

# Auckland Economic Development Strategy Targets and Intermediate Outcomes: A Baseline Report 2012

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## Introduction

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The Auckland Economic Development Strategy (EDS) launched in September 2012, is a 10-year strategy aimed at achieving the Auckland Plan<sup>1</sup> vision for Auckland to be the world's most liveable city. It provides broad direction towards ensuring an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand, through five priorities and four cross-cutting themes.

The EDS includes a set of headline targets and intermediate outcomes across these priorities and cross-cutting themes. The targets and outcomes are ambitious and in most cases long-term. This report provides the 'baseline' for each of the targets and outcomes, as at 2012 (where possible).

The central purpose of the report is to identify all data sources that were used to create the baseline, and that will be used to measure progress in the future; and to clarify those instances in which further work is required to establish a baseline, or where there may be future difficulties in measuring progress.

This report is part of a suite of supporting documents to the Auckland Plan baseline report, and follows the same format and look.

### Targets and outcomes

The EDS has an overarching goal to improve Auckland's OECD gross domestic product (GDP) per capita ranking by 20 places in 20 years.

Three headline economic goals are identified to drive the necessary step change required to meet this vision:

- Grow exports by 6 per cent or more per annum
- Grow GDP by 5 per cent or more per annum
- Grow productivity by 2 per cent or more per annum.

In addition, the Auckland Plan target to ensure there is an ongoing provision of planned and serviced capacity for 'Group 1' business land, to meet five-yearly demand is identified as a headline target in the EDS.

These headline targets are accompanied by a set of 27 intermediate outcomes that provide a base for monitoring progress towards the five priorities and four cross-cutting themes of the strategy.

The aim of these targets and outcomes is to focus energy and attention on key issues and drivers in Auckland. They were developed by Auckland Council in consultation with the people of Auckland, central government, businesses, community groups and agencies and other key stakeholders.

In some instances, the EDS targets and outcomes contribute to national targets, which Auckland will have a key role in delivering.

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<sup>1</sup> The Auckland Plan is a comprehensive 30-year strategy for Auckland's growth and development required by the Local Government (Auckland Council) Act 2009 that established the Auckland Council.

**Figure 1: The EDS monitoring framework**

Overarching goal		Auckland's economy will improve 20 places in 20 years in current OECD GDP per capita rankings			
Tier 1 Headline economic targets for Auckland	<b>Annual average increase of regional exports greater than 6%</b>	<b>Annual average real GDP increase of greater than 5%</b>	<b>Annual average productivity growth of greater than 2%</b>	<b>Ongoing provision of planned and serviced capacity for Group 1 business land, incl. large lots, to meet 5 yearly demand</b>	
Tier 2 Intermediate economic outcomes for Auckland	<b>Grow a business-friendly and well-functioning city</b>  Business satisfaction with Auckland Council Customer satisfaction with Council's consent process Increase number of top 200 business head offices in city centre Reliability of water supply Reliability of energy supply.	<b>Develop an innovation hub of the Asia-Pacific rim</b>  Increase proportion of workforce employed in science and technology Increase proportion of workforce employed in knowledge -intensive high-tech industries Increase number of businesses undertaking innovation Increase patents per capita Increase availability of venture capital.	<b>Become internationally connected and export-driven</b>  Accelerated growth in exports, particularly in targeted sectors Increase high value added FDI Increase number of business opportunities facilitated through international relationships Increase total GDP in targeted sectors compared with total Auckland GDP.	<b>Enhance investment in people to grow skills and a local workforce</b>  Increase labour force participation rate (and by ethnic groups) Improve proportion of youth who are in employment, education and training Improve adult literacy and numeracy rate Improve educational qualifications of the labour force (and by ethnic groups) Improve ease of finding skilled labour Increase number of post-graduate qualifications Improve employment outcomes of migrants in terms of quality of match.	<b>Develop a vibrant, creative international city</b>  Grow the visitor economy from \$3.33 bn 2010 to \$6 bn in 2021/22 Increase average length of visitor stay Increase number of international conferences Improve Auckland's ranking in the international city brand index Increase number of cruise ship visitors Grow the return on regional investment from major events from \$14 m into \$70 m in 2021/22.
Tier 3 Actions and KPIs	To be developed as part of the work programme for the EDS priorities and cross-cutting themes.				

Note: The EDS makes reference to 15 Auckland Plan targets as related to the EDS priorities and cross-cutting themes. These are presented in Figure 2. Refer to the *Auckland Plan targets baseline report* for further information on these targets.

**Figure 2: Auckland Plan targets identified in the EDS**

<b>EDS priority or cross-cutting theme</b>	<b>Relevant Auckland Plan Target</b>	<b>Measure</b>
<b>EDS Priority</b> Grow a business-friendly and well-functioning city	Achieve universal access to ultrafast broadband to all Aucklanders by 2019.	Reporting by local fibre company.
	Meet relevant interruption duration standards to electricity distribution and transmission by 2040.	Reporting from electricity supply companies.
	Reduce congestion level for vehicles on the strategic freight network to at or below the average of 2006-2009 levels (average daily speed of 45kph and average delay of 32 seconds per kilometre) by 2021.	Minutes of delay per kilometre on Auckland's freight route.
<b>EDS Priority</b> Enhance investment in people to grow skills and a local workforce	Increase the proportion of school leavers who achieve at least NCEA Level 2 from 74 per cent in 2010 to 100 per cent by 2020 and ensure that all school leavers have a career plan by 2020.	Proportion of school leavers who have completed UE qualifications or have NCEA Level 2 p.a., by ethnic group and school decile.
	All young adults will complete a post-secondary qualification by 2030.	Number of young adults aged between 15 to 24 years who have a post-secondary educational qualification.
	By 2020, the unemployment rate in the Southern Initiative area matches the rate for all of Auckland.	Unemployment rate for the region.
<b>EDS Priority</b> Develop a vibrant, creative international city	Increase the number of people employed in the creative sector from 26,900 in 2007 to more than 45,000 by 2040.	Number of employees and geographic units within the creative sector industries, per annum.
	Increase the number of annual guest nights in Auckland from 21.1 million in 2010 to 29.5 million by 2022.	The number of visitor nights from international and domestic tourists at commercial accommodation in Auckland, per annum.
	Grow the sport and recreation contribution to Auckland's economy from \$1.6 billion in 2008/09 to \$3.2 billion by 2040.	Contribution to Auckland's Gross Domestic Product from the sport and recreation sector.
	<b>Cross-cutting theme</b> Creating a sustainable eco-economy	Reduce air pollutant emissions (PM <sub>10</sub> ) by 50 per cent by 2016 (based on 2006 levels) to meet national and international ambient air quality standards and guidelines, and achieve a further 20 per cent reduction of air pollutant emissions by 2040.
Reduce the amount of human-induced greenhouse emissions by: <ul style="list-style-type: none"> <li>• 10 to 20 per cent by 2020, based on 1990 emission levels</li> <li>• 40 per cent by 2040, based on 1990 emission levels</li> <li>• 50 per cent by 2050, based on 1990 emission levels.</li> </ul>		-Amount of GHG emissions (CO <sub>2</sub> equivalent). -Continuously monitored CO <sub>2</sub> data.
Support the national target of 90 per cent of electricity generation from renewable sources by 2025.		Assessment against national target in association with the Energy Efficiency and Conservation Authority (EECA).
<b>Cross-cutting theme</b> Facilitating an Iwi/Maori economic powerhouse		Increase the number of papakainga in the Auckland region from 3 to 18 by 2040.
	Increase the number of marae development projects that support Māori social and economic development to seven projects every five years to 2030.	Number of marae development projects.
	<b>Cross-cutting theme</b> Developing and enhancing an innovative rural and maritime economy	Increase the value added to the Auckland economy by rural sectors (including rural production, complementary rural enterprises, tourism and visitor experiences in rural areas) by 50 per cent by 2040.

## **Measuring progress**

The EDS chapter on 'How will we measure and report on progress' outlines how progress towards the EDS targets and outcomes will be monitored by a process of measuring, monitoring and review. This is organised in three tiers, as outlined in Figure 1:

### Tier 1: Headline Economic Targets for Auckland

It is recognised that there will be some lag between implementing the EDS and achieving the headline targets. For this reason, it is proposed that the first formal review of progress towards the headline targets will be three years after the strategy is published, as a reasonable time will be required to assess whether Auckland is achieving the targeted levels of growth in GDP, exports and productivity.

The first full 'Measuring Progress of the EDS' report on progress and achievability of the headline targets will be published in 2015.

### Tier 2: Intermediate Economic Outcomes for Auckland

A full update on progress and achievability of the intermediate outcomes will be included in the 'Measuring Progress of the EDS' report in 2015.

A summary of progress will be made available annually as part of the 'EDS Annual Implementation Update'.

### Tier 3: Actions and Key Performance Indicators (KPIs)

Progress of the actions and KPIs will be reported annually in the 'EDS Annual Implementation Update' alongside the Auckland Plan Annual Implementation Update process.

In addition to the above reporting lines, progress of the EDS targets and measures will also be reported through other avenues such as the Auckland Council Chief Economist's 'Auckland Economic Quarterly' newsletter and monthly 'Auckland Economic Update' and the annual Auckland Council Business and Economy publication.

The EDS also makes reference to 15 Auckland Plan targets as related to the EDS priorities and cross-cutting themes. These are outlined in Figure 2. Developing the baseline and monitoring progress of these targets will be undertaken through the Auckland Plan monitoring framework.

## **Review of the targets**

Monitoring and measuring progress against multiple issues and priorities is a complex process. The priorities are ambitious, broad and many are inter-dependent. Some will be quicker to respond to policy levers than others, which remain steady and are slow to change. Furthermore, success factors behind many of the desired outcomes are beyond the control of Auckland Council, local boards, or the Council Controlled Organisations, and in some cases are also beyond the control of central government, the business sector or the community. This requires a degree of flexibility to be built into the monitoring framework to allow for adaptability and change.

In saying this, it is important that the targets are reviewed regularly to ascertain if they are still relevant. A 'reality check' on the achievability of the targets will be undertaken every three years by Auckland Council with the help of stakeholders across central government and other key institutions.

The audit review of the EDS headline targets and intermediate outcomes will be undertaken as part of the broader Auckland Plan audit review process in 2015.



## **This report**

This is a baseline report that outlines the current state and recent trends across all targets and outcomes in the EDS, using all available data.

In a few instances, the targets are not immediately measurable due to the unavailability of baseline data, and this is noted. Any other relevant caveats or notes to the target, measure or the data source are also noted.

