

AUCKLAND ECONOMIC OVERVIEWS

# WHAU

## LOCAL BOARD ECONOMIC OVERVIEW

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# Introduction

## What is local economic development

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

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

## Auckland's economic development

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

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

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

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

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

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

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

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

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

## The role of local boards

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

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

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

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

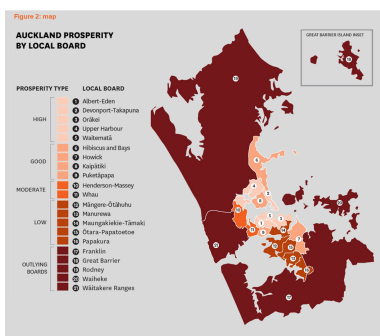
- 'Places' by supporting the town centres and business associations that provide much of their local employment or working with Panuku Development Auckland and ATEED to regenerate their town centres and attract investment and jobs
- 'People' through support for community organisations that work with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

## What is the Whau local economic development overview?

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

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

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.



# Whau Local Board Economic Overview 2019

Summary

Whau is a moderately prosperous local board area. The local economy has a number of growing businesses, which is a positive platform for future growth. However the skills base of the workforce is low, as is the proportion of local jobs that are highly skilled or in knowledge intensive industries, which results in low household incomes.



## Population growth

Population growth has been lower than the regional average over the 2013-2018 Census period. The area has a predominantly New Zealand European (40 per cent) and Asian (40 per cent) population with a sizeable Chinese and Indian community.



## Unemployment rate

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



## Significant employers

Construction, wholesale trade and education are the main employment sectors. Healthcare, accommodation & food and professional services are also significant employers. Together these six sectors provide about 47 per cent of local employment.



## Local employment opportunities

Over the five years 2013-2018, the fastest growing industries by GDP in the local board area were accommodation & food services, professional scientific & technical services and construction.



## Education attainment

Educational attainment is average, however, a much lower proportion of school leavers enter degree level study upon leaving school.

### Population growth 2013-2018

9.3%

Whau

11.0%

Auckland

### Jobs in Knowledge Intensive Industries

21.0%

Whau

39.0%

Auckland

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

33.1%

Whau

42.0%

Auckland



## LOCAL BOARD ASPIRATIONS

In its current Local Board Plan the Whau Local Board seeks to ensure that Whau develops strong local businesses and more quality local jobs. The local board's vision is for successful and resilient businesses in Rosebank, New Lynn, Kelston and Avondale.



## KEY OPPORTUNITIES

Better linking of young people into quality job and training opportunities could help lift local incomes. There are opportunities in the creative sector that could be fostered in the local area to increase the availability of highly skilled jobs.



## KEY CHALLENGES

Whau has a very diverse community, however the skills base of the workforce is low, as is the proportion of local jobs that are highly skilled or in knowledge intensive industries. This results in low household incomes. Improving skills and access to skilled jobs is a key challenge.

## People and Households

Whau is one of Auckland's most ethnically diverse local board areas with a population of 79,356 that is forecast to increase to 116,100 by 2038.

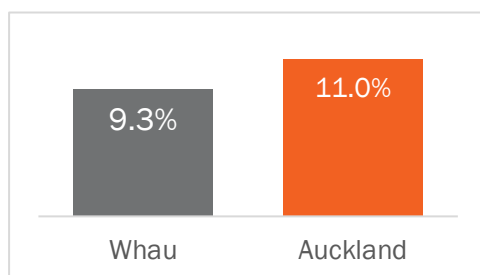
Whau is one of Auckland's less prosperous areas. The Auckland Prosperity Index report showed skills base of the workforce in Whau is low, as is the proportion of local jobs that are highly skilled or in knowledge intensive industries. This results in low household incomes.

	Whau	Auckland / Share of Auckland
Population (2018)	79,356	5.0%
Population growth (2013-2018)	9.3%	11.0%
Median Age (2018)	34.5	34.8
Labour force (2018)	43,700	876,100
Labour force participation (2019)	75%	71%
Home ownership (2018)	41%	45%

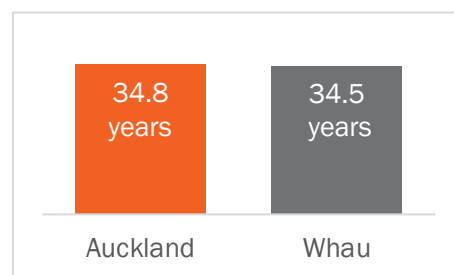
### Population

The Whau Local Board area has experienced average population growth in recent years compared to the region.

#### POPULATION GROWTH (2013-2018)



#### MEDIAN AGE (CENSUS 2018)

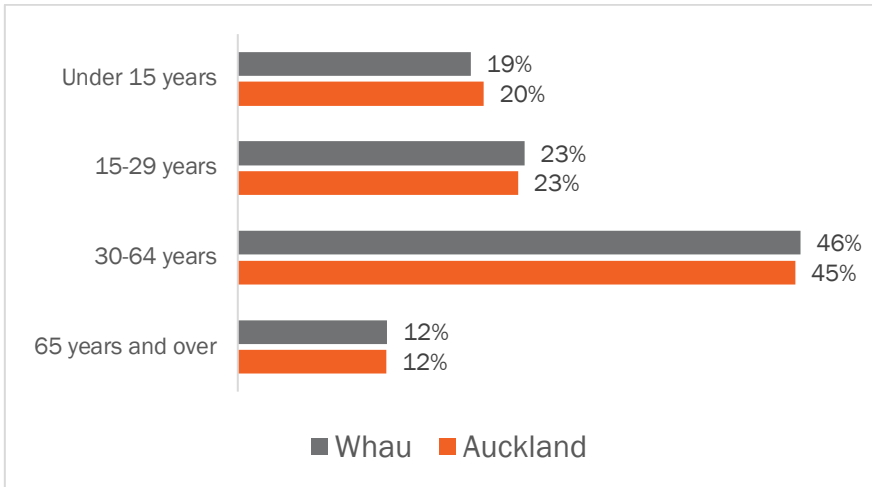


Between the 2013 and 2018 censuses population growth was 9.3 per cent compared to 11.0 per cent regionally. Medium population projections<sup>4</sup> suggest that Whau could be home to 116,100 residents by 2038 an increase of 37,000.

Whau has a slightly younger median age to the region and its age profile is very similar to that of the region.

