



October 1999 Business Location



REGIONAL
GROWTH
FORUM



Business Location
in the
Auckland Region

As part of our ongoing commitment to high quality research and monitoring, the Auckland Regional Growth Forum commissioned a number of technical studies after the release of the draft Regional Growth Strategy in July 1998. Some of these studies addressed areas that needed further attention, and some assisted us to work through difficult issues. This report, *Business Location in the Auckland Region*, is a compilation of a number of reports that were commissioned to assist the Growth Forum ensure that the finalised Growth Strategy would be as complete as it was possible to make it.

Issues of employment, labour force, and business location are an important part of planning for urban areas. This was recognised early in the development of the Auckland Regional Growth Strategy, and an Employment Location Project Team was established to look at these issues. This team presented the results of its work in late 1997, with its final report being printed in March 1998.

Their report contained a great deal of information about employment and business location from published and unpublished sources, but nevertheless identified several areas where further work should be initiated. Three of these areas were business location preferences, verification of qualitative findings by way of a quantitative survey, and reliable and up-to-date figures on employment density and capacity. Concurrently, the Capacities Project Team had recommended more work be done on this latter issue also.

In early 1999, another project was established to try and advance these outstanding issues. It was called the Business Location Project, and its brief was to develop methodologies and conduct research that would advance our understanding in the area of business locational preferences to assist the Growth Forum finalise its draft Strategy. The project team's work was multi-faceted, and included both technical work and workshops.

This report is part of the outcome of this process. It contains three reports which address the most important concerns in the business location area. Further work is ongoing that will address more local issues. These three reports are:

- Business Location Survey of Key Informants
- Scoping Paper on Employment Self-Sufficiency
- Scoping Paper on Mixed Land Use

Together, these three reports and the output from the workshop process contributed towards the draft Growth Strategy being strengthened in a number of ways.

On behalf of the Auckland Regional Growth Forum, I am pleased to make this report public.



Philip Warren QSO, JP
Chairman
Auckland Regional Growth Forum

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EXECUTIVE SUMMARY

1 Purpose of the Business Location Survey

The purpose of the survey was to conduct interviews of pre-selected "key informants" to ascertain the changing patterns of business location, the locational preferences of businesses, and the particular attributes of specific localities that make them attractive for businesses in the Auckland Region.

2 Key Informants

Thirty informants with specialist knowledge and/or expertise on business location matters were interviewed about their role in assisting businesses in Auckland with locational decisions and their views on the principal factors that influence businesses location decisions.

3 Overview of Survey Outcomes

There was a consensus among key informants that a multitude of factors influence the location decisions of business and also a considerable variation of approaches are taken in deciding on a business location was characteristic even within similar types of businesses. However clear overall agreement resulted about the Auckland region's characteristics in relation to location decisions.

Two overriding inter-related issues emerged from the key informant interviews:

Firstly, the cost of doing business in Auckland is rising due to the time/cost resulting from access/traffic congestion.

Secondly, local government needs effective integrated regional planning systems designed to ease congestion and respond to related cost issues in order to:

- * Reduce governance costs;
- * Facilitate and encourage business;
- * Respond to the trend for large businesses to relocate away from Auckland;
- * Understand the specific location needs of SMEs (small-medium enterprises);
- * Understand that the Auckland region is an "economy in its own right" but is over-governed resulting in a low degree of integrated planning, high costs and poor communications to business.

4 Principal Factors Influencing Location Decisions

Of 30 key informants interviewed:

- * 22 nominated motorway access among the **five** principal factors that have commonly featured in business location decisions in Auckland in the last five years;
- * 19 nominated availability of suitable land as a principal location factor;
- * 17 identified availability of a suitable workforce;
- * 16 indicated market size and customer access as a principal location driver;
- * 14 mentioned access to the airport and/or port as a principal factor; and,
- * 11 highlighted transport/distribution cost.

In a structured discussion, a majority of informants identified overall accessibility as the critical location consideration balanced against total costs. A consideration in the location decision for many businesses, especially SMEs, however, started from the premise of considering sites/premises in proximity to where the owner/manager lived. This particularly applied to the emerging trend identified for new business clusters and concentrations established in Auckland to be in the knowledge-based and/or service sectors; e.g. software, marine and business servicing.

5 Business Environment Influences

The dynamics of Auckland's market were considered more important than environmental or local government/regulatory issues in the location decision. Availability of land was less an issue than the site/premises/property relationship in terms of cost and access (motorway, market, port, and airport). Labour availability was also less an issue than availability of suitable required skills.

6 Reasons to Locate a Business in Auckland

Auckland is a favoured location compared to the rest of New Zealand due to market size from population growth and advantages of securing market niches from population size and growth; this is an economies of scale advantage.

However in the global and regional context of Auckland as a mid-sized international city competing as a business location compared to Australia's major eastern seaboard cities (Sydney, Melbourne and Brisbane), Auckland is perceived as having no economic advantages and some clear disadvantages when considering economies of scale and market size, but also when considering things like amenities, facilities, support of business by local government and lifestyle.

