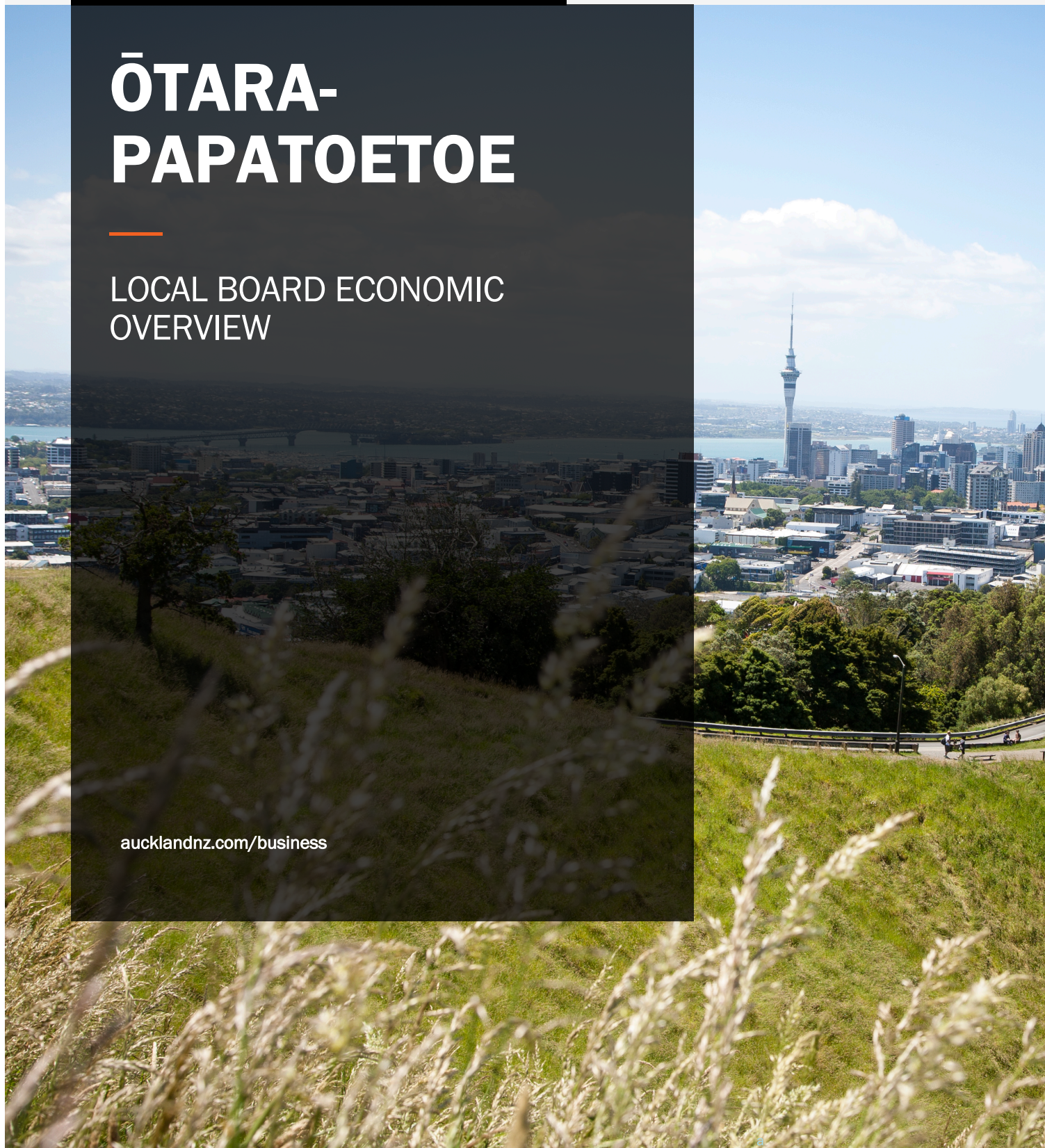


AUCKLAND ECONOMIC OVERVIEWS

# ŌTARA- PAPATOETOE

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>

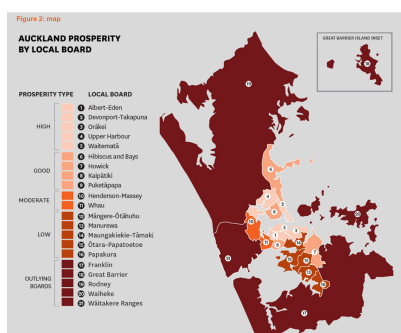
<sup>2</sup> The Auckland Index can be found at [aucklandnz.com/auckland-index](https://www.aucklandnz.com/auckland-index)

<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 Ōtara-Papatoetoe local economic development overview?

This economic development overview of the Ōtara-Papatoetoe Local Board area looks at:

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

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.



Ōtara-Papatoetoe has high levels of employment in knowledge intensive sectors such as healthcare, education and government administration. However, the low skills of residents limits their ability to take advantage of well paid jobs locally and constrains household incomes.



### Population growth

Population growth has been higher than the regional average over the 2013-2018 Census period. The area is very diverse with a sizeable Indian and Samoan community.



### Unemployment rate

Unemployment has been relatively high compared to the regional average over the last five years.



### Education attainment

Educational attainment is average, however, the proportion of school leavers that move on to degree level study upon leaving high school is low compared to the regional average.



### Significant employers

Healthcare, education and administrative services are the main employment sectors. Professional, wholesale trade and central government administration are also significant employers. Together these six sectors provide about 53 per cent of local employment.



### Growing industries

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



### 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 Ōtara-Papatoetoe Local Board area is likely to see higher density residential developments in Manukau along with several public space upgrades.

### Median age

34.8 years

Ōtara-Papatoetoe

29.3 years

Auckland

### Jobs in Knowledge Intensive Industries

41.0%

Ōtara-Papatoetoe

39.0%

Auckland

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

21.1%

Ōtara-Papatoetoe

42.0%

Auckland



### LOCAL BOARD ASPIRATIONS

The current Local Board Plan identifies a desire for revitalised town centres in Ōtara, Old Papatoetoe and Hunters Corner as well as empowered, inclusive and prosperous communities.



### KEY OPPORTUNITIES

The transformation of Manukau as well as improvements to other town centres and announcement of key transport infrastructure projects will make the area a more attractive location for successful businesses. Building the capacity of residents to start businesses or access new employment opportunities will be key.



### KEY CHALLENGES

While Ōtara-Papatoetoe has a high proportion of jobs in knowledge intensive industries the local population are not always able to access those opportunities due to a lack of skills. As a result, the unemployment rate is above average and household incomes are low.

## People and Households

Ōtara-Papatoetoe is one of Auckland's most populous local board areas with a population of 85,122 that is forecast to increase to 112,500 by 2038. The area has a young and ethnically diverse population with residents from Samoa, Tonga and the Cook Islands.

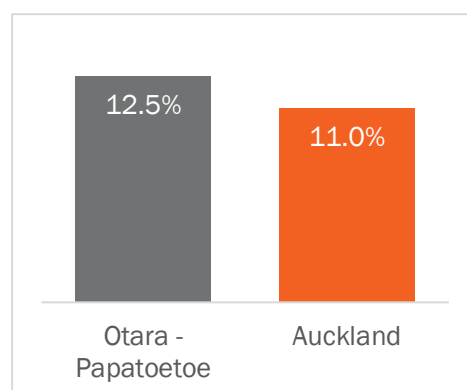
Ōtara-Papatoetoe is one of Auckland's less prosperous areas. The Auckland Prosperity Index report showed Ōtara-Papatoetoe is home to a lower skilled labour force than most other local board areas. While there are knowledge-intensive industries in the area the skills base means the workforce has lower access to good employment opportunities.

