MARCH 2020

AUCKLAND ECONOMIC OVERVIEWS

WAITEMATĀ

LOCAL BOARD ECONOMIC OVERVIEW

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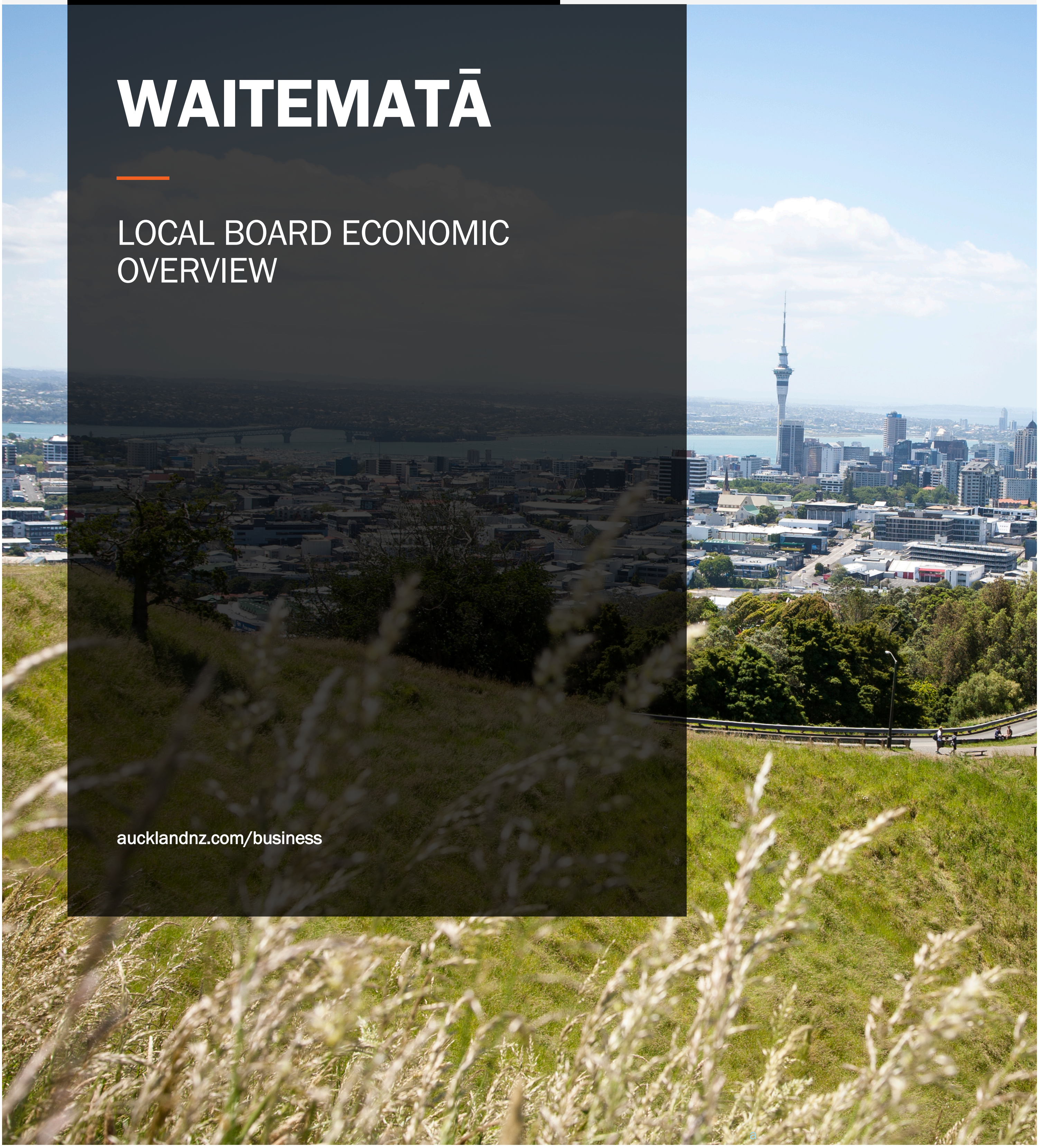

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Introduction

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.

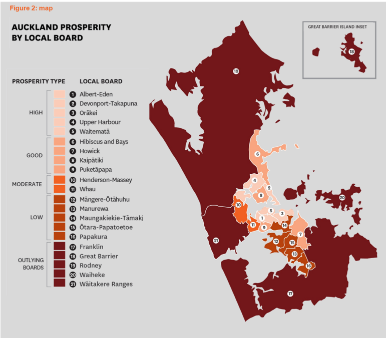
In 2018 ATEED produced the Auckland Prosperity Index[3], which highlighted how different parts of the region have felt the benefits of Auckland's continued economic growth. This has shaped the approach we have been asked to take in the region, focusing on those activities and industry sectors that will 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 Waitematā local economic development overview?

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

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

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.

Waitematā Local Board Economic Overview 2019

Summary

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Waitematā is relatively prosperous local board area and home to a high concentration of professional jobs within the city centre. One in four jobs in the region are in Waitematā. In addition, the location of the Ports of Auckland and cruise ship terminals on the Waitematā Harbour make the area an important entry point to New Zealand for many goods and overseas visitors. The area also hosts a great many of Auckland's major events.

Population growth

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

Unemployment rate

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

Significant employers

Professional, administrative and accommodation & food services are the main employment sectors. Education, healthcare and finance are also significant employers.

Local employment opportunities

Over the five years 2013 to 2018, the fastest growing industries by GDP in the local board area were construction, retail trade and public administration.

Education attainment

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

Other developments

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 would any future light rail development between the city centre and Māngere.

Population growth 2013-2018

7.4%
Waitematā

11.0%
Auckland

Jobs in Knowledge Intensive Industries

55.0%
Waitematā

39.0%
Auckland

School leavers moving on to degree level study (2018)

55.9%
Waitematā

42.0%
Auckland

LOCAL BOARD ASPIRATIONS

In its current Local Board Plan the Waitematā Local Board seeks to ensure that Waitematā develops an innovative, productive and resilient local economy. The local board's vision is that its centres are improved as areas for business success, hosting events and for people to visit and that small start-ups and social enterprises are actively supported to ensure their success.

KEY OPPORTUNITIES

Construction of the City Rail Link will be a major catalyst for regeneration in the city centre and Karangahape Road. Development of the Auckland Convention Centre, completion of Commercial Bay and the hosting of the America's Cup and APEC offer economic opportunities in the coming years.

KEY CHALLENGES

As Auckland has grown pressure on the central city's transport infrastructure has increased. Maintaining ease of access and movement of goods and services through the central city requires significant investment.

People and Households

Waitematā is one of Auckland's most populous local board areas with a population of 82,866 that is forecast to increase to 166,600 by 2038.

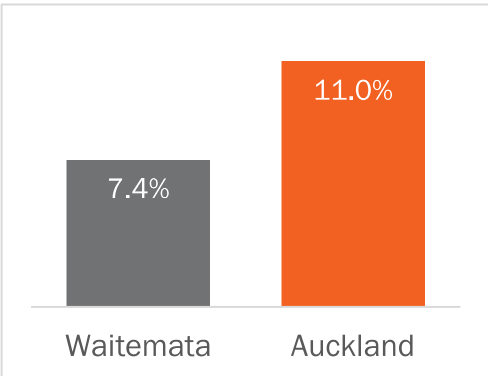
Waitematā is one of Auckland's more prosperous areas. The Auckland Prosperity Index report showed Waitematā is home to highly skilled residents and has a younger age profile than most other local board areas. With knowledge-intensive industries in the area and ease of access to the city centre and fringe,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

	Waitematā	Auckland / Share of Auckland
Population (2018)	82,866	5.3%
Population growth (2013-2018)	7.4%	11.0%
Median Age (2018)	31.7	34.8
Labour force (2018)	56,700	876,100
Labour force participation (2018)	81%	71%
Home ownership (2018)	32%	45%

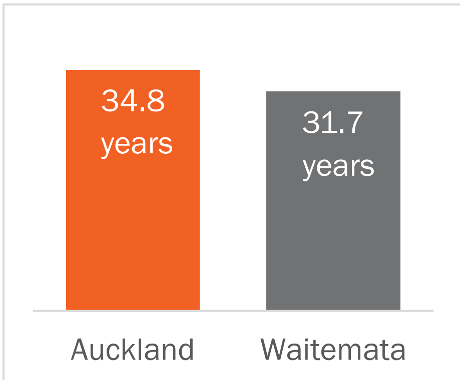
Population

The Waitematā Local Board area has experienced slower population growth than the region in recent years.

