 2.1 SUPPORT THE ESTABLISHMENT OF STRONG LINKAGES BETWEEN AUCKLAND RESEARCH INSTITUTIONS, BUSINESS AND ORGANISATIONS SO THAT A LARGER NUMBER OF FIRMS ARE INNOVATING TO A HIGH LEVEL			
2.1.1 Auckland Tertiary Network facilitate and enable improved cooperation between Auckland tertiary institutions, research institutions and businesses in Auckland to improve the commercialisation of intellectual property and generate greater value from research and development.	Under way	Auckland Council, tertiary education organisations, Crown Research Institutes (CRIs), business and industry, ATEED, central government, Auckland Transport	Within 3 years
2.1.2 Deliver Auckland's Innovation Plan to promote a culture of innovation and foster a strong innovation system.	Under way	ATEED, central government, tertiary education organisations, business and industry, innovation advisory group	Within 3 years
2.1.3 Build high-value skill sets that are tailored to the high-growth sectors.	Underway	Auckland Council, central government, ATEED	Ongoing
2.1.4 Support and promote a 'one stop shop' that enables better access and interaction between companies and research organisations.	Under way	ATEED, central government, tertiary education organisations, business and industry	Within 3 years
2.1.5 Work with investors and the business sector to identify ways to foster a vibrant equity market to fund innovation in Auckland.	Under investigation	ATEED, central government, investors, business and industry	Within 3 years
ACTION 2.2 SUPPORT THE DEVELOPMENT OF CLUSTERS, PRECINCTS AND INDUSTRY INFRASTRUCTURE THAT SUPPORT INNOVATION IN KEY SECTORS OF COMPETITIVE ADVANTAGE			
2.2.1 Food and Beverage Processing. Further develop the food and beverage cluster in South Auckland and its links with the Food Bowl and the Food Innovation New Zealand network.	Under way	Auckland Council, ATEED, central government, business and industry, Auckland International Airport Limited (AIAL)	Within 3 years
2.2.2 Finance. Support Auckland's business and financial services sectors by continuing to develop and enhance the city centre as Auckland and New Zealand's premier district, through the City Centre Masterplan and key infrastructure projects such as the City Rail Link and the New Zealand Convention Centre.	Under way	Auckland Council, central government, business and industry, WA	Within 3 years
2.2.3 Specialised manufacturing. Develop a cluster of specialised manufacturing, clean technology and materials companies, research expertise and support organisations building on the research strengths of Auckland University.	Under way	Auckland Council, ATEED, central government, business and industry, Auckland University	Within 3 years
2.2.4 Marine. Support and foster the marine clusters and/or precincts at Hobsonville, Wynyard, Westhaven and Devonport.	Under way	Auckland Council, ATEED, WA, Auckland Council Property Limited (ACPL), business and industry	Within 3 years
2.2.5 ICT. Support the development of the Wynyard Quarter Innovation Precinct and use this as a catalyst to grow a cluster of ICT and digital media companies and support organisations.	Under way	Auckland Council, ATEED, WA, ACPL, business and industry	Within 3 years