	Ōtara-Papatoetoe	Auckland / Share of Auckland
Population (2018)	85,122	5.4%
Population growth (2013-2018)	12.5%	11.0%
Median Age (2018)	29.3	34.8
Labour force (2018)	43,800	876,100
Labour force participation (2018)	63%	71%
Home ownership (2018)	30%	45%

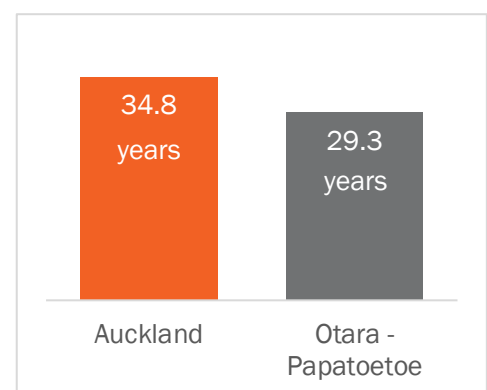
### Population

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

#### POPULATION GROWTH (2013-2018)



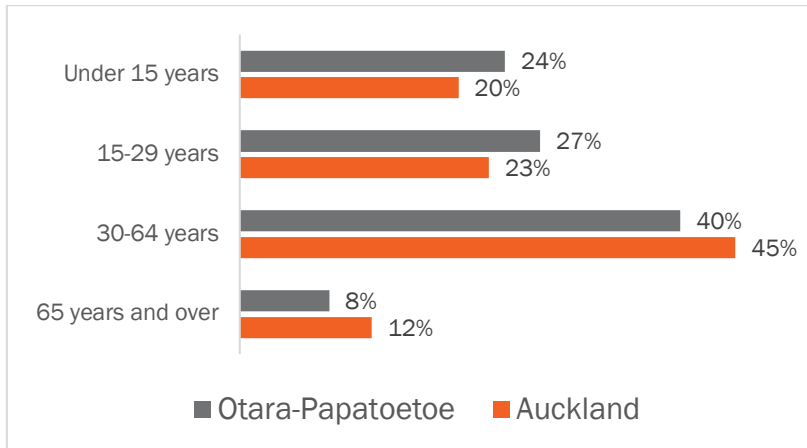
#### MEDIAN AGE (CENSUS 2018)



Between the 2013 and 2018 censuses population growth was 12.5 per cent compared to 11 per cent regionally. Medium population projections<sup>4</sup> suggest that Ōtara-Papatoetoe could be home to 112,500 residents by 2038 an increase of 27,000.

Ōtara-Papatoetoe has a younger median age to the region, but its working age population is similar to the regional average. There are proportionately more young people and fewer people of retirement age.

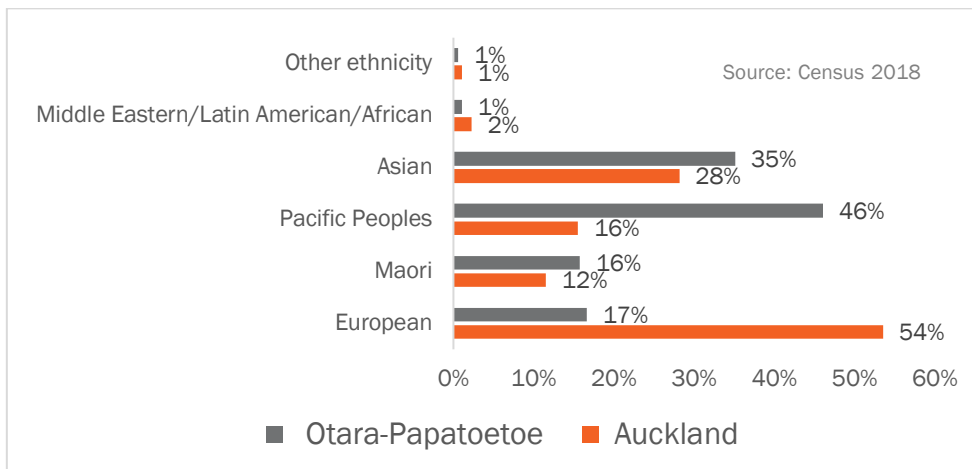
### AGE STRUCTURE (CENSUS 2018)



### Ethnicity

Ōtara-Papatoetoe's population is predominantly of Pacific Peoples ethnicity (46 per cent), more so than the regional profile where Europeans make up 54 per cent of the population. Ōtara-Papatoetoe also has more Māori and Asian residents than the region there are relatively few people of European ethnic origin. Of the Pacific Peoples the majority are Samoan with significant populations of Tongans and Cook Islanders. The Asian population are mostly of Indian origin

### ETHNIC MAKE-UP (CENSUS 2018)



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



Ōtara-Papatoetoe has a large proportion of residents born overseas (47 per cent) and 22 per cent of people born overseas had been in New Zealand less than five years.

### Languages

With a diverse population there are a wide range of languages in use in Ōtara-Papatoetoe, 90 per cent of residents are able to speak English.

### Labour Force

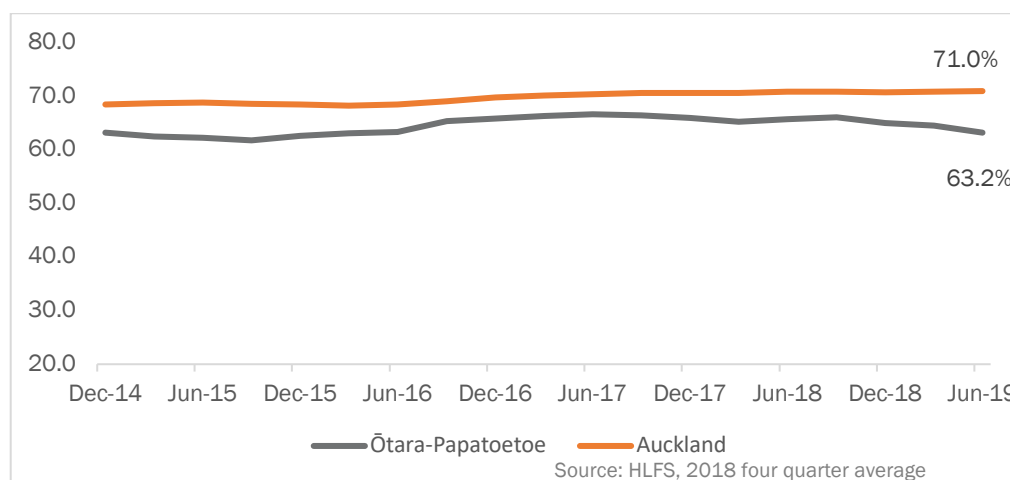
The labour force participation rate is a measure of an economy's active workforce. A high participation rate indicates more people in the area are actively engaged in the economy. The size of the labour force is critical to an area's ability to produce goods and services.

The labour force participation rate in Ōtara-Papatoetoe is 63 per cent, lower than the Auckland rate (71 per cent).

# 63%

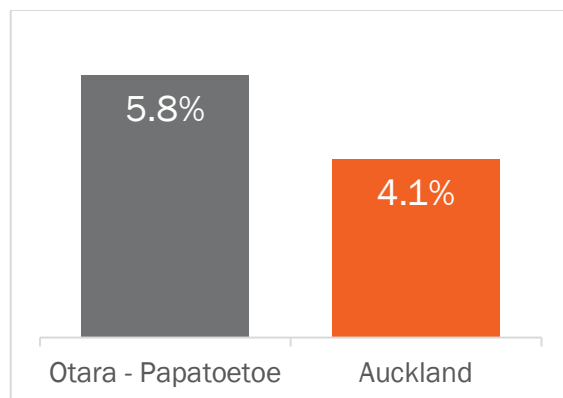
The labour force participation rate in Ōtara-Papatoetoe was 63 per cent in June 2019, lower than the Auckland rate (71 per cent)

#### LABOUR FORCE PARTICIPATION RATE OVER TIME



The unemployment rate in the 2018 Census<sup>5</sup> was 5.8 per cent in the Ōtara-Papatoetoe Local Board area, higher than the Auckland region unemployment rate of 4.1 per cent.

