

MARCH 2020

AUCKLAND ECONOMIC OVERVIEWS

# HOWICK

## LOCAL BOARD ECONOMIC OVERVIEW

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# Introduction

## What is local economic development

ATEED's goal is to support the creation of **quality jobs for all Aucklanders** and while Auckland's economy has grown in recent years, the benefits of that growth are not distributed evenly.

Local economic development brings together a range of players to build up the economic capacity of a local area and improve its economic future and quality of life for individuals, families and communities.

## Auckland's economic development

Auckland has a diverse economy. While central Auckland is dominated by financial, insurance and other professional services, parts of south and west Auckland have strengths in a range of manufacturing industries.

In other areas, tourism is a key driver and provides a lot of local employment while there are also areas that are primarily residential where residents commute to the city centre or one of the industrial precincts for employment. The Auckland region also has a significant primary sector in the large rural areas to the north and south of the region.

The Auckland Growth Monitor<sup>1</sup> and Auckland Index<sup>2</sup> tell the story behind Auckland's recent economic growth.

While annual GDP growth of 4.3 per cent per year over the last five years is encouraging, we want our economy to be more heavily **weighted towards industries that create better quality jobs** and generate export earnings. To support this goal ATEED has a role in promoting the adoption of new technologies and innovation across the economy and at the same time attracting investment and supporting sectors such as screen, the visitor economy and international education that bring in revenues from overseas.

Although there is still a need to attract and retain larger employers to the city, helping local economies to grow requires an enhanced focus on existing small businesses which make up 97 per cent of all Auckland businesses. Businesses can be supported by raising their capability, encouraging business networking, connecting them to talent and facilitating access to export markets. ATEED help provide access to a range of business support programmes for established businesses that are looking for help in order to grow. There is also a need to continue to support entrepreneurship and business start-ups, particularly in less prosperous parts of the region.

In 2018 ATEED produced the Auckland Prosperity Index<sup>3</sup>, which highlighted how different parts of the region have felt the benefits of Auckland's continued economic growth. This has shaped the approach we have been asked to take in the region, focusing on those activities and industry sectors that will have the greatest impact on increasing investment in quality jobs – particularly where Auckland's **south and west** can benefit.

<sup>1</sup> <https://www.aucklandnz.com/business-and-investment/economy-and-sectors/auckland-growth-monitor>

<sup>2</sup> The Auckland Index can be found at [aucklandnz.com/auckland-index](https://www.aucklandnz.com/auckland-index)

<sup>3</sup> <https://www.aucklandnz.com/business-and-investment/economy-and-sectors/market-news-and-trends/growing-prosperity-for-all-aucklanders>

## The role of local boards

At the **local level** ATEED works with local boards to support several areas of work:

- Growing local businesses through a range of initiatives to support start-ups and small and medium sized enterprises across the region
- Place based initiatives either working with Auckland's regeneration agency Panuku Development Auckland in its 'Transform and Unlock' areas as well as with smaller locally driven place-based initiatives
- Business environmental sustainability initiatives and the promotion of waste-minimisation and circular economy opportunities
- Providing economic intelligence: enhancing the evidence base and advice provided by ATEED at a local level. To provide a better understanding of the drivers of prosperity in a local area. While also providing the justification for the projects and initiatives delivered by the team.

**Local boards** have a mandate to advocate for and fund a range of activities on behalf of their local communities. The local boards of Auckland Council want thriving town centres and access to employment opportunities in their communities and when opportunities lie elsewhere, transport solutions so residents can easily access those opportunities. Local boards are in a unique position to understand their local economy, work with the local business community and advocate or catalyse activities for local economic development.

Through their advocacy role as well as through their empowering communities and locally driven initiatives budgets local boards can play a role in a range of ways. They can support:

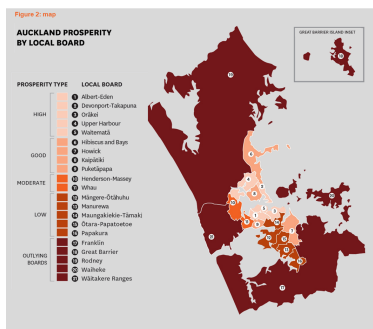
- ‘Places’ by supporting the town centres and business associations that provide much of their local employment or working with Panuku Development Auckland and ATEED to regenerate their town centres and attract investment and jobs
- ‘People’ through support for community organisations that work with people distant from the labour market, they can support skills development for young people through a range of programmes like the Young Enterprise Scheme
- The business community programmes like the PopUp Business School that fill gaps where mainstream services don’t meet community need
- The sustainability of their local economies by helping promote business environmental sustainability and waste minimisation.

## What is the Howick local economic development overview?

This economic development overview of the Howick Local Board area looks at:

- a range of indicators on Howick's economy
- the drivers, trends and linkages that influence the local economy
- major private and public initiatives that will impact on the economy in Howick
- opportunities and issues to growing business and jobs in Howick

The economic development overview can be the first stage in guiding local boards as to what the key issues are in their area and where the local board should focus its efforts when considering the outcomes it would like to include in the 2020 Local Board Plan.





# Howick Local Board Economic Overview 2019

## Summary



**Howick** is a prosperous local board area with employment in occupations such as wholesale trade, professional, scientific & technical services and education and these main employment sectors provide high quality employment opportunities.



### Population growth

Population growth is similar to the regional average over the 2013-2018 Census period. The area has a diverse population with sizeable Chinese and NZ European communities.



### Unemployment rate

Unemployment has been similar to the regional average over the last 5 years.



### Growing industries

Greater East Tāmaki and Highbrook are significant employment locations. The area has a good level of skilled local job opportunities in growth sectors such as manufacturing and wholesale trade while rental, hiring & real estate services also provide many local employment opportunities.



### Significant employers

Wholesale trade, professional services and education are the main employment sectors. Accommodation & food, administrative services and machinery are also significant employers. Together these six sectors provide about 45% of local employment.



### Education attainment

Educational attainment is high, a much higher proportion of school leavers enter degree level study upon leaving school.



### Residential developments

The Unitary Plan, along with the Auckland Plan, provides the policy framework by which development is enabled and assessed. The area is likely to see significant developments with several development areas identified in the Auckland Plan.

### Unemployment rate at June 2019

3.8%

Howick

4.3%

Auckland

### Jobs in Knowledge Intensive Industries

26.0%

Howick

39.0%

Auckland

### School leavers attaining NCEA level 3 (2018)

69.5%

Howick

62.7%

Auckland

## LOCAL BOARD ASPIRATIONS



In its current Local Board Plan the Howick Local Board seeks to ensure that Howick develops a prosperous local economy that attracts new businesses and tourists to the area. The local board wish to see more training and skills opportunities to assist its young people transition into employment.



## KEY OPPORTUNITIES

Promote Howick's key industrial and commercial areas as a good location for knowledge intensive companies to do business, increasing the level of skilled local employment opportunities.

Support East Auckland Tourism to increase the number of visitors to Howick.



## KEY CHALLENGES

Improving transport access to employment opportunities and to ease the movement of freight to and from the key employment zone of East Tamaki will help retain and attract employers.

Attracting quality businesses to increase the availability of local highly skilled job opportunities.

## People and Households

Howick is Auckland's most populous local board area with a population of 140,970 that is forecast to increase to 194,500 by 2038. The area has an ethnically diverse population with significant Chinese and Indian populations.

The Auckland Prosperity Index shows Howick residents have high skills and incomes, resulting in prosperous households. However, jobs in Howick are typically low skilled and low wage, meaning most residents work outside the area.

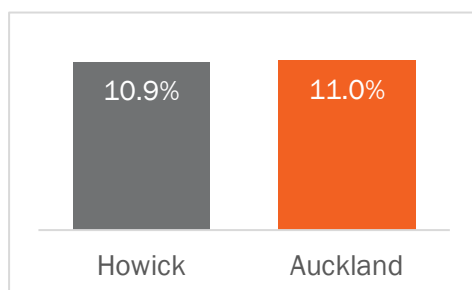
	Howick	Auckland / Share of Auckland
Population (2018)	140,970	9.0%
Population growth (2013-2018)	10.9%	11.0%
Median Age (2018)	37.4	34.8
Labour force (2018)	77,031	867,090
Labour force participation (2018)	70%	71%
Home ownership (2018)	48%	45%

### Population

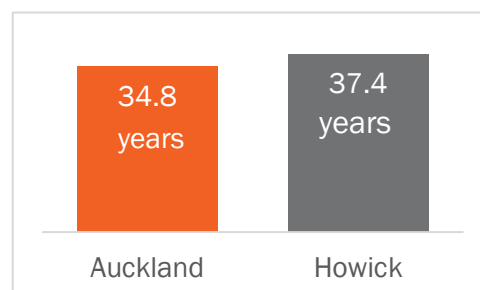
The Howick Local Board area has experienced average population growth in recent years when compared to the region. Between the 2013 and 2018 censuses population growth was 10.9 per cent compared to 11.0 per cent regionally.