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
2.2.6 Health. Deliver the Auckland arm of the National Health Technology Hub as part of the New Zealand network.	Under way	District Health Boards (DHBs), ATEED, central government, business and industry	Within 3 years
2.2.7 Film. Support and deliver the development of an internationally competitive screen-production studio complex, accommodating latest sector requirements, such as motion capture technology (to develop digital/animated content).	Under way	Auckland Council, ATEED, Auckland Council Investments Limited (ACIL), business and industry	Within 3 years
ACTION 2.3 SHOWCASE INNOVATION AND THE ADVANTAGES OF AUCKLAND'S INNOVATION SYSTEM			
2.3.1 Support innovation as a key criterion of the regional business awards.	Under way	Auckland Council, ATEED, central government	Within 3 years
2.3.2 Showcase Auckland's business innovation success to help attract and develop businesses.	Under way	Auckland Council, ATEED, central government, business and industry	Within 3 years
2.3.3 Support opportunities to deliver catalytic projects that fast-track the adoption of new and emerging low carbon dioxide technologies.	Under investigation	Auckland Council, ATEED, central government, business and industry	Within 3 years
ACTION 3.1 BUILD UP THE INTERNATIONAL CAPABILITY OF BUSINESSES TO MAXIMISE GLOBAL GROWTH OPPORTUNITIES			
3.1.1 Deliver initiatives to ensure businesses with international potential build up the skills and capacity to enable them to enter global markets and focus on global growth opportunities.	Under way	ATEED, central government, business and industry, OMEGA	Within 3 years
3.1.2 Deliver and implement a FDI attraction strategy for Auckland, aligned with a national strategy.	Under way	ATEED, central government	Within 3 years
3.1.3 Facilitate opportunities for internationally competitive sectors presented by increased air linkages between Auckland, Asia and South America and other key markets.	Under way	Auckland Council, ATEED, central government	Within 3 years
3.1.4 Support development of the international education sector through aligning international marketing efforts, building business capability and leveraging alumni.	Under way	Auckland Council, ATEED, central government	Within 3 years
3.1.5 Work in partnership with iwi to identify and support international commercial opportunities from the Māori asset base in Auckland and support the innovative and entrepreneurial capacity of iwi/Māori.	Under investigation	Auckland Council, iwi, ATEED, central government	Within 3 years
3.1.6 Work in partnership to develop international commercial opportunities in the Pacific and leverage Auckland as the gateway to the Pacific, and support the innovative and entrepreneurial capacity of Pacific peoples.	Under investigation	Auckland Council, Pacific peoples, ATEED, central government	Within 3 years

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
ACTION 3.2 ENSURE AUCKLAND IS GLOBALLY CONNECTED AND ENGAGED IN ORDER TO LEVERAGE BUSINESS, INVESTMENT AND CULTURAL OPPORTUNITIES			
3.2.1 Provide for the long-term needs of the Ports of Auckland and Auckland Airport in an appropriate and environmentally sustainable manner, to support New Zealand's international freight, trading competitiveness and visitor industry.	Ongoing	Ports of Auckland, AIAL, Auckland Council	Within 3 years
3.2.2 Facilitate linkages between business and migrants, New Zealand expats and overseas students to leverage offshore expertise and investment.	Under investigation	Auckland Council, ATEED, KEA, central government, OMEGA	Within 3 years
3.2.3 Facilitate business and market development outcomes from council's international relationships through: cultural engagement; joint initiatives with the council's partner cities and other stakeholders; inbound and outbound trade missions and official visits.	Under way	Auckland Council, ATEED, central government	Within 3 years
3.2.4 Support initiatives to improve firm productivity.	Under investigation	Business and industry, ATEED, central government, Auckland Chamber of Commerce, Employers and Manufacturers Association, OMEGA	Within 3 years
ACTION 4.1 CHAMPION EDUCATION, SKILLS AND CAREER DEVELOPMENT IN AUCKLAND			
4.1.1 Facilitate better agency and service alignment to improve capacity-building and service delivery in the skills and education pipeline.	Under investigation	Auckland Council, central government	Within 10 years
4.1.2 Work with local boards to support education, skills and employment in their communities.	Under way	Auckland Council, local boards, ATEED, COMET, central government	Within 3 years
4.1.3 Develop a unified approach to monitoring and evaluating transition and career development initiatives.	Under investigation	Auckland Council, central government	Within 3 years
ACTION 4.2 INCREASE AUCKLAND'S WORKFORCE PARTICIPATION AND LABOUR PRODUCTIVITY			
4.2.1 Deliver improvements in the literacy, language and numeracy to raise productivity, particularly for Māori and Pacific peoples and with a strong connection through the Southern Initiative.	Under way	COMET, central government	Within 10 years
4.2.2 Facilitate 'earn as you learn' opportunities (e.g. trades, apprenticeships and cadetships).	Under investigation	Auckland Council, central government	Within 3 years
4.2.3 Facilitate targeted interventions to improve skills outcomes for Māori.	Under investigation	Auckland Council, COMET, central government	Within 3 years
4.2.4 Facilitate targeted interventions to improve skills outcomes for Pacific peoples.	Under investigation	Auckland Council, COMET, central government	Within 3 years
4.2.5 Facilitate targeted interventions to improve skills outcomes for new migrants and refugees.	Under investigation	Auckland Council, COMET, central government, OMEGA	Within 3 years

