

Waitakere City Council

Draft

# Economic Development Strategy

“Towards Leading Edge City”

Prepared for Waitakere City Council by Catherine Syme, Synchro Consulting

October 2003

# Waitakere City Council

## Strategic Policy Development

### COVER SHEET

<b>POLICY NAME</b>	Draft Economic Development Strategy “Towards Leading Edge City”
<b>Adoption information</b>	City Development Committee 2 October 2003 as draft for consultation AP 2004/2005
<b>Review date</b>	Early 2005
<b>Complying with what legislation, if so, list Section etc</b>	Complies with LGA 2002 – Sections relating to Consultation (S83 ff.) Significance (S90 ff.) and Decision Making (S79 ff.)
<b>Executive summary</b>	<p>The policy proposes the vision statement below:</p> <p><b>“Waitakere is home to innovative and sustainable economic activities which provide a range of quality local employment options for its people, enabling a growing proportion of them to work closer to home. All people of Waitakere have the opportunity to participate in, or benefit from this dynamic local economy”</b></p> <p>The general approach is to continue supporting growing local Waitakere economic development through a range of proactive approaches – supporting local businesses, using quality of place improvements, supporting cluster development, increasing local education opportunities, and having responsive Council processes. Long term goals are to increase the number and quality of local jobs, thus reducing commuter travel and to foster Waitakere’s place as a leading edge city for sustainable and innovative businesses. To underpin the Strategy overall and this latter goal specifically, the strategy proposes that Waitakere actively support clean technology initiatives.</p> <p>The strategy is built around six objectives which support the above vision statement.</p>
<b>Key words as listed on agenda item</b>	Economic Development, Growth, Local Economic Development, Enterprise Waitakere, SME, Incentives, Sustainability Institute, Clusters, Employment, Innovation, Business, Clean Technology
<b>Summary of process used to develop policy</b>	<p>Consultation on economic development has been extensive and extended. It has included:</p> <ol style="list-style-type: none"> <li>1. Economic Development Summit group discussions and feedback (Friday 27 April 2001)</li> <li>2. Strategic Review and LTCCP Consultation Processes: <ul style="list-style-type: none"> <li>Maori September 2002</li> <li>Youth July to September 2002</li> <li>Older Adults July 2002</li> <li>Pacific Peoples July 2002</li> <li>Chinese July 2002</li> <li>General Public May 2002</li> <li>Written submissions May 2002</li> <li>Household survey Annual (last in July 2002)</li> <li>Businesses 20 May 2003</li> <li>Creative Conversation (Business)</li> </ul> </li> <li>3. Bi-annual Business Surveys</li> </ol>

	<p>AREDS</p> <p>4. Auckland Regional Economic Development Strategy consultations Competitive Auckland February to June 2001</p> <p>Forum 1 December 2001 Forum 2 February 2002 Forum 3 May 2002 Forum 4 June 2002</p> <p>5. Numerous other meetings of key stakeholder groups: Employers Association, Industry Associations, Environmental Business Network and Business for Social Responsibility, Central and Local Government groups, Industry Cluster groups, Te Puni Kokiri , Iwi and other regional Hui.</p>
<b>Project leader, and names of development team</b>	<p><b>Internal:</b> Max Harré with Cathy Kenkel, Joy Hames, Ariya Randini, Ross Wilson, and others <b>External:</b> Catherine Syme (Consultant), Clyde Rogers &amp; John Wadsworth (Enterprise Waitakere), and others</p>
<b>Responsibility for implementation</b>	Regulatory Services, Enterprise Waitakere, Town Centre Development team, Strategic Economic Development project team
<b>Monitoring measures associated with the policy</b>	Draft measures are Attached to Strategy Document
<b>Attach policy</b>	I:\Strategic Group\Policy Development Section\Economic Development\EconDev Agenda Items\ <b>Draft Economic Development Strategy - 2Oct03 STRATEGY DOCUMENT FINAL</b>
<b>Attach Policy Cover Sheet</b>	done
<b>Permanent file reference</b>	
<b>Key supporting documents</b>	<p><b>Title:</b> <u>Economic Development in Waitakere City – Issues and Options Report</u> Prepared for Waitakere City Council by Catherine Syme, Synchro Consulting May 2003</p> <p><b>Location:</b> I:\Strategic Group\Policy Development Section\Economic Development\EconDev Papers\<b>Draft Economic Development Strategy - ISSUES &amp; OPTIONS PAPER FINAL-C Syme</b></p>

## INTRODUCTION

In 1992 Waitakere declared itself an Eco City, with three goals – to be sustainable, dynamic and just. Economic development goals were high on the Eco City agenda, with a key motivation being to reduce the number of people commuting out of the City to work each day.

In 1994 the Council established Enterprise Waitakere, to deliver a range of economic development programmes on behalf of the Council. Over the last ten years this Economic Development Agency has expanded its role considerably and now delivers an extensive range of central government programmes as well as Council funded programmes. It has also gained national recognition as being an innovative and effective EDA.

Despite successes, particularly in terms of developing certain high growth industry sectors such as film and marine, Waitakere remains predominately a dormitory suburb, with nearly sixty percent of the workforce still commuting out of the City each day. Furthermore the core of the economy is still retailing and other service based industries, which will continue to expand to meet population growth but have limited capacity for growth beyond this.

The Council still considers its economic goals to be an integral part of its Eco City vision. The large number of people leaving the City to work each day has a high environmental cost. Also the opportunity for satisfying employment has a direct impact on the overall well-being of the people of Waitakere.

Whilst the City wishes to provide more of these opportunities locally it is important to acknowledge that the Waitakere economy is part of a larger Auckland regional economy, and that self sufficiency is neither attainable nor desirable. This Strategy is, in part, about defining Waitakere's niche in the regional economy, and about equipping its people to satisfy their own economic needs – whether that be locally or in other parts of the region.

It is critical for Waitakere that its niche, in the regional economy, reflects its commitment to the principles of sustainable development. For this reason the Strategy has a strong emphasis on the environment and on people. Environmentally responsible business, clean technology and developing labour force skills are all key themes of the Strategy.

There is a list of abbreviations and their meanings at the end of the document.

# EXECUTIVE SUMMARY

There is a list of abbreviations and their meanings at the end of the document

## STRATEGY GOAL

Council's overall economic goal as adopted in July 2003 in the Long Term Council Community Strategic Plan for a Strong Innovative Economy, is:

*Waitakere is home to lots of innovative economic activities, providing local, quality work and development options for its people. Environmentally responsible businesses are supported and flourishing. (LTCCP 2003/04 page 58)*

During the process of developing this Economic Development Strategy and looking in depth at the economic issues facing Waitakere the following statement has been developed.

*Waitakere is home to innovative and sustainable economic activities which provide a range of quality local employment options for its people, enabling a growing proportion of them to work closer to home. All people of Waitakere have the opportunity to participate in, or benefit from this dynamic local economy*

## Monitoring the Strategy

It is critical that the Strategy be monitored and modified as time passes. A number of measures are suggested in the Supplement to the Strategy. Further work needs to be done to refine these.

## OBJECTIVES

### OBJECTIVE 1

**Waitakere is a high quality location to live, work and do business.**

This objective is about creating a location offering high amenity, good infrastructure, mixed use urban villages and a range of attractions. These attributes are important both for attracting and retaining businesses and attracting knowledge workers.

### Key Actions

- Active investment in key town centres to maximise public benefits and leverage private sector investment
- Planning for Northern Strategic Growth Area
- Investment in sustainable infrastructure

## **OBJECTIVE 2**

**Waitakere has a strong sense of identity, and is recognised as a great place to live, work and do business.**

If Waitakere is to be seen as a credible business address it must also develop a strong sense of identity and a positive image for the city. This objective is about carving out and communicating Waitakere's niche in the Auckland Region.

### **Key Actions**

- Develop a clear identity for Waitakere that reflects the values, aspirations, strengths and diversity of Waitakere and its people.
- Develop an events strategy
- Develop a marketing strategy
- Facilitate quality schools initiative

## **OBJECTIVE 3**

**Waitakere's economy is underpinned by strong industry sectors that contribute to a growing, sustainable and competitive economy.**

Waitakere currently has a competitive advantage in the film and marine sectors, and an emerging strength in organics. Industry sectors can benefit from being geographically clustered, particularly if strong networks and information sharing mechanisms are operating effectively. This objective is about supporting the growth of strong sectors within the Waitakere economy.