7 Positive/Negative Trends on Location Decisions

Overall, Auckland's growth and increasing market size was seen as a positive reason to locate a business in Auckland and outweighed concerns about rising costs and other "negatives" about locating a business in Auckland. Road transport and the time/cost incurred in business traveling were access issues of key concern in locating and operating a business. Public transport was perceived as a minor issue whereas motorway congestion was perceived as a high cost issue because workforce transportation and the distribution of goods and services is mainly by road. A second related "negative" was centred around the perception that increasing access constraints and costs related directly to the lack of centralised planning and/or planning without considering the needs of business.

8 Role of Local Government on Business Location Decisions

There was an overriding majority perception that governance costs were high due to multi layers and duplication of local bureaucracy and the effect of local and regional government planning is increasing the cost of doing business. There was an even split in views that the role of local government is to provide facilitation and business location support services (as they do in Australia) and local government remaining focused only on core governance services.

A major issue was that there is no centrally promoted Auckland "theme" or policy regarding the strategic growth of the region and that although business pays a considerable proportion of rates, it is not considered in the decision process loop. There is a strong view that planning occurs in isolation and without an authoritative driving force, future development is likely to spread everywhere (including beyond Auckland's regional boundaries).

The overall - one sentence outcome comment - was that Auckland's spread has substantial time-cost effects on business due to motorway congestion and that the lack of agreed centralised planning was not contributing to an outcome that would assist business by reducing and/or holding costs.

KEY INFORMANTS' SURVEY: INTRODUCTION

1.0 INTRODUCTION

1.1 Purpose of the Business Location Survey

The purpose of the business location survey is to investigate the reasons for business location trends and direction within a regional growth strategy which identifies preferred business location areas and co-ordinates these with areas of residential intensification, the location of employment and retail activities, with regional transport policy and with physical and social infrastructure policy.

One of the tasks of the Business Location Survey Team is to identify key informant stakeholders and seek a market viewpoint. To achieve this a questionnaire to a sample of business location informants was compiled. This report gives the results from the ensuing survey as a basis for discussion and consideration by the growth forum of the critical factors that influence business location decisions in the Auckland Region.

1.2 Definition of Business Location

For the purposes of this survey business location is defined as "the geographic area where a business chooses to locate its productive and/or commercial activities." A multitude of factors influence the location decisions of businesses, and which the Business Location Survey sought information in terms of whether any particular grouping of factors influence business location decisions in the Auckland Region.

1.3 Business Location Survey Methodology

The **objective** of the business location survey was to conduct interviews of pre-selected "key informants" to ascertain the changing patterns of business location, the locational preferences of businesses, and the particular attributes of specific localities that make them attractive for businesses in the Auckland Region. Views on the role and influences of local government, if any, in the business location decision process were also sought.

The **sample** of business organisations interviewed included sector representatives, developers, construction, and commercial real estate companies with experience and/or specific roles in assisting businesses with locational decisions throughout the Auckland Region. The interview sample of 31 organisations listed in Section 11.2 was compiled to take into account a range of functional factors impacting on locational decisions by business and included representatives from the principal sectors of Auckland's economy. One interview sample was discounted in the analysis through incompleteness of the questionnaire, making a total of 30 informant participants in the survey. The survey sample is discussed further in Section 2.

The **questionnaire** sought information on the following:

- * Principal factors influencing business location decisions;
- * Environment and Local Government/Regulatory impacts on location decisions;
- * Business location dynamics and trends in the Auckland Region;
- * Auckland advantages/disadvantages as a business location compared with other New Zealand and Australian cities.

The survey was conducted through face-to-face interviews taking approximately one and a quarter hours per key informant using standard questions but with sufficient flexibility for the respondents to develop their answers. The survey format is set out in Section 11.1. The interviewing took place over a fortnight in April 1999.

1.4 Format of Report

The report follows the sequence of questions put to the key informants. Responses in common have been collated and described in groupings and a complete statistical record prepared. Minority views have also been recorded. Section 2 gives more details of the key informants interviewed. Section 3 sets out an overview of the factors and trends influencing business location decisions. Section 4 identifies and discusses the principal factors influencing business location decisions as revealed from the interview process. Section 5 explores business environment influences on location decisions. Section 6 compares Auckland's advantages/disadvantages as a business location with other New Zealand cities and principal cities of Australia. Section 7 identifies the main negative influences on location decisions and summarises the viewpoints of key informants as to their impact. Section 8 explores business location dynamics and trends in the Auckland Region, highlighting positive, negative and random trends as described by the sample group. Section 9 summarises key informant views on the role and influence of local government in Auckland in respect of the business location decision. The report concludes with a summary of the main findings.

2.0 KEY INFORMANTS SURVEYED

The key informants interviewed are listed in Appendix II. They range from representatives of sector organisations to specialist property developers and commercial real estate agents, to industry groups in manufacturing, commercial and knowledge-based business sectors. They include commercial architects, construction, wholesale and retail, banking and local government economic development agencies. The sample also includes key informants who operate in both the New Zealand and Australian commercial real estate sectors.

The key informants perceived role in assisting with locational decisions varied from responding to requests for information to being proactive in working closely with clients to identify their exact business location needs and preferences. The key informants interviewed ranged across those with special interests in the location needs of small, medium and large business and between different classes of businesses - industrial, commercial and knowledge-based.