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

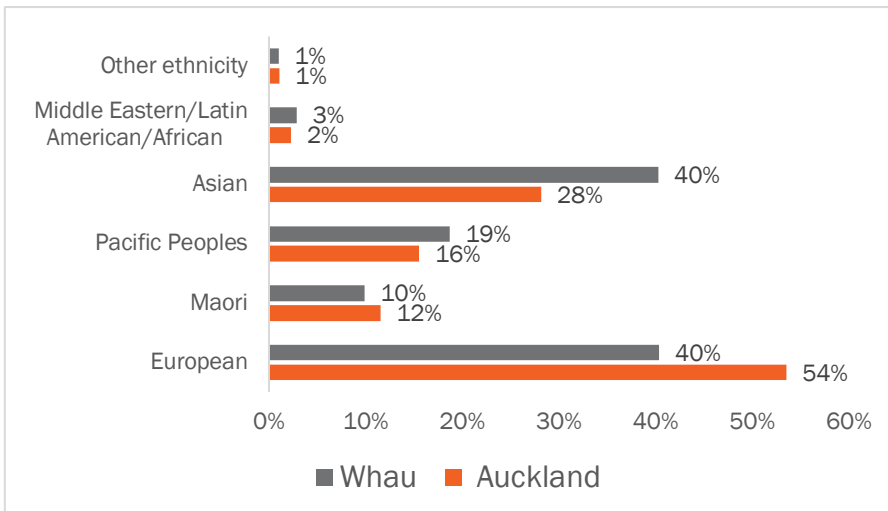
### AGE STRUCTURE (CENSUS 2018)



### Ethnicity

Whau's population is predominantly of European and Asian ethnicity (both 40 per cent). Whau also has a significant number of Pacific residents. There are sizeable Indian, Chinese and Samoan populations in Whau.

### ETHNIC MAKE-UP (CENSUS 2018)



Whau has a large proportion of residents born overseas (48 per cent) and 24 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 Whau, ninety-one per cent of residents are able to speak English.

### Labour Force

The labour force participation rate is a measure of an economy's active workforce. A high

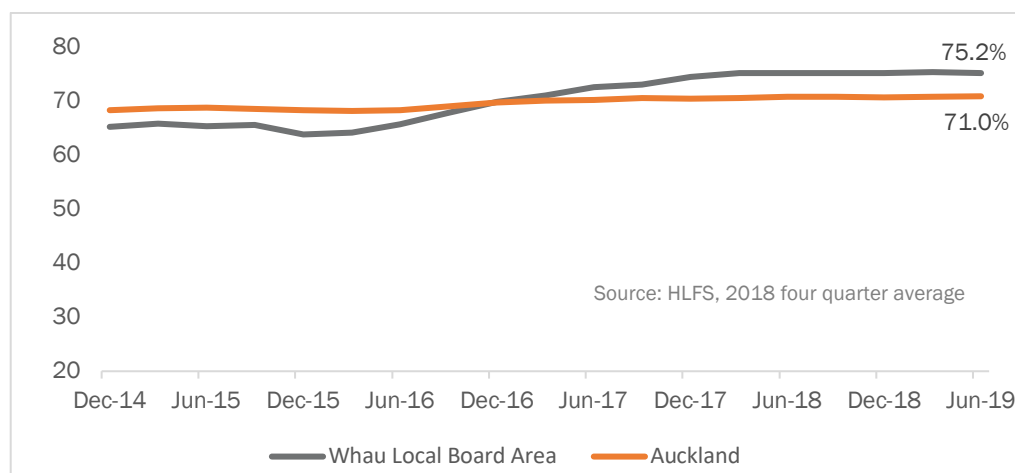
participation rate indicates more people in the area are actively engaged in the economy. The size of the labour force is critical to an area's ability to produce goods and services.

The labour force participation rate in Whau is 75 per cent, higher than the Auckland rate (71 per cent).

# 75%

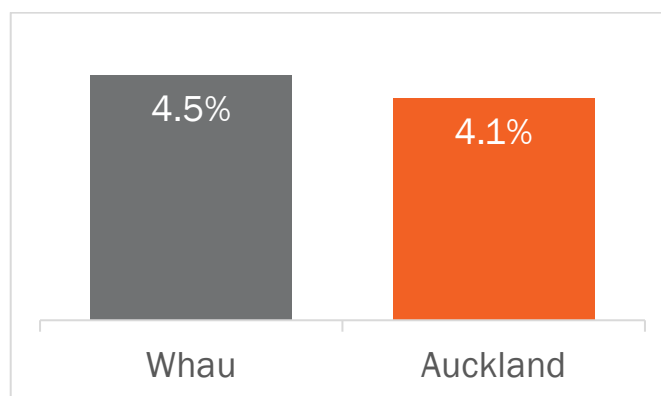
The labour force participation rate in Whau was 75 per cent in June 2019, higher than the Auckland rate (71 per cent)

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



The unemployment rate in the 2018 Census<sup>5</sup> was 4.5 per cent in the Whau Local Board area, higher than the Auckland region unemployment rate of 4.1 per cent.

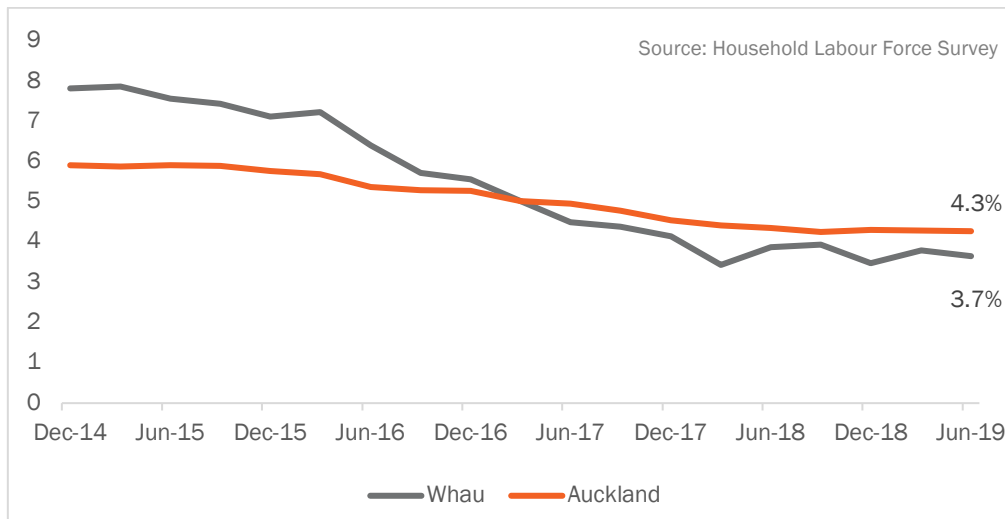
## UNEMPLOYMENT RATE (CENSUS 2018)



Unemployment measured by the Household Labour Force Survey in Whau has fallen more rapidly than the Auckland average over the last five years.

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

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



### Incomes

Analysis of individual income levels in 2018 shows that there was a lower proportion (14 per cent) of persons earning a high income (over \$100,000 per year) in Whau compared to the region (20 per cent).

