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Auckland Economic Development Strategy: Monitoring Report 2015

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Summary of progress

Indicators: Better ▲ Worse ▼ Stable ►

Headline economic targets

Headline target	Measure	Baseline	Latest
H1. 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	69 th place (2003)	▼74 th place (2010)
H2. 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	2 per cent (annual average 2002 to 2008)	▲2.2 per cent (annual average 2008 to 2013)
H3. 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	2.7 per cent (2012; revised from 3.4%)	▲3.7 per cent (2015)
H4. 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	0.3 per cent (2012; revised from -1.8%)	▼-0.3 per cent (2014)
H5. 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	Not available	Not available

Intermediate economic outcomes for Auckland

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

Intermediate outcome	Measure	Baseline	Latest
1.1 Business satisfaction with council	Proportion of businesses positively rating Auckland Council and Council Controlled Organisations delivery of services to businesses [revised]	18% (2015)	[new] 18% (2015)
1.2 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. 48 per cent (2012) b. 38 per cent (2012)	a. Not available (2015) ► b. 47 per cent (2015)
1.3 Increase number of Top 200 business head offices in city centre	Number of top 200 business head offices in city centre	29 businesses (2012)	►29 businesses (2014)
1.4 Reliability of water supply	Percentage of residential and business customers satisfied with the overall water supply service	82 per cent (2011/12)	►85 per cent (2014/15)
1.5 Reliability of energy supply ¹	See footnote	Not available	Not available

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

Intermediate outcome	Measure	Baseline	Latest
2.1 Increase proportion of workforce employed in science and technology	Workforce employed in science and technology	14 per cent (2006)	Not available
2.2 Increase proportion of workforce in knowledge-intensive and high-tech industries	Workforce employed in knowledge-intensive industries	35.2 per cent (2012)	▲36.3 per cent (2014)
2.3 Increase number of businesses undertaking innovation	Number of businesses that have innovated	46 per cent (2011) ¹	▶46 per cent (2013) ¹
2.4 Increase patents per capita	Patent applications (per million population) filed under to the European Patent Office and under the Patent Cooperation Treaty	EPO (51.8) and PCT (115.8) per million population (2008)	▲EPO 64.1 (2011) and ▼PCT 106.6 (2012) per million population
2.5 Increase availability of venture capital	Value of private financing deals in Auckland	\$12.4 million (2012)	Not available

PRIORITY 3: Become internationally connected and export-driven

Intermediate outcome	Measure	Baseline	Latest
3.1 Accelerated growth in exports, particularly in targeted sectors	Exports from targeted sectors	Not available	Not available
3.2 Increase high value-added FDI	Number of FDI deals occurring in Auckland	14 FDI deals worth USD \$300 million (average 2003 to 2014)	▲ 24 FDI deals worth USD \$325 million (2015 Jan-Oct)
3.3 Increase number of business opportunities facilitated through international relationships	Number of economic, business and city-building opportunities facilitated through the global engagement programme [revised]	83 opportunities (2014/15)	[new] 83 opportunities (2014/15)
3.4 Increase total GDP in targeted sectors compared with total Auckland GDP	Total GDP in targeted sectors	27.0 per cent (2012 - revised)	▶27.8 per cent (2014)

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

Intermediate outcome	Measure	Baseline	Latest
4.1 Increase labour force participation rate (and by ethnic groups)	Labour force participation rate	68.4 per cent (2012).	▶68.9 per cent (2015).
4.2 Improve proportion of youth who are in education, employment and training	The proportion of Auckland youth (15-24) not in employment, education or training.	12.9 per cent NEET rate (2012)	▶9.9 per cent NEET rate (2015)
4.3 Improve adult literacy and numeracy rate	Adult literacy and numeracy rate	Many adults below level 3 (2006)	Not available until 2016 (2014)

Intermediate outcome	Measure	Baseline	Latest
4.4 Improve educational qualifications of the labour force (and by ethnic groups)	Educational qualifications of the labour force	Year13/ NCEA L3 26 per cent No school qualification 16 per cent (June 2013)	▶ Year13/ NCEA L3 35 per cent ▶ No school qualification 13 per cent (September 2015)
4.5 Improve ease of finding skilled labour	Ease of finding skilled labour	93.6 in November 2013; -4.2 per cent (annual average Dec 2011 - Dec 2012)	❖ 109.3 (October 2015)
4.6 Increase number of post-graduate qualifications	Number of students graduating with post-graduate qualifications from Auckland tertiary institutions	6,677 (2012)	▶ 6,689 (2013)
4.7 Improve employment outcomes of migrants in terms of quality of match	Number of employed migrants who feel satisfied in their job	89 per cent of migrants who arrived within last 5 years were very satisfied or satisfied with their jobs (2011)	❖ 82 per cent (2013)

PRIORITY 5: Develop a vibrant, creative international city

Intermediate outcome	Measure	Baseline	Latest
5.1 Grow the visitor economy from \$3.3 billion in 2010 to \$6 billion in 2021/22	Total spend for domestic and international visitors	\$3.7 billion (2011/2012) Revised: \$5.3 billion y/e March 2011	▲ \$6.5 billion (y/e March 2015)
5.2 Increase average length of visitor stay	Average length of visitor stay in commercial accommodation	2.07 nights (2012)	▶ 2.13 nights (Sept 2015)
5.3 Increase number of international conferences	Number of international delegate days from conferences within Auckland	90,585 international delegate days (2011/12)	Not available
5.4 Improve Auckland's ranking in the international city brand index	Auckland's ranking as an international city	Not available	Not available
5.5 Increase number of cruise ship visitors	Number of people who disembark (either temporarily or permanently) at the Auckland port.	272,000 visitor port days (2011/12)	▲ 293,200 visitor port days (2014/15)
5.6 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	\$28.9 million (2011/12)	▲ \$73.1 million (2014/15)

Introduction

The Auckland Economic Development Strategy (EDS) launched in September 2012, is a 10-year strategy aimed at achieving the Auckland Plan¹ 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.

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 additional headline economic targets are identified to drive the necessary step change required to meet this target:

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

This report

This report is an update of the Auckland EDS baseline report 2012 (TR2013/036) and the 2014 monitoring update (TR2015/011); it outlines the current state and recent trends across all targets, using latest available data. This report has numbered each target for ease of reference, similar to the 2014 update.

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 is to be updated annually.

¹ The Auckland Plan is a comprehensive 30-year strategy for Auckland's growth and development.

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.

The EDS identifies five headline economic targets for Auckland. Progress and recent trends across these targets is summarised in the table below; more detail on each target is provided in the following pages.

Note that these headline indicator targets are also included 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 ¹	Measure	Baseline	Latest
H1. Improve Auckland's OECD ranking of cities (GDP per capita) of 69 th place in 2011 by 20 places by 2031.	Auckland's GDP per capita ranked by OECD cities	69 th place (2003)	▼74 th place (2010)
H2. 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	2 per cent (annual average 2002 to 2008)	▲ 2.2 per cent (annual average 2008 to 2013)
H3. 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	2.7 per cent (2012; revised from 3.4%)	▲ 3.7 per cent (2015)
H4. 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	0.3 per cent (2012; revised from -1.8%)	▼ -0.3 per cent (2014)
H5. 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	Not available	Not available

1.The targets reflect the actual wording of the Auckland Plan targets, but the numbering differs.

Target H1: 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.

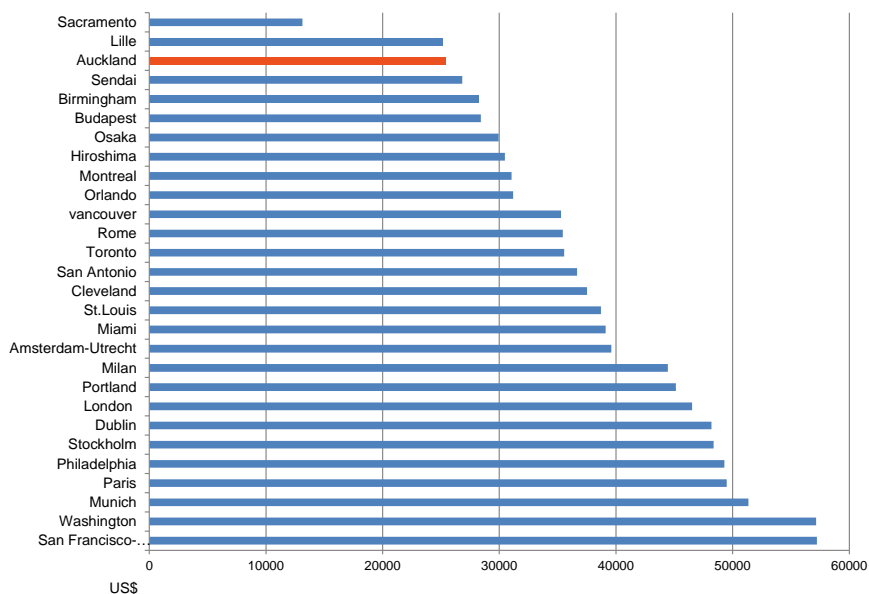
Relevance Gross Domestic Product (GDP) per capita is often used as a proxy for the average prosperity of a region or nation’s population. Although Auckland has consistently higher GDP per capita values than the New Zealand average, on an international level Auckland is ranked relatively low.

Source Organisation for Economic Co-operation and Development (OECD) metropolitan regions Gross Domestic Product (GDP) per capita database. This data is available on the [OECD](#) website.

