

AUCKLAND ECONOMIC OVERVIEWS

MĀNGERE- ŌTĀHUHU

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 Monitor¹ and Auckland Index² 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 Index³, 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.

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

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

³ <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:

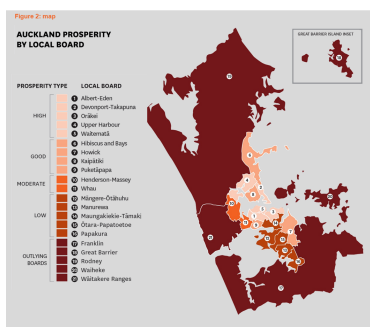
- 'Places' by supporting the town centres and business associations that provide much of their local employment or working with Panuku Development Auckland and ATEED to regenerate their town centres and attract investment and jobs
- 'People' through support for community organisations that work with 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 Māngere-Ōtāhuhu local economic development overview?

This economic development overview of the Māngere-Ōtāhuhu Local Board area looks at:

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

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.



Māngere-Ōtāhuhu Local Board Economic Overview 2019

Summary



Māngere-Ōtāhuhu is one of the region's least prosperous local board areas with above average levels of unemployment and low levels of home ownership. The area has high levels of employment in postal, courier & warehousing services as well as transport and wholesale trade. The presence of the airport is a significant economic driver.



Population growth

The area predominantly has a Samoan and Tongan population with a sizeable New Zealand European and Māori community.



Unemployment rate

Unemployment has been higher than the regional average over the last five years.



Significant employers

Over the five years 2013-2018, the fastest growing industries by GDP in the local board area were financial & insurance services and information media & telecommunications although they all grew from a relatively small base. Postal, courier & warehousing provided the largest increase in job numbers.



Local employment opportunities

Postal, courier & warehousing services as well as rail, water, air & other transport and wholesale trade are the main employment sectors. Accommodation & food, professional services and education are also significant employers. Together these six sectors provide over 54 per cent of local employment.



Residential developments

The Unitary Plan, along with the Auckland Plan, provides the policy framework by which development is enabled and assessed. Under this framework the area is likely to see higher density residential developments. The proposed light rail between CBD and Auckland Airport is set to have a significant impact on the area.

Jobs in Knowledge Intensive Industries

19.0%

Māngere-Ōtāhuhu

39.0%

Auckland

School leavers moving on to degree level study (2018)

34.0%

Māngere-Ōtāhuhu

42.0%

Auckland

LOCAL BOARD ASPIRATIONS



In its current Local Board Plan the Māngere-Ōtāhuhu Local Board seeks to ensure that Māngere-Ōtāhuhu attracts and supports businesses and that the community, especially Māori and Pacific youth, has a range of opportunities to gain skills and employment. The local board's vision is for more people with higher education achievements to gain well-paid employment and working locally.



KEY OPPORTUNITIES

Work with businesses and other organisations to help young people gain skills and to be productively engaged and employed.



KEY CHALLENGES

Educational attainment is low and few progress into tertiary education. Unemployment is also high, meaning household incomes in the area are low.

People and Households

Māngere-Ōtāhuhu is one of Auckland's most populous local board areas with a population of 78,450 that is forecast to increase to 103,100 by 2038. The area has an ethnically diverse population with many residents from the Pacific islands.

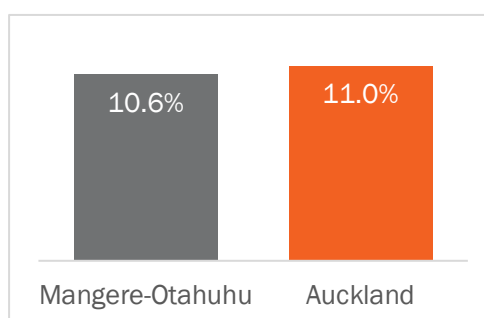
Māngere-Ōtāhuhu is one of Auckland's less prosperous areas. The Auckland Prosperity Index report showed that while there has been strong growth in the number of businesses in Māngere-Ōtāhuhu, the area's low skill base is reflected in the lack of highly skilled jobs in the area.

	Māngere-Ōtāhuhu	Auckland / Share of Auckland
Population (2018)	78,450	5.0%
Population growth (2013-2018)	10.6%	11.0%
Median Age (2018)	29.3	34.8
Labour force (2018)	38,000	867,090
Labour force participation (2018)	62%	71%
Home ownership (2018)	29%	45%

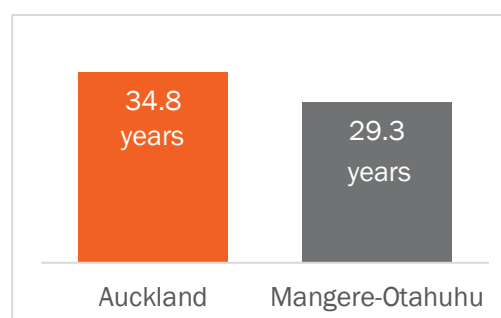
Population

The Māngere-Ōtāhuhu Local Board area has experienced average population growth in recent years when compared to the region.

POPULATION GROWTH (2013-2018)



MEDIAN AGE (CENSUS 2018)

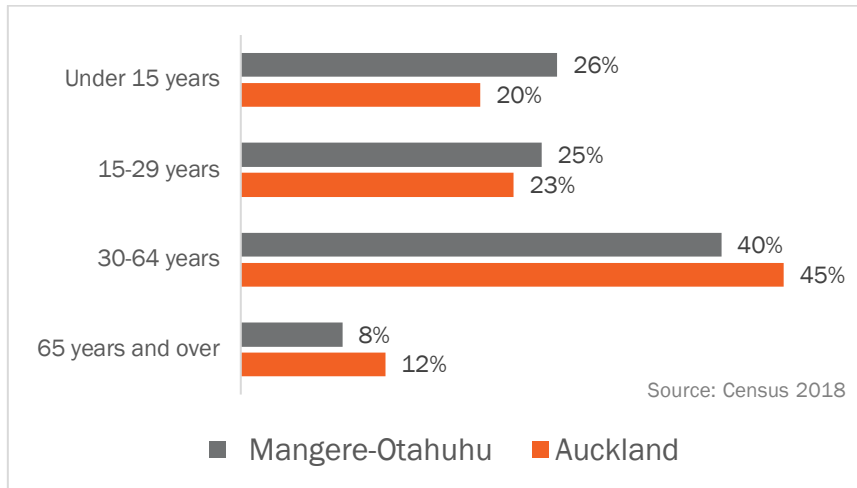


Between the 2013 and 2018 censuses population growth was 10.6 per cent compared to 11 per cent regionally. Medium population projections⁴ suggest that Māngere-Ōtāhuhu could be home to 103,100 residents by 2038 an increase of 15,000.