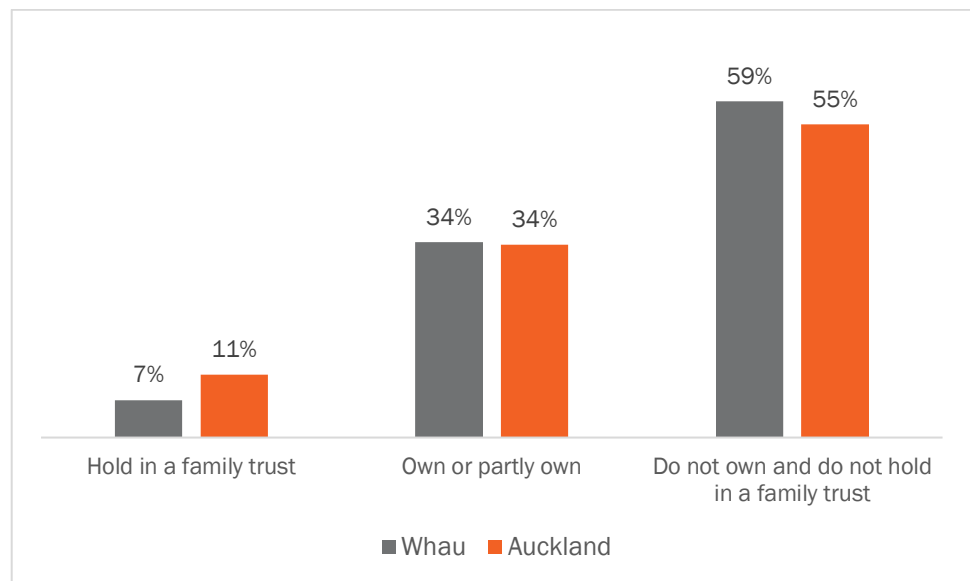
### INDIVIDUAL INCOMES (CENSUS 2018)



In 2018, 11 per cent of individuals in Whau derived self-employment or business income, above the rate across Auckland 14 per cent).

Home ownership in Whau is lower than the regional average; in 2018, 41 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.

### HOME OWNERSHIP (CENSUS 2018)



## Skills

Whau has a reasonably well qualified labour force. Slightly fewer school leavers from Whau leave with NCEA Level 2 or NCEA Level 3. Overall fewer school leavers enter some form of tertiary education upon leaving school.

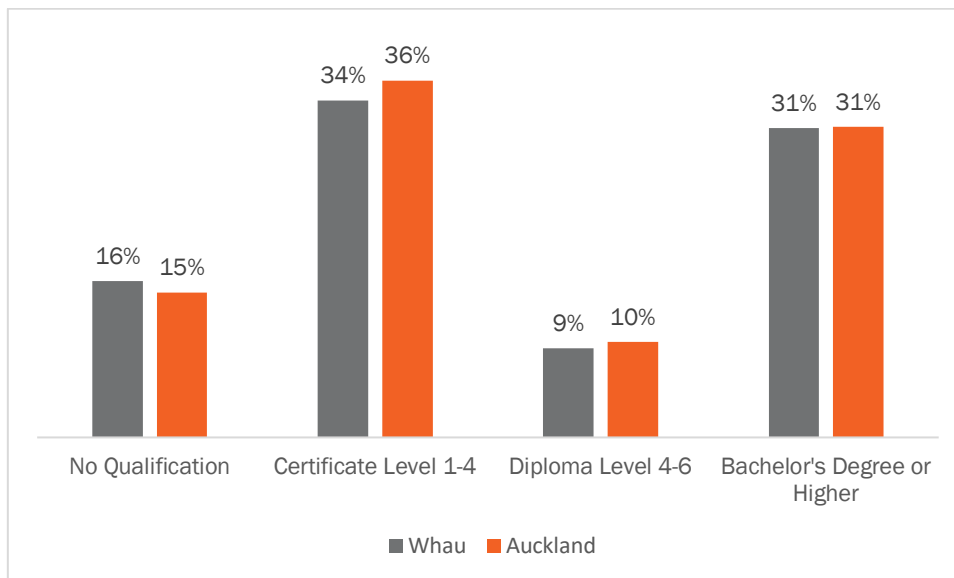
### Qualifications

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

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

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

#### RESIDENTS' HIGHEST QUALIFICATIONS (CENSUS 2018)



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

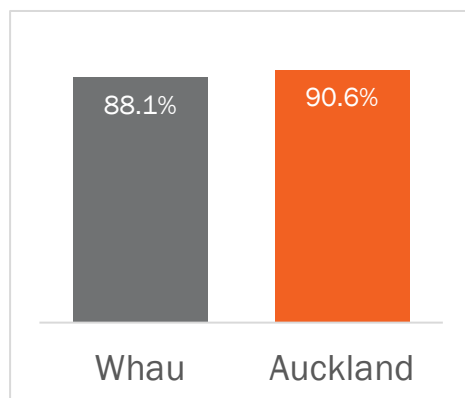
In 2018, 31 per cent of adult residents in Whau had gained a bachelor's degree or higher, the same proportion than the Auckland region. Sixteen per cent of residents had no educational qualifications compared with 15 per cent across the region<sup>7</sup>.

NCEA is the national school-leaver qualification and is used as the benchmark for entrance selection by universities and polytechnics. In 2018, 12 per cent of school leavers in Whau did not achieve the standard for NCEA Level 1 compared to nine per cent regionally.

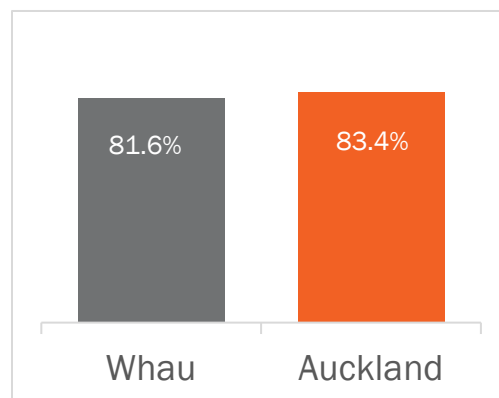
In 2018, 18 per cent of school leavers in Whau did not achieve NCEA Level 2, which provides the foundation skills required for employment. This is more than the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

### NCEA – STUDENTS ATTAINING NCEA (2018)

#### LEVEL 1



#### LEVEL 2



### NCEA 1 ATTAINMENT BY ETHNICITY

Percentage achieving NCEA	Level 1	Level 2
European	90.3%	65.6%
Māori	76.2%	75.1%
Pacific	84.2%	93.0%
Asian	95.3%	91.3%
Middle East, Latin American, African	94.2%	75.0%
Other	83.3%	80.0%
<b>Total Local Board</b>	<b>88.1%</b>	<b>81.6%</b>
<b>Total Auckland</b>	<b>90.6%</b>	<b>83.4%</b>