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
ACTION 4.3 BUILD, ATTRACT AND RETAIN SKILLS TO BETTER MATCH AUCKLAND'S NEEDS, ESPECIALLY THROUGH IMPROVED TERTIARY/INDUSTRY ENGAGEMENT THAT FOCUSES ON SKILLS FOR INNOVATION AND RESEARCH FOR COMMERCIALISATION OPPORTUNITIES			
4.3.1 Identify critical skill shortages and create a better match between skills supply and skills demand.	Under investigation	Central government, COMET, Auckland Council, ATEED	Within 3 years
4.3.2 Facilitate the attraction and retention of skilled workers (in key industries).	Under investigation	Auckland Council, central government, ATEED	Within 3 years
4.3.3 Facilitate tertiary education organisations to work collaboratively with industries to improve the relevance and responsiveness of educational programmes.	Under investigation	Auckland Council, ATEED, tertiary education organisations	Within 3 years
4.3.4 Support the inclusion of education for sustainability to enable green growth.	Under investigation	Auckland Council, central government, education and training providers	Within 3 years
ACTION 5.1 AUCKLAND IS NATIONALLY AND INTERNATIONALLY RECOGNISED AS HAVING EXCEPTIONAL VISITOR AND EVENT EXPERIENCES			
5.1.1 Significantly grow Auckland's visitor economy through growing demand for Auckland and enhancing the visitor proposition (see Auckland Visitor Plan).	Under way	ATEED, Auckland Council, tourism industry	Within 3 years
5.1.2 Support the development of a national convention centre and ensure its full integration with associated value chain in Auckland and New Zealand.	Under way	Auckland Council, central government, ATEED, business and industry	Within 3 years
5.1.3 Deliver destination marketing into key international markets that promotes Auckland's event, retail and visitor offerings.	Under way	ATEED, tourism industry, central government	Within 3 years
5.1.4 Grow Auckland as a global events city through a portfolio of exciting and distinctive major and local events that increase civic pride and enhance both social and economic well-being (see Major Events Strategy).	Under way	Auckland Council, ATEED, Regional Facilities Auckland (RFA), central government, tourism industry	Within 3 years
5.1.5 Promote the city centre as a focus for cultural institutions and develop a diverse supporting network of cultural programmes across Auckland.	Under way	Auckland Council, central government	Within 3 years
5.1.6 Deliver the City Centre Masterplan, including the retail proposition and retail action plan.	Under way	Auckland Council, ATEED, WA, RFA	Within 3 years
5.1.7 Support the creative sector's contribution to Auckland's economy, as an enabler of talent attraction and creative places and precincts.	Under way	Auckland Council, ATEED, RFA, business and industry	Within 3 years