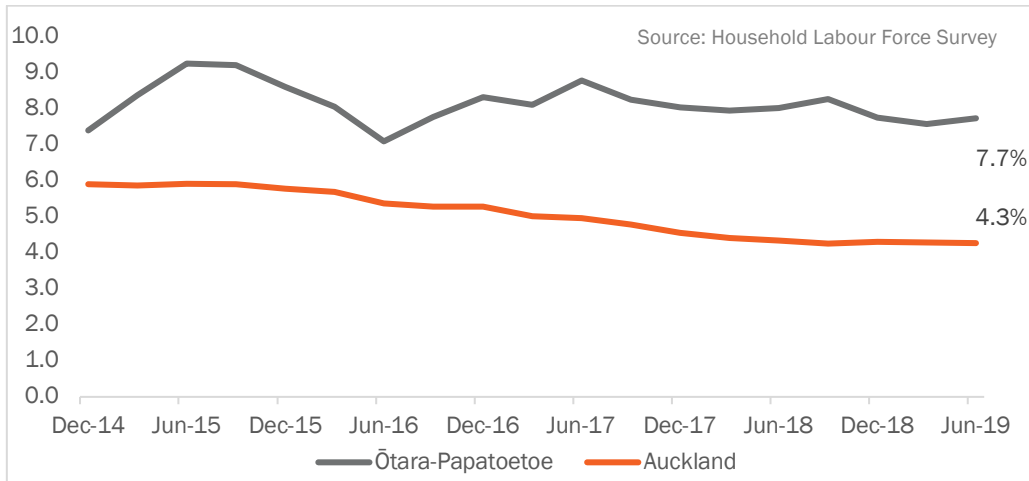
#### UNEMPLOYMENT RATE (CENSUS 2018)



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

Unemployment measured by the Household Labour Force Survey in Ōtara-Papatoetoe has remained above the Auckland average over the last five years but has fallen as the regional rate has fallen in recent years.

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

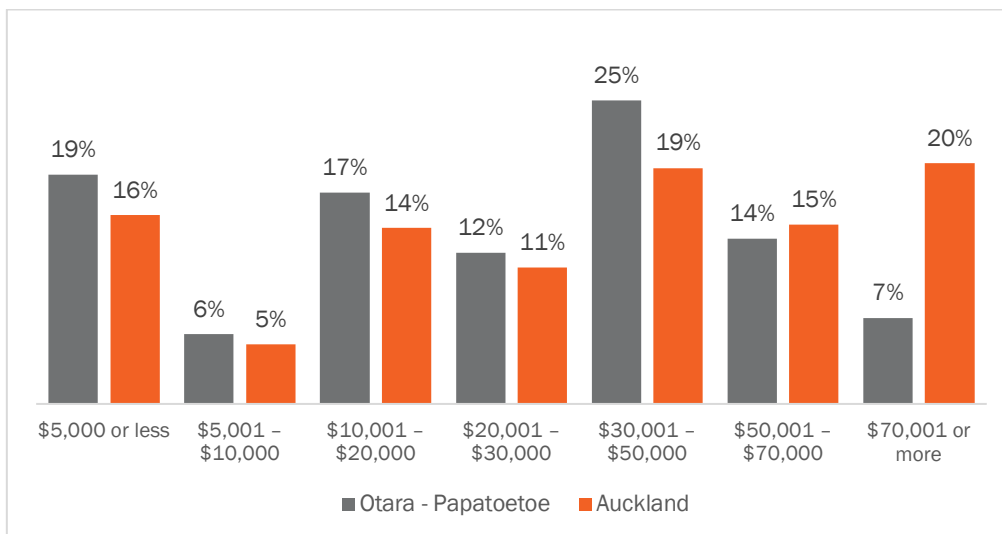


The proportion of Auckland residents claiming benefits within Ōtara-Papatoetoe has decreased over the last five years and has decreased proportionately more than seen across the region.

### Incomes

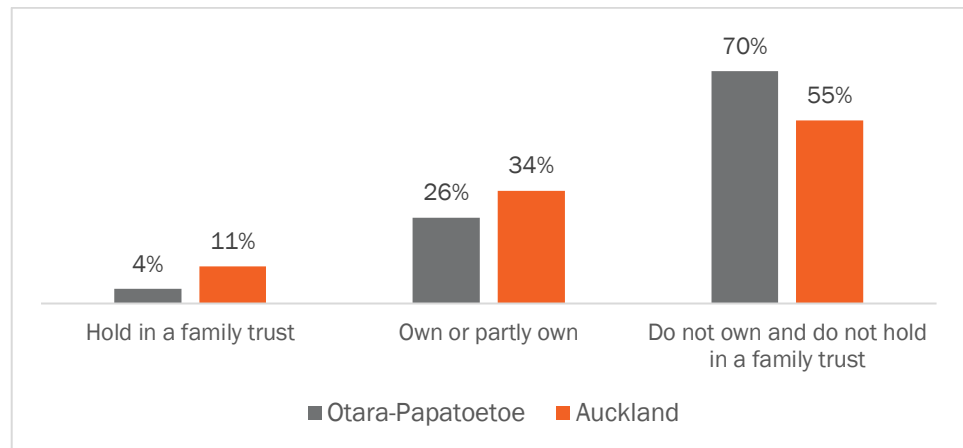
Analysis of individual income levels in 2018 shows that there was a much lower proportion seven per cent) of persons earning a high income (over \$70,000 per year) in Ōtara-Papatoetoe compared to the region (20 per cent).

### INDIVIDUAL INCOMES (CENSUS 2018)



In 2018, seven per cent of individuals in Ōtara-Papatoetoe derived self-employment or business income, below the rate across all Auckland (14 per cent).

### HOME OWNERSHIP (CENSUS 2018)



Home ownership in Ōtara-Papatoetoe is lower than the regional average; in 2018, 30 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.



## Skills

Ōtara-Papatoetoe has a less qualified labour force with a low proportion of residents educated to degree level or higher. Fewer school leavers from Ōtara-Papatoetoe leave with NCEA Level 2 or NCEA Level 3 and a lower proportion enrol in tertiary education upon completing school than the regional average.

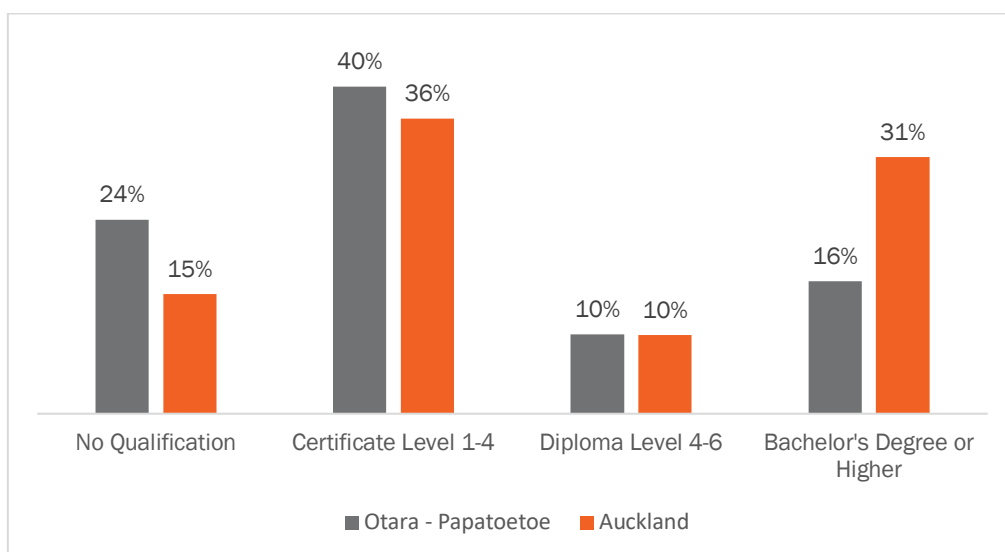
### Qualifications

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)

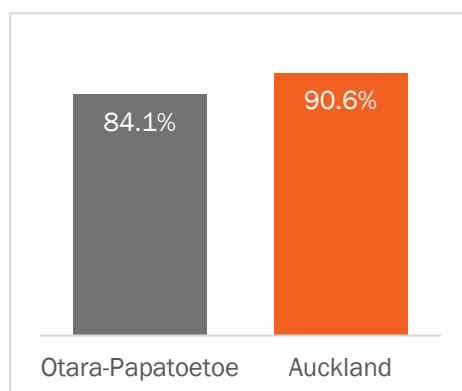
In 2018, sixteen per cent of adult residents in Ōtara-Papatoetoe had gained a bachelor's degree or higher, a lower proportion than the Auckland region (31 per cent). Twenty-four per cent of residents had no educational qualifications compared with 15 per cent across the region<sup>7</sup>.

