

# **Council**

**Wednesday, 28 March 2007  
Commencing at 5.30 pm**

**REPORT OF THE MAYOR**

**SUPPLEMENT TO THE AGENDA FOR A MEETING OF THE COUNCIL TO BE HELD AT  
WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,  
ON WEDNESDAY, 28 MARCH 2007, COMMENCING AT 5.30 PM.**

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**PART B - REPORT OF THE MAYOR**

**THE (REALLY) BIG PICTURE**

By now you will all have been impressed with just how big the new film studio is going to be and I am sure everyone passing the construction site will be too. It really is gigantic, and its size and presence signals the firm cementing of Waitakere's position as a 'must be there' for the film industry. Indeed the structure is as gigantic as the impact the film industry has locally. I've been doing some research into the current status and potential effect of the Waitakere film industry and the information makes incredibly interesting and dynamic reading.

But firstly I want to tell you about my invite last week to watch the filming of the new Narnia film, *Prince Caspian*. I was in awe of the production. The film's external shots are being done in the South Island and the crew had just returned from a particularly bumpy week - gales and high winds had caused enormous disruption to the filming, so they were pleased to be back in Waitakere for interiors. The shooting in our main studio was around a massive crypt - as big as Westminster Abbey crossed with Saint Peters in Rome. Absolutely huge. We met the cast, who are well known to us from the first episode (*The Lion, the Witch and the Wardrobe*) in the series. Now they are all world famous and the director is again our Academy Award winner, Andrew Adamson. The atmosphere in our studios while a big production is happening is truly electric. And what is also surprising is the number of people involved in the production. Around 300 Andrew told me and that's serious people power. This is what a production of this size creates.

But back to my research. Annual global revenues exceed \$90 billion. The industry employs more than 2.5 million people worldwide, with a high proportion of these in highly-skilled, high-paying jobs.

Nationally, film and television make a significant contribution to New Zealand's economy and export earnings. Statistics New Zealand's first Screen Industry in New Zealand survey (published in November last year), shows a gross revenue of \$2.6 billion in the 2005 financial year. Production and post-production services was the greatest contributor, earning \$1.3 billion, with television broadcasting earning a further \$1 billion. The number of businesses engaged in the screen industry totalled 2,085 and of these 506 were production companies and 1,579 independent contractors. Thirty businesses received individual gross revenue of more than \$10 million.

The value of the screen industry to New Zealand is comparable to those of the forestry and logging, and the horticulture and fruit growing industries (\$2.8 billion).

Television programme production was the dominant sub-sector in the industry, with 1,125 businesses. However, the feature film and short film sub-sector was the largest revenue earner with \$698 million of revenue.

The USA's \$521 million spend was the largest revenue contribution to New Zealand production companies, with domestic sources also contributing \$365 million.

As at 31 March 2005, there were 5,403 people actively employed in the New Zealand screen industry and 1,322 in contracting businesses.



The Ministry of Economic Development says the industry provides significant economic benefit to the country. For example, last year the government provided \$75 million in grant payments for large offshore production such as *King Kong* and *Narnia*, which saw a direct spend in this country of about \$650 million, and that's a pretty damn good return on investment.

Anecdotal evidence shows there are no signs of any decline in the sector. Indeed it is forecast to continue growing. Of course no-one can quantify the significant spill-over effects on our tourism industry and in the expression of our national identity from these sorts of films, but the '*Lord of the Rings*' effect is, at the very least, being sustained.

A report to cabinet in early 2006 by the Minister for Economic Development, Trevor Mallard, told of an independent economic impact assessment which concluded large budget screen productions over the previous two years provided the following inputs into the country:

- \$363 million direct cash injection into the economy;
- Additional economic growth in the range of \$119 million to \$227 million; and
- Indirect benefits ranging from \$10 million to \$34 million.

Further anecdotal evidence says the screen industry is stable, and while the work is often transient and project-based, it is generally considered a well-paid industry with salary and wages of \$277 million.

The Auckland region has been, and is likely to remain, the principle base for the industry. It is home to 70 percent of New Zealand's screen production activity. More than 3,300 people are employed regionally, 65 percent of all employment in the screen production industry. The 872 registered business units represent 52 percent of the national total and strong growth in the region has seen an increase in employment numbers by 55 percent over the 1997 to 2003 period.

And so to Waitakere and the sweetest news. After much research and analysis, based on production budget numbers supplied by the industry and a bit of guesstimate work because of the confidential nature of the industry, my team estimates the value of productions in our City to be getting up near the \$100 million a year mark. Yep, you read right - \$100 million a year. Amazing isn't it? Who would have thought? That's about as much as the local wine and tourism industries, so it's right up there in terms of our history and our present and clearly is very much our future.