ACTIONS AND KEY INITIATIVES	STATUS	LEAD AGENCIES & POTENTIAL PARTNERS	TIMEFRAME FOR COMPLETION
ACTION 5.2 PROMOTE MĀORI CULTURE TO CREATE A UNIQUE VISITOR, TALENT AND INVESTMENT PROPOSITION			
5.2.1 Support iwi/Māori to explore the potential of establishing Māori entrepreneurship initiatives and points of difference for Auckland that build on rich cultural heritage.	Under investigation	Auckland Council, iwi/Māori, ATEED, central government	Within 3 years
5.2.2 Develop an integrated communication network that uses Māori media providers, small business networks, hi-tech web tools (which provide an information service concerning Māori heritage, culture, and status; and which can be used to promote the 'face of Auckland').	Under investigation	Auckland Council, iwi/Māori, central government, business and industry	Within 3 years
5.2.3 Provide partnership opportunities for authorised Māori tourism ventures to accentuate Auckland's point of difference through utilisation of waai tapu and cultural sites of significance, and deployment of signage in Te Reo.	Under investigation	Auckland Council, iwi/Māori, central government, ATEED	Within 3 years
ACTION 5.3 PROMOTE PACIFIC AND MIGRANT CULTURES TO CREATE A UNIQUE VISITOR, TALENT AND INVESTMENT PROPOSITIONAL			
5.3.1 Support Pacific peoples' entrepreneurship initiatives that build on rich cultural heritage and connections to countries of origin, and create cultural innovation for commercialisation.	Under investigation	Auckland Council, Pacific peoples, ATEED, central government	Within 3 years
5.3.2 Support migrant entrepreneurship initiatives that leverage talent, international connections on cultural capacity.	Under investigation	Auckland Council, OMEGA, ATEED, central government	Within 3 years









HOW WE WILL MEASURE AND REPORT ON PROGRESS

ME PĒHEA TO TĀTOU TĀTARI, TUKU RĪPOATA MO
TE KAUNEKETANGA Ō NGĀ MAHI

HOW WE WILL MEASURE AND REPORT ON PROGRESS

*ME PĒHEA TO TĀTOU TĀTARI, TUKU RĪPOATA
MO TE KAUNEKETANGA Ō NGĀ MAHI*

Effective monitoring and clear evaluation processes are critical to the successful implementation of this strategy. A robust monitoring and evaluation framework has been developed that aligns with the monitoring framework created for the Auckland Plan.

Monitoring and measuring progress against multiple issues and priorities is a complex process. The priorities are ambitious, broad and many are

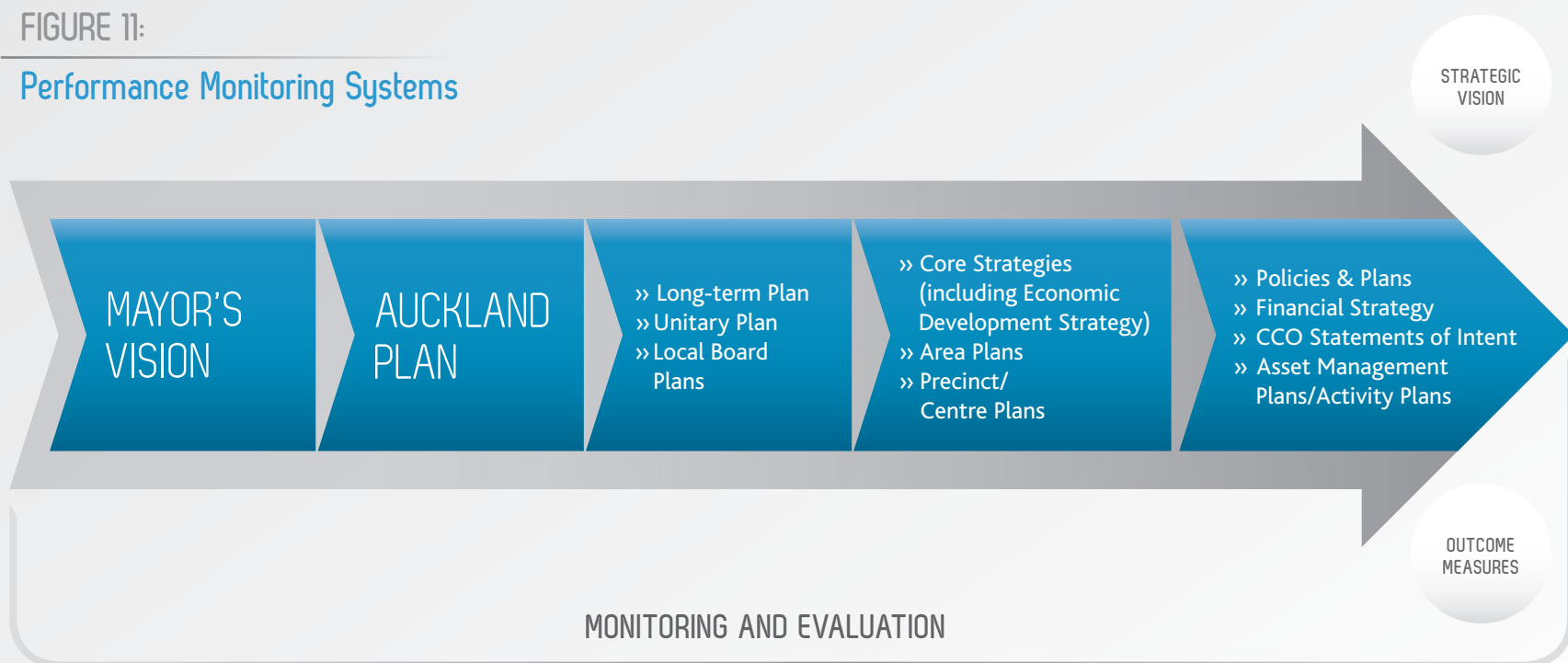
inter-dependent. Some will be quicker to respond to policy levers than others, which remain steady and are slow to change. Furthermore, success factors behind many of the desired outcomes are beyond the control of Auckland Council, local boards, or the CCOs, and in some cases are also beyond the control of central government, the business sector or the community. This requires a degree of flexibility to be built into the framework to allow for adaptability and change.