Notes This target is the same as Auckland Plan target 6.1. The baseline figure is based on 2003 information, not 2011. Auckland had the 69th place in OECD ranking for GDP per capita in 2003 and the wording of the target may need to change to reflect this. The latest data for cities GDP per capita rankings is available for 2010.

Analysis At 2010, Auckland’s GDP per capita was below that of most of our comparator cities (e.g. Vancouver (55th), and Seattle (4th)). Overall, Auckland ranks 74th out of 85 metropolitan regions in the OECD, which is a drop of 5 places compared to 2003.

Figure 1: Ranking of selected OECD metropolitan areas by income (US\$, GDP per capita in PPPs), 2010



Source: OECD, metropolitan regions database.

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

Target H2: 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.² 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.

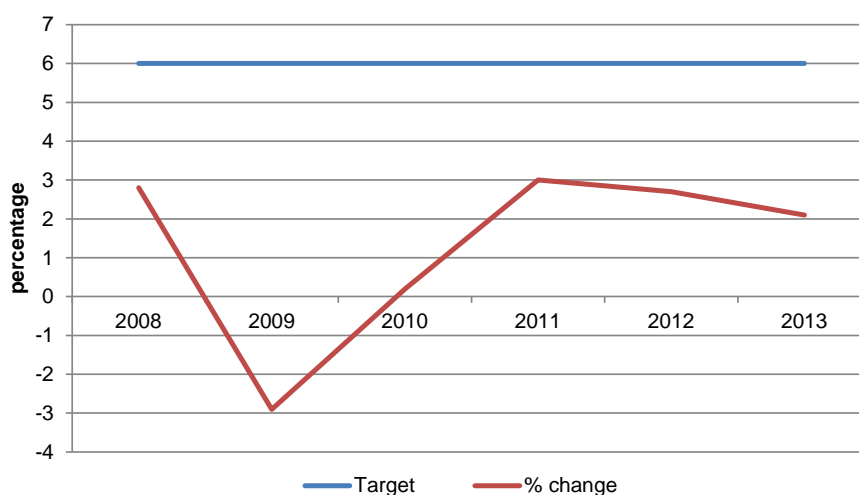
Source Akehurst, G. (2014). *Economic Development Strategy, Targets Progress*. Auckland Council.

Note This target is the same as Auckland Plan target 6.3. The data on Auckland exports presented here was modelled by Market Economics Ltd in a report to Auckland Council, using customised regional estimates. A formal measure of Auckland exports will need to be developed by an agreed provider to monitor progress of the target.

Analysis Since 2007, Auckland's economy has grown exports each year except for the 2009 year when total export volumes fell. On average (excluding 2009) exports have increased by 2.2 per cent annually since 2007.

Between 2012 and 2013, export growth declined by 0.6 percentage points, to 2.1 per cent.

Figure 2: Annual percentage change in Auckland's exports (modelled), 2008-2013



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 H3: 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 real 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, regional real GDP estimates, years ended March, in \$2010.

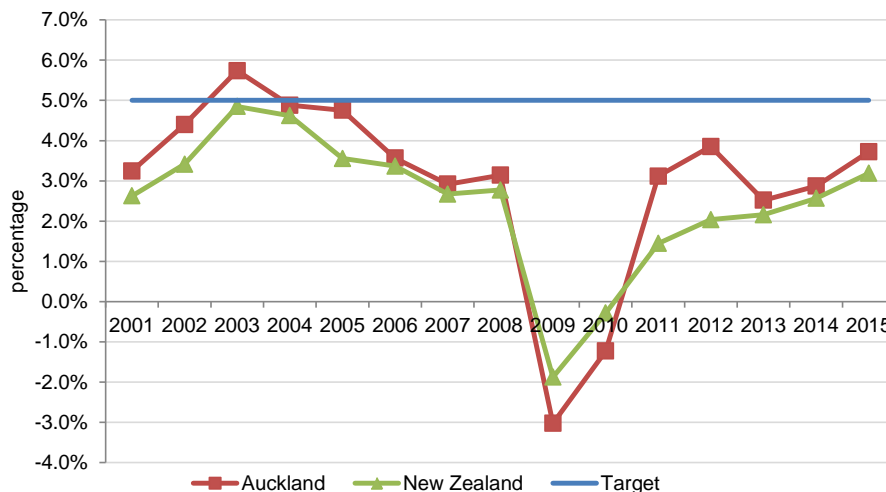
Note This target is the same as Auckland Plan target 6.4. Recent years’ data is subject to subsequent revisions.

Analysis Auckland’s annual average real GDP growth rate (for the year ended March) for 2015 was 3.7 per cent, an improvement over 2014 (2.9%) and 2013 (2.5%) but lower than 2012 (3.9%) and still below the target rate of growth (5.0%). In the fifteen years since March 2000 on average Auckland’s real GDP increased by 3.0 per cent per annum.

Auckland is the largest economic centre in New Zealand, producing \$78.7 billion of GDP in 2015. Over the last decade, Auckland has accounted for 35 to 37 per cent of New Zealand’s GDP. Auckland’s economy tends to lead the national trend in terms of GDP growth, but on the flipside the recession in 2009 and 2010 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 2003 (and almost did so in 2004 and 2005).

Figure 3: Real GDP growth rates, Auckland and New Zealand, 2001-2015



Source: Infometrics: Regional GDP statistics

Target H4: 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.

The simplest measure is output per worker (GDP per employed person) which can increase if workers produce more in the hours they work, or if they work longer hours. The ideal measure, therefore, is output (GDP) per hour worked. The main advantage of this is it takes variations in the number of hours worked per worker into account, although it is more complex to estimate.

Source Infometrics, regional economic profile and Statistics New Zealand, Earnings and Employment Survey

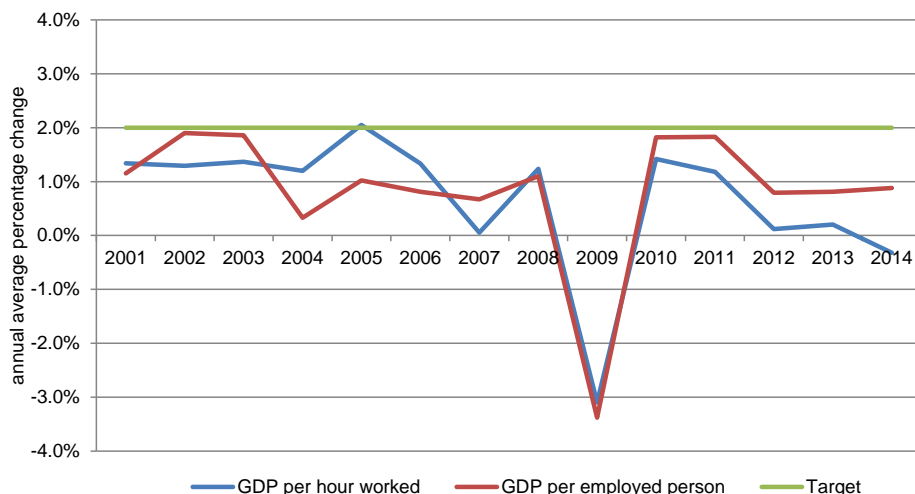
Note This target is the same as Auckland Plan target 6.2, Average labour productivity growth in the decade to 2011 was just under 1 per cent (0.94%) based on per capita GDP. The target or the measure should be reworded to be consistent and facilitate measurement with available data.

Like all surveys, the data is subject to sampling error margins

Analysis Since 2001, growth in both GDP per worker and per hour worked has mostly been well below 2 per cent, with a sharp drop in 2009 and rebound in 2010.

The average growth of GDP per hour worked for the year ending March 2014 was minus 0.3 percent, following minimal growth in 2013 (0.2%) and 2012 (0.1%). GDP per worker grew somewhat faster (2014 +0.9%; 2013 +0.8%, 2012 +0.8%), due to increases in hours worked per person employed.

Figure 4: Annual percentage change in productivity growth, Auckland, March 2001-2013



Source: Infometrics, Regional GDP statistics and Statistics New Zealand: Earnings and Employment Survey.

Target H5: 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 of business land that is zoned and serviced to meet demand.

Source To be determined.

Note This target is the same as Auckland Plan target 6.5. Clear definitions of the terms 'large lots', 'planned' and 'serviced' capacity will need to be formulated before this target can be adequately measured. There are also challenges in estimating demand.

The Auckland Council Capacity for Growth study estimates supply, rather than demand.

Analysis Not available at time of writing.

Tier 2: Intermediate Economic Outcomes for Auckland

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 Auckland 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, ensuring that Auckland is known for being internationally 'business-friendly'. There are two ways in which Auckland Council can directly help:

- 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	Baseline	Latest
1.1 Business satisfaction with council	Proportion of businesses positively rating Auckland Council and Council Controlled Organisations delivery of services to businesses	Not available	[new] 18% (2015)
1.2 Customer satisfaction with council's overall consent process	Percentage of customers satisfied with the: a. building consent process overall b. resource consent process overall	c. 48 per cent (2012) d. 38 per cent (2012)	a. Not available (2015) ▶ b. 47 per cent (2015)
1.3 Increase number of Top 200 business head offices in city centre	Number of top 200 business head offices in city centre	29 businesses (2012)	▶ 29 businesses (2014)
1.4 Reliability of water supply	Percentage of residential and business customers satisfied with the overall water supply service	82 per cent (2011/12)	▣ 85 per cent (2014/15)
1.5 Reliability of energy supply *	Not available	Not available	Not available

* This outcome has been replaced with the Auckland Plan target to 'meet relevant interruption duration standards to electricity distribution and transmission by 2040'.