For each target and intermediate outcome, the following information is provided:

- Measure - the measure as reported in the EDS, or in some cases a proxy measure has been provided
- Relevance - a quick overview of why the measure is relevant
- Source - the data source behind the measure including frequency of the data and availability (any free access to data or reports)
- Note - any relevant notes regarding the target, the measure or the data source
- Analysis - a quick overview of the current trends, where possible.

Data is reported at Auckland level only, and a chart, or a table, is included for most measures. In some cases data is disaggregated spatially or by ethnic group.

Any mismatch between the targets and their associated measures are noted throughout the report.

This is a living document and will be updated annually.

## Tier 1: Headline Economic Targets for Auckland

Auckland's contribution to the national economy is critical. Auckland is home to a third of the population, is the largest commercial centre in New Zealand, comprises a substantial proportion of the domestic market, contributes significantly to New Zealand's imports and exports, acts as a key service centre for other parts of the country, and has a high concentration of tertiary and research institutes.

Auckland is interdependent with the rest of New Zealand. It is the major domestic market for producers throughout New Zealand and is the distribution hub for the upper North Island cities and regions

A prosperous and culturally diverse city, that is innovative and capitalises on its knowledge, skills and creativity is attractive to entrepreneurial workers and enhances liveability.

A summary overview of the headline economic targets for Auckland and the baseline is provided below. More detail on data sources for ongoing measurement is available for each target in the following pages.

Note that these headline indicators are also reflected in the Auckland Plan as part of the monitoring framework of Strategic Direction 6: Develop an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand.

HEADLINE TARGET <sup>1</sup>	MEASURE	TARGET	BASELINE
Improve Auckland's OECD ranking of cities (GDP per capita) of 69th place in 2011 by 20 places by 2031.	Auckland's GDP per capita ranked by OECD cities	49 <sup>th</sup> place by 2031	69 <sup>th</sup> place (2003)
Increase annual average export growth from 3 per cent p.a. in the last decade to 6 per cent p.a. for the next 30 years.	Average annual increase of regional exports	Increase by 6 per cent per annum	2 per cent (annual average 2002 to 2008)
Increase annual average real GDP growth from 3 per cent in the last decade to 5 per cent p.a. for the next 30 years.	Average annual real GDP growth	Increase by 5 per cent per annum	3.4 per cent (2012)
Increase annual average productivity growth from 1 per cent p.a. in the last decade to 2 per cent p.a. for the next 30 years.	Auckland's GDP per hour worked	Increase by 2 per cent per annum	-1.8 per cent (2012)
Ongoing provision of planned and serviced capacity for Group 1 business land, including large lots, to meet five-yearly demand, as assessed by annual surveys.	Amount of planned and serviced business land available as a proportion of estimated demand	Ongoing provision to meet 5 yearly demand	Not available

### Note

1. The targets reflect the actual wording of the Auckland Plan Strategic Direction 6 targets.

**Target** Improve Auckland’s OECD ranking of cities (GDP per capita) of 69th place in 2011 by 20 places by 2031.

**Measure** Auckland’s GDP per capita ranked by OECD cities.

**Relevance** Gross Domestic Product (GDP) per capita is often used as a proxy for the average prosperity of a region or nation’s population. Although Auckland has consistently higher GDP per capita values than the New Zealand average, on an international level Auckland is ranked relatively low.

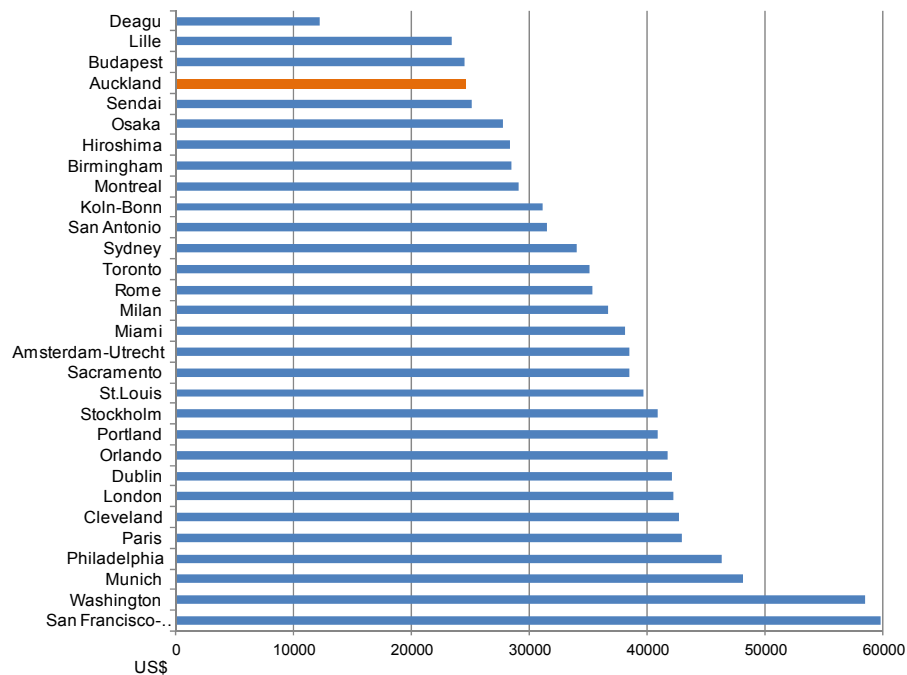
**Source** OECD, Metropolitan Regions GDP per capita statistics, available annually. This data is available on the [OECD](#) website.

The OECD website shows GDP per capita statistics for Auckland is available only up to 2003. This is the last time official GDP statistics was published for Auckland.

**Note** In June 2013, Statistics New Zealand released official GDP statistics for Auckland, for the period 2007 to 2010.

**Analysis** Figure 3 indicates that at 2003, Auckland’s GDP per capita was below that of most of our comparator cities (Vancouver (55th), Melbourne (47th) and Seattle (4th)). Overall, Auckland ranks 69th out of 85 metropolitan regions in the OECD.

**Figure 3: Ranking of OECD metropolitan areas by income (US\$, GDP per capita in PPPs), 2003**



Source: OECD, metropolitan regions data.

Note: The chart only shows a selection of cities in the ranking.

**Target**      **Increase annual average export growth from 3 per cent p.a. in the last decade to 6 per cent p.a. for the next 30 years.**

**Measure**      **Average annual increase of regional exports.**

**Relevance**      There is strong evidence that cities and countries that have export-orientated economies grow faster and are more resilient over time.<sup>2</sup> For businesses, international expansion provides scale, allowing them entry into larger markets and to become exposed to international competition and knowledge. Expanding the export sector in Auckland, particularly in high-value industries, will help diversify and grow the economy into the future.

**Source**      The data on Auckland exports presented here was modelled by McDonald et al (2010) in a one-off report to the Auckland Regional Council, using customised regional estimates.

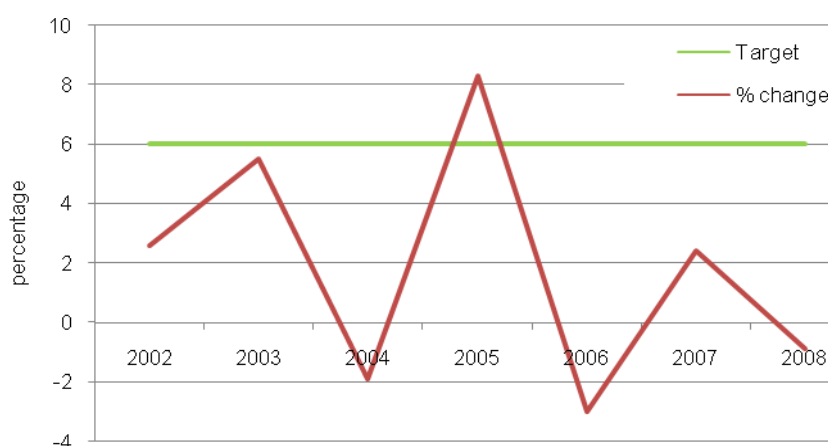
McDonald, G., Zhang, J., and Smith, N. (2010). *Understanding Auckland's role in New Zealand's global engagement - Exports of merchandise trade and statistics*. The report is available on the [Knowledge Auckland](#) website.

**Note**      Export statistics is only reported at the national level by Statistics New Zealand. Auckland Tourism, Events and Economic Development (ATEED) and Auckland Council's Research, Investigations and Monitoring Unit (RIMU) are currently looking at options to derive Auckland specific statistics, in particular regional exports and foreign direct investment.

Note that this target will contribute to the NZ government target, which is to increase the contribution of exports to the economy from 30 per cent to 40 per cent of GDP by 2025.

**Analysis**      Auckland exports were valued at \$10.2 billion<sub>NZ2004</sub> in 2008. Between 2002 and 2008, Auckland's average annual growth rate was approximately two per cent, significantly below the six per cent target. Growth of more than six per cent only occurred in 2005.

**Figure 4: Annual percentage change in Auckland's exports (modelled), 2002-2008**



Source: Market Economics Ltd, using customised data

2. Skilling, D. and Boven, D. (2005). *No Country is an Island: Moving the New Zealand Economy Forward by Taking it to the World*. A discussion paper, published by The New Zealand Institute, Auckland.

**Target**      **Increase annual average real GDP growth from 3 per cent in the last decade to 5 per cent p.a. for the next 30 years.**

**Measure**      **Average annual real GDP growth.**

**Relevance**      The gross domestic product (GDP) growth rate measures how fast an economy is growing. A strong Auckland economy means more jobs and more money in more people’s pockets. It allows people, families and communities the freedom to pursue their own prosperity, infrastructure such as roads and rail to be improved, social services such as libraries and youth centres to be expanded, and more amenities such as parks and community halls to be developed. This in turn attracts more skilled workers, businesses and investment.

**Source**      Infometrics, customised regional GDP statistics, available annually. The data is available on request from Auckland Council’s Research, Investigations and Monitoring Unit.