The key informants also reflected different areas of interests in terms of geographical spread of location influences; some specialising in assisting location decisions in Auckland's CBD and inner commercial suburbs, and other concentrating on different "hub" areas of Auckland such as the Penrose-Mt Wellington area, North Shore (Albany Basin), Manukau (East Tamaki), Waitakere (Henderson) and Papakura District.

3.0 OVERVIEW OF BUSINESS LOCATION SURVEY OUTCOME

Thirty Key Informants were interviewed about their role in assisting businesses in Auckland with locational decisions and their views on the principal factors that influence businesses location decisions.

Their observations about business location decisions were from a number of perspectives. The 30 key informants interviewed represented small, medium and large business and a sectoral cross section of Auckland business - manufacturing and process industries, retail and service, commercial and knowledge-based enterprises. The key informants also reflected different areas of interests in terms of geographical spread of location influences in the Auckland region.

Key Informants were invited to score the relative importance of the various factors that influence the business location decision, with particular regard to environment issues, local government/ regulatory issues and the influence of dynamics and trends in the Auckland Region economy. Key Informants were also requested to identify and comment on significant negative influences on business location decisions in Auckland, and indicate how local government could enhance Auckland's business environment with specific regard to the business location decision process.

The Methodology pre-empted the principal factors that influence business location decisions by considering general location studies and which anticipated the main trends apparent in the Auckland Region. The sample questionnaire was tested in two unused interviews. Key Informants indicated no serious omissions. However, a number commented that the questions reflected Auckland's existing economy comprising mainly traditional industry (manufacturing) and commerce (financial and business services etc.) but with insufficient focus on Auckland's emerging knowledge-based business segment.

There was a consensus among key informants that a multitude of factors influence the location decisions of business and also a considerable variation of approaches are taken in deciding on a business location was characteristic even within similar types of businesses. A number of key informants emphasised in their responses what they saw as fundamental differences in the location decision making process and needs between small-medium enterprises (SMEs), who comprise 90% of Auckland's businesses by number and large businesses (corporates, multinationals and large manufacturing companies).

However clear overall agreement resulted about the Auckland region's characteristics in relation to location decisions.

Two overriding inter-related issues emerged from the key informant interviews:

1. The cost of doing business in Auckland is rising due to the time/cost resulting from access/traffic congestion.
2. Local government needs effective integrated regional planning systems designed to ease congestion and respond to related cost issues in order to:
 - * Reduce governance costs;
 - * Facilitate and encourage business;
 - * Respond to the trend for large businesses to relocate away from Auckland;
 - * Understand the specific location needs of SMEs (small-medium enterprises);
 - * Understand that the Auckland region is an "economy in its own right" but is over-governed resulting in a low degree of integrated planning, high costs and poor communications to business.

In summary, Auckland is a favoured location compared to the rest of New Zealand due to market size from population growth and advantages of securing market niches from population size and growth; this is an economies of scale advantage. There is also a belief (uncontested) that a business derives economies of scale from concentration and clustering with other industries.

However in the global and regional context of Auckland as a mid-sized international city competing as a business location compared to Australia's major eastern seaboard cities (Sydney, Melbourne and Brisbane),

KEY INFORMANTS' SURVEY: OVERVIEW

Auckland is perceived as having no economic advantages and some clear disadvantages when considering economies of scale and market size, but also when considering things like amenities, facilities, support of business by local government and lifestyle. This was emphasised by about a third of respondents who commented on incentives and local government facilitation in Australia to attract and locate industries.

For location decisions inside the region, the availability of land was less an issue than the site/premises/property relationship in terms of cost and access (motorway, market, port, and airport).

Labour availability was also less an issue than availability of skills by hub concentration. There was an overall perception of south Auckland having a relative low skill base (but perhaps a more stable sizable ethnic workforce advantage) and the CBD and North Shore a higher skill base - thus influencing sector businesses to those locations that required higher skills.

A consideration in the location decision for many SMEs, however, started from the premise of considering sites/premises in proximity to where the owner/manager lived. This particularly applied to the emerging trend identified for new business clusters and concentrations established in Auckland to be in the knowledge-based and/or service sectors; e.g. software, marine and business servicing.

Road transport and the time/cost incurred in business traveling were access issues of key concern in locating and operating a business. Public transport was perceived as a minor issue whereas motorway congestion was perceived as a high cost issue because workforce transportation and the distribution of goods and services is mainly by road. Parking availability and cost was a related access issue, especially in the CBD and CBD fringe. Overall, access was the key issue concerning location.

In terms of Auckland's advantages compared to other New Zealand regions, market proximity and market mobility (i.e. access to the market or market access to the business) were the main determinant for location in the region. However, access constraints were clearly perceived as a cost. This cost is increasing and the perception as to the reason relates to the lack of centralised planning and/or planning without considering the needs of business.

For example, the number of "truck turnarounds" has reduced from four to three per day in the last 5 years at the Ports of Auckland due to access constraints, and the number of truck trips from North Shore to Penrose has decreased by a quarter.

Trends to mixed use zones were less significant than observations that large scale enterprises are leaving Auckland and New Zealand (for factors to do with the New Zealand and global business environment i.e. globalisation) so that access and interlinkage - business to business, business to market, business to the workforce and skills, and business to infrastructure - was becoming pertinent for Auckland's small-medium business dominance (something like 90%).