The council will ensure that the Economic Development Strategy's monitoring framework is aligned with the systems that monitor key council strategies and action plans, particularly the Auckland Plan, the council's 2012–22 Long-term Plan, the Unitary Plan and Local Board Plans, illustrated in **Figure 11**. This flows through into other planning documents, such as Precinct/Centre Plans, Activity Plans and CCO Statements of Intent. This alignment between the Economic Development Strategy and the council's performance management framework will allow the council to evaluate the extent to which its activities and programmes make a positive difference.

Progress towards the Economic Development Strategy's priorities will be monitored by a process of measuring, monitoring and review. In line with examples of international best practice, the following approach to measuring progress will be established and refined over time.

FIGURE 11:

Performance Monitoring Systems





THE ECONOMIC DEVELOPMENT STRATEGY'S MONITORING FRAMEWORK

The Economic Development Strategy's monitoring framework is organised in three tiers, with each tier of indicators linked to different levels of the strategy. This three-tier approach is summarised in **Figure 12**. The three tiers reflect the level of influence of delivery agencies over the various elements of the strategy. It also takes into account time, as the achievement of the strategy's outcomes is a long-term goal, while the impacts of particular activities will manifest themselves relatively shortly after that activity is delivered.

In developing this framework, a background technical report identified the targets, outcomes, and indicators, including how these will be measured and availability of data sources.

Tier 1 Headline Economic Targets: Monitoring Progress Towards Outcomes

The Economic Development Strategy identifies three headline economic targets to drive the economic step change required to meet Auckland's vision. These are:

- » an annual average increase of regional exports greater than 6 per cent
- » an annual average real GDP increase of greater than 5 per cent
- » an annual average productivity growth of greater than 2 per cent.

In addition, the Auckland Plan chapter on Auckland's economy includes another headline economic target:

- » the ongoing provision of planned and serviced capacity for group 1 business land, including large lots, to meet five-yearly demand.

Achieving these economic targets would mean that Auckland's economy would improve 20 places in 20 years in current OECD gross domestic product per capita rankings.

In addition to these headline economic targets, the Auckland Plan also outlines a set of specific measurable targets across other chapters. In **Figure 12**, the relevant targets from the Auckland Plan have been identified under the priorities and cross-cutting themes in the Economic Development Strategy.

Tier 2 Intermediate Economic Indicators: Monitoring Progress Towards Objectives

A set of 27 intermediate economic outcomes have been chosen to reflect the assumptions of the regional drivers of economic development. They will provide a base for monitoring progress towards achieving the priorities and cross-cutting themes.