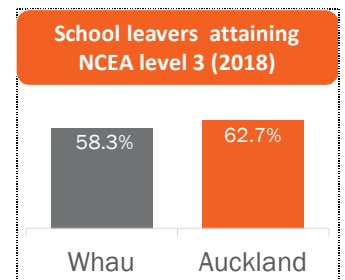
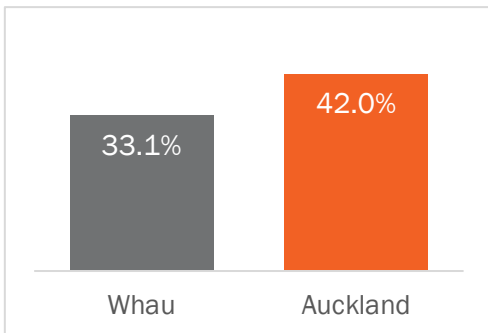
NCEA Level 3 is regarded as the minimum level required for university entry. Fifty-eight per cent of Whau school leavers achieved this, lower than the Auckland average of 63 per cent.

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

### DESTINATION OF SCHOOL LEAVERS IN THEIR FIRST YEAR AFTER LEAVING

	Bachelor's and above	Certificates & diplomas levels 3-7	Certificates Levels 1-2	Not enrolled in tertiary education	Total Leavers
Whau	33.1%	22.2%	3.4%	41.4%	1282
Auckland	42.0%	20.9%	3.1%	34.1%	20,421

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



Fewer school leavers moved on to degree level study within a year of leaving school. Thirty-three per cent of school leavers did this, lower than the Auckland average. More enrolled in certificate or diploma level study than regionally but overall, fewer (59 per cent) enrolled in some form of tertiary education than the regional average (66 per cent).

## Local Economy

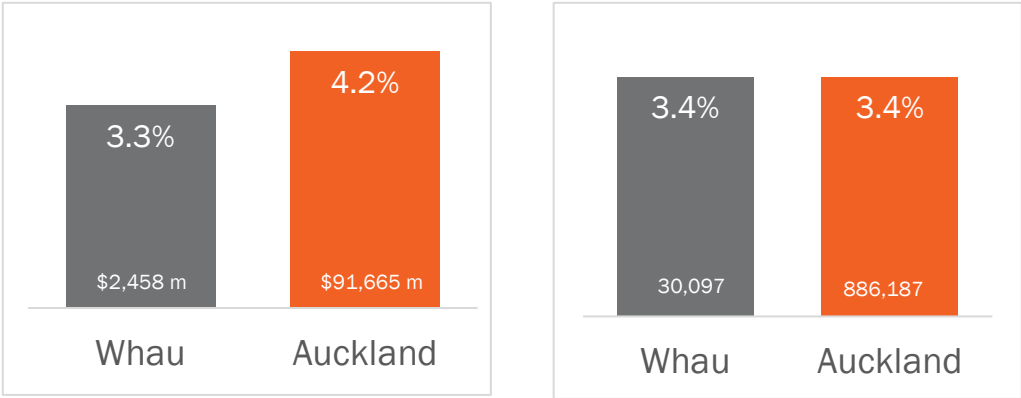
Whau has a diverse local economy driven by manufacturing, wholesale and construction while retail also provide many local employment opportunities. There has been recent growth in the number of jobs in professional services as well as accommodation & food services.

### Growth and employment trends

In 2018, GDP in Whau experienced growth of 1.1 per cent, lower than the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Whau economy grew at an average annual rate of 3.3 per cent, lower than the 4.2 per cent in the Auckland region.

Employment in Whau increased by an average of 3.4 per cent per annum in the five years from 2013-2018, the same as the Auckland rate. Over the last five years Whau job numbers increased the most in Accommodation & Food Services (+942), Construction Services (+805) and Professional, Scientific & Technical Services (+724 jobs).

AVERAGE ANNUAL GDP AND EMPLOYMENT GROWTH (source Infometrics)



Over the five years 2013-2018, the fastest growing industries by GDP in Whau were, accommodation & food services, professional scientific & technical services. And construction.

FASTEST GROWING INDUSTRIES BY GDP 2013-2018 (source Infometrics)

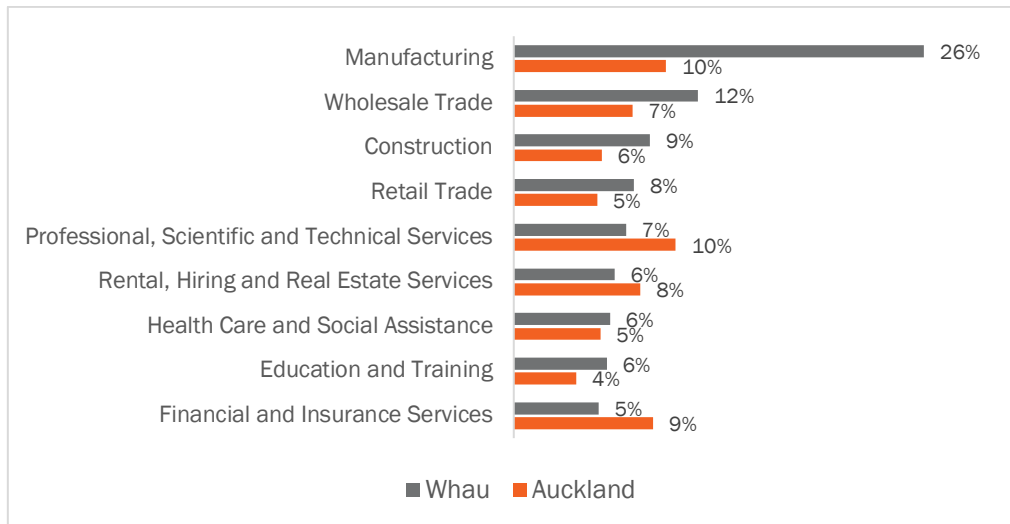
Industry	Average p.a. change
Accommodation & Food Services	14.2%
Professional, Scientific & Technical Services	11.1%
Construction	7.9%
Other Services	7.5%
Information Media & Telecommunications	7.3%
Arts & Recreation Services	6.8%
Retail Trade	6.5%

