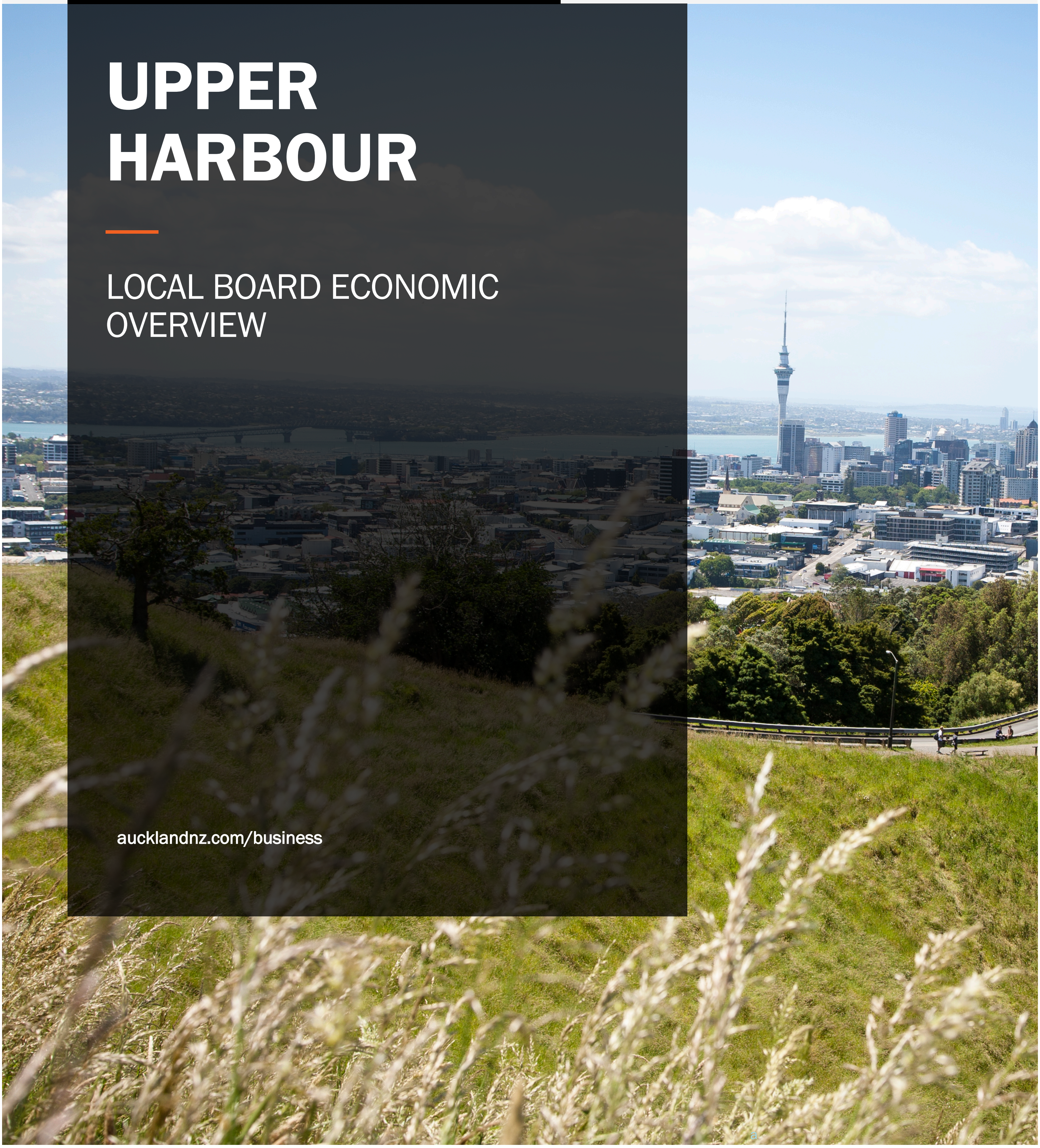
MARCH 2020

AUCKLAND ECONOMIC OVERVIEWS



UPPER HARBOUR

LOCAL BOARD ECONOMIC OVERVIEW

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Contents

Auckland Tourism, Events and Economic Development
An Auckland Council Organisation

AUCKLAND

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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[1] and Auckland Index[2] 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[3], 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.

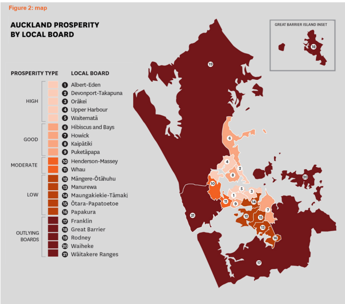
[1] https://www.aucklandnz.com/business-and-investment/economy-and-sectors/auckland-growth-monitor

[2] The Auckland Index can be found at aucklandnz.com/auckland-index

[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 Upper Harbour local economic development overview?

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

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

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.

Upper Harbour Local Board Economic Overview 2019

Summary

Auckland Tourism, Events and Economic Development
An Auckland Council Organisation

AUCKLAND

Upper Harbour has seen significant population growth in recent years. The area is relatively prosperous with high levels of employment in sectors such as wholesale trade, professional services and education. Residents are well skilled and many travel elsewhere to access skilled employment. As the area continues to grow, improving access to quality employment opportuntiies either locally or via easy commuting will be a key challenge.

Population growth

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

Unemployment rate

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

Significant employers

Wholesale trade, professional services and education are the main employment sectors. Construction, healthcare and administrative are also significant employers. Together these six sectors provide about 54 per cent of local employment.

Local employment opportunities

Over the five years 2013 to 2018, the fastest growing industries by GDP in the local board area were information media & telecommunications, accommodation & food services and financial & insurance services.

Education attainment

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

Residential developments

The Unitary Plan, along with the Auckland Plan, provides the policy framework by which development is enabled and assessed. Under this framework the area is likely to see higher density residential developments. The large development at Hobsonville Point is well underway and nearing completion meaning the population of the local board area has grown significantly.

Population growth 2013-2018

17.1%
Upper Harbour

11.0%
Auckland

Jobs in Knowledge Intensive Industries

33.0%
Upper Harbour

39.0%
Auckland

School leavers moving on to degree level study (2018)

47.2%
Upper Harbour

42.0%
Auckland

LOCAL BOARD ASPIRATIONS

In its current Local Board Plan the Upper Harbour Local Board seeks to ensure that Upper Harbour develops a prosperous and innovative local economy, with job opportunities for residents to work close to home.

KEY OPPORTUNITIES

The northern corridor improvements project will reduce travel times as well as improve walking and cycling connections, public transport options and new links to south and west Auckland. Improved accessibility provides an opportnity for the area to become a location of choice for businesses offering quality jobs.
The area is well placed to benefit from growth of the screen sector.

KEY CHALLENGES

Severe congestion during peak periods, particularly to and from the north harbour business area and Albany education institutions could inhibit economic growth.

People and Households

Upper Harbour is one of Auckland's less populous local board areas with a population of 62,741 but is growing rapidly and forecast to increase to 111,700 by 2038. The area has an ethnically diverse population with many residents from the Asian region.