A significant number of informants also commented about the lack of government/local government assistance to attract/hold business in Auckland (and New Zealand).

Depending on the focus of the location or locality decision, there was an even split in views that the role of local government is to provide facilitation and business support services (as they do in Australia) and local government remaining focused only on core governance services.

However, there was an overriding majority perception that governance costs were high due to multi layers and duplication of local bureaucracy and the effect of local and regional government planning is increasing the cost of doing business.

A major issue was that there is no centrally promoted Auckland "theme" or policy regarding the strategic growth of the region and that although business pays a considerable proportion of rates, it is not considered in the decision process loop. There is a strong view that planning occurs in isolation and without an authoritative driving force future development is likely to spread everywhere (including beyond Auckland's regional boundaries).

The overall - one sentence outcome comment - was that Auckland's spread has substantial time-cost effects

KEY INFORMANTS' SURVEY: OVERVIEW

on business due to motorway congestion and that the lack of agreed centralised planning was not contributing to an outcome that would assist business by reducing and/or holding costs.

4.0 PRINCIPAL FACTORS INFLUENCING BUSINESS LOCATION DECISIONS

4.1 The Five Principal Location Decision Factors

Key informants were asked to nominate the **five** principal factors that have commonly featured in business location decisions in Auckland in the last five years. A summary of responses from 30 informants is shown in Table 1.

Table 1: Principal Factors Influencing Business Location Decisions

Business Location Factor	Key Informant Responses
Land Availability	19
Labour Availability/cost	17
Market size/Customer access	16
Raw material Availability	2
Infrastructure availability	8
Industrial parks & Services/Cost	4
Environmental Factors/Cost	3
Motorway Access	22
Port/Airport Access	14
Public Transport for Workforce	6
Interlinkages/other business densities	8
Clusters	6
Transport/distribution cost	11
No particular reason	0
Other	14
Total	150

The above table shows that of 30 key informants interviewed:

- * 22 nominated motorway access among the **five** principal factors that have commonly featured in business location decisions in Auckland in the last five years;
- * 19 nominated availability of suitable land as a principal location factor;
- * 17 identified availability of a suitable workforce;
- * 16 indicated market size and customer access as a principal location driver;
- * 14 mentioned access to the airport and/or port as a principal factor; and,
- * 11 highlighted transport/distribution cost.

Of the 14 key informants who nominated some "other" factor to those identified in Table 1 as a principal factor in business location decisions in the last five years, those mentioned more than twice included:

- * Image - i.e. the marketing advantage perceived to be derived from positioning a business in a particular location;
- * Purpose-built building - e.g. one that is technology-friendly - such as wired with fibre optics - or has other desired amenities (such as being able to open windows);
- * Overall cost - i.e. cost tradeoffs in terms of other factors such as accessibility, labour availability and personal factors; and,
- * Personal factors - e.g. relative to where the owner or manager resides.

4.2 Accessibility and Overall Cost Factors

In a structured discussion of the principal factors that have commonly featured in business location decisions, a significant number of informants identified overall accessibility as the critical issue balanced against total costs.

Accessibility was cited by one informant as the key issue because all costs flow from this. Anything that restricted access or increased costs from poor access impeded costs. Motorway access was interlinked with cost-effective access to Auckland International Airport and to the Ports of Auckland (for exporters/importers of goods), as well as distribution costs, and a location to enable effective access by a businesses workforce and customers.

4.3 Personal Factors

Where the Managing Director or business owner lives was a driver as to the Auckland location that a SME business is established. North Shore Key Informants confirmed the interest of local business people to locate on the Shore if possible, and similar viewpoints emerged in respect of small-medium business located in Manukau-Papakura, Ellerslie-to-Newmarket, and West Auckland; the owner/founder tended to live relatively close by.

Another personal factor relates to environmental considerations, and in particular the quality of the building. Considerations included whether the building offered an outlook, which would be favoured over one which didn't subject to cost inputs. Another personal factor mentioned more than once related to environmental quality of a building; e.g. whether the windows could be opened, and also the availability of parking.

4.4 Technology Factors

Technology assists the location decision in terms of the availability of hi-tech buildings wired for fibre optics, and to enable a business to locate or relocate to an outer area and use e-mail/webs for communicating to clients and/or suppliers. For one manufacturer, technology provision at a site was described as important for trade waste.

However, overall, accessibility measured against costs is the principal factor that has commonly featured in business location decisions in Auckland in the last five years.

5.0 BUSINESS ENVIRONMENT INFLUENCES ON LOCATION DECISIONS

Business environment factors were grouped into three categories and key informants were asked to score various issues identified that influence the business location decision. Informants were also invited to nominate and score any other business environment influences not identified in the questionnaire. Scores and responses are outlined in Paragraphs 5.1 to 5.4.

5.1 Environmental Issues

Key Informants were asked to score the influence of five environment issues on the business location decision and identify and score any others considered significant. The results of this question are in Table 2.