## Industry mix

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

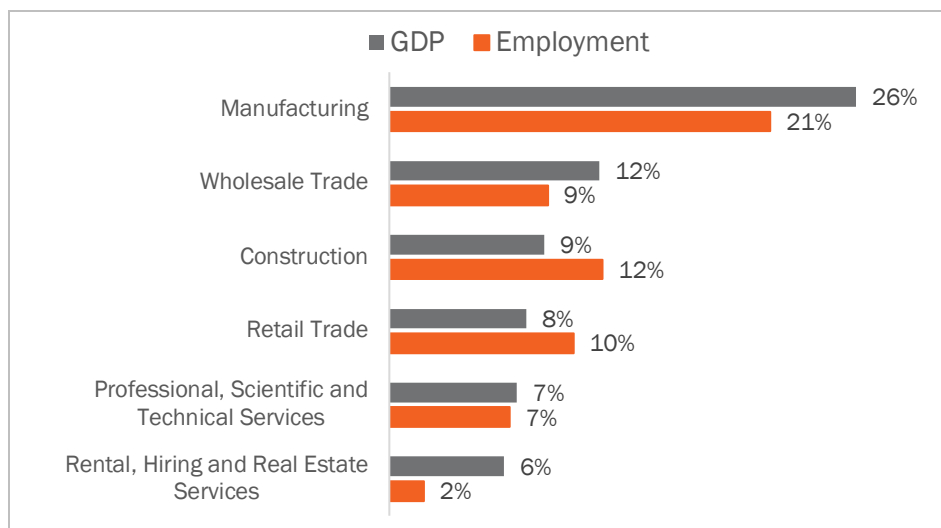
### INDUSTRY MIX BY GDP

(source Infometrics)



- **Manufacturing** contributed 26 per cent of Whau's GDP and provided 21 per cent of the area's employment.
- **Wholesale trade** contributed 12 per cent of Whau's GDP and provided nine per cent of the area's employment.
- **Construction** contributed nine per cent of Whau's GDP and provided 12 per cent of the area's employment.
- **Retail trade** contributed eight per cent of Whau's GDP and provided 10 per cent of the area's employment.

### TOP INDUSTRIES BY EMPLOYMENT AND GDP (source Infometrics)



Construction services, wholesale trade, education and health are the key employment sectors in Whau.

#### TOP 10 INDUSTRIES BY EMPLOYMENT (2018)

(source infometrics)

Rank	Industry	Jobs	% of Whau Total
1	Construction Services	2,614	8.7%
2	Wholesale Trade	2,612	8.7%
3	Education & Training	2,606	8.7%
4	Health Care & Social Assistance	2,244	7.5%
5	Accommodation & Food Services	2,126	7.1%
6	Professional, Scientific & Tech Services	2,001	6.6%
7	Other Store & Non Store Retailing	1802	6.0%
8	Other Services	1545	5.1%
9	Machinery & Other Equipment Manufacturing	1431	4.8%
10	Fabricated Metal Product Manufacturing	1174	3.9%
<b>Total top 10 industries</b>		<b>20,155</b>	<b>67.1%</b>
<b>All other industries</b>		<b>9,936</b>	<b>32.9%</b>
<b>Total employment</b>		<b>30,097</b>	

Between 2013 and 2018 construction and accommodation & food services saw the greatest increase in employment.

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

(source Infometrics)

Sector	New Jobs
Construction	1123
Accommodation & Food Services	942
Professional, Scientific & Technical Services	724
Retail Trade	425
Education & Training	420
Health Care & Social Assistance	418

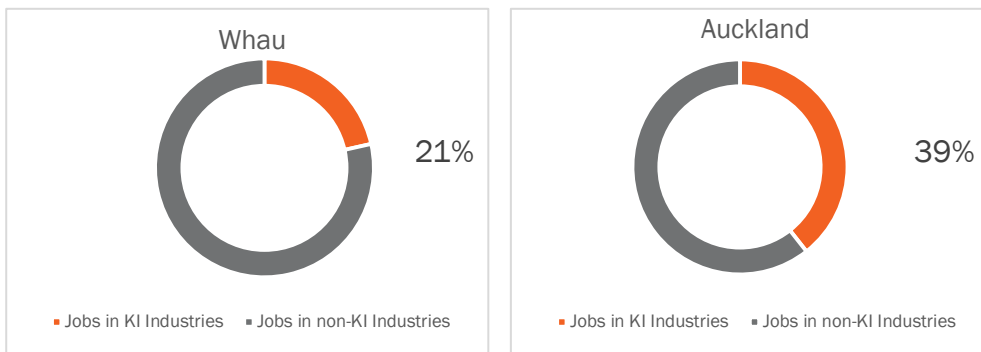
### Knowledge-intensive industries

Knowledge intensive industries<sup>8</sup> represent an increasing share of the New Zealand economy's output and employment and may be a source of future productivity growth. Twenty-one per cent of jobs in Whau 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 and technical occupations.

## JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES

(source infometrics)



## Comparative Advantage

A number of manufacturing sectors are more strongly represented in Whau than they are in the region as a whole. Polymer product manufacturing and textile manufacturing being sectors that are particularly strongly represented in Whau.

## INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA

(source Infometrics)

Rank	Industry	Location Quotient	GDP \$M	Employees
1	Polymer Product & Rubber Product Manufacturing	8.4	772	5,926
2	Textile, Leather, Clothing, Footwear Manufacturing	6.4	269	4,544
3	Machinery & Other Equipment Manufacturing	4.9	1364	12,532
4	Furniture & Other Manufacturing	4.7	318	4,766
5	Fabricated Metal Product Manufacturing	4.5	851	10,550

## ATEED Sectors of Focus

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

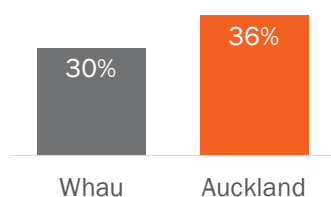
These industries and sectors are grouped into advanced industries, tradeable industries and enabling industries. Together they drive growth and create employment in Auckland and are of particular interest to ATEED with regards support that can be provided to help their growth.

Advanced materials are well represented in Whau and as that sector is supported to grow there are likely to be opportunities for businesses in the area.

## EMPLOYMENT IN ATEED FOCUS SECTOR (2018)

Share of Sector to Total	Auckland	Whau	+/- on Whau sector
Advanced Materials Related	1.7%	6.1%	268.1%
Commercial services	21.2%	11.4%	-46.1%
Construction & engineering	11.2%	12.7%	13.3%
Education	7.6%	8.7%	14.6%
Food & Beverage	3.5%	3.3%	-6.9%
Screen & creative	6.0%	3.5%	-42.2%
Technology	7.6%	9.6%	25.3%
Tourism	6.2%	5.3%	-14.3%
Transport & Logistics	2.9%	1.9%	-36.7%