POPULATION GROWTH (2013-2018)



MEDIAN AGE (CENSUS 2018)



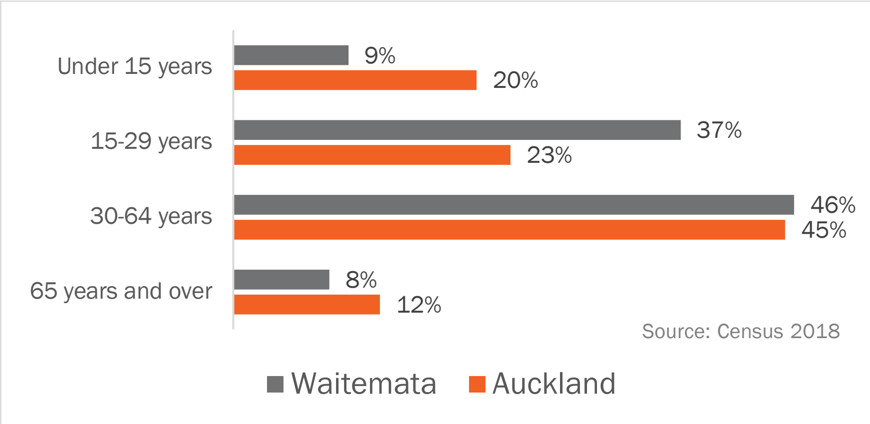
Between the 2013 and 2018 censuses population growth was 7.4 per cent compared to 11 per cent regionally. Medium population projections[4] suggest that Waitematā could be home to 166,600 residents by 2038 an increase of over 80,000.

Waitematā has a slightly younger median age to the region, but its working age population is much larger than the regional average, particularly people of younger

[4] Source: Statistics New Zealand

working age (15-29 years old) and there are proportionately fewer young people and also fewer people of retirement age.

AGE STRUCTURE (CENSUS 2018)

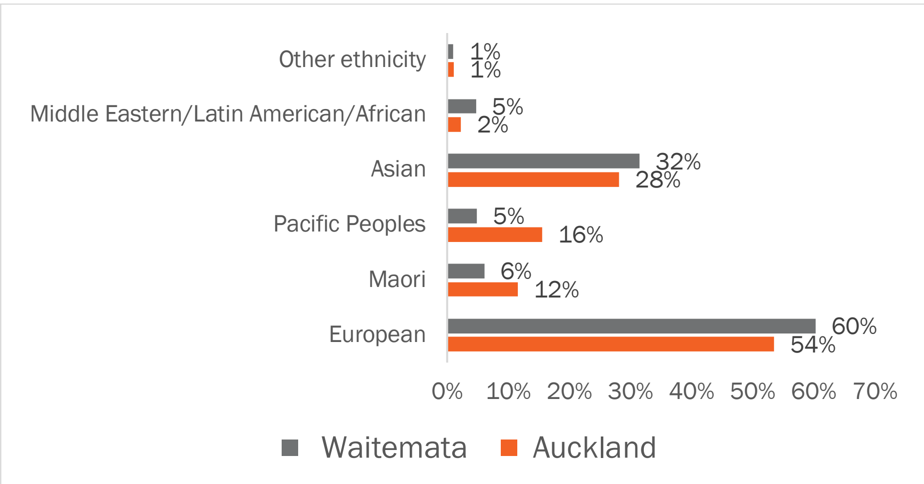


Ethnicity

Waitematā's population is predominantly of European ethnicity (60 per cent), more so than the regional profile where Europeans make up 54 per cent of the population. While Waitematā has fewer Māori and Pacific residents than the region there are more people of Asian ethnic origin. These people are predominantly of Chinese or Indian origin.

Waitematā has a large proportion of residents born overseas (52 per cent) and over half of those (53 per cent) people born overseas had been in New Zealand less than five years.

ETHNIC MAKE-UP (CENSUS 2018)



Languages

With a diverse population there are a wide range of languages in use in Waitematā, 96 per cent of residents are able to speak English.

81%

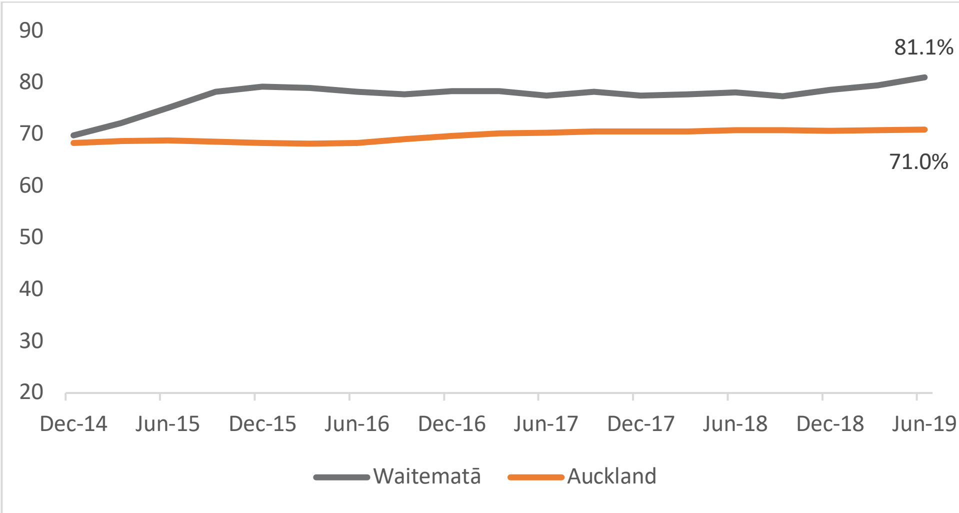
The labour force participation rate in Waitematā was 81 per cent in June 2019, higher than the Auckland rate (71 per cent)

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.

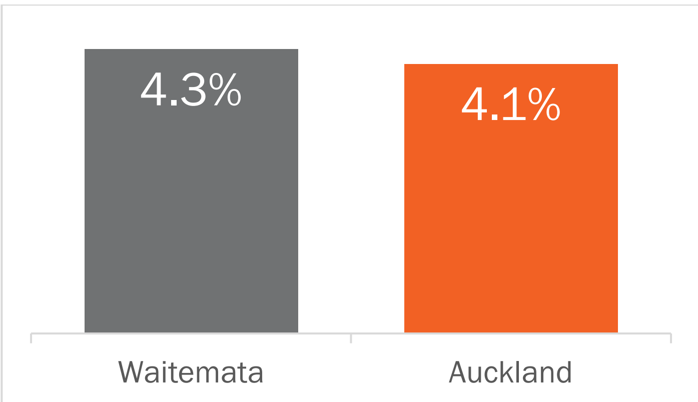
The labour force participation rate in Waitematā is 79 per cent, higher than the Auckland rate (71 per cent)

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



The unemployment rate in the 2018 Census[5] was 4.3 per cent in the Waitematā Local Board area, higher than the Auckland region unemployment rate of 4.1 per cent.

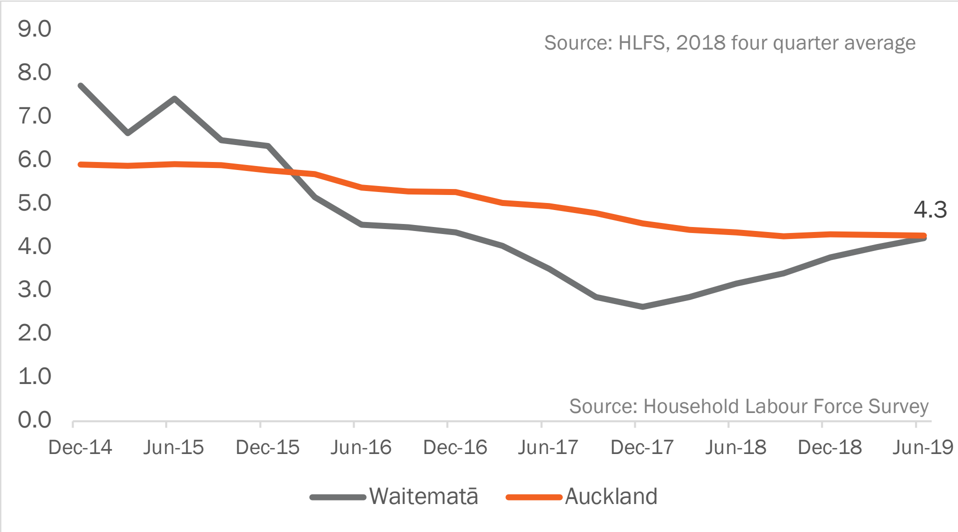
UNEMPLOYMENT RATE (CENSUS 2018)



Unemployment measured by the Household Labour Force Survey in Waitematā has remained below the Auckland average since 2015.