Table 2: Environment Issues:

Environmental Factor	Average Score 1-10**	Range
1. Ability for waste disposal	5.1	1-10
2. Ability for emissions discharge	4.0	1-10
3. Availability of suitable land	6.6	1-9
4. Free from urban concentration	3.5	1-8
5. Free from traffic congestion	6.4	2-10
6. Other		

"Other" Environmental Issues that rated a score of 5 or above from more than one informant included:

- * Concerns with noise; both to avoid environmental noise and to be able to make a noise such as a transport operation
- * Consideration of elements that relate to lifestyle and how the environment location helps make work enjoyable; e.g. outlook, air, smell and open space.

Table 2 shows the relative significance of:

- * Availability of suitable land; and,
- * Free from traffic congestion.

A feature of the Table 2 scores is the wide range and the lack of dominance of any particular environmental issue. However, key reasons given for particular scores revealed a number of aspects of potential significance as follows:

- * A number of informants defined suitable land as including premises, the quality of outlook, air and smell and the degree of freedom from contamination from previous usage.
- * Ability for waste disposal and emissions discharge is very important for manufacturing/industrial firms, but received a low score from informants whose focus is commercial/professional and retail location decisions.
- * Most businesses need urban concentration as "a fact of urban life," and do not want to be "free" from it.
- * Locating in an area of Auckland to be free from traffic congestion is relative to other factors such as closeness to the owners residence, ability to undertake cost-efficient distribution, to avoid peak hour motorway congestion, and was less a geographic consideration and more a matter of assessing time-cost tradeoffs.

5.2 Local Government/Regulatory Issues

KEY INFORMANTS' SURVEY: BUSINESS INFLUENCES

Key informants were asked to score the influence of four local government/ regulatory issues on the business location decision and identify and score any others considered significant. The results of this question are in Table 3.

Table 3: Local Government/Regulatory Issues

Local Government Issue	Average Score 1-10 **	Range
1. Differential rating	5.2	1-10
2. Zoning provisions	6.8	1-10
3. Cost/availability of utilities	5.2	1-10
4. District planning issues	6.5	1-10
5. Other		

"Other" local government issues that rated a score of 5 or above from two or more informants were:

- * The overall time-cost of compliance, and low level of business-like responsiveness by local authorities. The difficulties and variation in service response between authorities and individual officers in respect of RMA and Building Act compliance processes were cited by a number of informants.
- * A related issue was the extent to which local authorities encouraged businesses to locate in their patch.
- * The high cost of rates as a percentage of overall costs in some parts of Auckland - e.g. CBD - compared to other areas - e.g. North Shore, and whether cost of rates represented value for money in terms of the service delivered.
- * The high costs for amenities paid by developers.

Significant features revealed in the Table 3 responses include:

- * The wide range in scores. While most key informants tended to score local government/ regulatory issues highly, a minority gave very low scores. Of 30 informants, 25 gave an average score higher than 5. Of the five informants who gave an average score of less than 5, one informant gave a score of just one to all four issues, another gave a score of 2 to all four.
- * The two areas of most concern were zoning provisions and district planning issues. The supporting comments reflected varying levels of concern at the time-costs and the amount of red tape involved.

5.3 Dynamics of the Auckland Region

Key informants were asked to score the influence of 12 Auckland environment-related factors on the location decision and identify and score any others they considered significant. Their scores are shown in Table 4.

Table 4: Dynamics of the Auckland Region

Auckland Environment Factor	Average Score 1-10 **	Range
1. Population/market growth	7.9	2-10
2. Target customer group/market profile	7.7	4-10
3. Motorway access for distribution/customers	7.8	3-10
4. Public transport provision	5.0	
5. Access to port	4.8	1-10
6. Access to airport	6.3	2-10
7. Linkages to other industries/industrial parks	6.5	1-10

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8. Proximity to raw materials/resources	4.3	1-8
9. Linkage to clusters	4.9	1-10
10. Linkage to mixed use options	4.7	1-8
11. Linkage to labour	6.8	1-10
12. Linkage to urban amenities	5.9	1-8

Significant features revealed in Table 4 responses include:

- * Dynamics of Auckland is considered more important than environmental or local government/regulatory issues;
- * Market advantages is considered important but so is (the constraint of) motorway access;
- * The linkage to labour is also important; and, overall;
- * Motorway congestion impedes linkages and access.

One key informant nominated Ethnic considerations as a significant location factor in Auckland, with a score of 6. In explanation, the informant noted that a significant number of manufacturing firms located in south Auckland specifically for the advantages of being able to implement a one ethnic employment policy.

5.4 Business Environment Influences on Location Decisions - Overview

Key informants were asked to score the relative importance of each category of business environment influences (environmental issues, local government/regulatory issues and dynamics of the Auckland region) in the location decision. The average score is shown in Table 5.

Table 5: Business Environment Influences - Overview

Business Environment Influence	Average Score 1-10**	Range
1. Environmental Issues	5.1	1-10
2. Local Government/Regulatory issues	6.3	3-9
3. Dynamics/Linkage Issues	8.1	6-10

Table 5 responses reinforced the view that the dynamics of Auckland is considered more important than environmental or local government/regulatory issues in the location decision.

6.0 REASONS TO LOCATE A BUSINESS IN THE AUCKLAND REGION

Key informants were asked to assess Auckland as a business location compared to other New Zealand and Australian cities. Their responses are covered in Paragraphs 6.1 to 6.3.