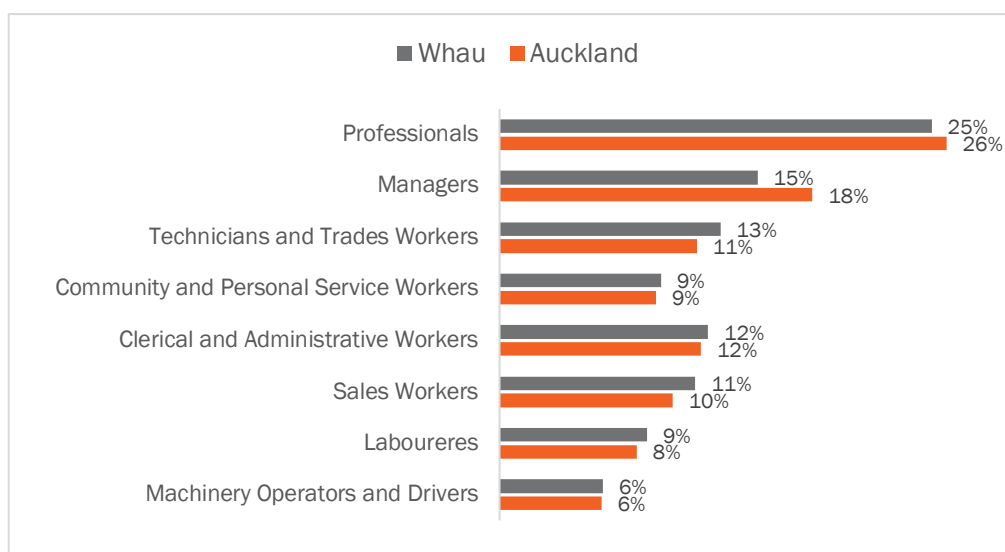
## Highly Skilled Jobs (2018)

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 Whau (30 per cent) and higher proportion of low-skilled jobs (39 per cent) compared to the Auckland average.

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

## OCCUPATIONS OF WHAU RESIDENTS (CENSUS 2018)

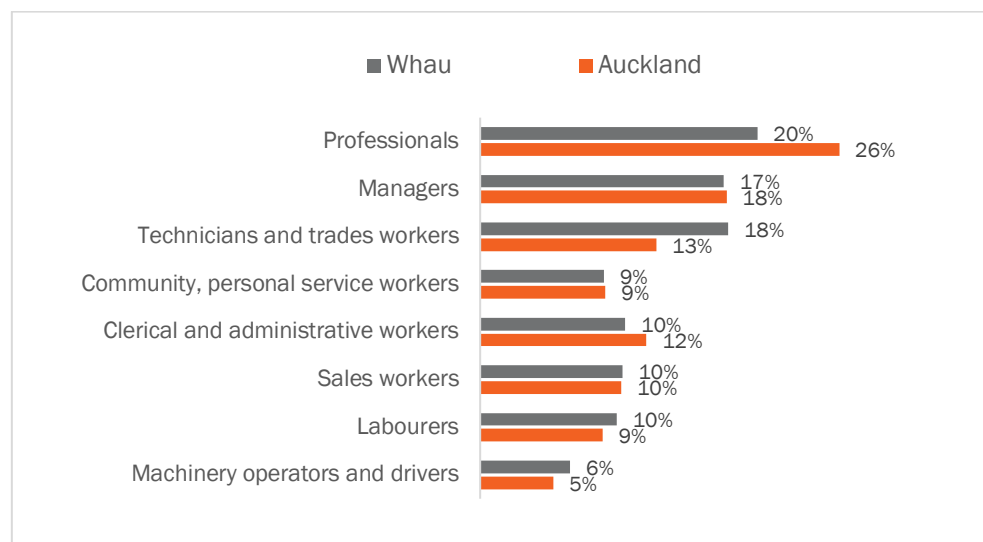


<sup>9</sup> The 2018 Census provides details of the occupations of residents of the local board area whereas Infometrics data provides details of occupations within businesses located in the local board area.

Of the jobs located in the Whau Local Board area, professionals are the largest occupational group (20 per cent), though this is lower than the Auckland average (26 per cent). The area has a higher proportion of technicians and trades workers than the Auckland average.

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

Source: Infometrics



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

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

Source: Infometrics

Rank	Occupations	Jobs	% of total jobs in Whau
1	Specialist Managers	2,709	9.0%
2	Education Professionals	1978	6.6%
3	Sales Assistants & Salespersons	1769	5.9%
4	Automotive & Engineering Trades Workers	1323	4.4%
5	Chief Execs, General Managers, Legislators	1291	4.3%
6	Carers & Aides	1115	3.7%
7	Business, HR & Marketing Professionals	1107	3.7%
8	Hospitality, Retail & Service Managers	1101	3.7%
9	Construction Trades Workers	1007	3.3%
10	Design, Engineering, Science Professionals	975	3.2%
<b>Sub-total Top 10 occupations</b>		<b>14,375</b>	<b>47.8%</b>
<b>Total jobs</b>		<b>30,097</b>	Note, includes self-employed

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

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

#### FASTEST GROWING OCCUPATIONS 2013-2018

Source: Infometrics

Occupation	New Jobs
Specialist Managers	449
Education Professionals	340
Construction Trades Workers	328
Hospitality Workers	303
Automotive & Engineering Trades Workers	244

#### OCCUPATIONS WITH DECLINING JOBS 2013-2018

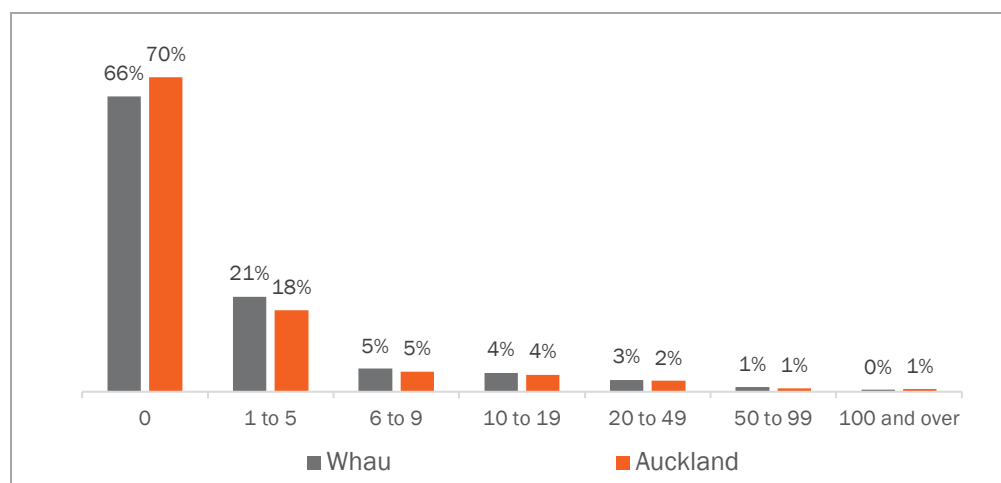
Occupation	Jobs Lost
Machine & Stationary Plant Operators	-47
Protective Service Workers	-34
Numerical Clerks	-19

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

In 2018 there were 7,082 businesses in Whau employing an average of 4.2 employees each, smaller than the Auckland average 4.5 employees. The number of businesses grew 2.2 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)

Source: Infometrics



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

## Future of Work in Whau

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.