These indicators need to be relevant to each priority and also robust (supported by evidence), internationally comparable, and able to be consistently measured over time. A number of these indicators were identified from the council's Long-term Plan and other supporting plans such as the Auckland Visitor Plan and Major Events Strategy. Indicators associated with each of the priorities provide intermediate measures of progress towards the longer-term headline goals.

Tier 3 Actions and Key Performance Indicators (KPIs): Monitoring Implementation Activities

The Economic Development Strategy outlines specific actions to be undertaken in the five priorities. Specific KPIs will be developed under each priority's programme to ensure the strategy's actions are achieved.

REPORTING

The Economic Development Strategy will be reported on using the same three-tier approach, as outlined below:

Headline Targets

It is recognised that there will be a lag between implementing the Economic Development Strategy and achieving the headline economic targets. For this reason, it is proposed that the first formal review of progress towards the headline economic targets will be three years after the strategy is published, as a reasonable time will be required to assess whether Auckland is achieving the targeted levels of growth in GDP, exports and productivity.

Progress towards these targets and their achievability will be monitored every three years by Auckland Council with the help of stakeholders across central government and other key institutions.

The headline economic targets will be rated against:

1. Progress over time

	Positive movement
	Steady or no movement
	Negative movement
	Unclear

2. Achievability

	Achieved
	On track
	Within reach
	Unlikely
	Not reached
	Unclear

Intermediate Indicators

The intermediate indicators will be measured and reported on every three years, alongside the measures being developed for the Auckland Plan.

A full 'Measuring Progress' report will be made available every three years to monitor progress towards the targets and outcomes.

Actions and KPIs

Progress on actions within the Economic Development Strategy will be reported on annually in the annual Economic Development Strategy Implementation Update report.

Timeline to Report Progress

Headline targets:

- » first formal review in three years
- » measuring progress report (monitor progress and rate achievability) - once every three years.

Intermediate indicators:

- » measuring progress report - every three years.

Actions and KPIs:

- » implementation update report - annually.

FIGURE 12:

Monitoring framework

» TIER 1 / HEADLINE ECONOMIC TARGETS FOR AUCKLAND

Move up 20 places in 20 years on the OECD ranking of cities table by GDP per capita:

- » an annual average increase of regional exports greater than 6%
- » an annual average real GDP increase of greater than 5%
- » an annual average productivity growth of greater than 2%
- » the ongoing provision of planned and serviced capacity for Group 1 business land, including large lots, to meet 5-yearly demand, as assessed by annual surveys.

» AUCKLAND PLAN TARGETS

Strategic directions

1. *Grow a business-friendly and well-functioning city:*

- » achieve universal access to ultrafast broadband to all Aucklanders by 2019
- » meet relevant interruption duration standards to electricity distribution and transmission by 2040
- » reduce congestion levels for vehicles on the strategic freight network to at or below the average of 2006-2009 levels (average daily speed of 45kph and average delay of 32 seconds per kilometre) by 2021.

4. *Enhance investment in people to grow skills and a local workforce:*

- » increase the proportion of school leavers who achieve at least NCEA level 2 from 74% in 2010 to 100% by 2020 and ensure that all school leavers have a career plan by 2020
- » all young adults will complete a post-secondary qualification by 2030
- » by 2020 the unemployment rate in the Southern Initiative area matches the rate for all of Auckland.

5. *Develop a vibrant, creative international city:*

- » increase the number of people employed in the creative sector from 26,900 in 2007 to 45,000 by 2040
- » increase the number of annual guest nights in Auckland from 21.1 million to 29.5 million by 2022
- » grow the sport and recreation contribution to Auckland's economy from \$1.6 billion in 2008/09 to \$3.2 billion by 2040.