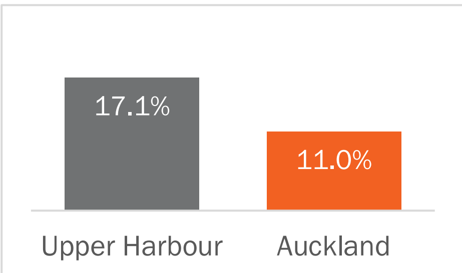
Upper Harbour is one of Auckland's more prosperous areas. The Auckland Prosperity Index report showed Upper Harbour is home to highly skilled residents and has a younger age profile than most other local board areas. With knowledge-intensive industries in the area and ease of access to the city centre and fringe, the workforce has good employment opportunities.

	Upper Harbour	Auckland / Share of Auckland
Population (2018)	62,841	4.0%
Population growth (2013-2018)	17.1%	11.0%
Median Age (2018)	35.9	34.8
Labour force (2018)	35,000	876,100
Labour force participation (2019)	65.1%	71%
Home ownership (2018)	49%	45%

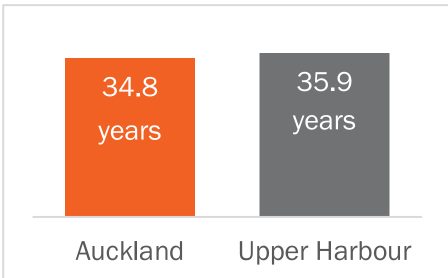
Population

The Upper Harbour Local Board area has experienced rapid population growth in recent years.

POPULATION GROWTH (2013-2018)



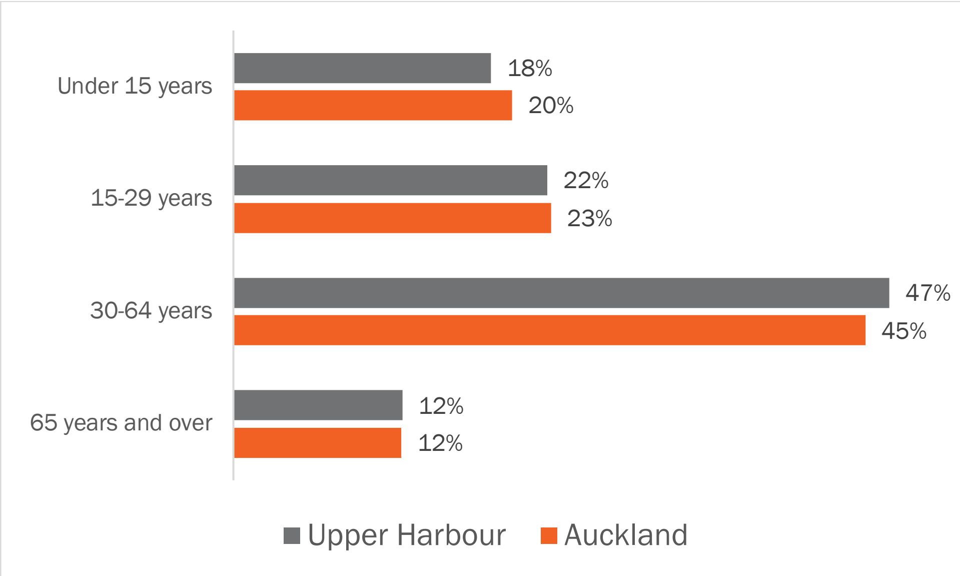
MEDIAN AGE (CENSUS 2018)



Between the 2013 and 2018 censuses population growth was 17.1 per cent compared to 11 per cent regionally. Medium population projections[4] suggest that Upper Harbour could be home to 111,700 residents by 2038 an increase of almost 50,000.

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

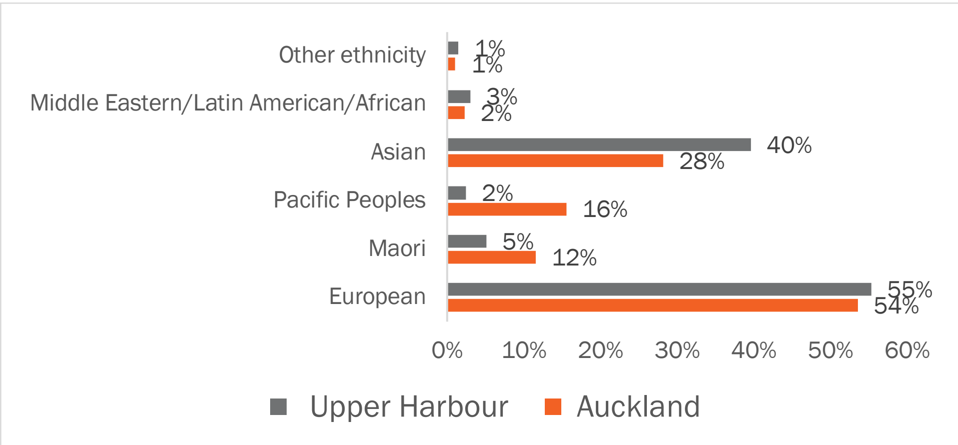
AGE STRUCTURE (CENSUS 2018)



Ethnicity

Upper Harbour's population is predominantly of European ethnicity (55 per cent), slightly more so than the regional profile where Europeans make up 54 per cent of the population. While Upper Harbour has fewer Māori and Pacific residents than the region there are more people of Asian ethnic origin (40 per cent). Most of the Asian population are of Chinese origin although there are also many of Korean origin too.

ETHNIC MAKE-UP (CENSUS 2018)



[4] Source: Statistics New Zealand

Upper Harbour has a large proportion of residents born overseas (51 per cent) and 25 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 Upper Harbour, 90 per cent of residents are able to speak English compared to 93 per cent regionally.

Labour Force

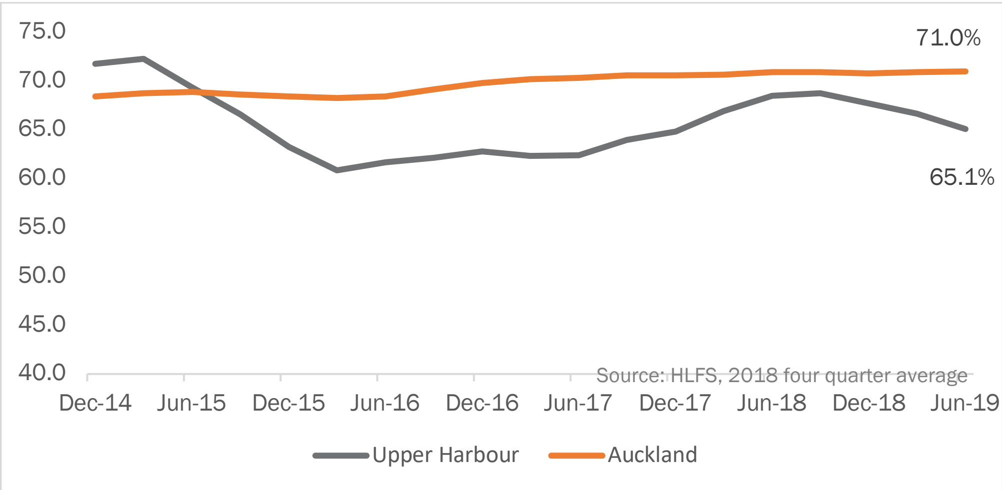
The labour force participation rate is a measure of an economy's active workforce. A high participation rate indicates more people in the area are actively engaged in the economy. The size of the labour force is critical to an area's ability to produce goods and services.