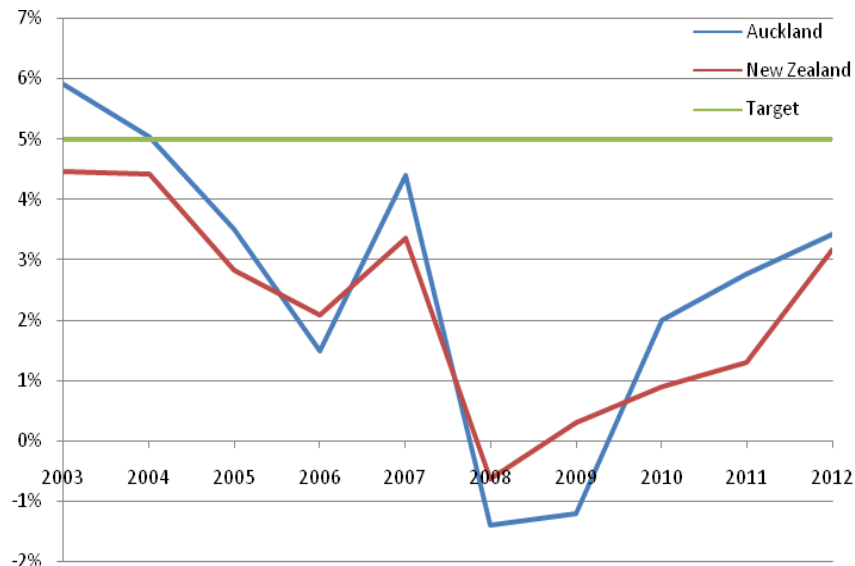
**Note**      In June 2013, Statistics New Zealand released official regional GDP, for the period 2007 to 2010.

**Analysis**      In 2012, the Auckland economy grew by 3.4 per cent, slightly higher than the national growth of 3.2 per cent and about 6 percentage points higher than in 2011.

Over the last decade, Auckland has accounted for 37 to 38 per cent of New Zealand’s GDP. Figure 5 indicates that Auckland’s economy tends to lead national trends in GDP growth, which on the flipside meant that the recession in 2008 was deeper in Auckland than for the rest of the country.

Auckland’s annual average GDP growth rate last exceeded 5.0 per cent in 2002/03 and 2003/04.

**Figure 5: GDP growth rates for Auckland and New Zealand, 2002-2012**



Source: Infometrics, customised regional data.

**Target** Increase annual average productivity growth from 1 per cent p.a. in the last decade to 2 per cent p.a. for the next 30 years.

**Measure** Auckland's GDP per hour worked.

**Relevance** Productivity relates to how efficiently a firm or any other organisation can turn its inputs, such as labour and capital, into outputs in the form of goods and services. Labour productivity is a measure of the amount produced for a certain amount of labour effort. It is closely related to individual incomes (i.e. wages and salaries) and living standards, and it can be measured with reasonable reliability.

**Source** A number of sources is used to develop GDP per hour worked as follows:

- Hours worked: Statistics New Zealand, Household Labour Force Survey (HLFS), available quarterly
- Population: Statistics New Zealand, sub-national population estimates, available annually
- Gross Domestic Product: Infometrics, customised regional GDP statistics, available annually.

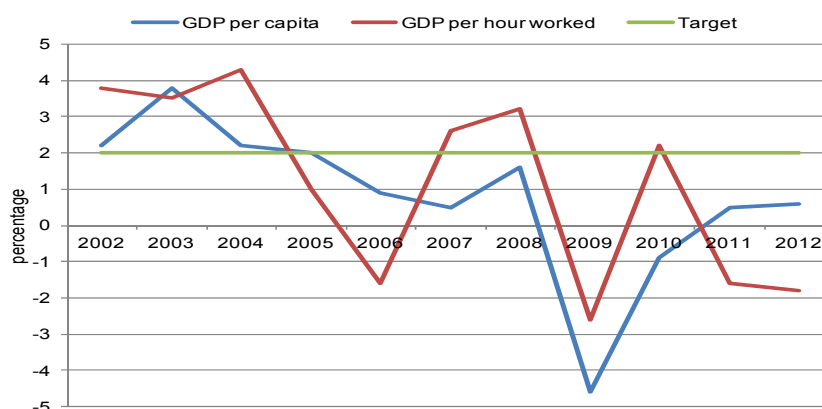
The HLFS and population estimates are available on the [SNZ](#) website and GDP data is available on request from Auckland Council's Research, Investigations and Monitoring Unit.

**Note** Labour productivity can be measured simply as output per worker (GDP per capita) which can increase if workers produce more in the hours they work, or if they work longer hours. To take into account variations in the number of hours worked per worker a more common measure of labour productivity is output (GDP) per hour worked.

**Analysis** Figure 6 shows that the change in GDP per hour worked for the year ending December 2012 was -1.8 per cent. Since 2004, growth in GDP per worker has been below the EDS target of 2 per cent, with a marked downward trend between 2002 and 2006. Since then growth has remained subdued, and has been negative since 2008.

These trends are been partly reflected in Auckland's per capita GDP growth, which has also been below the 2 per cent target since 2005.

**Figure 6: Annual percentage change in Auckland's labour productivity, 2001-2012**



Source: Infometrics, customised regional data; and Statistics New Zealand, HLFS and population data

**Target** Ongoing provision of planned and serviced capacity for Group 1 business land, including large lots, to meet five-yearly demand, as assessed by annual surveys.

**Measure** Amount of planned and serviced business land available as a proportion of estimated demand.

**Relevance** In order to meet capacity requirements for business growth and ensure that Auckland continues to attract and retain high-quality businesses, there must be suitable zoning requirements for businesses within the Unitary Plan. This includes ensuring that there is sufficient capacity for land-extensive businesses and that there is enough zoned and serviced land to meet demand.

**Source** To be determined.

**Note** Clear definitions of the terms 'large lots' and 'planned' capacity will need to be formulated before this target can be adequately measured. There are also challenges in estimating demand. The Capacity for Growth study estimates supply rather than demand.

**Analysis** Not available at time of writing.

## **Tier 2: Intermediate Economic Outcomes for Auckland**

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A set of 27 intermediate economic outcomes are also outlined in the Auckland Economic Development Strategy. These reflect the assumptions of the regional drivers of economic development. They will provide a base for monitoring progress towards achieving the strategy priorities and cross-cutting themes. Indicators associated with these provide intermediate measures of progress towards the longer-term headline goals.



## PRIORITY 1: Grow a business-friendly and well-functioning city

Te hanga pakihi hoahoa, ā he taone e haere tino pai ana

It is Council's job to make it easier for all businesses to do business, and to help create a city that attracts more productive business, especially from overseas. A city that is known for being internationally 'business-friendly'.

There are two ways in which council can directly help by:

- Providing business-friendly, 'can-do' service and maintaining excellent customer relationships
- Creating a well-functioning city through quality decision making on the planning, regulation and development of the built environment, especially infrastructure.

Within this strategic direction there are three key actions and five intermediate outcomes.

### Key actions:

- Auckland Council will lead and build an international reputation for Auckland being open and business-friendly
- Auckland has well-functioning economic infrastructure
- Auckland's businesses have access to the resources they need to be productive.

### Intermediate outcomes:

INTERMEDIATE OUTCOME	MEASURE	TARGET	BASELINE
Business satisfaction with Council	Percentage of businesses satisfied with Council's overall level of service	Improves on baseline level	Not available
Customer satisfaction with Council's overall consent process	Percentage of customers satisfied with the: a. building consent process overall b. resource consent process overall	a. 59 per cent by 2021/22 b. 65 per cent by 2021/22	a. 40 per cent (2012) b. 50 per cent (2012)
Increase number of Top 200 business head offices in city centre	Number of top 200 business head offices in city centre	Increases on baseline level	29 businesses (2012)
Reliability of water supply	Percentage of residential and business customers satisfied with the overall water supply service	80 per cent by 2021/22	Not available
Reliability of energy supply <sup>1</sup>	See footnote	See footnote	See footnote

### Note

1. This intermediate outcome will be replaced with the Auckland Plan target to 'meet relevant interruption duration standards to electricity distribution and transmission by 2040'.

**Outcome Business satisfaction with Auckland Council**

**Measure Percentage of businesses satisfied with Council's overall level of service**

**Relevance** Increasing business satisfaction with council is fundamental to the implementation and delivery of being a business-friendly and well-functioning city. An annual council business survey to be undertaken will deliver customer insights from the business community that will be used to shape and inform service delivery and enable robust policy development and decisions within the council and its Council Controlled Organisations.

**Source** Auckland Council, Business Survey to be undertaken in 2013/14 and will be made available annually.

**Note** An annual business survey to monitor the overall level of service Council provides to businesses will be undertaken in 2013/14 to derive the baseline. The survey will be complemented by additional project specific/department surveys/feedback mechanisms, improved organisational customer service reporting and monitoring (such as the new customer complaints process), as well as anecdotal evidence.

**Analysis** Not available at time of writing.

## **Outcome**    **Customer satisfaction with Council’s overall consent process**

<b>Measure</b>	<b>Percentage of customers satisfied with the: building consent process overall and resource consent process overall.</b>
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**Relevance**    This is a significant KPI within council as it is a public-facing measure of council’s customer service performance.

**Source**        Auckland Council, available annually.

**Note**            This measure is also included in the Council’s Long Term Plan (LTP) 2012-22.

**Analysis**        The LTP identifies the current baseline as:

- 40 per cent of customers are satisfied with the building consent process overall, and
- 50 per cent are satisfied with the resource consent process overall.

It also sets a target for 2021/22 as:

- 59 per cent of customers are satisfied with the building consent process overall, and
- 65 per cent are satisfied with the resource consent process overall.

**Outcome**      **Increase number of top 200 business head offices in city centre**

**Measure**      **Number of top 200 business head offices in the city centre**

**Relevance**      Increasing the number of large businesses located in the city centre would increase the importance of the city centre as a commercial centre and may also increase the relative productivity of the city centre through agglomeration effects.

**Source**      Top 200 New Zealand Companies list, compiled by Deloitte and New Zealand Management Magazine, available annually.

**Note**      This measure is also included in the Council's City Centre Masterplan.

**Analysis**      In 2012, the head offices of 123 of New Zealand's Top 200 businesses and 21 of New Zealand's Top 30 financial institutions were located in Auckland. Of this group, 29 businesses and 17 financial institutions were located in the Auckland city centre.

While financial institutions are strongly represented in the city centre, business headquarters are also located in centres such as Penrose, Mt Wellington, East Tamaki, Newmarket and Greenlane.

**Outcome**    **Reliability of water supply**

**Measure**    **Percentage of residential and business customers satisfied with the overall water supply service**

**Relevance**    Better understanding of customers' changing needs and experiences can help focus on improvements that will make it easier to deal with customers, and help to be proactive as well as responsive.