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

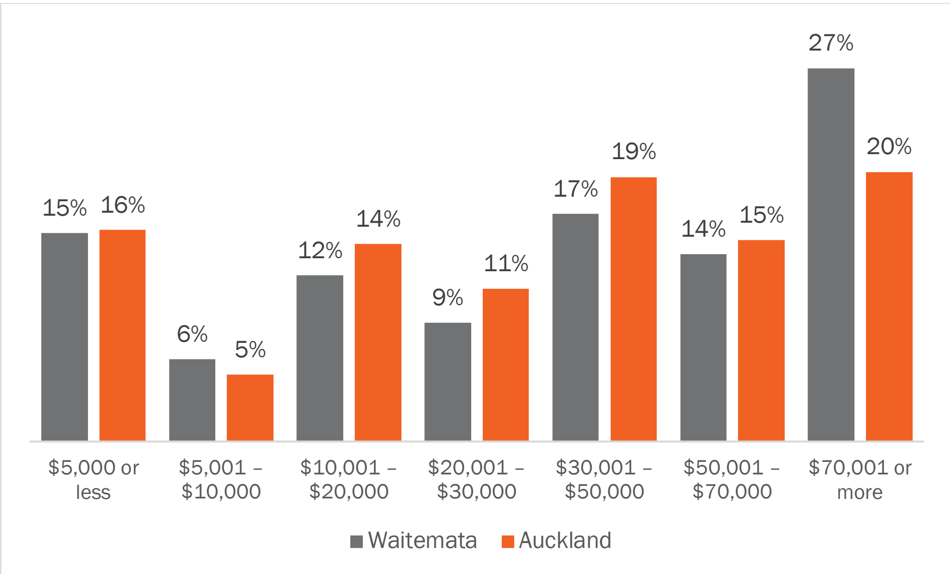
UNEMPLOYMENT RATE OVER TIME (HOUSEHOLD LABOUR FORCE SURVEY)



Incomes

Analysis of individual income levels in 2018 shows that there was a higher proportion (27 per cent) of persons earning a high income (over $70,000 per year) in Waitematā compared to the region (20 per cent).

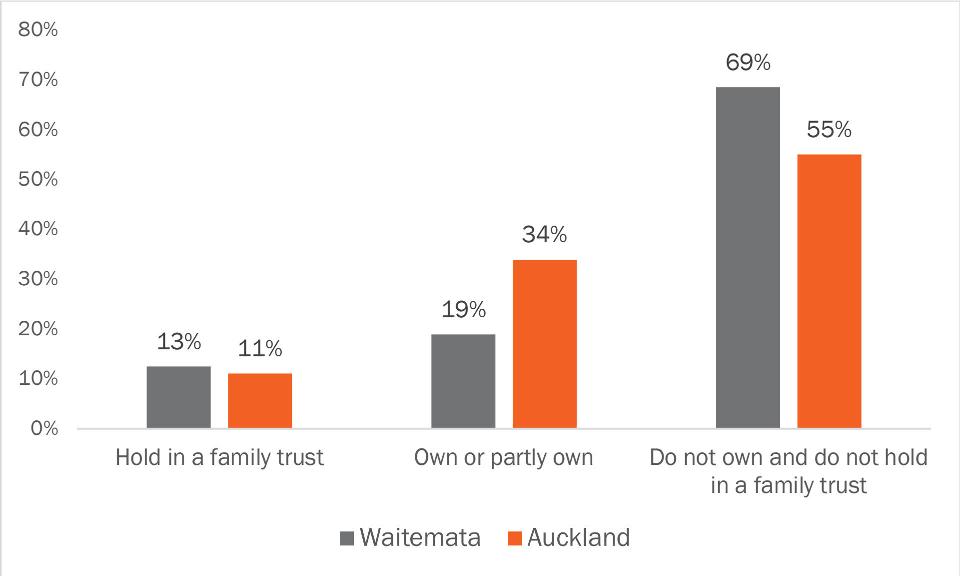
INDIVIDUAL INCOMES (CENSUS 2018)



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

Home ownership in Waitematā is lower than the regional average; in 2018, 32 per cent of households owned the dwelling they lived in, compared to 45 per cent across Auckland.

HOME OWNERSHIP (CENSUS 2018)



Skills

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

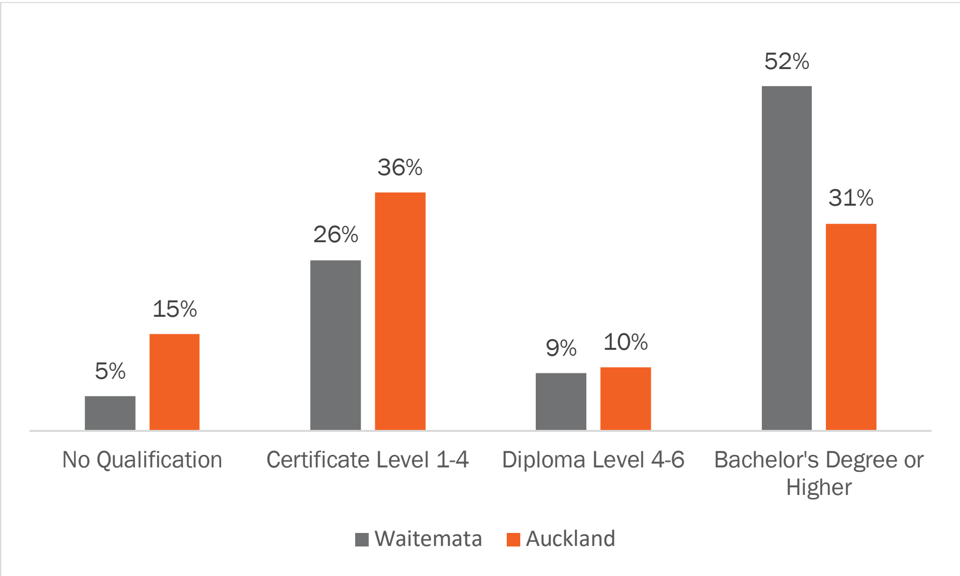
Qualifications

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

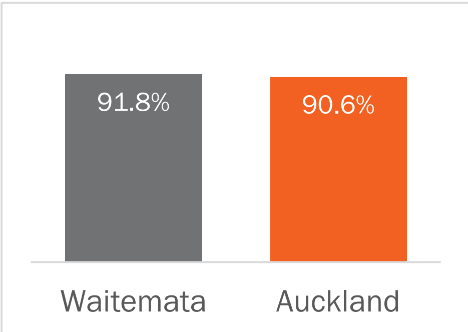
In 2018, 52 per cent of adult residents in Waitematā had gained a bachelor's degree or higher, a much higher proportion than the Auckland region (31 per cent). Just five per cent of residents had no educational qualifications compared with 10 per cent across the region[7].

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

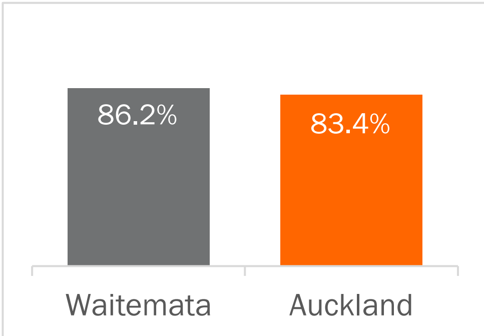
In 2018, only 14 per cent of school leavers in Waitematā did not achieve NCEA Level 2, which provides the foundation skills required for employment. This is better than the Auckland average where 16 per cent of school leavers did not achieve NCEA Level 2 or higher.

