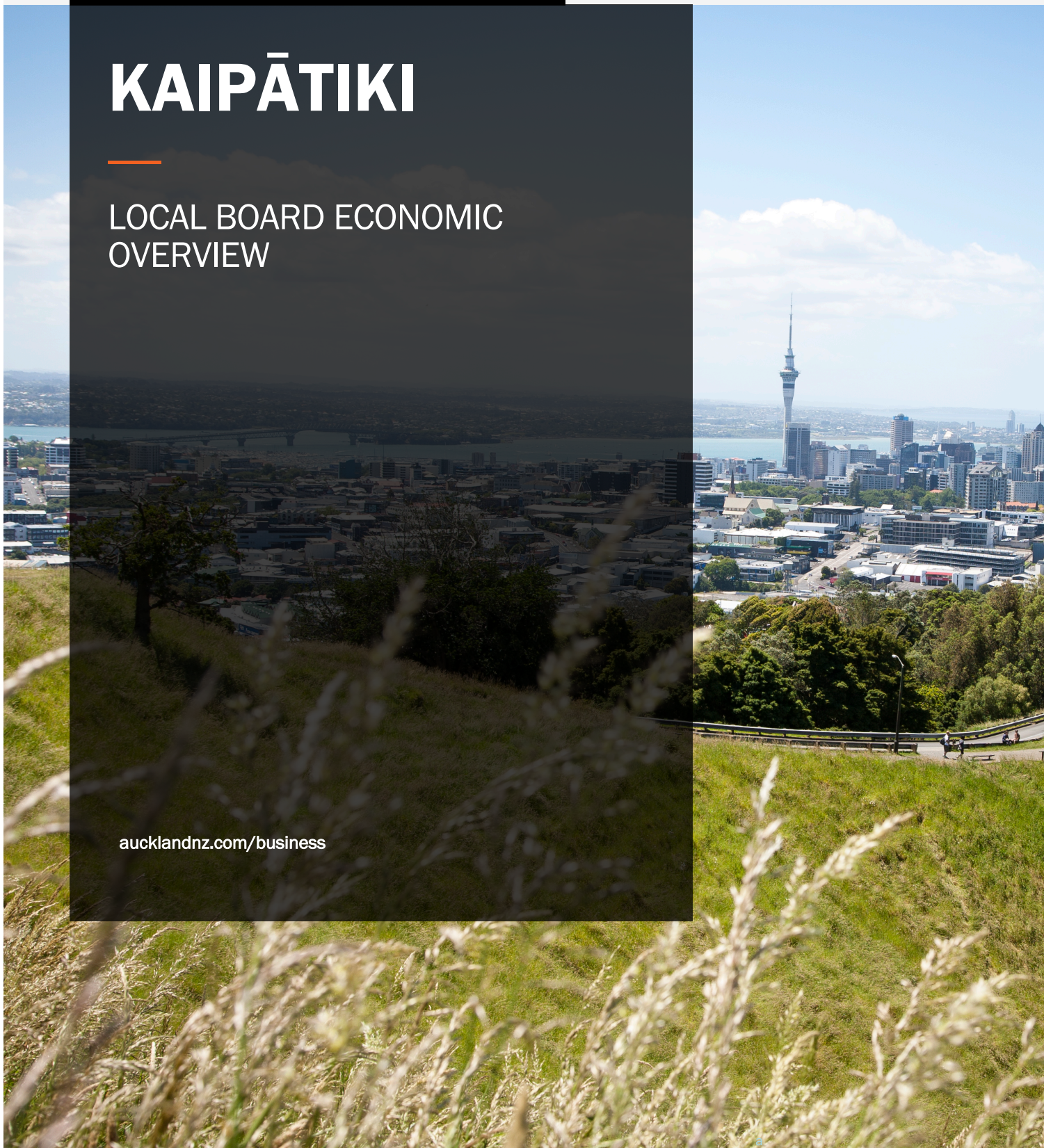


AUCKLAND ECONOMIC OVERVIEWS

# KAIPĀTIKI

LOCAL BOARD ECONOMIC  
OVERVIEW

[aucklandnz.com/business](http://aucklandnz.com/business)



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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.

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

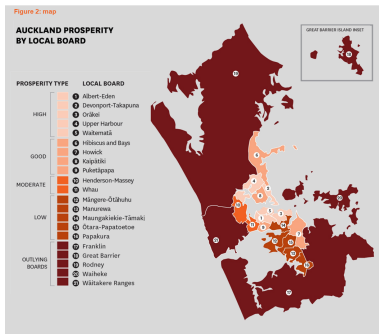
<sup>2</sup> The Auckland Index can be found at [aucklandnz.com/auckland-index](https://www.aucklandnz.com/auckland-index)

<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 Kaipātiki local economic development overview?

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

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

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.

Kaipātiki is a prosperous local board area. Construction, education and wholesale trade are the main employment sectors. Locally available jobs are less likely to be in knowledge intensive industries. Many Kaipātiki residents travel in to the central city to access jobs in professional occupations.



### Population growth

Population growth has been lower than the regional average over the 2013-2018 Census period. The area has a predominantly New Zealand European population with a sizeable Chinese community.



### Significant employers

Construction, education and wholesale trade are the main employment sectors. Healthcare, accommodation & food, administrative & support services, professional, scientific & technical services are also significant employers.



### Jobs in knowledge intensive industries

The area has a low proportion of jobs in knowledge intensive industries but is adjacent to Auckland's city centre where many residents work. There has been a recent growth in the number of jobs in the construction sector.



### Education attainment

Educational attainment is high, however, a smaller proportion of school leavers move onto degree level study compared to the regional average.



### Residential developments

There has been a recent upturn in the level of residential development in the area. The large Housing New Zealand redevelopment at Northcote is also set to have a significant impact on the area, as will the future Panuku Development Auckland redevelopment of Northcote town centre.

### Average annual GDP growth 2013-2018

3.2%

Kaipātiki

4.2%

Auckland

### Jobs in Knowledge Intensive Industries

20.0%

Kaipātiki

39.0%

Auckland

### School leavers moving on to degree level study (2018)

35.5%

Kaipātiki

42.0%

Auckland

## LOCAL BOARD ASPIRATIONS



In its current Local Board Plan the Kaipātiki Local Board seeks to ensure that Kaipātiki develops vibrant town centres. In addition to town centres the Local Board would like the Wairau Valley and other business areas to provide the community with the opportunity to work locally.



## KEY OPPORTUNITIES

Opportunity for the town centres, villages and business areas to provide local employment. The local board can work with the business community to encourage local business start-ups and support local sustainable business practices and initiatives.



## KEY CHALLENGES

Kaipātiki offers limited skilled employment opportunities locally with a low share of professional jobs and jobs in knowledge intensive industries. The area does however have good access to the central city where higher skilled jobs are located. Ensuring easy access to these jobs is key.

## People and Households

Kaipātiki is a diverse local board area with a population of 88,269 that is forecast to increase to 109,000 by 2038. The area has an ethnically diverse population with many residents of Chinese and South Korean origins.

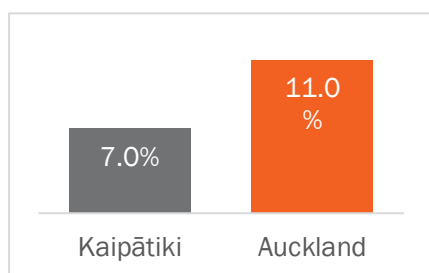
While Kaipātiki has a relatively small jobs and business base, skilled residents have easy access to employment opportunities in neighbouring areas. Kaipātiki is well connected, has high household prosperity and its residents have a high skills base.