Cross-cutting themes

i. *Creating a sustainable eco-economy:*

- » reduce air pollutant emissions (PM¹⁰) by 50% by 2016 (based on 2006 levels) to meet national and international ambient air quality standards and guidelines, and achieve a further 20% reduction of air pollutant emissions by 2040
- » reduce the amount of human-induced greenhouse gas by 10–20% by 2020, 40% by 2040, 50% by 2050 based on 1990 emission levels
- » support the national target of 90% of electricity generation from renewable sources by 2025.

ii. *Facilitating an iwi/Māori powerhouse:*

- » increase the number of papakāinga in the Auckland region from 3 to 18 by 2040
- » increase the number of marae development projects that support Māori social and economic development to 7 projects every 5 years by 2030.

iii. *Developing and enhancing an innovative rural and maritime economy:*

- » increase the value added to the Auckland economy by rural sectors (including rural production, complementary rural enterprises, tourism and visitor experiences in rural areas) by 50% by 2040.

IS SOCIETY/ ECONOMY BENEFITING?

» TIER 2 / EDS INTERMEDIATE ECONOMIC OUTCOMES FOR AUCKLAND

1. Grow a business-friendly and well-functioning city:

- » business satisfaction with Auckland Council
- » customer satisfaction with Council's overall consent process (LTP)
- » increase number of top 200 business head offices in city centre (CCMP)
- » reliability of water supply
- » reliability of energy supply.

2. Develop an innovation hub of the Asia-Pacific rim:

- » increase proportion of workforce employed in science and technology
- » increase proportion of workforce in knowledge-intensive and high-tech industries
- » increase number of businesses undertaking innovation
- » increase patents per capita
- » increase availability of venture capital (NZ).

3. Become internationally connected and export driven:

- » accelerated growth in exports, particularly in targeted sectors
- » increase high value-added FDI
- » increase number of business opportunities facilitated through international relationships (LTP)
- » increase total GDP in targeted sectors compared with total Auckland GDP (LTP).

4. Enhance investment in people to grow skills and a local workforce:

- » increase labour force participation rate (and by ethnic groups)
- » improve proportion of youth who are in education, employment and training
- » improve adult literacy and numeracy rate
- » improve educational qualifications of the labour force (and by ethnic groups)
- » improve ease of finding skilled labour
- » increase number of postgraduate qualifications (CCMP)
- » improve employment outcomes of migrants in terms of quality of match.

5. Develop a vibrant, creative international city:

- » grow the visitor economy from \$3.33 billion in 2010 to \$6 billion in 2021/22 (AVP)
- » increase average length of visitor stay
- » increase number of international conferences (CCMP)
- » improve Auckland's ranking in the international city brand index
- » increase number of cruise ship visitors
- » grow the return on regional investment from major events attracted from \$14 million to \$70 million in 2021/22 (MES).

ARE OUR STRATEGIES WORKING?

» TIER 3 / ACTIONS AND KPIS

Will be developed as part of the work programme for the priorities and cross-cutting themes

WHAT ARE WE DOING, HOW ARE WE DOING IT,
AND IS WORK GETTING DONE?

EVALUATION

Note: Targets/outcomes taken from: Long-term plan (LTP); City Centre Masterplan (CCMP); Auckland Visitor Plan (AVP); Major Events Strategy (MES). National numbers only available but it is intended that regional datasets will be developed (NZ).

GLOSSARY

PAPAKUPU

Agglomeration benefits: increased productivity and economic growth from higher-density development and clustering of related industries, for example through shorter supply lines between business and consumers.

Business Improvement Districts (BIDs): Orewa, Torbay, North Harbour, Browns Bay, Mairangi Bay, Milford, Northcote, Takapuna Beach, Birkenhead, Te Atatu, Rosebank, Glen Eden, New Lynn, Blockhouse Bay, Avondale, Kingsland, Mt Eden Village, Karangahape Road, Eden Terrace, Ponsonby, Heart of the City, Parnell, Newmarket, Dominion Road, Ellerslie, Remuera, St Heliers, Glen Innes, Panmure, Onehunga, Howick, Mangere Bridge, Otahuhu, Mahunga Drive, Mangere Town Centre, Mangere East, Greater East Tamaki, Otara, Old Papatoetoe, Manukau Central, Hunters Corner, Wiri, Manurewa, Papakura, Waiuku and Pukekohe.