### **Key Actions**

- Develop a sector strategy, including criteria for supporting sectors, and identification of types of support
- Evaluate and extend current programmes
- Investigate creative sector potential
- Investigate clean technology sector potential

## **OBJECTIVE 4**

**Waitakere's current and future workforce has the skills and the capacity to participate in, and to meet the needs of a dynamic and innovative economy.**

A highly skilled workforce is critical to an innovative economy. If people in the workforce have the appropriate skills and training they will be able to meet industry needs as well as satisfying their own economic needs. This objective is about "growing our own" talent and ensuring that the skills of the workforce keep pace with the changing needs of the economy.

### **Key Actions**

- Implement and develop Waitakere Skills and Employment Action Plan.
- Develop an Education Strategy
- Actively pursue tertiary opportunities
- Extend learning centres
- Facilitate capacity building for community organisations
- Undertake skill gap research

## **OBJECTIVE 5**

### **Enterprises in Waitakere embrace innovation as the key driver to add value.**

Encouraging a culture of innovation within Waitakere's economy will help support the establishment and survival of new enterprises, as well as the growth of existing ones. The Strategy will encourage local innovation and entrepreneurship and will support innovation to achieve sustainable business practices.

### **Key Actions**

- Develop innovation strategy to link into regional and national programmes.
- Promote innovation in clean technology
- Link with tertiary institutions
- Promote local success stories
- Extend incubator concept
- Undertake "future proofing" of Waitakere for ICT

## **OBJECTIVE 6**

### **New and existing enterprises experience a Council that is responsive to their needs and provides services that support them to establish and grow.**

This objective is about ensuring a business-friendly and co-ordinated approach to businesses who wish to invest in Waitakere City, as well as supporting businesses through provision of a range of services such as training, advice, and information. It is also about attracting new investment to the city, by offering a package of support. Finally it is about acknowledging that Council is an important economic player in its right, and can support local businesses in this capacity.

### **Actions**

- Develop an incentive package to attract new businesses, that may include some form of financial incentive.
- Co-ordinate business contact with Council processes.
- Review services to SME's
- Expand research, information and monitoring role
- Support local suppliers in some circumstances

## **THE STRATEGY**

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*Waitakere is home to innovative and sustainable economic activities which provide a range of quality local employment options for its people, enabling a growing proportion of them to work closer to home. All people of Waitakere have the opportunity to participate in, or benefit from this dynamic local economy*

### **SUMMARY OF OBJECTIVES**

This Strategy has six objectives. These are:

1. Waitakere is a high quality location to live, work and do business.
2. Waitakere has a strong sense of identity, and is recognised as a great place to live, work and do business.
3. Waitakere's economy is underpinned by strong industry sectors that contribute to a growing, sustainable and competitive economy.
4. Waitakere's current and future workforce has the skills and the capacity to participate in, and to meet the needs of a dynamic and innovative economy.
5. Waitakere enterprises embrace innovation as the key driver to add value.
6. New and existing enterprises experience a Council that is responsive to their needs and provides services that support them to establish and grow.

## **BACKGROUND**

### **The Waitakere Economy**

#### Size of the economy

The Auckland Regional Economy accounts for 35% of New Zealand's GDP. Waitakere's share of that is about 8%. There are over 11,000 businesses in the City employing 41,000 people. Job growth during most of the last decade has been strong, despite losses in the early 1990's and in 2000-2001 (due mostly to the loss of defence jobs). The average job growth rate in the last decade has been 3%, which is faster than the population growth rate of 2.3%. Job growth has been largely driven by population growth, but has outstripped population growth.

#### Economic Sectors

The largest employment sectors in the Waitakere economy are:

- **Manufacturing.** This sector accounts for one fifth of employment and nearly one quarter of local GDP, although it only accounts for ten percent of the total number of businesses.

Within the manufacturing sector the “machinery and equipment” sub-sector is the biggest employer. This includes parts of the marine sector. Petroleum, chemicals, plastics and rubber products; textiles and clothing; and food and beverages; are other important parts of the manufacturing sector in terms of employment and/or GDP.

- **Construction.** This sector accounts for 13% of total employment and is “over-represented” compared to the rest of the region – particularly with respect to construction trade services. In addition the economy has a strength in construction based manufacturing (timber, fittings, hardware etc) although this is harder to quantify because it is spread across sub-sectors.
- **Retail trade.** This sector accounts for 16% of total employment and is also over-represented compared to the rest of the region.
- **Property and business services.** These sectors account for 10% of total employment which is less than the regional share.

Waitakere City Council (through Enterprise Waitakere) supports an active cluster programme which is focused on the marine industry, the film industry, organic food and beverages, and to a lesser extent tourism. This is explained more under Objective Three.

## Business Size

The great majority of businesses in Waitakere City (88%) employ less than five people. 93% of businesses employ 9 people or less. Only 1% of businesses employ more than 50 people but these businesses account for 25% of total jobs.

## Local jobs

About 42% of the local workforce works in Waitakere City with the remaining 58% commuting out of the City each day. There has been little change in these percentages over the last decade. Although the Strategy aims to significantly increase the number of local jobs, there will always be a significant proportion of the workforce working outside the City.

## Economic Linkages

The Waitakere economy is part of the Auckland regional economy and has linkages both to the rest of New Zealand and globally. For example it is estimated that the gross flow of goods and services between the Waitakere and Auckland economies is \$2.6 billion. About 18% of Waitakere businesses import from overseas, while 12% are involved in exporting.

## The People of Waitakere

Waitakere is a “middle income” City. Although median household income is higher than the national average, it is lower than the regional average. Waitakere also has a more even distribution of income than other parts of the region. 50% of the population is classified as “middle income.” A recently developed “social deprivation index” indicates that Waitakere has few areas of the City classified as “most deprived” (10) but also few areas classified as least deprived (1).

Although the concentration of areas of poverty is not as high in Waitakere as it is in other parts of the region, it is very important that this Strategy delivers benefits for everyone including improving opportunities for those who are currently least well off.

Waitakere has a relatively young population and a high workforce participation rate. 69% of the population aged 15 or older are in the workforce – working part-time, full-time or unemployed. Roughly one third of the workforce are professional or technical workers, one third clerical and sales, and one third primary, trade or elementary workers.

## Sustainable Economic Development

Sustainable economic development is a critical component of the Eco City vision. The conventional approach is to trade-off economic goals against social and environmental goals. By contrast the essence of sustainable development is to follow paths that are

mutually reinforcing. The Strategy reflects a commitment to achieving economic goals whilst also contributing to better social and environmental outcomes. Examples of possible “win-win” outcomes linked to each objective of this Strategy are shown in the following table.

<b>Objective</b>	<b>Economic Outcomes</b>	<b>Social Outcomes</b>	<b>Environmental Outcomes</b>
1. High quality location	<ul style="list-style-type: none"> <li>• Attracts talent workers</li> <li>• Attracts businesses who need talent workers</li> </ul>	<ul style="list-style-type: none"> <li>• Art, culture, attractions, recreational opportunities all enhanced</li> </ul>	<ul style="list-style-type: none"> <li>• Urban villages reduce travel demand</li> <li>• High amenity</li> </ul>
2. Sense of identity	<ul style="list-style-type: none"> <li>• Attracts inwards investment</li> </ul>	<ul style="list-style-type: none"> <li>• Celebration of art, culture, diversity</li> </ul>	<ul style="list-style-type: none"> <li>• Quality environment a critical part of identity and image</li> </ul>
3. Strong sectors	<ul style="list-style-type: none"> <li>• Growth of high quality jobs</li> <li>• Economic multipliers</li> </ul>	<ul style="list-style-type: none"> <li>• More local employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for clean technology cluster</li> <li>• More jobs reduce commuter travel</li> </ul>
4. Skilled workforce	<ul style="list-style-type: none"> <li>• Workforce meets industry needs</li> </ul>	<ul style="list-style-type: none"> <li>• Unemployment drops</li> <li>• Incomes rise</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for skill development around clean technology</li> </ul>
5. Innovative enterprises	<ul style="list-style-type: none"> <li>• More high tech and creative jobs</li> </ul>	<ul style="list-style-type: none"> <li>• More local employment opportunities</li> <li>• Opportunities for local entrepreneurs</li> <li>• Opportunities for new enterprise structures</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for businesses to add value through a focus on sustainability</li> <li>• More jobs reduce commuter travel</li> </ul>
6. Responsive Council	<ul style="list-style-type: none"> <li>• Roadblocks to sustainable investment removed</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental standards explored</li> <li>• Innovative solutions explored</li> </ul>

## National and Regional Context

Economic development is currently a high policy priority at both the national and regional level. This Strategy is intended to effectively link to national and regional initiatives, and to ensure that Waitakere benefits from such initiatives.