NCEA – STUDENTS ATTAINING NCEA (2018)

LEVEL 1



LEVEL 2



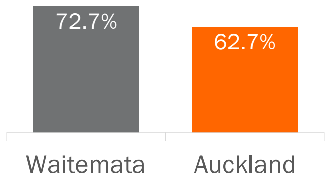
NCEA 1 ATTAINMENT BY ETHNICITY

Percentage achieving NCEA	Level 1	Level 2
European	92.2%	88.0%
Māori	93.8%	84.9%
Pacific	95.9%	89.5%
Asian	84.5%	76.8%
Middle East, Latin American, African	91.7%	91.7%
Other	88.9%	88.9%
Total Local Board	91.8%	86.2%
Total Auckland	90.6%	83.4%

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

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

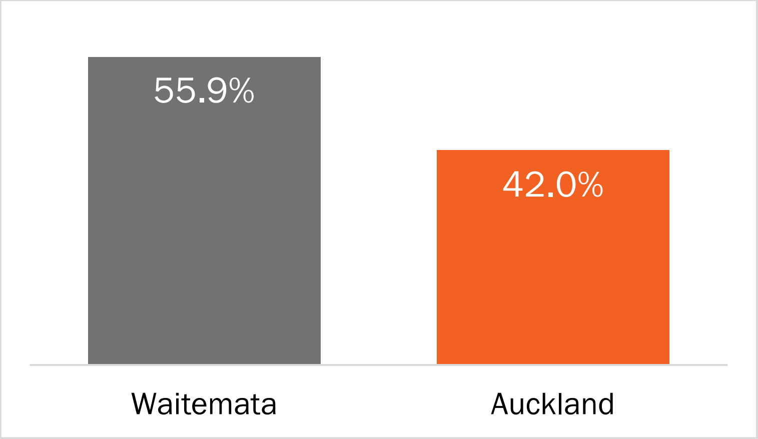
School leavers attaining NCEA level 3 (2018)



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
Waitematā	55.9%	16.6%	1.3%	26.1%	1,132
Auckland	42.0%	20.9%	3.1%	34.1%	20,421

SCHOOL LEAVERS MOVING ON TO DEGREE LEVEL STUDY (2018)



More school leavers moved on to degree level study within a year of leaving school. Fifty-six per cent of Waitematā school leavers did this, higher than the Auckland average of 42 per cent. Overall, more (74 per cent) enrolled in some form of tertiary education than the regional average (66 per cent).

Local Economy

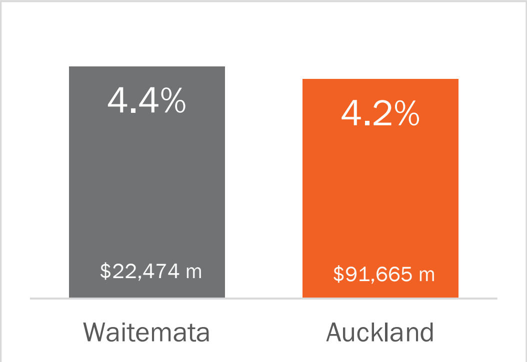
Waitematā has a strong local economy driven by financial and professional services, while administration and support services also creates a large number of local jobs.There has been recent growth in the number of jobs in business, HR & marketing professionals, specialist managers and ICT professionals.

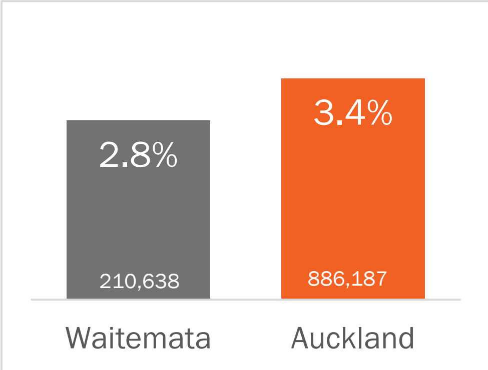
Growth and employment trends

In 2018, GDP in Waitematā experienced growth of 4.8 per cent from 2017, higher than the growth rate in Auckland (3.9 per cent). In the five years to 2018 the Waitematā economy grew at an average annual rate of 4.4 per cent, higher than the 4.2 per cent in the Auckland region.

Employment in Waitematā increased by an average of 2.8 per cent per annum in the five years from 2013 to 2018, below the Auckland rate of 3.4 per cent. Over the last five years Waitematā job numbers increased the most in professional, scientific & technical services (+6,188 jobs), education & training (+3,520) and administration & support services (+2,780) sectors.

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





Over the five years 2013 to 2018, the fastest growing industries by GDP in Waitematā were construction, retail trade and public administration and safety.

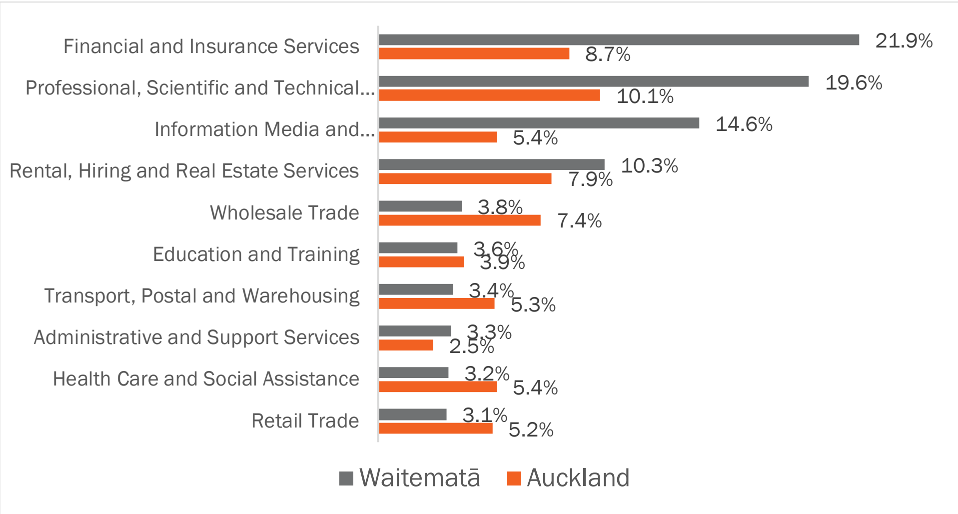
FASTEST GROWING INDUSTRIES BY GDP (ANZSIC LEVEL 1) (source Infometrics)

Industry	Average pa change (2013-2018)
Construction	7.7%
Retail Trade	6.6%
Public Administration & Safety	5.7%
Information Media & Telecommunications	5.7%
Rental, Hiring & Real Estate Services	5.2%
Accommodation & Food Services	5.0%

Industry mix

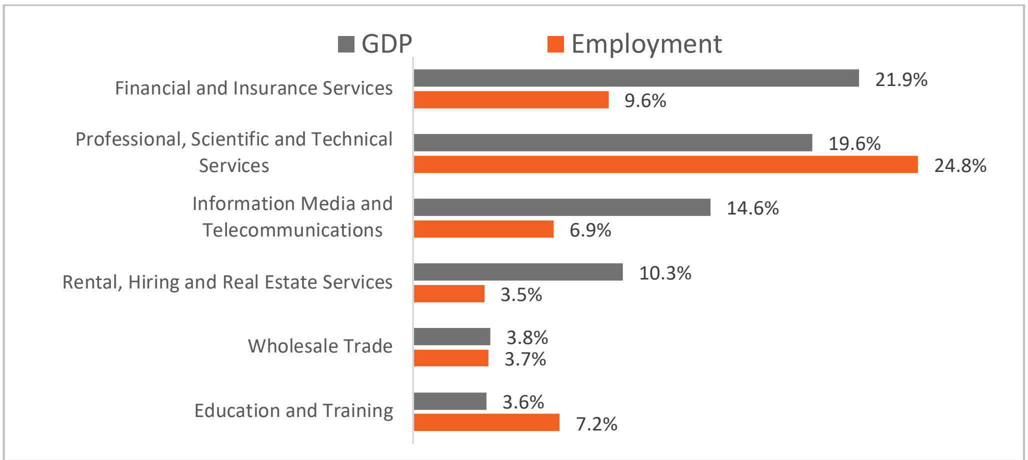
Waitematā's future economic performance depends on its combination of a sufficiently diversified industrial base and clusters of sectors that have the potential to achieve high rates of productivity and export growth. The main sectors with a strong presence in the Waitematā economy are financial and insurance services, professional, scientific and technical services and information media and telecommunications.

INDUSTRY MIX BY GDP (source Infometrics)



- Financial and insurance services contributed 22 per cent of Waitematā's GDP and provided nine per cent of the area's employment.
- Professional, scientific and technical contributed 20 per cent of Waitematā's GDP and provided 25 per cent of the area's employment.
- Information media and telecommunications contributed 15 per cent of Waitematā's GDP and provided seven per cent of the area's employment
- Rental, hiring and real estate services contributed 10 per cent of Waitematā's GDP and provided four per cent of the area's employment

TOP BROAD INDUSTRIES BY EMPLOYMENT AND GDP (source Infometrics)



Professional, scientific & technical services, administration and accommodation & food services are the key employment sectors in Waitematā.