⁴ Source: Statistics New Zealand

Māngere-Ōtāhuhu has a young population with a lower median age compared to the region and its working age population is slightly smaller than the regional average and there are proportionately more young people and also fewer people of retirement age

AGE STRUCTURE (CENSUS 2018)

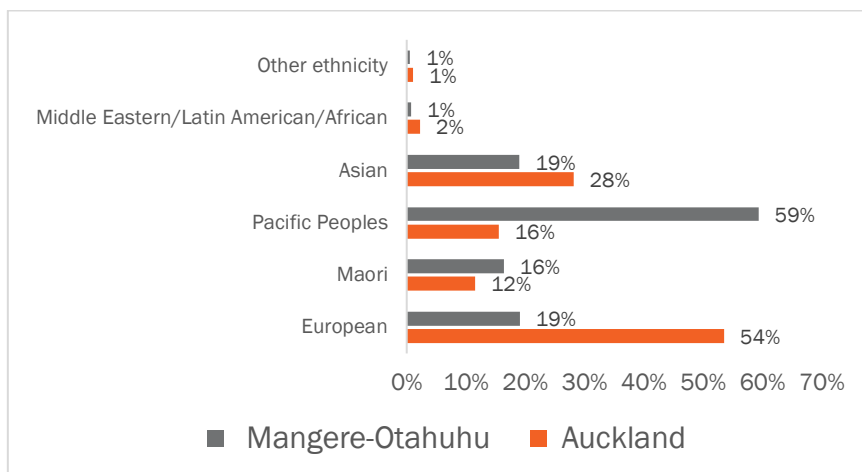


Ethnicity

Māngere-Ōtāhuhu has a large proportion of residents born overseas (41 per cent) and 15 per cent of people born overseas had been in New Zealand less than five years.

Fifty-nine per cent of the population are Pacific Peoples, much higher than the regional average, with significant Samoan, Tongan and Cook Island Māori populations. Māori are also strongly represented while the European population is just 19 per cent compared to 54 per cent regionally. The area also has a significant Indian population.

ETHNIC MAKE-UP (CENSUS 2018)



Languages

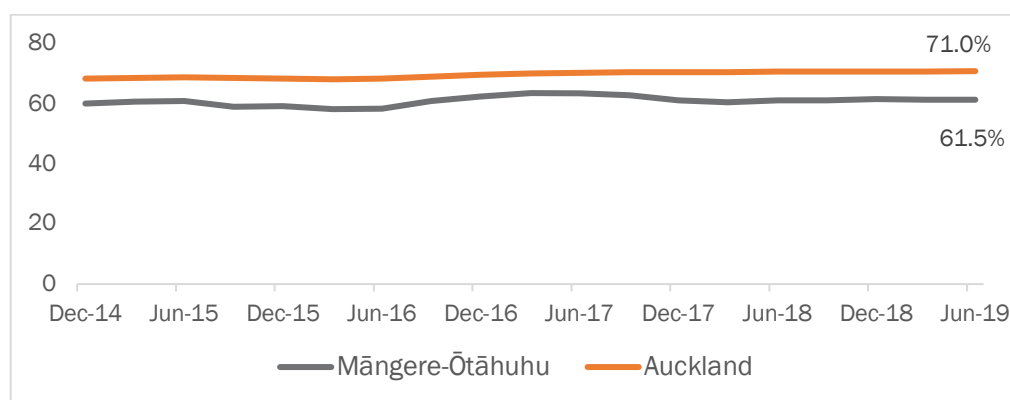
With a diverse population there are a wide range of languages in use in Māngere-Ōtāhuhu, ninety-one per cent of residents are able to speak English.

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 Māngere-Ōtāhuhu is 62 per cent, much lower than the Auckland rate (71 per cent).

LABOUR FORCE PARTICIPATION RATE OVER TIME

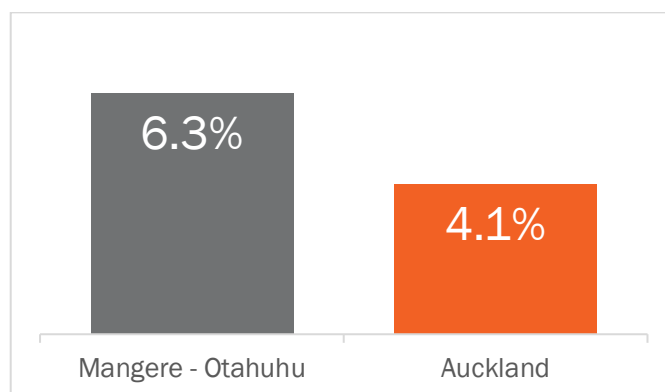


62%

The labour force participation rate in Māngere-Ōtāhuhu was 62 per cent in June 2019, lower than the Auckland rate (71 per cent)

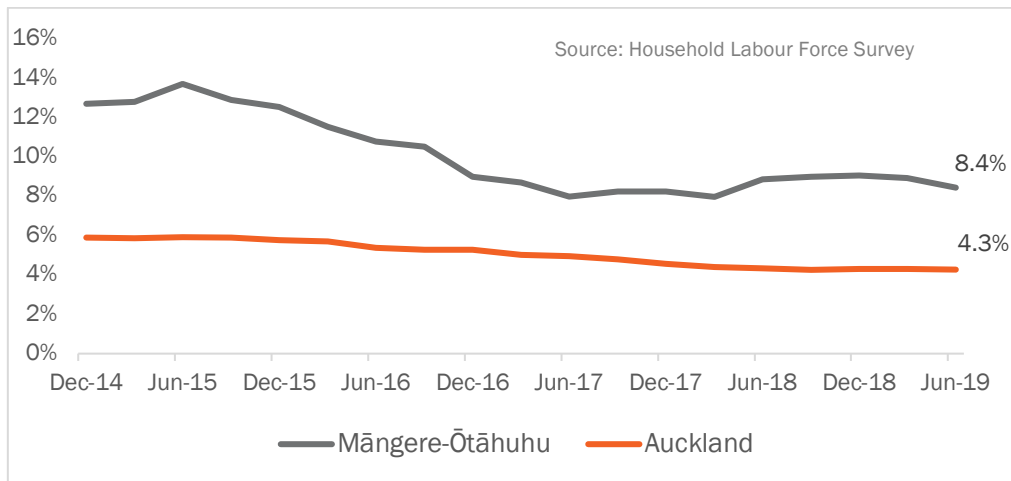
The unemployment rate in the 2018 Census⁵ was 6.3 per cent in the Māngere-Ōtāhuhu Local Board area, higher than the Auckland region unemployment rate of 4.1 per cent.

UNEMPLOYMENT RATE (CENSUS 2018)



⁵ 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)

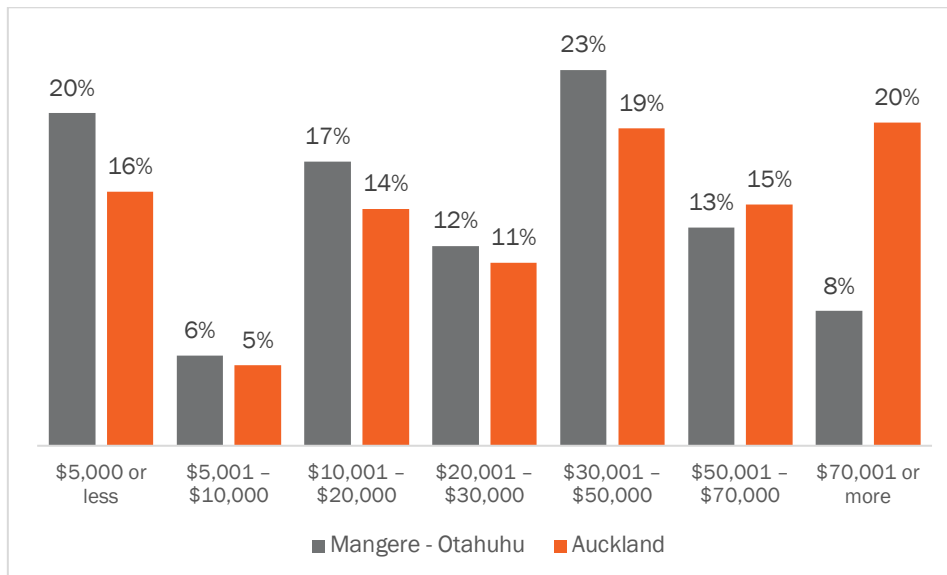


Unemployment measured by the Household Labour Force Survey in Māngere-Ōtāhuhu has remained above the Auckland average over the last five years.