65%

The labour force participation rate in Upper Harbour was 65 per cent in June 2019, lower than the Auckland rate (71%)

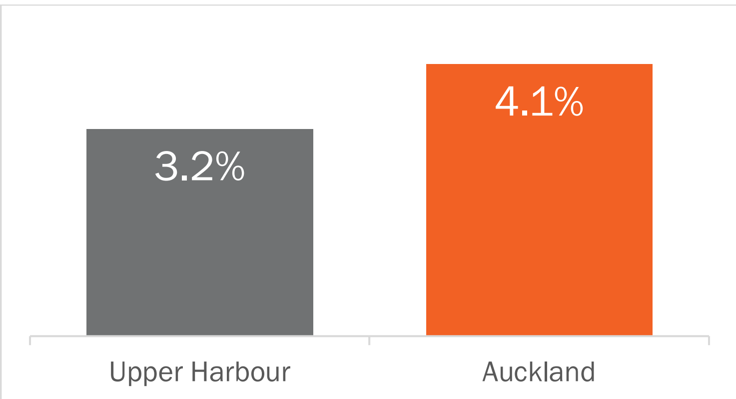
The labour force participation rate in Upper Harbour is 65 per cent, lower than the Auckland rate (71 per cent).

LABOUR FORCE PARTICIPATION RATE OVER TIME



The unemployment rate in the 2018 Census[5] was 3.2 per cent in the Upper Harbour Local Board area, lower than the Auckland region unemployment rate of 4.1 per cent.

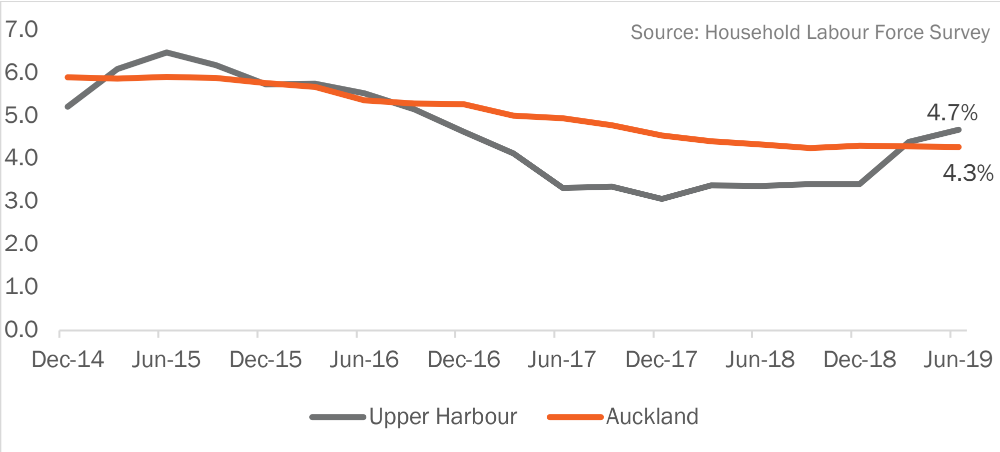
UNEMPLOYMENT RATE (CENSUS 2018)



[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 measured by the Household Labour Force Survey in Upper Harbour has remained below or similar to the Auckland average over the last five years.

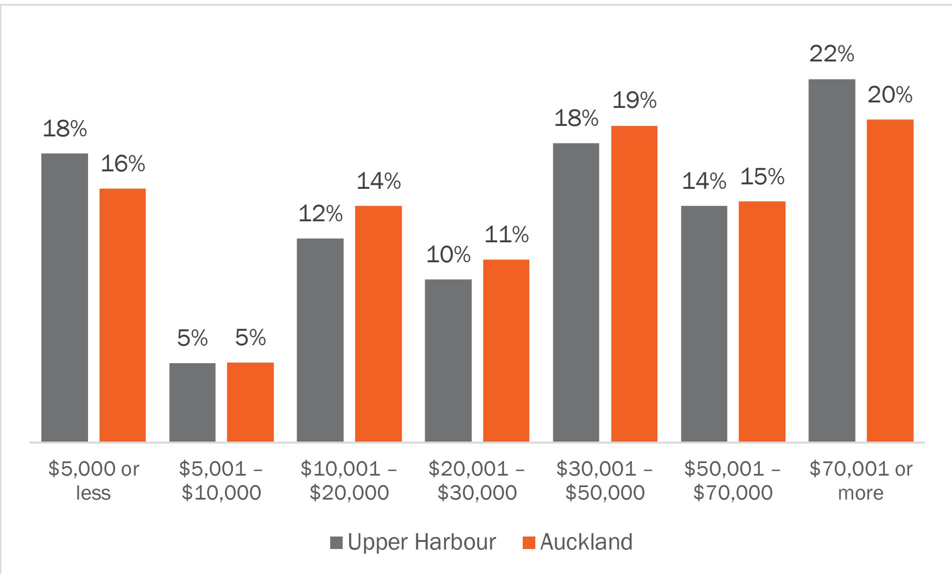
UNEMPLOYMENT RATE OVER TIME (HOUSEHOLD LABOUR FORCE SURVEY)



Income

Analysis of individual income levels in 2018 shows that there was a higher proportion (22 per cent) of persons earning a high income (over $100,000 per year) in Upper Harbour compared to the region (20 per cent).

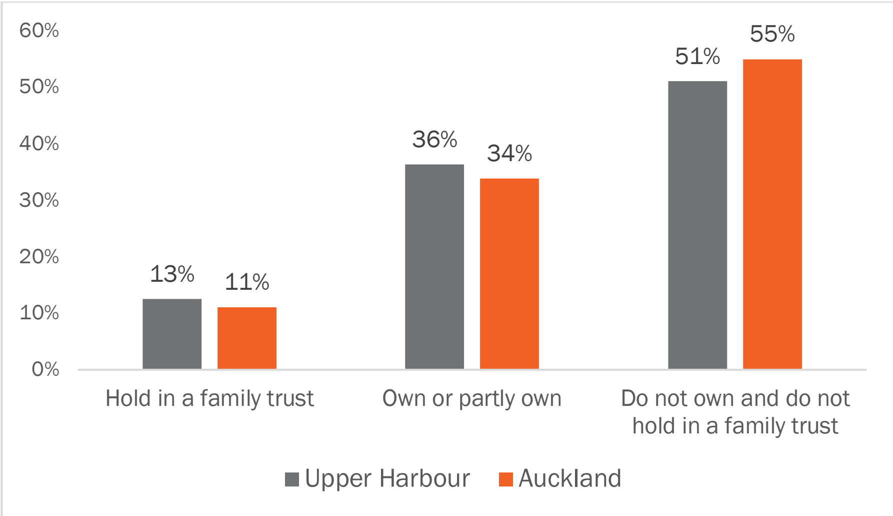
INDIVIDUAL INCOMES (CENSUS 2018)



In 2018, 17 per cent of households in Upper Harbour derived self-employment or business income, above the rate across all Auckland households (14 per cent).

Home ownership in Upper Harbour is higher than the regional average; in 2018, 49 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.