Medium population projections<sup>4</sup> suggest that Howick could be home to 194,500 residents by 2038 an increase of over 40,000. This would be equivalent to over two thousand extra residents a year between 2018 and 2038, a 1.6 per cent p.a. increase.

#### POPULATION GROWTH (2013-2018)



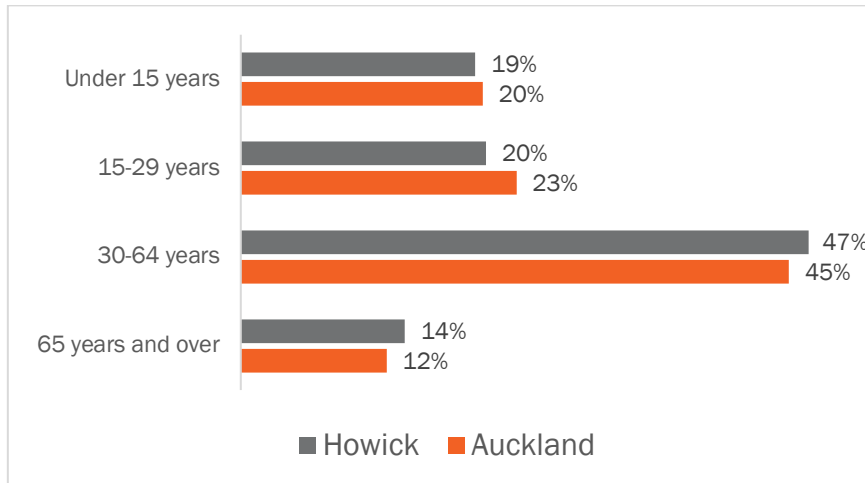
#### MEDIAN AGE (CENSUS 2018)



<sup>4</sup> Source: Statistics New Zealand

Howick has a slightly older median age than the region and its working age population is similar to the regional average. There are proportionately more people of retirement age.

### AGE STRUCTURE (CENSUS 2018)

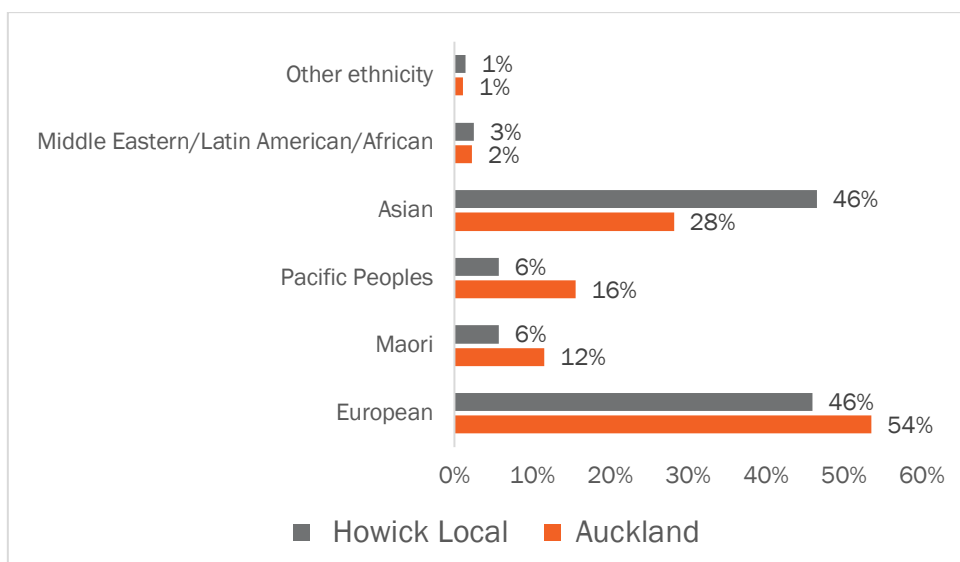


### Ethnicity

Howick's population is diverse with many people of European ethnicity (46 per cent) and Asian ethnicity (46 per cent). Howick has fewer Māori and Pacific residents than the region as a whole. Over a quarter of residents are of Chinese origin.

Howick has a large proportion of residents born overseas (54 per cent) compared to 42 per cent for the region as a whole and 20 per cent of people born overseas had been in New Zealand less than five years at the time of the Census.

### ETHNIC MAKE-UP (CENSUS 2018)





## Languages

With a diverse population there are a wide range of languages in use in Howick, 90 per cent of residents are able to speak English, lower than the Auckland average (93 per cent).

## Labour Force

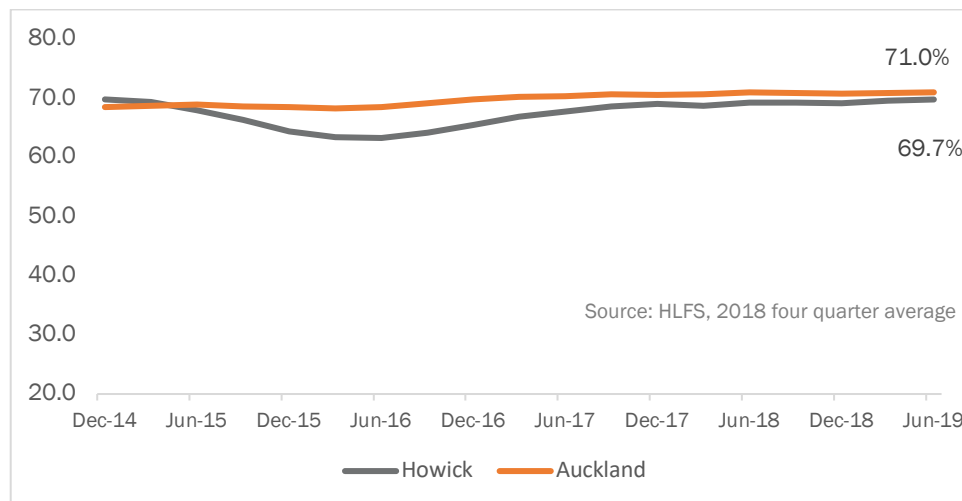
The labour force participation rate is a measure of an economy's active workforce. A high participation rate indicates more people in the area are actively engaged in the economy. The size of the labour force is critical to an area's ability to produce goods and services.

The labour force participation rate in Howick is 70 per cent, just below the Auckland rate (71 per cent).

# 70%

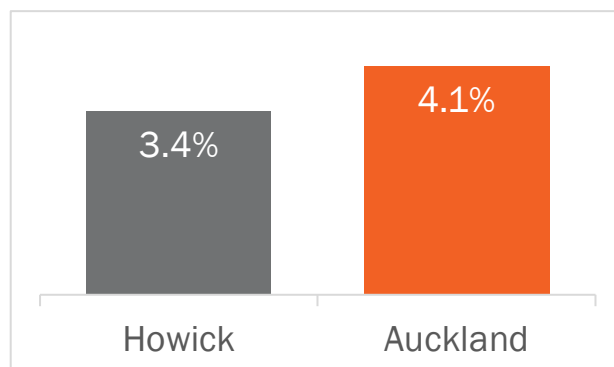
The labour force participation rate in Howick is 70 per cent, slightly lower than the Auckland rate (71 per cent)

### LABOUR FORCE PARTICIPATION RATE OVER TIME (HOUSEHOLD LABOUR FORCE SURVEY)



The unemployment rate in the 2018 Census<sup>5</sup> was 3.4 per cent in the Howick Local Board area, lower than the Auckland region unemployment rate of 4.1 per cent.

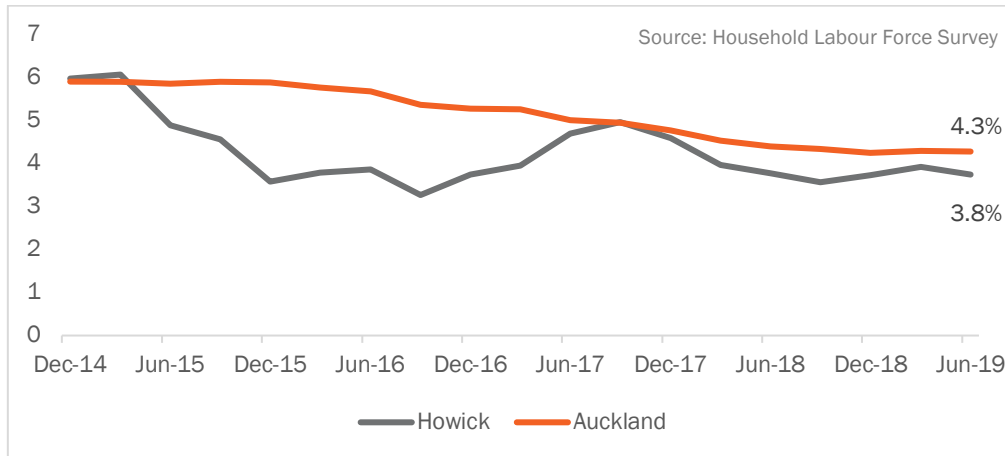
### UNEMPLOYMENT RATE (CENSUS 2018)



<sup>5</sup> Note the Census based unemployment rate differs from the rate reported by the Household Labour Force Survey as data collection methods differ and the Census rate is self-reported at the time of completion of the Census form.

