PRIORITY 1
GROW A BUSINESS-FRIENDLY AND WELL-FUNCTIONING CITY

TE HANGA PAKIHI HOAHOA, Ā HE TAONE E HAERE TINO PAI ANA
‘THE NUMBER ONE ECONOMIC DEVELOPMENT ACTION THAT AUCKLAND COUNCIL CAN UNDERTAKE (AND WHERE IT HAS MOST CONTROL) IS MAKING THE COUNCIL MORE BUSINESS-FRIENDLY AND OPEN.’

GREG CLARK, INTERNATIONAL EXPERT ON CITIES
It is our 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'. This was thoroughly recognised through the submissions process on the Draft Economic Development Strategy.

'Business-friendly' can be defined as the explicit attempts by local governments and their partners (including central government) to reduce the regulatory and non-regulatory barriers, costs, risks and uncertainties in all forms of commercial activity to stimulate and support local business growth, local business retention, and the attraction of new business to the local area.25

There are two ways in which the 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.

Why Auckland Needs to be More Business-Friendly

Businesses contribute significantly to Auckland’s economic performance, and they contribute considerable revenue to the council by way of rates, development contributions, and general fees and charges. The vast majority (96 per cent) of Auckland firms are small to medium enterprises (SMEs). It is cheap and easy to establish a firm in Auckland but the failure rate of start-ups is high. For SMEs, as well as large Auckland firms, extra costs incurred through council inefficiency and uncertainty stand in the way of business success and ultimately economic prosperity.

A business-friendly ‘can-do’ organisational culture is being fostered within the wider council group, which includes its council-controlled organisations. Today’s businesses are very mobile. If it is difficult to do business in Auckland, these businesses can relocate elsewhere in New Zealand or overseas. Recognising the value of our key businesses across the organisation and providing a dedicated business service is one initiative the council will be implementing.

A regional Key Account Management (KAM) service was introduced following amalgamation to ensure that major consent customers find it easy to work with the council and that major projects are well managed.

KAM is for high-volume, high-profile customers spending $50–100 million across a range of public and private sector developments including: large scale residential, commercial, infrastructure, greenfield and brownfield re-development.

The service acts as a conduit, helping customers navigate the council and CCOs, troubleshooting, problem-solving and facilitating the resolution of issues. Relationships are built with key customers to understand the context, nature and forward work programme of their business to determine consenting and resourcing requirements. KAM also provides an avenue for feedback to the council on its consenting processes, systems and people.

“When the idea of a Key Account Manager was first proposed we were a little sceptical about the value that this would have, as we had not encountered such a service before. However, I would have to say that several months on, the provision of a Key Account Manager to Winstone Aggregates has proved invaluable, I wholeheartedly support the Key Account Managers and only wish other councils would follow Auckland Council’s lead.”

Andrea Cave, Environmental Manager, Winstone Aggregates
PRIORITY 1 GROW A BUSINESS-FRIENDLY AND WELL-FUNCTIONING CITY
Simple, Transparent and Accessible Plans

Auckland Council will ensure that all council plans are simple, transparent and accessible. A key factor affecting the regulatory process is how regulatory frameworks and policies are developed, for example Auckland’s Unitary Plan and bylaws.

We are currently developing the new Auckland Unitary Plan (which will replace most of the district and regional plans). Auckland’s Unitary Plan sits below the Auckland Plan and Economic Development Strategy, and will be informed by it. In Auckland’s Unitary Plan the policies, rules and other methods set out what activities can take place where, which then drive regulatory services. It needs to be easy to navigate and have a level of flexibility, while providing as much certainty and consistency as possible. The Unitary Plan will set out clear and reasonable rules and provide certainty about what is permissible and what is not.

Bylaws also have an impact on how business-friendly we can be in our service delivery. They can permit, regulate or prohibit activities as well as requiring licences, fees and inspections before certain activities can take place. Good policies, plans and bylaws then need to be supported by ‘can-do’ operational delivery that is professional, responsive, and joined up within the council.