**Source**    To be determined.

**Note**    This measure is also included in the Council's Long Term Plan (LTP) 2012-22.

**Analysis**    The current baseline is not available for this measure as noted in the LTP. A target of 80 per cent residential and business customers satisfied with the overall water supply service in 2021/22 however is identified in the LTP.

**Outcome**      **Meet relevant interruption duration to electricity distribution and transmission**

**Measure**      **Reporting from electricity supply companies**

**Relevance**      Minimising network interruptions is important as they cause losses in productivity and increase uncertainty for both households and businesses.

A reliable electricity network is critical to business confidence and the ability for Auckland to attract both domestic and foreign investment. In recent years, Auckland has suffered a number of major failures of its electricity supply which affected public perception of the resilience of our infrastructure.

**Source**          Work is currently underway with the electricity sector to determine appropriate methods to measure and report on the resilience of Auckland's electricity supply.

**Note**             This is an Auckland Plan target and it replaces the target 'reliability of energy supply' identified in the EDS. The *Auckland Plan Targets: A Baseline report* notes that an appropriate target will be developed as part of the Energy and Climate Change Mitigation Action Plan.

**Analysis**        Not available at time of writing.

## PRIORITY 2: Develop an innovation hub of the Asia-Pacific rim

Te whakatū i tetahi pōkapū hihiko o te tapa-ō-āhia-ā-kiwa

Aucklanders and New Zealanders are renowned for being inventive and entrepreneurial. However, inventiveness is not the same as innovation.<sup>3</sup> Innovation is fundamentally about introducing new ideas and new ways of doing things, in response to new opportunities. Businesses and other organisations can innovate in a number of ways – by introducing a new or improved product, service or process, opening up a new market, adopting a new technology, or changing the way businesses organise themselves. Economies which are more innovative are more productive and have higher levels of prosperity.<sup>4</sup>

Within this strategic direction there are three key actions and five intermediate outcomes.

### Key actions:

- Support the establishment of strong linkages between Auckland research institutions business and organisations so that a larger number of firms are innovating to a high level
- Support the development of clusters, precincts and industry infrastructure that support innovation in key sectors of competitive advantage
- Showcase innovation and the advantages of Auckland's innovation system.

### Intermediate outcomes:

INTERMEDIATE OUTCOME	MEASURE	TARGET	BASELINE
Increase proportion of workforce employed in science and technology	Workforce employed in science and technology	Increases on baseline level	14 per cent (2006)
Increase proportion of workforce in knowledge-intensive and high-tech industries	Workforce employed in knowledge-intensive industries	Increases on baseline level	35.9 per cent (2012)
Increase number of businesses undertaking innovation	Number of businesses that have innovated	Increases on baseline level	35 per cent (2011) <sup>1</sup>
Increase patents per capita	Patent applications (per million population) filed under to the European Patent Office and under the Patent Cooperation Treaty	Increases on baseline level	EPO (51.8) and PCT (115.8) per million population (2008)
Increase availability of venture capita	Value of private financing deals in Auckland	Increases on baseline level	\$12.4 million (2012)

### Note

1. This figure is for all businesses in New Zealand.

<sup>3</sup> Boven, R et al. (2010). *A Goal Is Not a Strategy: Focusing Efforts to Improve New Zealand's Prosperity*. Auckland: New Zealand Institute.

<sup>4</sup> World Economic Forum. *The Global Competitiveness Report 2011 – 2012*.

**Outcome Increase proportion of workforce employed in science and technology**

**Measure Workforce employed in science and technology**

**Relevance** The proportion of the workforce in science and technology is an indicator of the knowledge capacity of an economy. In general, it is a prerequisite for innovation and is indicative of overall productivity.

**Source** The data on the proportion of the workforce in science and technology presented here are from a report prepared by the Ministry of Economic Development, the Treasury and Statistics New Zealand.

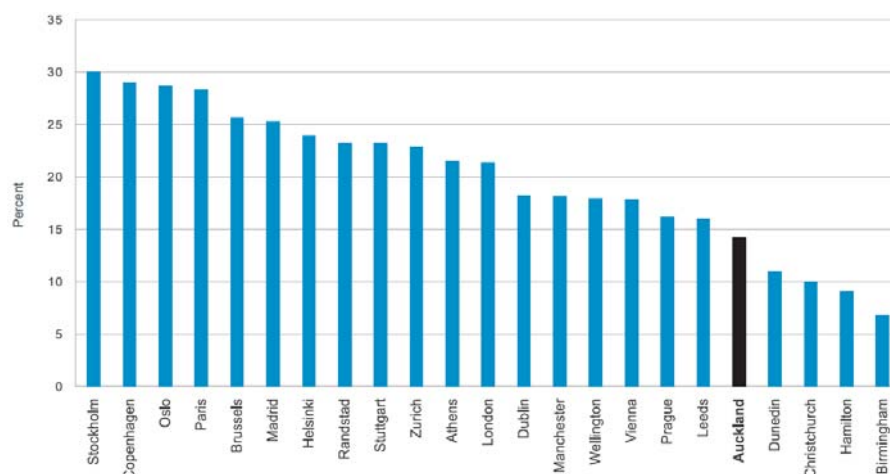
New Zealand Government (2011). *Economic Development Indicators 2011* report. The report is available on the [Ministry of Business, Innovation and Employment](#) website.

**Note** The proportion of the workforce employed in science and technology is defined as the number of individuals who have a university qualification and are employed in a science and technology occupation as a professional, technician, or associate professional.

This measure is also included in the Council’s City Centre Masterplan.

**Analysis** In 2006, about 14 per cent of Auckland’s workforce was employed in science and technology. This was relatively low when compared to 18 other European cities (including Wellington, as this is the location of many Crown Research Institutes and related entities).

**Figure 7: Science and technology workforce as a percentage of the employed population in Auckland, 2006**



Source: New Zealand Government (2011). *Economic Development Indicators 2011*.



**Outcome Increase proportion of workforce in knowledge intensive and high-tech industries**

**Measure Workforce employed in knowledge intensive industries**

**Relevance** Knowledge intensive industries are those in which the generation and exploitation of knowledge play the predominant part in the creation of wealth. These sectors represent an increasing share of the Auckland economy's output and employment, and will most likely be the source of the future productivity growth.

**Source** Infometrics, Auckland Annual Economic Profile statistics, available annually. The data is available on request from Auckland Council's Research, Investigations and Monitoring Unit.

**Note** An industry is defined as knowledge-intensive if it meets two criteria: at least 25 per cent of the workforce is qualified to degree level and at least 30 per cent of the workforce is in professional, managerial and scientific and technical occupations.

**Analysis** During 2012, there were 262,670 jobs in Auckland's knowledge intensive industries. At 35.9% of total employment, this was higher than the New Zealand average (31.8%).

Over the past year, employment in knowledge intensive industries increased by 3.7% per annum, which compares with a change of 1.5% in the national economy.

**Table 1: Employment in knowledge intensive (KI) industries, 2012**

	2012	% total in KI industries	Annual % change (2011-2012)	Annual % change (2002-2012)
Auckland	262,670	35.9	3.7	3.0
New Zealand	686,316	31.8	1.5	2.2

Source: Infometrics, Auckland Annual Economic Profile 2012

**Outcome      Increase number of businesses undertaking innovation**

**Measure      Number of businesses that have innovated**

**Relevance**      Innovation is seen as a key enabler of economic growth. While the innovation system is multi-faceted (including elements such as research and development, business capability and collaboration), a measure of the percentage of Auckland businesses that are 'innovating' is an indicator of the health and vitality of Auckland's innovation system.

**Source**      Statistics New Zealand, Business Operations Survey (BOS), available annually. Innovation is measured at an aggregated level (number of businesses that have 'innovated') on an annual basis and at a more detailed level (via a specific Innovation module) every two years. The national data are available on the [SNZ](#) website.

**Note**      Statistics New Zealand only publish national level innovation statistics. Auckland Tourism, Events and Economic Development (ATEED) and Auckland Council's Research, Investigations and Monitoring Unit (RIMU) are currently looking at options to derive Auckland specific statistics.

Innovation is defined in the BOS as businesses that have developed or introduced any new or significantly improved:

- Goods or services
- Operational processes
- Organisational/managerial processes
- Marketing methods.

Note that this outcome will contribute to the NZ government target, which is to double business research and development to > 1 per cent of GDP.

**Analysis**      According to the 2012 BOS, the proportion of businesses innovating in New Zealand has remained stable at 35 per cent over 2010 and 2011.

## Outcome Increase patents per capita

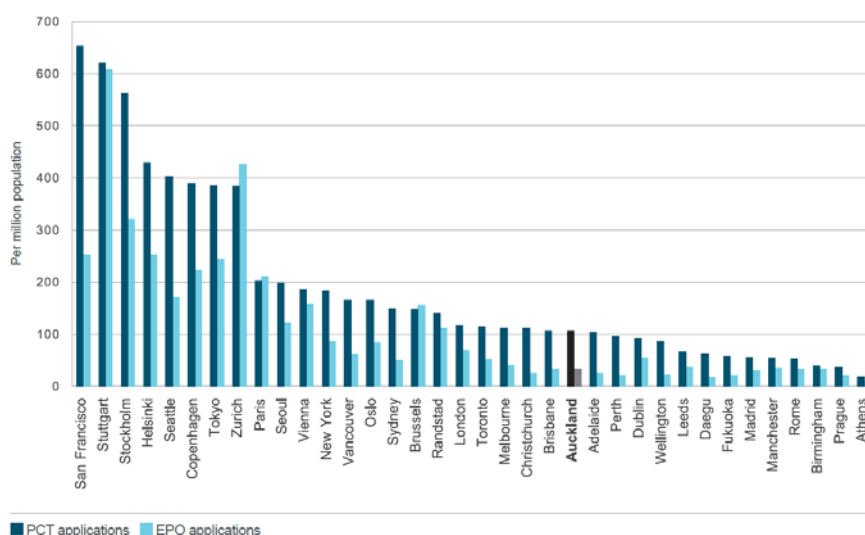
**Measure** Patent applications (per million population) filed to the European Patent Office (EPO) and under the Patent Cooperation Treaty (PCT).

**Relevance** A patent is an exclusive right granted by the Government for a new invention. Patent applications are an important indicator of innovation within a city's economy. In general, patent applications are a function of both public and private investment in technology and are usually over-represented in particular centres which have a core of well-established research entities (such as Silicon Valley in San Francisco).

**Source** OECD Patents by Regions statistics, available annually. The data are available on the [OECD](http://www.oecd.org) website.