Unemployment measured by the Household Labour Force Survey in Howick has remained below the Auckland average over the last five years but has fallen as the regional rate has fallen.

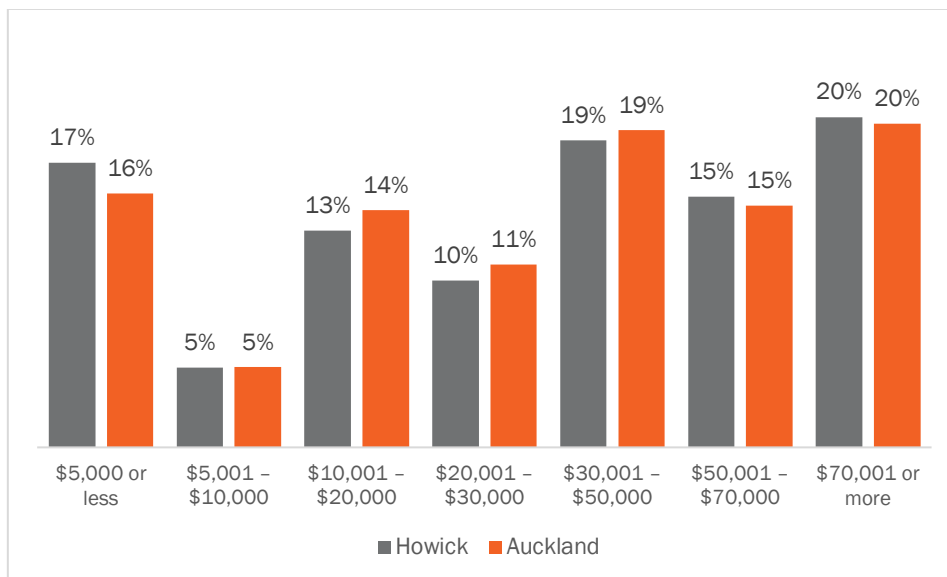
#### UNEMPLOYMENT RATE OVER TIME (HOUSEHOLD LABOUR FORCE SURVEY)



#### Income

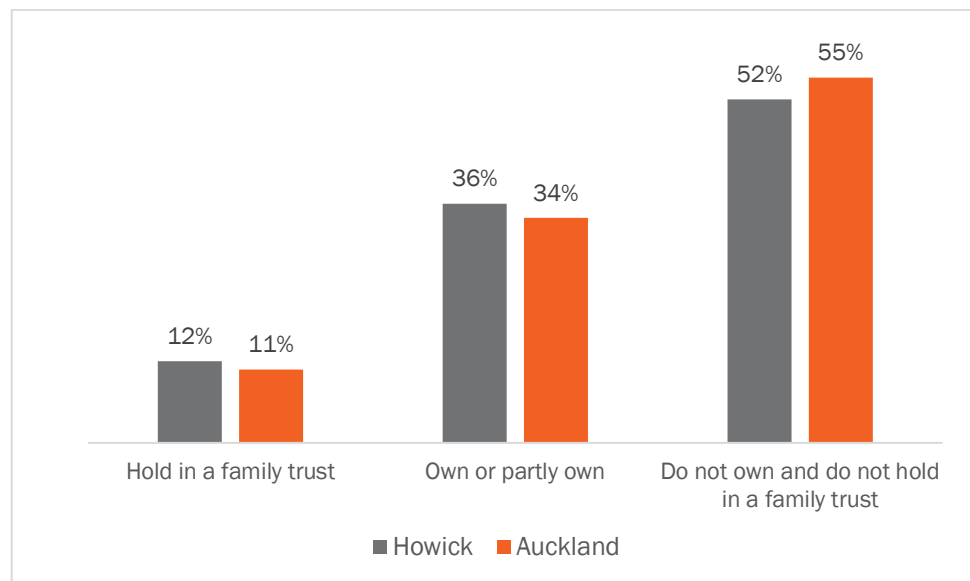
Analysis of individual income levels in 2018 shows that there was the same proportion (20 per cent) of persons earning a high income (over \$70,000 per year) in Howick compared to the region (20 per cent). Overall, the income profile is similar to the region.

#### INDIVIDUAL INCOMES (2018)



In 2018, 15 per cent of people in Howick derived self-employment or business income, above the rate across all Auckland (14 per cent).

### HOME OWNERSHIP (CENSUS 2018)



Home ownership in Howick is higher than the regional average; in 2018, 48 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.



# Skills

Howick has a well qualified labour force with a high proportion of residents educated to degree level or higher. More school leavers from Howick leave with NCEA Level 2 or NCEA Level 3.

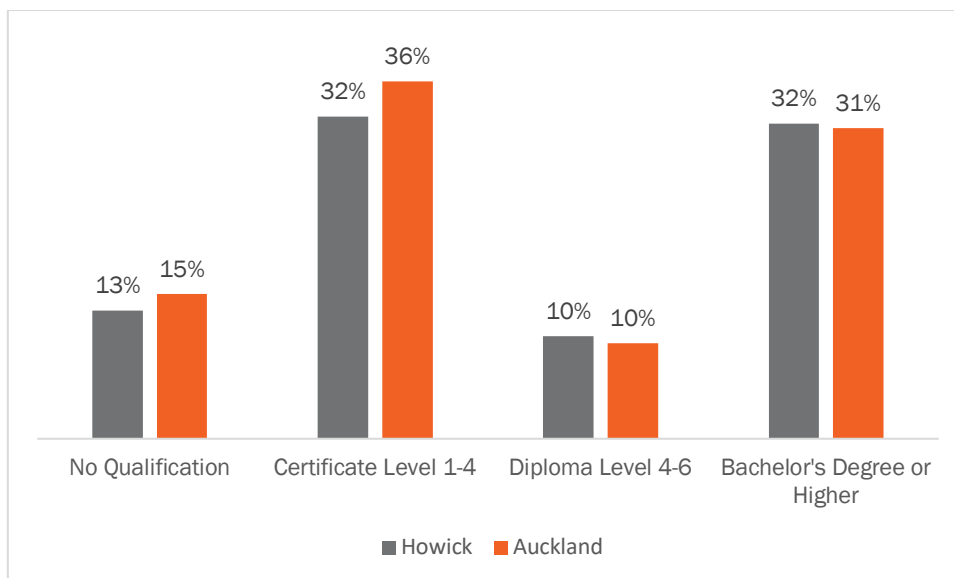
## Qualifications

A skilled workforce drives a strong and resilient local economy and is critical for Auckland's future competitiveness.

The New Zealand Qualifications Framework (NZQF) has ten levels which are based on complexity, with Level 1 the least complex and Level 10 the most complex. All qualifications on the NZQF are assigned one of the ten levels and fit into a qualification type: a certificate (Levels 1-4), diploma (Levels 5-6) or degree (Levels 7-10). Secondary school qualifications of National Certificates of Educational Achievement (NCEA) are gained at Levels 1-3.

Achieving a school level qualification significantly improves a school leaver's employment prospects and people with higher level qualifications are less likely to experience unemployment. The unemployment rate fell substantially in 2017 for people with higher-level qualifications. The rate was 2.4 per cent in 2017 for those with a bachelor's degree or postgraduate qualification, down from 2.9 per cent in 2016. For people with no qualification, the unemployment rate was more than three times larger, at 8.4 per cent. The unemployment rate for people with a Level 4 to 6 diploma or certificate did not alter greatly from 2016 to 2017. It was 3.5 per cent in 2017.<sup>6</sup>

### RESIDENTS' HIGHEST QUALIFICATIONS (CENSUS 2018)



In 2018, 32 per cent of adult residents in Howick had gained a bachelor's degree or higher, a higher proportion than the Auckland region (31 per cent). Thirteen per cent of

<sup>6</sup> [https://www.educationcounts.govt.nz/statistics/indicators/main/education-and-learning-outcomes/unemployment\\_rates\\_by\\_highest\\_qualification](https://www.educationcounts.govt.nz/statistics/indicators/main/education-and-learning-outcomes/unemployment_rates_by_highest_qualification)

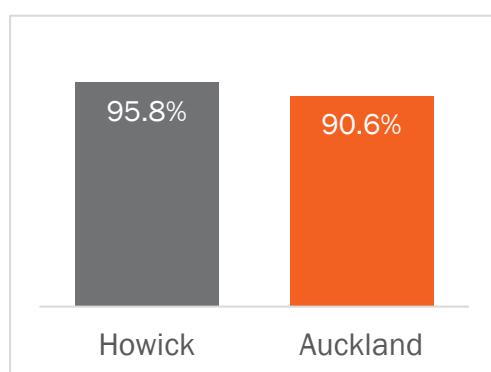
residents had no educational qualifications compared with 15 per cent across the region<sup>7</sup>.