Whau Local Board is located in the west of the Auckland region close to important employment precincts in the south and west 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 Whau with nine per cent of jobs in the area. Health care and social assistance is also important and provides eight per cent of the area's jobs. Construction is a key employer in almost all local board areas and represents 12 per cent of employment in Whau Local Board. Growth in these sectors is likely to positively impact on the Whau 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 30 per cent of current jobs in the Auckland CBD 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. As a western Local board area with a significant manufacturing presence Whau has few jobs in these sectors which account for around six per cent of local employment. Forecast growth in these sectors is likely to include limited growth in Whau. Whau residents also have easy access to the central city to take up the growing number of professional service jobs there. This is likely to improve significantly once the Auckland City Rail Link shortens journey times from Whau train stations into the city centre.

For Whau Local Board, employment in Auckland's west is an important source of household jobs and income. The table below shows the industries where there is projected to be the largest growth in total employment numbers between 2018 and 2029.

Employment in the construction industry is forecast to increase by about 3,700, driven by increases in construction services, building construction, and heavy and civil engineering construction. Other industries forecast to grow in west Auckland include education and training and healthcare and social assistance. Education and training employment growth will be driven mostly by preschool, school, and tertiary education sectors while healthcare and social assistance growth will be evenly distributed across hospitals, medical and other health care services, residential care services and social assistance services.

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

**INDUSTRIAL FORECAST FOR WEST AUCKLAND 2018-2019**

(source Infometrics)

Industry	Employment 2018	Employment 2029	Change
Construction	8,175	11,913	3,738
Education & Training	5,696	7,415	1720
Health Care & Social Assistance	7,376	8,789	,412
Professional, Scientific & Technical Services	3,728	4,606	878
Accommodation & Food Services	4,144	5,006	862
Public Administration & Safety	2,536	3,262	726
Administrative & Support Services	2,834	3,527	693
Manufacturing	11,164	11,750	586

Manufacturing provides a significant proportion of employment opportunities in west Auckland. The west Auckland economy has almost double the share of manufacturing opportunities (17 per cent of west Auckland employment is in the manufacturing industry compared to nine per cent for the Auckland region). Manufacturing is also one of the largest employers of Māori in Auckland and will continue to be a source of employment opportunities.

**For Whau, 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 Whau is concentrated in a number of town centres and a significant light and heavy industrial precinct on Rosebank Road.

Whau has a mix of labour importing commercial and industrial areas and labour exporting suburban areas. There are 86,800 residents of Whau which has a labour force of 43,700. Most employment is in Rosebank Road (11,000 jobs) and New Lynn (8,000). The local board area has a total of 30,097 jobs located within it. As a result, the area is a net exporter of a labour to other parts of the city.

### Employment Zones

Employment in Whau is concentrated in a number of town centres as well as the Rosebank Road industrial precinct.

Rosebank Road is a significant light and heavy industrial area with over 10,000 jobs and significant employment in manufacturing, wholesale trade and construction services.

#### EMPLOYMENT IN ROSEBANK INDUSTRIAL AREA\*

(source Infometrics)

Industry	Jobs
Wholesale Trade	1900
Construction Services	1260
Machinery & Other Equipment Manufacturing	1077
Fabricated Metal Product Manufacturing	852
Administrative & Support Services	729
Polymer Product & Rubber Product Manufacturing	696
Professional, Scientific & Technical Services	564
Textile, Leather, Clothing & Footwear Manufacturing	538
Basic Chemical & Chemical Product Manufacturing	405
<b>Total employment (all sectors)</b>	<b>10,703</b>
* Based on business demographics for the SA2 area	

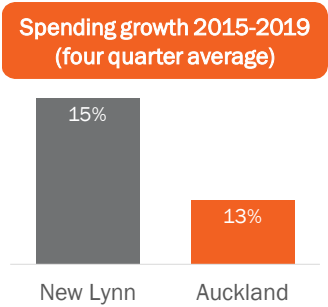
### Town Centres<sup>13</sup>

The main town centre employment zones in Whau are New Lynn and Avondale.

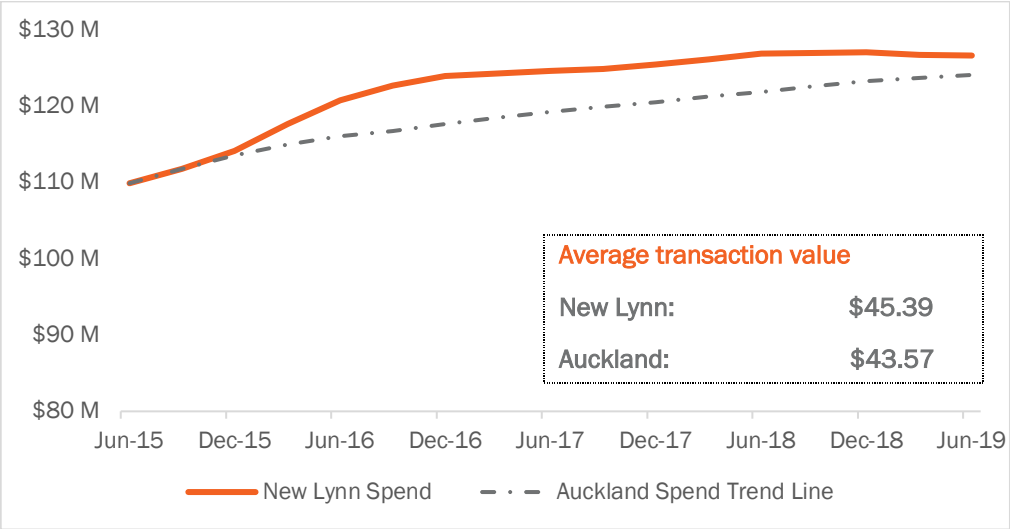
As an established town centre New Lynn has seen spending grow 15 per cent between June 2015 and June 2019 compared to 13 per cent regionally. Completion of major road works and investment by LynnMall may have contributed to this recent strong

<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

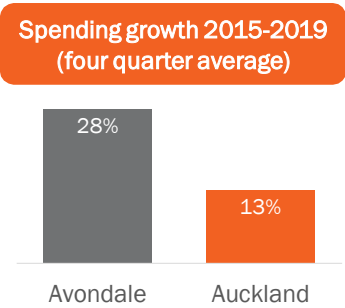
performance. The average transaction value in New Lynn was \$45.39, above the Auckland average of \$43.57.