Understanding Business Needs

The council needs a better understanding of the diverse needs of businesses: big and small, urban and rural, established and emerging. Once collected, this information can contribute to the council’s evidence base for economic research. In turn this will inform policy development, implementation and monitoring.

Auckland Council and Auckland’s business community are closely linked through regulatory processes. The regulatory environment is one of the critical areas where the council can become more business-friendly and ‘can-do’. Regulation has to achieve a balance between the need for businesses to have regulatory certainty, while still being flexible enough to change rapidly to meet current conditions. The council will make sure that regulatory decision-making processes are fair and timely.

Maintaining Excellent Customer Relations

Auckland Council has more than eight million customer interactions each year and each one is an opportunity to deliver excellent customer service. A new customer service charter ‘Every Interaction Counts’ has been developed to reinforce the need for staff to be accessible, responsive, consistent and innovative in the way the council delivers its services.

This is particularly important as the council continues to transition from the eight systems of the previous councils to a single system. More services will be available online and digitally, but customers will still be able to talk with staff face to face and we will work to make these meetings more productive for both parties. The council and its CCOs will work to ensure interactions with business customers are responsive and timely, and promote certainty and consistency.

As one of Auckland’s largest employers, the council has considerable scope through its procurement process to positively influence small business growth, and achieve environmental and other efficiencies.
The council will take a leadership role to make Auckland a business-friendly city through delivering timely and efficient ‘can-do’ processes and services, and by setting business rates and charges that encourage business.

**Auckland Council will lead and build an international reputation for Auckland being open and business-friendly**

**Key initiatives**

» Foster a business-friendly culture across the organisation that can respond to diverse businesses.

» Deliver a Unitary Plan that plays a key role in supporting sustainable business development and enables economic growth.

» Work with the business community to identify and implement critical regulatory and other improvements required within the council (e.g. through regular workshops with business).

» Deliver a key account service that attracts and retains businesses and significant customers.

» Deliver a dedicated website providing domestic and international businesses, investors and entrepreneurs with information on how easy it is to set up business in Auckland, and the opportunities and services that exist here (e.g. a prospectus for Auckland).
Auckland’s Economic Development Strategy

The Importance of a Well-Functioning City

Decisions regarding the built environment, including which major city-shaping investments are the priorities for Auckland, may have long-term economic impacts and are addressed in the Auckland Plan. Having quality urban form, amenities and economic infrastructure is particularly important for growing Auckland’s service industries. Service firms tend to be attracted to high-quality, attractive urban areas where there are large pools of knowledge workers.

Quality Urban Form

Quality city form and design supports liveability, provides location opportunities for business, and is an important part of creating an attractive world-class city. It also supports economic growth, as well as local economic development and employment. The city’s combination of historic buildings and regenerated and modern precincts can create efficiencies for firms, workers and consumers, and facilitate interaction and exchange of ideas. As well as ensuring Auckland has a variety of housing, we also need to protect and enhance the economic value of our natural and heritage environment, and advocate for quality urban design and heritage solutions that are efficient, smart and reduce land-use pressures. Auckland’s central city area and town centres are important areas of economic activity, and require continued investment to ensure they remain accessible and attractive. This in turn will continue to support local economies, as hubs for local employment and social interaction.

Business Land

Auckland will continue to need land for its industrial and manufacturing base. The Auckland Plan recognises that we need to protect it from encroachment from competing land uses, such as residential and office. Within Auckland a key issue exacerbating industrial land availability is that nearly a third of take-up has been for non-industrial purposes (mainly retail, some office and residential). This reduces the overall amount of land available, putting further pressure on supply. Additionally, vacant land is not always appropriate for industrial activities due to small lot sizes and ownership (freehold/leasing) structures. Figure 5 identifies the region’s business land, key employment areas and Business Improvement Districts.

Auckland’s limited reservoir of industrial-zoned land will be actively managed to ensure it is effectively utilised in the region for industrial use.