Incomes

Analysis of individual income levels in 2018 shows that there was a lower proportion (eight per cent) of persons earning a high income (over \$70,000 per year) in Māngere-Ōtāhuhu compared to the region (20 per cent).

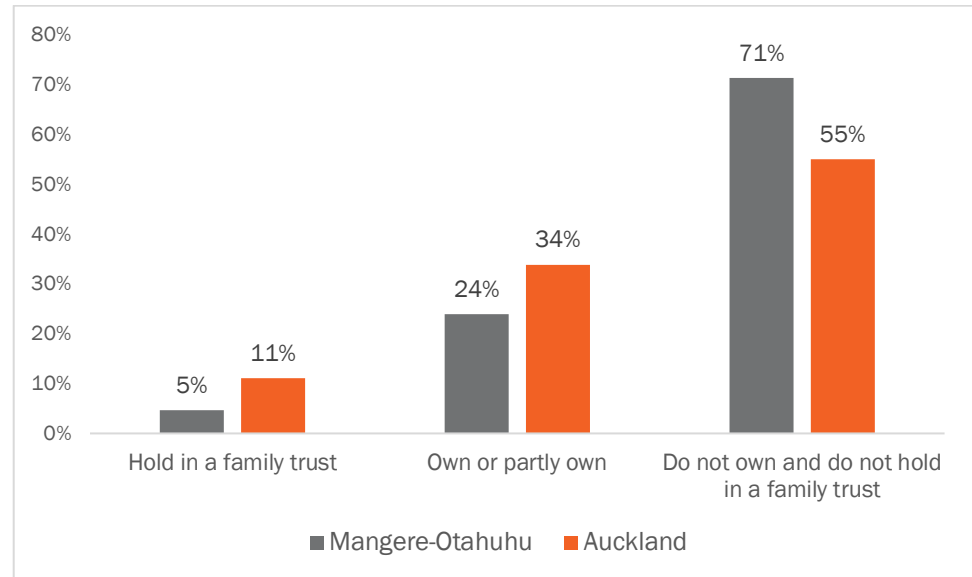
INDIVIDUAL INCOMES (CENSUS 2018)



In 2018, six per cent of households in Māngere-Ōtāhuhu derived self-employment or business income, below the rate across all Auckland households (15 per cent).

Home ownership in Māngere-Ōtāhuhu is lower than the regional average; in 2018, 29 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.

HOME OWNERSHIP (CENSUS 2018)



Skills

Māngere-Ōtāhuhu has a less well qualified labour force with a low proportion of residents educated to degree level or higher. Fewer school leavers from Māngere-Ōtāhuhu leave with NCEA Level 2 or NCEA Level 3 and fewer progress from school in to tertiary education.

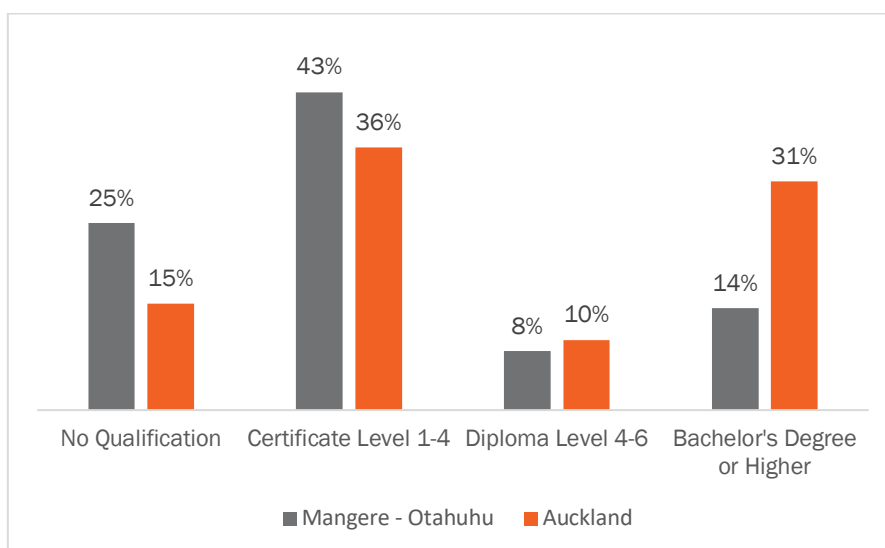
Qualifications

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 leavers 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 2017.⁶

RESIDENTS' HIGHEST QUALIFICATIONS (CENSUS 2018)



⁶ https://www.educationcounts.govt.nz/statistics/indicators/main/education-and-learning-outcomes/unemployment_rates_by_highest_qualification

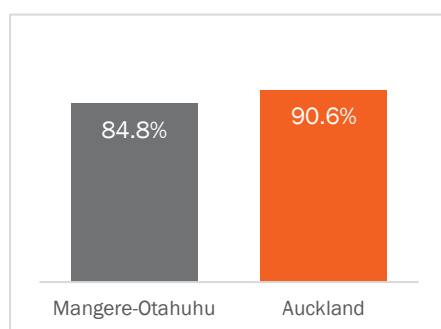
In 2018, 14 per cent of adult residents in Māngere-Ōtāhuhu had gained a bachelor's degree or higher, a lower proportion than the Auckland region (31 per cent). Twenty-five per cent of residents had no educational qualifications compared with 15 per cent across the region⁷.

NCEA is the national school-leaver qualification and is used as the benchmark for entrance selection by universities and polytechnics. In 2018, 15 per cent of school leavers in Māngere-Ōtāhuhu did not achieve the standard for NCEA Level 1 compared to nine per cent regionally.

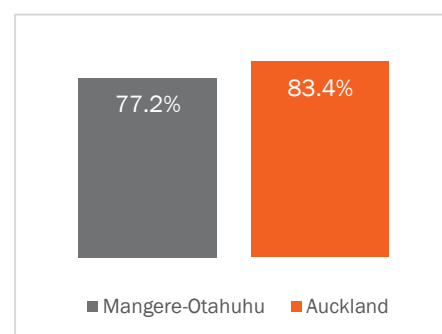
In 2018, 23 per cent of school leavers in Māngere-Ōtāhuhu did not achieve NCEA Level 2, which provides the foundation skills required for employment. This is higher than the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

NCEA – STUDENTS ATTAINING NCEA (2018)

LEVEL 1



LEVEL 2

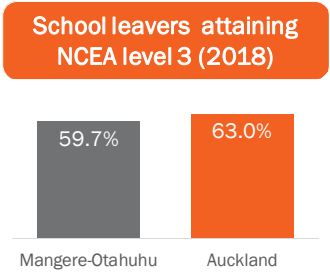


NCEA 1 ATTAINMENT BY ETHNICITY (2018)

