



Date: Wednesday 19 February 2014
Time: 1.30pm
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Economic Development Committee OPEN MINUTE ITEM ATTACHMENTS

ITEM	TABLE OF CONTENTS	PAGE
6.1	Mark Thomas - Orakei Local Board	
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	A. Auckland Economic Quarterly Update Presentation	9



**More strategic,
More focussed,
More united**

**Local economic development
in Auckland**

19 February 2014

Franklin Local Board Henderson-Massey Local Board Hibiscus and Bay Local Board Manukau Local Board Orakei Local Board Upper Harbour Local Board

Local Economic Development

What is it

- Micro-economic measures undertaken at local level to complement macro-economic measures at regional or national level



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- Includes range of disciplines (physical planning, coordination, marketing)



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Local Economic Development

What is it

- Micro-economic measures undertaken at local level to complement macro-economic measures at regional or national level
- Includes range of disciplines (physical planning, coordination, marketing)
- Goal of boosting economic capacity of local area to improve economic future and quality of life



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Local Economic Development

Why is it important

- Macro-economic measures do not provide a complete economic strategy for region



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Local Economic Development

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- Macro-economic measures do not provide a complete economic strategy for region
- Local leaders best placed to understand opportunities and obstacles to growth in own communities



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Local Economic Development

Why is it important

- Micro-economic measures do not provide a complete economic strategy for region
- Local leaders best placed to understand opportunities and obstacles to growth in own communities
- Local economic plans underway in at least eight local boards demonstrates this (Drake, Franklin, Whau, Papakura, Rodney, Kaipatiki, Waiemata, Otara Papatoetoe).

Auckland Economic Development Strategy

Auckland Economic Development Strategy

> No clear local economic focus in current Auckland EDP

66 Key Initiatives:

Strategic Pillar	Auckland EDP Initiatives
P1: SUSTAINABLE ECONOMIC GROWTH AND WELL-PROGRESSING CITY	17 Key Initiatives
P2: HUMAN ECONOMIC WELLBEING	11 Key Initiatives
P3: HEALTHY SKILLS AND ENTREPRENEURSHIP CONTROLLED AND TARGETED GROWTH	10 Key Initiatives
P4: QUALITY OF LIFE AND WELLBEING	17 Key Initiatives
P5: PROSPERITY AND WELLBEING	12 Key Initiatives

Only 3 specific local EDP initiatives:

Strategic Pillar	Auckland EDP Initiatives	Local Board Initiatives
P1: SUSTAINABLE ECONOMIC GROWTH AND WELL-PROGRESSING CITY	17 Key Initiatives	2 Key Initiatives
P2: HUMAN ECONOMIC WELLBEING	11 Key Initiatives	4 Key Initiatives
P3: HEALTHY SKILLS AND ENTREPRENEURSHIP CONTROLLED AND TARGETED GROWTH	10 Key Initiatives	4 Key Initiatives
P4: QUALITY OF LIFE AND WELLBEING	17 Key Initiatives	1 Key Initiative
P5: PROSPERITY AND WELLBEING	12 Key Initiatives	1 Key Initiative

- 1) "Deliver the Auckland SID programme by engaging in that enhance business improvement outcomes at a local level."
- 2) "Implement precinct plans in Wai, Waiemata and East Tamaki"
- 3) "Work with local boards to support education, skills and employment to their catchment."

At least 11 more opportunities

Strategic Pillar	Auckland EDP Initiatives	Specific local EDP initiatives	Opportunities for local involvement
P1: SUSTAINABLE ECONOMIC GROWTH AND WELL-PROGRESSING CITY	17 Key Initiatives	2 Key Initiatives	4 Key Initiatives
P2: HUMAN ECONOMIC WELLBEING	11 Key Initiatives	0 Key Initiatives	9 Key Initiatives
P3: HEALTHY SKILLS AND ENTREPRENEURSHIP CONTROLLED AND TARGETED GROWTH	10 Key Initiatives	0 Key Initiatives	6 Key Initiatives
P4: QUALITY OF LIFE AND WELLBEING	17 Key Initiatives	1 Key Initiative	1 Key Initiative
P5: PROSPERITY AND WELLBEING	12 Key Initiatives	5 Key Initiatives	1 Key Initiative

> Local board economic activity could be incorporated and referenced a great deal more