We have three studio complexes pumping fulltime, but some of the really big international dollar earners were not coming because we didn't have a state-of-the-art sound stage. And that's what the new studio is all about. In a strategic sense, the sound studio diversifies the film product capacity in that it provides facilities that would be suited to large film productions, but it also increases capacity for television and commercial products.

The new studio, which is due to be finished in August 2007, is expected to pull in a rental income of \$50,000 a week if full. Total cost is around \$7 million, with \$1 million from New Zealand Trade and Enterprise's Major Regional Initiative Fund. It is expected to boost Auckland's GDP by around \$30 million up to 2010 and provide additional full-time employment for around 250 people. Every dollar spent by the production industry in Auckland generates a total of \$0.88 GDP for the region.

The extra activity, over time, should increase the profitability of local businesses and the incomes of business proprietors and employees. Some proportion of these additional incomes will be reinvested in residential and non-residential property in Waitakere and ultimately enhance our rating base. Increased demand for and value of production from the facility will be a benefit to the investors and to the locality through increased business for suppliers.



But I'm getting ahead of myself. Those benefits, while exciting, are still in the future. What about the here and now? Well, finding out the economic impact of the film industry locally is not easy. The industry keeps its cards very close to its chest and a huge amount of the information around budgets and spend is confidential. The Statistics New Zealand survey does not show Waitakere as a single entity, rather part of the Auckland scene and unfortunately no-one has done an economic impact report on a particular film as they did in Taranaki with *The Last Samurai*. I wish someone had though, because that report shows an approximate \$85.5 million spend in New Zealand. Of the total, an estimated \$50 million (or 58 percent) was determined to have been spent in the Taranaki region.

Positively Wellington Business gives the Wellington regional economy as \$250 million over 10 years if it can attract one mid-range movie every two years and \$650 million if it can attract a big budget movie every two years.

Waitakere may not have had *The Last Samurai* or *King Kong* but we certainly have our own success stories. I spoke to Trevor Haysom about *In My Father's Den* and, while he was talking ball park figures, I was very interested to hear the budget was around \$7 million, with a \$5 million spend in New Zealand and with up to 30 percent of that spent directly in Waitakere.

Let's look at *30 Days of Night*. I've deduced rental costs for the Henderson Valley Studios were around \$1 million. Not bad eh? If full, the studios bring in \$100,000 a month - that's \$1.2 million a year. And that's not bad either. On top of that, Waitakere Enterprise approved 137 filming applications last year. That equates to 151 filming days, which is worth around \$34,000 in licence fees.

Let's say *30 Days of Night* spent \$20 million on New Zealand production, which covered crew and cast fees, equipment suppliers, service vendors, location fees, etc, and it was pretty much all spent in Waitakere. Local business Hirequip got \$300,000. Another hire place got \$30,000. To Henderson Wood Machinists, who supply timber for the sets, etc, the film industry is worth about \$100,000 a year across the board, and yet another business says the film industry is about 90 percent of its business, with a \$600,000 a year turnover. For one local company, *Narnia* meant \$1 million. Yet another source says that while there's no 'hard' economic data, in its first two years of operation it is estimated projects using Henderson Valley Studios were worth \$64 million per annum to the economy and provided 350 full-time jobs.

The privately-owned Studio West in Glen Eden has been fully booked with *Power Rangers* for the past five years and turns away two requests a week which, if the requests pertained to 'movies of the week', would be worth approximately \$40,000 to \$50,000. More and more industry people have made Waitakere their home and the spin off to this is that most small businesses are doing extremely well. Studio West says Glen Eden Township has never been busier.

Simon Bennett at South Pacific Pictures (SPP) kindly ran some numbers for me. As you know, SPP does film and television production, mainly in Waitakere, and for the past three years have been involved with *Shortland Street*, *Outrageous Fortune*, *Madigan's Quest* children's series, *Sione's Wedding* and a tele-feature in conjunction with the United Kingdom. The company has a feature film, with the working title *Be Very Afraid*, about to go into production.