	Kaipātiki	Auckland / Share of Auckland
Population (2018)	88,269	5.6%
Population growth (2013-2018)	7.0%	11.0%
Median Age (2018)	34.9	34.8
Labour force (2018)	51,800	867,090
Labour force participation (2018)	75%	71%
Home ownership (2018)	46%	45%

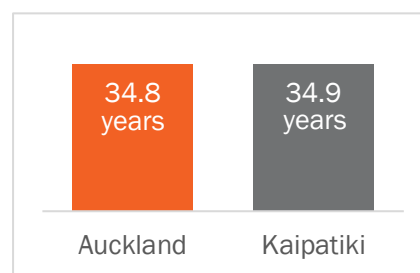
### Population

The Kaipātiki Local Board area has experienced slow population growth in recent years when compared to the rest of the region.

#### POPULATION GROWTH (2013-2018)



#### MEDIAN AGE (CENSUS 2018)

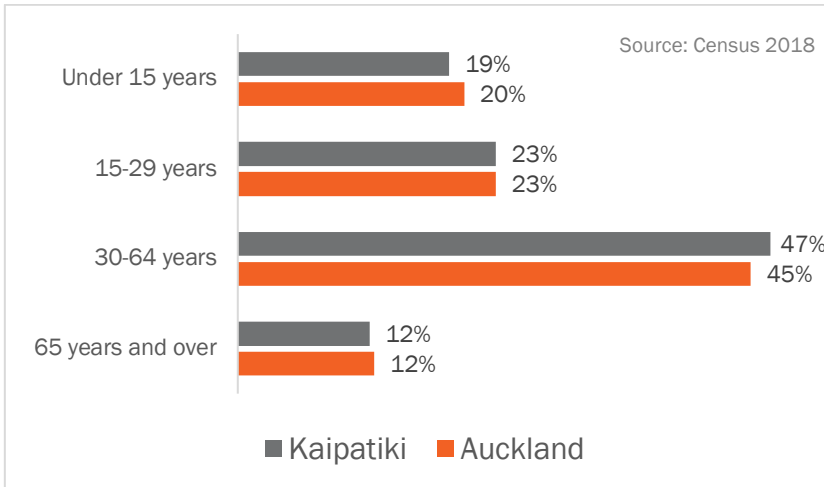


Between the 2013 and 2018 censuses population growth was seven per cent compared to 11 per cent regionally. Medium population projections<sup>4</sup> suggest that Kaipātiki could be home to 109,000 residents by 2038 an increase of 20,000. This would mean a 1.1 per cent increase per year or an extra 1,100 people a year between 2012 and 2038.

Kaipātiki has a similar median age to the region, but its working age population is slightly larger than the regional average and there are proportionately fewer young people and also fewer people of retirement age.

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

## AGE STRUCTURE (CENSUS 2018)

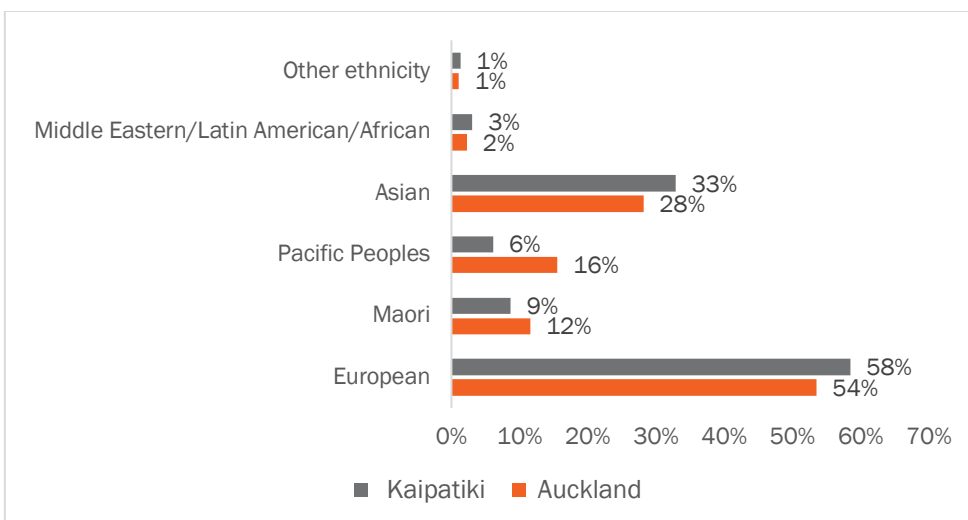


## Ethnicity

Kaipātiki's population is predominantly of European ethnicity (58 per cent), more so than the regional profile where Europeans make up 54 per cent of the population. While Kaipātiki has fewer Māori and Pacific residents than the region there are more people of Asian ethnic origin. Of the Asian population Chinese are the largest group but there are also significant Korean, Indian and Filipino populations.

Kaipātiki has a large proportion of residents born overseas (46 per cent) compared to the region (42 per cent) and 26 per cent of people born overseas had been in New Zealand less than five years.

## ETHNIC MAKE-UP (CENSUS 2018)



## Languages

With a diverse population there are a wide range of languages in use in Kaipātiki, 92 per cent of residents are able to speak English compared to 93 per cent for the region.

## Labour Force

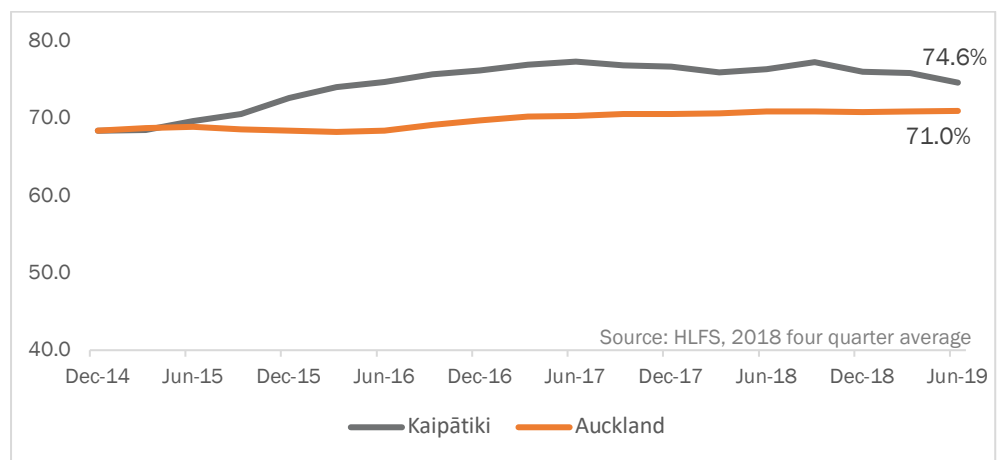
The labour force participation rate is a measure of an economy's active workforce. A high participation rate indicates more people in the area are actively engaged in the economy. The size of the labour force is critical to an area's ability to produce goods and services.

The labour force participation rate in Kaipātiki is 75 per cent, above the Auckland rate (71 per cent).