At least 11 more opportunities

Auckland EDP Initiatives	Specific local EDP Initiatives	Opportunities for local investment
17 Key Initiatives	2 Key Initiatives	4 Key Initiatives
15 Key Initiatives	8 Key Initiatives	6 Key Initiatives
16 Key Initiatives	0 Key Initiatives	8 Key Initiatives
12 Key Initiatives	1 Key Initiative	2 Key Initiatives
10 Key Initiatives	2 Key Initiatives	10 Key Initiatives

Local board economic activity could be incorporated and referenced a great deal more

In a number of cases local boards have done this independently, but are also developing 'new' initiatives with no clear Auckland EDP reference

Local Boards developing their own local economic plans

Franklin Local Board Economic Development Action Plan

Creating economic growth for Auckland and prosperity for Franklin residents

Local economic development action plans

Supporting Waitemata as the innovative economic hub where people want to live, work, study, play and visit

Local Boards developing their own local economic plans

Are 21 Local Economic Development Plans the answer?

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Local economic development action plans

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Local Boards developing 'new' Key Initiatives

Tourism:

- Establish an Orakei visitor strategy that defines Orakei's place within the Auckland tourism brand

Industry Clustering:

- Establishing Franklin as a regional ground for harness racing and associated activities. Development of Pukekohe Area Plan.

Local Boards developing 'new' Key Initiatives

Business support:

- Supporting local businesses to win construction contracts for new Men's Prison in Wiri. Already contracts worth nearly \$10 million awarded to business within 8 kms; 600 local people were employed within 10 kms (Manurewa).

Business mix:

- Undertake research on home-based businesses, their business needs, drivers and constraints (Orakei and Waitemata)
- Consider opportunities to enhance quality and mix of retail and entertainment offerings in City Fringe.

Local Boards developing 'new' Key Initiatives

Is there a sufficiently robust process in place supporting all this?

What are the implications for the Auckland EDP?

Business support:

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COMET AUCKLAND

TE HONOINGA AKORANGA
DOKI KAKI • COUANGARI • KONGI

Presentation to
Auckland Council
Economic Development Committee
February 2014




COMET Auckland
Auckland's education CEO



- Support education & skills goals in the Auckland Plan and EDS
- Auckland-wide
- Cradle to career and beyond
- Focus on areas of high need




WHY EDUCATION?

OECD estimates a 1% increase in population literacy skills	Would create a 2.5% increase in labour productivity	And 1.5% in per capita economic output = \$\$\$
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"Much of the difference in long-term economic growth rates between countries is explained by differences in education and skills"
(NZ Business Growth Agenda – Progress Report 2012)

How we work

- ✓ Analysis
- ✓ Advocacy
- ✓ Coordination




Youth Employability

22% of Auckland's young people unemployed, 2013

Our response:



With Chamber of Commerce, in 2013:

- Focus groups - young people and employers
- Report and video
- Forums - 100 employers, educators & youth support organisations

Plan of action

- Framework for employability skills
- Develop + test Employability
- Passport
- Activate families and communities

Youth Employability
www.govt.nz/auckland

Literacy and Labour Market Outcomes

410,000 Auckland adults with low literacy

Our response:

- Digital literacy symposium
- Financial literacy Projects- Tamaki and Randwick Park
- Science literacy and the Auckland STEM Consortium
- Family facing literacy programme
- Skills snapshot in collaboration with Council





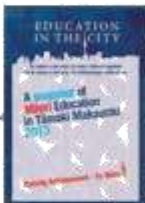

Maori Education and Skills for Work

55% of Maori school leavers achieve NCEA 2 (78% total school leavers)

Our response:

- Consultation
- Maori education snapshot
- Hui with Mana Whenua and Matarawaka
- Forming Maori Education Forum (in 2016)

- ✓ Voice for Maori education
- ✓ Identify and lead collective action



Learning Auckland

Education disparities aren't shifting, despite everyone's best efforts

Our response:

- ✓ Collective action – everyone has a role to play
- ✓ Partners include Auckland Council, NZEI, PPTA, STA, EMA, Auckland Kindergarten Assoc, Careers NZ...
- ✓ Agreed targets and measures
- ✓ Internationally proven process
- ✓ 2014 Parent engagement project



Increasing success through early learning

Low participation, lack of places
e.g. Mansurewa

9,210 under-5s - 3,106 ECE places

Our response:

- ✓ Coordinated effort – MDE, Auckland Council & sector
- ✓ Change in national policy – ECEs on school land
- ✓ Streamlining consent process
- ✓ Trialling new models