Percentage achieving NCEA	Level 1	Level 2
European	93.3%	89.3%
Māori	71.6%	59.4%
Pacific	83.1%	74.5%
Asian	92.0%	89.8%
Middle East, Latin American, African	100%	75.0%
Other	100%	100%
Total Local Board	84.8%	77.2%
Total Auckland	90.6%	83.4%

⁷ Highest qualification is derived for people aged 15 years and over

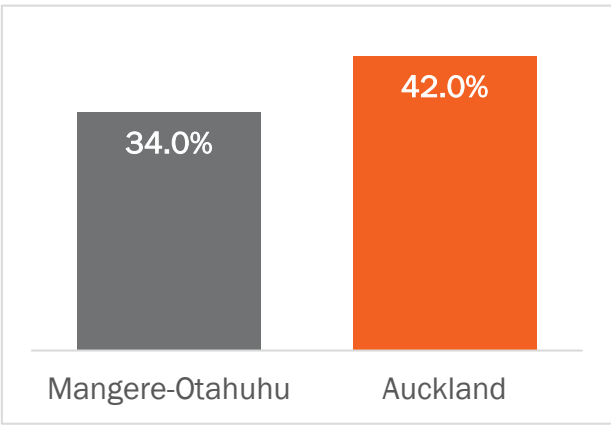
NCEA Level 3 is regarded as the minimum level required for university entry. Sixty per cent of Māngere-Ōtāhuhu school leavers achieved this, lower than the Auckland average of 63 per cent.



DESTINATION OF SCHOOL LEAVERS IN THEIR FIRST YEAR AFTER LEAVING

	Bachelors and above	Certificates & diplomas levels 3-7	Certificates Levels 1-2	Not enrolled in tertiary education	Total Leavers
Māngere-Ōtāhuhu	34.0%	20.8%	4.4%	40.8%	1218
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-four per cent of Māngere-Ōtāhuhu school leavers did this, lower than the Auckland average of 42 per cent. Similar proportions moved into certificate and diploma level study, but overall fewer (59 per cent) enrolled in some form of tertiary education than the regional average (66 per cent)

Local Economy

Māngere-Ōtāhuhu has a strong local economy driven by transport postal and warehousing due to the location of Auckland Airport and the business park located alongside it. Manufacturing and wholesale trade also provide many local employment opportunities. There has been recent growth in the number of jobs in warehousing, transport and administrative support services.

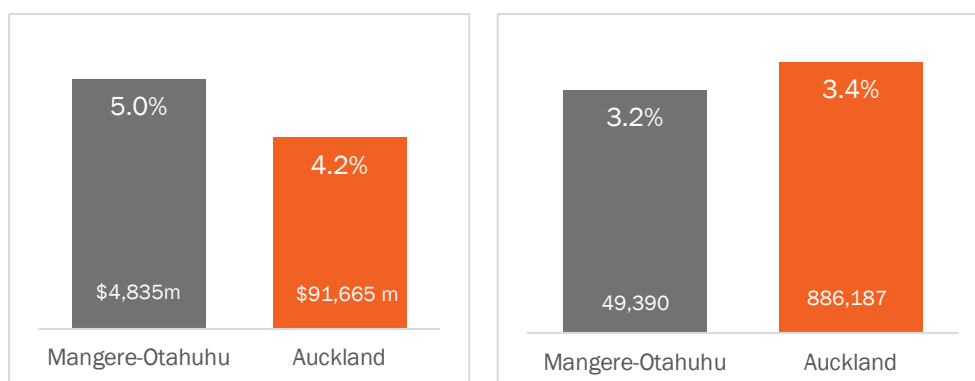
Growth and employment trends

In 2018, GDP in Māngere-Ōtāhuhu experienced growth of 3.7 per cent, higher than the growth rate in Auckland (2.7 per cent). In the five years to 2018 the Māngere-Ōtāhuhu economy grew at an average annual rate of 5.1 per cent, significantly higher than the 2.7 per cent in the Auckland region.

However, employment in Māngere-Ōtāhuhu increased by an average of 2.3 per cent pa in the five years from 2013-2018, behind the Auckland regional growth rate of 3.4 per cent. Over the last five years Māngere-Ōtāhuhu job numbers increased the most in Postal, Courier & Warehousing Services (+7,176 jobs), Rail, Water, Air & Other Transport (+5,676), Wholesale Trade (+4,419) and Accommodation & Food Services (+3,228) sectors.

AVERAGE ANNUAL GDP AND EMPLOYMENT GROWTH

(source Infometrics)



Over the five years 2013-2018, the fastest growing industries by GDP in Māngere-Ōtāhuhu were financial and insurance services, information media and telecommunication although they all grew from relatively small base.

FASTEST GROWING INDUSTRIES BY GDP (ANZSIC LEVEL 1)

(source Infometrics)

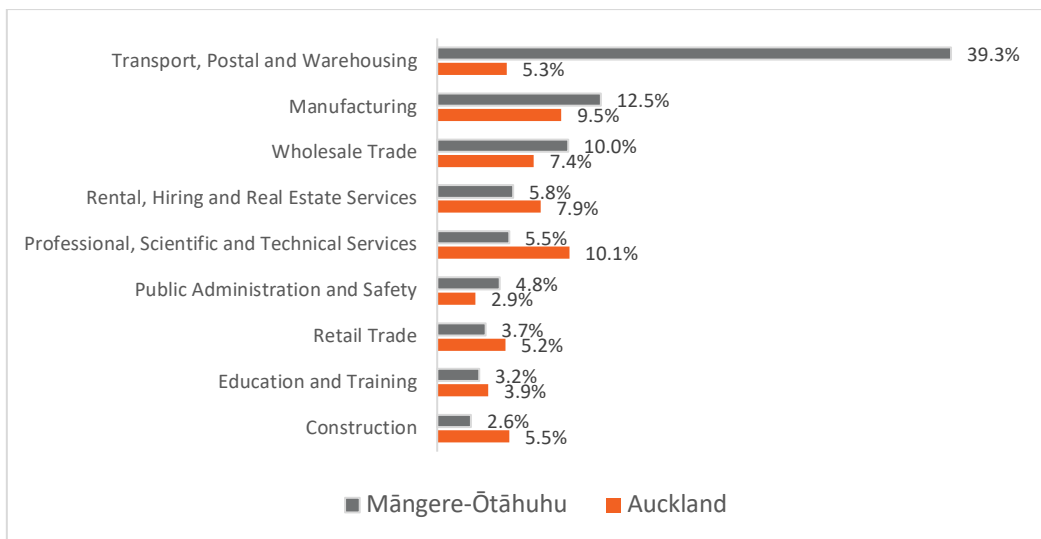
Industry	Average p.a. change
Financial & Insurance Services	17%
Information Media & Telecommunications	12%
Administrative & Support Services	9%
Agriculture, Forestry & Fishing	8%
Rental, Hiring & Real Estate Services	7%
Transport, Postal & Warehousing	7%