Outcome 1.1: Business satisfaction with Auckland Council

Measure Proportion of businesses positively rating Auckland Council and Council Controlled Organisations delivery of services to businesses

Relevance Increasing business satisfaction with the council is fundamental to the implementation and delivery of being a business-friendly and well-functioning city. Auckland Council and ATEED conduct a regular business survey to 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 (CCOs).

Source Auckland Business Monitor, available annually from March/April 2015

Note The survey is conducted with a sample of businesses, representative of Auckland region's business demography. These businesses may or may not have direct service interactions with Auckland Council or CCOs. Furthermore, these businesses may not be aware that Auckland Council or a CCO is the provider of a service that they receive.

Fieldwork in 2015 took place at a time when consultation was underway for the 10-year budget (LTP) with discussion about business rates differential.

Half of businesses who responded in 2015 had not had any direct dealings with council or CCOs in the last 2-3 years.

Like all surveys, the data is subject to sampling error margins.

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 The first wave of the Auckland Business Monitor (2015) provides a baseline measure for businesses' views of the delivery of services by the council and CCOs.

In 2015, 18 per cent of Auckland businesses gave a positive rating (7-10 out of 10) when asked to rate the delivery of services to businesses on a scale where 0 means extremely poor and 10 means outstanding.

Half of businesses gave a neutral rating (4-6), and 31 per cent rated service delivery as poor (0-3).

Further questions about service delivery show that businesses are most critical about council and CCOs delivery of resource consents, planning transport options and supporting the growth of local businesses.

Outcome 1.2: Customer satisfaction with council's overall consent process

Measure Percentage of customers satisfied with the: building consent process overall and resource consent process overall.

Relevance This is a significant KPI within council as it is a public-facing measure of council's customer service performance.

Source Auckland Council, Customer Experience Monitor (CEM), available continuously.

Note This measure is also included in Auckland Council's Long-term Plan (LTP) 2012-22, which identifies a target of 59 per cent of customers being satisfied with the building consent process overall, and 65 per cent with the resource consent process, by 2021/22

Satisfaction with the building consent process overall was not surveyed after February 2014. Satisfaction with quality of service delivery is now preferred, as it focusses more on council's actions. The measure should be changed accordingly.

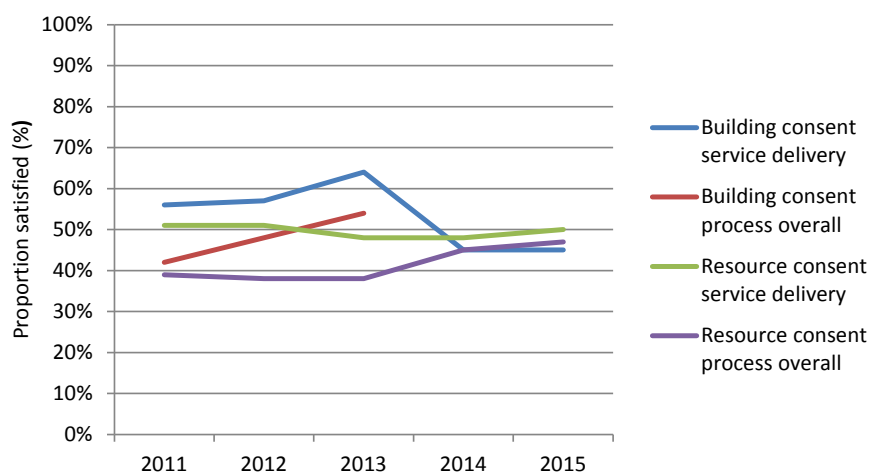
Like all surveys, the data is subject to sampling error margins.

Analysis The CEM survey data indicates that satisfaction with the overall building consent process rose from 42 per cent in 2011 to 48 per cent in 2012 and again to 54 per cent in 2013. Satisfaction with building consent quality of service delivery rose from 57 per cent in 2011 and 2012, to 64 per cent in 2013, but fell to 45 per cent in 2014 and 2015.

Satisfaction with the overall resource consent process rose from 39 per cent in 2011 and 38 per cent in 2012 and 2013, to 45 per cent in 2014 and 47 per cent in 2015. Satisfaction with resource consent quality of service delivery was relatively constant from 51 per cent in 2011 and 2012 to 48 per cent in 2013 and 2014 and back to 50 per cent in 2015.

Satisfaction for elements of the building consents service delivery process after 2013 were: satisfaction for ease of project inspections in 2015 (53%) was similar to 2014 (54%), and also for ease of code compliance certificate processes (41% in 2015, against 43% in 2014); satisfaction for length of time to process the application had still not recovered in 2015 (41%) from its sharp fall in 2014 (to 39%, from 54% in 2013).

Figure 5: Customer satisfaction with Auckland Council consent processes, 2011-2015



Source: Auckland Council, Customer Experience Monitor

Outcome 1.3: 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 and Top 30 Financial Companies, compiled by Deloitte and published in New Zealand Herald, available annually.

Locations were formerly (until 2012) provided by New Zealand Management Magazine, and for 2014 were ascertained by council's Research and Evaluation Unit (RIMU). Compiled data for 2015 is not currently available.

Note This measure was originally included in the 2012 City Centre Masterplan monitoring framework, but has been removed following review of the framework in 2015.

Analysis In 2014, the head offices of 124 of New Zealand's Top 200 businesses and 21 of New Zealand's Top 30 financial institutions were located in Auckland, a slight increase compared to 2012 with 123 businesses and 21 financial institutions. Of this group, 29 businesses and 18 financial institutions were located in the Auckland city centre, a slight increase compared to 2012 with 29 businesses and 17 financial institutions (but an increase only in Top 30 financial institutions, not Top 200 businesses).

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.

Table 1: Top business and financial institutions' head offices in Auckland and the city centre, 2012 and 2014

Year	Top 200 businesses		Top 30 financial institutions	
	Auckland	City centre	Auckland	City centre
2012	123	29	21	17
2014	124	29	21	18

Source: Deloitte with New Zealand Management Magazine and New Zealand Herald, The Deloitte top 200 awards.

Outcome 1.4: 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 Watercare annual report, available annually. The data on 2011/2012 and 2012/13 customer satisfaction presented here are from a one off report by the Auditor General³, of Watercare's customer satisfaction survey data.

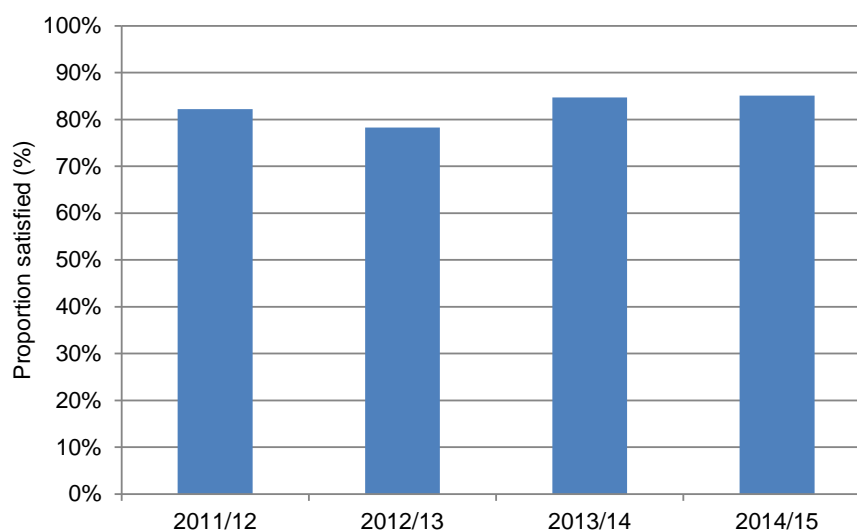
Note This measure is also included in the council's Long-term Plan (LTP) 2012-22. A target of 80 per cent residential and business customers satisfied with the overall water supply service in 2021/22 is identified in the LTP.

For the survey referred to above, only customers who contact Watercare to report faults are included. Watercare considers them to be satisfied if they score 7 or more out of 9. The survey margin of error is approximately 1 percentage point.

Analysis Watercare reported the percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services as similar in 2014/15 (85.1%) to 2013/14 (84.7%). In both years the level was above the target (80%).

Analysis by the Auditor General of Watercare's 2011/12 and 2012/13 customer satisfaction survey data concluded that the proportion of Watercare's surveyed customers who were "satisfied" (scored 7, 8 or 9 out of 9) was 78.3 per cent in 2012/13, a fall compared to 2011/12 (82.2%).

Figure 6: Proportion of customers satisfied with Watercare's delivery of water and wastewater services, 2011/12 to 2014/15



Source: Watercare Services Limited (2015). *Watercare 2015 Annual Report*.

³ Office of the Auditor-General (2014). *Watercare Services Limited: Review of service performance*

Outcome 1.5: 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 its infrastructure.

Source To be determined with input from lines and generation companies.

Note This is an Auckland Plan target (12.4) and it replaces the target 'reliability of energy supply' identified in the EDS. The *Auckland Plan Targets: Monitoring Report 2015* notes that an appropriate target will be developed as part of the Energy and Climate Change Mitigation Action Plan.

The various lines companies currently use different measures of outage.