NCEA is the national school-leaver qualification and is used as the benchmark for entrance selection by universities and polytechnics. In 2018, four per cent of school leavers in Howick did not achieve the standard for NCEA Level 1 compared to nine per cent regionally.

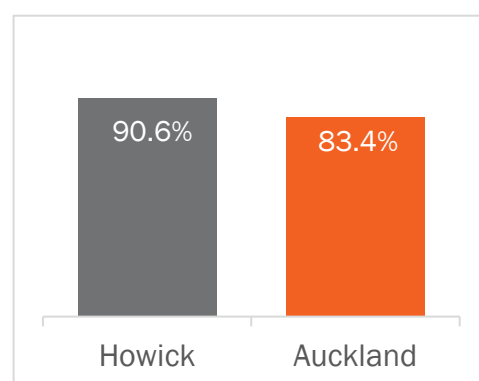
In 2018, only nine per cent of school leavers in Howick did not achieve NCEA Level 2, which provides the foundation skills required for employment. This is below the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

### NCEA – STUDENTS ATTAINING NCEA

#### LEVEL 1



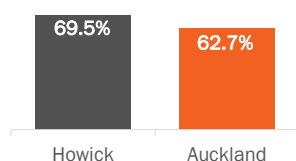
#### LEVEL 2



### NCEA 1 & 2 ATTAINMENT BY ETHNICITY (2018)

Percentage achieving NCEA	Level 1	Level 2
European	95.6%	90.1%
Māori	91.1%	85.2%
Pacific	91.1%	82.6%
Asian	98.3%	94.3%
Middle East, Latin American, African	93.3%	88.7%
Other	94.1%	82.4%
<b>Total Local Board</b>	<b>95.8%</b>	<b>90.6%</b>
<b>Total Auckland</b>	<b>90.6%</b>	<b>83.4%</b>

#### School leavers attaining NCEA level 3 (2018)



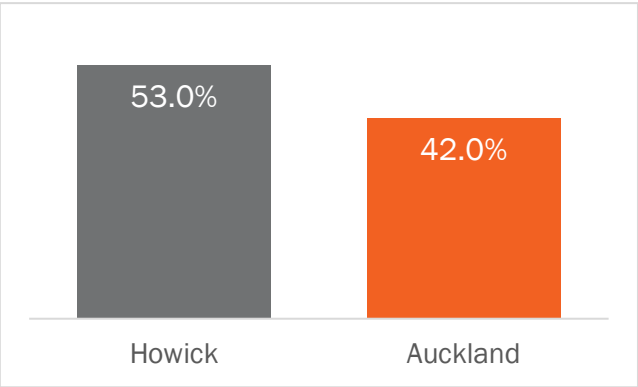
NCEA Level 3 is regarded as the minimum level required for university entry. Seventy per cent of Howick school leavers achieved this, higher than the Auckland average of 63 per cent.

<sup>7</sup> Highest qualification is derived for people aged 15 years and over

DESTINATION OF SCHOOL LEAVERS IN THEIR FIRST YEAR AFTER LEAVING

	Bachelor's and above	Certificates & diplomas levels 3-7	Certificates Levels 1-2	Not enrolled in tertiary education	Total Leavers
Howick	53.0%	21.0%	0.8%	25.2%	2,637
Auckland	42.0%	20.9%	3.1%	34.1%	20,421

SCHOOL LEAVERS MOVING ON TO DEGREE LEVEL STUDY (2018)



More school leavers moved on to degree level study within a year of leaving school. Fifty-three per cent of Howick school leavers did this, much higher than the Auckland average. More (75 per cent) enrolled in some form of tertiary education than the regional average (66 per cent).



## Local Economy

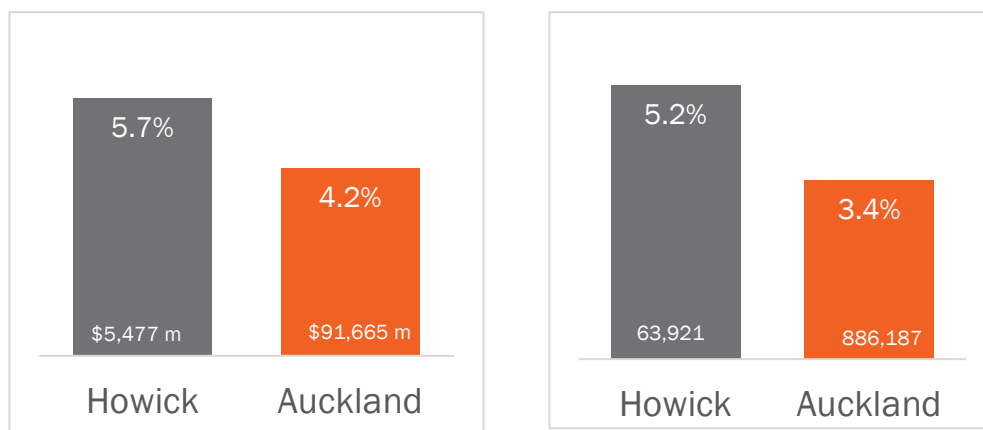
Howick has a strong local economy driven by manufacturing and wholesale trade while rental, hiring & real estate services also provide many local employment opportunities. While Howick has many jobs available locally the size of its population means many people have to travel out of the area for work. There has been recent growth in the number of managerial construction jobs.

### Growth and employment trends

In 2018, GDP in Howick experienced growth of 3.9 per cent, consistent with the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Howick economy grew at an average annual rate of 5.7 per cent, above the 4.2 per cent in the Auckland region.

Employment in Howick increased by an average of 5.2 per cent per annum in the five years from 2013-2018, above the Auckland rate of 3.4 per cent. Over the last five years Howick job numbers increased the most in professional, scientific & technical services (+2,364), accommodation & food services (+1741), and building construction (+1285).

#### AVERAGE ANNUAL GDP AND EMPLOYMENT GROWTH (2013-2018) (source Infometrics)



#### FASTEST GROWING INDUSTRIES BY GDP (ANZSIC LEVEL 1) (source Infometrics)

Industry	Average p.a. change
Manufacturing	23.8%
Wholesale Trade	13.0%
Professional, Scientific & Technical Services	9.0%
Rental, Hiring & real Estate Services	8.1%

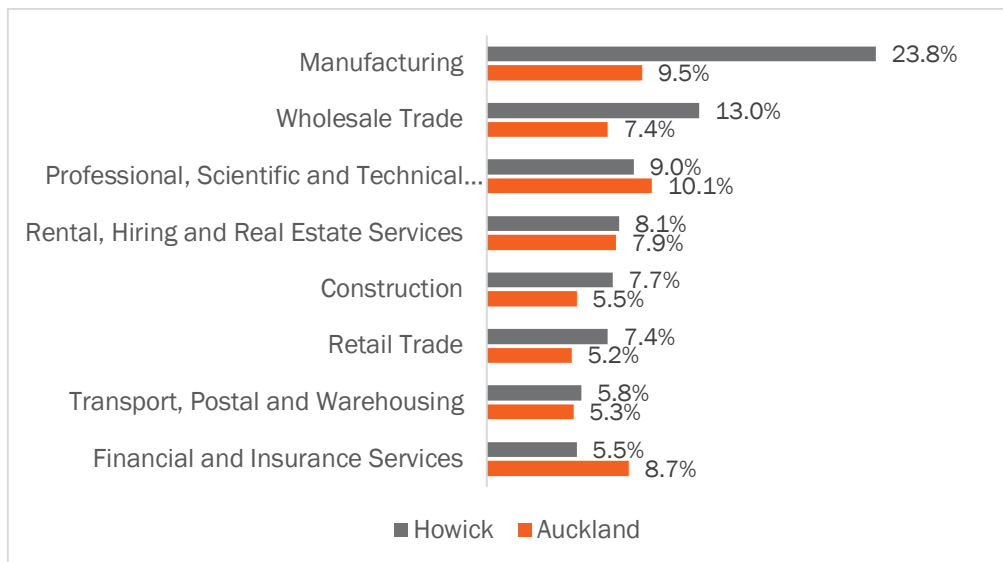
Over the five years 2013-2018, the fastest growing industries by GDP in Howick were manufacturing, wholesale trade, and professional, scientific & technical services and rental, hiring & real estate services.