Looking at more detailed sub-sectors we see that education and health are also important employment sectors.

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

Rank	Industry	Jobs	% of Waitematā Total
1	Professional, Scientific & Technical Services	52,225	24.8%
2	Administrative & Support Services	17,633	8.4%
3	Accommodation & Food Services	16,387	7.8%
4	Education & Training	15,133	7.2%
5	Health Care & Social Assistance	11,061	5.3%
6	Finance	10,374	4.9%
7	Other Store & Non-Store Retailing	8,367	4.0%
8	Wholesale Trade	7,843	3.7%
9	Telecoms, Internet & Library Services	7,820	3.7%
10	Information Media Services	6,612	3.1%
	Total top 10 industries	**153,455**	**72.9%**
	All other industries	**57,181**	**17.1%**
	Total employment	**210,638**	

Within those key employment sectors computer systems design and engineering design are important professional service employment sectors. Employment placement and building cleaning services are key administrative and support service jobs. Within education, 30 per cent of jobs are in higher education. Cafés and restaurants make up almost half while 60 per cent of the education jobs are within the higher education subsector.

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

Sector	New Jobs
Professional, Scientific & Tech Services	6,188
Education & Training	3,520
Administrative & Support Services	2,780
Accommodation & Food Services	2,471
Property Operators & Real Estate Services	1,782
Health Care & Social Assistance	1,499
Other Store & Non-Store Retailing	1,414
Central Gov Admin, Defence & Safety	1,273
Finance	1,127
Building Construction	1,020

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

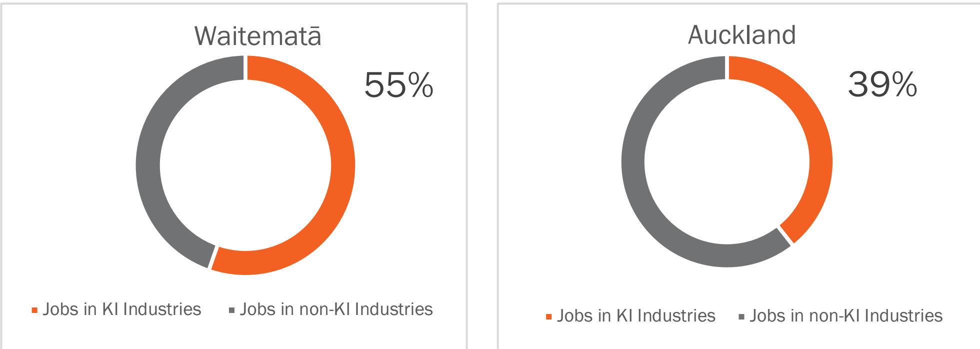
SECTORS WITH DECLINING JOBS 2013-2018 (source Infometrics)

Occupation	Jobs Lost
Information Media Services	-369
Wholesale Trade	-295
Supermarket & Specialised Food Retailing	-183

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. Fifty-five per cent of jobs in Waitematā are in knowledge intensive industries, which is higher than the regional average of 39 per cent.

JOBS IN KNOWLEDGE INTENSIVE INDUSTRIES (source Infometrics)



Comparative Advantage

A number of sectors are more strongly represented in Waitematā than they are in the region as a whole. Insurance, telecommunications and finance being sectors that are particularly strongly represented in Waitematā.

[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.

INDUSTRIES CONCENTRATED IN LOCAL BOARD AREA (source Infometrics)

Rank	Industry	Location Quotient	GDP ($M)	Employees
1	Insurance & Superannuation Funds	5.5	1,316	4,990
2	Telecoms, Internet & Library Services	4.5	2,599	7,820
3	Finance	3.3	2,945	10,374
4	Auxiliary Finance & Insurance Services	3	657	4,822
5	Professional, Scientific & Tech Services	2.4	4,416	52,225

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 regarding support that can be provided to help their growth.

Unsurprisingly, commercial services are well represented in Waitematā. Screen & creative is another of the sectors of focus for ATEED that is well represented in Waitematā.

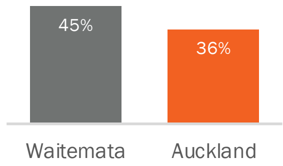
EMPLOYMENT IN ATEED FOCUS SECTOR (2018)

Share of Sector to Total	Auckland	Waitematā	+/- on Waitematā sector
Advanced Materials Related	1.7%	0.1%	-95.8%
Commercial services	21.2%	41.6%	95.7%
Construction & engineering	11.2%	7.7%	-31.0%
Education	7.6%	7.2%	-4.9%
Food & Beverage	3.5%	1.4%	-59.7%
Screen & creative	6.0%	13.7%	129.2%
Technology	7.6%	11.1%	44.8%
Tourism	6.2%	6.5%	5.5%
Transport & Logistics	2.9%	1.3%	-55.1%

Occupations [9]

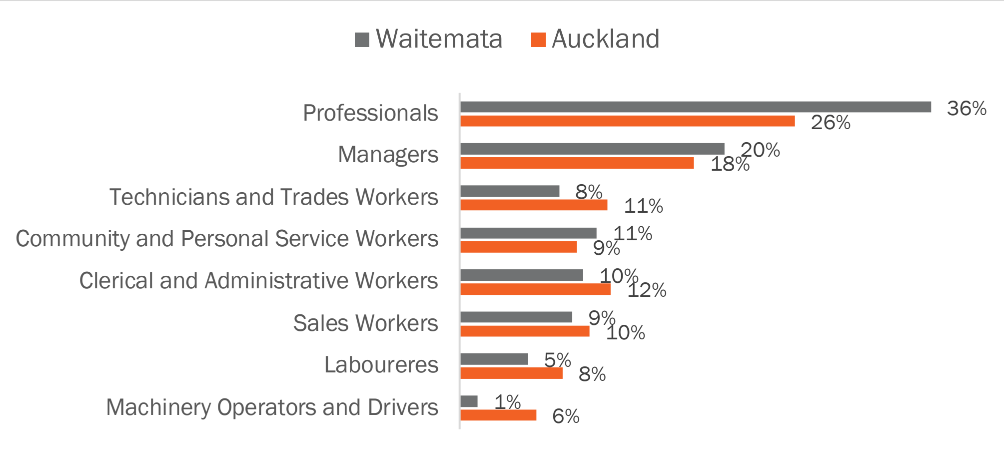
Higher skilled jobs offer people an improved standard of living and are a critical component in attracting workers to an area. Statistics NZ allocates occupations to skill levels based on the range and complexity of tasks performed in a particular job. The skill level does not relate to the qualifications obtained by an individual, but to the range and complexity of the tasks they do at work. There is a higher proportion of highly skilled jobs in Waitematā (45 per cent) and lower proportion of low-skilled jobs (31 per cent) compared to the Auckland average.

High Skilled Jobs (2018)



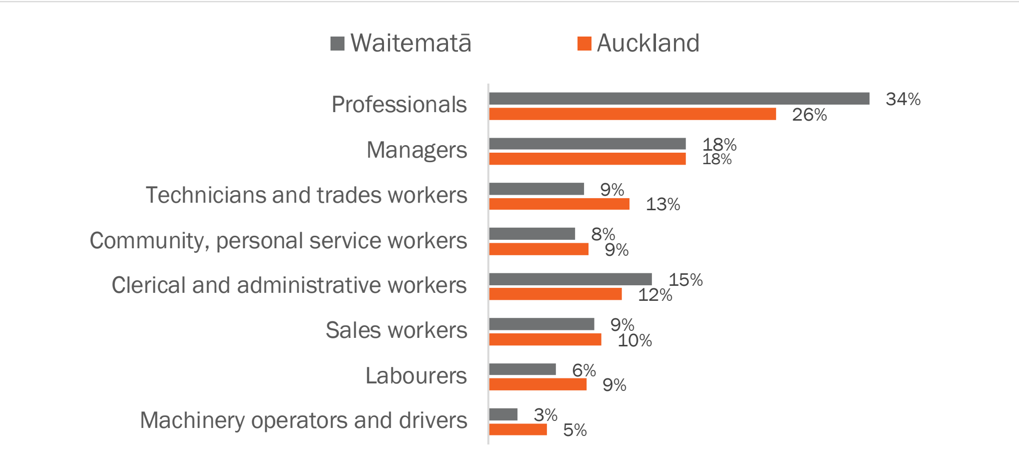
Managers and professional occupations were the most popular occupational categories for Waitematā residents in 2013. Compared to the region, there are a much higher proportion of workers in professional occupations in Waitematā.