Industry mix

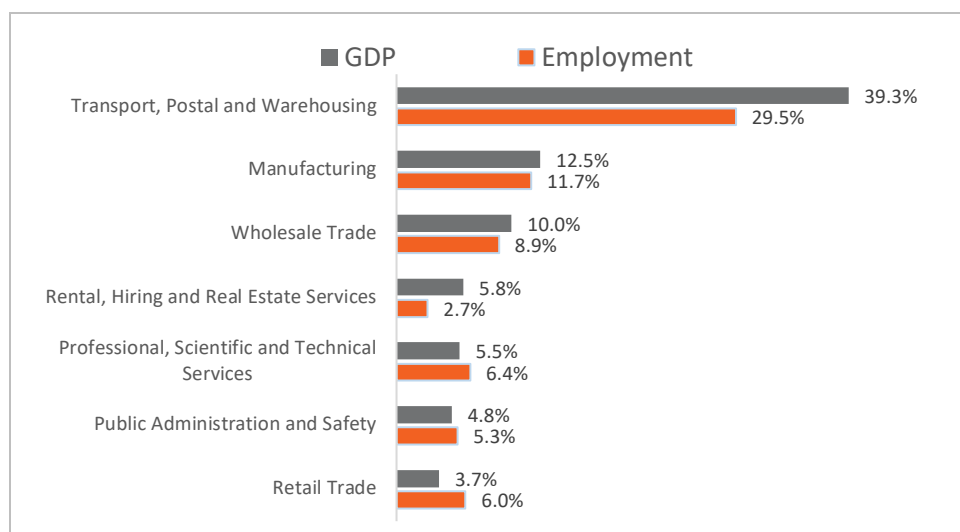
Māngere-Ōtāhuhu's future economic performance depends on its combination of a sufficiently diversified industrial base and clusters of sectors that have the potential to achieve high rates of productivity and export growth. The main sector with a strong presence the Māngere-Ōtāhuhu economy are transport,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

BROAD INDUSTRY MIX BY GDP (ANZSIC LEVEL 1)

(source Infometrics)



- **Transport, postal & warehousing** contributed 39 per cent of Māngere-Ōtāhuhu's GDP but provided 30 per cent of the area's employment.
- **Manufacturing** contributed 13 per cent of Māngere-Ōtāhuhu's GDP and provided 12 per cent of the area's employment.
- **Wholesale Trade** contributed 10 per cent of Māngere-Ōtāhuhu's GDP and provided nine per cent of the area's employment

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

Transport, manufacturing and wholesale trade are the key employment sectors in Māngere-Ōtāhuhu.

Looking at more detailed sub-sectors we see that postal, courier & warehousing services is a key employment sector.

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

Rank	Industry	Jobs	% of Māngere-Ōtāhuhu Total
1	Postal, Courier & Warehousing Services	7,176	16.3%
2	Rail, Water, Air & Other Transport	5,676	15.9%
3	Wholesale Trade	4,419	11.6%
4	Accommodation & Food Services	3,228	8.5%
5	Professional, Scientific & Tech Services	3,151	5.4%
6	Education & Training	2,829	5.1%
7	Central Gov Admin, Defence & Safety	2,597	4.8%
8	Other Store & Non-Store Retailing	1,800	3.7%
9	Administrative & Support Services	1,750	3.5%
10	Health Care & Social Assistance	1,748	3.3%
Total top 10 industries		34,374	69.6%
All other industries		15,016	30.4%
Total employment		49,390	

Postal, Courier & Warehousing Services and Administrative & Support Services have seen the greatest employment growth over the last five years with 1,086 jobs and 715 jobs added.

Freight forwarding services is the most significant source of postal, courier & warehousing jobs while air and space transport is the main employment transport sector. General groceries wholesaling is the main wholesale trade employment sector while cafes and restaurants are the main employment sectors in accommodation & food Services.

Postal, courier & warehousing services have seen the greatest employment growth over the last five years with administration, transport and accommodation and food services also seeing large increases.

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

Sector	New Jobs
Postal, Courier & Warehousing Services	1086
Administrative & Support Services	715
Rail, Water, Air & Other Transport	642
Accommodation & Food Services	511
Building Construction	480

SECTORS WITH DECLINING JOBS - 54 SECTOR CLASSIFICATION 2013-2018

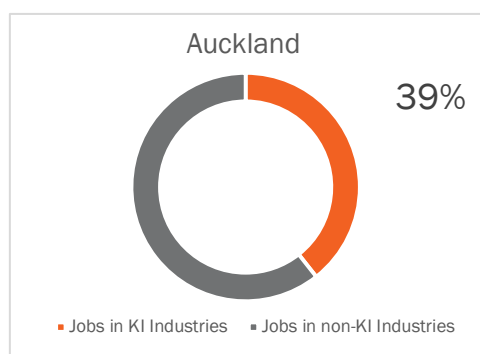
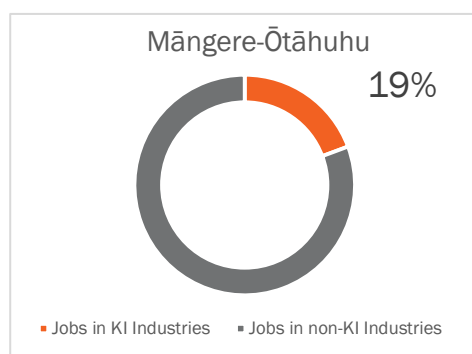
Occupation	Jobs Lost
Education & Training	-275
Construction Services	-184
Fabricated Metal Product Manufacturing	-145

Knowledge-intensive industries

Knowledge intensive industries⁸ represent an increasing share of the New Zealand economy's output and employment and may be a source of future productivity growth. Only 19 per cent of jobs in Māngere-Ōtāhuhu are in knowledge intensive industries which is lower than the regional average of 39 per cent. This is due to the top 3 industries not being classified as knowledge intensive industries.

JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES

(source Infometrics)



Comparative Advantage

A number of sectors are more strongly represented in Māngere-Ōtāhuhu than they are in

⁸ 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.

the region as a whole. There are several manufacturing sectors that are particularly strongly represented in Māngere-Ōtāhuhu including textiles, chemicals, food and meat manufacturing and wood and paper products.

INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA

(source Infometrics)

Rank	Industry	Location Quotient	GDP (\$M)	Employees
1	Rail, Water, Air & Other Transport	17.8	824.2	5,676
2	Postal, Courier & Warehousing Services	9.6	926.8	7,176
3	Transport Equipment Manufacturing	7	175	1742
4	Rental & Hiring Services	4	216.9	1132
5	Wholesale Trade	2	483.2	4,419
6	Furniture & Other Manufacturing	1.9	26	400
7	Road Transport	1.9	147.9	1,701

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.

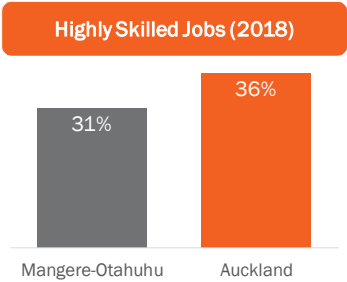
Food and beverage is one of the sectors of focus for ATEED that is well represented in Māngere-Ōtāhuhu. The large share of tourism related businesses is due to the presence of Auckland Airport. Likewise transport and logistics is concentrated in and around Auckland Airport, although the presence of important state highways and the railway are other significant assets to this sector.