## Industry mix

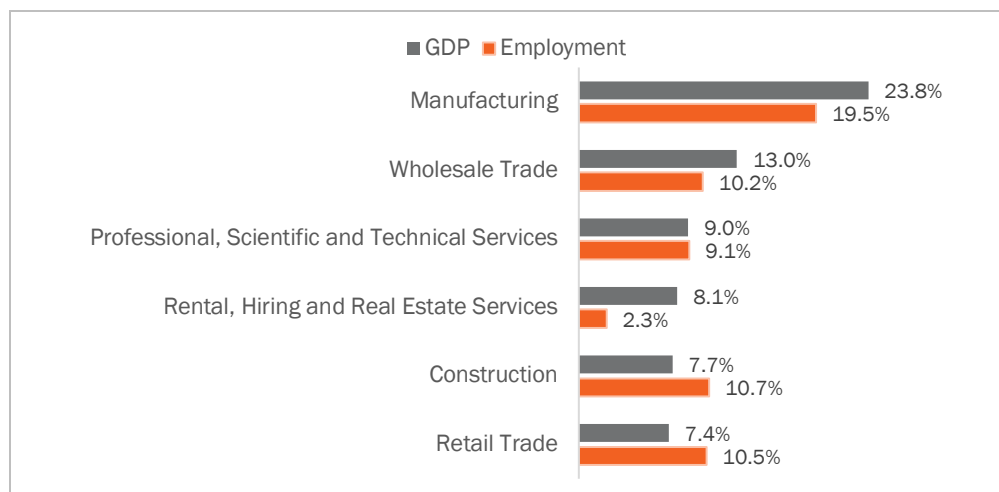
Howick's future economic performance depends on its combination of a sufficiently diversified industrial base and clusters of sectors that have the potential to achieve high rates of productivity and export growth. The main sectors with a strong presence the Howick economy are manufacturing and wholesale trade.

### BROAD INDUSTRY MIX BY GDP (ANZSIC LEVEL 1)

(source Infometrics)



- **Manufacturing** contributed 24 per cent of Howick's GDP and provided 20 per cent of the area's employment.
- **Wholesale trade** contributed 13 per cent of Howick's GDP and provided 10 per cent of the area's employment
- **Professional, Scientific & Technical Services** contributed nine per cent of Howick's GDP and also provided nine per cent of the area's employment.
- **Construction** contributed eight per cent of Howick's GDP and provided 11 per cent of the area's employment.

**TOP INDUSTRIES BY EMPLOYMENT AND GDP (ANZSIC LEVEL 1)** (source Infometrics)

Manufacturing, wholesale trade and rental, hiring & real estate provided higher GDP per employment in 2018.

**TOP 10 INDUSTRIES BY EMPLOYMENT – 54 SECTOR CLASSIFICATION** (source Infometrics)

Rank	Industry	Jobs	% of Howick Total
1	Wholesale Trade	6,540	10.2%
2	Professional, Scientific & Tech Services	5,811	9.1%
3	Education & Training	4,504	7.0%
4	Accommodation & Food Services	4,299	6.7%
5	Other Store & Non-Store Retailing	4,235	6.6%
6	Administrative & Support Services	4,056	6.3%
7	Machinery & Other Equipment Manufacturing	3,925	6.1%
8	Construction Services	3,219	5.0%
9	Health Care & Social Assistance	3,036	4.7%
10	Building Construction	2,529	4.0%
<b>Total top 10 industries</b>		<b>42,154</b>	<b>65.7%</b>
<b>All other industries</b>		<b>21,769</b>	<b>34.3%</b>
<b>Total employment</b>		<b>63,921</b>	Source: Infometrics

Electrical and industrial machinery wholesaling is the main source of wholesale employment while head offices and management consultancy are key sources of professional employment. Primary and secondary education provide two thirds of jobs in the education sector.

Professional services, accommodation & food and building construction have seen large increases in job numbers.



### NEW JOBS BY SECTOR – 54 SECTOR CLASSIFICATION (2013 - 2018) (source Infometrics)

Sector	New Jobs
Professional, Scientific & Technical Services	2,364
Accommodation & Food Services	1741
Building Construction	1284
Administrative & Support Services	1169
Construction Services	1071
Education & Training	867
Wholesale Trade	794

### SECTORS WITH DECLINING JOBS – 54 SECTOR CLASSIFICATION (2013 - 2018)

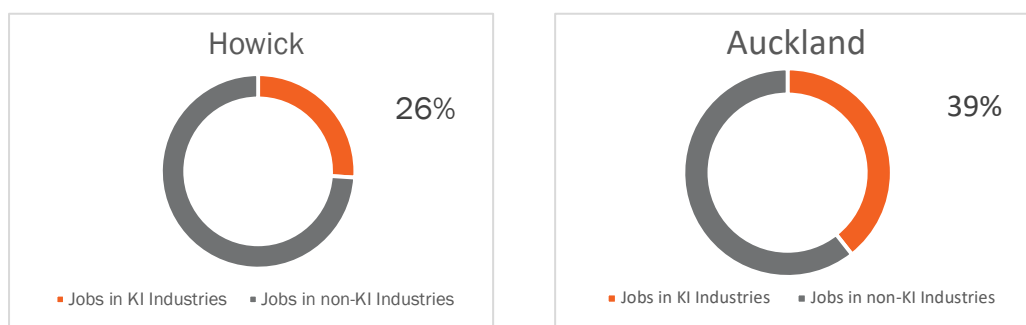
Occupation	Jobs Lost
Printing	-223
Water, Sewerage & Waste Services	-150
Central Gov Admin, Defence & Safety	-136
Textile, Leather, Clothing, Footwear Manufacturing	-120

### Knowledge-intensive industries

Knowledge intensive industries<sup>8</sup> represent an increasing share of the New Zealand economy's output and employment and may be a source of future productivity growth. Twenty-one per cent of jobs in Howick are in knowledge intensive industries which is lower than the regional average of 39 per cent.

### JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES

(source Infometrics)



### Comparative Advantage

A number of sectors are more strongly represented in Howick than they are in the region as a whole. There are several manufacturing sectors that are particularly strongly

<sup>8</sup> Knowledge-intensive industries are industries that satisfy two basic criteria: At least 25 per cent of the workforce must be qualified to degree level and at least 30 per cent of the workforce must be employed in professional, managerial, as well as scientific & technical occupations.

represented in Howick including textiles, chemicals, food and meat manufacture and wood and paper products.

### INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA

(source Infometrics)

Rank	Industry	Location Quotient	GDP (\$M)	Employees
1	Machinery & Other Equipment Manufacturing	5.9	416.1	3,925
2	Basic Chemical & Chemical Product Manufacturing	5.5	189.2	910
3	Furniture & Other Manufacturing	3.1	46.5	700
4	Non-Metallic Mineral Product Manufacturing	3.1	76.7	594
5	Fabricated Metal Product Manufacturing	2.9	132.5	1646
6	Wholesale Trade	2.6	712.3	6,540

### ATEED Sectors of Focus

Auckland has developed a core of specialist manufacturing industries and a talented, globally focused service sector. These industries and sectors are grouped into advanced industries, tradeable industries and enabling industries. Together they drive growth and create employment in Auckland and are of particular interest to ATEED with regards support that can be provided to help their growth.

Advanced Materials is one of the sectors of focus for ATEED that is well represented in Howick as are technology and food and beverage.

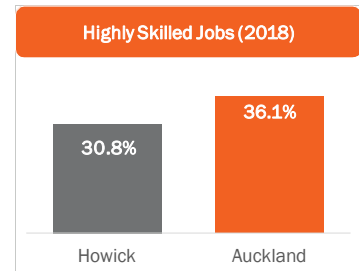
### EMPLOYMENT IN ATEED FOCUS SECTOR (2018)

Share of Sector to Total	Auckland	Howick	+/- on Howick sector
Advanced Materials Related	1.7%	2.7%	60.0%
Commercial services	21.2%	16.4%	-22.7%
Construction and engineering	11.2%	12.0%	7.0%
Education	7.6%	7.0%	-6.7%
Food and Beverage	3.5%	4.9%	39.6%
Screen and creative	6.0%	2.1%	-64.5%
Technology	7.6%	11.3%	47.6%
Tourism	6.2%	5.2%	-15.3%
Transport and Logistics	2.9%	3.5%	20.0%

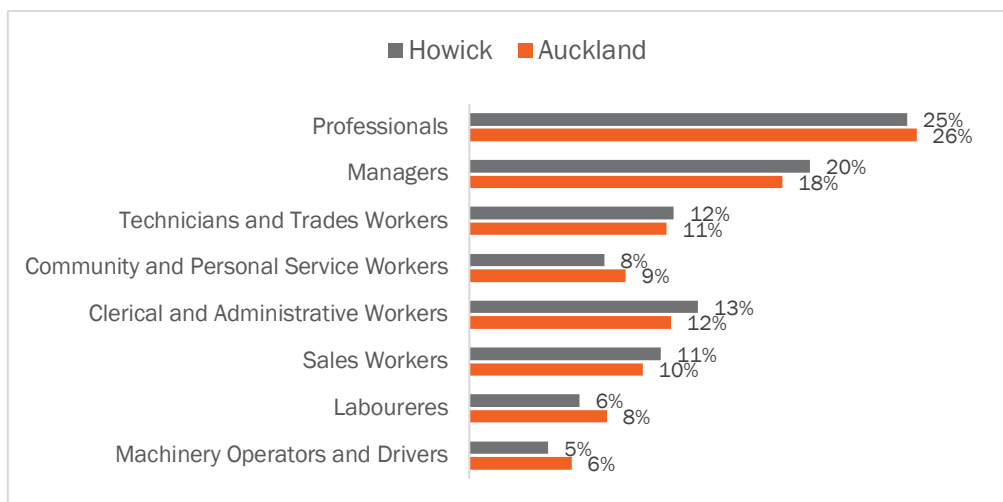
## Occupations <sup>9</sup>

Higher skilled jobs offer people an improved standard of living and are a critical component in attracting workers to an area. Statistics NZ allocates occupations to skill levels based on the range and complexity of tasks performed in a particular job. The skill level does not relate to the qualifications obtained by an individual, but to the range and complexity of the tasks they do at work. There is a lower proportion of highly skilled jobs in Howick (31 per cent) and higher proportion of low-skilled jobs (41 per cent) compared to the Auckland average (37 per cent).