NCEA is the national school-leaver qualification and is used as the benchmark for entrance selection by universities and polytechnics. In 2018, 16 per cent of school leavers in Ōtara-Papatoetoe did not achieve the standard for NCEA Level 1 compared to nine per cent regionally.

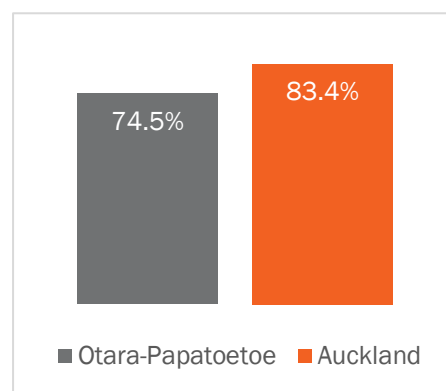
In 2018, 25 per cent of school leavers in Ōtara-Papatoetoe did not achieve NCEA Level 2, which provides the foundation skills required for employment. This is above the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

### NCEA – STUDENTS ATTAINING NCEA (2018)

#### LEVEL 1



#### LEVEL 2

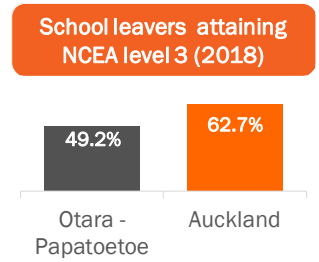


### NCEA 1 ATTAINMENT BY ETHNICITY (2018)

Percentage achieving NCEA	Level 1	Level 2
European	86.3%	76.8%
Māori	71.4%	58.5%
Pacific	83.3%	73.0%
Asian	93.0%	86.8%
Middle East, Latin American, African	100%	90.9%
Other	100%	80.0%
<b>Total Local Board</b>	<b>84.1%</b>	<b>74.5%</b>
<b>Total Auckland</b>	<b>90.6%</b>	<b>83.4%</b>

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

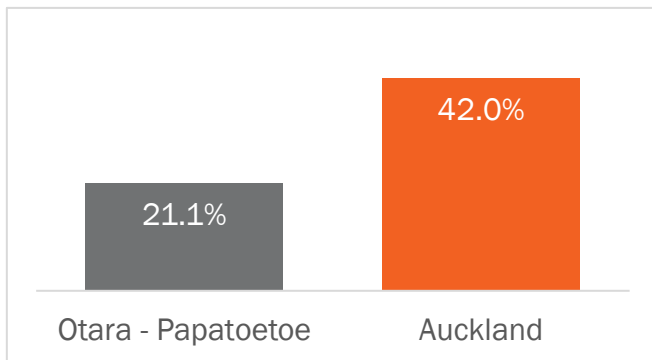
NCEA Level 3 is regarded as the minimum level required for university entry. Forty-nine per cent of Ōtara-Papatoetoe school leavers achieved this, lower than the Auckland average of 63 per cent. Māori (40 per cent) and Pacific (49 per cent) school leavers in Ōtara-Papatoetoe however performed noticeably less well.



**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
Ōtara-Papatoetoe	21.1%	27.2%	5.0%	46.7%	1213
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. Twenty-one per cent of Ōtara-Papatoetoe school leavers did this, much lower than the Auckland average of 42 per cent. A higher proportion moved into certificate and diploma level study, but overall fewer (53 per cent) enrolled in some form of tertiary education than the regional average (66 per cent)



## Local Economy

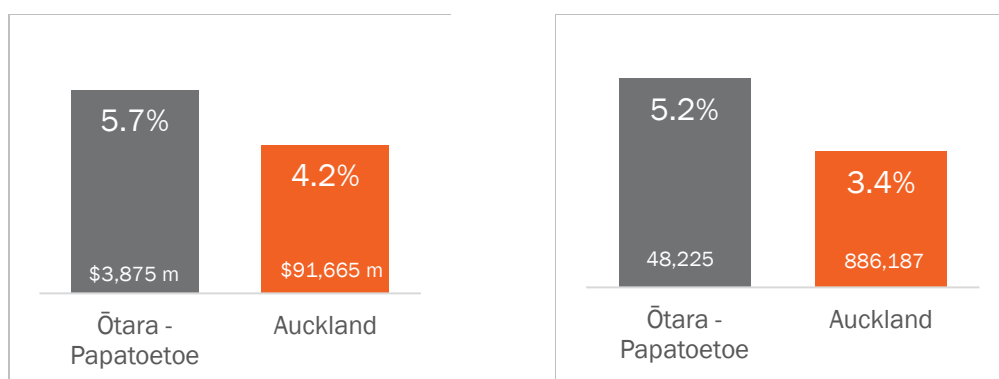
Ōtara-Papatoetoe has a local economy driven by manufacturing while health also provides many local employment opportunities. Most people have to travel out of the area for work. There has been recent growth in the number of managerial construction jobs as well as professionals, and health care workers.

### Growth and employment trends

In 2018, GDP in Ōtara-Papatoetoe experienced growth of 3.1 per cent, below the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Ōtara-Papatoetoe economy grew at an average annual rate of 5.7 per cent, above the 4.2 per cent in the Auckland region.

Employment in Ōtara-Papatoetoe increased by an average of 5.2 per cent per annum in the five years from 2013-2018, above the Auckland rate of 3.4 per cent. Over the last five years Ōtara-Papatoetoe job numbers increased the most in health care & social assistance (+1275), construction services (+1012), and professional, scientific & tech services (+704).

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



Over the five years 2013-2018, the fastest growing industries by GDP in Ōtara-Papatoetoe were rental, hiring & real estate services, professional, scientific & technical services and mining.

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

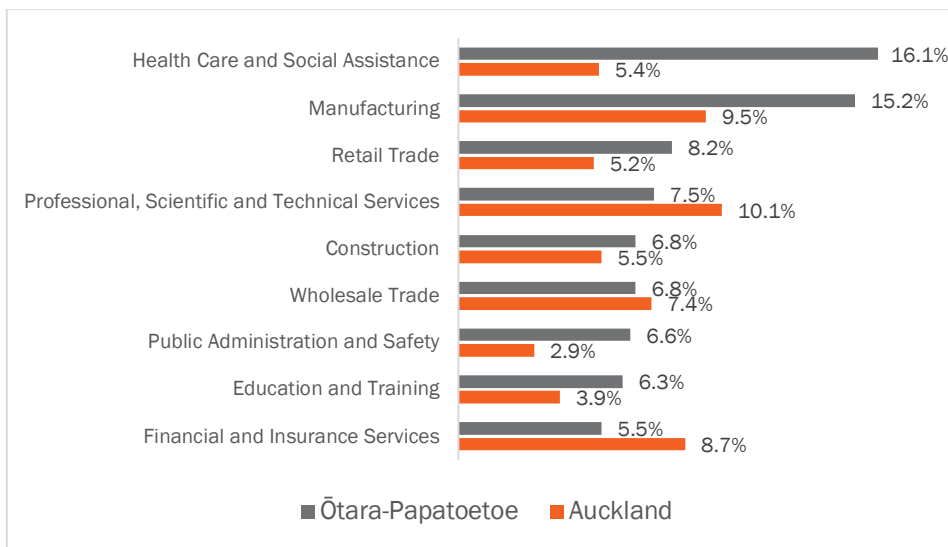
Industry	Average p.a. change
Rental, Hiring & Real Estate Services	17%
Professional, Scientific & Technical Services	12%
Mining	8%
Information Media and Telecommunications	7%

## Industry mix

Ōtara-Papatoetoe'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 Ōtara-Papatoetoe economy are manufacturing and health care.