EMPLOYMENT IN ATEED FOCUS SECTOR (2018)

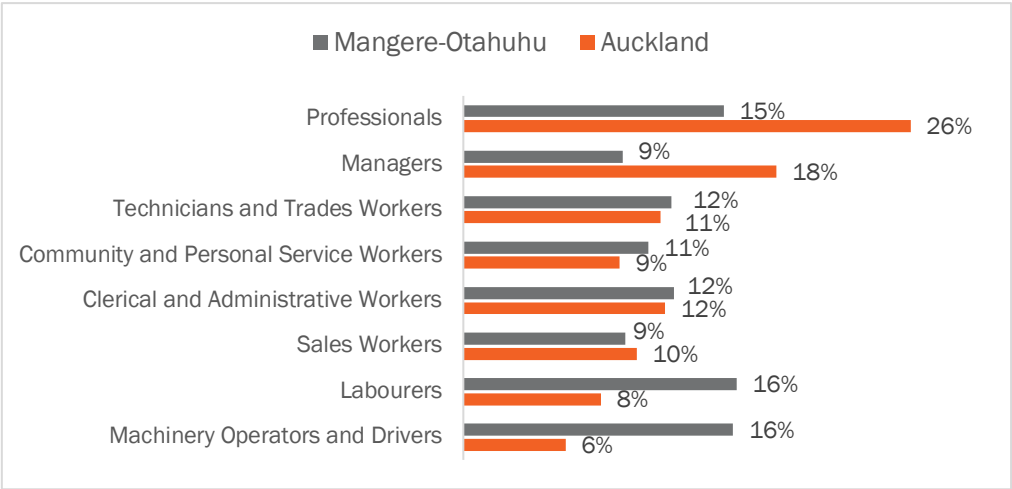
Share of Sector to Total	Auckland	Māngere-Ōtāhuhu	+/- on M-O sector
Advanced Materials Related	1.7%	1.0%	-38.8%
Commercial services	21.2%	10.6%	-50.1%
Construction and engineering	11.2%	4.5%	-59.6%
Education	7.6%	5.7%	-24.2%
Food and Beverage	3.5%	5.3%	49.8%
Screen and creative	6.0%	0.7%	-89.1%
Technology	7.6%	7.5%	-1.7%
Tourism	6.2%	16.3%	164.1%
Transport and Logistics	2.9%	16.6%	467.0%

Occupations ⁹

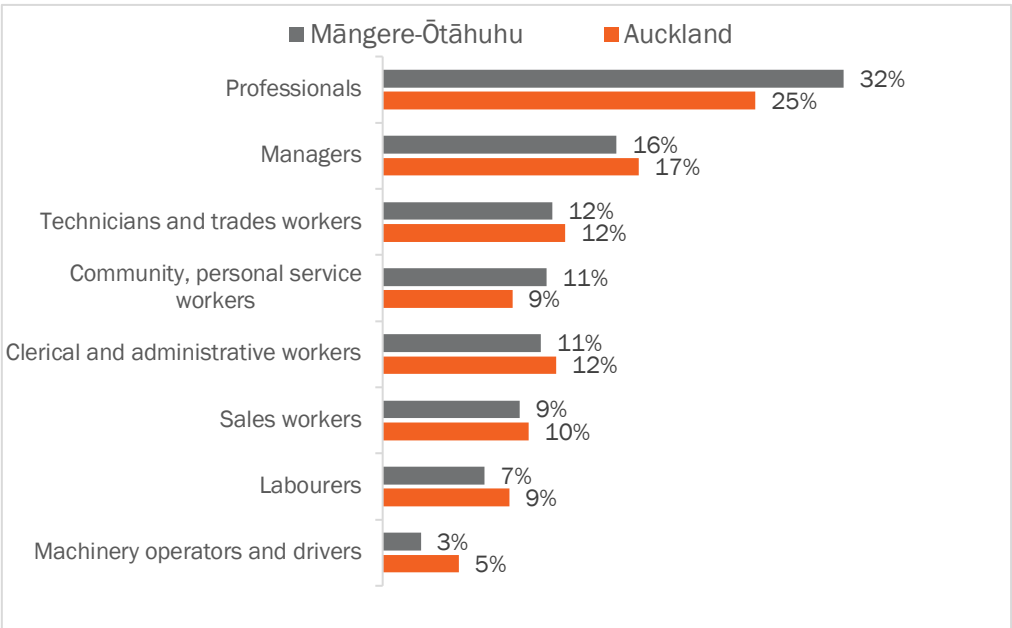
Higher skilled jobs offer people an improved standard of living and are a critical component in attracting workers to an area. Statistics NZ allocates occupations to skill levels based on the range and complexity of tasks performed in a particular job. The skill level does not relate to the qualifications 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 Māngere-Ōtāhuhu (31 per cent) and higher proportion of low-skilled jobs (43 per cent) compared to the Auckland average (36 per cent and 37 per cent respectively).



OCCUPATIONS OF MĀNGERE-ŌTĀHUHU RESIDENTS (CENSUS 2018) (source Infometrics)



OCCUPATIONS IN M-O BASED BUSINESSES (2018) (source Infometrics)



⁹ 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.

The occupational profile of jobs in the area is very different to that of the residents. **Of the jobs in Māngere-Ōtāhuhu, professionals are the largest occupational group (32 per cent), higher than the Auckland average (26 per cent).** The occupational structure of other jobs in the local board area is in line with that of the wider region

Specialist managers¹⁰ are the largest occupational group in Māngere-Ōtāhuhu in 2018. Compared to the region, there are a much higher proportion of workers in professional occupations in Māngere-Ōtāhuhu.

TOP 10 OCCUPATIONS BY EMPLOYMENT (2018)

(source Infometrics)

Rank	Occupations	Jobs	% of total jobs in Māngere-Ōtāhuhu
1	Specialist Managers	4,496	9.1%
2	Design, Engineering, Science Professionals	2,683	5.4%
3	Business, HR & Marketing Professionals	2,369	4.8%
4	Automotive & Engineering Trades Workers	2,326	4.7%
5	Education Professionals	2,317	4.7%
6	Road & Rail Drivers	2,165	4.4%
7	Sales Assistants & Salespersons	2,101	4.3%
8	Sales Representatives & Agents	2,008	4.1%
9	Hospitality, Retail & Service Managers	1,891	3.8%
10	Chief Execs, General Managers, Legislators	1,863	3.8%
Sub-total Top 10 occupations		24,219	49.1%
Total jobs		49,390	Note, includes self-employed

Many occupations saw significant growth from 2013-2018, particularly for professional occupations and managers and trades in the construction sector. There was a decline in numbers employed in health professionals and clerical positions.

FASTEST GROWING OCCUPATIONS 2013-2018

(source Infometrics)

Sector	New Jobs
Cleaners & Laundry Workers	754
Specialist Managers	560
Design, Engineering, Science Professionals	374
Sales Representatives & Agents	251
Hospitality, Retail & Service Managers	241

¹⁰ Specialist managers include managers in advertising, construction, ICT, business administration and education.