In particular, central government's recent focus on "sustainable development" provides exciting opportunities for Waitakere. Waitakere has been committed to sustainable development for more than 10 years, however it is only very recently that this concept has been understood and applied at a national level.

## Growth and Innovation Framework (GIF)

In 2001 central government announced its Growth and Innovation Framework which provides a policy platform for lifting New Zealand's economic performance, particularly its growth rate. The framework has a strong focus on developing industry clusters, the use of ICT in business, commercialising research, and developing a strong culture of innovation and enterprise throughout society.

## Sustainable Development Programme of Action

The Sustainable Development Programme of Action was released by Government in January 2003. GIF has now become a core element of the Programme of Action which is intended to ensure that the country's development path is a sustainable one. Some of the principles of the Programme include:

- Decoupling<sup>1</sup> economic growth from pressures on the environment
- Considering long term implications of decisions (and taking a precautionary approach where there is risk and uncertainty)
- Seeking innovative solutions that are mutually reinforcing rather than accepting trade-offs.

## Auckland Regional Economic Development Strategy (AREDS)

In 2002 the Auckland Regional Economic Development Strategy (AREDS) was adopted. The Strategy framework has an outward focus, with the goal of connecting Auckland to the rest of the world. Participation in the global economy rests on a "Platform of exceptional people, cultures, environment and infrastructure." More recently the AREDS process has explored the concept of sustainable development, to ensure that the Strategy reflects those principles.

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<sup>1</sup> Decoupling means avoiding tradeoffs between economic growth and environmental quality.

## The Role of Council

The Council considers its main purpose in economic development as one of facilitating sustainable investment. This could mean taking on a variety of roles from presenting a business friendly face, to much more proactive involvement such as property investment. Information provision, provision of infrastructure, providing business training and support programmes, and marketing of the City are all valid roles for the Council. The main priority for the Council is to develop strong partnerships with business, community, and different levels of government, in implementing this Strategy.

## OBJECTIVES IN DETAIL

### OBJECTIVE ONE

*Waitakere is a high quality location to live, work and do business.*

#### Introduction

This first objective is about ensuring that Waitakere City has the infrastructure to support a thriving economy, as well as offering high quality urban amenity and attractions and an outstanding natural environment. These things help establish a Waitakere as a good place to do business, and can act as magnets for talent workers, while also improving the quality of life for all people of Waitakere. This objective is about **creating** a high quality location, whilst the next objective is about **profiling** the City as a great place to live, work and do business.

Objective One contributes to a wide range of outcomes and has strong links to other aspects of the Council's long term Council Community Plan including "Integrated Transport and Communication"; "Urban and Rural Villages" and "Green Network". Much of the Council's total expenditure contributes to creating a high quality location. This Objective is about leveraging as many economic benefits as possible from that expenditure.

Good quality, competitively priced, reliable infrastructure is a core requirement of business as the recent energy crisis has highlighted. All businesses rely to some extent on water and wastewater services; energy; telecommunications; and transport infrastructure (including roads, public transport, ports, airports etc). The possibility of a commercial airport at Whenuapai in the future would provide a major advantage for Waitakere as a business location. Other forms of infrastructure including housing and social infrastructure (health, education, community facilities etc) have direct and indirect benefits for the economy.

Town centre revitalisation and other initiatives to increase urban amenity are of direct benefit to business, as well as helping to create an environment attractive to skilled workers. Research by Richard Florida<sup>2</sup> suggests that talent workers are attracted to high quality urban environments, with plenty of recreation and leisure opportunities, a high quality natural environment, and tolerance for diversity. Businesses, in turn, are attracted to locations with plenty of talent workers.

Town centre strategies are not just about creating amenity. Achieving integrated mixed uses in town centres is critical to ensure an efficient and sustainable urban form. It is also particularly important for Waitakere because the City has less vacant business land than other parts of the region. Current trends indicate employment densities in Waitakere town

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<sup>2</sup> Florida, Richard, 2000 "Competing in the Age of Talent: Quality of Place and the New Economy", Report prepared for RK Mellon Foundation, Heinz Endowments, and Sustainable Pittsburgh

centres are decreasing, and it is important that these trends are reversed. An important part of implementing this objective will be increasing the supply of business land, through redevelopment and identification of new business land.

As well as supporting business, the scale of infrastructure development required across the region in the next twenty years will be a major source of jobs for the regional economy. Waitakere's strength in construction related industries makes it well placed to receive its share.

Council is a major provider in relation both to infrastructure and wider urban revitalisation and renewal projects. Council is, therefore, a large economic player in its own right and has the ability to strongly influence the economy, for example, by ensuring that it applies sustainability principles to its own developments. This is significant and has the potential to be the catalyst for the emergence of an environmental technology cluster and for sustainability to be applied economy wide.

## **National Initiatives**

### **What is Happening?**

- Central government's Sustainable Development Programme of Action has four priorities, three of which are directly relevant to this objective. These are water quality and allocation; energy; and sustainable cities.
- A national infrastructure review is underway to determine whether infrastructure is an impediment to business growth and development in New Zealand.
- Review of the Building Act, which is likely to result in changes to ensure higher quality median density housing. There are opportunities to influence the review to incorporate sustainable building practices and principles.

### **What is Planned?**

- National ICT strategy (already underway)
- Review of the Building Code following completion of the Building Act review.

## **Regional Initiatives**

### **What is Happening?**

- The Regional Growth Strategy which focuses on containing growth within the urban limits and increasing residential and employment densities in town centres and along transport corridors.

- The Regional Land Transport Strategy which supports this.
- ARC, ARTNL and Infrastructure Auckland planning for and investing in transport infrastructure including improved regional passenger transport. Britomart is due to open in July and plans are being developed for electrification of the region's rail system.

### **What is Planned?**

- Review of the Regional Growth Strategy in 2004/05.
- Development of a Regional Business Location Strategy, addressing land supply and infrastructure for existing and new businesses. This is an AREDS initiative but will likely form part of the Regional Growth Strategy review.
- Region-wide billions of dollars will be spent on water and transport-related infrastructure alone over the next 20 years. Total expenditure could exceed \$8 billion, having a huge direct and indirect impact on the regional economy.
- Through AREDS:
  - Encourage best practice in urban design to encourage vibrant, efficient, safe and healthy communities
  - Ensure continued access, protection and acquisition where appropriate, of the natural features which make the Auckland region unique.
  - Regional approach to arts and culture infrastructure development

### **Local Initiatives**

#### **What is Happening?**

- Negotiations with Government and crown agencies to protect the possibility of a commercial airport at Whenuapai in future.
- Negotiations with Government and crown agencies to enable development of a marine cluster at Hobsonville.
- Planning for future development of the Northern Strategic Growth Area, with economic development opportunities identified as the number one priority for this area.
- Active town centre revitalisation strategy, to improve the quality of town centres and achieve a mixed use urban village environment.

- Integration of Lincoln and Henderson areas providing the opportunity for businesses and landowners to work together on a common vision (instead of competing). Henderson now acknowledged as the centre of Waitakere City.

## What Other Actions will be Implemented?

1. **Advocate strongly for the Regional Business Location Strategy** to make provision for sufficient business land in Waitakere City. This must include new land as well as redevelopment of existing.
2. **Undertake further investment in Henderson and New Lynn town centres.** Despite active involvement by Council over the last ten years, both centres (particularly New Lynn) are still “at risk”. Priorities identified by Derek Kemp<sup>3</sup> are improving connectivity and linkages; investment in public spaces (art, gateway statements, improvements to street-town centre interface); and increasing the range of attractions. Council will need to play a more active role than in has in the past, to ensure redevelopment creates thriving, dynamic town centres that attract a range of people.
3. **Investigate models for active investment in town centres and other business locations** (e.g. land acquisition, amalgamation and redevelopment) to achieve high quality mixed use developments in town centres, and to encourage private sector uptake. For example if promotion of the Henderson Vineyard Business Campus does not result in the desired redevelopment, the Council should consider a more active role. This may involve utilising existing structures (such as Enterprise Waitakere and WPL) or creating new ones.
4. **Alongside town centre investment develop integrated implementation strategies to maximise commercial results.** A current perceived weakness in public town centre investment is that there is often insufficient follow through and a failure to leverage maximum private investment. This action will likely involve strengthening the role of Enterprise Waitakere in relation to town centre programmes.
5. **Continue to plan for development of the Northern Strategic Growth area,** and to ensure that options for its development to support Waitakere’s economy are not foreclosed. This may require strategic land acquisition in some locations.