**Analysis** The number of patent applications made in Auckland is in line with other cities in the Asia-Pacific region, including Adelaide, Brisbane and Perth. It is slightly lower than the level in Sydney and approximately a third of the number lodged per capita in Seoul. The table below shows the overall level of patents in Auckland filed to the European Patent Office (EPO) and under the Patent Cooperation Treaty (PCT).

**Figure 8: Patent applications to the EPO and under the PCT, per million population, 2007**



Source: Ministry of Economic Development, Statistics New Zealand and Treasury. *Economic Development Indicators 2011*.

**Table 2: Patent applications in Auckland, per million population, 2006-2008**

Year	European Patent Office (EPO)	Patent Cooperation Treaty (PCT)
2006	51.0	107.6
2007	52.3	118.9
2008	51.8	115.8

Source: OECD, Metropolitan Regions data

**Outcome**    **Increase availability of venture capital**

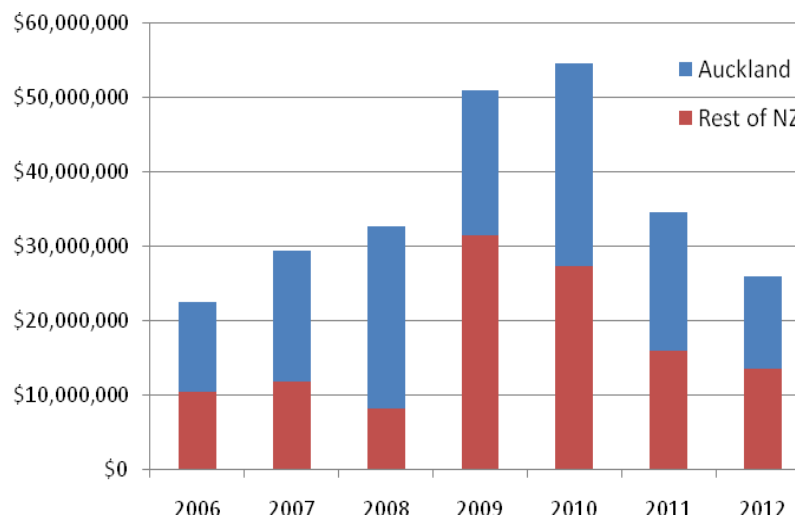
**Measure**    **Value of private financing deals in Auckland**

**Relevance**    Venture capital assists firms with relatively high-risk profiles to develop and become established. Many of these firms are in a technology field where their innovations have yet to be proven in the marketplace. These firms are an integral part of Auckland’s innovation system.

**Source**    New Zealand Venture Investment Fund, available annually.

**Analysis**    In 2012, the value of private financing deals in Auckland was \$12.4 million slightly less than the rest of New Zealand with \$13.4 million.

**Figure 9: Value of private financing deals in Auckland and Rest of New Zealand, 2006-2012**



Source: New Zealand Venture Investment Fund

## PRIORITY 3: Become internationally connected and export-driven

Kia tūhono ki te āo, kia hihiri te hoko rawa ki tāwahi

The international connections that Auckland builds and maintains with other economies and city-regions will be critical if we are to attract and retain the entrepreneurs, talent and investment we need to lift growth. These resources are internationally mobile and actively sought after. Auckland's ability to improve its connections depends, in part, on the city's position and functions within the Australasian and Asia-Pacific city network.

Within this strategic direction there are two key actions and four intermediate outcomes.

### Key actions:

- Build up the international capability of businesses to maximise global growth opportunities
- Ensure Auckland is globally connected and engaged in order to leverage business, investment and cultural opportunities.

### Intermediate outcomes:

Outcomes	Measure	Target	Baseline
Accelerated growth in exports, particularly in targeted sectors	Exports from targeted sectors	Increases on baseline	Not available
Increase high value-added FDI	Number of FDI deals occurring in Auckland	Increases on baseline	61 FDI deals (between 2003 and 2009)
Increase number of business opportunities facilitated through international relationships	Business opportunities facilitated through international relationships	40 opportunities (2012/13)	50 opportunities (2012/13)
Increase total GDP in targeted sectors compared with total Auckland GDP	Total GDP in targeted sectors	Increases on baseline	35.9 per cent (2012)

**Outcome**      **Accelerated growth in exports, particularly in targeted sectors**

**Measure**      **Exports from targeted sectors**

**Relevance**      As New Zealand's domestic market is relatively small, Auckland exporters need to look for opportunities to grow overseas, and become more internationally connected. The EDS has identified a number of targeted sectors that represent the highest potential for international market potential, innovation and labour productivity as key for the growth of Auckland's economy in the future. These are: ICT; screen and creative content; tourism; food and beverage; construction and engineering; marine; niche manufacturing; health technologies and international education; biotechnology and advanced materials.

**Source**          To be determined.

**Note**              A one-off report by McDonald et al (2010) to the Auckland Regional Council, modelled Auckland exports using customised regional estimates. The report however does not provide a breakdown of exports from targeted sectors outlined in the EDS.

**Analysis**        Not available at time of writing.

**Outcome Increase high value-added foreign direct investment**

**Measure Number of foreign direct investment deals occurring in Auckland**

**Relevance** Foreign direct investment (FDI) is a key driver of economic growth. It is a source of capital and expertise and new ideas and helps expand the productive base of the economy. FDI can also lead to a deeper export base and stronger relationships with overseas economies.

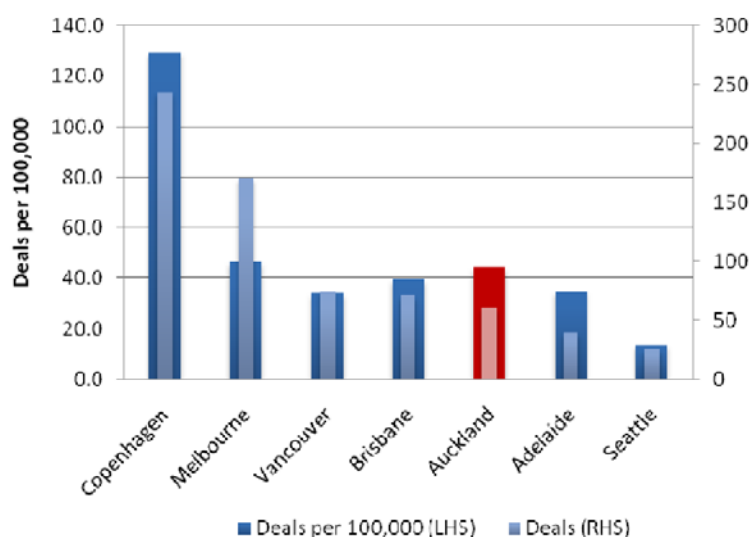
**Source** The data on Auckland FDI presented here are from a one-off report by Knowledge Matrix Asia Pacific Ltd et al (2009) to the Auckland Regional Council.

Knowledge Matrix Asia Pacific Ltd. BERL. PricewaterhouseCoopers. (2009). *Understanding Auckland's role in New Zealand's global engagement: Foreign Direct Investment*. The report is available on the [Knowledge Auckland](#) website.

**Note** Statistics New Zealand publishes only national level FDI statistics. Auckland Tourism, Events and Economic Development (ATEED) together with Council's Research, Investigations and Monitoring Unit (RIMU) are currently looking at options to derive Auckland specific statistics, in particular regional exports and FDI.

**Analysis** Between 2003 and 2009, Auckland attracted 61 individual FDI deals, and was 5<sup>th</sup> amongst the comparator cities. However, in terms of its population size, Auckland out-performed both Brisbane and Adelaide, and was comparable with Melbourne.

**Figure 10: Level of FDI, in term of population size (LHS) and total number of deals (RHS), 2003-2009**



Source: Market Economics Limited. *Auckland's Competitive Advantage and Distinctiveness* 2011. Calculations based on Auckland FDI data from Knowledge Auckland Asia Pacific Ltd et al (2009) report.

**Outcome Increase number of business opportunities facilitated through international relationships**

**Measure Business opportunities facilitated through international relationships**

**Relevance** Facilitating business and market development outcomes from council's international relationships is a key driver for Auckland being internationally connected and export driven.

**Source** Auckland Council International Relations, Customer Activity Statistics, available annually.

**Note** Number of business opportunities facilitated through international relationships is the number of direct connections facilitated through Council's international relationships between a NZ based business or organisation, and a NZ or offshore business or organisation, for the purposes of discussing and generating business opportunities.

This measure is also included in the Council's Long Term Plan (LTP) 2012-22.

**Analysis** The number of business opportunities facilitated through Auckland Council's international relationships achieved its target of 40 in 2011/12 and outperformed that in 2012/13 with 50 business opportunities facilitated.

**Table 3: Business opportunities through Council's international relationships, 2011/12 and 2012/13**

2011/12		2012/13	
Target	Actual	Target	Actual
40	40	40	50

Source: Auckland Council, International Relations Unit, using Customer Activity.



**Outcome      Increase total GDP in targeted sectors compared with total Auckland GDP**

**Measure      Total GDP in targeted sectors**

**Relevance**      The targeted sectors identified in the EDS represent the highest potential for international market potential, innovation and labour productivity. Growing the targeted sectors therefore is expected to have a significant impact on the Auckland economy overall. These targeted sectors as identified in the EDS are: ICT; screen and creative content; tourism; food and beverage; construction and engineering; marine; niche manufacturing; health technologies and international education; biotechnology and advanced materials.

**Source**      Infometrics, customised regional GDP statistics available annually. Sector calculations is undertaken by the council's Research, Investigations and Monitoring Unit (RIMU). The data presented here are available on request from RIMU.

**Note**      In June 2013, Statistics New Zealand released official regional GDP, for the period 2007 to 2010.  
  
This measure is also included in the Council's Long Term Plan (LTP) 2012-22.

**Analysis**      In 2012, the targeted sectors accounted for approximately 35.9 per cent of Auckland's economy, with ICT being the largest at over \$5.7 billion. As the projects associated with improving these sectors are developed and implemented, it is expected that these sectors will make up a larger share of the Auckland economy.

**Table 4: GDP in targeted sectors in Auckland, 2012**

<b>Targeted Industry Sector</b>	<b>2012 GDP (1996, \$m)</b>	<b>% of Auckland economy</b>
ICT	5,749	10.4
Tourism	1,673	3.0
Food and Beverage	2,363	4.3
Construction and Engineering	2,225	4.0
Marine	928	1.7
Niche Manufacturing	1,791	3.2
Health Technologies	559	1.0
International Education	218	0.4
Screen and Creative Content	963	1.7
Biotechnology	2,565	4.6
Advanced Materials	881	1.6
<b>Target Sector total</b>	<b>17,581</b>	<b>35.9</b>

Source: Infometrics, customised regional data

Note: Figures may be updated as and when new data becomes available.