This will require safeguarding existing industrial-zoned sites, effectively reusing brownfield sites, and providing new industrial-zoned land in suitable locations. Auckland is predicted to require at least 1,400 hectares of additional business land to meet expected growth of 12.5 million m$^2$ of new floor space over the next 30 years. This represents an additional 275,000 jobs by 2041, just over half (51 per cent) of which are expected to be located in the central area, with a further quarter located in south Auckland. In order to meet forecast demand, the release of greenfield land will be managed to ensure an adequate and phased supply of industrial land is provided across the region.

The council is responsible for ensuring that sufficient business and employment land is available for development. Through its Auckland Plan, Unitary Plan and infrastructure investment, the council has an important role to play in directing this development and in identifying the type of amenity and urban form it is seeking, as well as the rate and scale of growth in any one area.

To enable agglomeration benefits, new business activities should continue to be located in existing centres and business areas, to make best use of existing infrastructure and investment and to support greater agglomeration. In some instances, the significant land demands of industrial activities will necessitate developing new business areas to ensure there is sufficient land for these activities in the region.

The council’s current work plan ensures that existing business land is protected for productive uses, while work with government and infrastructure providers ensures that these areas remain accessible and have the support necessary to thrive.

Accordingly, business precinct plans will be developed for key business areas that are or have undergone recent significant change and growth. These plans provide an integrated framework to foster growth, by considering how transport, land use, built form, infrastructure and open space influence the development of a business area. The council will continue to work with business to implement the Tamaki, Penrose and Rosebank plans, and look to develop plans for Wiri, North Harbour, Wairau Valley and Greater East Tamaki.
Business Improvement District (BID)

Future Urban Business Areas

Greenfield Areas for Investigation (as per the Auckland Plan)

Employment Areas

Metropolitan Urban Area

Railway

Major Road

Employment Hubs (2011 Employee Count)

- 5,000 - 15,000
- 15,000 - 45,000
- 45,000 - 90,000

FIGURE 5: BIDs and Business land

PRIORITY 1 GROW A BUSINESS-FRIENDLY AND WELL-FUNCTIONING CITY
Business Improvement Districts

Auckland has 46 established Business Improvement Districts (BIDs), representing over 25,000 businesses operating in large urban and rural centres, and industrial precincts. BIDs are a key way for the council to connect with individual and local businesses, across retail, industrial and commercial sectors. The BIDs partnering programme enables the council and business associations to work collaboratively to create vibrant town centres, efficient business precincts and local business improvement projects. BIDs may undertake an extensive range of activities, related to: street environment; town centre clean-ups; safety and security; marketing and promotion; events; local improvement projects; advocacy; communications; and business development and networking. Local boards have the day-to-day relationship with the business associations, as a joint partner in the BID programme.

Business Assistance and Advice

Auckland’s productivity must improve. The council and government can support businesses to improve productivity, working with firms to overcome barriers to productivity growth. This includes business assistance and advice, such as capability development programmes, mentoring, business networking and events, innovation and Foreign Direct Investment (FDI) attraction initiatives. These initiatives are progressed by our council-controlled organisation Auckland Tourism, Events and Economic Development Limited (ATEED), in partnership with central government, business and industry – and through our BID programme.
NORTH HARBOUR BUSINESS ASSOCIATION (NHBA) - EMPOWERING BETTER BUSINESS

The North Harbour Business District is one of the fastest-growing commercial areas in Auckland and the NHBA has been a Business Improvement District since 2008. It represents some 1,300 businesses and commercial organisations, which together employ more than 13,000 people. In March 2012 members confirmed their support with 74% voting to continue the targeted rate.

NHBA has successfully established New Zealand’s first Transport Efficiency District, designed to bring together business and government leaders to plan, develop and promote an efficient and diversified transport system. Projects include:

'Look Before You Leave' - a network of traffic cameras installed at six key entry/exit points, which provides all commuters to the area a way to organise their journey timing, deciding the most efficient route based on real-time visual information.

'CarpoolNow' - a free carpool matching service launched in November 2010 offers users a flexible transport alternative underpinned by the NHBA-funded guaranteed ride home. CarpoolNow reduces congestion, frees up parking spaces for clients and enhances business sustainability credentials.