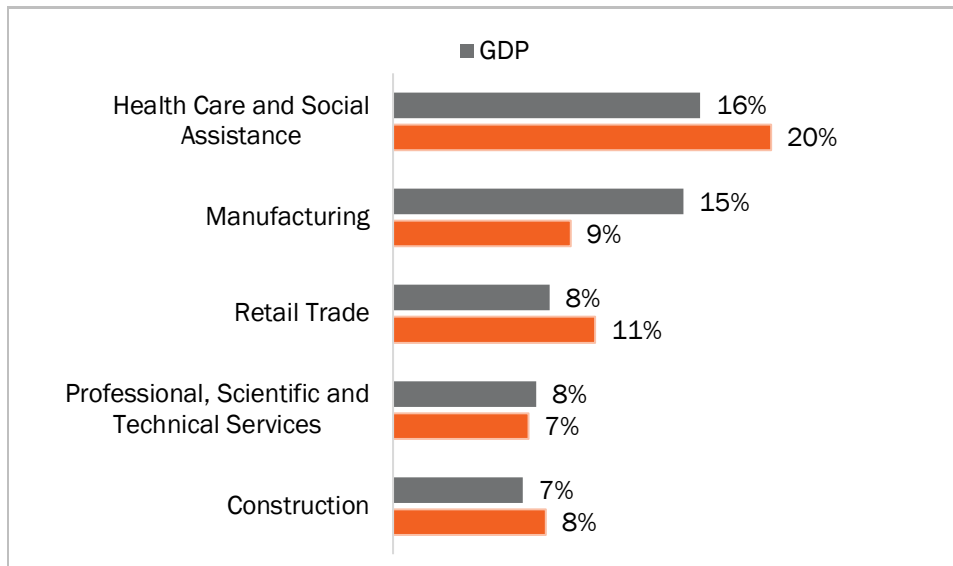
### BROAD INDUSTRY MIX BY GDP (ANZSIC LEVEL 1)

(source Infometrics)



### TOP INDUSTRIES BY EMPLOYMENT AND GDP

(source Infometrics)



- **Health Care** contributed 16 per cent of Ōtara-Papatoetoe's GDP and provided 20 per cent of the area's employment.
- **Manufacturing** contributed 15 per cent of Ōtara-Papatoetoe's GDP and provided nine per cent of the area's employment

- **Retail Trade** contributed eight per cent of Ōtara-Papatoetoe's GDP and but only provided 11 per cent of the area's employment.

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

Rank	Industry	Jobs	% of Ōtara-Papatoetoe Total
1	Health Care & Social Assistance	9,555	19.8%
2	Education & Training	4,565	9.5%
3	Administrative & Support Services	3,473	7.2%
4	Professional, Scientific & Tech Services	3,438	7.1%
5	Other Store & Non-Store Retailing	3,042	6.3%
6	Wholesale Trade	2,415	5.0%
7	Central Gov Admin, Defence & Safety	2,243	4.7%
8	Construction Services	1,881	3.9%
9	Accommodation & Food Services	1,725	3.6%
10	Other Services	1,410	2.9%
<b>Total top 10 industries</b>		<b>33,747</b>	<b>70.0%</b>
<b>All other industries</b>		<b>14,478</b>	<b>30.0%</b>
<b>Total employment</b>		<b>48,225</b>	Source: Infometrics

Hospitals, primary and higher education, labour supply services and corporate head office management services are large employers.

Healthcare, construction services and professional, scientific & technical services have seen the greatest employment growth over the last five years with administration and accommodation & food services also seeing large increases.

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

Sector	New Jobs
Health Care & Social Assistance	1275
Construction Services	1012
Professional, Scientific & Technical Services	704
Building Construction	648
Administrative & Support Services	522
Accommodation & Food Services	477

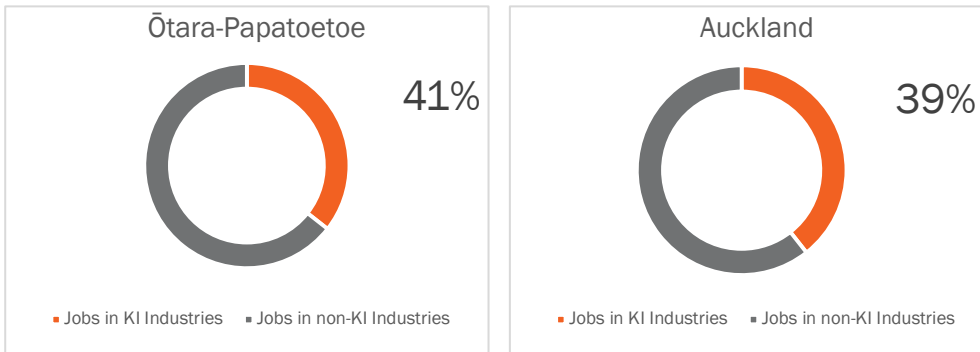
### Knowledge-intensive industries

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. Forty-one per cent of jobs in Ōtara-Papatoetoe are in knowledge intensive industries which is lower than the regional average of 39 per cent.

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

## JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES

(source Infometrics)



## Comparative Advantage

A number of sectors are more strongly represented in Ōtara-Papatoetoe than they are in the region as a whole. There are several manufacturing sectors that are particularly strongly represented in Ōtara-Papatoetoe including textiles, chemicals, food and meat manufacture and wood and paper products.

## INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA

(source Infometrics)

Rank	Industry	Location Quotient	GDP (\$M)	Employees
1	Pulp & Paper Product Manufacturing	8.4	102	608
2	Beverage & Tobacco Product Manufacturing	5.7	183.9	662
3	Local Government Administration	3.3	65.1	1251
4	Health Care & Social Assistance	2.7	622.9	9,555

## ATEED Sectors of Focus

Auckland has developed a core of specialist manufacturing industries and a talented, globally focused service sector.

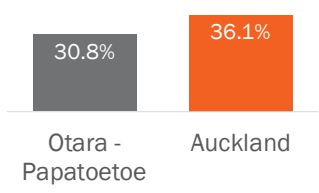
These industries and sectors are grouped into advanced industries, tradeable industries and enabling industries. Together they drive growth and create employment in Auckland and are of particular interest to ATEED with regards support that can be provided to help their growth.

Screen and creative is one of the sectors of focus for ATEED that is well represented in Ōtara-Papatoetoe.

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

Share of Sector to Total	Auckland	Ōtara-Papatoetoe	+/- on O-P sector
Advanced Materials Related	1.7%	0.5%	-68%
Commercial services	21.2%	22.0%	3%
Construction and engineering	11.2%	7.5%	-33%
Education	7.6%	7.5%	0%
Food and Beverage	3.5%	1.1%	-68%
Screen and creative	6.0%	8.9%	49%
Technology	7.6%	8.8%	16%
Tourism	6.2%	3.9%	-37%
Transport and Logistics	2.9%	0.7%	-75%

**Highly Skilled Jobs (2018)**

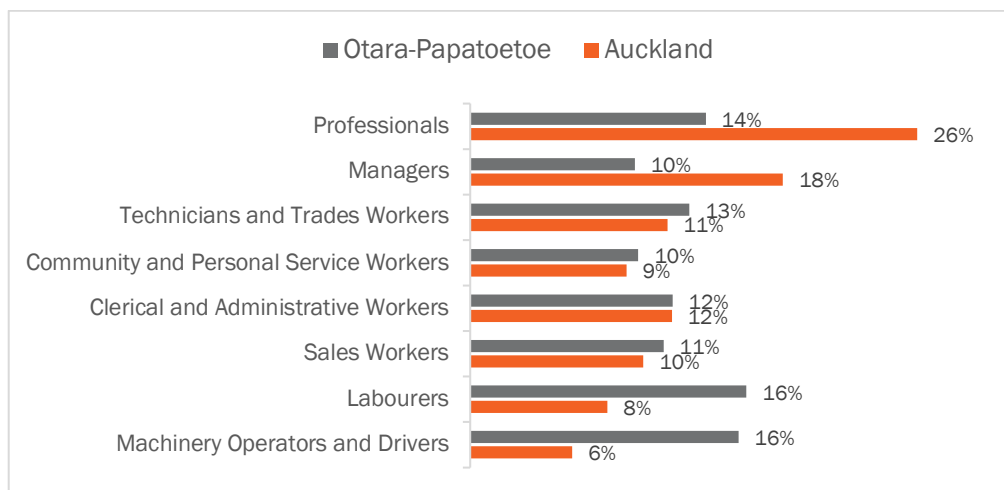


**Occupations <sup>9</sup>**

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 Ōtara-Papatoetoe (31 per cent) and higher proportion of low-skilled jobs (42 per cent) compared to the Auckland average (37 per cent).