## PRIORITY 4: Enhance investment in people to grow skills and a local workforce

Te whakakaha i te tuku mana ki te tangata, hei whakatupu pukenga mātauranga ki ngā kaimahi ā rohe

Economic growth, innovation and productivity are dependent on sufficient skill levels in the workforce to ensure highly productive, high-value workplaces. Auckland's future prosperity will depend upon our people having employment opportunities, as well as a range of skills and abilities to be able to compete effectively in a global economy and improve the quality and value of work. We need to develop the skill levels of our workforce and better link these to Auckland's labour market. This is particularly important for key employment and high-growth sectors where initiatives to build, attract and retain skill and talent will help drive enterprise, jobs and growth. Focusing on increasing Aucklanders' core and foundation learning skills will also create sustainable economic growth through building a strong, inclusive and equitable society.

Within this strategic direction there are three key actions and seven intermediate outcomes.

### Key actions:

- Champion education, skills and career development in Auckland
- Increase Auckland's workforce participation and labour productivity
- Build, attract and retain skills to better match Auckland's needs, especially through improved tertiary/industry engagement that focuses in skills for innovation and research for commercialisation opportunities.

### Intermediate outcomes:

Outcomes	Measure	Target	Baseline
Increase labour force participation rate (and by ethnic groups)	Labour force participation rate	Improves on baseline level	68.4 per cent (2012).
Improve proportion of youth who are in education, employment and training	The proportion of Auckland youth (15-24) not in employment, education or training.	Improves on baseline level	12.9 per cent NEET rate (2012)
Improve adult literacy and numeracy rate	Adult literacy and numeracy rate	Improves on baseline level	Literacy and numeracy of many adults below level 3 (2006)
Improve educational qualifications of the labour force (and by ethnic groups)	Educational qualifications of the labour force	Improves on baseline level	29 per cent—Uni bursary, scholarship, 4 per cent—higher school cert/leaving cert, 18 per cent—sixth form cert, UE in 1 or more subjects, 15 per cent—school cert in 1 or more subjects, 32 per cent—others and 2 per cent—none (2012)
Improve ease of finding skilled labour	Ease of finding skilled labour	Improves on baseline level	-4.2 per cent (annual average Dec 2011 - Dec 2012)
Increase number of post-graduate qualifications	Number of students graduating with post-graduate qualifications from Auckland tertiary institutions	Increases on baseline	6,714 (2012)
Improve employment outcomes of migrants in terms of quality of match	Number of employed migrants who feel satisfied in their job	Improves on baseline level	88.8 per cent of migrants who arrived in 2006 or later were very satisfied or satisfied with their jobs (2011)

**Outcome Increase labour force participation rate (and by ethnic groups)**

**Measure Labour force participation rate**

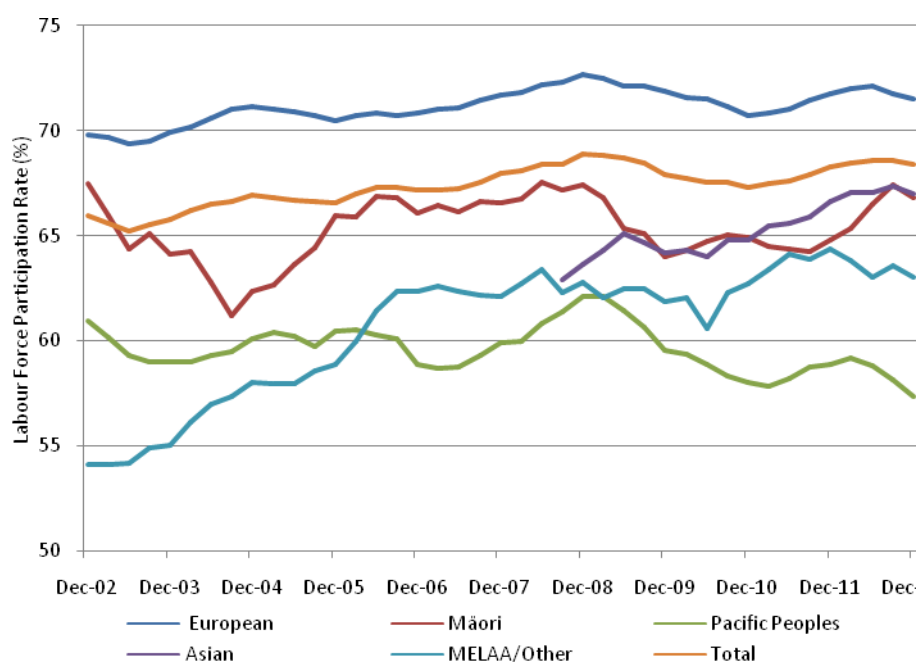
**Relevance** This is a critical element of Auckland’s capacity to produce goods and services, which is important because the amount of goods and services we produce is a major determinant of our standard of living. The participation rate also indicates how people’s willingness and ability to participate in the job market changes over time, irrespective of changes in the size of the working age population.

**Source** Statistics New Zealand, Household Labour Force Survey available quarterly. The data is available on the [SNZ](#) website.

**Note** The labour force participation rate is the percentage of the working age population that are either employed or looking for work. It is an indicator of how many people are participating in the job market by being willing and able to work (whether or not they are currently in work).

**Analysis** The participation rate in Auckland stood at 68.4 per cent during the year to December 2012, up from 66 per cent in the year to December 2002. The participation rate of Europeans was above the Auckland average at 71.5 per cent compared to Maori and Pacific who were below with 66.8 per cent and 57.3 per cent respectively.

**Figure 11: Labour force participation rate (annual average) for Auckland, by ethnicity, 2002 - 2012**



Source: Statistics New Zealand, Household Labour Force Survey

**Outcome** Improve proportion of youth who are in education, employment and training

**Measure** The proportion of Auckland youth (15-24) not in employment, education or training (NEET)

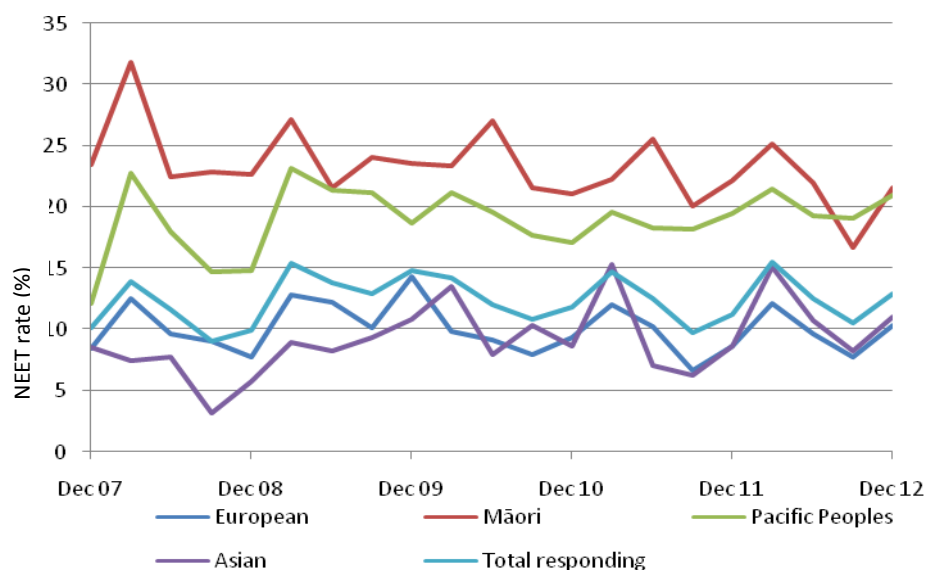
**Relevance** Youth who are disengaged from education and work are generally considered to be missing opportunities to develop to their potential and improve their future outcomes. There are links between prolonged youth unemployment and a heightened risk of poorer employment and health outcomes; a higher dependency on social assistance; substance abuse; and criminal offending.

**Source** Statistics New Zealand, Household Labour Force Survey available quarterly. Auckland specific customised data is available on request from Council's Research, Investigations and Monitoring Unit.

**Analysis** The overall NEET rate for all youth aged 15-24 years in December 2012 was 12.9 per cent, up slightly from 11.2 per cent in December 2011.

When broken down by ethnicity, rates of young people who are NEET are generally higher among Māori and Pacific young people than among European or Asian ethnicities.

**Figure 12: NEET rates in Auckland, by ethnicity, 2007-2012**



Source: Statistics New Zealand, Household Labour Force Survey

## Outcome Improve adult literacy and numeracy rate

### Measure Adult literacy and numeracy rate

**Relevance** When workforce literacy and numeracy increase, there are reduced errors and waste and improved health and safety. Improved workforce literacy correlates with higher productivity, enabling workers and their managers to work together to increase their output per hour worked.

**Source** The data on adult literacy and numeracy presented here are from a one-off study by the Ministry of Education, with no future survey planned.

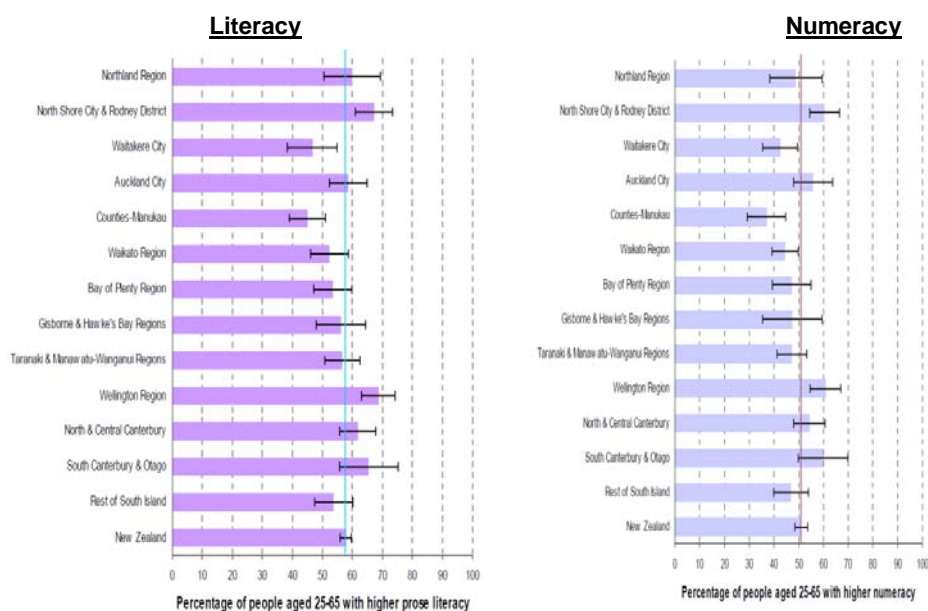
Ministry of Education (MoE), *2006 Adult Literacy and Life Skills (ALL) Survey*. The report is available on the [education counts](#) website.