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.⁴ Innovation is 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.⁵

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	Baseline	Latest
2.1 Increase proportion of workforce employed in science and technology	Workforce employed in science and technology	14 per cent (2006)	Not available
2.2 Increase proportion of workforce in knowledge-intensive and high-tech industries	Workforce employed in knowledge-intensive industries	35.2 per cent (2012)	▲36.3 per cent (2014)
2.3 Increase number of businesses undertaking innovation	Number of businesses that have innovated	46 per cent (2011) ¹	▶46 per cent (2013)*
2.4 Increase patents per capita	Patent applications (per million population) filed under to the European Patent Office and under the Patent Cooperation Treaty	EPO (51.8) and PCT (115.8) per million population (2008)	▲EPO 64.1 (2011) and ▼PCT 106.6 (2012) per million population
2.5 Increase availability of venture capital	Value of private financing deals in Auckland	\$12.4 million (2012)	Not available

* This figure is for all businesses in New Zealand.

⁴ Boven, R et al. (2010). *A Goal Is Not a Strategy: Focusing Efforts to Improve New Zealand's Prosperity*. Auckland: New Zealand Institute.

⁵ World Economic Forum. *The Global Competitiveness Report 2011 – 2012*.

Outcome 2.1: 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 one-off 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.

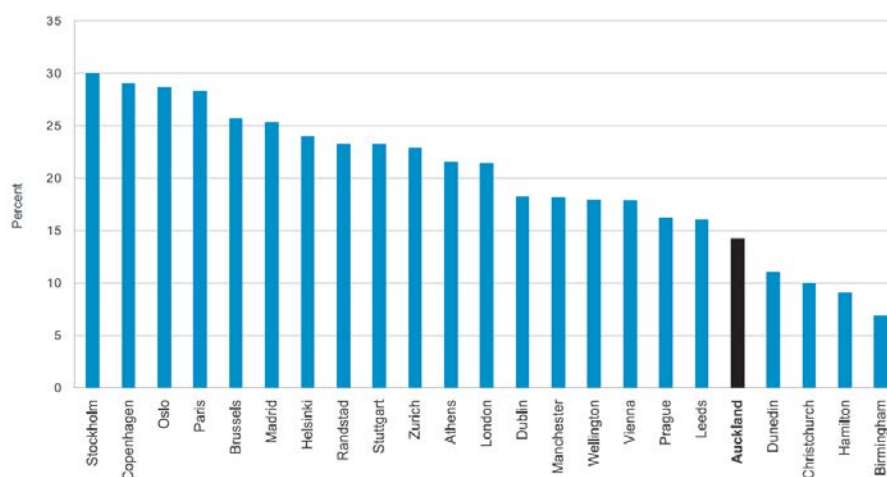
Note The proportion of the workforce employed in science and technology was defined in the baseline report as the number of individuals who have a university qualification and are employed in a science and technology occupation as a professional, technician, or associate professional.

Updates of data conforming to that exact definition are not available, so the data presented here are the same as the baseline report; it is recommended that the measure be amended.

This measure was originally included in the 2012 City Centre Masterplan monitoring framework, but has been removed following review of the framework in 2015.

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 2.2: 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.

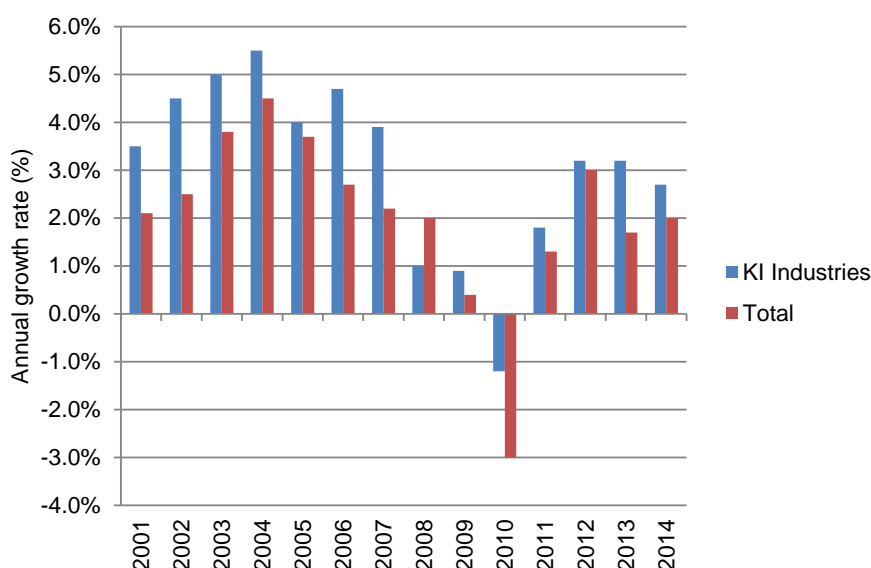
Source Infometrics, Auckland Annual Economic Profile statistics on employment (filled jobs) and skills (knowledge intensive employment), available annually. The data is available on the [Infometrics website](#).

Note Infometrics define an industry 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. Infometrics have revised the baseline (2012) data slightly.

Analysis During 2014, there were 276,927 jobs in Auckland's knowledge intensive (KI) industries. At 36.3 per cent of total employment, this was higher than in 2013 (36.0% - revised) and above the New Zealand average (31.9%).

Since 2000, employment in KI industries has increased faster than total employment in Auckland every year except 2008. The result is a continual increase in the proportion of Auckland's workforce employed in KI industries.

Figure 8: Employment growth rates in KI industries and total employment in Auckland, 2001-2014



Source: Infometrics (2015), *Auckland Annual Economic Profile 2014*

Outcome 2.3: 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 biennially. Innovation is measured at a detailed level (via a specific Innovation module) every two years. The national data are available on the [Statistics New Zealand](#) website.

Note Statistics New Zealand only publish national level innovation statistics.

Innovation (whether implemented, abandoned or ongoing) 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 New Zealand government target, which is to double business research and development to more than 1 per cent of Gross Domestic Product by 2018.

Like all surveys, the data is subject to sampling error margins.

Analysis According to the results of the 2011 and 2013 BOS, the proportion of businesses innovating in New Zealand (total innovation rate) has remained stable at 46 per cent over 2009, 2011 and 2013.

Outcome 2.4: 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). Also, larger cities tend to have disproportionately more patent applications.

Source Patents: OECD Patents by Regions statistics, available annually. The data are available on the [OECD](http://www.oecd.org) website. Recent estimates are subject to subsequent revisions.

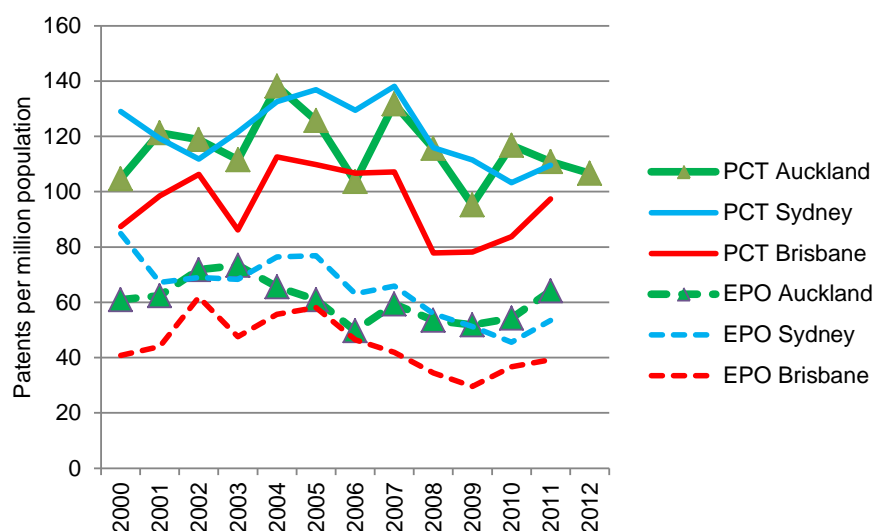
Population: Statistics New Zealand, sub-national population estimates, annual, customised. Note data was revised in 2014 for all years back to 2007.

Analysis Patents per million population filed to the European Patent Office (EPO) was 64.1 in Auckland in 2011 (revised), an increase on the previous year (54.2) but still down on the peak in 2003 (73.4);

Applications under the Patent Cooperation Treaty (PCT) in Auckland fell to 106.6 per million in 2012 compared to 2011 (110.9) and 2010 (116.7). The level remained above 2009 (95.3) and below 2007 (131.8).

The number of patent applications made in Auckland, per million population, is in line with similar sized cities in the Asia-Pacific region, including Sydney, Adelaide, Brisbane and Perth (but only a third of the number lodged per capita in Seoul).

Figure 9: Patent applications to the EPO and under the PCT, per million population, 2000-2011



Source: OECD, Metropolitan Regions data; Statistics New Zealand, sub-national population estimates

Outcome 2.5: 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 (NZVIF), available twice-yearly at the New Zealand level only from Young Company Finance Reports. The data is available online on the [NZVIF](#) website.

Note Source data for Auckland is given only as a percentage of cumulative value for New Zealand from 2006, apart from a one-off graph for 2006 to 2012. Recent years' source data is subject to subsequent revision.