OCCUPATIONS OF ÄÄ RESIDENTS (CENSUS 2018)



Of the jobs in Waitematā, professionals are the largest occupational group (32 per cent), higher than the Auckland average (26 per cent). The occupational structure of other jobs in the local board area is in line with that of the wider region.

OCCUPATIONS IN WAITEMATĀ 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.

Business, HR & marketing professionals are the largest occupational group in Waitematā, followed by specialist managers[10] and ICT professionals.

TOP 10 OCCUPATIONS BY EMPLOYMENT IN WAITEMATĀ (2018) (source Infometrics)

Rank	Occupations	Jobs	% of total jobs in Waitematā
1	Business, HR & Marketing Professionals	20,996	10.0%
2	Specialist Managers	19,359	9.2%
3	ICT Professionals	12,433	5.9%
4	Design, Engineering, Science Professionals	10,372	4.9%
5	Sales Representatives & Agents	9,924	4.7%
6	Education Professionals	9,008	4.3%
7	Hospitality, Retail & Service Managers	8,497	4.0%
8	Sales Assistants & Salespersons	8,247	3.9%
9	Chief Execs, General Managers, Legislators	8,113	3.9%
10	Numerical Clerks	7,177	3.4%
	Sub-total Top 10 occupations	**114,126**	**54.2%**
	Total jobs	**210,638**	Note, includes self-employed

Many occupations saw significant growth from 2013-2018, particularly for business, HR & marketing professionals, specialist managers and ICT professionals.

FASTEST GROWING OCCUPATIONS 2013-2018 (source Infometrics)

Occupation	New Jobs
Business, HR & Marketing Professionals	2,567
Specialist Managers	2,557
ICT Professionals	2,456
Education Professionals	1,791
Design, Engineering, Science Professionals	1,697

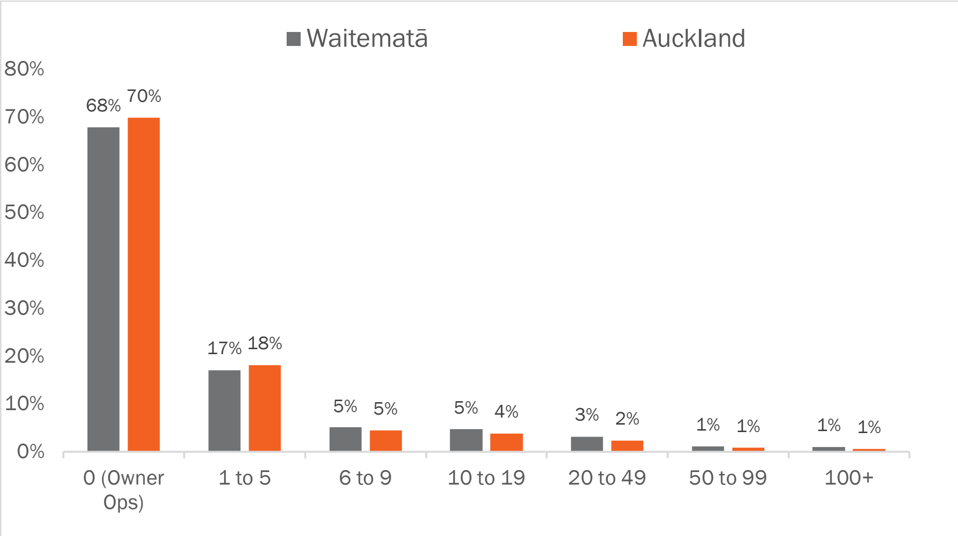
Business size[11]

In 2018 there were 29,769 businesses in Waitematā employing an average of 7.1 employees each, larger than the Auckland average of 4.5 employees. The number of businesses grew 1.5 per cent a year on average over the last decade, a slower average growth rate than the Auckland region of 1.9 per cent.

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

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

BUSINESS SIZE - NUMBER OF JOBS (source Infometrics)



Future of Work in Waitematā

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.

Waitematā Local Board is located in the centre of the Auckland region and contains Auckland's CBD as well as significant employment zones in the city fringe 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.

Professional services are the main employment sector in Waitematā. 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 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.

Waitematā has a significant number of jobs in these sectors which account for around 25 per cent of local employment. Forecast growth in these sectors is likely to include further growth in Waitematā.

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

Health care & social assistance is an important employment sector in Waitematā with five per cent of jobs in the area. Education is also important and provides seven per cent of the area's jobs. Construction is a key employer in almost all local board areas but represents just three per cent of employment in Waitematā Local Board. Growth in these sectors is likely to positively impact on the Waitematā work force.

Waitematā has a largely managerial and professional workforce and with over 50 per cent of jobs in these types of occupation that are forecast to grow by almost 100,000 jobs the outlook for Waitematā residents being able to access employment opportunities that match their skills and experience is positive.

Employment Zones

Employment in Waitematā is concentrated in the Auckland City Centre and a number centres in the city fringe area. Professional services dominate in each of these locations.

Waitematā is a mix of labour importing commercial areas and a small number of labour exporting suburban areas. There are 82,866 residents of Waitematā which has a labour force of 56,700. The local board area has a total of 210,638 jobs located within it. As a result, the area is a major importer of a labour from other parts of the city.

Employment Zones

Employment in Waitematā is concentrated in the city centre though the city fringe area including Ponsonby, Parnell, Grey Lynn and Freeman's Bay is also a significant employment area. In addition, Newmarket and Eden Terrace are also home to a significant number of jobs. Many of New Zealand's largest businesses are headquartered in Waitematā.

EMPLOYMENT IN AUCKLAND CITY CENTRE AREA* (source Infometrics)

Industry	Jobs
Professional, Scientific & Technical Services	35,269
Accommodation & Food Services	11,675
Administrative & Support Services	11,535
Finance	8,648
Telecommunications, Internet & Library Services	5,300
Property Operators & Real Estate Services	4,635
Insurance & Superannuation Funds	4,553
Auxiliary Finance & Insurance Services	4,521
Other Store-Based Retailing & Non-Store Retailing	3,622
Arts and Recreation Services	3,600
Local Government Administration	3,459
Central Government Administration, Defence & Public Safety	3,254
Information Media Services	3,179
Total employment (all sectors)	**121,688**
* Based on business demographics for the SA2 area	

EMPLOYMENT IN CITY FRINGE AREA*

(source Infometrics)

Industry	Jobs
Professional, Scientific & Technical Services	13,096
Education and Training	10,005
Health Care & Social Assistance	9,302
Accommodation & Food Services	4,192
Administrative & Support Services	3,942
Wholesale Trade	2,711
Other Services	2,351
Other Store-Based Retailing & Non-Store Retailing	2,041
Central Government Administration, Defence & Public Safety	1985
Information Media Services	1886
Total employment (all sectors)	**61,975**
* Based on business demographics for the SA2 area	

EMPLOYMENT IN NEWMARKET*

(source Infometrics)

Industry	Jobs
Professional, Scientific & Technical Services	5,160
Other Store-Based Retailing & Non-Store Retailing	2,240
Finance	2,048
Wholesale Trade	1536
Administrative & Support Services	1485
Accommodation & Food Services	1223
Total employment (all sectors)	**20,252**
* Based on business demographics for the SA2 area	

EMPLOYMENT IN EDEN TERRACE AREA*

(source Infometrics)