**Note** The ALL Skills Survey used a five level measure of prose literacy and numeracy to benchmark New Zealand's educational outcomes both nationally and internationally. ALL has a five-point scale: Level 5 is very high; Level 1 is very low. Skills at Level 3 are deemed necessary for full participation in working life, society and government.

**Analysis** The prose literacy rate in the former Auckland city was in-line with the national average. North Shore and Rodney were above average while Waitakere City and Counties-Manukau were below average. The numeracy results were also similar.

The overall results show that the literacy and numeracy skills of many adult Aucklanders were below level 3 in 2006.

**Figure 13: People aged 25-65 (%) with higher prose literacy and numeracy (Levels 3-5) by region, 2006**



Source: MoE, using 2006 ALL Skills Survey

Note: The bars around estimates represent the margins of error (at the 95% confidence level). The solid vertical line marks the estimated national percentage.

**Outcome** Improve educational qualifications of the labour force (and by ethnic groups)

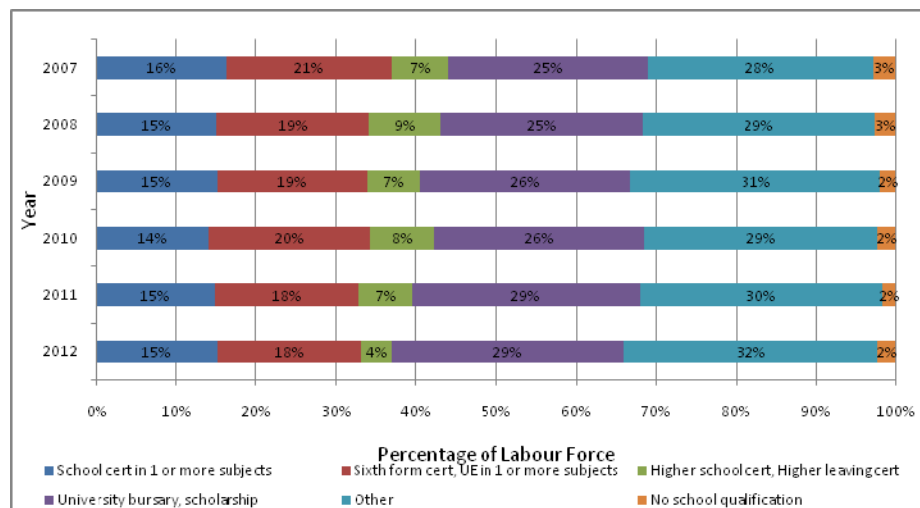
**Measure** Educational qualifications of the labour force

**Relevance** At the individual and household level, there are strong inter-dependencies and connections between the level of formal education and the ongoing acquisition of workplace skills with opportunities for meaningful and secure employment, a good income and quality of life.

**Source** Statistics New Zealand, Household Labour Force Survey available quarterly. The data is available on the [SNZ](#) website.

**Analysis** Those in the labour force with a university bursary or scholarship had increased from 25 per cent in 2007 to 29 per cent in 2012, and similarly those with other qualifications increase from 28 per cent to 32 per cent. On the decline however are those with higher school/leaving certificate from 7 per cent in 2007 to 4 per cent in 2012, those with sixth form certificate, UE in 1 or more subjects from 21 per cent to 18 per cent and those with school cert in 1 or more subjects from 16 per cent in 2007 to 15 per cent in 2012.

**Figure 14: Education qualifications of the Auckland labour force, 2007-2012**



Source: Statistics New Zealand, Household Labour Force Survey

## Outcome Improve ease of finding skilled labour

### Measure Ease of finding skilled labour

**Relevance** Skilled labour is a major factor in business growth and innovation, and the ease of finding people with the right skills has significant implications for Auckland's economic growth.

**Source** Ministry of Business, Innovation and Employment (MBIE), Jobs Online available monthly. The data are available on the [MBIE](#) website.

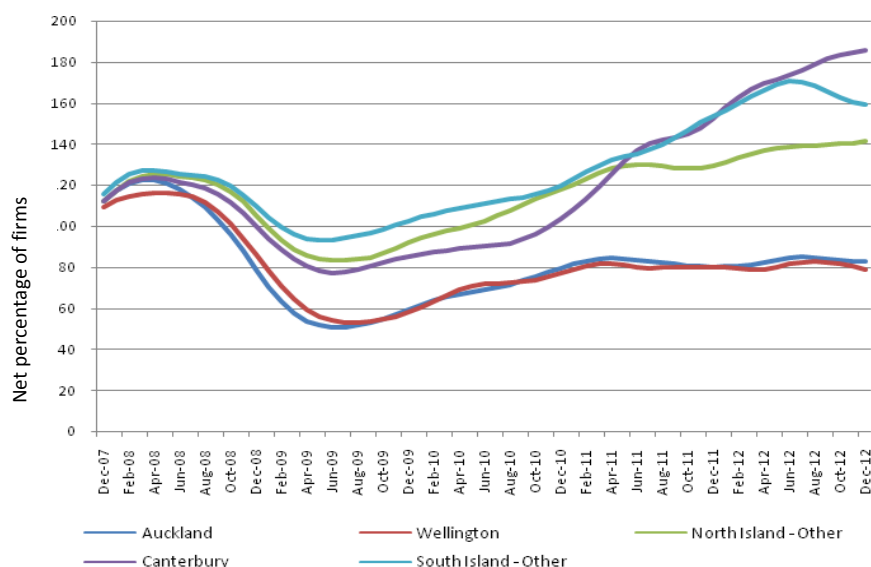
**Note** Jobs Online measures changes in job vacancies advertised on the two main internet job boards – SEEK and Trade Me Jobs.

A rising index suggests that the labour market is tightening (due to either an increase in labour demand or a fall-off in labour supply) while a falling index indicates that the job market is softening.

**Analysis** The skilled vacancy index has picked up since June 2009, especially in the Canterbury area reflecting an increase in labour demand in this area. Demand for skilled labour in the Wellington and Auckland areas however has remained fairly static in the last two years.

In Auckland, skilled job vacancies was down by 4.2 per cent annual average in December 2012 compared to December 2011.

**Figure 15: Skilled Vacancies Index by region, trend series (May 2007=100), 2007-2010**



Source: MBIE, Jobs Online

**Outcome**    **Increase number of post-graduate qualifications**

**Measure**    **Number of students graduating with post-graduate qualifications from Auckland tertiary institutions**

**Relevance**    There are strong inter-dependencies between the level of formal education attainment and the ongoing development of workplace. Highly skilled workers have a large impact on overall productivity.

**Source**    Ministry of Education (MoE), post-graduate completions from the tertiary data warehouse, available annually.

**Note**    The data presented here includes post-graduate completions from these Auckland tertiary institutions only for 2012: Auckland University; Auckland University of Technology; Unitec; and Manukau Institute of Technology.  
This measure is also included in the Council's City Centre Masterplan.

**Analysis**    In 2012, 6,714 people completed post-graduate qualifications from Auckland's universities and polytechnic institutions. The majority of these were completed at universities.

**Table 5: Students graduating with post-graduate qualifications from Auckland tertiary institutions, 2012**

	<b>Number of graduates</b>
Polytechnics	260
Universities	6,454
<b>Total</b>	<b>6,714</b>

Source: MoE, Tertiary Data warehouse



**Outcome** Improve employment outcomes of migrants in terms of quality of match.

**Measure** Number of employed migrants who feel satisfied in their job

**Relevance** The employment outcomes of migrants are a significant indicator of the attractiveness of Auckland as a long-term settlement destination. Attracting skilled migrants and ensuring that they can use their skills when they settle here are both crucial to improving the productivity of the local workforce.

**Source** Statistics New Zealand, General Social Survey, available bi-annually. The data are available on the [SNZ](#) website.

**Note** This is a preliminary estimate. Further work is required to determine if this is an appropriate methodology for measuring improved employment outcomes of migrants.

Note that this outcome will contribute to the NZ government target, which is by 2016, 85 per cent of skilled migrants will be employed in a job that matches their skills and qualifications (currently at 81 per cent).

**Analysis** A majority of respondents to the 2011 General Social Survey (GSS) who were migrants and had arrived in New Zealand in 2006 or later (88.8 per cent) felt satisfied or very satisfied with their job, compared with 78.6 per cent of those who had arrived prior to that or were born in New Zealand.

**Table 6: Satisfaction with job in previous four weeks by respondents to GSS, 2011**

	Arrived 2006 or later (%)	Arrived 2005 or before/ born in NZ (%)	Total (%)
Very satisfied or satisfied	88.8	78.6	79.3
Neutral	6.1	11.5	11.1
Very dissatisfied or dissatisfied	5.0	9.9	9.6

Source: Statistics New Zealand, General Social Survey

## PRIORITY 5: Develop a vibrant, creative international city

Kia whakaturia he tāone ao nui, tikorikori, wairua auaha

Auckland has significant advantages. It is an attractive city, with a stunning natural environment and indigenous and diverse cultures. But there is significant scope to develop Auckland into a vibrant world city by promoting and building on Auckland's creative, cultural and recreational experiences.

Within this strategic direction there are three key actions and six intermediate outcomes.

### Key actions:

- Auckland is nationally and internationally recognised as having exceptional visitor and event experiences
- Promote Māori culture to create a unique visitor, talent and investment proposition
- Support Pacific and migrant cultures to create a unique visitor, talent and investment proposition.