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<sup>3</sup> Kemp, Derek, 2002, “Creating Prosperity in New Lynn: An Assessment of New Lynn’s Economic and Employment Prospects and Ways to Realise New Economic Opportunities”, Report Prepared for Waitakere City Council

Kemp, Derek, “Economic and Employment Report for Henderson Town Centre and Recommendations”, Report Prepared for Waitakere City Council

6. **Continue to advocate strongly for an effective rapid transit system** within the City, and between the City and other parts of the region.
7. **Continue to promote the development of sustainable, efficient infrastructure** (ICT, water, energy, transport etc) both in the City and across the region, recognising the importance of good infrastructure to business location, as well as the potential for construction of infrastructure to provide local jobs.
8. **Acknowledge the contribution of high quality living and working environments, and a range of recreation and leisure opportunities**, to economic development outcomes. For example there are a number of major projects planned or underway that will not only cater for a wide range of community needs, but which will also make the City a more vibrant and interesting place to live, work and play. These include:
  - Habourview Park
  - The Massey Leisure Centre
  - The Waitakere Stadium
  - Library developments at New Lynn and Henderson
  - The new Henderson Hub
  - Corban's art precinct

## OBJECTIVE TWO

*Waitakere has a strong sense of identity, and is recognised as a great place to live, work and do business.*

### Introduction

There is clearly a strong link between this objective and the previous one. Developing a strong sense of identity and a positive image are just as important as physically creating a good place to live, work and do business. This objective is of particular importance for attracting new business to the City, but also important for retaining the current base.

In the past the images associated with the City have been mixed. On the one hand the city's strong environmental stance, its quality natural environment, and its strength the arts have been recognised. On the other hand the "westie" image is often associated with crime, unattractive low cost suburbia, and declining town centres.

This objective is about finding ways to express the city's sense of identity so that it is seen as a credible business address and a desirable place to live. It is about carving out and communicating Waitakere's niche in the Auckland region.

What is happening at the national level is of much less importance for this objective than for any others; although New Zealand's clean green image is a helpful starting point for building a uniquely Waitakere image and identity. In the regional context, this objective is about being able to link into and gain benefit from participation in a regional marketing programme. Until Waitakere has developed a strong sense of image and identity it has little to gain from participation in such initiatives.

### Regional Initiatives

#### What is Happening?

- Tourism Auckland is involved in promoting the Auckland region to overseas markets. Waitakere does not currently fund Tourism Auckland because the benefits from doing so in the past have been limited.
- Competitive Auckland (now replaced by The Committee for Auckland) is involved in show-casing innovation and infrastructure in the region and providing a platform for business promotion.

#### What is Planned?

- Through AREDS – develop and implement an integrated marketing programme for the Auckland Region.
- Through AREDS – develop and implement an Auckland regional action plan to target, attract and exploit international events

## Local Initiatives

### What is Happening?

- Promotion of specific business opportunities within Waitakere City such as the Henderson Vineyard Business Campus at the northern end of Lincoln Rd.
- The City is host to a variety of events including “Trash to Fashion”, BNZ Waitakere Eco City Business Awards, the literary festival, the Pasifika living arts festival, swimming competitions and the upcoming Film Summit in July 2003.
- Corban’s art precinct and Lopdell house show-case a wide range of Waitakere artists, with an increasing level of support from Council.
- Active involvement by local artists in design of public places and buildings.

### What other Initiatives will be Implemented?

- 1. Undertake research into why businesses do not chose to locate in Waitakere.**  
This project will involve surveying a range of businesses that have started up in the Auckland region, but outside of Waitakere City, in the past few years. It will investigate why businesses have chosen their current locations and why they did not chose to locate in Waitakere. Results of this survey will be a useful input to the next initiative.
- 2. Develop a clear identity for Waitakere that reflects the values, aspirations, strengths and diversity of Waitakere and its people, and enables Waitakere to effectively position itself in the Auckland region.** This is not intended to be an advertising gimmick, or to replace the Eco City vision, but should be a genuine expression of what it means to live, work and do business in Waitakere Eco City. Development of this identity will enable a consistent image of the City to be portrayed in a range of fora.
- 3. Develop an events strategy to ensure that the City has a package of events that reflect the city’s strengths, cultural diversity and its Eco City vision.**  
Note that until the City develops more visitor infrastructure, that events are not expected to make a significant direct economic contribution to the city, but should make the City a more interesting place to live and work. This work should take

into account the AREDS work on a regional action plan to attract international events. (Note that this action will also contribute to Objective One).

4. **Undertake a feasibility study of the proposed Pacific Cultural Centre** at Corban’s estate. This should include possibilities for staging the centre development to minimise risk. Note that, as identified under Objective Three this work should take place in the context of a review of opportunities within the creative sector.
5. **Develop a best practice website for business in Waitakere.** The Waitakere City Council website should direct business users immediately to a state-of-the-art “e-gateway” of information of use to business in Waitakere. This needs to be developed other initiatives in this strategy, including the marketing strategy, incentive package, and information provision role.
6. **Develop a marketing strategy for attracting business to Waitakere.** This is likely to include a package of materials that could be used for promoting business opportunities in Waitakere City. It would contain information about the City and its economy, and outline the major advantages from doing business in Waitakere – including the incentive package offered by Council (see Objective Six).
7. **Recognise the importance of quality schooling** to Waitakere’s image as a good place to live, and to bring up a family. There are links between this objective and the Education Strategy outlined under Objective Four.
8. **Publicise business success stories in Waitakere** and continue to acknowledge and celebrate those successes (for example through business awards).

## OBJECTIVE THREE

*Waitakere's economy is underpinned by strong industry sectors that contribute to a growing, sustainable and competitive economy.*

### Introduction

Waitakere has a competitive advantage in the marine sector (boat building) and in film. It also has an emerging strength in organics.

The marine sector is a group of boat builders and suppliers specialising mostly in leisure craft. The core of the industry consists of approximately 45 firms employing 500 people. The industry is serviced by about 160 firms in sub-trades such as retail, raw materials and distribution.

The film industry is anchored by three film studios including South Pacific Pictures, which is New Zealand's largest domestic production house. Council has invested directly in the Henderson Valley studios which have been pivotal to driving growth in the sector. The supply relationships between the industry and Waitakere Businesses are extensive – for example the hospitality and catering industries, and rental vehicles.

The organics sector consists of 50 businesses in both Waitakere and Rodney, with 8-10 of these forming the core of a cluster. Most of the businesses are small but two employ more than twenty people.

These sectors, however, still account for a small share of total employment. The economy is also “over-represented” by businesses servicing the basic needs of a growing population – including retailing, and personal services. Whilst these sectors serve an important role, they are not likely to be the powerhouse of a dynamic innovative local economy.

Strong industry sectors, geographically clustered, can gain competitive advantage through:

- Sharing services such as warehousing, distribution, marketing etc thereby reducing costs. Also experience in the film sector indicates that as a sector develops, the support services such as lawyers and accountants tend to become specialised to the needs of the industry.
- Engaging in vigorous competition whilst also cooperating for mutual gain – for example joining forces to develop a new export market. This is known, as “competitive collaboration”.

Sometimes government can play a role in assisting industry sectors to develop the relationships and networks needed to realise these advantages. This is known as

“clustering”. Central government, through New Zealand Trade and Enterprise<sup>4</sup>, supports clustering as a tool within its “Growth and Innovation Framework”. AREDS also has a strong focus on clustering.

Nationally and regionally, the development of strong sectors is closely linked with promoting exports, and developing overseas markets for our exports. This is because sectors have been selected partly for their exporting potential. Film and marine, and potentially organics, are strong export earners. It is important that Waitakere has the opportunity to benefit from these initiatives.

Note also that the actions under all other objectives, will also contribute to this objective. Innovation, quality location, and skilled human capital are all key requirements for strong industry sectors.

## **National Initiatives**

### **What is Happening?**

- The Growth and Innovation framework (GIF) identifies six broad sectors, which are being targeted by government for support and development. These sectors are:
  - Biotechnology
  - Creative industries
  - ICT
  - Wood processing
  - Niche manufacturing (including super-yachts)
  - Other niche industries including food.