Let's drill down into the *Shortland Street* neighbourhood (95 percent of which is filmed in Waitakere)! The popular TV2 programme involves five days a week of filming, with shooting lasting more than 10 hours each day. Filming goes all year, except for a three-week break at Christmas. Around 80 people, including actors, are employed and the cast and crew get paid approximately \$8 million. Yep, \$8 million. For *Outrageous Fortune* that figure is approximately \$5 million, with 60 people employed. The show's catering bill for its nine-month shoot is around \$250,000, transport costs around \$350,000 and equipment hire \$700,000. All that money is spent in the local economy. The location fees for *Shortland Street* and *Outrageous Fortune* are at least \$400,000 a year and there's also spending on script writing and development.



By now you will be getting the big picture. Film is incredibly important to this City and this City's economy, and I am delighted the new studio is underway because it's a real commercial and tangible economic package with the Tay Group. I've got to know Tony Tay over the past year and he is an extraordinary entrepreneur, passionate about Auckland and its potential for development. He loves the movie business and all that it can bring to this country and this City.

In the year ahead I will be working with Council officers to develop new players. Korea seems very interested and is interesting in terms of global film making, and it is important the trend for film continues to develop. There is of course new and amazing technical achievements that I intend to pursue around the film industry, because I am not happy simply with studios. I am hell-bent on creating a movie industry complex around the Henderson / Keeling Road area. I believe we should be seriously pursuing industry players such as digital, special effects, animators, editors, script-writing facilities and also editing suites. In Auckland there is only one small editing suite and that's crazy - and it should be here in Henderson. So I am laying out for you in this report not only the massive success story that is already ours, but also a challenge to bring a total film city into being. It cannot be that hard, because we have done the homework and the platform and baseline is already there. I am interested in Councillors giving me feedback on this issue, as well as their support to an economic charging-up of our film future. Thank you to all the people in and around the industry that helped in the compilation of this report. I really appreciate the time and effort you put in.

## **CITY FOR PEACE**

What a momentous day 8 March 2007 was - for Waitakere and indeed the world. Our unanimous decision to declare ourselves a City for Peace was an important part of smart city management. The move sees us build on our eco and safe-city agendas and we join the increasing number of Peace Cities around the world. It's vital a city and its council focus on positives, on solutions, on non-violent methods of solving conflict. Too many New Zealand cities are becoming more dangerous and unsafe and here in Waitakere we are prepared to do something about it. We've already nailed graffiti and we will continue to work hard to eliminate other signals of a non-peaceful society. We are sending a very positive message to youth, and that's important given Waitakere is one of the youngest cities in the country. As a Council we are acting as the 'glue' for a peaceful future for our younger generation.

I know some people might perceive our move as merely words, but it's not just words. All successful causes start with a vision and an invitation to other people to share it. Our next step is to create, in conjunction with our community, a programme and action plan of practical ways to make this vision a reality, starting with a commitment to build on the many initiatives already underway in Waitakere.

I was particularly proud, at the 8 March 2007 meeting, to be able to table dozens of letters from mayors and others around the world supporting our initiative. These people absolutely see that Waitakere's vision is for a better New Zealand and it adds to our mantle of worth. This is about hope for the future, and we can wear this with enormous pride because it will be a great benefit to this City. It's about making a positive affirmation that we can make a difference. I look forward to the initial launch in June 2007, which will coincide with the 20<sup>th</sup> anniversary of New Zealand becoming nuclear free.



## LEAKY BUILDINGS AND THE FUTURE

I am sure our sigh of relief when RiskPool decided not to appeal the court decision in favour of Colleen Dicks was heard all the way to Hobsonville, the site of her leaky home. But while we might have been able to 'let go' momentarily, the problem is still very much with us and it's not going to go away any time soon. As you know, I requested that RiskPool and the Minister of Building Issues, Clayton Cosgrove, be invited to the March Mayoral Forum and thankfully that happened. However, we didn't really get that much joy and a meeting with the Prime Minister and the Minister of Finance in the near future is being arranged.

I would like to signal that this issue needs a major government initiative. I have spoken with colleagues on the options available and while clearly there would need to be some strategic throughput into this, I was thinking along the lines of a 'commission of inquiry'. It needs to be that big because the problem's so big. A commission or something similar would, I think, be able to stand back and trace the history of this nightmare, and it seems to me that some of the earlier reports just don't go far enough in terms of responsibility and the go-forward. I am pleased the government has appointed four new people to the Weathertight Homes Tribunal, which begins operations next week. The tribunal was already stacked with impressive names and reputations, so that's good.