Business-friendly: the explicit attempts by local governments and their partners (including central government) to reduce the regulatory and non-regulatory barriers, costs, risks and uncertainties of all forms of commercial activity to stimulate and support local business growth, local business retention, and the attraction of new business to the local area.⁵⁰

Cluster: a geographical concentration of interconnected businesses, customers, suppliers, service providers and supporting institutions (e.g. universities and research organisations) working in related sectors and having strong formal and informal linkages. Organisations in a cluster, or co-locating in an innovation/technology park or precinct, transact business amongst each other, share specialised infrastructure, labour and services, and face common opportunities (like achieving scale and efficiencies) and threats.

Community economic development: a sustained and united effort by the whole community to improve their local economy and quality of life by building their capacity. Social enterprises are a key delivery agent in community economic development.

Economic corridor: a regional or inter-regional corridor, including major transport routes that provide for both the movement of business activities and the location of major centres, business and employment areas.

Green growth: a means to create jobs and economic growth while reducing costs and environmental impacts over the long term.

Gross Domestic Product (GDP): the market value of all final goods and services produced in a country or region in a given period.

Innovation hub/system: the set of interconnected organisations and elements that influence the development and diffusion of innovations. It contains the interaction between business, industry, research agencies and the public sector to turn an idea into a process, product or service that can be sold within a market.

Local board plans: each local board prepares a local board plan to inform development of the Long-term Plan, local board agreements and area plans. Local board plans describe the local community's aspirations, preferences and priorities for the next three years and beyond; they include proposed projects, programmes and service levels.

⁵⁰ Greg Clark, 2011.





Local economic development: building up the economic capacity of a local area to improve its economic future and quality of life for all. It is a process by which the public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. It is about communities continually improving their investment climate and business-enabling environment to enhance their competitiveness, retain jobs and improve incomes.

Long-term Plan: the Long-term Plan is prepared under the Local Government Act 2002 and contains programmes for Auckland Council priorities, activities, operating and capital expenditure over 10 years. Along with the Unitary Plan it is one of the key mechanisms for giving effect to the Auckland Plan.

Low carbon dioxide economy: an economy that produces minimal anthropogenic greenhouse gas emissions.

Network: a membership-based group of organisations with a set of collaborative objectives. Networks do not have to be sector or location based and they take a variety of forms. They range from being 'soft' networks, where firms and other organisations may meet informally (e.g. through events and conferences) to exchange ideas, to more formal 'hard' networks where the association between participating organisations is more focused, such as establishing a joint venture or strategic alliance.

Rural production: forms of primary production that rely on the productive capacity of the soil, such as dairying and animal farming. They include horticulture, horse breeding, beekeeping as a part of pastoral farming activities,

and activities associated with processing and excavating rock, sand and clay. Such production includes associated processing, equipment and facilities that support complementary activities and visitor experiences.

Rural Urban Boundary (RUB): a line or lines provided for in the Auckland Plan and precisely located by the Unitary Plan. It is intended to contain (inside the line) existing urban areas and all significant new urban development to 2042.

Sector: a group of enterprises producing the same or a related product or service and/or sharing similar characteristics. Enterprises can be classified into industry sectors according to their principal business activity (e.g. agriculture, manufacturing, tourism, financial services) and their ability to underpin and enable growth in other sectors (e.g. biotechnology, screen and creative content, and advanced materials).

Social infrastructure: includes the facilities and investments maintained by Auckland Council at a local level such as community centres, community houses, youth centres and community halls, libraries, marae, swimming pools and recreation facilities, public open space, galleries and museums. Together these promote regional outcomes that are essential to the liveability and attractiveness of Auckland.

Unitary Plan: Auckland Council's regulatory land use planning document, prepared under the Resource Management Act 1991. The Unitary Plan will replace the existing district and some regional plans from the former city, district and regional councils. It will contain guidance and rules about how land can be developed and how resources can be used on that land.









Northcote
Birkenhead
THIS EXIT

LANE

Northcote Birkenhead