6.1 Auckland Advantages Compared to Other New Zealand Cities

With regard to the view of Auckland as New Zealand's business capital and a mid-sized international city, informants were asked why do businesses decide to locate in Auckland rather than other New Zealand cities. The responses to this question are in Table 6.

Table 6: Auckland Advantages Over Other New Zealand Cities

Key Reason Indicated	Number **
1. Domestic Market Size	26
2. Labour/skills availability/mobility	10
3. Closer to international links/access	9
4. Growth of the region/Population size	8
5. Perceived lifestyle advantages	6
6. Business linkages, including international	5
7. Location Image, incl. international image	4
8. Economies of scale	4
9. Auckland developing its own dynamic/economy	3
10. Climate	3
11. Market sector niches e.g., ethnic groups	2

Table 6 shows that of 30 key informants interviewed:

- * 26 identified Auckland's domestic market size as the key advantage over other New Zealand cities.

In summary, then, the dynamics of population and market growth overrides other advantages in terms of a New Zealand business location, but this question is not related to the retention of this advantage when Auckland is compared to Australia's major eastern seaboard cities (Refer Section 6.2 below).

Among other viewpoints indicated, one informant mentioned Auckland's advantages as an education centre of high quality and with a wide range of options.

6.2 Auckland's Advantages Compared to Major Australian Cities

With regard to the view of Auckland as New Zealand's business capital and a mid-sized international city, informants were asked why do businesses decide to locate in Auckland rather than other major Australian cities. The responses to this question are in Table 7.

Table 7 shows that of 30 informants interviewed:

- * A significant number indicated that Auckland had no comparative or competitive advantage over comparable Australian cities/region (Melbourne, Sydney, Brisbane), and referred to the advantages being the other way.
- * A number suggested that other than reasons of patriotism (i.e. being born in Auckland) and perhaps perceived lifestyle, there was no valid business reason for a successful enterprise not shifting closer to the bigger, more diverse opportunities in Australia.

KEY INFORMANTS' SURVEY: REASONS TO LOCATE

Table 7: Auckland Advantages Over Major Australian Cities

Key Reason Indicated	Number **
1. None	21
2. Other than:	
(i) Businesses with "New Zealand" products for the domestic market.	8
(ii) Freer Labour market/ lower labour costs/better skills	7
(iii) Patriotism/ perceived lifestyle	6
(iv) Must locate in Auckland to access NZ	5
(v) Unregulated market attracts internationals to "test market"	3
(vi) Better opportunities for market share	2
(vii) Easier to get around Auckland	2

* A number mentioned a "northwest" business drift; i.e. successful New Zealand-created businesses must locate to Auckland, and if they want an international profile must, then, consider relocating to Australia.

* A number of informants mentioned that advantages of an Australian location included a more positive attitude by local government, availability of location (rate relief during establishment), tax and other incentives for business.

* One informant suggested the question was wrongly conceived, as the market trend was for Auckland and New Zealand businesses to shift to Australia and become "Australasian".

* One informant stressed that the lifestyle of Auckland was a perception, and cited the fact that many Aucklanders/New Zealanders in fact preferred the lifestyle available in not only Australia's cities but also Australia's eastern (and selected New Zealand) coastal regions as well.

In summary, there is a major concern that Auckland is not aware of the perceived disadvantages of its location when compared to Australia - with or without Australia's incentives and other encouragement given to business to locate.

6.3 Reasons to Locate a Business in Auckland - Overview

Key informants were asked to identify and score the significant reasons for locating a business in Auckland. Their scores are summarised in Table 8.

Table 8: Principal Reasons to Locate a Business in Auckland

Key Reason to Locate in Auckland	Average Score 1-10 **	Range
1. Auckland's market growth	7.6	2-10
2. Changing land use patterns	5.0	1-10
3. "Hub" export centre	6.9	1-10
4. Lifestyle reasons	6.8	1-10
5. Differences in business costs (economies of scale)	6.5	1-10
6. Increasing linkages with other industries	6.9	3-10
7. Industrial parks/services	6.4	3-10
8. Other		

Table 8 reinforces findings of earlier questions regarding Auckland's domestic market size as overriding other reasons to locate a business in the region.

7.0 NEGATIVE INFLUENCES ON LOCATION DECISIONS

Key informants were asked to identify any significant negative factors that they believe influence a businesses' location or relocation decision within Auckland. A collation of the more significant negative factors identified is provided below.

As reported by informants, negative influences on location decision in Auckland can be grouped into three broad inter-related concerns that are discussed in sections 7.1 to 7.4.

7.1 Issues To Do With Accessibility

A majority of informants mentioned access to the rest of Auckland from their business location and the impact of distribution costs, and the time-cost involved in doing business. Concerns at the time-cost involved in the journey to work for staff and issues to do with access by customers and suppliers were also raised. However, a number of informants indicated that accessibility was not a stand-alone negative, but often was compounded by other factors. For example:

- * Mention was made that retail is being driven out of the CBD even though property densities had increased (via apartment provision). Factors for this trend included high property costs, lack of urban amenities in the CBD (such as easy access to the waterfront), higher staff costs and traffic congestion.
- * Mention was also made of a perception that local council's were unable to deal effectively with accessibility issues. This was a contributing factor as to why some businesses had undertaken assessments of all the costs and other factors and decided to relocate outside, but close to Auckland in order to have access to an alternative port (Tauranga).