The first three of these sectors are the priority sectors.

- Most government economic development programmes are targeted at these sectors – including export support, cluster support, and R&D support. Support for the “Film Auckland” cluster (based in Waitakere), and the Waitakere/Rodney organics cluster, is as result of this sector focus.
- Research by Ministry of Economic Development into the “Environmental Technology” Sector to determine the current size of the sector, and opportunities for development.

### **What is Planned?**

- All above programmes likely to be further developed, with a greater focus on the “second tier sectors” (niche manufacturing, food, wood processing etc), as further research and investigation of these sectors is undertaken.

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<sup>4</sup> This is the newly formed government agency amalgamating Industry New Zealand and Trade New Zealand

## Regional Initiatives

### What is Happening?

- Through AREDS a preliminary group of industries with the potential to form export clusters was identified, building on work already undertaken by Competitive Auckland (now The Committee for Auckland), government, and TA's. These industries include all three major sectors targeted by government (bio-technology, creative and ICT) and:
  - Boat building
  - Education
  - Food and Beverage Manufacturing
  - Marketing and Business Management Services
  - Tourism
- Research has been carried out to identify current export activity in the region, and to develop criteria for defining and targeting export clusters. The region is now working with New Zealand Trade and Enterprise to consider how these results match national strategies.
- “Film Auckland” is one of the first AREDS “Go Now” projects. It is focused on four areas:
  - skills
  - regulatory best practice
  - a web-site
  - a film summit (to be hosted by Enterprise Waitakere)

### What is Planned?

- Through AREDS link into GIF to ensure sufficient resource allocation and effective implementation in the Auckland Region.
- Through AREDS “Establish a key export cluster programme”. The programme will cover a five year period and will focus on:
  - Developing detailed export cluster plans for each industry
  - Strengthening networks within each industry
  - Cluster development through technology transfer
  - Skill needs

## Local Initiatives

### What is Happening?

- Current focus through Enterprise Waitakere on the following sectors: film, marine, organics, tourism.

- **Film** – This is an Auckland Regional industry with a strong base in Waitakere. Enterprise Waitakere’s focus has been on assisting the establishment of studios in Henderson, and providing assistance through regulatory processes. The Henderson Valley Studios, in which Council has invested, are a major attraction to offshore interests, and have provided the catalyst for growth of the industry. Enterprise Waitakere has now taken a key role in the (AREDS) regional initiative (see above), using clustering to develop the sector, and will be hosting a film summit. Note that “Film Auckland” has also been supported by New Zealand Trade and Enterprise.
  - **Marine** – This sector has a strong industry network in place. The current focus is on securing opportunities to develop a marine precinct at Hobsonville. The key attraction of Hobsonville is deep water access with the ability to develop launch and retrieval facilities.
  - **Organics** – An initial report has been prepared by Enterprise Waitakere, on the Waitakere and Rodney organics sector, and the issues facing businesses within the sector.
  - **Tourism** – Currently Waitakere receives little benefit from tourism because it does not have facilities, such as visitor accommodation to capture visitor expenditure. This, coupled with concerns about the environmental effects of visitors to west coast beaches, has led the Council to reduce support to tourism over the last few years. The Council does support some local tourism initiatives, however, and Enterprise Waitakere has recently facilitated the development of a tourism industry association. This includes small operators who are passionate about Waitakere City and about the opportunities for niche environmentally sensitive visitor attractions.
- Increasing emphasis on a sector-based approach to delivering many Enterprise Waitakere programmes including BIZ programmes (in line with New Zealand Trade and Enterprise requirements).

## **What Other Actions will be Implemented?**

1. **Develop a sector strategy** which will include:
  - Criteria for identifying future sectors for support. These are likely to include:
    - Size relative of sector currently (critical mass)
    - Ability to contribute to Council’s overall strategic direction – Waitakere Eco City
    - Ability to create high quality jobs
    - Potential to develop a market “niche” (national or international)
    - “Fit” within the AREDS framework

- Fit within the GIF framework and the government’s Sustainable Development Programme of Action
      - Potential to benefit from tools such as “clustering”
    - Identification of sectors meeting these criteria. Note that “creative sectors” and “clean technology” have already been identified for further work (see below). “Health” is another sector with requires investigation. Waitakere also has relative strength in a range of other industries including construction and plastics.
    - Guidance on the type of support that the Council will provide to sectors. The current focus is on strengthening linkages and networks between stakeholders. More direct investment may be justifiable in some situations. Note also that the “incentive packages” identified under Objective Six will also be relevant to this work.
    - Measures to monitor the success of policies designed to support sectors.
    - Criteria for exiting or reducing support to sectors, when there is sufficient momentum for the sector to advance without support or if the sector “fails to fire”.
2. **Evaluate current sector-based programmes** with a view to strengthening these programmes. This should follow development of a sector strategy – or could form part of that strategy.
- **Film:** Next steps – options for building on existing sector such as expansion into post production.
  - **Marine:** Work with the marine sector to develop an Industry Strategic Plan to develop a globally competitive marine industry at Hobsonville. (Note that this assumes that the outcome of negotiations with the Crown is favourable).
  - **Organics:** Implement recommendations of initial research. This includes:
    - Develop a commercial cluster focused on small business growth and entering export markets
    - Develop networks and information sharing
    - Promotion and education
  - **Tourism:** Continue to support niche local tourism opportunities where they have a low environmental impact and contribute to the Eco City vision. Review this every 3 years and consider expanding support for tourism as more local facilities become available or if an airport at Whenuapai is confirmed.
3. **Evaluate opportunities within the “Creative Sector”.** (Note that this work should ideally take place within the context of an overall sector strategy if possible). This will include:
- Define the “creative sector” (there are several definitions available including one developed by NZIER and used by central government”).
  - Identify sub-sectors within the sector, in which Waitakere has a particular strength.

- Evaluate economic opportunities associated with these sub-sectors including synergies or linkages with other sectors in Waitakere.
- Evaluate other opportunities. For example the creative sector has significant potential to contribute to Objective Four “Waitakere is recognised as a great place to live, work and do business.”
- If clear opportunities are identified, develop a policy to realise these opportunities. Note that this should be guided by the Economic Development policy but is also likely to include wider social objectives.
- Evaluate the proposal for a Pacific People’s Business and Cultural centre at Corban’s within the context of the creative sector work and its findings.

**4. Evaluate opportunities to develop a “Clean Technology Sector”** within Waitakere City. (Note that this should also take place within the context of an overall sector strategy). This will include:

- Define the “clean technology sector”. Note that the Ministry of Economic Development has undertaken work that should assist with this.
- Identify whether Waitakere has existing strengths within any part of this sector. Note that Council’s own energy efficiency activities may provide a starting point for this. Ministry of Economic Development research should also assist.
- Evaluate economic opportunities associated with the sector (or sub-sectors within it) including synergies or linkages with other sectors in Waitakere. For example Waitakere has a strength in construction.
- Identify the catalysts for further development of the sector. For example this could mean giving higher priority to the formation of the “Sustainability Institute” identified in the LTCCP.
- If clear opportunities are identified, develop a policy to realise these opportunities.

## OBJECTIVE FOUR

*Waitakere's current and future workforce has the skills and the capacity to participate in, and to meet the needs of a dynamic and innovative economy.*

### **Introduction**

A highly skilled work force is critical to an innovative economy. Necessary labour force skills and requirements include:

- Professional and technical qualifications – both general and specific to industry requirements.
- Basic literacy and numeracy skills
- “Life-skills” including anything from leadership, motivation, communication skills and “having the right attitude”
- “Know how” or tacit knowledge – knowing how to make the connections to make things happen
- Capacity for life-long learning to meet the changing needs of enterprises

If people in the workforce have these skills they will be able to meet industry needs, as well as being able to satisfy their own economic needs.

Key issues for Waitakere include:

- The high number of school leavers with no qualifications. In 2000, 24% of school leavers left with no qualifications compared with 15.5% across the Auckland Region. Of most concern is the 39% of Maori school leavers without a qualification. This statistic is worse than for Maori in New Zealand as a whole, and is showing no signs of improving.
- Specific skills gaps. Preliminary research focused on a few industry sectors in Waitakere indicates a shortage of skilled labour in several professional/technical areas.
- A labour force heavily weighted towards non professional occupations, with only one third of the workforce classified as “professional or technical workers” – the other two thirds being in clerical, sales, primary trade and elementary occupations.
- The perceived poor quality of schooling in Waitakere – particularly at secondary school level. Despite concerted efforts to improve the image of some local schools, the perception still remains that Waitakere does not offer high excellence in education. This is a concern, because anecdotal evidence suggests that families with choices are leaving Waitakere to seek better education elsewhere in the region for their children.