Thank you





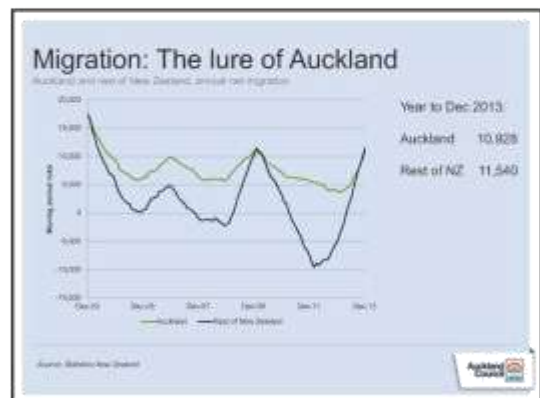
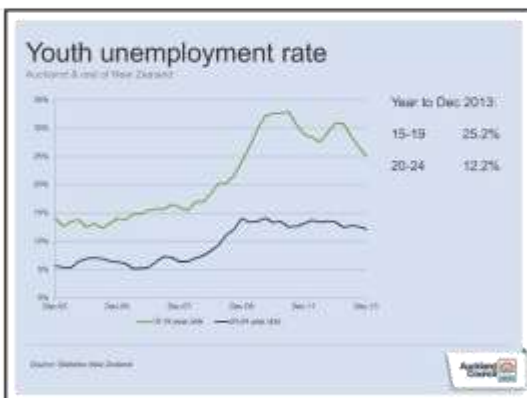
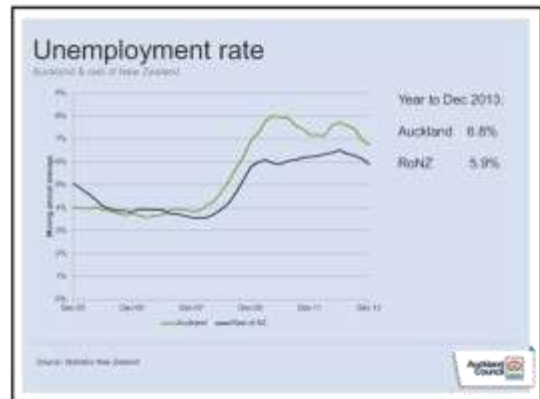
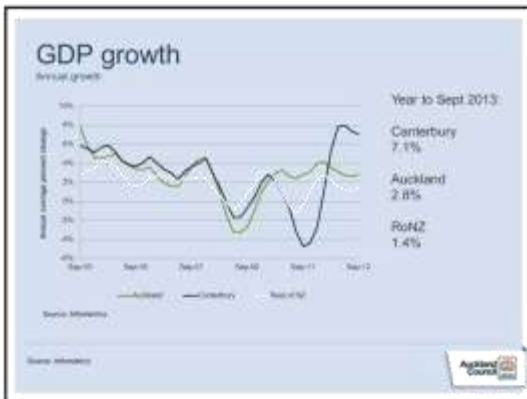
Geoff Cooper
Chief Economist
ECONOMIC DEVELOPMENT COMMITTEE
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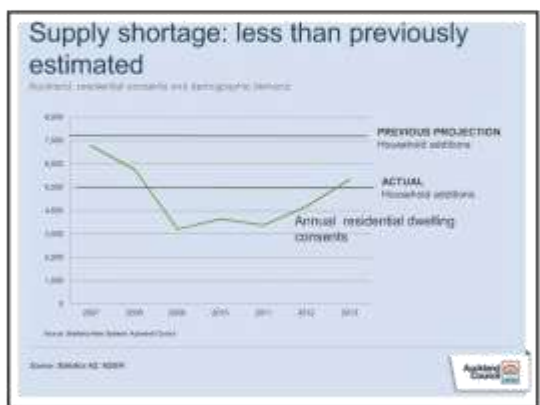
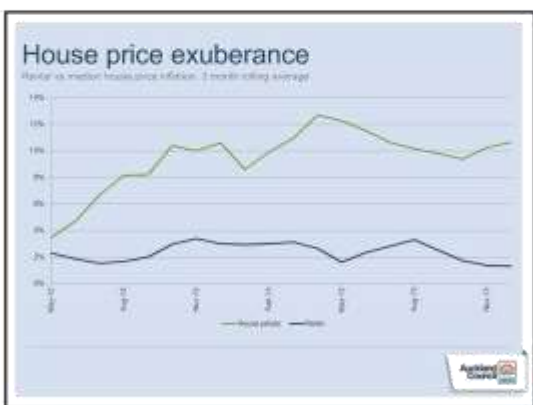
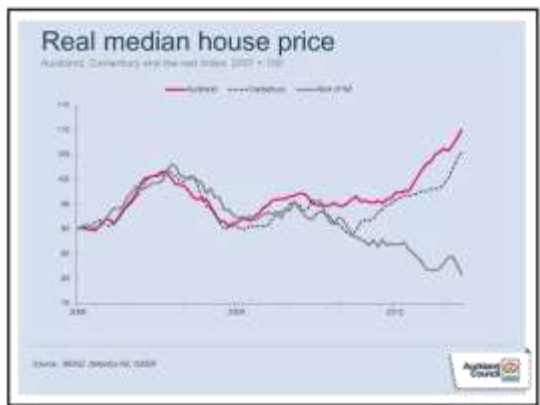
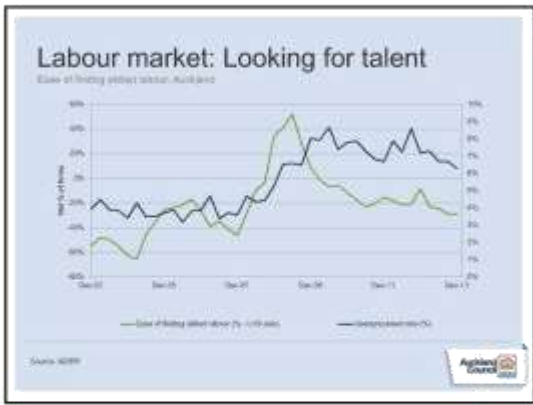
GDP Scoreboard