So why am I a little cynical about our meeting with government? Well firstly because it is the government and it very much wants to distance itself from the very word leaky. But the government cannot and must not be let off this hook. Just look at this hook. The cladding problem which caused the leaky building issue was addressed by the steps taken by councils to require cavities on all buildings after December 2003. So we've got a 10-year problem to worry about, of which three years have already passed. The number of claims nationwide for the first three years was 3,800. So after doing the maths, that means after 10 years there's likely to be 12,750 claims, but let's say 12,500 less certifiers. If the average repair cost is \$100,000 (which is the low end of the range, based on current figures) and you multiply \$100,000 by 12,500 cases, there's a repair bill of \$1.25 billion. If you use the high-end repair cost of \$200,000, the bill is \$2.5 billion.

RiskPool estimates that on the basis of the local authority share of settlements to date, and the costs incurred in processing and settling claims, the total bill to local authorities and their ratepayers could be \$620 million as an absolute minimum. Waitakere has something over 10 percent of the claims presently with the Weathertight Homes Resolution Services.

As I've said before and I'll keep saying, the government has got to come to the party on this one. Maybe it will when a tragedy of shocking proportion occurs. As Mayor Hubbard mentioned at the recent mayoral forum, it's only a matter of time before a group of partygoers in flats or apartments, standing on a balcony, create another horrific Cave Creek. And as was also mentioned, in a few years there will houses and buildings that will simply have to be condemned, families and companies relocated. These scenarios simply don't bear thinking about.

## WAITAKERE ON THE INTERNATIONAL STAGE

*MI* I know I am constantly reminding people that Waitakere does play at a global level, but it's always nice to be able to offer up proof. And so I attach, at page M1, an article from Britain's very popular Constabulary magazine, featuring our story and journey from Struggle Street to a world leader in sustainability. My contact at the magazine is also hoping to have the article published elsewhere in Britain. I think we can all be very proud of this international publicity.



## **MILESTONES**

### **Joseph Paul Marinovich**

It was with much sadness we heard the news of Joe's passing on 23 February 2007, at the age of 81. Joe was the eldest son of the late Mate and Kate Marinovich, the leading pioneer Oratia orchardists. Joe went to Oratia District School and after finishing school at around the age of 12, he went to work on the family orchard in Carter Rd, where he lived for 74 years until he and his wife Joyce shifted to Midhurst Avenue in Henderson in 2000. The funeral was held at Davis Funeral Home in Henderson, followed by a private family burial at the Oratia Cemetery. It was Joe's 15 year-old grandson Martin who delivered the eulogy.

Joe had a dry sense of humour and was methodical, deliberate and honest. A very kind man, Joe helped many family members throughout his lifetime. He was highly respected by all and was a member of the Oratia Fruitgrowers' Association his whole life. He played bowls at the Oratia Bowling Club for more than 30 years. Joe and Joyce had three children - Mate, Kathleen and Noeleen. Joe retired from actively working and running the orchard in 1984 when he and Joyce enjoyed a trip to Europe and a visit to Marinovich Village in the former Yugoslavia. Joe will be sadly missed, and our condolences go out to Joe's family and friends.

### **Congratulations**

Congratulations to Nick Schouten, who received a Te Atatu Lions Club Community Award last month. Nick was one of five people in Waitakere to receive the award and I supported his nomination. Nick plays an integral part in Sport Waitakere's success and it is just wonderful to see him recognised for his hard work and dedication.

### **Congratulations # 2**

Acknowledgement must be made of Tony Jameson's 24 years as, by all accounts, the country's longest-serving principal. He's been at Rangeview Intermediate all that time and this year will also mark his retirement in June. When Tony was posted to Rangeview by the Education Ministry in 1983 he said he didn't know much about the area, but that people spoke highly of the school and the community. Of his retirement, Tony says he will always have fond memories of Rangeview, that he's enjoyed the children and that every day at the school was different. Thanks for all your hard work and commitment Tony, and we hope you have a wonderful, well-earned retirement.

## **WAITAKERE ENTERPRISE**

Enterprise Waitakere is now Waitakere Enterprise. The new office, new brand and new programmes were launched last month. In doing so, Waitakere Enterprise is now firmly positioned as a credible member of the professional business services' sector.

Waitakere Enterprise is a brand and an organisation with attitude - proud WEsties, powerful ideas and an attitude of no sWEat - and a bright future. The Powerful Ideas for Business Series, launching in March, is the first of its kind in New Zealand and has attracted a lineup of business expertise not seen before in Waitakere. The Waitakere Business Club has attracted New Zealand's most prominent economic-thought leaders. The Waitakere Business Awards are the first in New Zealand to boast a \$100,000 prize pool. The young enterprise scheme is one of only two to have a venture capital fund for young people - our very own Dragon's Den. Bob Jones - eat your heart out.