# 75%

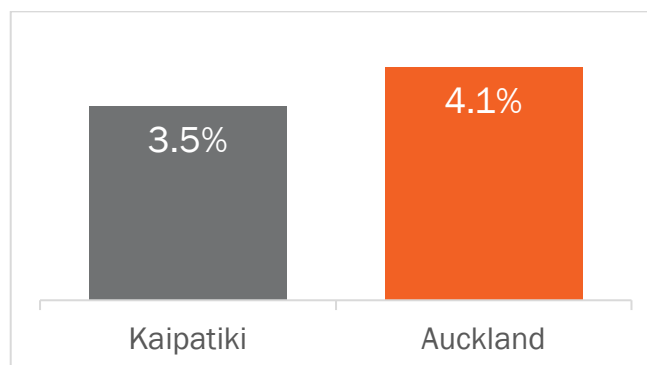
The labour force [participation rate](#) in Kaipātiki was 75 per cent in June 2019, higher than the Auckland rate (71 per cent)

### LABOUR FORCE PARTICIPATION RATE OVER TIME



The unemployment rate in the 2018 Census<sup>5</sup> was 3.5 per cent in the Kaipātiki Local Board area, lower than the Auckland region unemployment rate of 4.1 per cent.

### UNEMPLOYMENT RATE (CENSUS 2018)

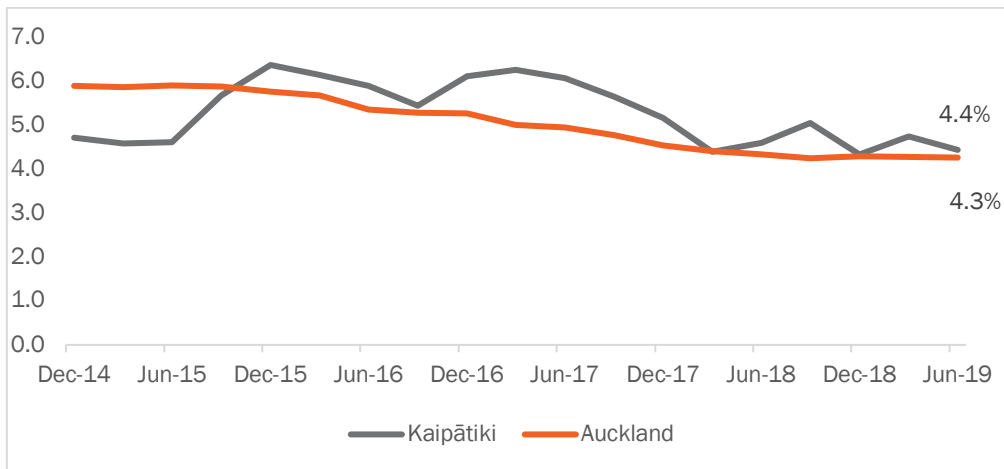


Unemployment measured by the Household Labour Force Survey in Kaipātiki has remained similar to the Auckland average over the last five years.

<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.



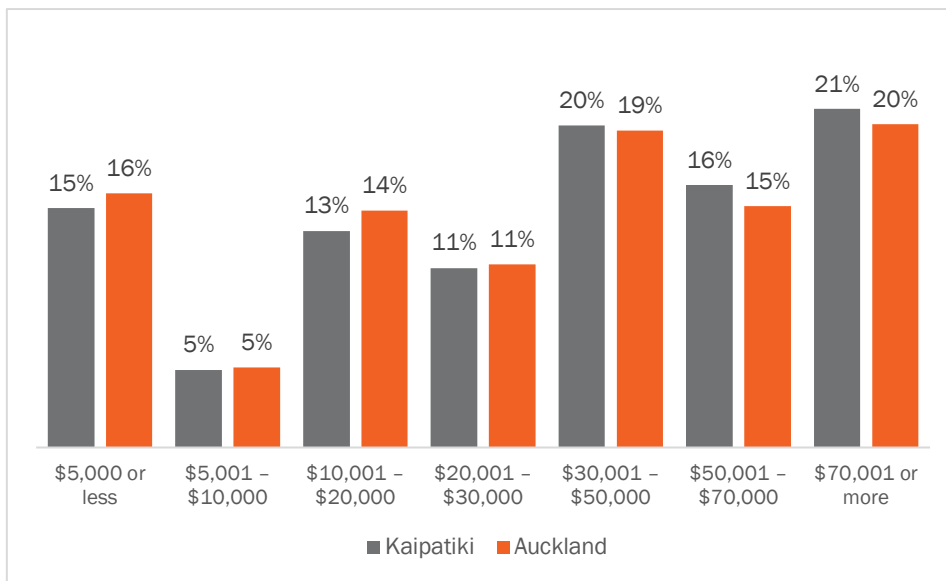
### UNEMPLOYMENT RATE OVER TIME (HOUSEHOLD LABOUR FORCE SURVEY)



### Incomes

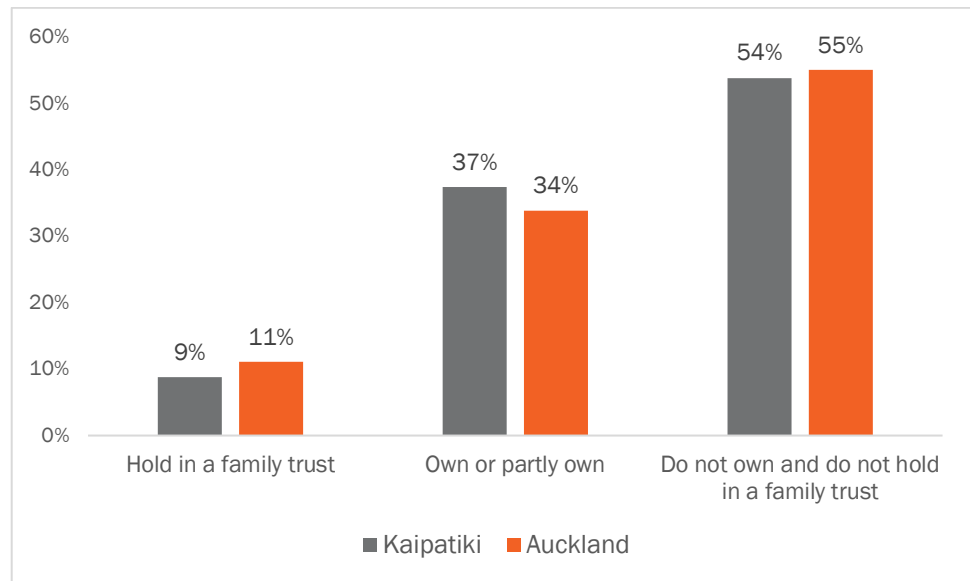
Analysis of individual income levels in 2018 shows that there was a slightly higher proportion (21 per cent) of persons earning a high income (over \$70,000 per year) in Kaipātiki compared to the region (20 per cent).

### INDIVIDUAL INCOMES (CENSUS 2018)



In 2018, 14 per cent of households in Kaipātiki derived self-employment or business income, the same rate as across all Auckland households (14 per cent).

### HOME OWNERSHIP (CENSUS 2018)



Home ownership in Kaipātiki is slightly higher than the regional average; in 2018, 46 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.

## Skills

Kaipātiki has a well qualified labour force with a high proportion of residents educated to degree level or higher. However slightly fewer school leavers from Kaipātiki leave with NCEA Level 3 and fewer enrol in tertiary education after leaving school.