HOME OWNERSHIP (CENSUS 2018)



Skills

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

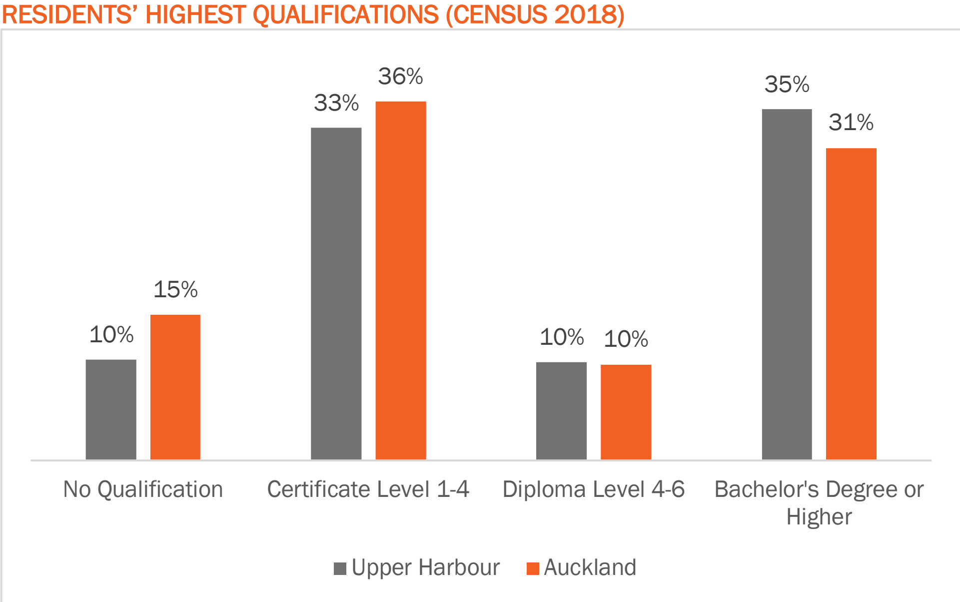
Qualifications

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

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

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

RESIDENTS' HIGHEST QUALIFICATIONS (CENSUS 2018)



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

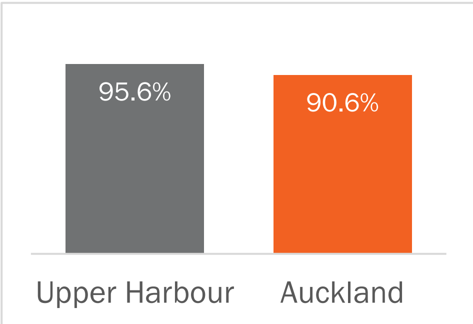
In 2018, 35 per cent of adult residents in Upper Harbour had gained a bachelor's degree or higher, a higher proportion than the Auckland region (31 per cent). Ten per cent of residents had no educational qualifications compared with 15 per cent across the region[7].

NCEA is the national school-leaver qualification and is used as the benchmark for entrance selection by universities and polytechnics. In 2017, four per cent of school leavers in Upper Harbour did not achieve the standard for NCEA level 1 compared to 9 per cent regionally.

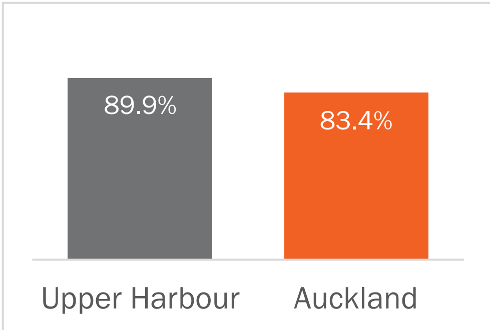
In 2018, only 10 per cent of school leavers in Upper Harbour did not achieve NCEA level 2, which provides the foundation skills required for employment. This is better than the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

NCEA – STUDENTS ATTAINING NCEA (2018)

LEVEL 1



LEVEL 2



NCEA 1 ATTAINMENT BY ETHNICITY

Percentage achieving NCEA	Level 1	Level 2
European	95.5%	89.4%
Māori	89.3%	76.0%
Pacific	91.1%	80.4%
Asian	96.7%	93.3%
Middle East, Latin American, African	93.3%	88.0%
Other	91.3%	87.0%
Total Local Board	95.6%	89.9%
Total Auckland	88.7%	83.4%

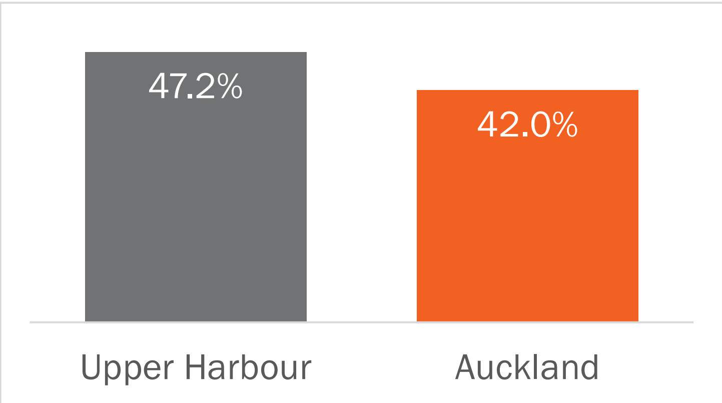
NCEA Level 3 is regarded as the minimum level required for university entry. Seventy-two per cent of Upper Harbour school leavers achieved this, higher than the Auckland average of 63 per cent.

[7] Highest qualification is derived for people aged 1pa and over

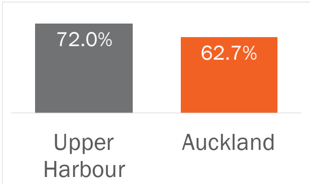
DESTINATION OF SCHOOL LEAVERS IN THEIR FIRST YEAR AFTER LEAVING

	Bachelor's and above	Certificates & diplomas levels 3-7	Certificates Levels 1-2	Not enrolled in tertiary education	Total Leavers
Upper Harbour	47.2%	16.4%	1.6%	34.8%	1,290
Auckland	42.0%	20.9%	3.1%	34.1%	20,421

SCHOOL LEAVERS MOVING ON TO DEGREE LEVEL STUDY (2018)



School leavers attaining NCEA level 3 (2018)



More school leavers moved on to degree level study within a year of leaving school. Forty-seven per cent of Upper Harbour school leavers did this, above the Auckland average of 42 per cent. Overall a similar amount (65 per cent) enrolled in some form of tertiary education as the regional average (66 per cent).

Local Economy

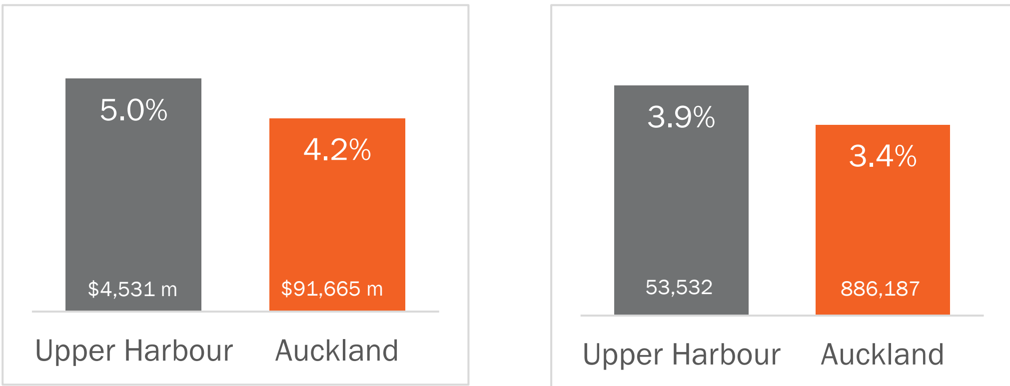
Upper Harbour has a strong local economy driven by wholesale trade and professional, scientific and technical services, while manufacturing also provides a large number of local jobs. There has been recent growth in the number of jobs in both specialist manager and ICT professional occupations.