Police recognise NHBA’s growing contribution to the economy and the community while acknowledging the business district’s vulnerability to criminal activity. NHBA is also partnering with New Zealand’s biggest secondary school, Rangitoto College, offering a Bachelor of Business Studies Scholarship to its students.

“I'M SURE EVERYONE IN THE NORTH HARBOUR BUSINESS AREA WILL BENEFIT HUGELY FROM HAVING SOME CONTROL OVER EVENTS THAT SURROUND GOOD BUSINESS PRACTICE. THERE ARE HUGE BENEFITS, BOTH MONETARY AND PRACTICAL, TO BE GAINED BY ALL MOVING TOGETHER AS ONE ON THINGS THAT ARE COMMON TO ALL.”

Brian Neeson, Chair, Upper Harbour Local Board
East Tamaki is a manufacturing and distribution hub of some 2,000 businesses strategically located close to the motorway, airport and port. The area generates $3 billion to the New Zealand economy each year.

The Greater East Tamaki Business Association (GETBA) was founded in 1994 and voted to adopt Business Improvement District targeted rate funding in 2009. GETBA advocates strongly for business and property owners in the economic and infrastructure development of East Tamaki. GETBA trouble shoots on local issues and links local businesses to a wide range of useful information and resources to improve productivity, through a comprehensive website, workshops and events.

There has been an 80 per cent reduction in business burglaries in the East Tamaki commercial industrial area since 2006, through a comprehensive crime prevention programme in partnership with the New Zealand Police and security manager’s network.

GETBA has also collaborated with Auckland Civil Defence to develop a Neighbourhood Response Plan. This is the first such plan in an industrial area.

"THE BID PARTNERSHIP PROGRAMME DOES NOT REPLICATE SERVICES PROVIDED BY COUNCIL, BUT CHANNELS THE CAPABILITIES AND KNOWLEDGE OF THE PRIVATE SECTOR TO IMPROVE ECONOMIC OUTCOMES AND ACHIEVE COMMON GOALS."

Elspeth Mount, QSM, Chair, Greater East Tamaki Business Association
Economic Infrastructure

Having the right infrastructure in place is critical. Infrastructure and services have a critical role in supporting economic growth and primary production in both rural and urban Auckland (e.g. broadband, energy, water supply, gas, ports, airports, labour, transport, innovation centres). Strong public/private partnerships are also needed.

The Canterbury earthquakes have highlighted the importance of quality and resilient infrastructure and the need to define, provide, enhance and protect critical infrastructure. Christchurch has also demonstrated that all businesses need to have business continuity plans in place, to aid recovery if disaster strikes.

It costs a significant amount of money to maintain and build new infrastructure. The council is looking at new ways to fund infrastructure and how innovative regulation and financial tools can encourage desired economic outcomes and provide appropriate soft and hard infrastructure for Auckland’s projected population growth.

Auckland Council’s investment also needs to align with national and private sector investment to enable improvements in productivity. A key role of Auckland Council is to invest in public infrastructure that fosters the conditions for greater private sector investment (i.e. through a multiplier effect). A good example of this is Manukau Institute of Technology’s decision to co-locate its tertiary campus with the Manukau integrated transport hub.

Not all infrastructure that is important for the economy is physical or hard infrastructure. Auckland’s people are also important – community volunteers and community support networks contribute to economic development at the community level.

Transport

Investing in integrated transport infrastructure and public transport services to ensure strong transport connections is essential, so that Auckland is attractive to skilled workers as well as visitors. This includes ensuring that there is good access to key business areas, and gateways such as the airport and ports, educational facilities, and cultural and recreational opportunities.

Four particular transport projects are critical to Auckland’s future growth – the City Rail Link (CRL), AMETI (Auckland-Manukau Eastern Transport Initiative), the East-West Link and an additional Waitematā Harbour Crossing. Providing effective and affordable public transport infrastructure also generates considerable positive socio-economic outcomes by allowing easier access to areas of employment, and frees up the roads for freight and commercial travel, improving productivity and competitiveness.
Energy

Energy infrastructure is also a key determinant of growth, with various energy sources supporting different industrial activities and creating different land use demands. Opportunities exist to improve the efficiency of Auckland’s energy infrastructure through a range of demand management initiatives and further alignment with development sequencing.