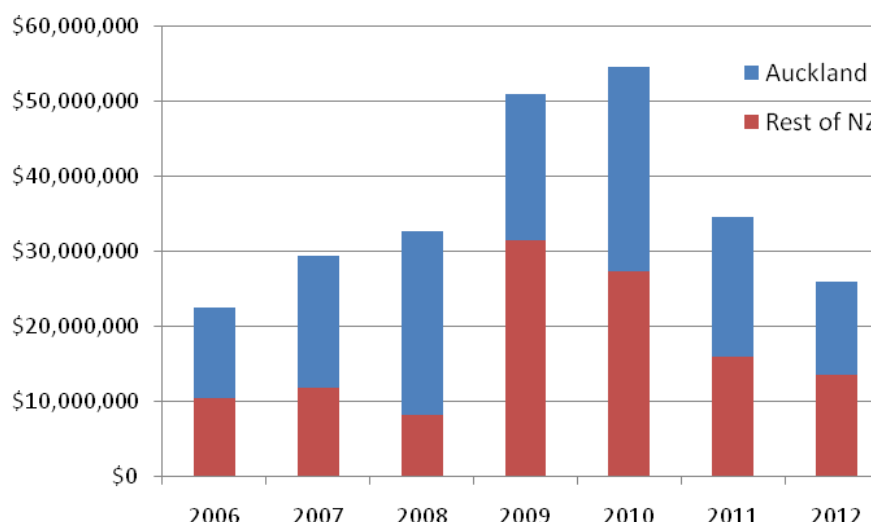
Analysis In 2012, the value of private financing deals in Auckland was \$12.4 million compared to the revised New Zealand total of \$29.9 million.

In 2013, New Zealand had \$53.1 million of NZVCIF deals, and by then 55 per cent of cumulative investment since 2006 had been in Auckland.

In 2014 there were at least \$55.9 million of deals in New Zealand, similar to 2010 in nominal terms. By the end of 2014 a cumulative total of \$353.5 million had been invested in New Zealand companies, 54 per cent of it in Auckland.

Innovative firms are also supported by Callaghan Innovation, the government-backed innovation hub. It awarded grants of \$270 million in the year 2014 to new and existing firms across New Zealand, to support research and development.

Figure 10: 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

Intermediate outcome	Measure	Baseline	Latest
3.1 Accelerated growth in exports, particularly in targeted sectors	Exports from targeted sectors	Not available	Not available
3.2 Increase high value-added FDI	Number of FDI deals occurring in Auckland	14 FDI deals worth USD \$300 million (average 2003 to 2014)	▲ 24 FDI deals worth USD \$325 million (2015 Jan-Oct)
3.3 Increase number of business opportunities facilitated through international relationships	Number of economic, business and city-building opportunities facilitated through the global engagement programme [revised]	50 opportunities (2012/13)	[new] 83 opportunities (2014/15)
3.4 Increase total GDP in targeted sectors compared with total Auckland GDP	Total GDP in targeted sectors	28.1 per cent (2012)	▶ 27.8 per cent (2014)

Outcome 3.1: 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 3.2: 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 Generic data from 2003 onwards has been sourced from FDImarkets.com. This database is owned by the Financial Times in London, United Kingdom. It is the world's leading FDI database and is one of the most comprehensive for capturing FDI transnational transactions.

Auckland Tourism, Events and Economic Development (ATEED) measures (from 2013/2014 onwards) "Facilitation of the establishment, or significant expansion of multinational companies in target sectors" and "Value of investment deals effected by ATEED". Data for 2014/2015 measures 'deals' attributable to the Business Attraction and Investment team at ATEED, and relates solely to deals facilitated by ATEED.

Analysis Between January 2003 and October 2015, Auckland attracted 188 individual FDI projects (averaging 14.5 per year), and was ranked 5th amongst comparator Asia-Pacific cities for its foreign investment strategy.

In the year ended June 2015, ATEED facilitated five FDI deals worth \$289 million (measured in NZ\$, not USD), namely four new establishments and one expansion project. This represents an increase of \$24 million from the previous year.

Table 2: FDI data for companies investing in Auckland, 2003-2015

Year	Projects	Capex (USD million)	Jobs
2015	24	325	1104
2014	14	286	1186
2013	16	149	840
2012	21	656	1619
2011	20	504	1941
2010	18	176	804
2009	16	226	678
2008	17	342	797
2007	13	450	1768
2006	9	481	927
2005	10	112	281
2004	6	55	153
2003	4	207	689
Total	188	3967	12,787

Note: Years ended December, except 2015 (January to October)
Source: © fDi Intelligence, from the Financial Times Ltd 2015.

Outcome 3.3: Increase number of business opportunities facilitated through international relationships

Measure Number of economic, business and city building opportunities facilitated through the global engagement programme

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

Source Auckland Council Global Partnerships and Strategy Unit, Customer Activity Statistics, available annually.

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

Until 2013/14 (inclusive), the “number of business opportunities facilitated through international relationships” was defined as “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”.

From 2014/15 onwards the measure has been revised to:

“Number of economic, business, and city building opportunities facilitated through the global engagement programme”, defined as

“Connections organised via council’s global partnerships between an Auckland-based council official, stakeholder, business, or organisation and an Auckland or global forum, network, business, or organisation, for the purposes of discussing and generating economic, business and city building opportunities for Auckland.”

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. The 2013/14 figure was even higher, at 60.

The number of global partnership connections in 2014/15 is being proposed as the new baseline for future improvements to be measured from. The number of global partnership connections facilitated in 2014/15 was 83.

Table 3: Business opportunities facilitated through council’s international relationships 2011/12 to 2013/14

	2011/12	2012/13	2013/14	2014/15
Target	40	40	50	New measure
Actual	40	50	60	83

Source: Auckland Council, Global Partnerships and Strategy Unit, using Customer Activity.

Note: 2014/15 includes economic and city building opportunities as well as business opportunities, facilitated through the global engagement programme.

Outcome 3.4: Increase total GDP in targeted sectors compared with total Auckland GDP

Measure Total Gross Domestic Product 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.

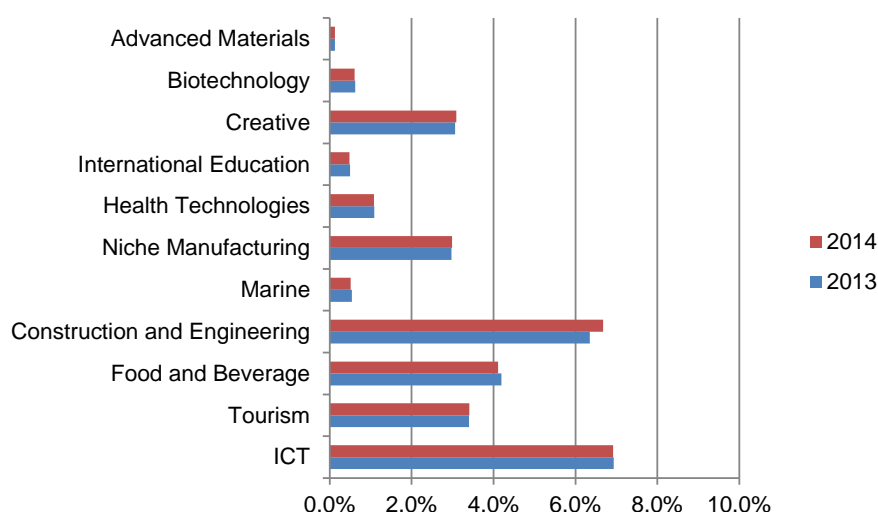
Source Infometrics, regional GDP statistics available annually. Sector calculations are undertaken by the council’s Research and Evaluation Unit (RIMU). The data presented here are available on request from RIMU.

Note This measure is also included in Auckland Council’s Long-term Plan (LTP) 2012-22. Infometrics revised their earlier estimates in 2015. The international education sector has been revised by Education NZ, and now includes services industries whose GDP cannot be accurately captured here.

Dollar figures here are in constant \$2010 prices, as provided by Infometrics. Sectors total is net of double-counting where sectors overlap. Total GDP includes “unallocated”.

Analysis In 2014, the targeted sectors accounted for approximately \$21.1 billion of GDP or 27.8 per cent of Auckland’s economy, similar to 2013 (27.7%) but above the 2008 peak (27.1%) and the 2012 baseline (27.0%). Between 2013 and 2014, the year on year increase in GDP for the targeted sectors (3.6%) was higher than for Auckland’s total economy (2.9%). The largest targeted sectors are ICT (\$5.2 billion) and construction and engineering (\$5.1 billion), which also had the greatest year on year growth in dollar terms (\$0.1 billion and \$0.4 billion respectively).

Figure 11: Targeted sectors’ share of GDP in Auckland, 2013 and 2014



Source: Infometrics regional data aggregated by Auckland Council.
 Note: Regional GDP figures are subject to subsequent revision.

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

Intermediate outcome	Measure	Baseline	Latest
4.1 Increase labour force participation rate (and by ethnic groups)	Labour force participation rate	68.4 per cent (2012).	▶68.9 per cent (2015).
4.2 Improve proportion of youth who are in education, employment and training	The proportion of Auckland youth (15-24) not in employment, education or training.	12.9 per cent NEET rate (2012)	▶9.9 per cent NEET rate (2015)
4.3 Improve adult literacy and numeracy rate	Adult literacy and numeracy rate	Many adults below level 3 (2006)	Not available until 2016 (2014)
4.4 Improve educational qualifications of the labour force (and by ethnic groups)	Educational qualifications of the labour force	Year13/ NCEA L3 26 per cent No school qualification 16 per cent (June 2013)	▶Year13/ NCEA L3 35 per cent ▶No school qualification 13 per cent (September 2015)
4.5 Improve ease of finding skilled labour	Ease of finding skilled labour	93.6 in November 2013; -4.2 per cent (annual average Dec 2011 - Dec 2012)	▼109.3 (October 2015)
4.6 Increase number of post-graduate qualifications	Number of students graduating with post-graduate qualifications from Auckland tertiary institutions	6,677 (2012)	▶6,689 (2013)
4.7 Improve employment outcomes of migrants in terms of quality of match	Number of employed migrants who feel satisfied in their job	89 per cent of migrants who arrived within last 5 years were very satisfied or satisfied with their jobs (2011)	▼82 per cent (2013)

Outcome 4.1: 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.