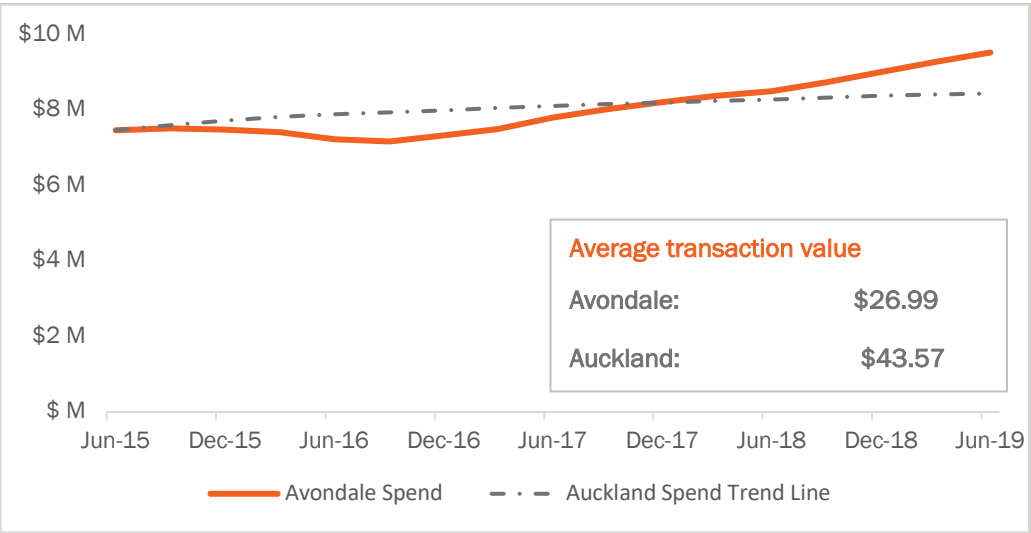
NEW LYNN SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



Spending in Avondale has grown recent years, growing just 28 per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in Avondale was \$26.99, below the Auckland average of \$43.57. This reflects the local nature of the centre and the absence of a large supermarket.



AVONDALE 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 Whau Local Board area.

The completion of the city rail link between Britomart and Mount Eden train station is set to have a significant impact on the area as the frequency and journey times to stations in the local board area will greatly improve. The market attractiveness for development in the area is expected to increase, prompting future residential and employment growth.

### Context

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

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

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

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

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

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

Three development areas are included in Whau each expecting to see growth in the medium term (2028-2038) given their market attractiveness. Avondale is an established town centre located on the western rail line with significant development potential, particularly when combined with adjacent New Lynn. Key transport and wastewater infrastructure projects will help support its development. The City Rail Link will improve access to the city centre. Avondale is an attractive development location given its central-west location and planned transport improvements. There is current development interest in the area with Auckland Council actively involved in residential development projects.

New Lynn has had major council investment and there is current development interest from the private sector and Housing New Zealand. The area is well connected via rail and bus with the New Lynn rail station and when the City Rail Link is complete, it will be a 23-minute journey to the city centre.<sup>14</sup>

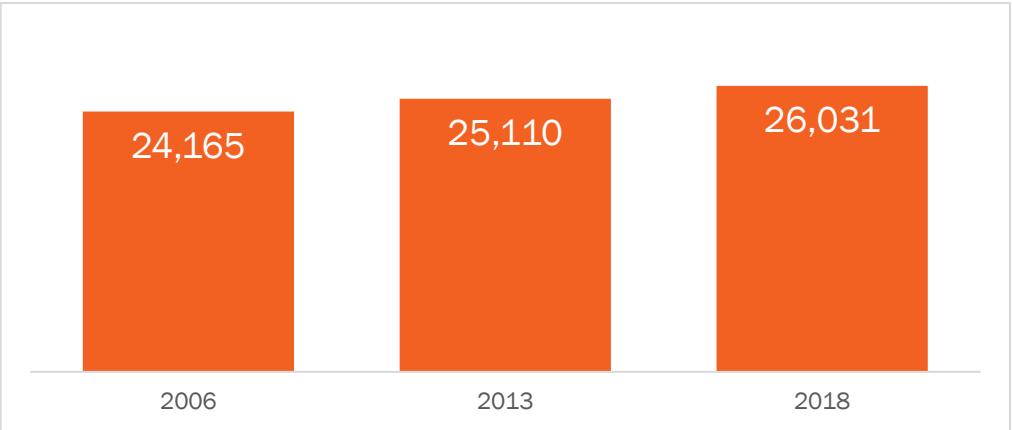
These areas are expected to add significant numbers of houses to the area over the next 30 years as well as a modest contribution to employment.

Development Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Avondale		2,440	150
New Lynn		6,850	4,860
Kelston		1150	40

New dwellings

There were 247 new dwellings consented in 2018, which was 3.2 per cent of the 7,824 issued in the Auckland region. The number of new dwellings consented has been at increasing steadily since 2010.

NUMBER OF PRIVATE DWELLINGS (OCCUPIED & UNOCCUPIED)



At the 2018 Census there were 1299 unoccupied dwellings and 144 under construction. Between 2013 and 2018 censuses there were 921 additional dwellings in Whau an increase of 3.9 per cent compared to 6.5 per cent increase across the region.

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

921  
Additional dwellings

There were 921 additional dwellings in Whau in the 2018 Census compared to 2013.

## **Future Developments**

The City Rail Link, a 3.5 km underground link between Britomart Transport Interchange and Mount Eden with the addition of stations at Aotea Square and K Road with significantly improve train frequency and journey times from Whau's train stations at Avondale, New Lynn and Fruitvale Road to the city centre.

## 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 Whau Local Board seeks to ensure that Whau develops strong local businesses and more quality local jobs. The local board's vision is for successful and resilient businesses in Rosebank, New Lynn, Kelston and Avondale.

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

### Business environmental sustainability

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

### Places

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

### Enterprise

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

### Economic analysis and research

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

### Leveraging local opportunities

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

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

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

## ISSUES

Whau has a very diverse community, however the skills base of the workforce is low, as is the proportion of local jobs that are highly skilled or in knowledge intensive industries. This results in low household incomes. Improving skills and access to skilled jobs is a key challenge.

## ECONOMIC DEVELOPMENT OPPORTUNITIES

LED work stream	Potential area of focus in Whau Local Board area
<b>Sustainable businesses</b>	Work with the business community to encourage and support local sustainable business practices and initiatives.
<b>Places</b>	Support the revitalisation of Avondale town centre
<b>Enterprise</b>	<p>Consider other enterprise support programmes that meet the needs of the community that are currently not met by mainstream regional programmes (such as PopUp Business School).</p> <p>Support the Young Enterprise Scheme that provides a business experience for local schools.</p>
<b>Economic intelligence</b>	<p>Update of Prosperity Index to keep local boards informed of socio-economic picture in their area.</p> <p>Research to support preservation of Auckland's industrial land.</p>
<b>Leveraging local opportunities</b>	Leverage Whau's creative heritage to provide opportunities for local businesses and workers.

## 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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