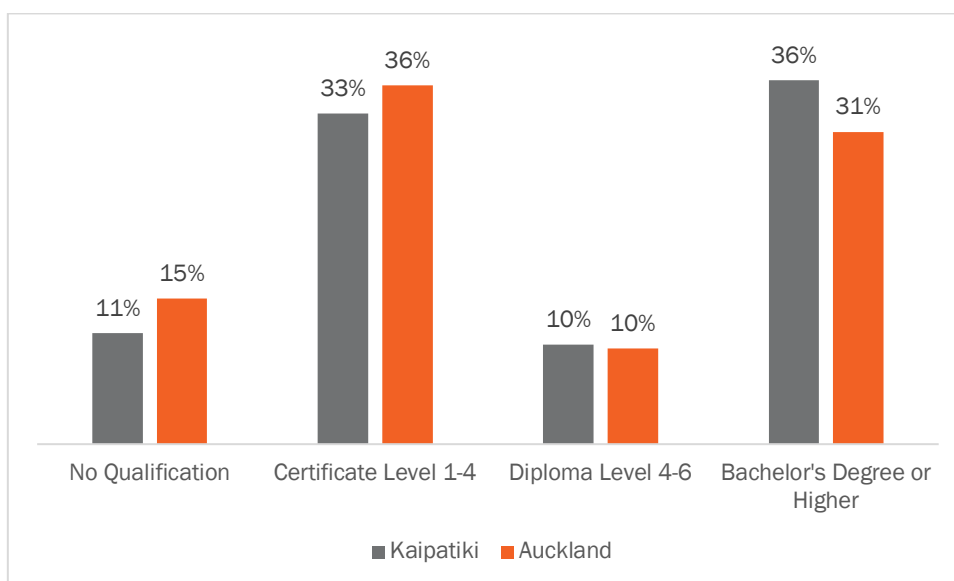
### Qualifications

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)



<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)

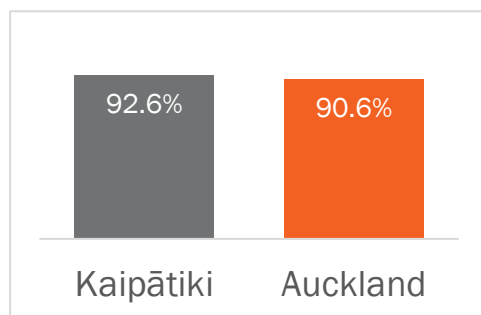
In 2018, 36 per cent of adult residents in Kaipātiki had gained a bachelor's degree or higher, a higher proportion than the Auckland region (31 per cent). Eleven per cent of residents had no educational qualifications compared with 15 per cent across the region<sup>7</sup>.

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

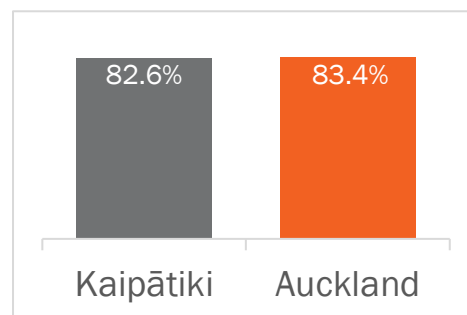
In 2018, 17 per cent of school leavers in Kaipātiki did not achieve NCEA level 2, which provides the foundation skills required for employment. This is similar to the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

### NCEA – STUDENTS ATTAINING NCEA (2018)

#### LEVEL 1



#### LEVEL 2



### NCEA 1 ATTAINMENT BY ETHNICITY (2018)

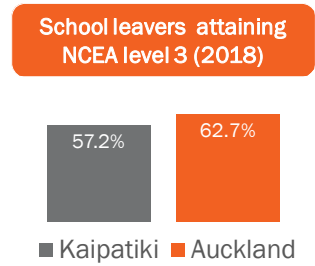
Percentage achieving NCEA	Level 1	Level 2
European	93.0%	85.3%
Māori	89.1%	70.7%
Pacific	92.9%	67.1%
Asian	94.3%	87.4%
Middle East, Latin American, African	96.8%	87.1%
Other	80.0%	80.0%
<b>Total Local Board</b>	<b>92.6%</b>	<b>85.3%</b>
<b>Total Auckland</b>	<b>90.6%</b>	<b>83.4%</b>

NCEA Level 3 is regarded as the minimum level required for university entry. Fifty-seven per cent of Kaipātiki school leavers achieved this, lower than the Auckland average of 63 per cent.

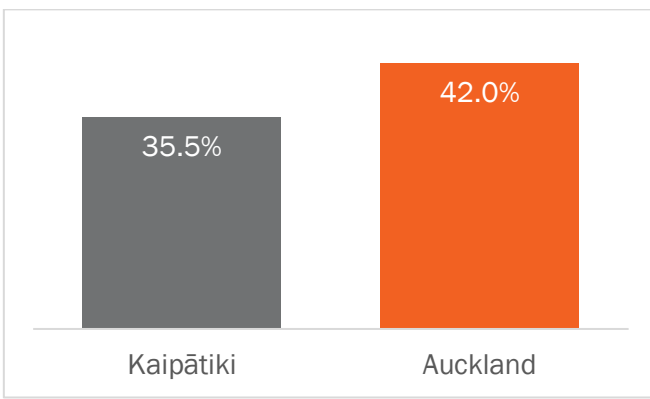
<sup>7</sup> Highest qualification is derived for people aged 15 years and over

**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
Kaipātiki	35.5%	19.8%	2.6%	42.1%	470
Auckland	42.0%	20.9%	3.1%	34.1%	20,421



**SCHOOL LEAVERS MOVING ON TO DEGREE LEVEL STUDY (2018)**



Fewer school leavers moved on to degree level study within a year of leaving school. Thirty-six per cent of Kaipātiki school leavers did this, lower than the Auckland average. Fewer also enrolled in certificate or diploma level study meaning overall, fewer (58 per cent) enrolled in some form of tertiary education than the regional average (66 per cent).

## Local Economy

Kaipātiki has a strong local economy driven by retail and manufacturing while construction also provides many local employment opportunities. Many people however travel into the city centre for work.

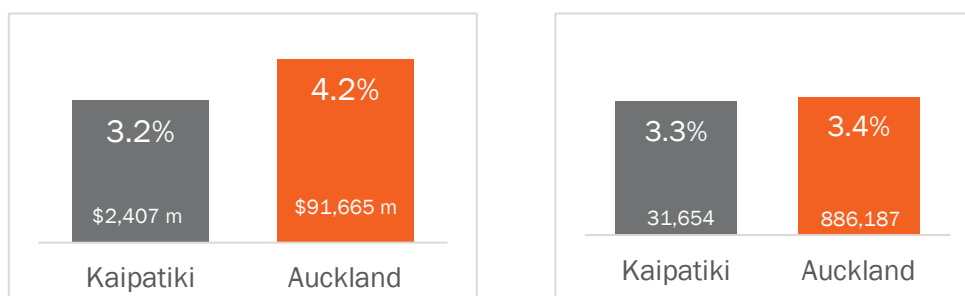
There has been recent growth in the number of jobs in the construction sector in Kaipātiki. Kaipātiki has a low proportion of jobs in knowledge intensive industries but is adjacent to Auckland's city centre where many residents work. North Harbour is another important employment location to the north of the local board area.

### Growth and employment trends

In 2018, GDP in Kaipātiki experienced growth of 0.8 per cent, lower than the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Kaipātiki economy grew at an average annual rate of 3.2 per cent, lower than the 4.2 per cent in the Auckland region.

Employment in Kaipātiki increased by an average of 3.3 per cent per annum in the five years from 2013-2018, below the Auckland rate of 3.4 per cent. Over the last five years Kaipātiki job numbers increased the most in construction services (+1,297 jobs), administrative & support services (+985) building construction (+698) and accommodation & food services sectors (+495).

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



Over the five years 2013-2018, the fastest growing industries by GDP in Kaipātiki were administration and support services, construction and accommodation & food services.