Managers and professional occupations were the most popular occupational categories for Howick residents in 2018. Compared to the region, there are a slightly higher proportion of workers living in Howick in managerial occupations.



### OCCUPATIONS OF RESIDENTS LIVING IN HOWICK (CENSUS 2018)



Of the jobs that are located in the Howick local board area, professionals are the largest occupational group (20 per cent), lower than the Auckland average (26 per cent). There are more jobs as labourers located in Howick than seen in the region as a whole.

<sup>9</sup> The 2018 Census provides details of the occupations of residents of the local board area whereas Infometrics data provides details of occupations within businesses located in the local board area.

## OCCUPATIONS IN HOWICK BASED BUSINESSES (2018)

Source: Infometrics



Specialist managers<sup>10</sup> are the largest occupational group in Howick, followed by sales assistants.

## TOP 10 OCCUPATIONS BY EMPLOYMENT IN HOWICK (2018) (source Infometrics)

Rank	Occupations	Jobs	% of total jobs in Howick
1	Specialist Managers	6,576	10.3%
2	Sales Assistants & Salespersons	4,029	6.3%
3	Education Professionals	3,786	5.9%
4	Business, HR & Marketing Professionals	3,178	5.0%
5	Chief Execs, General Managers, Legislators	2,661	4.2%
6	Hospitality, Retail & Service Managers	2,435	3.8%
7	Sales Representatives & Agents	2,329	3.6%
8	Design, Engineering, Science Professionals	2,192	3.4%
9	Automotive & Engineering Trades Workers	2,144	3.4%
10	Other Labourers	1,988	3.1%
Sub-total Top 10 occupations		31,318	48.9%
Total jobs		63,921	Note, includes self-employed

Many occupations saw significant growth from 2013-2018, particularly among professional, scientific & technical services.

<sup>10</sup> Specialist managers include managers in advertising, construction, ICT, business administration and education.

## FASTEST GROWING OCCUPATIONS 2013-2018

(source Infometrics)

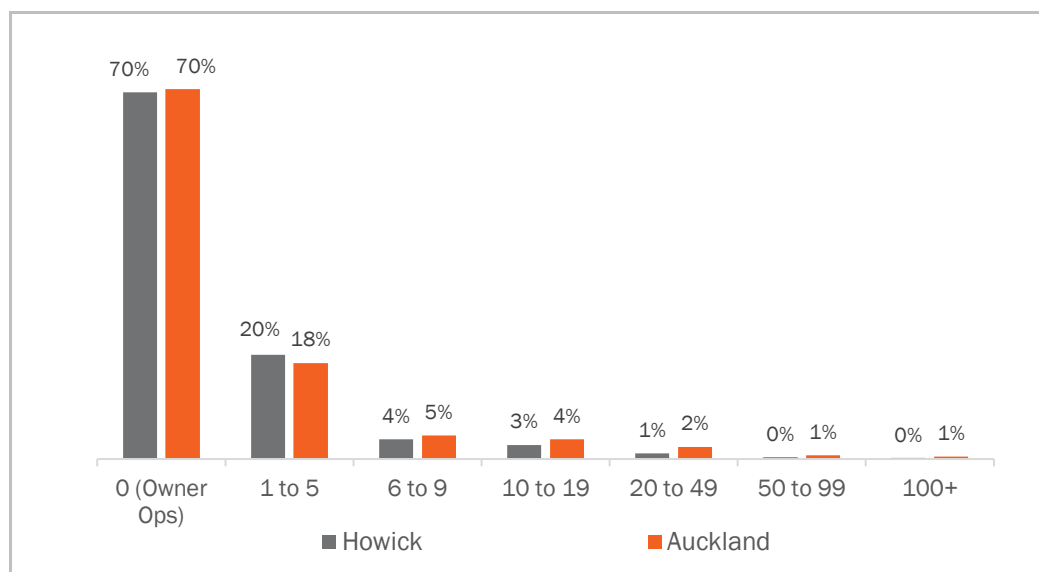
Occupation	New Jobs
Specialist Managers	1246
Business, HR & Marketing Professionals	646
Sales Assistants & Salespersons	525
Construction Trades Workers	484
Education Professionals	464
Design, Engineering, Science Professionals	456

## Business size<sup>11</sup>

In 2018 there were 17,133 businesses in Howick employing an average of 3.7 employees each, lower than the Auckland average 4.5 employees. The number of businesses grew 1.8 per cent a year on average over the last decade, slightly lower than the growth rate for the Auckland region (1.9 per cent).

## BUSINESS SIZE - NUMBER OF EMPLOYEES (2018)

(source Infometrics)



## Future of Work in Howick

In 2019 ATEED commissioned work<sup>12</sup> to examine the likely future skills needs of the Auckland economy as changing population demographics, emerging technologies and the growth of new industries changes the nature of employment and the skills needed.

<sup>11</sup> Large businesses are defined as entities with 20 or more employees

<sup>12</sup> Auckland Future Skills, Martin Jenkins (May 2019)

Howick Local Board is located in the south the Auckland region close to important employment precincts in south Auckland, while residents can also access employment opportunities in the central city area.

Population growth and changing consumer demand will influence growth in particular sectors. The Auckland Future Skills report indicates that Auckland can expect to see growth across most industries with notable growth in **construction, professional services, health care, food service and education**. Construction in particular is expected to grow by approximately 56,000 jobs over the next 10 years.

Education is an important employment sector in Howick with seven per cent of jobs in the area. Accommodation & food Services is also important and provides seven per cent of the area's jobs. Construction is a key employer in almost all local board areas and represents five per cent of employment in Howick Local Board. Growth in these sectors is likely to positively impact on the Howick work force.

Professional services jobs include accounting, legal, architectural, engineering and management consulting services are forecast to grow nine per cent (5,811 jobs) over the next ten years and **much of this growth is likely to be in the central city where these jobs are strongly concentrated**.

With significant employment zones at East Tamaki and Highbrook, Howick has jobs in these sectors. Forecast growth in these sectors is likely to include some growth in Howick. While Howick residents have access to the central city to access the growing number of professional service jobs there, public transport for commuters into the city centre could be improved.

For Howick local board, employment in Auckland's south is an important source of household jobs and income. Many Howick residents work in the employment zones of the south. In the South Auckland labour market construction stands out as the industry of greatest projected with an expected gain of close to 15,000 jobs over the next ten years. This is a significantly larger increase than in any other industry for south Auckland and therefore an important sector that will create new jobs for residents.

#### INDUSTRIAL FORECAST FOR SOUTH AUCKLAND 2018-2019

Industry	Employment 2018	Employment 2029	Change
Construction	24,482	39,348	14,866
Transport, Postal and Warehousing	24,326	29,303	4,976
Professional, Scientific & Technical Services	17,614	22,385	4,772
Administrative and Support Services	15,252	19,545	4,293
Education & Training	15,252	19,281	4,029
Accommodation & Food Services	13,221	16,922	3,701
Public Administration & Safety	11,247	14,930	3,683
Health Care & Social Assistance	19,922	23,358	3,436
Manufacturing	33,944	36,660	2,716

Source: Infometrics

Other industries forecast to grow in south Auckland include:

- Transport, postal & warehousing – increase of 4,976, driven mainly by air and space transport, road freight transport & freight forwarding services
- Professional, scientific & technical services – increase of 4,772 employed
- Administrative & support services – 4,293 increase in total employed
- Education & training – 4,029 increase in total employed, primarily preschool and school education.

With a largely managerial and professional workforce, focused on key growth areas of professional services, construction, health and education the outlook for Howick residents being able to access employment opportunities that match their skills and experience is positive however many residents will need to commute to access higher skilled employment as there are limited jobs in knowledge intensive industries locally.