Growth and employment trends

In 2018, GDP in Upper Harbour experienced growth of 4.5 per cent from 2017, higher than the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Upper Harbour economy grew at an average annual rate of 5.0 per cent, higher than the 4.2 per cent in the Auckland region.

Employment in Upper Harbour increased by an average 3.9 per cent per annum in the five years from 2013 to 2018, above the Auckland rate of 3.4 per cent. Over the last five years Upper Harbour job numbers increased the most in construction (+2,045 jobs), professional, scientific and technical services (+1,256 jobs) and education and training (+911 jobs) sectors.

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



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

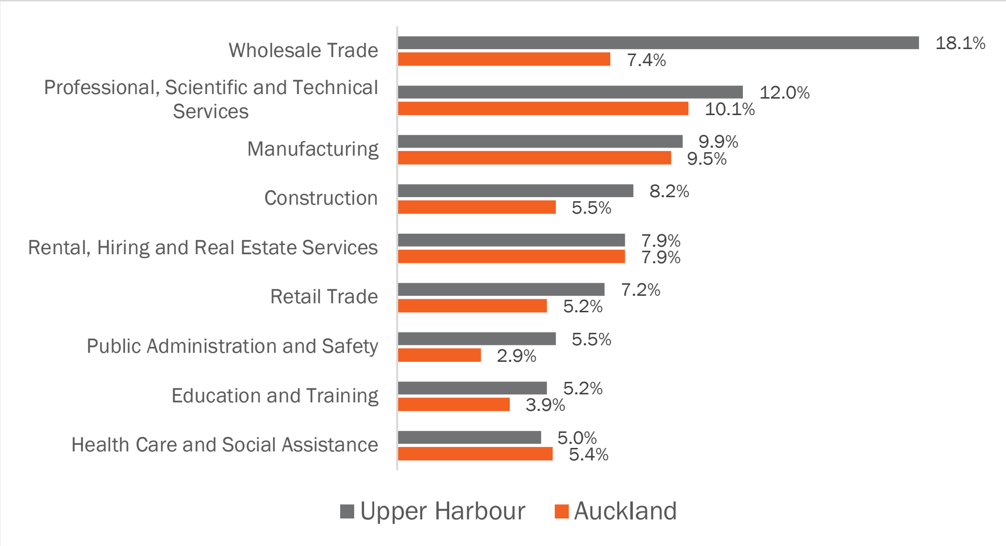
Industry	Average pa change (2013-2018)
Information Media & Telecommunications	11.8%
Accommodation & Food Services	10.3%
Financial & Insurance Services	10.1%
Construction	7.4%
Retail Trade	6.7%
Health Care & Social Assistance	6.7%

Over the five years 2013 to 2018, the fastest growing industries by GDP in Upper Harbour were information media and telecommunications, accommodation and food services and financial and insurance services.

Industry mix

Upper Harbour'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 Upper Harbour economy are wholesale trade, professional, scientific and technical services and manufacturing.

BROAD INDUSTRY MIX BY GDP (ANZSIC LEVEL 1) (source Infometrics)



- Wholesale trade contributed 18 per cent of Upper Harbour's GDP and 14 per cent of the area's employment.
- Professional, Scientific & Technical Services contributed 12 per cent of Upper Harbour's GDP and 12 per cent of the area's employment.
- Manufacturing contributed 10 per cent of Upper Harbour's GDP and provided nine per cent of the area's employment
- Construction contributed eight per cent of Upper Harbour's GDP and provided 11.6 per cent of the area's employment.

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

Looking at more detailed sub-sectors we see that education and retail are also important employment sectors in the area.

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

Rank	Industry	Jobs	% of Upper Harbour Total
1	Wholesale Trade	7,614	14.2%
2	Professional, Scientific & Technical Services	6,455	12.1%
3	Education & training	4,408	8.2%
4	Other store & Non store retailing	4,162	7.8%
5	Construction Services	4,068	7.6%
6	Health Care & Social Assistance	3,465	6.5%
7	Administrative & Support services	2,816	5.3%
8	Central Gov Admin, Defence & Safety	2,753	5.1%
9	Accommodation & Food Services	2,445	4.6%
10	Other Services	1566	2.9%
	Total top 10 industries	39,752	**74.3%**
	All other industries	13,780	**25.7%**
	Total employment	**53,532**	Source: Infometrics

Professional, scientific & technical services have seen the greatest employment growth over the last five years with construction and education also seeing large increases.

Goods and electronic good related employment is the most significant source of wholesale jobs while computer systems design and related services and management advice and consulting and are important professional service employment sectors. Building supplies and clothing are the largest employers within the retail sector. Within education, twenty-eight per cent of jobs are in higher education. Twenty per cent of employment in construction services is in the plumbing services sub-sector. Professional, scientific and technical services have seen the greatest employment growth over the last five years with construction services, building construction, education, and accommodation and food services also seeing large increases.

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

Sector	New Jobs
Professional, Scientific & Technical Services	1256
Construction Services	1131
Building Construction	958
Education & Training	911
Accommodation & Food Services	825
Health Care & Social Assistance	816
Other Store & Non Store Retailing	789
Wholesale Trade	515

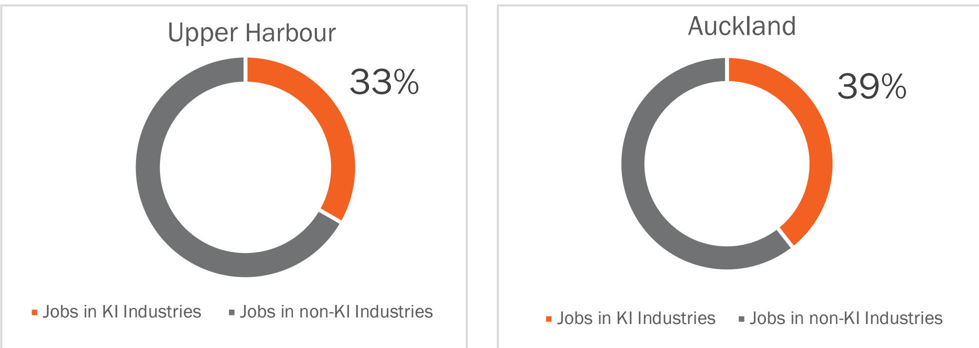
SECTORS WITH DECLINING JOBS 2013-2018

Occupation	Jobs Lost
Supermarket & Specialised Food Retailing	-125
Horticulture & Fruit Growing	-90
Pulp & Paper Product Manufacturing	-85

Knowledge-intensive industries

Knowledge intensive industries[8] represent an increasing share of the New Zealand economy's output and employment and may be a source of future productivity growth.

JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES (source Infometrics)



Thirty-three per cent of jobs in Upper Harbour are in knowledge intensive industries, which is lower than the regional average of 39 per cent.

[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.

Comparative Advantage

A number of sectors are more strongly represented in Upper Harbour than they are in the region as a whole. Printing, wholesale trade and polymer manufacturing being sectors that are particularly strongly represented in Upper Harbour. Printing is also represented strongly but is a small sector in employment terms.

INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA (source Infometrics)

Rank	Industry	Location Quotient	GDP ($M)	Employees
1	Printing	5.6	64.6	852
2	Wholesale Trade	3.6	818	7,614
3	Polymer Product & Rubber Product Manufacturing	2.2	61.3	466
4	Other Store & Non-Store Retailing	2	254.2	4,162

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.

Technology is one of the sectors of focus for ATEED that is well represented in Upper Harbour and as active growth in this sector is pursued there are likely to be opportunities for technology businesses in the area.

EMPLOYMENT IN ATEED FOCUS SECTOR (2018)

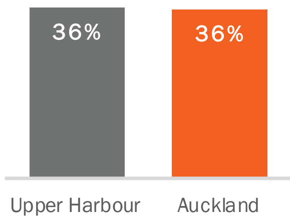
Share of Sector to Total	Auckland	Upper Harbour	+/- on A-E sector
Advanced Materials Related	1.7%	1.4%	-16%
Commercial services	21.2%	18.4%	-14%
Construction and engineering	11.2%	13.1%	17%
Education	7.6%	8.2%	9%
Food and Beverage	3.5%	2.1%	-41%
Screen and creative	6.0%	7.6%	26%
Technology	7.6%	13.2%	73%
Tourism	6.2%	4.5%	-27%
Transport and Logistics	2.9%	1.6%	-45%

Occupations [9]

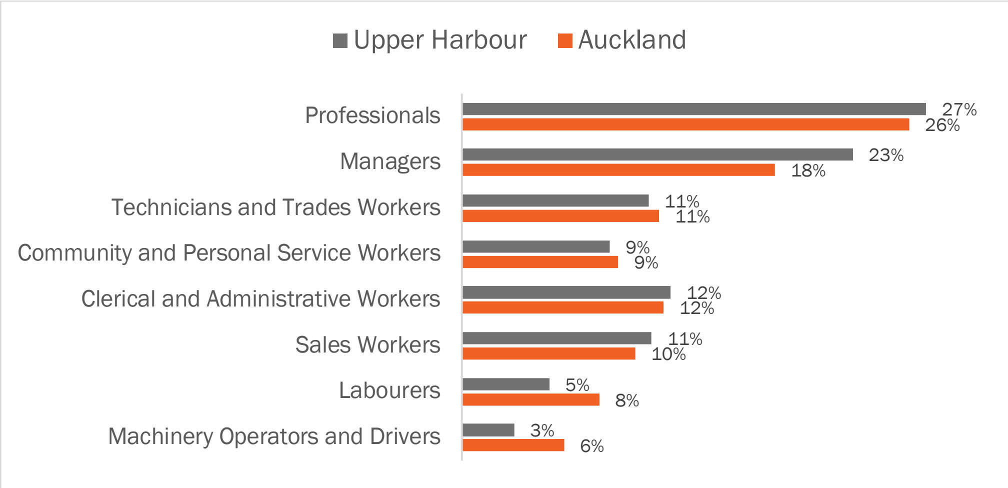
Higher skilled jobs offer people an improved standard of living and are a critical component in attracting workers to an area. Statistics NZ allocates occupations to skill levels based on the range and complexity of tasks performed in a particular job. The skill level does not relate to the qualifications obtained by an individual, but to the range and complexity of the tasks they do at work. Upper Harbour has a similar proportion of low-skilled jobs (35 per cent) and high-skilled jobs (36 per cent), compared to the Auckland average.

Managers and professional occupations were the most popular occupational categories for Upper Harbour residents in 2018. Compared to the region, there are a much higher proportion of workers in managerial or professional occupations in Upper Harbour.

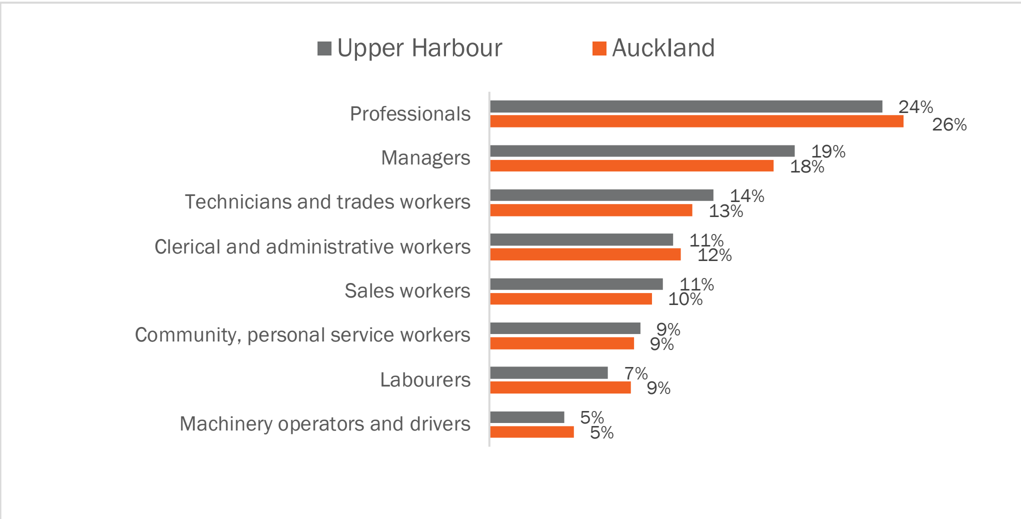
Highly Skilled Jobs



OCCUPATIONS OF UPPER HARBOUR RESIDENTS (2018)



OCCUPATIONS IN LUPPER HARBOUR 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.

Of the jobs in Upper Harbour, professionals are the largest occupational group (24 per cent), although a lower proportion than the Auckland average (26 per cent). The managers occupation is slightly over-represented in Upper Harbour, with this occupation making up 19 per cent of jobs compared with 18 per cent for the wider region. Overall, Upper Harbour has a similar distribution when compared with Auckland.

Specialist managers[10] are the largest occupational group in Upper Harbour, followed by sales assistants & salespersons and business, HR & marketing professionals.

TOP 10 OCCUPATIONS BY EMPLOYMENT IN UPPER HARBOUR (2018) source Infometrics)

Rank	Occupations	Jobs	% of total jobs in Upper Harbour
1	Specialist Managers	5,604	10.5%
2	Sales Assistants & Salespersons	3,205	6.0%
3	Business, HR & Marketing Professionals	2,966	5.5%
4	Education Professionals	2,860	5.3%
5	ICT Professionals	2,444	4.6%
6	Chief Execs, General Managers, Legislators	2,373	4.4%
7	Sales Representatives & Agents	1924	3.6%
8	Hospitality, Retail & Service Managers	1862	3.5%
9	Construction Trades Workers	1819	3.4%
10	Design, Engineering, Science Professionals	1792	3.3%
	Sub-total Top 10 occupations	**26,849**	**50.1%**
	Total jobs	**53,532**	Note, includes self-employed

Many occupations saw significant growth from 2013-2018, particularly for specialist managers, ICT professionals and construction trades workers. The only occupation where there was a decline in the number of people employed in Upper Harbour was for cleaners & laundry workers.