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

(source Infometrics)

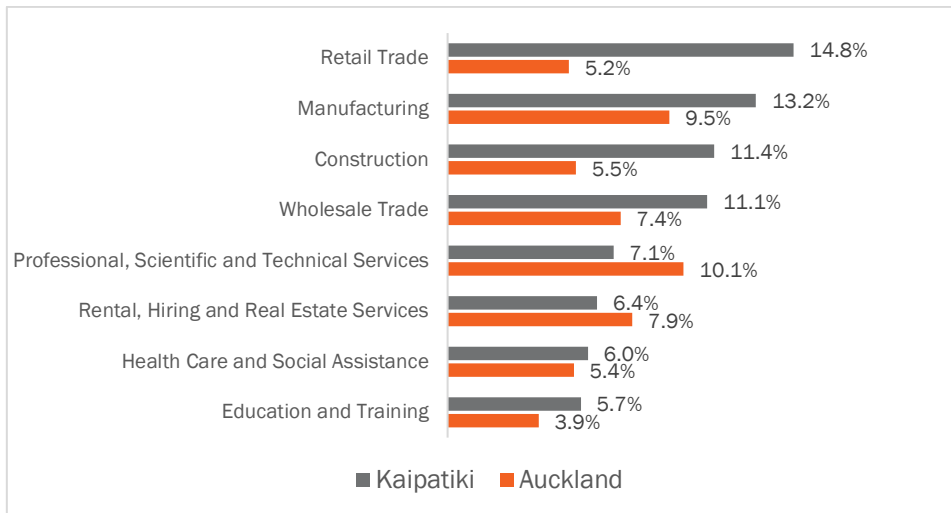
Industry	Average p.a. change
Administrative and Support Services	17.6%
Construction	15.5%
Accommodation & Food Services	11.3%
Financial and Insurance Services	7.3%
Retail Trade	7.0%

## Industry mix

Kaipātiki'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 in the Kaipātiki economy are retail, manufacturing and construction.

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

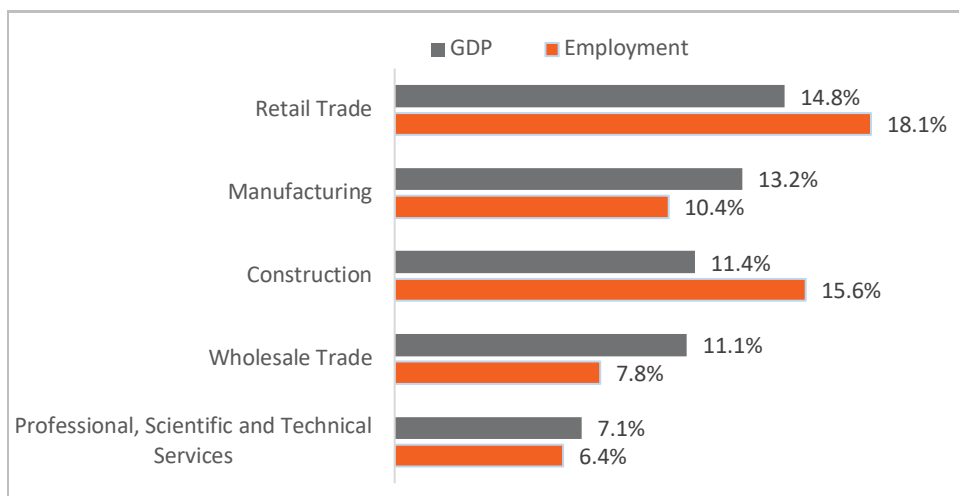
(source Infometrics)



- **Retail trade** contributed 15 per cent of Kaipātiki's GDP and provided 18 per cent of the area's employment.
- **Manufacturing** contributed 13 per cent of Kaipātiki's s GDP and provided 10 per cent of the area's employment.
- **Construction** contributed 11 per cent of Kaipātiki's GDP and provided 16 per cent of the area's employment
- **Wholesale Trade** contributed 11 per cent of Kaipātiki's GDP and provided eight per cent of the area's employment

### TOP INDUSTRIES BY EMPLOYMENT AND GDP (ANZSIC LEVEL 1)

(source Infometrics)



Retail, construction and manufacturing are the key employment sectors in Kaipātiki. Looking at more detailed sub-sectors we see that education, wholesale trade and health are also important employment sectors in the area.

#### TOP 10 INDUSTRIES BY EMPLOYMENT- 54 SECTOR CLASSIFICATION (source Infometrics)

Rank	Industry	Jobs	% of Kaipātiki Total
1	Other Store & Non-Store Retailing	3,442	10.8%
2	Construction Services	3,419	10.7%
3	Education & Training	2,529	7.9%
4	Wholesale Trade	2,487	7.8%
5	Health Care & Social Assistance	2,205	6.9%
6	Accommodation & Food Services	2,070	6.5%
7	Professional, Scientific & Tech Services	2,033	6.4%
8	Administrative & Support Services	1,937	6.1%
9	Other Services	1,645	5.2%
10	Building Construction	1,471	4.6%
<b>Total top 10 industries</b>		<b>23,238</b>	<b>72.9%</b>
<b>All other industries</b>		<b>8,695</b>	<b>27.1%</b>
<b>Total employment</b>		<b>31,931</b>	Source: Infometrics

Within those key employment sectors department stores related employment is the most significant source of retail jobs while landscape construction and electrical services are the main construction sector sub-sectors. Primary education and higher education are the main sources of education jobs.

Many sectors saw significant growth from 2013-2018, particularly in the construction sector. There was a decline in numbers employed in textile and clothing manufacturing.

#### NEW JOBS BY SECTOR (2013 - 2018)

Occupation	New Jobs
Construction Services	1297
Administrative & Support Services	985
Building Construction	698
Accommodation & Food Services	495
Other Store & Non-Store Retailing	494
Education & Training	253

#### SECTORS WITH DECLINING JOBS 2013-2018

Occupation	Jobs Lost
Textile, Leather, Clothing, Footwear Manufacturing	-271
Central Gov Admin, Defence & Safety	-173

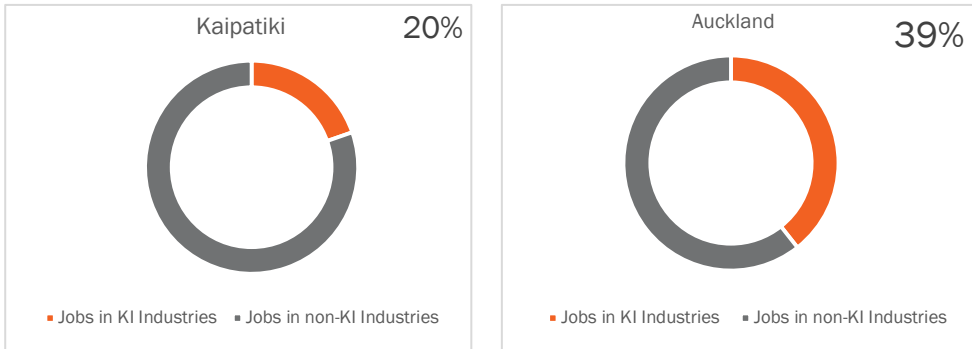


## Knowledge-intensive industries

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 per cent of jobs in Kaipātiki 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 Kaipātiki than they are in the region as a whole. Furniture manufacture, motor vehicle parts and fuel retail and polymer manufacturing being sectors that are particularly strongly represented in Kaipātiki. Printing is also represented strongly but is a small sector in employment terms.

### INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA

(source Infometrics)

Rank	Industry	Location Quotient	GDP (\$M)	Employees
1	Furniture & Other Manufacturing	5.2	34.8	522
2	Motor Vehicle, Parts & Fuel Retailing	3.8	67.2	932
3	Polymer Product & Rubber Product Manufacturing	3.2	45.9	356
4	Other Store & Non-Store Retailing	3.1	210.5	3,442
5	Basic Chemical & Chemical Product Manufacturing	2.6	39.9	191
6	Construction Services	2.6	193.1	3,419

## 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.

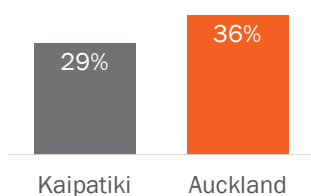
<sup>8</sup> Knowledge-intensive industries are industries that satisfy two basic criteria: At least 25 per cent of the workforce must be qualified to degree level and at least 30 per cent of the workforce must be employed in professional, managerial, as well as scientific and technical occupations.

Construction and advanced materials are the sectors of focus for ATEED that are well represented in Kaipātiki.

**EMPLOYMENT IN ATEED FOCUS SECTOR (2018)**

Share of Sector to Total	Auckland	Albert-Eden	+/- on A-E sector
Advanced Materials Related	1.7%	2.1%	25.9%
Commercial services	21.2%	13.1%	-38.3%
Construction & engineering	11.2%	16.1%	44.2%
Education	7.6%	7.9%	4.9%
Food & Beverage	3.5%	1.8%	-49.1%
Screen & creative	6.0%	3.3%	-45.2%
Technology	7.6%	6.9%	-9.1%
Tourism	6.2%	6.3%	2.7%
Transport & Logistics	2.9%	1.3%	-54.0%

**Highly Skilled Jobs (2018)**

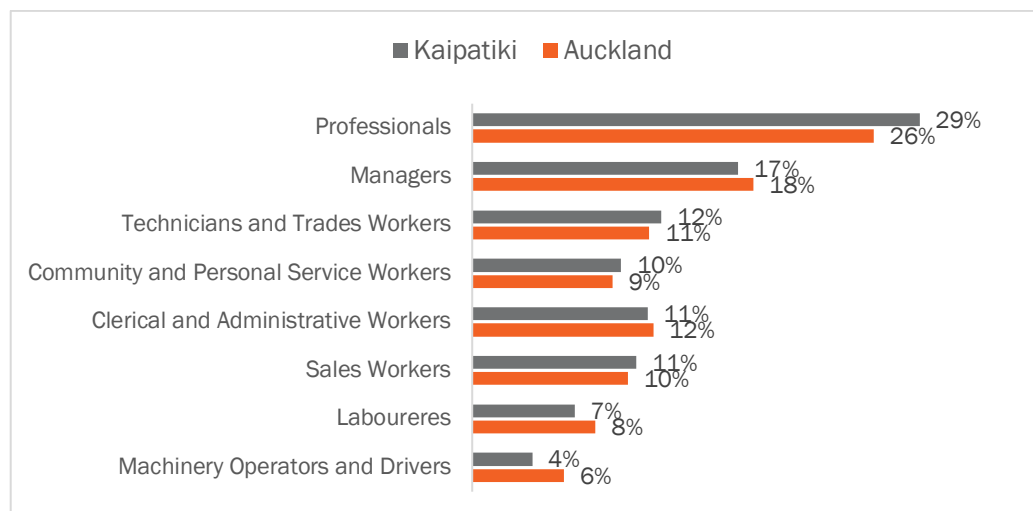


**Occupations <sup>9</sup>**

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 Kaipātiki (29 per cent) and higher proportion of low-skilled jobs (40 per cent) compared to the Auckland average.

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

**OCCUPATIONS OF KAIPATKI RESIDENTS (CENSUS 2018)**

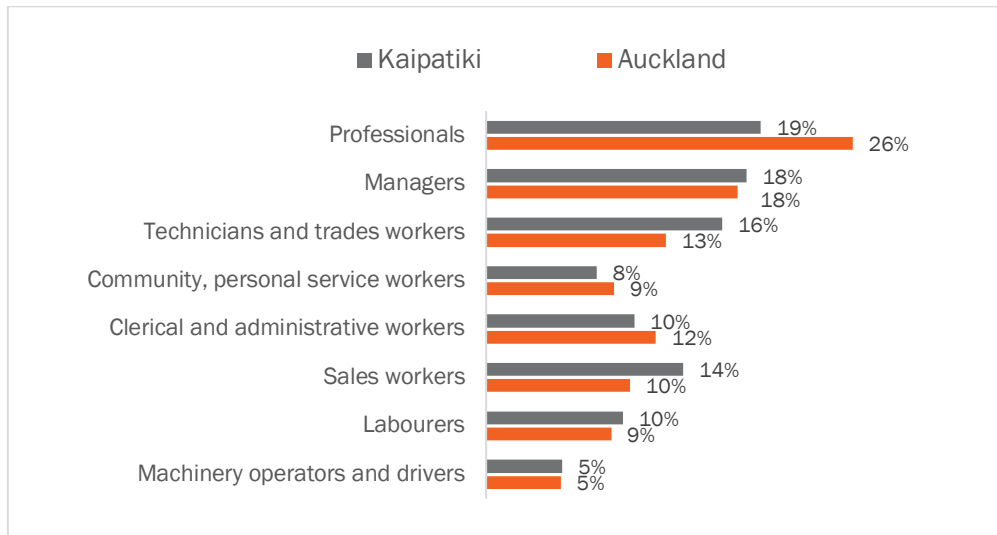


<sup>9</sup> The 2018 Census provides details of the occupations of residents of the local board area whereas Infometrics data provides details of occupations within businesses located in the local board area.

Of the jobs located in Kaipātiki, professionals are the largest occupational group (19 per cent), lower than the Auckland average (26 per cent). There are more technicians and trades and sales workers than the Auckland average.

#### OCCUPATIONS IN KAIPĀTIKI BASED BUSINESSES (2018)

(source Infometrics)



Specialist managers<sup>10</sup> are the largest occupational group in jobs located in Kaipātiki, followed by sales assistants and education professionals.

#### TOP 10 OCCUPATIONS BY EMPLOYMENT IN KAIPĀTIKI (2018)

(source Infometrics)

Rank	Occupations	Jobs	% of total jobs in Kaipātiki
1	Specialist Managers	3,045	9.5%
2	Sales Assistants & Salespersons	2,675	8.4%
3	Education Professionals	1,986	6.2%
4	Hospitality, Retail & Service Managers	1,362	4.3%
5	Chief Execs, General Managers, Legislators	1,283	4.0%
6	Construction Trades Workers	1,283	4.0%
7	Business, HR & Marketing Professionals	1,233	3.9%
8	Sales Representatives & Agents	1,111	3.5%
9	Automotive & Engineering Trades Workers	1,075	3.4%
10	Carers & Aides	971	3.0%
<b>Sub-total top 10 occupations</b>		<b>16,024</b>	<b>50.2%</b>
<b>Total jobs</b>		<b>31,931</b>	Note, includes self-employed

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

Many occupations saw significant growth from 2013-2018, particularly for managers and trades in the construction sector and education professionals. There was a decline in number of jobs in clerical positions and protective services.