## Employment Zones

Employment in Howick is concentrated in a number of town centres as well as the regionally significant industrial areas of East Tamaki / Highbrook. There are also a number of jobs in the Botany Junction business zone.

Howick is a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 141,000 residents of Howick which has a labour force of 77,000. The local board area has a total of 63,921 jobs located within it. As a result, the area is a net exporter of a labour to other parts of the city.

### Employment Zones

Employment in Howick is concentrated the East Tamaki industrial zone which is partly in neighbouring Otara-Papatoetoe as well as Highbrook. This area is one of Auckland's largest industrial zones with over 30,000 people working there. There is also employment in the main town centres of Howick and Botany also in the adjacent area of Botany Junction which has a mix of industrial and commercial

#### EMPLOYMENT IN EAST TAMAKI (INCLUDING HIGHBROOK)\*

(source Infometrics)

Industry	Jobs
Wholesale Trade	6,257
Machinery and Other Equipment Manufacturing	4,192
Administrative and Support Services	2,723
Professional, Scientific & Technical Services	2,570
Postal, Courier Transport Support, and Warehousing Services.	1510
Fabricated Metal Product Manufacturing	1431
Construction Services	1429
Other Store-Based Retailing and Non-Store Retailing	1282
Heavy and Civil Engineering Construction	1225
Fruit, Oil, Cereal and Other Food Product Manufacturing	837
Road Transport	828
<b>Total employment (all sectors)</b>	<b>33,238</b>
* Based on business demographics for the SA2 area	

## EMPLOYMENT IN BOTANY JUNCTION\*

(source Infometrics)

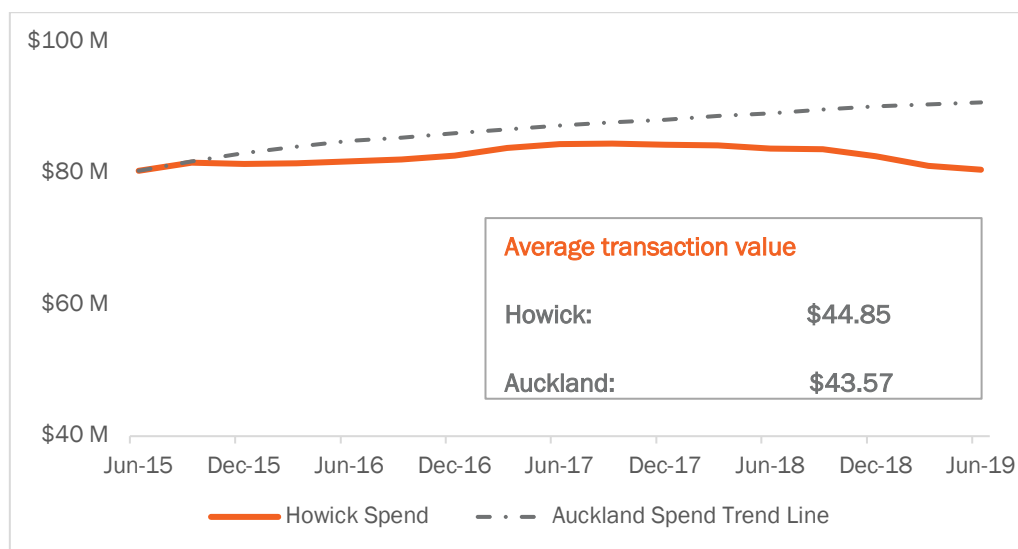
Industry	Jobs
Administrative and Support Services	2,137
Professional, Scientific & Technical Services	1227
Wholesale Trade	792
Fruit, Oil, Cereal and Other Food Product Manufacturing	630
Other Store-Based Retailing and Non-Store Retailing	588
Fabricated Metal Product Manufacturing	322
Building Construction	279
<b>Total employment (all sectors)</b>	<b>8,992</b>
* Based on business demographics for the SA2 area	

## Town Centres<sup>13</sup>

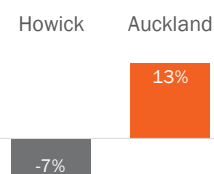
The main town centre employment zones in the Howick Local Board area are Howick Village, Botany and Highland Park.

Howick has seen -seven per cent decline in spending over between the period from June 2015 to June 2019 compared to 13 per cent growth regionally. The average transaction value in Howick was \$44.85, higher the Auckland average of \$43.57.

### HOWICK SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



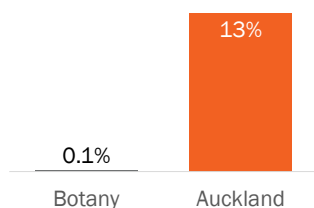
### Spending growth 2015-2019 (four quarter average)



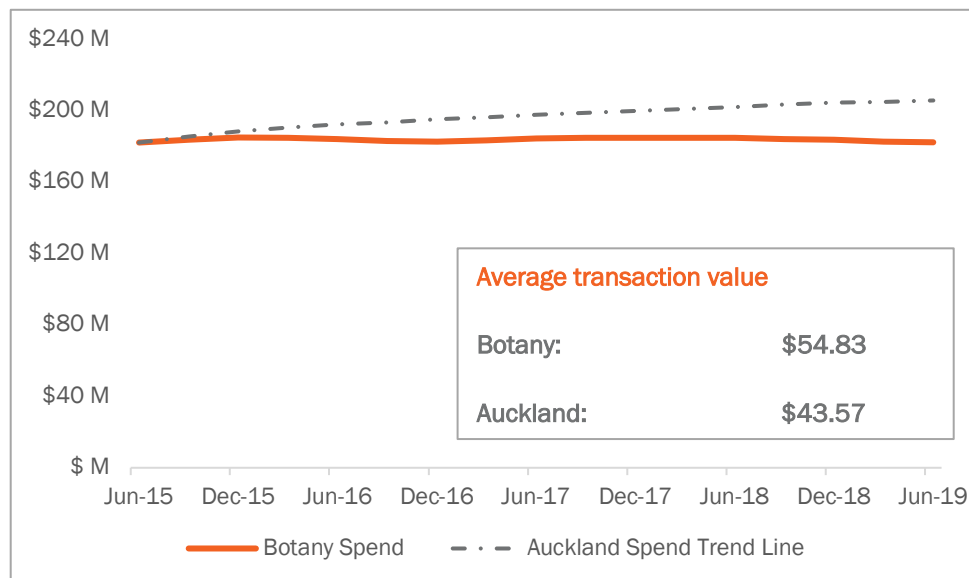
Botany has seen no change spending over between the period from June 2015 to June 2019 compared to 13 per cent growth regionally. The average transaction value in Botany was \$54.83, above the Auckland average of \$43.57.

<sup>13</sup> Town centre spend data is provided by Marketview and is derived from credit and debit card transactions. Area with higher levels of cash payments may have spending slightly under reported

### Spending growth 2015-2019 (four quarter average)



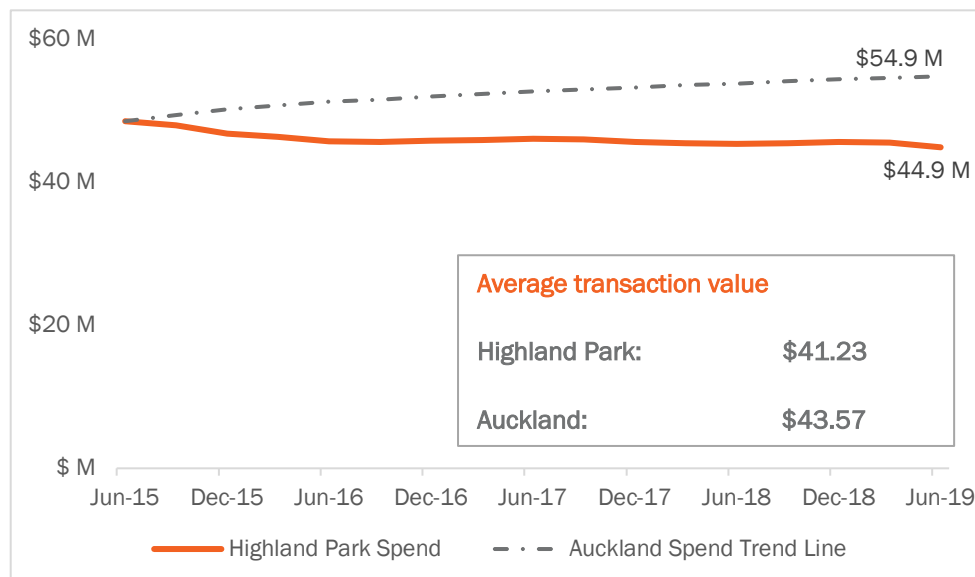
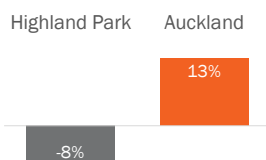
### BOTANY SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



Highland Park has seen a decline in spending over between the period from June 2015 to June 2019 compared to 13 per cent growth regionally. The average transaction value in Highland Park was \$41.23, above the Auckland average of \$43.57.