7.2 Issues To Do With The Cost Of Doing Business

A majority of informants mentioned a range of concerns related to the growing cost of doing business in Auckland. For example and in addition to views above (7.1):

- * The high, compounding and growing level of costs covering business set up, housing, transport (time-cost), rates and business compliance (property development costs, for example), and rates and utility services (that in many instances bore no relationship to the services performed).
- * Infrastructure and utility costs were predicted to become a negative in the future and options included to pass these on directly or indirectly, and/or look at relocation options to less costly sites and/or geographic regions.

7.3 Issues To Do With Governance

A majority of informants made reference in different ways to the lack of an overall "theme" or policy in respect to planning and property development in Auckland, and a lack of consistency in dealing with and encouraging business to locate in Auckland. For example and in addition to the views above (7.1 and 7.2):

- * A number of informants referred to a lack of certainty surrounding dealings with council's. At a general level, council's were urging business to come to Auckland but then making things tough for them to do things. Developers were being forced to be planning (regulatory) driven, rather than market driven; red tape costs were high, time consuming and inconsistently applied (for example, compliance codes on signs, planning procedures and variations were not easy matters to interpret or action).
- * A number of informants referenced the lack of a "pan council" or regional planning perspective, and this was creating cost-time duplications as different approaches and strategies were required in dealing with up to seven independent organisations.

KEY INFORMANTS' SURVEY: NEGATIVE INFLUENCES

- * A number of informants mentioned "poor planning" as contributing to making location decisions increasingly complex; for example, the need to anticipate concerns such as noise in a mixed use area that could be easily dealt with by developers being required to provide double glazed windows.

7.4 Other Viewpoints On "Negatives"

Among minority viewpoints instanced, a number of informants suggested that security issues were growing. Mention was made of the cost-supply of reliable utility services and also personal safety. On personal safety, one informant referenced an increasing image of Auckland as unsafe. A sector informant mentioned the importance of providing a safe environment in respect of the increasingly common practice of professional staff to work late at night and have to walk a reasonable distance to access their vehicle.

- ** Key informants suggested solutions to some of these negatives are discussed further into this report (refer Section 9).

7.5 Auckland's Business Location "Negatives" - Scorecard

After nominating significant negative factors, key informants were then asked to score the importance of ten pre-selected possible negative factors and any others they considered significant. Their average score is provided in Table 9.

Table 9: Important Negative Influences on Auckland Location Decisions

Location Decision Factor	Average Score 1-10	Range
1. Traffic congestion	7.7	2-10
2. Local authority costs	6.2	1-10
3. Environmental cost reasons/cost compliance	5.5	1-9
4. Environmental quality reasons	4.3	1-10
5. Increased cost of doing business compared to elsewhere	5.4	1-10
6. Labour limited/availability – skills/costs	5.0	1-8
7. Urban pressures/lack of suitable land	5.0	1-8
8. Increased competition in present location	3.1	1-6
9. Geographic spread of Region (time cost)	4.9	1-10

Significant "Other" nominated by informants included:

- * Factors related to the cost of property development were scored variously by informants with scores of 8-10;
- * Value for money spent on rates was scored 7;
- * Governance matters were scored higher than 5 by a number of informants.

The above Tables and identification of "negative" influences by informants shows that:

- * Traffic congestion is the major issue and it relates directly to the time/cost of doing business;
 - * Local authority costs were perceived as being higher than they should be;
 - * Other negative issues were all scored 5.0 or below.
- ** "Negative" factors raised and scored by informants are also discussed in relation to Section 8 (below) which looks at business location trends (positive, negative and random) and dynamics in Auckland with respect to business location decisions.

8.0 BUSINESS LOCATION DYNAMICS AND TRENDS IN AUCKLAND

Key informants were asked to nominate any dominant trends they saw emerging in Auckland likely to critically influence business location decisions in the foreseeable future. Informants were asked to group trends in terms of "positive," "negative" and "random" trends. Their responses are provided below in Sections 8.1 to 8.3.

8.1 "Positive" Trends

Significant positive trends identified by informants included:

- * Auckland's growth and increasing market size. Overall, this trend was seen as good for business and outweighed concerns about rising costs and other "negatives" about locating a business in Auckland.
- * The changing land use pattern around Auckland was identified as a "positive" trend by a majority of respondents with reference to property development opportunities in areas such as Albany, Botany Downs, East Tamaki and Papakura. A majority of respondents had a perception of Auckland as having a plentiful supply of land and this was interpreted as a "positive" for property development in the future.
- * Lifestyle and Auckland's natural environment (including climate) was variously described as a perceived positive (relative to where informants were born and raised), and positive only for people who were well paid and in reasonable employment.
- * A number of informants mentioned potential positive trends; that is, features of Auckland that were currently lacking or just developing but which could be introduced as, or were the start of, positive trends. These included:
 - + Industrial and/or technology parks and services. Unlike Christchurch, Auckland didn't really have any;
 - + More people working from a home office;
 - + A change of attitude within local government to make Auckland a more welcoming place and easier for business to operate in;
 - + Increasing sophistication of business infrastructure e.g. hi-tech; communications and building wired for fibre optics;
 - + A more multi-skilled, technology-literate workforce.