Broadband

Fast broadband is internationally recognised as core infrastructure essential for economic and social prosperity, and is a key priority for Auckland Council. Central government is driving the national rollout of fast broadband through two broadband deployment funds.

Ultrafast broadband (UFB) will deploy fibre past all urban premises by 2019. The Rural Broadband Initiative (RBI) will deliver a mix of wired and wireless broadband solutions to rural New Zealanders by 2016. Government has a broadband investment fund of $1.65 billion ($1.35 billion for UFB and $300 million for RBI). The funds prioritise delivering fast broadband to schools, hospitals and businesses, most of which will be connected by 2015. Residential premises will be connected throughout the deployment programmes. The council is working closely with industry representatives to ensure that rollout achieves the greatest benefits for all Aucklanders.

This infrastructure build has the potential to drive economic growth and change across the region by supporting enhanced connectivity locally, regionally, and internationally. Since broadband is an enabling technology, success relies heavily on the timely rollout, connection and uptake of broadband services, as well as ensuring that Aucklanders are confident in using digital technology to work, live and play.

To maximise the benefits of enhanced connectivity, the council has recognised the importance of developing key relationships, optimising operational processes and ensuring that infrastructure is deployed in the most cost-effective and least disruptive way possible across Auckland – making broadband go further, faster. The council has established a Digital Leadership Forum (DLF) that brings together key government, council, CCOs, external business, community, education and health stakeholders to accelerate take-up of UFB.

The council has also recognised that UFB and RBI do not capture all access opportunities and that complementary work is needed to ensure enhanced connectivity for all Aucklanders. This includes expanding Auckland Council’s WiFi service and exploring alternative access solutions.
ACTIONS NEEDED TO SUPPORT THE PRIORITY

Auckland Council will work with its CCOs, central government and private infrastructure providers to develop a long-term plan to have critical and resilient infrastructure in place to support growth.

ACTION 1.2

AUCKLAND HAS WELL-FUNCTIONING ECONOMIC INFRASTRUCTURE

Key initiatives

» Optimise, integrate and align infrastructure provision and planning to ensure resilient and comprehensive supply.

» Deliver an integrated transport system, with emphasis on facilitating the following priority transport projects: City Rail Link, Auckland Manukau Eastern Transport Initiative, East-West Link, an additional Waitematā Harbour Crossing and improvements to inter-regional connections.

» Support Auckland’s business and financial services sectors by continuing to develop and enhance the city centre as Auckland and New Zealand’s premier district through the City Centre Masterplan, Waterfront Plan and key infrastructure projects such as the City Rail Link, Wynyard Quarter and the New Zealand Convention Centre.

» Support broadband deployment across Auckland, and work with the industry to ensure that the rollout programme balances economic, commercial, funding and social priorities.

» Implement and support programmes which increase the level of uptake, demand and economic opportunities offered by ultrafast broadband.

» Work with Māori on partnering/joint ventures and active engagement in the delivery and supply of infrastructure.

» Support private-public partnerships for infrastructure provision.
Auckland needs to value and encourage business activity. We need to better understand and provide for the needs of small, medium and large businesses in industrial and rural areas and to ensure that our businesses have access to the resources they need to be productive.

**AUCKLAND’S BUSINESSES HAVE ACCESS TO THE RESOURCES THEY NEED TO BE PRODUCTIVE**

**Key initiatives**

» Identify, monitor and manage the impacts of residential and other uses’ growth on business and high-value productive areas, including rural areas.

» Protect and enhance existing business-zoned land and deliver precinct plans for key business areas that have undergone significant change and potential for growth (e.g. including implementing Penrose, Rosebank and Tamaki Innovation Business Precinct Plans, and commencing work on new plans for Greater East Tamaki, North Harbour, Wairau Valley and Wiri).

» Identify new business land requirements, and provide certainty on the timing for release of new business land (including greenfield land development in rural areas).

» Deliver and advocate for regulation and legislation that allows for both certainty and innovative business activity.