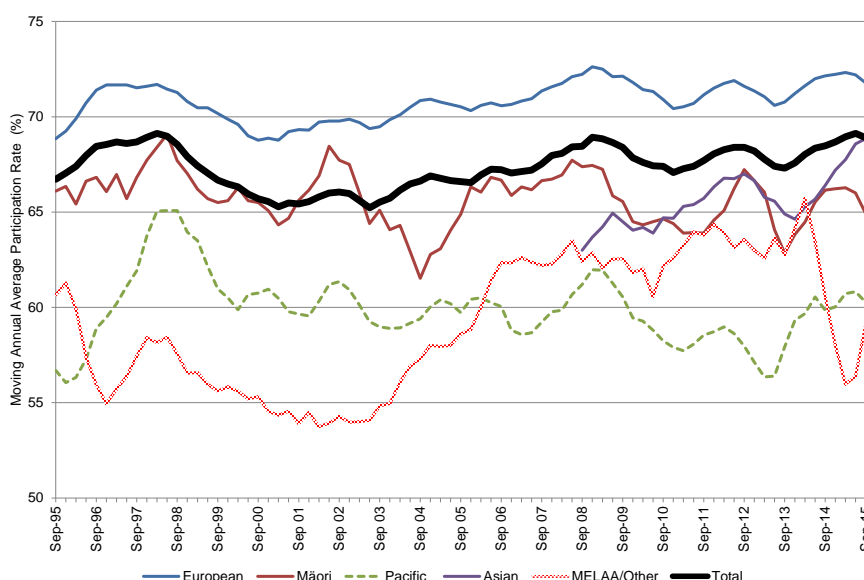
Source Statistics New Zealand, Household Labour Force Survey available quarterly. The high level data is available on the [Statistics New Zealand](http://www.stats.govt.nz) website; Auckland specific customised data is available on request from council’s Research and Evaluation Unit (RIMU).

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).

Like all surveys, the data is subject to sampling error margins.

Analysis The labour force participation rate in Auckland stood at 68.9 per cent during the year to September 2015, similar to 68.5 per cent in the year to September 2014. The participation rate among people categorising their ethnicity as European was above the Auckland average at 71.8 per cent, as compared to Pacific and Māori who were below the average with 60.3 per cent and 64.9 per cent respectively. The rate for Asian (68.9%) was the same as the average, and is the highest it has ever been recorded.

Figure 12: Labour force participation rate (moving annual average) for Auckland, by ethnicity, 1995 – 2015



Source: Statistics New Zealand, Household Labour Force Survey

Outcome 4.2: 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.

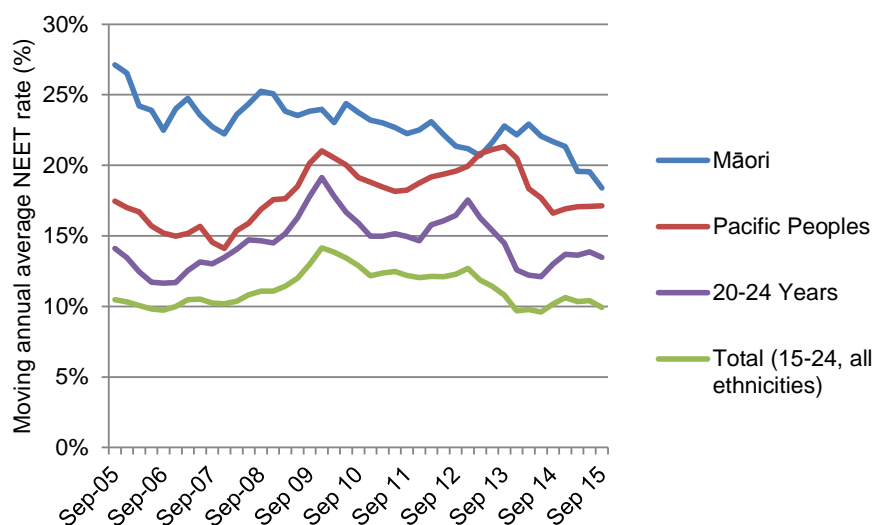
Source Statistics New Zealand, Household Labour Force Survey, customised, available quarterly. Auckland specific customised data is available on request from council's Research and Evaluation Unit (RIMU).

Note Like all surveys, the data is subject to sampling error margins.

Analysis The overall NEET rate for all youth aged 15-24 years in the year ended September 2015 was 9.9 per cent, similar to the year ended September 2014 (10.2%).

When broken down by ethnicity, rates of young people who are NEET are generally higher among Māori (18.4%) and Pacific (17.1%) young people than for the total including European and Asian ethnicities. By age, youth aged 20-24 years (13.5%) tend to have higher NEET rates than for the total aged 15-24 years.

Figure 13: NEET rates in Auckland, by selected ethnicity and age, 2005-2015



Source: Statistics New Zealand, Household Labour Force Survey (customised)

Outcome 4.3: 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: Ministry of Education (MoE), *2006 Adult Literacy and Life Skills (ALL) Survey*. The report is available on the [Education Counts](#) website.

A similar survey (Survey of Adult Skills) was undertaken in 2014 as part of the OECD's Programme for the International Assessment of Adult Competencies (PIAAC); the results of this survey will not be available until 2016.

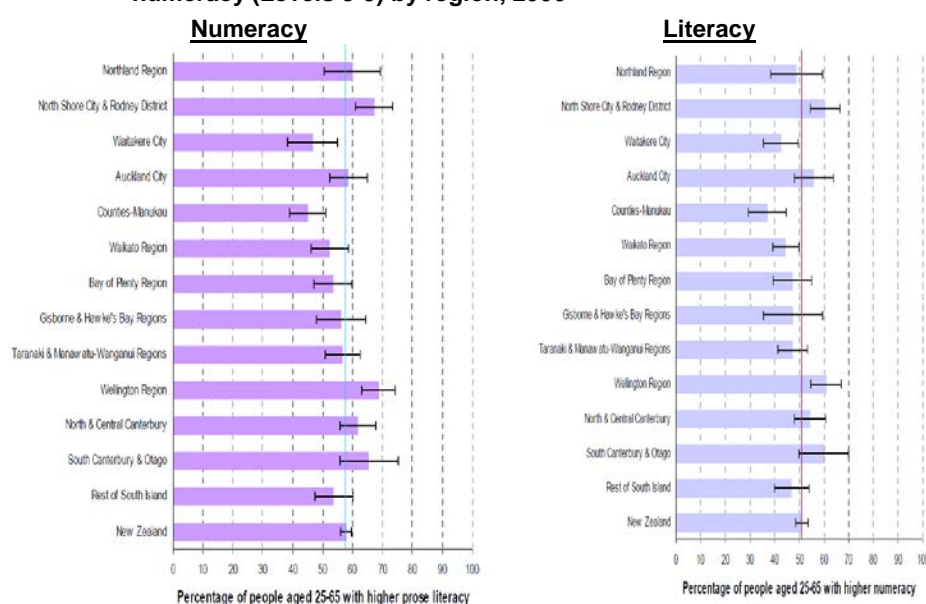
Note The 2006 ALL Skills Survey used a five level measure of prose literacy and numeracy to benchmark New Zealand's educational outcomes both nationally and internationally. ALL has a five-point scale: Level 5 is very high; Level 1 is very low. Skills at Level 3 are deemed necessary for full participation in working life, society and government.

Like all surveys, the data is subject to sampling error margins.

Analysis The prose literacy rate in 2006 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 14: Proportion of 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 4.4: 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 quarterly custom dataset, available from council’s Research and Evaluation Unit (RIMU). The higher level data is available on the [Statistics New Zealand](http://www.stats.govt.nz) website.

Note Like all surveys, the data is subject to sampling error margins.
The methodology changed in June 2013, so results before and after that date are not comparable.

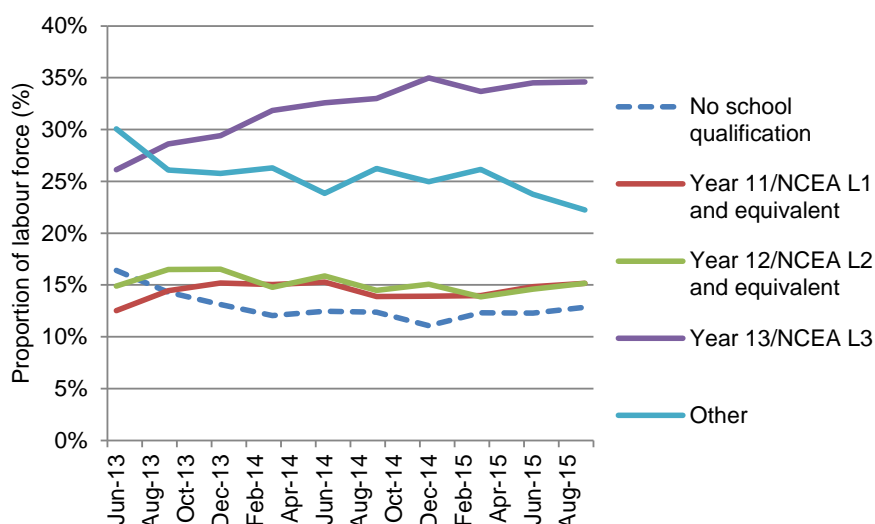
Percentages are calculated using a sub-total that excludes “not specified” responses. It is worth noting that the proportion of “not specified” responses decreased from 33 per cent of the total in March 2013 to 10 per cent in June 2013, and has remained steady between 8 and 10 per cent since.