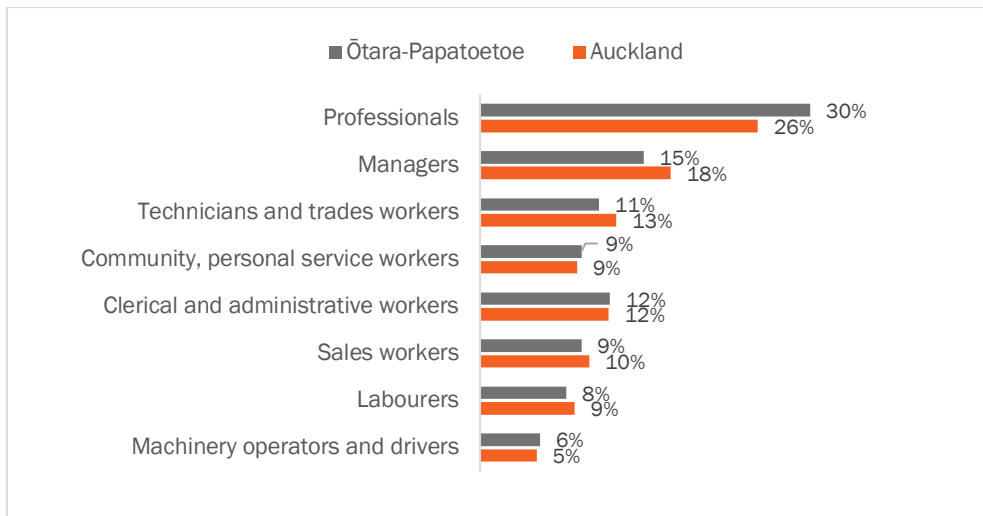
Machinery operators and labourers were the most popular occupational categories for Ōtara-Papatoetoe residents in 2018. Compared to the region, there are a much lower proportion of workers in professional and managerial occupations in Ōtara-Papatoetoe.

**OCCUPATIONS OF ŌTARA-PAPATOETOE 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.

### OCCUPATIONS IN ŌTARA-PAPATOETOE BASED BUSINESSES (2018) (source Infometrics)



The profile of the types of jobs available locally is very different to the types of jobs local residents have. Of the jobs in Ōtara-Papatoetoe, professionals are the largest occupational group (30 per cent), higher than the Auckland average (26 per cent). Managers and technicians and trades workers are second and third largest occupational group.

Health professionals are the largest occupational group in Ōtara-Papatoetoe, followed by specialist managers<sup>10</sup> and education professionals.

### TOP 10 OCCUPATIONS BY EMPLOYMENT (2018)

Source: Infometrics

Rank	Occupations	Jobs	% of total jobs in Ōtara-Papatoetoe
1	Health Professionals	4,954	10.3%
2	Specialist Managers	3,919	8.1%
3	Education Professionals	3,248	6.7%
4	Business, HR & Marketing Professionals	2,623	5.4%
5	Sales Assistants & Salespersons	2,569	5.3%
6	Carers & Aides	2,046	4.2%
7	Chief Execs, General Managers, Legislators	1,627	3.4%
8	Hospitality, Retail & Service Managers	1,465	3.0%
9	Legal, Social & Welfare Professionals	1,362	2.8%
10	Sales Representatives & Agents	1,359	2.8%
<b>Sub-total Top 10 occupations</b>		<b>25,172</b>	<b>52.2%</b>
<b>Total jobs</b>		<b>48,255</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 and managers in the construction sector and educational professionals.

**FASTEST GROWING OCCUPATIONS 2013-2018**

Source: Infometrics

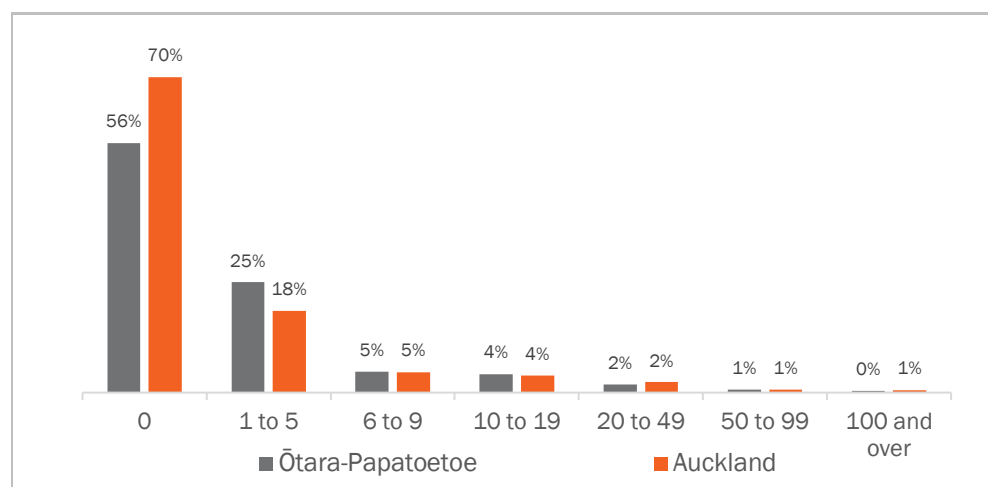
Occupation	New Jobs
Hospitality Workers	896
Farm, Forestry & Garden Workers	366
Legal, Social & Welfare Professionals	248
Health Professionals	228
Specialist Managers	217

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

In 2018 there were 6,255 businesses in Ōtara-Papatoetoe employing an average of 7.7 employees each, larger than the Auckland average 4.5 employees. The number of businesses grew 1.8 per cent a year on average over the last decade, close to the growth rate of 1.9 per cent for the Auckland region.

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

Source: Infometrics



**Future of Work in Ōtara-Papatoetoe**

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.

Ōtara-Papatoetoe Local Board is located in the south the Auckland region close to important employment precincts in south Auckland, while residents can also access employment opportunities in the central city area. Population growth and changing consumer demand will influence growth in particular sectors. The Auckland Future Skills

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

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

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 care and social assistance is an important employment sector in Ōtara-Papatoetoe with 20 per cent of jobs in the area due the presence of Middlemore Hospital while education provides over six per cent of jobs with MIT located in the local board area. Construction is comprised of many small businesses often registered at the owner's home. The sector is a sizable employer in almost all local board areas and represents eight per cent of employment in Ōtara-Papatoetoe Local Board. Growth in these sectors is likely to positively impact on the Ōtara-Papatoetoe 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**.

Ōtara-Papatoetoe has few jobs in these sectors although the presence of several local and central government departments as well as a MIT means there are significant professional jobs in the area which account for around eight per cent of local employment. Forecast growth in these sectors is likely to include some growth in Ōtara-Papatoetoe. While Ōtara-Papatoetoe residents have reasonable access to the central city to access the growing number of professional service jobs there currently very few residents commute to the city centre.

For Ōtara-Papatoetoe 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 growth with an expected gain of close to 15,000 jobs over the next ten years. This is a significantly larger increase than in any other industry for south Auckland and therefore an important sector that will create new jobs for residents.

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

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

Other industries forecast to grow in south Auckland include:

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

**For Ōtara-Papatoetoe, 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 Ōtara-Papatoetoe is concentrated in the growth node of Manukau and a number of smaller town centres. Key institutions such MIT and Middlemore Hospital provide many jobs. The Wiri industrial zone in Manurewa is adjacent to Manukau in Ōtara-Papatoetoe while the East Tamaki industrial zone is in part located in the local board area and also in neighbouring Howick.

Ōtara-Papatoetoe is a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 88,900 residents of Ōtara-Papatoetoe which has a labour force of 45,900. The local board area has a total of 48,225 jobs located within it. As a result, the area is a net importer of labour from other parts of the city.

### Employment Zones

Employment in Ōtara-Papatoetoe is concentrated in the main town centres of Manukau, Ōtara and Papatoetoe and also at Middlemore Hospital.