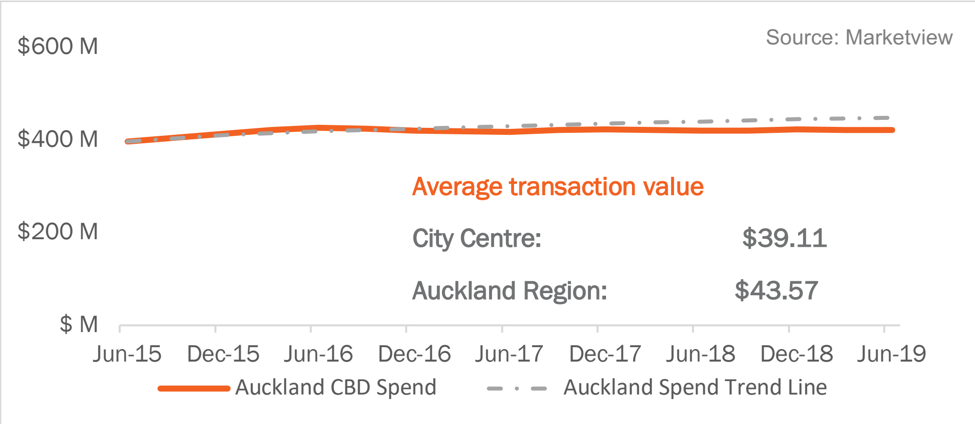
Industry	Jobs
Professional, Scientific and Technical Services	3,864
Administrative and Support Services	2,544
Information Media Services	1,364
Other Services	1073
Wholesale Trade	955
Construction Services	907
Total employment (all sectors)	**14,059**
* Based on business demographics for the SA2 area	

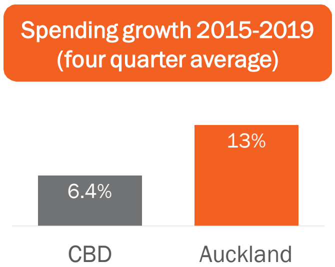
Town Centres[13]

infratructure and redevelopment projects in Waitematā have impacted on the performance of several centres.

Spending in the city centre has not grown at the same rate as in Auckland as a whole, growing just six per cent between June 2015 and June 2019 compared to 13 per cent regionally. The average transaction value in the city centre was $39.11, just above the Auckland average of $43.57. The city centre is undergoing significant works to improve public transport and pedestrian areas as well as a large development at Commercial Bay. It is expected once these projects are completed that the performance of the city centre will lift.

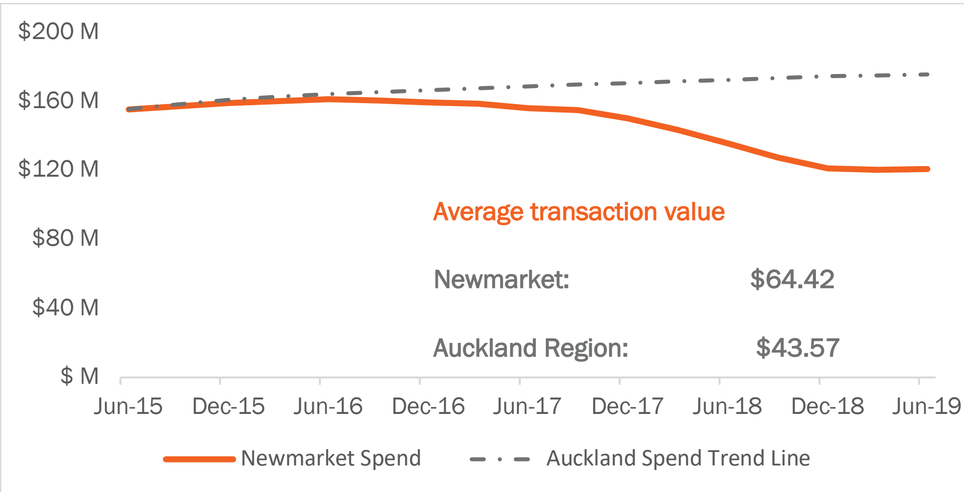
AUCKLAND CITY CENTRE SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)

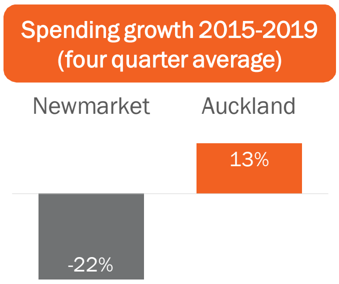




Spending in Newmarket has not grown at the same rate as in Auckland as a whole, falling 22 per cent between June 2015 and June 2019 the same as regionally. This is as a result of the major redevelopment of the Westfield mall in Newmarket which reopened late in 2019 and should see a significant uplift in visitation and spending. Average transaction value in Newmarket was $64.42, well above the Auckland average of $43.57.

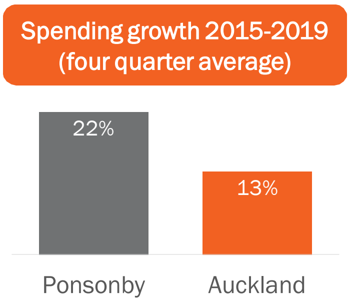
NEWMARKET SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



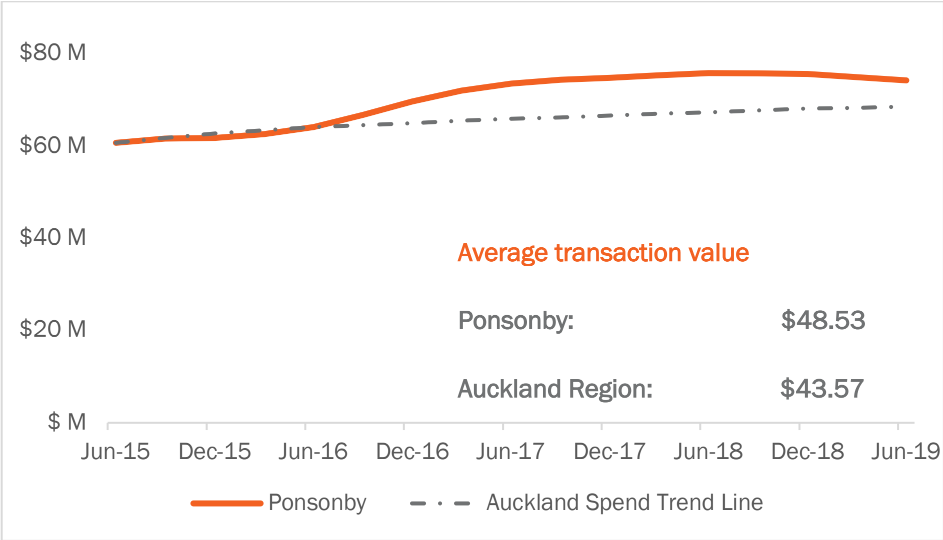


[13] Town centre spend data is provided by Marketview and is derived from credit and debit card transactions. Area with higher levels of cash payments may have spending slightly under reported.

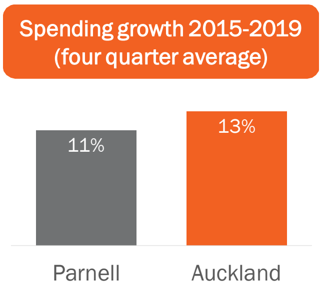
Spending in Ponsonby has grown at a faster rate than Auckland as a whole, growing 22 per cent between June 2015 and June 2019 the same as regionally. Average transaction value in Ponsonby was $48.53, above the Auckland average of $43.57.



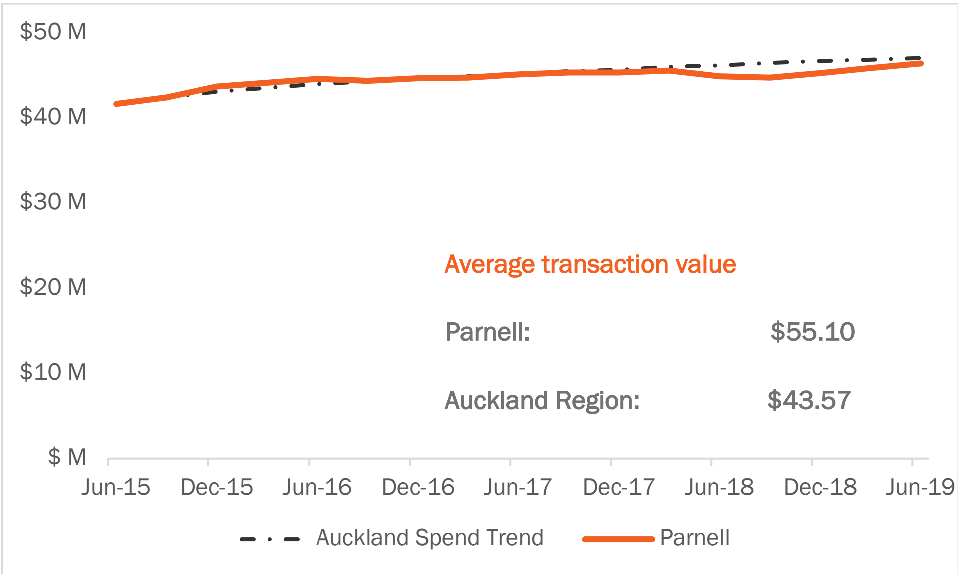
PONSONBY SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



Spending in Parnell has grown at the same rate as in Auckland as a whole, growing 11 per cent between June 2015 and June 2019 the same as regionally. Average transaction value in Parnell was $55.10, above the Auckland average of $43.57.