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 increased from 28 per cent to 32 per cent.

From June 2013 to September 2015 the proportion who had completed Year 13/NCEA L3 or equivalent rose from 26 per cent to 35 per cent, while the proportion with no school qualification fell from 16 per cent to 13 per cent, and the proportion categorised as “Other” fell from 30 per cent to 22 per cent.

The September 2015 proportions were similar to September 2014 apart from Year 13/NCEA L3 (up from 33%) and “Other” (down from 26% to 22%).

Figure 15: Education qualifications of the Auckland labour force, 2013-2015



Source: Statistics New Zealand, Household Labour Force Survey

Outcome 4.5: 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.

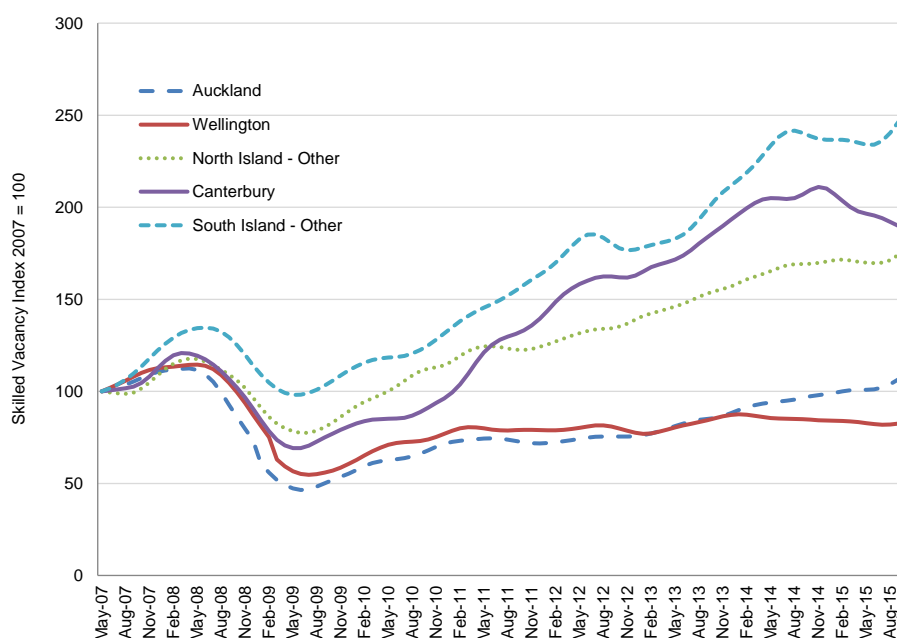
Note Jobs Online measures changes in job vacancies advertised on the two main internet job boards – SEEK and Trade Me Jobs. The index (May 2007 = 100) is seasonally adjusted to facilitate comparisons between monthly figures.

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 picked up (tightened) after June 2009 throughout New Zealand, 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 remained fairly static in 2011 and 2012, but Auckland has picked up strongly again in the last three years.

In Auckland, the skilled job vacancies index in October 2015 was 109.3, well above October 2014 (97.33) and just below the peak of 112.44 in April 2008. This was an increase of 12.3 per cent over the year, and 2.7 per cent since September 2015, the largest monthly and annual change compared to other regions.

Figure 16: Skilled Vacancies Index by region, trend series (May 2007=100), 2007-2015



Source: MBIE, Jobs Online

Outcome 4.6: 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 Provider summary tables on the [Tertiary Data Warehouse](#) website. Available annually.

Note This measure was originally included in the 2012 City Centre Masterplan monitoring framework, but has been removed following review of the framework in 2015.

The data presented here includes post-graduate completions from these four Auckland tertiary institutions only: University of Auckland; Auckland University of Technology; Unitec; and Manukau Institute of Technology. It includes both domestic and international students, and excludes students at Auckland branches of institutions headquartered elsewhere.

Analysis In 2013, 6,689 people completed post-graduate qualifications from Auckland's universities and polytechnic institutions, all but 222 of them from universities. This was similar to 2012 (6,677) and 2011 (6,548), but substantially more than 2008 (5,172) and 2009 (5,475).

Table 4: Students graduating with post-graduate qualifications from Auckland-based tertiary institutions, 2008-2013

	2008	2009	2010	2011	2012	2013
University of Auckland	4,014	4,059	4,459	5,071	4,967	4,956
Auckland University of Technology	1,002	1,165	1,427	1,185	1,404	1,511
Unitec	151	248	257	292	305	222
Manukau Institute of Technology	5	3	3	0	1	0
Total Auckland	5,172	5,475	6,146	6,548	6,677	6,689

Source: MoE, Education Counts

Outcome 4.7: 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.

This outcome will contribute to the NZ government target, which is that by 2016, 85 per cent of skilled migrants will be employed in a job that matches their skills and qualifications (81 per cent in 2012/2013).

Source Statistics New Zealand, General Social Survey, available bi-annually. The data are available on the [Statistics New Zealand](http://www.stats.govt.nz) 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.

Like all surveys, the data is subject to sampling error margins. The “recent immigrants” category is quite small and so has high margins of error, especially for the smaller sub-categories “neutral” and “very dissatisfied or dissatisfied”.

Analysis In 2010/2011, recent immigrants in Auckland (2006 or later) were more likely to feel satisfied or very satisfied with their job (88.8%), compared with all others (78.6%), namely immigrants who had arrived prior to that or were born in New Zealand.

In 2012/2013, recent immigrants were more likely than before to feel neutral instead (12.8%, versus 6.1% in 2010/2011), bringing down their level of satisfaction (81.9%) to that of other Auckland residents (81.0%).

Table 5: Satisfaction with job in previous four weeks, 2010/11 and 2012/13

	Recent immigrants (%)		All others (%)		Total (%)	
	2011	2013	2011	2013	2011	2013
Very satisfied or satisfied	88.8	81.9	78.6	81.0	79.3	81.1
Neutral	6.1	12.8	11.5	11.1	11.1	11.3
Very dissatisfied or dissatisfied	5.0	5.2	9.9	7.9	9.6	7.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

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

Intermediate outcome	Measure	Baseline	Latest
5.1 Grow the visitor economy from \$3.3 billion in 2010 to \$6 billion in 2021/22	Total spend for domestic and international visitors	\$3.7 billion (2011/2012) Revised: \$5.3 billion y/e March 2011	▲\$6.5 billion (y/e March 2015)
5.2 Increase average length of visitor stay	Average length of visitor stay in commercial accommodation	2.07 nights (2012)	▶2.13 nights (Sept 2015)
5.3 Increase number of international conferences	Number of international delegate days from conferences within Auckland	90,585 international delegate days (2011/12)	Not available
5.4 Improve Auckland's ranking in the international city brand index	Auckland's ranking as an international city	Not available	Not available
5.5 Increase number of cruise ship visitors	Number of people who disembark (either temporarily or permanently) at the Auckland port.	272,000 visitor port days (2011/12)	▲293,200 visitor port days (2014/15)
5.6 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	\$28.9 million (2011/12)	▲\$73.1 million (2014/15)

Outcome 5.1: 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.

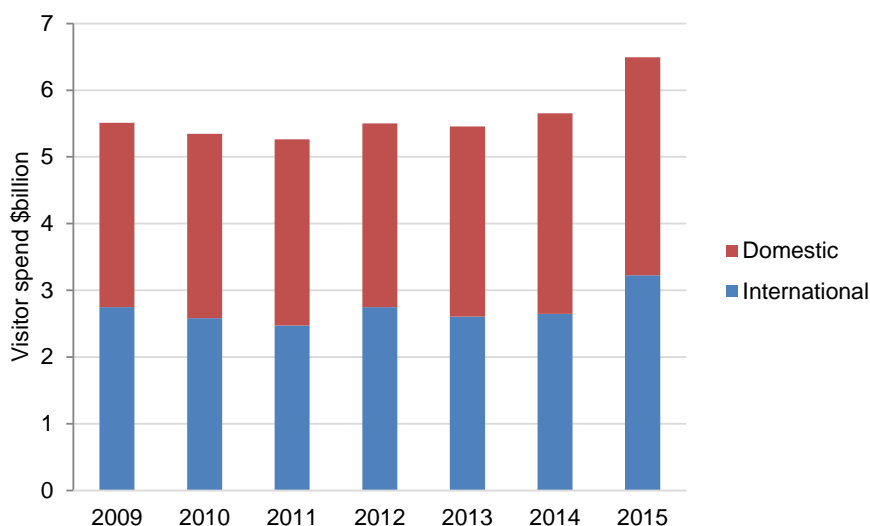
Source Ministry of Business Innovation and Employment (MBIE), Regional Tourism Estimates (RTEs) are available quarterly, based on the Tourism Satellite Account (TSA). Auckland specific customised data is available on request from Auckland Tourism, Events and Economic Development (ATEED).

Note Statistics New Zealand revised the TSA methodology for 2015. The changes to the TSA have led to increased estimated spending across all Regional Tourism Organisations, across all years covered by the 2015 RTEs. These changes mean the current estimates for 2009-2015 should not be compared to estimates published in 2014 and prior. ATEED may need to review its targets to align with the new datasets.