The main employment zones in Ōtara-Papatoetoe are in central Manukau and at Middlemore Hospital where a high number of jobs in health care & social assistance are located. Manukau has a mix of retail jobs as well as government, professional and administration jobs. **These two locations account for almost 60 per cent of all jobs in the local board area.** The main industrial locations are in East Tamaki, which is mostly located in Howick and at Wiri, directly south of Manukau centre in Manurewa.

#### EMPLOYMENT IN MANUKAU\*

source: Infometrics

Industry	Jobs
Other Store-Based Retailing & Non-Store Retailing	2,387
Central Government Administration, Defence & Public Safety	1913
Health Care & Social Assistance	1518
Professional, Scientific & Technical Services	1450
Administrative & Support Services	1344
Wholesale Trade	1259
Local Government Administration	1073
Accommodation & Food Services	826
<b>Total employment (all sectors)</b>	<b>20,578</b>

### EMPLOYMENT IN MIDDLEMORE\*

source: Infometrics

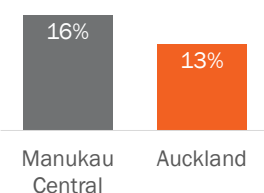
Industry	Jobs
Health Care & Social Assistance	7,575
<b>Total employment (all sectors)</b>	<b>7,716</b>
* Based on business demographics for the SA2 area	

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

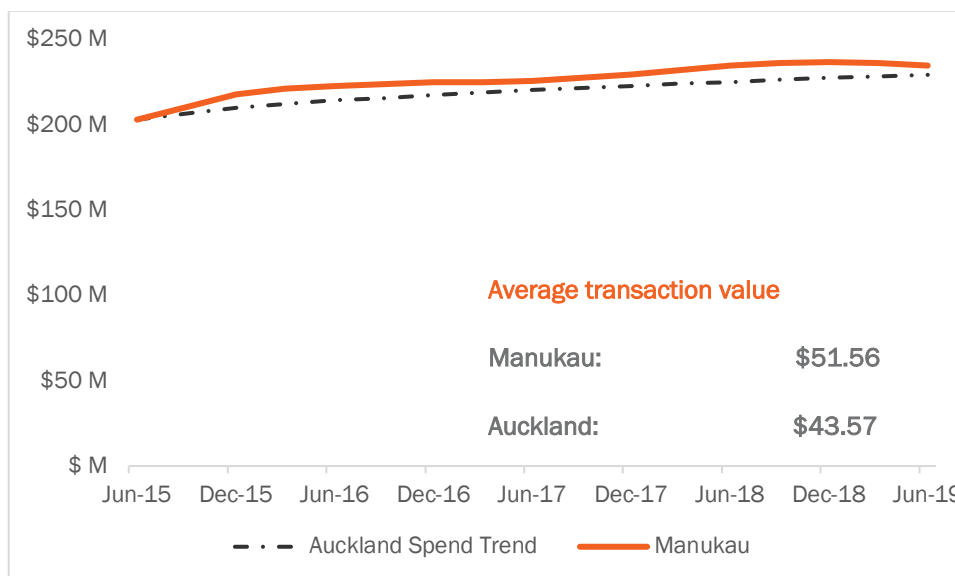
The main town centre employment zones in the Ōtara-Papatoetoe Local Board area are Manukau, Ōtara, Hunter’s Corner and Papatoetoe.

Manukau has seen 16 per cent growth in spending o between the period from June 2015 to June 2019 compared to 13 per cent regionally. The average transaction value in Manukau was \$51.56, above the Auckland average of \$43.57.

Spending growth 2015-2019 (four quarter average)



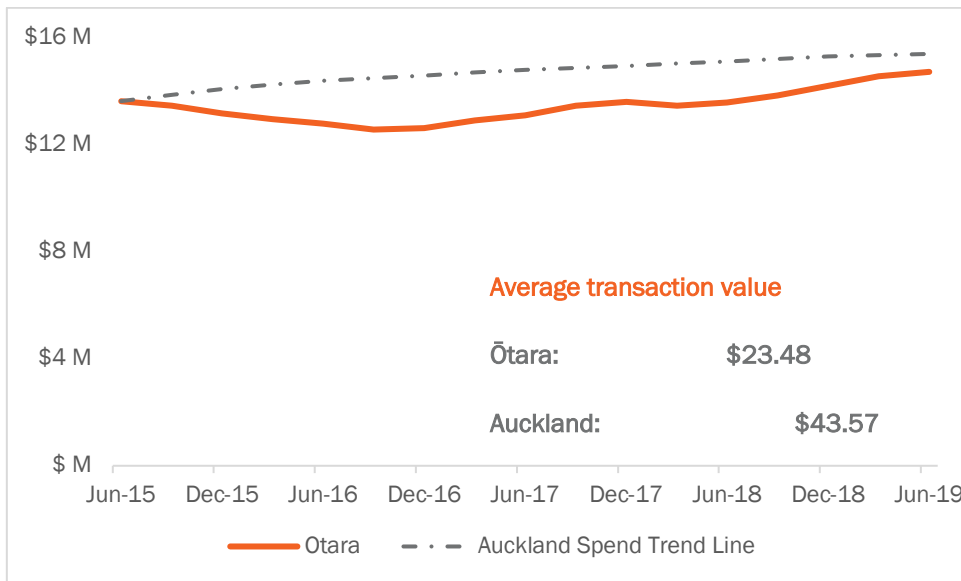
### MANUKAU SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



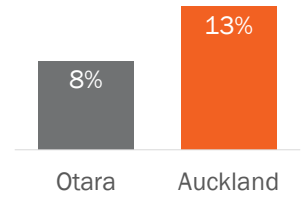
Ōtara has seen only eight per cent growth in spending over between the period from June 2015 to June 2019 compared to 13 per cent regionally. The average transaction value in Ōtara was \$23.48, below the Auckland average of \$43.57.

<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

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

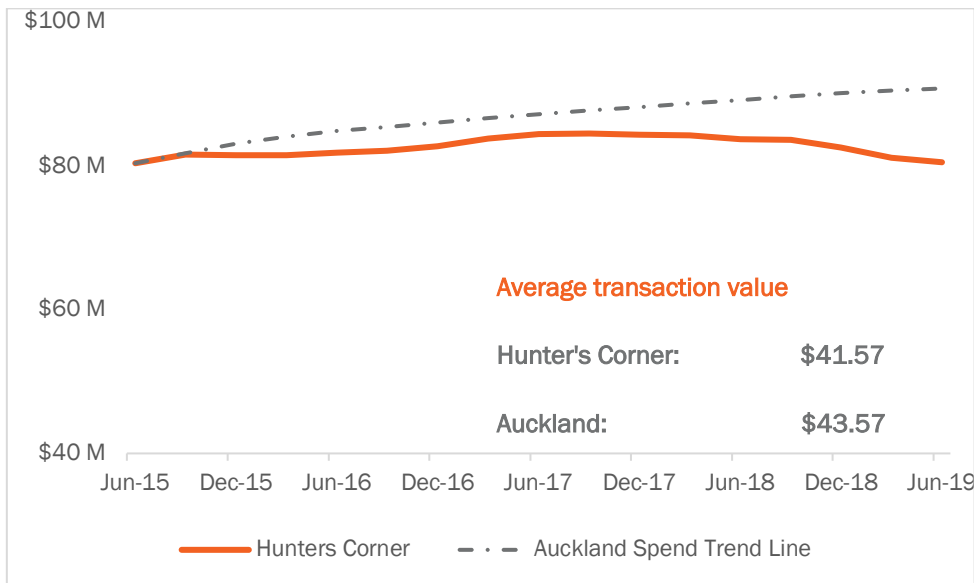


Spending growth 2015-2019 (four quarter average)

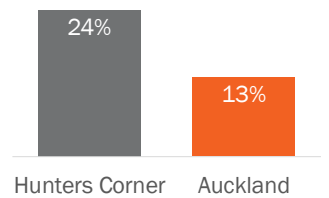


Hunter's Corner has seen 24 per cent growth in spending over between the period from June 2015 to June 2019 compared to 13 per cent regionally. The average transaction value in Hunter's Corner was \$41.56, below the Auckland average of \$43.57.