» Deliver the Auckland Business Improvement Districts (BID) programme by engaging in activities (either jointly or separately) that enhance business improvement outcomes at a local level.
PRIORITY 1 GROW A BUSINESS-FRIENDLY AND WELL-FUNCTIONING CITY
PRIORITY 2
DEVELOP AN INNOVATION HUB OF THE ASIA-PACIFIC RIM

TE WHAKATŪ I TETAHI PŌKAPū HIHIKO O TE TAPA-Ō-ĀHIA-Ā-KIWA
‘IT IS NOT POSSIBLE TO IMAGINE THAT NEW ZEALAND WILL SUCCEED UNLESS A REAL INNOVATION ECOSYSTEM DEVELOPS IN AUCKLAND, THAT IN TURN IS DEPENDENT ON A VIBRANT RESEARCH ECOSYSTEM.’

PROFESSOR SIR PETER GLUCKMAN, CHIEF ADVISOR TO THE PRIME MINISTER
Aucklanders and New Zealanders are renowned for being inventive, entrepreneurial and able. However, inventiveness is not the same as innovation.\textsuperscript{26} 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.\textsuperscript{27}

Even though Auckland has internationally recognised tertiary institutions with outstanding research and applied research capability, the level of innovation and commercialisation of new ideas is limited for a city of our size (especially to the point where major new products can be exported or internationalised at scale).

Innovation is a key driver of Auckland’s economic performance. We wish to make Auckland an innovation hub of the Asia-Pacific rim. To do this we must create an effective innovation system in Auckland.

An innovation system involves thinking about the linkages between the different individuals and organisations involved in developing new and improved products, services, processes and markets. Although most innovation occurs in businesses, a range of other actors (businesses, universities, research institutes, education providers, government agencies, industry associations, financiers) have knowledge, skills and technology that can improve the chances of innovation being successful, or help a business avoid wasting resources in the process. Interactions between businesses and these actors might take the form of joint research, staff exchanges, equipment loans, conversations, or a range of other channels. The easier it is for businesses to understand and navigate the complex web of actors and potential linkages, the more likely it is that these formal and informal interactions will occur, and the more likely the new ideas will be converted into high-value products, services and processes.

Figure 6 illustrates the complex array of linkages facing businesses in the Auckland innovation system. A significant range of research, education and training, financial and business support expertise is available. Coordinating expertise across the different actors, and ensuring its relevance and responsiveness to business needs, will be an important step in improving the quantity and quality of innovation in Auckland.

A long-term strategic partnership needs to be developed between Auckland Council and its CCOs, central government, businesses and the research community to enable existing players in the innovation system to fully contribute to Auckland and New Zealand’s economic development. Roadblocks that hinder the ability to commercialise research and new ideas need to be overcome.
Organisations in the Auckland Innovation System

**RESEARCH EXPERTISE**
- University Research Groups
- and Commercialisation Offices
- Crown Research Institutes
- Research Organisations

**CAPITAL PROVIDERS**
- Angels, Banks, Finance companies, Investors, Venture Capital Organisations

**BUSINESSES**
- Develop and introduce new and improved products, services, processes, markets
- Generate productivity improvements

**SUPPORT ORGANISATIONS**
- Business and Industry Associations, Economic Development Agencies, Government Agencies, Incubators

**EDUCATION & TRAINING EXPERTISE**
- Universities, Institutes of Technology and Polytechnics, Wananga, Industry Training Organisations, Private Training Establishments

**EDUCATION & TRAINING EXPERTISE**
- Business and Industry Associations, Economic Development Agencies, Government Agencies, Incubators

**TWOA**
- Capital Providers
- Angels, Banks, Finance companies, Investors, Venture Capital Organisations

**UNISEVICES**
- AUT
- IRL
- NZVIF
- E-CENTRE
- MBIE
- ANGEL ASSOC
- UoA
- UNITEC
- MIT
- TWOA
- MASSEY
- EMA
- CHAMBERS
- ATEED
- AUT BUSINESS INNOVATION CENTRE
- ICEHOUSE
- UNISERVICES

**PRIORITY 2 DEVELOP AN INNOVATION HUB OF THE ASIA-PACIFIC RIM**
INNOVATION HUBS, NETWORKS AND INFRASTRUCTURE

Auckland is unusual in that, compared with other successful city-regions in small developed economies (such as, Denmark, Singapore, Finland and Israel), it has historically not had strong clusters or any innovation parks/precincts. Since Auckland’s business generally lacks in-house innovation capability and resources to invest, access to innovation infrastructure is important.