It is great to see these results of the increase in funding and long-term commitment this Council has made to Waitakere Enterprise. Council too, has been part of the transformation by committing to our A-list that all resource and building consents will be delivered on time.



We need more of this bold thinking. The economy is slowing, largely due to the well-documented shortage of land and skilled labour. It is not only about the land, but the quality of development and jobs on it. We must continue to work hard and focus on the economy, our businesses and the skills of our community, as a critical challenge and priority.

## HIGHER GROUND OPENING

It was with real pleasure I joined the Prime Minister on a scorching day in Te Atatu Peninsula to formally open the new Higher Ground facility. While there was a huge amount of public opposition to the establishment of this drug and alcohol rehabilitation residential complex, the team at Higher Ground pulled out all stops to keep everyone informed and to allay any misguided fears people had. There was a huge turnout on the day and a real sense of achievement. Needless to say the Prime Minister was impressed, and she was very complimentary of the fact that Waitakere City Council supported the all-important initiative.

## MAORI MUSIC AT PARKS

This was an absolutely fantastic event, and I copy below a thank-you email from Project Manager, Billy Te Kahika, aka Billy TK Junior.

*“Tena Koutou Katoa*

*Firstly, a big thank you to you all for your help and support of the first Maori Music At Parks event and in particular to Waitakere City Council for showing leadership in programming this event.*

*Despite the weather on Sunday March 18 we had at least 500 people come out and both TVNZ and Maori Television did cover pieces of our event which is outstanding acknowledgment of the city and Maori Music At Parks.*

*A big thank you to Councillor Linda Cooper for attending the event and to Kaumatua who braved the elements to show their support.*

*I would also like to acknowledge Ma Te Reo, Te Puni Kokiri, Radio Waatea and Te Waananga o Aotearoa, Maori Wardens and Auahi Kore for helping to make this event even better for the community.*

*It was unanimous everyone had a wonderful time and it was exciting to see members of the Pacific, Asian and Indian communities taking part and engaging in a positive representation of Maori. Maori from all over Auckland and even the Waikato came to share in the celebration of Maori talent.*

*I look forward to growing this event with your continued support and faith.*

*Heoi Ano*

*Many Regards,  
Project Manager  
Maori Music At Parks  
021 138 7005”*



## **HENDERSON PROJECTS OPEN DAYS**

These two open days, to show people our plans for Henderson, were a huge success from a consultation and public relations' point of view and Hussam Abdul-Rassol and his team, and also Janet Hannan and Dai Bindoff, are to be congratulated for the huge effort they put in. Around 500 people attended over the two days and I think everyone was hugely positive about what we are going to be doing in Henderson. The projects which drew particular praise were the floral gardens, the artworks, the cycleways, better public transport and our plans to improve traffic flow, including traffic signals. Janet says people were very impressed that we held the open days, because they were a good chance for people to see and understand what is going on. So much so that they want more. Again, thanks to the team who I understand poured hundreds of cups of tea.

## **WHANAU DAY OUT**

What a fantastic event, growing by the year, this is. I went along to join the throngs at Parrs Park and was invited up on the stage to welcome everyone and do what good mayors do - cheer the event along. But it is more than that. This day is an absolute celebration of our community. We have started to get events rolling, and I would like to praise the staff for continuing to get the community to enjoy our open parks and spaces. I am very impressed by Tai and Stephanie Harawira and the Ezekiel 33 Trust to which they devote their lives. This trust is planning a big three-day fun celebration in Te Atatu and I am very enthusiastic about it. It seems the People's Park is ready for the people and the whānau group is totally professional and able to deliver real fun for families. I think the City should acknowledge Tai and Stephanie, so I have asked them to come to the April Council meeting to receive a citation and formal thanks for their hard work and dedication. Whanau Day Out will be one of the big events of this City in the future.

## **WEST COAST CHOPPERS**

Mr Wally Thomas has alerted me to a new business in my home town of Glen Eden called West Coast Barbers (WCB), and if you're in need of a new look or style it's apparently the place to go. Call in and ask for Joe, whose family has long-time connections in the west. WCB is opposite the electorate office of our good friend and local MP Lynne Pillay and I do believe I spotted her in there the other day. So at least there's one famous customer on their books and you could all be there next. I've already asked Councillor Flaunty if he's discovered Joe, with his new hairstyle that makes him look 20 year younger. Not a bad look in election year.

## **RECOMMENDATION**

That the Report of the Mayor be received.

RA Harvey, QSO, JP  
**MAYOR OF WAITAKERE CITY**