FASTEST GROWING OCCUPATIONS 2013-2018 (source Infometrics)

Occupation	New Jobs
Specialist Managers	1195
ICT Professionals	528
Construction Trades Workers	504
Education Professionals	485
Sales Assistants & Salespersons	418

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

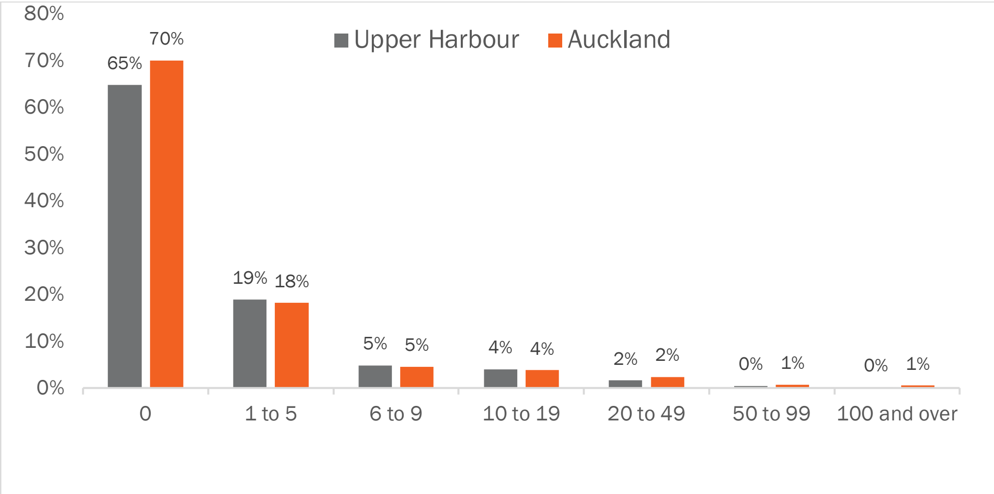
OCCUPATIONS WITH DECLINING JOBS 2013-2018

Occupation	New Jobs
Cleaners & Laundry Workers	-33

Business size[11]

In 2018 there were 11,043 businesses in Upper Harbour employing an average of 4.8 employees each, larger than the Auckland average 4.5 employees. The number of businesses grew 3.5 per cent a year on average over the last decade, a faster average growth rate than the Auckland average of 1.9 per cent.

BUSINESS SIZE – NUMBER OF JOBS (2018)



Future of Work in Upper Harbour

In 2019 ATEED commissioned work[12] 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.

Upper Harbour Local Board is located on the north shore, close to important employment precincts in northern Auckland, while many residents also access employment opportunities in the central city area.

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

Education is an important employment sector in Upper Harbour with eight per cent of jobs in the area. Health care and social assistance is also important and provides seven per cent of the area's jobs. Construction is a key employer in almost all local board areas and

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

[12] Auckland Future Skills, Martin Jenkins (May 2019)

represents 12 per cent of employment in Upper Harbour Local Board. Growth in these sectors is likely to positively impact on the Upper Harbour 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**. Almost 60 per cent of current jobs in Auckland city centre are in these growth sectors which accounts for 31 per cent of jobs these sectors provide in the Auckland region.

Architectural, engineering and technical services (9,000 more employed), management and related consulting services (6,000 more employed) and legal and accounting services (2,000 more employed) are forecast to be the main growth areas.

Upper Harbour also has few jobs in these professional service sectors which account for around 12 per cent of local employment. Forecast growth in these sectors is likely to include some growth in Upper Harbour. Upper Harbour residents also have easy access to the central city to access the growing number of professional service jobs there.

With a largely managerial and professional workforce, focused on key growth areas of construction, health and education and with many professionals and managers in construction, ICT and business the outlook for Upper Harbour residents being able to access employment opportunities that match their skills and experience is positive.

Employment Zones

Employment in Upper Harbour is concentrated in a number of town centres and the industrial and commercial zone of North Harbour that sits either side of State Highway 1. The mall and surrounding retail and servcies at Albany is also a large employment zone.

Upper Harbour is a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 62,841 residents of Upper Harbour which has a labour force of 35,000. The local board area has a total of 58,532 jobs located within it. As a result, the area is a net importer of a labour from other parts of the city.

Employment Zones

Employment in Upper Harbour is concentrated in the light industrial zone of North Harbour to the south of Albany which contains manufacturing, construction and professional service jobs as well as a significant number of jobs in wholesale trade. Albany, including the mall, is largely retail and accommodation and food based although a significant number of professional service jobs and jobs in education associated with schools and the Massey University campus.

EMPLOYMENT IN NORTH HARBOUR AREA*

Industry	Jobs
Wholesale Trade	7,265
Professional, Scientific and Technical Services	3,826
Construction Services	3,585
Administrative and Support Services	2,557
Other Store-Based Retailing and Non Store Retailing	1,562
Health Care and Social Assistance	1,075
Machinery and Other Equipment Manufacturing	1,016
Heavy and Civil Engineering Construction	958
Education and Training	887
Other Services	761
Printing	733
Total employment (all sectors)	**32,171**
* Based on business demographics for the SA2 area	

EMPLOYMENT IN ALBANY AREA*

Industry	Jobs
Other Store-Based Retailing and Non Store Retailing	2,539
Professional, Scientific and Technical Services	1977
Education and Training	1790
Accommodation and Food Services	1132
Supermarket, Grocery Stores and Specialised Food Retailing	798
Total employment (all sectors)	**11,219**
* Based on business demographics for the SA2 area	

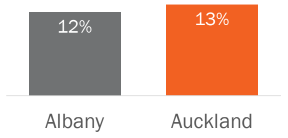
Town Centres[13]

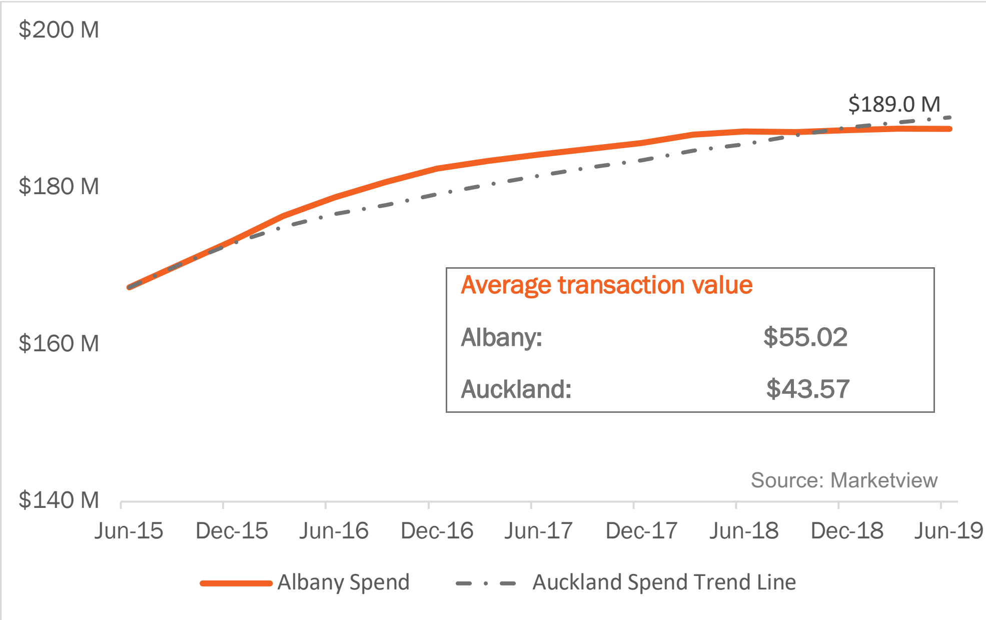
The main town centre in Upper Harbour is Albany.