**FASTEST GROWING OCCUPATIONS 2013-2018**

(source Infometrics)

Occupation	New Jobs
Specialist Managers	674
Construction Trades Workers	542
Education Professionals	304
Sales Assistants & Salespersons	281
Cleaners & Laundry Workers	190

**OCCUPATIONS WITH DECLINING JOBS 2013-2018**

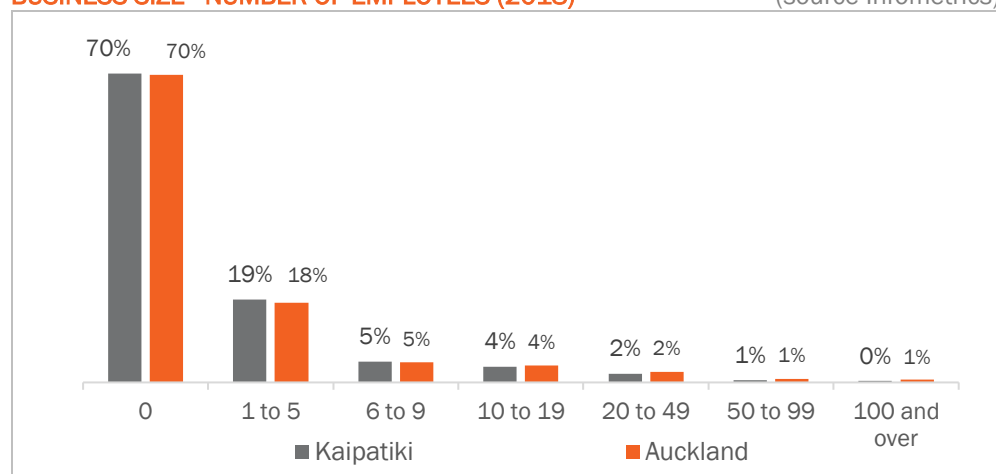
Occupation	Jobs Lost
Clerical & Office Support Workers	87
Protective Service Workers	44

**Business size<sup>11</sup>**

In 2018 there were 9,618 businesses in Kaipātiki employing an average of 3.3 employees each, smaller than the Auckland average 4.5 employees. The number of businesses grew 1.6 per cent a year on average over the last decade, a slower average growth rate than the Auckland average of 1.9 per cent.

**BUSINESS SIZE - NUMBER OF EMPLOYEES (2018)**

(source Infometrics)



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

## Future of Work in Kaipātiki

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.

Kaipātiki Local Board is located on the north shore adjacent to the centre of the Auckland region, close to important employment precincts in northern Auckland, while many residents 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 Kaipātiki with eight per cent of jobs in the area. Health care and social assistance 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 16 per cent of employment in Kaipātiki Local Board. Growth in these sectors is likely to positively impact on the Kaipātiki work force.

Professional services jobs include accounting, legal, architectural, engineering and management consulting services are forecast to grow 28 per cent (31,000 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**.

Kaipātiki has limited jobs in these professional occupations. Forecast growth in these sectors is likely to include some growth in Kaipātiki, however Kaipātiki residents also have easy access to the central city to access the growing number of professional service jobs there.

**With a largely managerial and professional workforce, focused on key growth areas of construction, health and education and being close to the city centre the outlook for Kaipātiki residents being able to access employment opportunities that match their skills and experience is positive.**

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

## Employment Zones

Employment in Kaipātiki is concentrated in a number of town centres and industrial areas such as Wairau Valley which include employment in light industry alongside large format retail. The mall at Glenfield is also a large employment zone.

Kaipātiki is a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 88,269 residents of Kaipātiki which has a labour force of 51,800. The local board area has a total of 31,931 jobs located within it. As a result, the area is a net exporter of labour to other parts of the city.

### Employment Zones

Employment in Kaipātiki is concentrated in a number of town centres plus the light industrial zone at Wairau Valley which has wholesale and retail jobs in addition to manufacturing.

#### EMPLOYMENT IN WAIRAU VALLEY\*

(source Infometrics)

Industry	Jobs
Construction Services	1875
Other Store-Based Retailing & Non-Store Retailing	1588
Wholesale Trade	1476
Motor Vehicle & Motor Vehicle Parts & Fuel Retailing	942
Other Services	777
Professional, Scientific & Technical Services	774
Fabricated Metal Product Manufacturing	716
Supermarket, Grocery Stores & Specialised Food Retailing	571
Health Care & Social Assistance	485
Accommodation & Food Services	448
<b>Total employment (all sectors)</b>	<b>13,425</b>

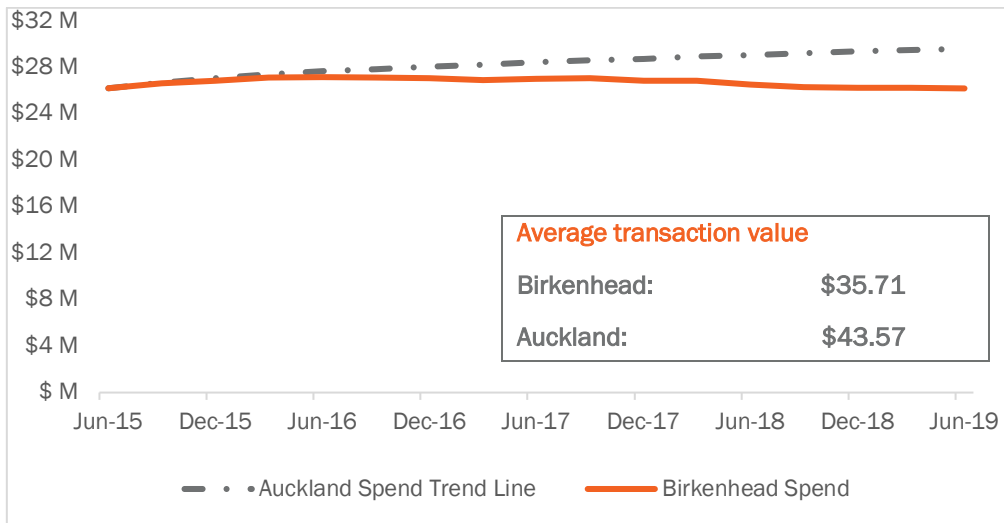
### Town Centres<sup>13</sup>

The main town centre employment zones in Kaipātiki are Birkenhead, Glenfield and Northcote.

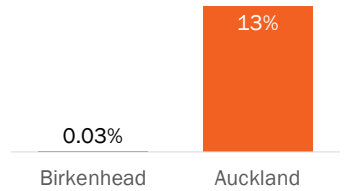
Spending in Birkenhead has not grown at the same rate as in Auckland as a whole, growing just 0.03 per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in Birkenhead was \$44.70, just above the Auckland average of \$43.57.

<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.

**BIRKENHEAD SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)**

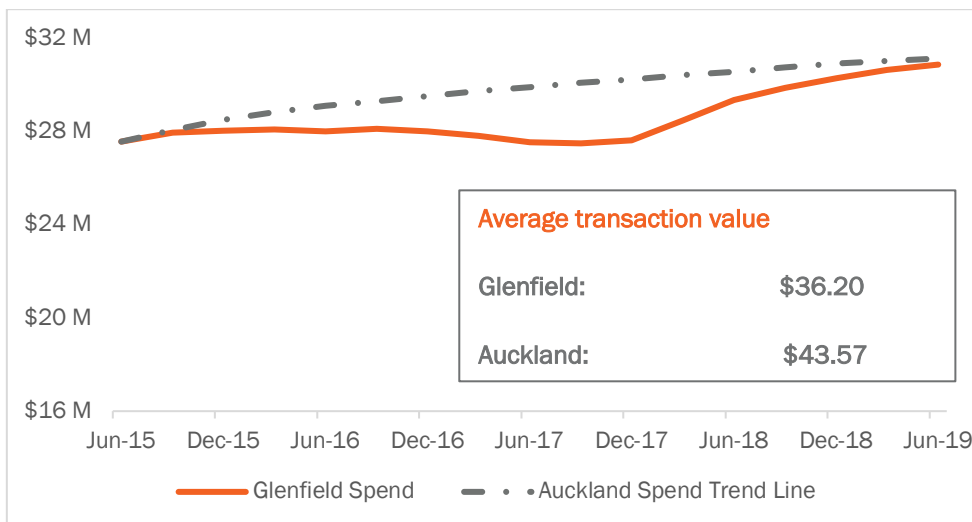


Spending growth 2015-2019  
(four quarter average)

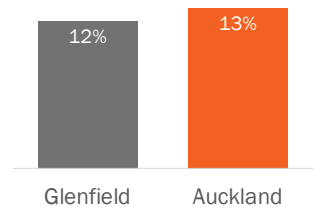


Spending in Glenfield has also not grown at the same rate as in Auckland as a whole, growing just 12 per cent between June 2015 and June 2019 compared to 13 per cent regionally. Spending did however start to increase in the last two years following a refurbishment of Glenfield Mall which is a significant feature of the town centre. The average transaction value in Glenfield was \$36.20, below the Auckland average of \$43.57.