Increased clustering, shared infrastructure and innovation precincts or parks will be key factors for some sectors for improving value from R&D innovation and/or a significant part of improving the quality and quantity of linkages and capturing opportunities to achieve scale. Such an approach would see location-specific agglomeration benefits established, which create efficiencies for the production of high-value goods in Auckland, through greater density as demonstrated by McCann’s ‘spikes’.28

Clustering activity, for example around an innovation park or precinct, allows innovation between institutions and domains that would not normally interact. It often enables an existing cluster to accelerate. Clusters are particularly relevant to Auckland’s high-technology industries, such as food processing, marine, ICT and electronics and health technologies, which often rely on specific infrastructure and where clustering allows for shared investment and use. Supporting these sectors with appropriate infrastructure and planning is a key element of this strategy.

There is significant scope in Auckland to catalyse clusters and precincts, building from earlier projects, while also ensuring that initiatives in our region link with related activities in other New Zealand cities. In this way we can create national networks of innovation with each region focusing on its own strengths and specialisations. Several projects are being both advanced and explored to create innovation centres and catalyse clusters for Auckland sectors, including ICT and digital media (Wynyard Quarter), food and beverage (New Zealand Food Innovation Centre, Manukau), and marine (Hobsonville) – refer to Figure 7.

An important component of Auckland’s innovation system is the education sector, with its emphasis on advanced and applied learning and research. Tertiary education organisations provide skilled graduates, train managers, supply R&D facilities, and offer technical support for business.

Examples of innovation and collaboration between universities, industry and government that have benefits for industry and the community include the Auckland Tertiary Education Network – a formal partnership between Auckland’s tertiary organisations to generate greater commercial application of research knowledge. Another example is the AUT Millennium Campus – a joint venture between AUT and the Millennium Institute of Sport and Health, aimed at providing a world-class environment for high-performance sport training, community sport, health and well-being, and related research and education.

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Situated in between the Auckland CBD and the majestic Waitematā Harbour, Wynyard Quarter is an exciting new multi-purpose development.

Located within this, the Wynyard Quarter Innovation Precinct is a purpose-built innovation cluster that will position Auckland as centre for high-tech businesses, research and development in the Asia-Pacific region.

The Wynyard Quarter Innovation Precinct is the strategic vision of central and local government, Auckland Council and the Ministry of Business, Innovation and Employment and is central to Auckland’s plans for a strong economy.

It will provide budding entrepreneurs the ideal incubator environment in which to start-up, with flexible stylish workspaces and close proximity to business, financial and legal advice. It is a place where like-minded and complementary high-tech companies, particularly ICT and digital media, can work alongside one another, collaborate and create new possibilities.

The benefits will be in jobs, GDP and exports, in faster growth and better survival rates for new business, attracting and employing highly-skilled professionals and stimulating the creation of high-tech business.

The product sets a benchmark for community-driven tourism, not just for Auckland but nationwide.

“...we must act aggressively if knowledge-based industries are not to be pulled across the Tasman. Hence the importance of Auckland being very public, loud and credible in promoting itself as a knowledge-based city. Hence the importance of the Wynyard Quarter of celebrating our institutions, of promoting technology clusters, of the city being active rather than passive.”

Professor Sir Peter Gluckman, Chief Advisor to the Prime Minister.
INVESTING IN INNOVATION

The vast majority of businesses rely on their own internal sources for capital. The lack of equity capital to fund innovation in Auckland acts as a constraint to economic growth.