Analysis The estimated total visitor spend in Auckland for the 12 months ending March 2015 was \$6.5 billion. This was an increase of 15 per cent over the previous 12 month period. Domestic visitor spending rose nearly 10 per cent, and international visitor spending rose over 20 per cent. Domestic tourism expenditure accounted for \$3.27 billion (50%), and international spend accounted for \$3.23 billion (50%).

From 2009 to 2014 both international and domestic visitor spending were relatively flat, apart from an 11 per cent increase in international visitor spending in 2012.

Figure 17: Domestic and international visitor spends, Auckland, year ending March 2009-2015



Source: MBIE, Regional Tourism Estimates

Outcome 5.2: 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 monthly. The data is available on the [MBIE](#) website.

Note This measure is also included in the City Centre Masterplan.

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.

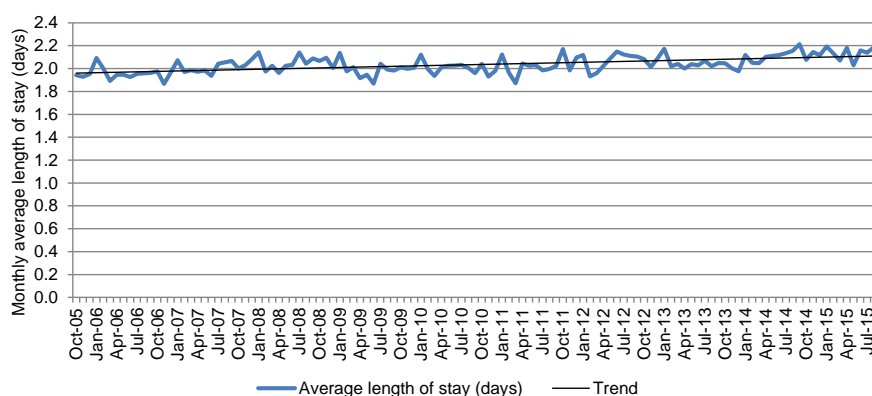
Analysis The average length of stay in September 2015 was 2.13 days. This is close to the ten-year high of 2.21 days which occurred in September 2014. The lowest average stay was 1.87 days in November 2006.

While the average length of stay has fluctuated up and down over the last ten years, there was an upward trend overall.

However, this followed a comparable downtrend from 2001 to 2005. In general, there has been little variation (+/- 9%) in stay length over the past fifteen years, which may limit this measure as an effective indicator. Between 2001 and 2015 the stay length has varied between 1.87 and 2.23 nights.

Total visitor nights could be a more effective indicator, as this captures the pattern of tourist activity more effectively.

Figure 18: Visitor stay length in Auckland, October 2005-September 2015



Source: MBIE, Commercial Accommodation Monitor

Outcome 5.3: 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 There was a change in measurement in 2012/2013. International delegate days are no longer available. Also, international/domestic split is now optional, and the non-specified rate has risen substantially (by 2014 37.2% did not specify), so comparisons over time are problematic.

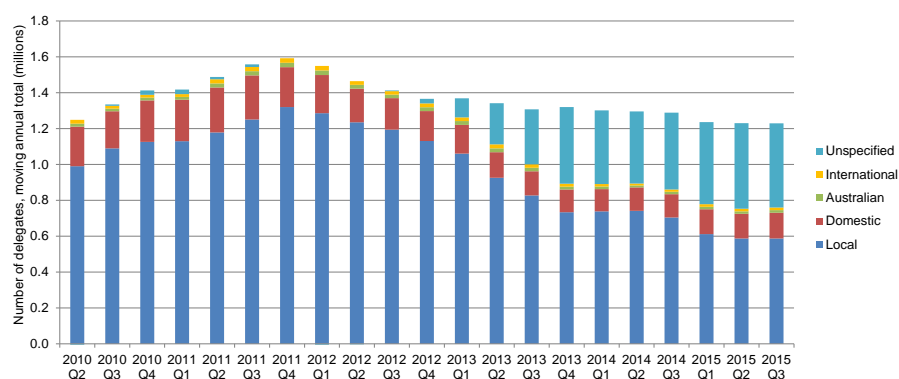
Like all surveys, the data is subject to sampling error margins.

Analysis In the year ending September 2015, there were 1,216,266 delegates at 13,844 conventions and other events in Auckland. This was lower than in the years ended September 2014 (1,288,100) and September 2013 (1,307,499).

There were 34,512 Australian and other international delegates in the year ending September 2015. They made up 4.3 per cent of those delegates who specified their origin. This was higher than the number for the year ended September 2014 (27,306). The June 2012 benchmark was 49,646 (3.4%), but had no “unspecified” compared with over 400,000 delegates with unspecified origin in the year ending September 2015.

Conventions and other events in the year ending September 2015 generated 1,480,312 delegate days - lower than in the years ending September 2014 (1,529,646) and September 2013 (1,619,297).

Figure 19: Delegates in Auckland, by origin, years ended June 2010 to Sept 2014



Source: MBIE, Convention Activity Survey

Outcome **5.4: 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 5.5 Increase number of cruise ship visitors

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Measure: Cruise ship visitor port days 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 annual/biennial reports by Market Economics for the Ministry of Business, Innovation and Employment (formerly Ministry of Economic Development), Cruise New Zealand and Tourism New Zealand. Market Economics (2010). *New Zealand Cruise Industry Study*. The reports are available from the [MBIE](#) website.

Note Port days have been re-defined as number of people times number of days their ship is in a port, although not all transit passengers actually disembark in every port the ship visits. New Zealand 2009/10 and 2012/13 figures were originally based on slightly different methodology, but have subsequently been adjusted to make them consistent.

Analysis There were 293,200 potential cruise ship visitor days in Auckland during the 132 ship days of the 2014/15 season. This was an increase of more than 21,000 on the previous year, and over 100,000 more than in 2009/10.

The biggest growth in 2014/15 came from the domestic market, with an additional 12,800 domestic passengers (64% growth). International passenger numbers grew by 5 per cent (8,800 extra visitors). Auckland accounted for 19.0 per cent of New Zealand's total visitor days in 2014/15, a slight increase since 2013/14 (17.7%) and 2012/13 (17.9%).

Table 6: Port days in Auckland and New Zealand, 2009/10 to 2014/15

	Year	International passengers	Domestic passengers	Total passengers	Crew days	Total visitors	Ship port days
Auckland	2009/10	96,800	38,800	135,600	50,400	186,000	94
	2011/12	169,800	18,000	187,800	84,200	272,000	n/a
	2012/13	187,800	17,300	204,100	80,300	284,400	117
	2013/14	172,200	20,100	192,200	79,900	272,100	102
	2014/15	181,000	32,900	213,900	79,300	293,200	132
New Zealand	2009/10	555,124	24,612	579,736	253,242	832,978	535
	2012/13	1,101,000	42,000	1,143,000	437,000	1,580,000	763
	2013/14	1,026,700	57,300	1,084,000	455,100	1,539,100	699
	2014/15	1,050,300	74,800	1,125,100	420,600	1,545,700	716

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

Outcome 5.6: 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 Auckland Tourism, Events and Economic Development (ATEED) has commissioned a comprehensive programme of research from an external provider to assess the return on regional investment (RORI) of events within its sponsorship portfolio.

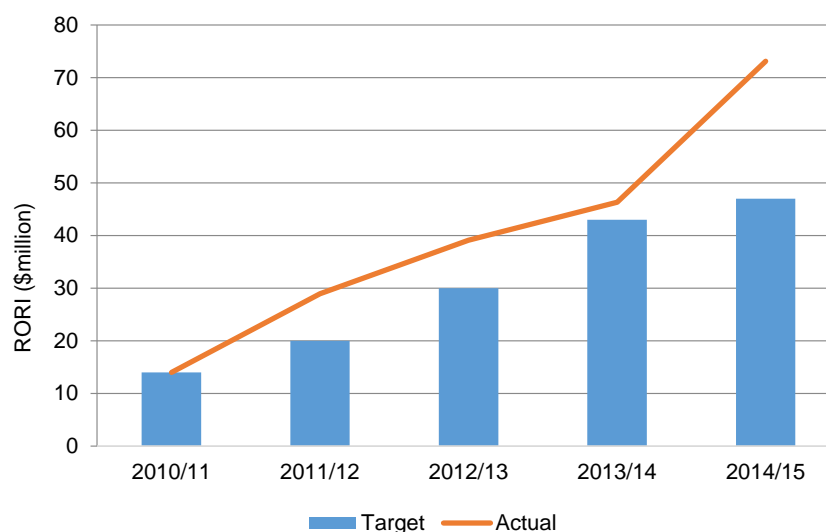
A range of data sources is used to derive the RORI from major events invested in, including estimates of total event attendance, surveys of event attendees and participants, and analysis of event budgets.

Note The specific measure is annual GDP contribution from ATEED's events portfolio (economic return (RORI) from major events attracted), for the year ended 30 June.

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

Analysis The RORI of ATEED's event portfolio has grown strongly since 2010/11, with a big jump from the 2013/14 to 2014/15 financial years. The LTP target of \$47 million for the 2014/15 year was well exceeded, with an actual RORI of \$73.1 million.

Figure 20: Return on regional investment, actual vs. target, year ended June 2011 - 2015



Source: Auckland Tourism, Events and Economic Development (ATEED)

Concluding remarks

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.

As outlined in the EDS, the targets and outcomes will be reviewed regularly to ascertain if they are still relevant.

This monitoring report will be updated again in 2016, where new data is available. See also latest updates of related reports and data series on the Knowledge Auckland website, www.knowledgeauckland.org.nz