Waitakere could choose to side-step these issues by attracting “talent workers” from elsewhere to live and work in the City. Objective Four is partly about becoming the sort of place that might attract talent. While attracting some talent workers would be beneficial to Waitakere, particularly in the short-term, this strategy would not be sufficient, on its own, to meet the City’s economic development vision. It is important that all people in Waitakere have the opportunity to benefit from the EDS – and this means focusing on “growing our own talent” as well as attracting talent from elsewhere. Objective Four is about “growing our own” and about ensuring that the skills of the workforce keep pace with the changing needs of our economy.

The new “Waitakere Skills and Employment Action Plan” is an innovative programme for human capital development in the city. The approach is “demand led” – identifying industry needs, and opportunities, rather than the more traditional approach of focusing on barriers faced by the long-term unemployed, and others with skill development needs. It involves Council and Enterprise Waitakere, central government agencies, industry and education and training providers. The approach taken in this strategy is to build on, and extend the influence of this project and the partnerships it involves.

## **National Initiatives**

### **What is Happening?**

- The Tertiary Education Commission (TEC) has developed a Tertiary Education Strategy with six goals, and six specific strategies within the overall strategy. These relate to improving the tertiary education system; raising skill levels including generic skills, specific skills and “foundation skills” (basic literacy and numeracy); education for Maori and for Pacific People; and strengthening knowledge creation, research and its uptake.
- Skill NZ (now part of TEC) offers a wide range of programmes including:
  - Gateway – providing senior secondary school students at decile 1-5 schools, the opportunity for structured work-based learning experience
  - Modern apprenticeships
  - A range of other programmes aimed at migrants, low skilled school leavers, work-based literacy etc.
  - Funding of over 40 Industry Training organisations which develop performance standards for education and training within each industry
- An Early Childhood Education Strategic Plan focused on increasing participation rates (particularly within groups with low participation rates), and improving the quality of early childhood education.
- A range of other programmes provided by various agencies including:
  - Skill enhancement of Maori and Pacific People

- Promoting ICT in schools
- Promoting the concept of “enterprise” in primary and secondary school education
- Department of Labour produces quarterly reports on skill shortages in New Zealand, and undertakes “Future of Work” research.

### **What is Planned?**

- Continuation of most of the programmes outlined above and progressive implementation of Tertiary Education and Early Childhood Strategies.

## **Regional Initiatives**

### **What is Happening?**

- Many EDAs service central government employment and training contracts, and work on specific initiatives and projects with central government and community agencies. Enterprising Manukau, Enterprise Waitakere and Auckland New Ventures are the most active EDAs in the region working on employment and training issues.
- Through AREDS a group has been established in association with the Tertiary Education Commission to consider tertiary education in the region. A Forum is planned for August 2003 which will focus on a range of issues including labour market needs research; Maori and Pacific People’s initiatives, liaison between schools, tertiary and training providers and business.

### **What is Planned?**

- Department of Labour to undertake more monitoring of skill shortages at a regional level in the future.
- Through AREDS – implementation of programmes aimed at fully utilising migrant skills.

## **Local Initiatives**

### **What is Happening?**

- “Towards Wellbeing”, a collaborative project between Waitakere City Council, government agencies and the community sector, has a strong emphasis on education as a key intervention, from pre-school through to tertiary.

- The new “Waitakere Skills and Employment Action Plan” is an innovative approach to human capital development focused on industry needs and on the transitions from school to training to work-place. It is a partnership involving Council, central government agencies, industry and education and training providers. For example, six schools in Waitakere have joined the national Gateway programme, and Enterprise Waitakere will broker 140 workplace placements in 2003 as part of this.
- Enterprise Waitakere carries out training programmes funded by Skill New Zealand (see “What is happening nationally”).
- Te Whanua o Waipareira provides a wide variety of programmes aimed at increasing skills and providing employment for Maori.
- Unitec is now operating in Henderson and has plans for expansion. As it expands it is likely to improve the range of courses offered at its Henderson Campus. Unitec is recognised as an important partner for the Council in a range of areas.
- Community Development initiatives such as the Ranui Action Project which are focused on training, leadership and information technology.
- Preliminary skills gap research undertaken by Massey University for WINZ, which has identified that business growth is inhibited by skill shortages in some industries in the City.

### **What Other Actions will be Implemented?**

1. **Continue to fully participate in the partnership-based approach** and to develop and implement the Waitakere Skills and Employment Action Plan. Next priority areas include migrant skills.
2. **Support “Achieving at Waitakere”** – a Ministry of Education funded initiative to raise achievement levels of school leavers.
3. **Develop an Education Strategy** which will define council’s role in education and in supporting life-long learning in Waitakere. The Strategy will include:
  - Schools – location, quality of education, image of schools
  - Tertiary facilities
  - Pre-school education. This will be specifically addressed through an Early Childhood strategy which will be linked to the broader Education Strategy.
4. **Actively pursue options for providing a variety of tertiary opportunities** in Waitakere – including working with Unitec and progressing the Wananga.

5. **Liase with Te Whanua o Waipareira** and support the programmes they provide.
6. **Continue to develop learning centres** such as the “Click it” centre developed through the Ranui Action Project, to increase access to and use of ICT.
7. **Implement a “Capacity Building” project** to build strong and effective organisations in Waitakere. The project will be targeted at community organisations, but will develop techniques that could also be applied to SME’s in Waitakere.
8. **Coordinate with national and regional initiatives** to improve skill gap research, focused particularly on the city’s key sectors.
9. **Link skill development programmes with sector support initiatives** to ensure that future skill needs are clearly identified and anticipated.

## OBJECTIVE FIVE

*Enterprises in Waitakere embrace innovation as the key driver to add value.*

### Introduction

The “New Economy” is a set of new sources of competitive advantage faced by all industries – speed, quality, flexibility, knowledge and networks, rather than a set of new industries. It is about applying knowledge and new ways of doing things to a wide range of products and services.

Encouraging a culture of innovation within Waitakere’s economy will help support the establishment and survival of new enterprises, as well as the growth of existing ones. Just as the City will focus on growing its own local talent, it will also focus on nurturing local economic opportunities.

One approach to this is “economic gardening”. The term “economic gardening” was coined by the City of Littleton, Colorado. It describes a deliberate policy to give priority to supporting local business, over recruiting or attracting business from elsewhere (“economic hunting”). Waitakere will seek to encourage and support inward investment where there are clear strategic benefits from doing so; however its main priority is to support local innovation and entrepreneurship.

In supporting local enterprises, it is important to recognise that not all businesses have the same growth potential, or are run by people with ambition to innovate and grow. Some small enterprises suit the life-style aspirations of their owners and others simply have limited growth prospects. United States research suggests that a mere 3% of enterprises are “gazelles” – high growth potential companies run by people with the right personality types to achieve rapid growth.

There is no comparable research for the Waitakere economy, however Littleton Colorado’s experience suggests that initiatives of most benefit to “gazelles” will also be beneficial to all enterprises.

Innovation is also critical to encouraging sustainable and environmentally responsible business in Waitakere City. “Natural capitalism” is about applying innovation to achieve radical changes in production processes, or in the nature of products and services, minimising resource flows and reducing waste – whilst enhancing long-run profitability.

While concepts such as “triple bottom line” accounting have helped highlight the importance of social and environmental responsibility, there is a shift towards “single bottom line sustainability”. The main difference is that sustainability becomes the key tool to create value, rather than a moral imperative which may also save money. And consistent with Natural Capitalism, innovation is fundamental to bringing about the required transformations.