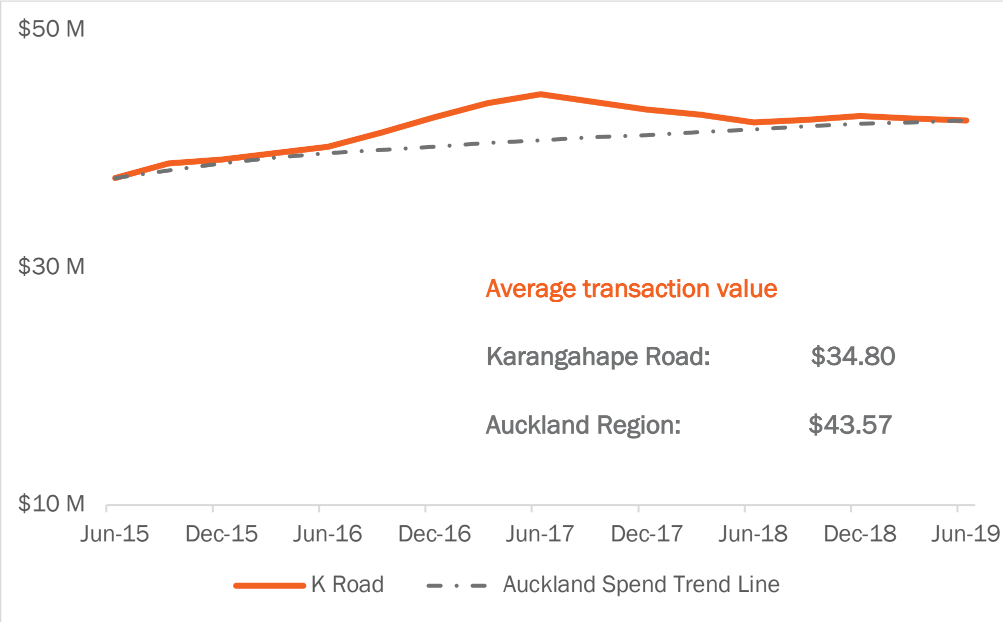


PARNELL SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)

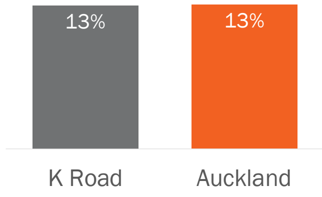


Spending in Karangahape Road grown at the same rate as in Auckland as a whole, growing 13 per cent between June 2015 and June 2019 the same as regionally. Average transaction value in Karangahape Road was $34.80, below the Auckland average of $43.57.

KARANGAHAPE ROAD SPEND AND AVERAGE TRANSACTION VALUE (2015-2019)



Spending growth 2015-2019 (four quarter average)



Development Trends

Auckland has been undergoing a period of rapid growth facilitated by the development of the Auckland Unitary Plan. This is reflected in the level of residential development in the Waitematā Local Board area. The completion of the City Rail Link between Britomart and Mount Eden train station is set to have a significant impact of the area as would any future light rail development between the city centre and Mangere.

Several Other major projects preparations for hosting the 36th America's Cup, development of the Auckland Convention Centre and completion of Commercial Bay will all have a significant impact on central Auckland.

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. Auckland identifies that Auckland may need another **313,000 dwellings** and up to **263,000 extra jobs** by **2050** requiring a plan for where and how people will live and how they will access jobs, facilities and services.

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

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

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

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

The **city centre** is Auckland's primary centre. It plays a critical role in the success of both Auckland and New Zealand. It is the main location for business, tourism, educational, cultural and civic activities in Auckland, and includes the city fringe areas of Parnell, Grafton, Newmarket, Newton and Ponsonby. The city centre is the largest and fastest growing employment centre in New Zealand.

In addition to the greater number of people living in the city centre, it is well served by the transport network and draws people from as far afield as rural Auckland and northern Waikato. Continuing investment in infrastructure, such as cycleways and the City Rail Link, means that increasing numbers of people can easily access the city centre.

Improvements in the city centre are ongoing and the city centre will have to continue to change and adapt over the next 30 years to serve Aucklanders, but also as it competes in the global network of cities.

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 the city centre, one development area, Newton, is included in Waitematā and is expected to see significant growth in the medium term (2028-2038). Newton is expected to add significant numbers of houses to the area over the next 30 years as well as a modest contribution to employment.

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.

Development Area	Phasing	Expected Dwelling Growth 2018-2048	Anticipated Employment Growth 2018-2048
Newton	4-10 years	2,980	5,060

New dwellings

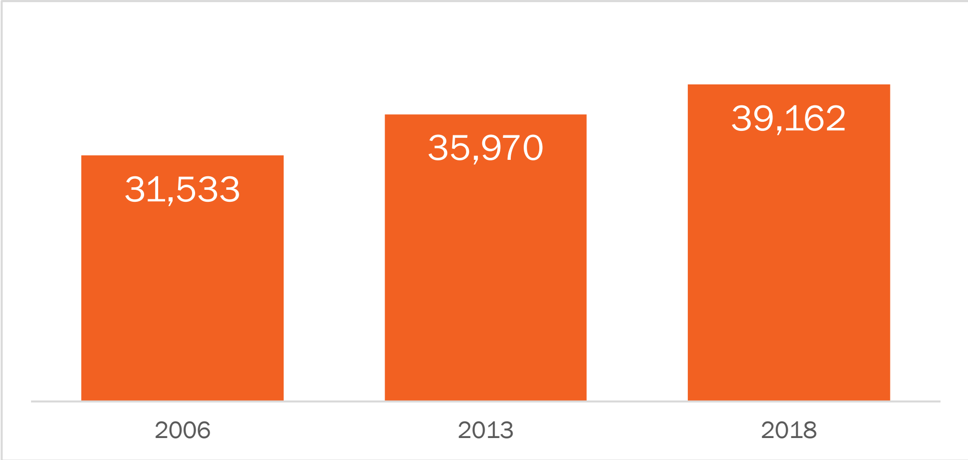
At the 2018 Census there were 4,218 unoccupied dwellings and 1698 under construction. Between 2013 and 2018 censuses there were 3,192 additional dwellings in Waitematā an increase of 8.9 per cent compared to a 6.5 per cent increase across the region.

3,192

Additional dwellings

There were 3,192 additional dwellings in Waitematā in the 2018 Census compared to 2013.

NUMBER OF PRIVATE DWELLINGS (OCCUPIED & UNOCCUPIED)



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 Karangahape Road with significantly improve train frequency and journey times to the city centre and provides economic development opportunities at the new stations.

There is also proposed to be the introduction of light rail down Dominion Road on a city centre to Mangere line.

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 local board seeks to develop an innovative, productive and resilient local economy. The local board's vision is that its centres are improved as areas for business success, hosting events and for people to visit and that small start-ups and social enterprises are actively supported to ensure their success.

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

Waitematā is home to New Zealands largest employment zone and is undergoing significannt development which provides a number of opportunties. Many businesses and entrepreneurs are well catered for by mainstream busienss supppoort and initiatives like Grid AKL. Ensuring all sectors of the community are able to benefit from those opportuntiies and share in the growing prosperity of the area will be a key challenge.

ECONOMIC DEVELOMENT OPPORTUNTIES

LED work stream	Potential area of focus in Waitematā Local Board area
Sustainable businesses	Work with the business community to encourage and support local sustainable business practices and initiatives such as the Waitematā Sustainability Kick Start Programme.
Places	Develop great streets as destinations where people want to spend time and improve cycling and pedestrian movements across the city.
Enterprise	Partner with business associations to enhance their capacity to drive innovative economic development in local centres. 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. Consider innovative approaches to helping small start-up enterprises succeed.
Economic intelligence	Update of Prosperity Index to keep the local board informed of socio-economic picture in their area.
Leveraging local opportunities	Waitematā hosts many of Auckland’s large events and there is the opportunity to assist local centres to leverage those events and the visitors they bring to Waitematā.

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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