Spending in Albany has grown at the same rate as in Auckland as a whole, growing 12 per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in Albany was $55.02, just above the Auckland average of $43.57.

ALBANY SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)

Spending growth 2015-2019 (four quarter average)





[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.

Development Trends

Auckland has been undergoing a period of rapid growth facilitated by the development of the Auckland Unitary Plan. This is refelcted in the level of residential development in the Upper Harbour local board area. The large development at Hobsonville Point is well underway and nearing completion meaning the population of the local board area has grown significantly.

Context

Several mandatory plans and strategies are required by legislation to demonstrate Auckland grows in a way that will meet the opportunities and challenges of the future.

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 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.

Albany has a significant strategic role as one of Auckland's three key nodes outside of the city centre and will help to support the future urban areas of Wainui East, Silverdale and Dairy Flat as they develop. Albany has significant opportunities for additional business and residential growth. It is a focal point for future employment, business activity, social facilities and services all of which will support a growing population.

The extension of the Northern Motorway made new urban developments in and around Albany possible with Albany Westfield and the opening of the Northern Busway and park and ride reducing travel times from Albany to central Auckland.

In addition to improved connectivity Albany benefits from the presence of tertiary education facilities such as Massey University, local schools, and sporting facilities such as the QBE Stadium and Albany Stadium Pool, providing a basis for development of the wider area.

A number of recent large developments such as the Rose Garden Apartments and Library Lane have recently been completed and Albany is likely to experience further higher-density residential and mixed-use developments as well as investment in commercial developments. Albany will continue to develop, building on its strengths, to be an attractive place to live, work and visit, with vibrant commercial, entertainment and retail areas.

In addition to Albany itself, the surrounding business and industrial areas of Rosedale and Apollo Drive continue to grow.

Further development of Albany, including the surrounding business areas, will result in a well-connected northern node that provides a range of employment options, commercial and retail opportunities, community and civic activities, and more housing options.

Anticipated Household Growth 2018-2048	Anticipated Population Growth 2018-2048	Anticipated Employment Growth 2018-2048
5,750	16,080	7,740

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. These areas are expected to add significant numbers of houses to the area over the next 30 years as well as a significant contribution to employment. No future development areas are included in Upper Harbour with the main development at Hobsonville Point now nearing completion.

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.

Future urban areas

New communities will be established in future urban areas on the fringe of Auckland's existing urban area and in rural and coastal settlements primarily in the region's north and south. In future urban areas, the Future Urban Land Supply Strategy 2017 sequences when land will be live zoned, based on when infrastructure will be available. A third of new development over the next 30 years is anticipated in these future urban areas, the bulk of which will occur over the next decade[14]. Some of this land will be required to meet increased demand for commercial, light and heavy industrial uses.

[14] Development Strategy

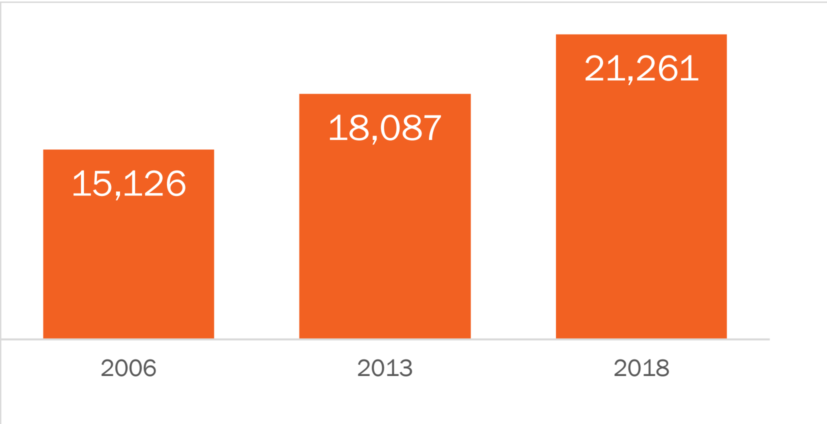
Upper Harbour an area identified as Future Urban and mapped out in the Future Urban Land Supply Strategy at Whenuapai which is anticipated to have business land developed in the short term ahead of massive housing development over the medium term.

Area	Phasing	Expected Dwelling Growth 2018-2048
Whenuapai (stage 1)	2018-2022	6,000
Whenuapai (stage 2)	2028-2032	11,600

New dwellings

There were 994 new dwellings consented 2018, which was 13 per cent of the 7,824 issued in the Auckland region. The number of new dwellings consented has been at increasing steadily since 2011. Development of a major residential area at Hobsonville Point has seen the number of houses in the local board area climb in recent years.

NUMBER OF PRIVATE DWELLINGS (OCCUPIED & UNOCCUPIED)



3,174
Additional dwellings

There were 3,174 additional dwellings in Upper Harbour in the 2018 Census compared to 2013. This has helped make the area the third fastest growing in the region.

At the 2018 Census there were 1464 unoccupied dwellings and 978 under construction. Between 2013 and 2018 censuses there were 3,174 additional dwellings in Upper Harbour an increase of 17.5 per cent compared to 6.5 per cent increase across the region.

Future development

Improvements to the Northern Corridor including extension of the Busway to Albany and a new station at Rosedale are underway and will improve public transport access in to and out of the Upper Harbour area for work.

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 Upper Harbour Local Board seeks to ensure that Upper Harbour develops a prosperous and innovative local economy, with job opportunities for residents to work close to home. The local board's vision is that strong local economic growth continues, and the area develops a reputation as a home for niche knowledge industries.

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

Business environmental sustainability

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

Places

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

Enterprise

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

Economic analysis and research

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

Leveraging local opportunities

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

The table below provides our advice as to where 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

Upper Harbour has a very diverse community and is relatively affluent although its share of knowledge intensive employment is below the regional average. As the area continues to grow, providing for more quality employment opportuntiies in more productive businesses for local people to access will be a key challenge.

ECONOMIC DEVELOPMENT OPPORTUNTIES

LED work stream	Potential area of focus in Upper Harbour Local Board area
Places	Support development of employment opportunities within the growing areas of Albany and Hobsonville Point. Support Business North Harbour's vision for a business location that attracts progressive businesses to invest and locate.
Enterprise	Advocate for sufficient quality employment land to provide quality jobs for local people 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). Support the Young Enterprise Scheme that provides a business experience for local schools.
Economic intelligence	Update of Prosperity Index to keep local board informed of socio-economic picture in their area.
Leveraging local opportunities	The area is well placed to benefit from Auckland's growing screen sector

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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