## National Initiatives

### What is Happening?

- The Government's Growth and Innovation Framework (GIF) has a strong focus on innovation to increase the country's economic growth rate. The framework is about encouraging innovation at all stages of business lifecycles – from start-up, to expansion, to exporting. It has a focus on commercialising R&D, and on increasing “global connectedness” through foreign investment, trade and branding.
- The more recent “Sustainable Development Programme of Action” has as one of its principles, to seek innovative solutions (for example to environmental and economic issues) that are mutually reinforcing rather than accepting tradeoffs.
- A wide range of government programmes aimed at promoting enterprise and innovation including:
  - The national “Business and Enterprise Culture Programme”
  - Fast Forward programme targeting assistance to proven high performance companies
  - Venture Investment Fund (public and private funding)
  - Programmes targeted at cultivating an enterprising culture for Maori and for Pacific Peoples
  - Programmes to encourage the commercialisation of research
  - Incubator funding
  - Social entrepreneurs funding
- The Knowledge Wave Trust's “Innovation Wave” project.
- Project PROBE (Provincial Broadband Extension Project) – aimed initially at rural areas and schools. The intention is to bring broadband access to all schools in the Country while at the same time opening up opportunities for businesses and communities to improve their access to and use of technologies that depend on high speed telecommunications.

### What is Planned?

- Development of a national ICT strategy.

## Regional Initiatives

### What is Happening?

- Unitec's New Zealand Centre for Innovation and Entrepreneurship which is seeking to develop business entrepreneurs within New Zealand. The centre also conducts research for GEM (Global Entrepreneur Monitor).

## **What is Planned?**

- Through AREDS – link into GIF to ensure sufficient resource allocation in Auckland, particularly in ICT, bio-technology and creative industries – the three industries identified as priorities within GIF.
- Through AREDS – a range of initiatives still to be fully developed, with which improve local business networks – including Maori and Pacific People’s business networks.
- Through AREDS – develop a regionally coordinated approach to the incubator concept.
- Through AREDS – support programmes which identify and reward leading entrepreneurs from a wide variety of enterprise and cultures (e.g. regional business awards).

Note that these AREDS initiatives will be scoped and prioritised by June 2004 and there is an opportunity for Waitakere to influence these priorities.

## **Local Initiatives**

### **What is Happening?**

- The Eco City Business Awards is an annual event, run by Enterprise Waitakere, to recognise business excellence in Waitakere businesses. There are eight awards plus a supreme award. Award categories include innovation, exporting and environmental progress.
- The WestSmart Incubator was recently established in Henderson, by Enterprise Waitakere with Council and government funding, and support from Unitec and other sponsors. It provides furnished office space, and more importantly, access to mentors, networks, legal and accounting advice and resources for 8 businesses currently. It has linkages with Unitec’s Citrus (centre for information technology research). “First Step” which provides facilities for people to investigate business ideas, is currently being established.
- Development of a local ICT strategy, “Waitakere On-line” which has goals relating to widespread affordable broadband access to households and businesses. An initial assessment of existing broadband services has been undertaken, showing some parts of the City are well-serviced and other parts are not. Options for “future proofing” the City are being investigated. This is likely to result in a change to the code of practice, requiring provision for fibre optic cable in new subdivisions (for example).
- Marketing of the Henderson Vineyard Business Campus as suitable for high-tech, knowledge based industry.

## What Other Actions will be Implemented?

1. **Develop an “Innovation Strategy”**, which as a first step will enable Waitakere to link into regional and national programmes aimed at encouraging a culture of innovation. There are a number of initiatives already underway at a national level, and many planned at a regional level. Regional initiatives are yet to be fully developed and Waitakere can play a role in shaping regional programmes, as well as ensuring that it receives maximum benefit from national and regional initiatives.
2. **Develop a strong focus on innovation in clean technology** - both products and processes. This will include:
  - Investigate the development of a “clean technology” business sector (see Objective Three for more detail)
  - Expand the range of programmes designed to encourage sustainable business practices. The current “cleaner production programme” should form part of a suite of programmes to encourage business to create value through sustainable practices.
  - Investigate the establishment of a sustainability institute within the city.
  - Investigate the possibility of an eco business park, where companies co-locate to minimise material flows and/or to turn waste products into resources.
  - Continue to apply sustainable building principles to Council-owned buildings, and seek to constantly develop these principles.
  - Work with regional and national agencies to develop sustainable building standards for all new residential and commercial buildings.
  - Promote and participate in leading edge research and development, particularly in relation to “environmental sustainability”.
  - Investigate the establishment of a local venture capital fund, designed specifically to support clean-technology businesses.
3. **Link effectively with tertiary institutions**, such as the Centre of Innovation and Entrepreneurship at Unitec.
4. **Promote locally, nationally, and internationally the Council’s record in innovation**, its creative culture and its successes as an “incubator of excellence”.
5. **Seek out, nurture and support local innovators** and investigate new creative ways of doing this. For example consider setting up an internet chat-room for local innovators.
6. **Extend the incubator concept**, by setting up new incubators (for example in association with Unitec or combined with a sustainability institute) and expanding the range of services offered through incubators.

## OBJECTIVE SIX

*New and existing enterprises experience a Council that is responsive to their needs and provides services that support them to establish and grow.*

### **Introduction**

There is an increasing trend to target economic development services to key sectors within the economy to ensure maximum effectiveness (see Objective Three), but this is not always possible or desirable. Whilst the Strategy is particularly focused on developing strong industry sectors, and on encouraging a culture of innovation, the Council also believes that it is important to create an environment which is supportive of the needs of all businesses.

In part this means being responsive to businesses when they come into contact with council's regulatory arm. The Council has legal obligations to uphold environmental standards, and to ensure compliance with a range of regulations including the Resource Management Act and the Building Act. It can not compromise these standards, but it can assist business by clearly explaining requirements, providing a co-ordinated approach across council, and providing case management services if necessary. It is also important that the council's rules and requirements, allow for innovative ways of meeting environmental standards.

This objective is also about providing basic training and support services to businesses, both newly established and growing with a particular emphasis on SME support. This may include direct provision of services or linking into regional/national services – for example seed and venture capital funds. It also includes providing information about Waitakere and its economy, and assisting businesses with other enquiries they may have.

The different forms of support and assistance that Waitakere offers, can be combined to form an incentive package for businesses to locate in Waitakere. The Council considers that such incentives are important, and it may offer some form of financial incentive as part of its package of support.

Finally this objective acknowledges that Council is a key economic player in its own right, and can support local business through its purchasing decisions. It may also be able to influence the decisions of other public sector agencies. This does not mean that the Council is prepared to pay a premium for giving its business to local companies, but it may be prepared to seek out and help develop local suppliers in some circumstances. For example as the Council develops innovative and sustainable infrastructure solutions for water, it has been working with local suppliers to enable them to develop appropriate products.

## **National Initiatives**

### **What is Happening?**

- New Zealand Trade and Enterprise funded BIZ programmes which provide training, mentoring and support to small business.
- Central government research about New Zealand business and the factors affecting it. For example the Ministry of Economic Development has recently published “Firm Foundations”, based on a survey of nearly 3000 New Zealand businesses employing six people or more.
- New business website aimed at providing all the information needed on a wide range of compliance regulations. This initiative follows a report by the Ministerial Panel on Business Compliance Costs with 131 recommendations adopted by government.

## **Regional Initiatives**

### **What is Planned?**

- Through AREDS – provision of a single facilitation point for overseas visitors and businesses including, developing, maintaining and publicising an up-to-date information base on the Auckland region.
- Through AREDS – development of regionally consistent best practice regulation, service delivery to business through a regional taskforce.
- Through AREDS - Building relationships between local government and business at both the strategic and operational levels – for example through active involvement of local government in business forums.

## **Local Initiatives**

### **What is Happening?**

- Enterprise Waitakere successfully developed a “one-stop-shop” concept for the film industry, to facilitate and assist film companies in meeting their regulatory requirements.
- Council staff undertake this “one-stop-shop” role in relation to larger developments in town centres.

- Enterprise Waitakere runs a variety of programmes targeted at supporting business start-up and growth in Waitakere, including the BIZ programmes. These programmes are funded through New Zealand Trade and Enterprise or other central government agencies.
- Enterprise Waitakere responds to enquiries from prospective investors, provides advice and helps connect them with others who can help meet their needs – for example for venture capital, land, or training.
- Council gives preference to local suppliers in its own purchasing decisions, where they are price and quality competitive. Council also works with local suppliers to assist them develop products that will meet Council requirements. Further work is being undertaken to assess the feasibility of extending this concept.