**HUNTER'S CORNER SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)**



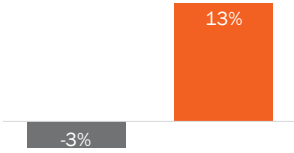
Spending growth 2015-2019 (four quarter average)





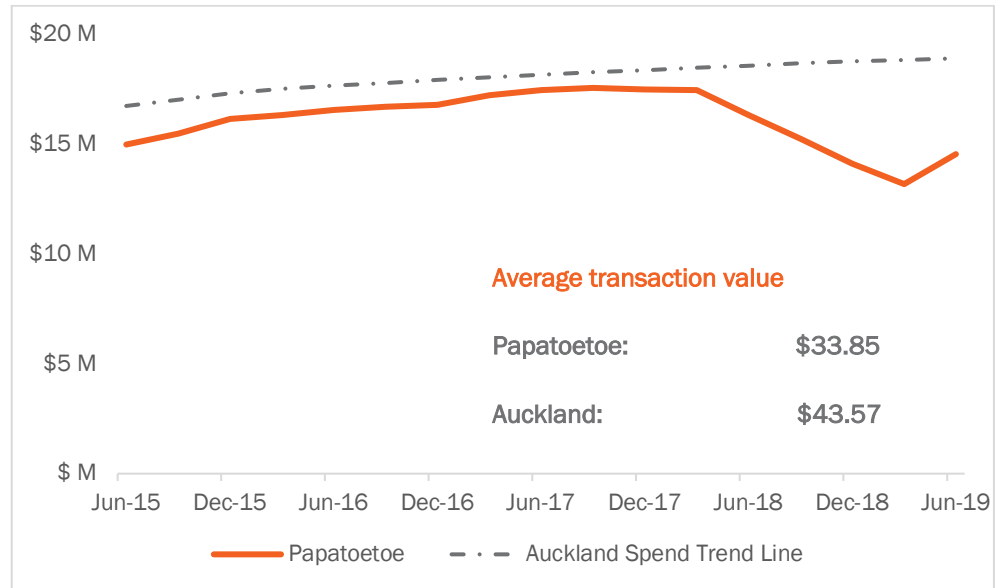
**Spending growth 2015-2019  
(four quarter average)**

Papatoetoe    Auckland



Papatoetoe has seen negative three per cent growth in spending between the period from June 2015 to June 2019 compared to 13 per cent regionally. The average transaction value in Hunter’s Corner was \$33.85, below the Auckland average of \$43.57.

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



## Development Trends

Auckland has been undergoing a period of rapid growth facilitated by the development of the Auckland Unitary Plan. This is reflected in the level of residential development in the Ōtara-Papatoetoe Local Board area which includes one of Auckland's key growth nodes at Manukau and several important development areas.

### 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.

The **Unitary Plan (2017)** was developed to help Auckland meet its economic and housing needs by setting 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.

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 **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.

**Manukau** is the largest and most established of Auckland's nodes outside of the city centre. Its civic, retail, education and cultural facilities provide for the wider population of the south. Close proximity to key distribution and transport links, including the southern and north-eastern motorways, the inland Port at Wiri and the Auckland International Airport, underpin a strong employment base and local economy. Manukau is currently undergoing major transformation that will drive demand for a more diverse range of services and activities. Manukau was designed as a major administrative and commercial centre that would service southern Auckland. Recent developments in the centre have seen public space improvements, the building of residential apartments, expansion of the shopping centre and completion of a multi-purpose events centre.

In April 2012 a fully integrated rail station and university campus development was completed, and Manukau was connected to the Auckland rail network and the Manukau bus interchange was also added.

Manukau is a Panuku Development Auckland 'Transform' area. This programme includes urban renewal in and around Manukau centre. The investment currently being made in Manukau centre, and the momentum of business and employment growth in the wider area, will see Manukau strengthen its role as the node of southern Auckland.

Significant growth is expected in Manukau over the next 30 years. The residential population is expected to increase from around 6,000 households at present to over 10,500 and the number of jobs is expected to increase by over 22,500 to around 56,000.

Anticipated Household Growth 2018-2048	Anticipated Population Growth 2018-2048	Anticipated Employment Growth 2018-2048
4,750	13,920	22,620

Source: Auckland Plan, Development Strategy

**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.

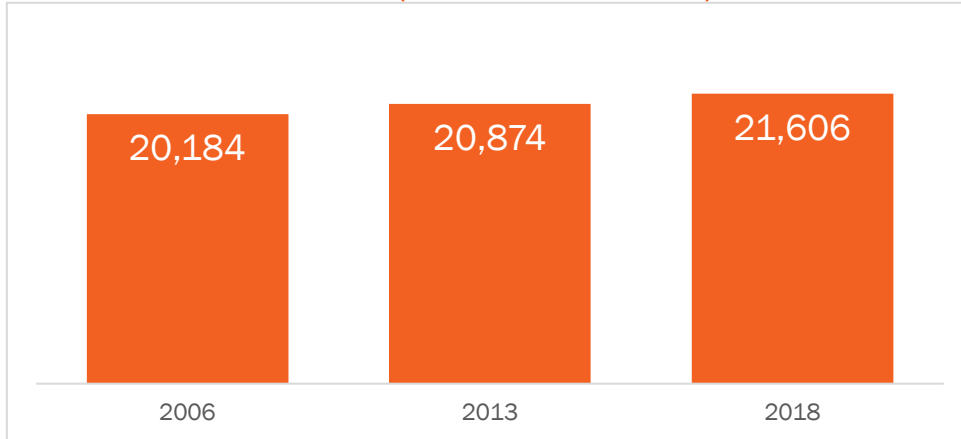
Three development areas are included in Ōtara-Papatoetoe each expecting to see growth in the medium term (2028-2038). These areas are expected to add significant numbers of houses to the area over the next 30 years as well as a modest contribution to employment.

Development Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Ōtara	11-30 years	1660	600
Papatoetoe & Hunters Corner	4-10 years	2,230	350

### New dwellings

There were 235 new dwellings consented in 2018, which was three 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)



# 732

Additional dwellings

There were 732 additional dwellings in Ōtara-Papatoetoe in the 2018 Census compared to 2013.

At the 2018 Census there were 1143 unoccupied dwellings and 78 under construction. Between 2013 and 2018 Censuses there were 732 additional dwellings in Ōtara-Papatoetoe an increase of 3.5 per cent compared to a 6.5 per cent increase across the region.

### Future Developments

The transformation of Manukau led by Panuku Development Auckland will see significant development within central Manukau which could also see significant development of the Westfield Mall.

The major upgrade of Mill Road between Manukau and Drury, costing \$1.35 billion was recently confirmed. It is to be finished by 2028 and will ease congestions particularly for freight as will rail freight upgrades to Wiri could also ease congestion through the area. The Mill Road upgrade will also provide for public transport and cycling, easing commuting through the area and improving access to employment zones.

The proposed introduction of light rail down Dominion Road on a city centre to Mangere line would also benefit residents of Ōtara-Papatoetoe.

## 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 Ōtara-Papatoetoe Local Board identifies a desire for revitalised town centres in Ōtara, Old Papatoetoe and Hunters Corner as well as empowered, inclusive and prosperous communities

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

While Ōtara-Papatoetoe has a high proportion of jobs in knowledge intensive industries the local population are now always able to access those opportunities due to a lack of skills. As a result, the unemployment rate is above average and household incomes are low.

## ECONOMIC DEVELOPMENT OPPORTUNITIES

LED work stream	Potential area of focus in Ōtara-Papatoetoe Local Board area
<b>Sustainable businesses</b>	Work with the business community to reduce waste by improving waste management practices in the local area.
<b>Places</b>	Support the continued development of the Little India initiative at Hunter's Corner  Work with Panuku Development Auckland to support the transformation of Manukau and revitalisation of Old Papatoetoe
<b>Enterprise</b>	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).  Support for young people to gain skills and access employment and training as well as developing their own business ideas.
<b>Economic intelligence</b>	Update of Prosperity Index to keep local board informed of socio-economic picture in their area.  Research to understand south Auckland's industrial zones and how to enable them to grow.
<b>Leveraging local opportunities</b>	Support strategic procurement of goods and services that create opportunities for local employment, especially for Māori and Pasifika youth



## 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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