The shallowness of Auckland’s equity market is in part due to the reluctance of firms to use equity, the limited number of experienced investors, and the small number of attractive investments. A joined up approach to deepen Auckland’s equity market is required, which would require bringing together angel investors, venture capitalists, other financiers, and those in the business of commercialising innovation. Explaining key sectors’ differing investment needs to angel investors and capital markets is required to attract investment and support innovation in these sectors. ATEED will play a lead role, partnering with central government and others, in implementing a FDI strategy that aligns with national strategy, sets out clear proposals for investing in Auckland, and targets niche areas for FDI investment.

The actions opposite bring into sharp focus the need for better linkages and the removal of barriers among research and industry, as well as business-to-business links. These actions will be achieved through promoting and celebrating the importance of innovation; seeding technology parks and precincts; providing information on Auckland’s innovative potential and expertise; ensuring that infrastructure to make and commercialise discoveries is in place; and that discoveries with commercial potential can attract investment.

30 Auckland Metro Innovation Project (2009), op. cit.
PRIORITY 2 DEVELOP AN INNOVATION HUB OF THE ASIA-PACIFIC RIM

ACTION 2.1

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

Key initiatives

» Auckland Tertiary Education Network: Facilitate and enable improved cooperation between Auckland tertiary institutions, research institutions and businesses in Auckland, to improve the commercialisation of intellectual property and generate greater value from research and development.

» Deliver Auckland’s Innovation Plan to promote a culture of innovation and create a strong innovation system.

» Build high-value skills sets that are tailored to the high-growth sectors.

» Support and promote a ‘one stop shop’ that enables better access and interaction between companies and research organisations.

» Work with investors and the business sector to identify ways to foster a vibrant equity market to fund innovation in Auckland.

The council, ATEED and government will support Auckland’s research institutions and the business community to better connect to fuel innovation and cluster development in Auckland. Within the innovation system, additional consideration should be given to leveraging off and supporting green growth opportunities.
The council, ATEED and government will, with business and industry, explore options for clustering, industry precincts and infrastructure development and innovation centres for key industries within Auckland, and as a key element of integrated national networks. Innovation involving knowledge and technology is critical to greening the growth of every sector.

**SUPPORT THE DEVELOPMENT OF CLUSTERS, PRECINCTS AND INDUSTRY INFRASTRUCTURE THAT SUPPORT INNOVATION IN KEY SECTORS OF COMPETITIVE ADVANTAGE**

**2.2 ACTION**

**Key initiatives**

- **FOOD AND BEVERAGE PROCESSING.** Further develop the food and beverage cluster in South Auckland and its links with the Food Bowl and the Food Innovation New Zealand network.

- **FINANCE.** Support Auckland’s business and financial services sectors by continuing to develop and enhance the city centre as Auckland and New Zealand’s premier district, through the City Centre Masterplan and key infrastructure projects such as the City Rail Link and the New Zealand Convention Centre.

- **SPECIALISED MANUFACTURING.** Develop a cluster of specialised manufacturing, clean technology and materials companies, research expertise and support organisations building on the research strengths of Auckland University.

- **MARINE.** Support and foster the marine clusters and/or precincts at Hobsonville, Wynyard, Westhaven and Devonport.

- **ICT.** Support the development of the Wynyard Quarter Innovation Precinct and use this as a catalyst to grow a cluster of ICT and digital media companies and support organisations.

- **HEALTH.** Deliver the Auckland arm of the National Health Technology Hub as part of the New Zealand network.

- **FILM.** Support and deliver the development of an internationally competitive screen production studio complex, accommodating latest sector requirements, such as motion capture technology (to develop digital animated content).
Auckland Council and ATEED will actively promote and celebrate innovation through a Mayoral-led campaign and active marketing of innovation success stories.

**ACTION 2.3**

**SHOWCASE INNOVATION AND THE ADVANTAGES OF AUCKLAND’S INNOVATION SYSTEM**

**Key initiatives**

- Support innovation as a key criterion of the regional business awards.
- Showcase Auckland’s business innovation success to help attract and develop businesses.
- Support opportunities to deliver catalytic projects that fast-track the adoption of new and emerging low carbon dioxide technologies.