### Intermediate outcomes:

Outcomes	Measure	Target	Baseline
Grow the visitor economy from \$3.3 billion in 2010 to \$6 billion in 2021/22	Total spend for domestic and international visitors	\$6 billion 2021/22	\$3.7 billion (2011/2012)
Increase average length of visitor stay	Average length of visitor stay in commercial accommodation	Increases on baseline level	2.07 nights (2012)
Increase number of international conferences	Number of international delegate days from conferences within Auckland	Increases on baseline level	90,585 international delegate days (2011/12)
Improve Auckland's ranking in the international city brand index	Auckland's ranking as an international city	Increases on baseline level	Not available
Increase number of cruise ship visitors	Number of people who disembark (either temporarily or permanently) at the Auckland port.	Increases on baseline level	130,172 visitors (2009/10)
Grow the return on regional investment from major events attracted from \$14 million to \$70 million in 2021/22	Return on regional investment (RORI) from major events invested in	\$70 million (2021/22)	\$28.9 million (2011/12)

**Outcome**      **Grow the visitor economy from \$3.3 billion in 2010 to \$6 billion in 2021/22**

**Measure**      **Total spend for domestic and international tourists**

**Relevance**      Attracting more visitors (and more visitor spend) is a clear sign that Auckland is becoming more attractive and vibrant and growing its reputation as an international city.

**Source**      Ministry of Business Innovation and Employment (MBIE), Regional Tourism Indicators statistics available quarterly. Auckland specific customised data is available on request from Auckland Tourism, Events and Economic Development (ATEED).

**Note**      The size of the visitor economy will be measured and reported via MBIE's Regional Tourism Indicators Research programme. MBIE have recently changed the way they collect and report tourism based expenditure from survey-based to using Marketview, actual spend (by BNZ customers) data.

Currently, this data is reported as an index only. However MBIE have advised that in the short to medium term, they will also be reporting total spend for domestic and international tourists by region.

ATEED will continue to use current data sources to estimate the size of the visitor economy until it becomes clear what new data will be available and when. In the medium-term targets may need to be reviewed to align with the new datasets.

**Analysis**      The estimated total visitor spend for the 12 months ending June 2012 was \$3.7 billion. This is an increase of 10.2 per cent over the previous 12 month period. Domestic tourism expenditure accounted for \$1.5 billion (41 per cent), while international spend accounted for \$2.2 billion (59 per cent).

**Outcome**    **Increase average length of visitor stay**

**Measure**    **Average length of visitor stay in commercial accommodation**

**Relevance**    This is an important measure as it captures the ratio between guest nights and arrivals and indicates how long visitors generally use commercial accommodation in Auckland. This can be a proxy for the length of time a visitor stays within the region.

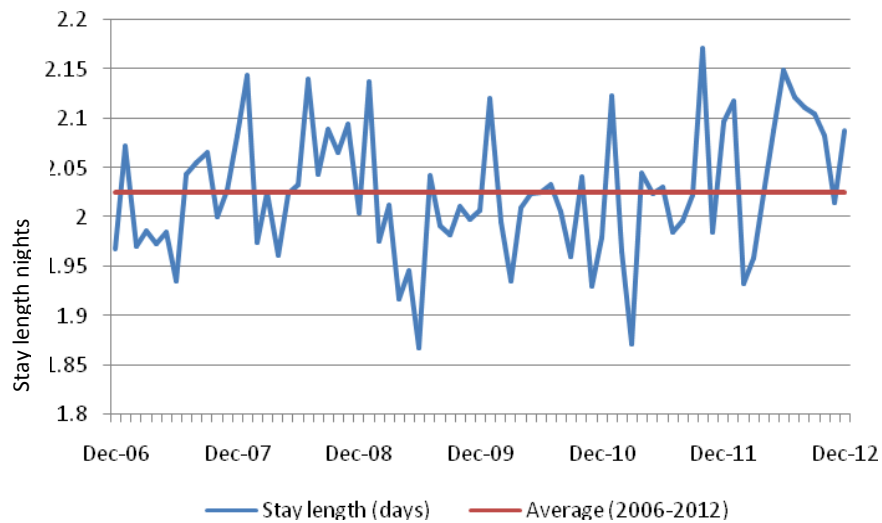
**Source**    Ministry of Business Innovation and Employment (MBIE), Commercial Accommodation Monitor available quarterly. The data is available on the [MBIE](#) website.

**Note**    This measures the number of nights visitors stay at commercial accommodation within the region by dividing the number of guest nights by the number of arrivals. Note it does not account for visitors who stay in non-commercial accommodation types.

This measure is also included in the Council’s City Centre Masterplan.

**Analysis**    In general, there has been little variation in stay length over the past six years which may limit this measure as an effective indicator. Between 2006 and 2012 the stay length has varied between 1.87 and 2.17 nights. Total visitor nights could be a more effective indicator, as this captures the pattern of tourist activity more effectively.

**Figure 16: Visitor stay length in Auckland, 2006- 2012**



Source: MBIE, Commercial Accommodation Monitor

**Outcome**    **Increase number of international conferences**

**Measure**    **Number of international delegate days from conference within Auckland**

**Relevance**    Convention activity is a key visitor segment which Auckland is looking to grow. A lively and growing convention sector is an indicator that a city is an attractive and vibrant destination. Convention delegates tend to be high value contributors to the economy and convention activity can also be an enabler of activity that generates wider economic growth.

**Source**    Ministry of Business Innovation and Employment (MBIE), Convention Delegate Survey available annually and MBIE, Convention Activity Survey available quarterly. The data is available on the [MBIE](#) website.

**Note**    The measure could be refined as the number and/or share of international delegate days in Auckland.  
This measure is also included in the Council’s City Centre Masterplan.

**Analysis**    In the year ending June 2012, there were 1,447,860 delegates over 10,310 events in Auckland. International visitors made up 6.3 per cent of the delegates. This ratio was higher than the 2011 ratio of 5.3 per cent, and was driven by a large increase in international delegates to multi-day events.

**Table 7: Delegate days in Auckland, by origin, year end June 2012**

<b>Single Day</b>	<b>Multi Day</b>	<b>Total</b>
758,607	598,668	1,357,275
5,802	31,654	37,457
13,005	40,123	53,128
<b>777,414</b>	<b>670,446</b>	<b>1,447,860</b>
<b>Change from YE June 2011 (%)</b>		
-5.5	6.6	-0.5
-41.8	7.6	-4.9
1.6	81	51.9
<b>-5.8</b>	<b>9.4</b>	<b>0.7</b>

Source: MBIE, Convention Delegate Survey

**Outcome**    **Improve Auckland's ranking in the international city brand index**

**Measure**    **Auckland's ranking as an international city**

**Relevance**    Every city must compete with every other city for its share of the world's tourists, investors, talent, cultural exchange, business visitors, events and media profile.

Large outward-facing global cities are critical for the development of entire nations. They generate and attract businesses, skills and investment by developing their own recognisable brand. Auckland is the only city with the potential to play this role in New Zealand.

**Source**    To be determined.

**Note**    Work will be undertaken to determine the appropriate international measure of Auckland's ranking as an international city brand.

**Analysis**    Not available at time of writing.

**Outcome:** Increase number of cruise ship visitors

**Measure:** Number of people who disembark (either temporarily or permanently) at the Auckland port.

**Relevance** Increasing cruise passenger numbers are another indicator of the increasing attractiveness of Auckland. The Cruise sector also adds value to the wider economy through ship provisioning and in particular through transit activity where passengers spend time (nights) in the city either prior to or at the completion of a cruise.

**Source** The data on cruise ship visitors presented here are from a one-off report by Market Economics for the Ministry of Economic Development, Cruise New Zealand and Tourism New Zealand

Market Economics (2010). *New Zealand Cruise Industry Study*. The report is available from the [Ministry of Business, Innovation and Employment](#) (formerly Ministry of Economic Development) website.

**Note** Cruise New Zealand also records cruise ship booking data at the beginning of each cruise season (October) for the following six months.

**Analysis** There were 130,172 potential cruise ship visitors during 94 ship days of the 2009/10 season. Over 85 per cent of all passengers were international visitors. Auckland however accounted for only 16 per cent of all visitor days.

**Table 8: Port days in Auckland and New Zealand, 2009/10**

	International Passengers	Domestic Passengers	Crew	Total Person Days	Ship Days
Auckland	76,919	14,442	38,811	130,172	94
New Zealand	555,124	24,612	253,242	832,978	535

Source: Market Economics Limited. The New Zealand Cruise Industry Study 2009/10.

**Outcome**      **Grow the return on regional investment from major events attracted from \$14 million to \$70 million in 2021/22**

**Measure**      **Return on regional investment from major events**

**Relevance**      Events play an important role in delivering vibrancy to a city through attracting visitors, generating economic return, providing international exposure and enhancing liveability

**Source**          A range of data sources is used to derive the return on regional investment (RORI) from major events invested in, including estimates of total event attendance, surveys of event attendees and participants, and analysis of event budgets.

**Note**              Auckland Tourism, Events and Economic Development (ATEED) has commissioned a comprehensive programme of research from an external provider to assess the RORI of events within its sponsorship portfolio.  
  
This measure is also included in the Council's Long Term Plan (LTP) 2012-22.

**Analysis**        In 2010/11, the RORI of ATEED's event portfolio was estimated at \$14 million. In 2011/12, this grew to \$28.9 million, against a target of \$20.0 million. For the 2012/13 financial year, ATEED's RORI target is \$30 million.



### **Tier 3:      **Actions and Key Performance Indicators****

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Key performance indicators (KPIs) for each of the 14 actions and 66 sub-actions in the Auckland Economic Development Strategy (EDS) will be developed as part of the work programmes for each of the strategic priorities and cross-cutting themes.

For some of the actions, KPIs have already been developed by Council Controlled Organisation's ATEED and COMET who are the Council's delivery agencies for economic development, when developing their Statements of Intent, as well as by the Council when developing Council's Long Term Plan 2012-2022.

Progress on actions and KPIs will be reported through the EDS Annual Implementation Update.

## Next Steps

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This report brings together information on the data sources underpinning the baselines of all EDS targets and outcomes, where possible. As has been noted throughout, some targets cannot be measured easily, or require further development. In addition, some targets can be updated annually, while others will take longer to change.

### Review of the targets

As outlined in the EDS, the targets and outcomes must be reviewed regularly to ascertain if they are still relevant. Progress towards the targets and outcomes will be rated for achievability every three years, and will be undertaken as part of the broader Auckland Plan audit review process by an independent Auckland Plan Targets and Measures Audit Group ('the Audit Group').

The Audit Group will:

- Review the available evidence on measures underpinning the EDS targets and outcomes.
- Confirm that the information provided is as accurate and up to date as possible.
- Endorse the baseline levels for each of the measures.
- Evaluate the current measures for their appropriateness, and propose amendments or different or additional measures for consideration when the EDS is reviewed.
- In the light of all available evidence, review progress towards achieving targets and make recommendations to the 'steering group' for any changes to the targets.

### Updating this report

This baseline report will be updated again in 2014, where new data is available.