OCCUPATIONS WITH DECLINING JOBS 2013-2018

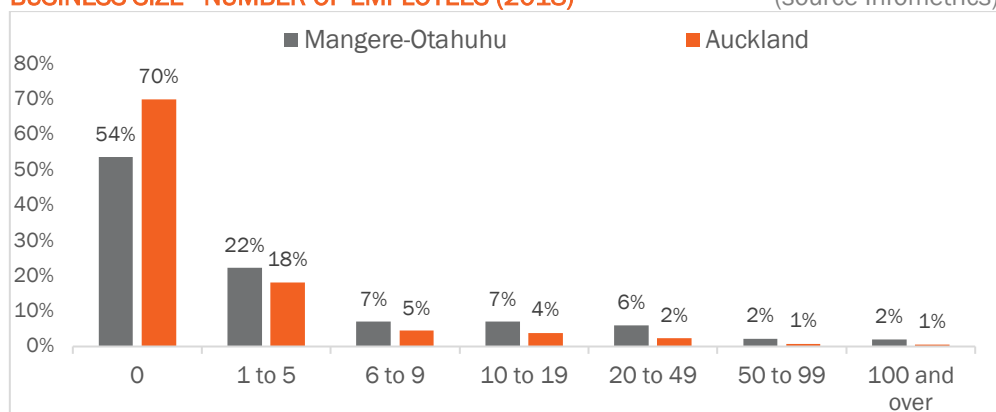
Occupation	Jobs Lost
Education Professionals	-75
Health Professionals	-38
General Clerical Workers	-16

Business size¹¹

In 2018 there were 4,572 businesses in Māngere-Ōtāhuhu employing an average of 10.8 employees each, significantly larger than the Auckland average 4.5 employees. The number of businesses increased on average 1.8 per cent per year over the last decade, similar to the Auckland average of 1.9 per cent.

BUSINESS SIZE - NUMBER OF EMPLOYEES (2018)

(source Infometrics)



Future of Work in Māngere-Ōtāhuhu

In 2019 ATEED commissioned work¹² 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.

Māngere-Ōtāhuhu Local Board is located in the south of the Auckland region close to important employment precincts in south Auckland as well as the location of Auckland Airport, while just 10 per cent of 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.

Health and education are of limited importance as employment sectors in the area providing just two per cent and three per cent of jobs respectively. Forecast growth in

¹¹ Large businesses are defined as entities with 20 or more employees

¹² Auckland Future Skills, Martin Jenkins (May 2019)

these sectors is likely to have limited impact of the area. Postal, Courier & Warehousing Services is an important employment sector in Māngere-Ōtāhuhu with 30 per cent of jobs in the area. Manufacturing is also important and provides 12 per cent of the area's jobs. There will be some employment growth in these areas across south Auckland.

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.**

As a Southern local board area dominated by employment at the Airport precinct, Māngere-Ōtāhuhu has a few jobs in these sectors. Forecast growth in these sectors is likely to include limited growth in Māngere-Ōtāhuhu. Māngere-Ōtāhuhu residents also have potential to access to the central city to access the growing number of professional service jobs there. Something that could be more common should the Airport and CBD be connected by a light rail with stops in the local board area.

For Māngere-Ōtāhuhu Local Board, employment in Auckland's south is an important source of household jobs and income. 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

source: Infometrics

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 and Technical Services	17,614	22,385	4,772
Administrative and Support Services	15,252	19,545	4,293
Education and Training	15,252	19,281	4,029
Accommodation and Food Services	13,221	16,922	3,701
Public Administration and Safety	11,247	14,930	3,683
Health Care and Social Assistance	19,922	23,358	3,436
Manufacturing	33,944	36,660	2,716

Other industries forecast to grow in south Auckland include:

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

For Māngere-Ōtāhuhu, while ensuring that residents have the skills, they need to compete in the future economy will be important, there are wider issues relating to transport accessibility and connectivity to those parts of Auckland that have larger concentrations of employment opportunities.

Employment Zones

Employment in Māngere-Ōtāhuhu is concentrated in a number of town centres as well as significant employment at the airport precinct.

Māngere-Ōtāhuhu is a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 78,450 residents of Māngere-Ōtāhuhu which has a labour force 38,000. The local board area has a total of 49,390 jobs located within it. As a result, the area is a net source of employment for other parts of the city.

Employment Zones

Employment in Māngere-Ōtāhuhu is concentrated in the main town centres of Māngere and as Ōtāhuhu. Significant employment exists at the airport precinct.

The main employment zone in Māngere-Ōtāhuhu is in the Auckland Airport precinct and around Favona and Ōtāhuhu industrial where a high number of jobs in wholesale, transport and warehousing and manufacturing are located. Recent extensive development at Auckland Airport has seen a significant growth in employment in the precinct.

EMPLOYMENT IN AUCKLAND AIRPORT AREA*

(source Infometrics)

Industry	Jobs
Postal, Courier Transport Support, and Warehousing Services.	7,146
Rail, Water, Air and Other Transport	5,906
Accommodation and Food Services	2,600
Wholesale Trade	2,196
Transport Equipment Manufacturing	1836
Central Government Administration, Defence and Public Safety	1489
Other Store-Based Retailing and Non-Store Retailing	1431
Road Transport	1133
Total employment (all sectors)	29,373
* Based on business demographics for the SA2 area	

The professional, scientific and technical services jobs at Favona are primarily linked to the Countdown headquarters that are located there.

EMPLOYMENT IN FAVONA NORTH*

(source Infometrics)

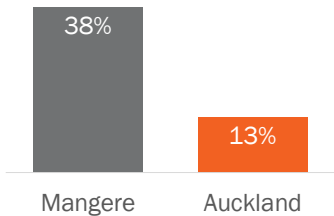
Industry	Jobs
Professional, Scientific and Technical Services	1751
Wholesale Trade	399
Total employment (all sectors)	2,757
* Based on business demographics for the SA2 area	

EMPLOYMENT IN ŌTĀHUHU INDUSTRIAL*

(source Infometrics)

Industry	Jobs
Fabricated Metal Product Manufacturing	458
Postal, Courier Transport Support, and Warehousing Services.	354
Road Transport	278
Professional, Scientific and Technical Services	270
Wholesale Trade	267
Total employment (all sectors)	2,553
* Based on business demographics for the SA2 area	

Spending growth 2015-2019
(four quarter average)

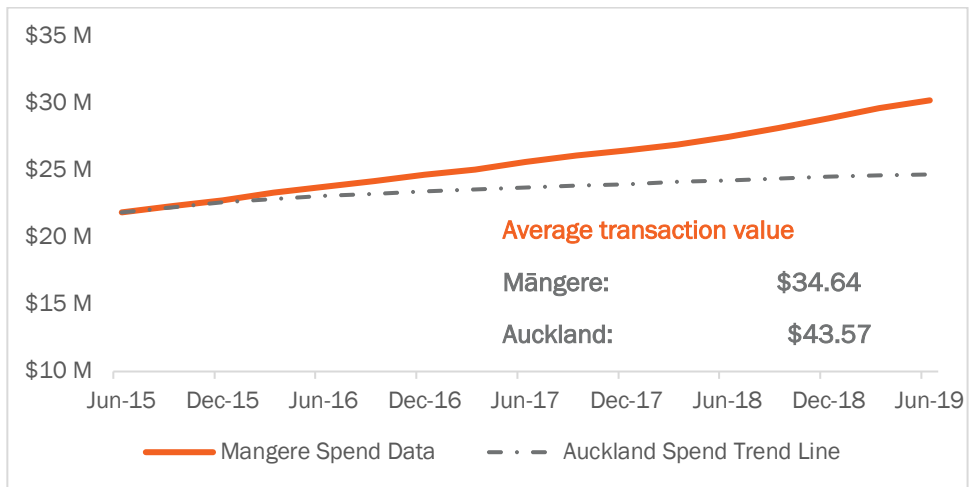


Town Centres¹³

The main town centre employment zones in the Māngere-Ōtāhuhu Local Board area are Māngere and Ōtāhuhu.