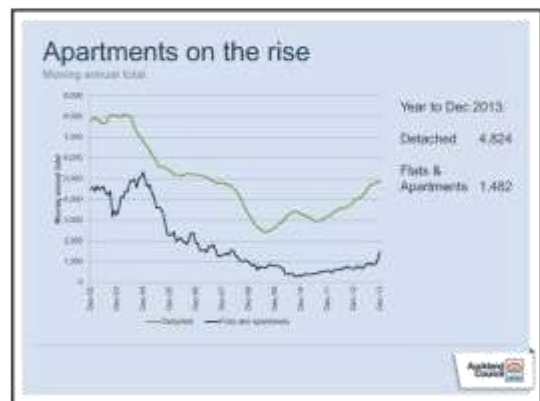
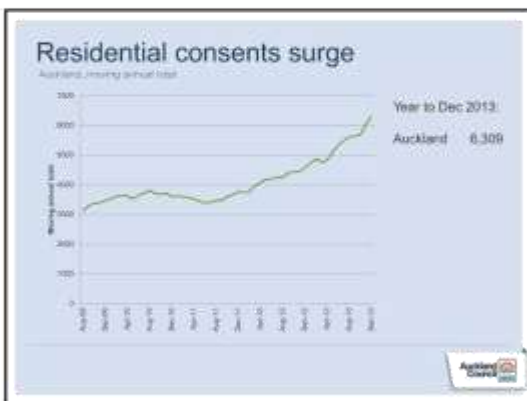
Selected countries, %/ann

Auckland	2.8
Britain	2.8
US	2.7
Rest of NZ	2.8
Japan	2.4
Australia	2.3
Canada	1.91
Germany	1.9
Euro area	0.5
Spain	-0.1
Italy	-0.8
Greece	-2.6

Source: Trading Economics, Commerce Intelligence Ltd & Wikipedia







House price outlook:

Which effect will dominate?

Upward pressure	Downward pressure
Economic growth	LVR restrictions
• Increasing wages	
• Increasing employment	
Increasing rental prices (from increasing wages)	Housing accord
Inward migration	Land use deregulation (Unitary Plan)
	Construction underway
	Outward regional migration
	Interest rate hikes



Summary

- Best economic outlook in seven years
- Employment outlook positive
- Increasing migration will place pressure on house prices, infrastructure.
- Construction central source of activity
- Risks remain
 - Auckland housing market and debt fuelled growth
 - External shocks



Monitoring the Auckland economy




- Quarterly updates of Auckland economy.
- Auckland economic indicators
- Economic opinion piece

Available at:
www.aucklandcouncil.govt.nz/zh/economic/