## **What Other Actions will be Implemented?**

1. **Develop an Incentive Package to attract new investment to Waitakere City.**  
This could include attracting a business to relocate to Waitakere, growth of an existing businesses, or new business start-ups requiring significant investment. The Incentive Package is likely to include a range of tools with the flexibility to allow the package to be tailored to individual investor requirements. Financial incentives are not expected to form the main component. Components could include:
  - Facilitation through resource consent/regulatory processes.
  - Assistance with identification of suitable land – or with assembly of parcels of land to form a suitable site.
  - Some form of financial incentive may be a possibility.
  - Provision of infrastructure or other facilities of assistance to the business, but also supporting a wider business base. For example the purchase of the cool stores in Henderson for the film studio.
  - Profiling of the business through the Council business website or through other means.
  - Assistance with recruitment or funding for work-based training to develop specialised skills.
  - Working with business to assist in product development for supply to Council or other public sector agency (e.g. sustainable building or infrastructure).
  - Services offered to the business as part of Council’s sector-based support.
  - Access to Council programmes aimed at promoting sustainable business practices, and assisting businesses to add value through a focus on sustainability.
2. **Facilitate investment by co-ordinating business contact with Council processes,** and by championing investment proposals. Council will ensure that it presents a responsive and business friendly face while upholding environmental standards.

3. **Ensure that Council's regulatory and other processes support** innovation and do not unnecessarily impede business and economic processes.
4. **Undertake a review of Council's purchasing and contracting policies**, to explore opportunities for achieving wider economic benefits for the city through these policies. This could include developing closer relationships with local suppliers, or encouraging key suppliers to relocate in the city. As a first step it would be useful to undertake an analysis of current contracts to determine the level of local labour and materials used.
5. **Undertake a review of services provided to SME's** within Waitakere. This review will be led by Enterprise Waitakere who will be asked to provide advice on how the effectiveness of existing services could be enhanced, and to identify new services that could be provided. Initial discussions with Enterprise Waitakere have revealed possible opportunities around networking and clustering for small businesses, and around joint purchasing schemes.
6. **Expand Council's economic research and information provision role** so that the Council is well informed about the local economy and the main trends and factors affecting it. This will enable future policy development to be effectively targeted as well as providing investors, directly or through Enterprise Waitakere, with information that will assist investment decisions. This will also include undertaking further work to improve the indicators and measures used in this Strategy.
7. **Ensure local suppliers/contractors can participate in regional infrastructure construction.** The construction sector is strongly represented in the Waitakere economy, and given the large scale of infrastructure investment expected in the next decade, it is well-placed to benefit. Council may be able to facilitate this by identifying particular skill requirements in advance, or supporting groups such as Te Whanua o Waipareira to win non-Council contracts.

## HOW WILL THE STRATEGY BE MONITORED?

Measuring the success of an Economic Development Strategy is challenging, because there are so many factors that can influence success, many of which are outside the control of local government. Also many of our traditional economic measures have weaknesses. For example, the traditional measure of economic growth is GDP. However GDP is not a complete measure of economic well-being because it does not measure how wealth is distributed, and money spent on “unproductive activities” such as pollution clean-up adds to GDP. Another issue is that some measures can be interpreted in different ways. For example if there are skill gaps in the economy this could be because the workforce is poorly trained, or because certain sectors are growing so fast that it is difficult to keep up with demand for some skills.

More work is needed to develop robust measures of success. The preliminary approach taken in this Strategy is to use four overall measures and one or two indicators for each of the six objectives. These indicators will be further developed and modified as part of the Strategy implementation.

### Overall Measures

Measure	How Measured
1. Increase in local jobs is greater than the rate of increase in the Waitakere labour force.	The number of full-time equivalent jobs will be measured by the Business Demographic Statistics (SNZ) and the labour force growth rate, by the five yearly Census of Population.
2. There is an increase in the percentage of people both living and working locally in each census period.	This will be measured by the five yearly Census of population. In 2001 42.5% of the city’s resident workforce, was employed locally.
3. Median household income in Waitakere City grows at the same rate or faster than median household income in the Auckland Region as a whole.	This will be measured by the five yearly Census of Population.
4. Waitakere’s contribution to GDP (economic output) grows at the same rate or faster than the Auckland Region’s contribution to GDP.	<p>Infometrics supplies this information on an annual basis.</p> <p>The way this measure is worded assumes growing GDP. If GDP declined in any period this measure could be reworded so that Waitakere at least retains its share of regional GDP.</p>

## Other Measures/Indicators

Objective	Measure	How measured?
1. Waitakere is a high quality location to live, work and do business.	<p>City businesses consider that Waitakere is a city that has the infrastructure and services to meet business needs.</p> <p>Waitakere residents consider that Waitakere is a great place to live, with high levels of amenity and many attractions.</p>	<p>Bi-annual business survey. There are a range of questions in the current survey that could be used to monitor this.</p> <p>Again there are a range of questions in the annual household survey that could be used to monitor this.</p>
2. Waitakere has a strong sense of identity, and is recognised as a great place to live, work and do business.	Businesses in the Auckland Region consider that Waitakere is a “credible business address.”	Will require a new survey.
3. Waitakere’s economy is underpinned by strong industry sectors that contribute to a growing, sustainable and competitive economy.	Evaluation of Council’s expenditure on sector support finds that net benefits are positive.	<p>Will require evaluation similar to the town centre evaluation undertaken in 2002 by MacroPlan.</p> <p>Note that other indicators will be developed following the completion of NZTE<sup>5</sup> work on evaluating central government sector support.</p>
4. Waitakere’s current and future workforce has the skills and the capacity to participate in, and to meet the needs of a dynamic and innovative economy.	<p>The percentage of school leavers in Waitakere, leaving school with a formal qualification, increases.</p> <p>Skill levels and qualifications of the Waitakere resident workforce, across all age groups, increases.</p>	<p>Ministry of Education annual data on qualifications of school leavers.</p> <p>This is an aggregate indicator which will be measured using a variety of different information sources</p>

<sup>5</sup> New Zealand Trade and Industry

<p>5. Waitakere enterprises embrace innovation as the key driver to add value.</p>	<p>Waitakere City continues to exceed the New Zealand average rate of entrepreneurship.</p> <p>Waitakere businesses receive increased share of national recognition for innovation through business awards, for example.</p>	<p>This was measured through the Global Entrepreneur Monitor (GEM report) in 2002. GEM is an annual study. The Council would need to request that Waitakere was measured again in the future.</p> <p>More work is needed to determine how this should be measured. There are a range of government awards and programmes that could be included – such as NZTE’s “Fast Forward” programme which is aimed at high performing companies.</p>
<p>6. New and existing enterprises experience a Council that is responsive to their needs and provides services that support them to establish and grow.</p>	<p>City businesses view the Council as business friendly and responsive to business needs.</p> <p>Businesses in Waitakere are aware of training and other programmes offered to SME’s, and consider them useful.</p>	<p>Bi-annual business survey. There are a range of questions in the current survey that could be used to monitor this.</p> <p>The Bi-annual business survey includes a question that could be used to monitor this. Note that this measure should be further developed to monitor the perceived effectiveness of these programmes. However further work on SME support is required first, as discussed under Objective 6 in the Strategy.</p>

## ABBREVIATIONS

ARC	Auckland Regional Council
AREDS	Auckland Regional Economic Development Strategy
ARTNL	Auckland Regional Transport Network Limited
BIZ	The Brand name of the national Government's small business training programme
Broadband	Refers to high speed internet connections
EDA	Economic Development Agency (for example Enterprise Waitakere)
EDS	Economic Development Strategy
EW	Enterprise Waitakere
GDP	Gross Domestic Product
GPI	Genuine Progress Indicator
GEM	Global Entrepreneurship Monitor (a global survey)
GIF	Growth and Innovation Framework (central Government)
GPI	Genuine Progress Indicators (alternatives for GDP being developed)
ICT	Information and Communications Technology
LTCCP	Long Term Council Community Plan
NOSGA (NORSGA)	Northern Strategic Growth Area
NZIER	New Zealand Institute for Economic Research
NZTE	New Zealand Trade and Enterprise (replaces Industry New Zealand and Trade New Zealand )
PROBE	Provincial Broadband Extension Project
R&D	Research and Development
SME	Small and Medium Enterprises (generally in New Zealand taken to be less than 20 employees)
SNZ	Statistics New Zealand
TA	Territorial Authorities (City,. District and Regional Councils)
TBL	Triple Bottom Line (financial, environmental and social reporting)
QBL	Quadruple Bottom Line (financial, environmental, cultural and social reporting)
TEC	Tertiary Education Commission
WE	Waitakere Enterprises
WEST	Waitakere Education Sector Trust
WINZ	Work and Income New Zealand
WPL	Waitakere Properties Limited
The Committee for Auckland	A not-for-profit private sector organisation formed earlier this year as an evolution from the structure of <i>Competitive Auckland</i> .