Māngere has seen 38 per cent growth in spending over between the period from June 2015 to June 2019 compared to 13 per cent regionally. The average transaction value in Māngere was \$34.64, below the Auckland average of \$43.57.

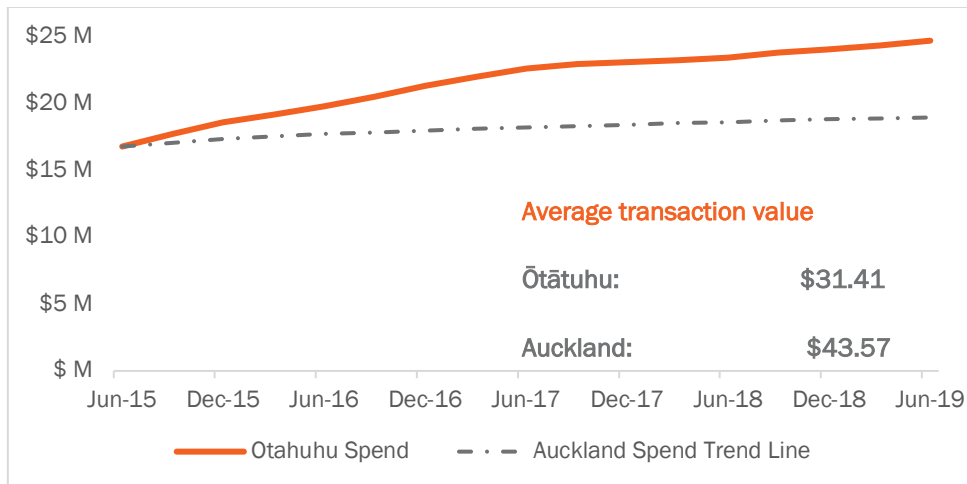
MĀNGERE SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



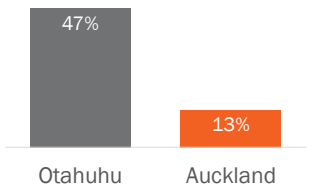
¹³ Town centre spend data is provided by Marketview and is derived from credit and debit card transactions. Area with higher levels of cash payments may have spending slightly under reported

Spending in Ōtāhuhu has grown 47 per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in Ōtāhuhu was \$31.41 below the Auckland average of \$43.57.

ŌTĀHUHU 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 Māngere-Ōtāhuhu local board area. The proposed light rail between CBD and Auckland Airport is set to have a significant impact of the 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 of 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.

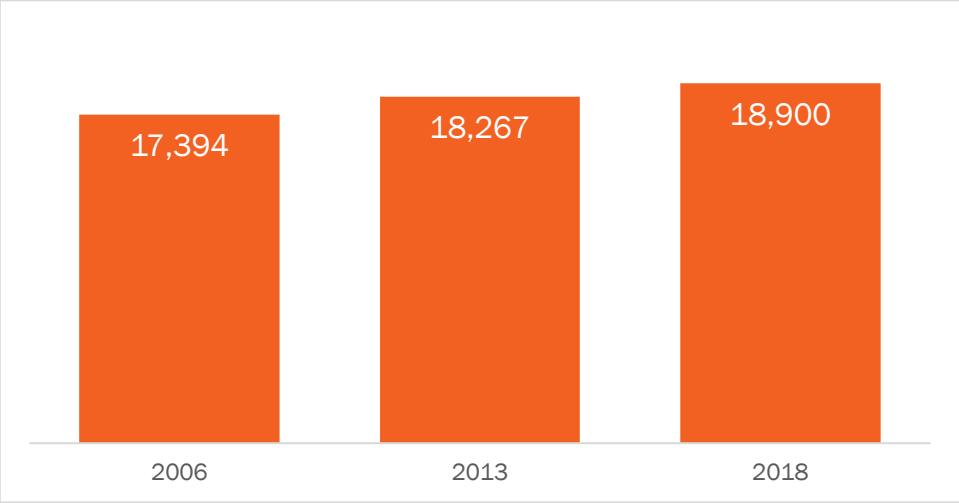
Three development areas are included in Māngere-Ōtāhuhu each expecting to see growth in the medium term (2028-2038). These areas are expected to add significant numbers of houses to the area over the next 30 years as well as a modest contribution to employment.

Development Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Ōtāhuhu	1-3 years	2,250	840
Māngere	1-10 years	1250	330
Māngere East	4-10 years	780	120

New dwellings

There were 209 new dwellings consented in 2018, which was 2.7 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)



633

Additional dwellings

There were 633 additional dwellings in Māngere-Ōtāhuhu in the 2018 Census compared to 2013.

At the 2018 Census there were 993 unoccupied dwellings and 84 under construction. Censuses there were 633 additional dwellings in Māngere-Ōtāhuhu an increase of 3.5 per cent compared to a 6.5 per cent increase across the region.

Future Development

The Auckland Transport Alignment Project (ATAP) has committed to providing **light rail between the City Centre and Māngere** within the next ten years (2018-2028). This has the potential to provide significant opportunities for further employment growth and access to employment opportunities in the local board area.

The Auckland Airport precinct is undergoing a major expansion and employment and training opportunities arise from that development.

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 Māngere-Ōtāhuhu Local Board seeks to ensure that Māngere-Ōtāhuhu attracts and supports businesses and that the community, especially Māori and Pacific youth, has a range of opportunities to gain skills and employment. The Local Board's vision is more people with higher education achievements gain well-paid employment and working 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 some thoughts as to where ATEED's 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

Māngere-Ōtāhuhu has a very diverse and young community but is one of the region's less prosperous areas despite the many employment opportunities that exist in the local board area. Skills acquisition is low and unemployment is higher than average. As a result household incomes are low.

ECONOMIC DEVELOPMENT OPPORTUNITIES

LED work stream	Potential area of focus in Māngere-Ōtāhuhu Local Board area
Sustainable businesses	Work with the business community to reduce waste by improving waste management practices in the local area.
Places	Work with Business Improvement Districts (BIDs) to make the town centres safe and attractive for residents and visitors.
Enterprise	<p>Provide local business with networking opportunities and capability building/development.</p> <p>Consider other enterprise support programmes that meet the needs of the community that are currently not met by mainstream regional programmes (such as PopUp Business School or programme).</p> <p>Support for young people to gain skills and access employment and training as well as developing their own business ideas.</p> <p>Work with the Southern Initiative and key employers to help transition young people into quality local employment.</p>
Economic intelligence	<p>Update of Prosperity Index to keep local board informed of socio-economic picture in their area. (ATEED BAU)</p> <p>Research to understand south Auckland's industrial zones and how to enable them to grow. (ATEED BAU)</p>
Leveraging local opportunities	<p>Support strategic procurement of goods and services that create opportunities for local employment, especially for Māori and Pasifika youth.</p> <p>Work with Auckland Airport to secure economic outcomes (jobs / training) of its continued development for local people.</p>

Glossary

Australian and New Zealand Standard Industry Classification 2006 (ANZSIC 2006)	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.
Business Areas	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.
Employment	Head count of salary and wage earners sourced from taxation data. Unless stated, does not include self-employed.
GDP	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.
Labour force participation	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.
Population	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.
Productivity	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.
Unemployment rate	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.

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ATEED ECONOMIC DEVELOPMENT

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