### HIGHLAND PARK SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)

### Spending growth 2015-2019 (four quarter average)



## Development Trends

Auckland has been undergoing a period of rapid growth facilitated by the development of the Auckland Unitary Plan. This is reflected in the level of residential development in the Howick local board area.

### Context

The refreshed **Auckland Plan (2018)** sets the spatial vision for Auckland's future development through to 2050 to identify the type of city Auckland will become and how it will accommodate its housing, economic, social and environmental needs. The Auckland Plan identifies that Auckland may need another **313,000 dwellings** and up to **263,000 extra jobs** by 2050 requiring a plan for where and how people will live and how they will access jobs, facilities and services.

Within the Auckland Plan is the **Auckland Development Strategy** which shows how Auckland will physically grow and change over the next 30 years. It takes account of the outcomes Auckland wants to achieve, as well as population growth projections and planning rules in the Auckland Unitary Plan.

The **Unitary Plan (2017)** was developed to set the planning rules for:

- what can be built and where
- how to create a higher quality and more compact Auckland
- how to provide for rural activities
- how to maintain the marine environment.

The **Development Strategy** outlines key nodes and development areas where the bulk of new development of housing, employment and civic services will be located and how that can be connected by efficient transport links. Beyond the city centre the key nodes of growth are in the south (**Manukau**), north (**Albany**) and northwest (**Westgate**). **Rural nodes** in **Pukekohe** and **Warkworth** will service their surrounding rural communities and will support significant business and residential growth.

**Development areas** are spread across the region. Expected growth is identified if it is expected in any on the next three decades. In addition to areas identified for development most other urban areas will experience some development and change. This could be in the form of subdivision, or the redevelopment of existing buildings/land parcels at higher densities.

Three development areas are included in Howick each expecting to see growth in the medium to long term. Pakuranga will be well connected to Panmure, Botany and the city centre, via the bus/rail interchange at Panmure, when AMETI is complete.

Much of the Highland Park – Pakuranga Road Corridor is zoned for Terraced Housing and Apartment Building or Mixed Housing Urban in the Auckland Unitary Plan. It is likely that Highland Park and the corridor between Pakuranga and Highland Park will see some redevelopment as improved accessibility from the completion of AMETI is realised <sup>14</sup>.

<sup>14</sup> Auckland Plan, Development Strategy (2018)

These areas are expected to add significant numbers of houses to the area over the next 30 years as well as a modest contribution to employment.

Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Pakuranga	4-10 years	1700	10
Pakuranga Corridor	11-30 years	1040	-30
Highland Park	11-30 years	1380	120

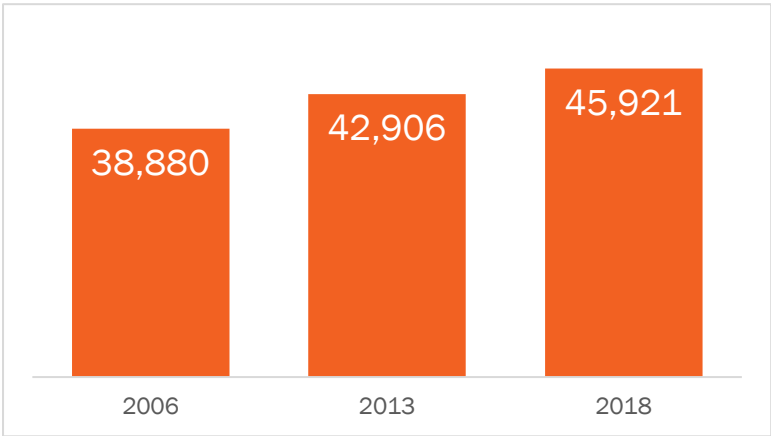
**New building consents**

There were 700 new dwellings consented in 2018, which was 8.9 per cent of the 7,824 issued in the Auckland region. The number of new dwellings consented has been at increasing steadily since 2011.

**NUMBER OF PRIVATE DWELLINGS (OCCUPIED & UNOCCUPIED)**

**3,015**  
Additional dwellings

There were 3,015 additional dwellings in Howick in the 2018 Census compared to 2013.



At the 2018 Census there were 2,205 unoccupied dwellings and 375 under construction. Between 2013 and 2018 Censuses there were 3,015 additional dwellings in Howick, an increase of seven per cent compared to a 6.5 per cent increase across the region.

**Future Development**

Completion of the AMETI (Auckland Manukau Eastern Transport Initiative) Eastern busway (expected 2025) will greatly improve connectivity between Howick and Auckland city centre as well as with the wider public transport network. This will improve access to employment opportunities for local residents and also provide economic development opportunities in Howick.

# Economic Development Opportunities

The Auckland Region aim: Develop an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand

In its current Local Board Plan the Howick Local Board seeks to ensure that Howick develops a prosperous local economy that attracts new businesses and tourists to the area. The local board's wish to see training and skills opportunities to assist its young people transition into employment.

ATEED are able to provide support to local boards or groups of local boards in a number of ways, including:

## Business environmental sustainability

- Promote sustainable business practices in key areas such as waste minimisation. Identifying the needs of local business through needs assessments and providing implementation options.
- Provide businesses access to sustainable business coaching and sustainability seminars.

## Places

- Work alongside Panuku Development Auckland in its Transform and Unlock areas to help identify and realise economic development opportunities in those areas.
- Support local boards with specific place-based initiatives to help revitalise areas and build on their unique characteristics in order to promote enhanced economic outcomes.

## Enterprise

- Manage delivery of local business programmes that provide access to business skills where mainstream services don't meet community need (e.g. PopUp Business School).
- Support youth enterprise initiatives (e.g. Young Enterprise Scheme).

## Economic analysis and research

- Support local boards to understand strengths, opportunities and challenges in their areas by providing analysis of available data.
- Commissioning work to understand particular issues or opportunity a local area may have and how and identify appropriate actions.

## Leveraging local opportunities

- Support local boards to consider how they may best support local businesses to capitalise on opportunities that may arise as a result of major events or development projects in the region.

The table below provides some thoughts as to where ATEEDs local delivery can help the local board deliver against its objectives. Where related initiatives that are delivered by other parts of the Auckland Council family these are noted.

ATEED has been directed by Council to focus its resources on economic development initiatives in the less prosperous areas in **West and South Auckland**.

## ISSUES

Howick is Auckland's most populous local board area and is growing rapidly. While the area has many employment opportunities there is a lower proportion of knowledge intensive jobs meaning people often need to travel for skilled jobs. Keeping pace with population growth and providing more quality local employment opportunities is a key issue for Howick.

## ECONOMIC DEVELOPMENT OPPORTUNITIES

LED work stream	Potential area of focus in Howick Local Board area
<b>Sustainable businesses</b>	Work with the business community to encourage and support local sustainable business practices and initiatives
<b>Places</b>	<p>Champion the area as a location for new businesses and businesses to relocate to.</p> <p>Support East Auckland Tourism in attracting visitors to the area.</p>
<b>Enterprise</b>	<p>Promote Howick area as a popular place to do business.</p> <p>Support young people to gain skills and access employment and training as well as developing their own business ideas.</p>
<b>Economic intelligence</b>	Update of Prosperity Index to keep local board informed of socio-economic picture in their area.



# Glossary

<b>Australian and New Zealand Standard Industry Classification 2006 (ANZSIC 2006)</b>	This is the official industrial classification used by Statistics NZ. The classification system aims to reflect the structure of Australian and New Zealand industries and enable comparability with other countries' statistics.
<b>Business Areas</b>	Business areas reported are those Statistical Areas in the Annual Business Demographics data with the largest numbers of employees working in the area. In some cases, the business areas cross local board boundaries.
<b>Employment</b>	Head count of salary and wage earners sourced from taxation data. Unless stated, does not include self-employed.
<b>GDP</b>	Gross Domestic Product is the total market value of goods and services produced in the local board area, minus the cost of goods and services used in the production process. GDP for each local board was estimated by Infometrics Ltd using 2010 prices.
<b>Labour force participation</b>	The labour force is defined as all persons aged 15 years and over who are looking for work, or are employed, either full time, part time or casually.
<b>Population</b>	The population for the local board area is the usual resident population count from the 2018 Census of Population and Dwellings. This figure may be lower than previously published estimated 2018 population figures from Statistics New Zealand.
<b>Productivity</b>	The NZ Productivity Commission defines productivity as the efficiency with which resources – such as labour and capital – are converted into outputs of goods and services.
<b>Unemployment rate</b>	The unemployment rate is the number of people aged 15 years and over who did not have a paid job, were available for work, and were actively seeking work, as a percentage of the labour force.

## GET IN TOUCH

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ATEED ECONOMIC DEVELOPMENT

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