**GLENFIELD SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)**

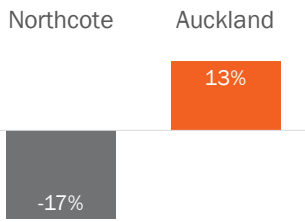


Spending growth 2015-2019  
(four quarter average)

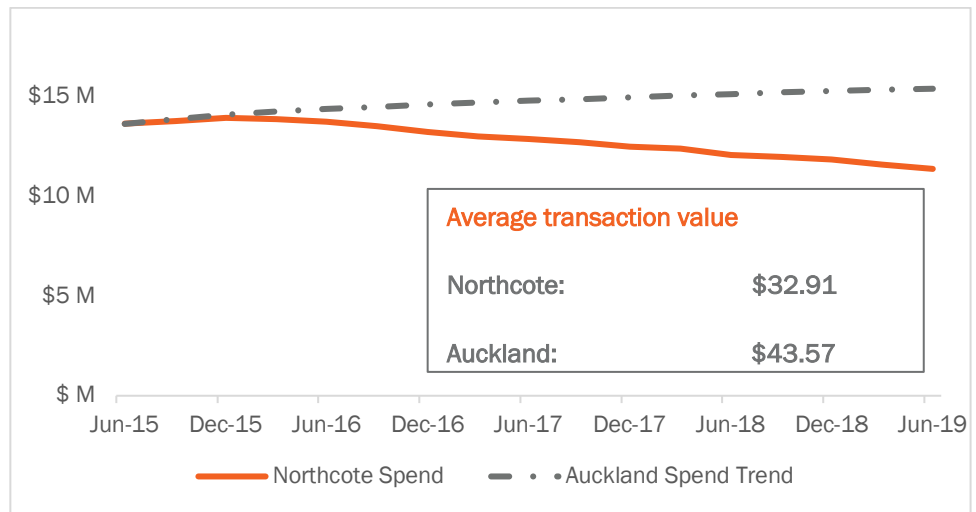


Spending in Northcote has not grown at the same rate as in Auckland as a whole, falling 17 per cent between June 2015 and June 2019 compared to 13 per cent growth regionally. The prospect of a major redevelopment of the Northcote town centre may have delayed investment by businesses in the centre, impacting on spending. The average transaction value in Northcote was \$32.91, below the Auckland average of \$43.57.

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



**NORTHCOTE SPEND AND AVERAGE TRANSACTION VALUE (2014-2019)**





## Development Trends

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

The large Housing New Zealand redevelopment at Northcote is set to have a significant impact of the area, as will the future Panuku Developemnt Auckland redevelopment of Northcote town centre.

Recent confirmation of the expected start date for construction of the pedestrian and cycle path over the harbour bridge may see development and economic opportunities arise in the 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. Auckland 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.

Two development areas are included in Kaipātiki with Northcote expecting to see growth in the short term with a major Housing New Zealand redevelopment already well underway and Birkenhead expected to see further growth in the medium term.

Northcote is well located close to the Northern Busway, Harbour Bridge and State Highway network. In addition to the redevelopment of the state housing stock in Northcote currently underway there are plans for Panuku Development Auckland to completely redevelop Northcote town centre.

There is private sector development interest in Birkenhead with some developments planned or underway. Should redevelopment of the Highbury Shopping Centre go ahead, this could trigger further development opportunities in Highbury.<sup>14</sup>

Development Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Birkenhead	11-30 years	2,820	580
Northcote	1-3 years	1450	320

### New building consents

There were 163 new dwellings consented in 2018, which was 2.1 per cent of the 7,824 issued in the Auckland region. The number of new dwellings consented has been at increasing steadily since 2011 with development of apartments in Birkenhead occurring following the new Auckland Unitary Plan.

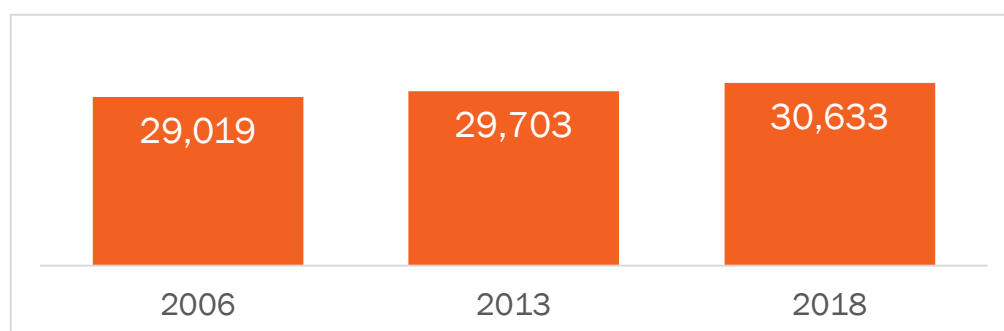
The area has also some significant developments of its Housing New Zealand stock including a major redevelopment and residential intensification at Northcote.

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

930

Additional dwellings

There were just 930 additional dwellings in Kaipātiki in the 2018 Census compared to 2013.



At the 2018 Census there were 1653 unoccupied dwellings and 123 under construction. Between 2013 and 2018 Censuses there were just 930 additional dwellings in Kaipātiki an increase of 3.1 per cent compared to a 6.5 per cent increase across the region.

### Future Development

The construction the **Auckland Harbour Bridge Shared Path** will provide direct cycle and pedestrian connections to the city centre and could provide economic development opportunities in Northcote and Birkenhead.

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

# 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 Kaipātiki Local Board seeks to ensure that Kaipātiki develops vibrant town centres. In addition to town centres the local board would like the Wairau Valley and other business areas to provide our community with the opportunity to work locally.

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 our advice 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

Kaipātiki offers limited skilled employment opportunities locally with a low share of professional jobs and jobs in knowledge intensive industries. The area does however have good access to the central city where higher skilled jobs are located. Ensuring easy access to these jobs is key.

### ECONOMIC DEVELOPMENT OPPORTUNITIES

LED work stream	Potential area of focus in Kaipātiki 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>	Continue to improve the quality of town centres.  Work with Panuku and other parts of Auckland Council to revitalise Northcote.
<b>Enterprise</b>	Consider co-funding (with ATEED and other local boards) enterprise support programmes that meet the needs of the community that are currently not met by mainstream regional programmes (such as PopUp Business School).  Support the Young Enterprise Scheme that provides a business experience for local schools.  Encourage greater uptake of tertiary education opportunities.
<b>Economic intelligence</b>	Update of Prosperity Index to keep local board informed of socio-economic picture in their area.
<b>Leveraging local opportunities</b>	The Auckland Harbour Bridge Shared Path will provide an opportunity to attract visitors to central Auckland over to the north shore providing opportunities for the visitor economy.

# 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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