8.2 "Negative" Trends

Significant negative trends identified by informants were:

- * Traffic congestion was again mentioned by most informants, often in the context of other transport-related issues and the time-cost impacts; e.g. negative comparisons with other cities of larger population (e.g. Sydney with 4 million people had less traffic congestion overall than Auckland with just 1.2 million), and reference to Auckland having just one harbour crossing (which made Auckland business strategically vulnerable if the Bridge was closed for any length of time).
- * Lack of availability of skilled people of the right type. A number of informants referenced that the education system is geared towards traditional professions such as accountants and lawyers, when the businesses in fact need more technology graduates and people with information-computer-communication science skills.
- * Increasing cost of doing business, an issue that was often linked to transport (distribution costs) and regulatory (the difficulties of getting time-focused decisions and duplications in costs) concerns;

KEY INFORMANTS' SURVEY: DYNAMICS AND TRENDS

- * The lack of co-ordination within local government and unnecessary bureaucracy was mentioned by a majority of informants. Trends arising from lack of co-ordination included increasing costs, time and complexity to get developments approved and underway, and duplication as different areas of Auckland (independent cities) acted in isolation from each other.
- * Lack of access to the waterfront around the region is going to become a serious issue for the marine sector, as the industry bids to expand into a world-scale super-yacht mecca (a "positive" trend); with more businesses establishing in construction, supply items and tourism provision.

8.3 "Random" Trends

Most mentioned was:

- * A trend to seek a location in which the businesses image could be exposed to advantage.
- * A number of informants indicated that a number of well established Auckland businesses were currently susceptible to a random trend based on a changing ownership and ownership relocation decisions.

8.4 Trends Encouraging "Mixed Use" Zoning

Key informants were asked what trends they could see emerging that could encourage businesses to locate in a "mixed use" zone.

Informants confirmed a trend towards "mixed use" zoning. As many who saw it as a positive was balanced by an equal number who saw it impacting on lifestyle. Examples included Auckland City CBD and Rosedale Mews in Albany. Observations on mixed use included:

- * That it adds flexibility to business options;
- * Is especially relevant to Auckland's trend toward a more knowledge-based business heart (as these kinds of businesses tend to be environmentally clean, noise-free and around-the-clock and so don't suit a commuting lifestyle);
- * That it will provide an alternative to rising costs in areas like rent/overheads, transport and market access (regardless of the impact on lifestyle).
- ** For the purposes of this survey "Mixed Use" was defined as a zoning provision permitting industrial, commercial and/or residential in the same location.

8.5 Influences Driving Business Location Trends in Auckland

Key informants were asked to indicate what has created and/or is driving business location dynamics and trends in Auckland. Responses are summarised below.

In terms of positive trends, a majority of informants identified an increasingly competitive Auckland market place as the principal driver of location dynamics in Auckland. Key components included combinations of:

- * A shift to a more service- and knowledge-based economy;
- * Application of new technology and lifestyle options;
- * Application of new technology resulting in business needing less space;
- * An increasing proportion of SMEs making up the business profile of Auckland;
- * The need to keep small business costs down;
- * New technology enabling more SME to access wider (global) markets.

In terms of negative trends, a majority of informants identified a range of local governance factors as the principal constraint holding back Auckland's shift towards a more competitive and open economy. Key components included combinations of:

KEY INFORMANTS' SURVEY: DYNAMICS AND TRENDS

- * Responses to the various access issues e.g. motorway congestion, rising distribution costs etc.;
- * Complexity and cost of managing planning and regulatory issues.

9.0 ROLE OF LOCAL GOVERNMENT ON BUSINESS LOCATION DECISIONS

Key informants were asked three questions designed to elucidate their views in respect of the role of local government on business location decisions. Their response to each question and an interpretation are summarised in Paragraphs 9.1 to 9.3.

9.1 Role of Local Government - Principles

Key informants were asked to summarise in one sentence how local government can enhance the business environment (Informants were requested to provide a succinct statement of role/principles that a Local Authority can achieve rather than embark on a wish list of services.) A summary of significant responses is outlined below.

- * As many informants supported local government enhancing the business environment by focusing only on core services and minimising governance costs as those who favoured local government providing direct (cost-effective) facilitation services for business.
- * A majority of informants mentioned keeping compliance/costs to a minimum and ensuring costs paid were for services actually used.
- * A summary of the disparate views expressed on the role of local government included:
 - + Be more positive towards business - "communicate, liaise and support";
 - + Stop planning in isolation;
 - + Provide direct assistance to locate/relocate; not \$ handouts but support, liaison, timely response and "one stop shop;"
 - + Focus on providing public goods only and minimise governance costs;
- * A number of informants referred to the need for greater legitimacy and transparency; said one: "If you want us to co-operate with you, then give us value for money."
- * There was a majority view that the role of local government is to provide appropriate infrastructure, but a number qualified that as the suppliers of infrastructure council's need to strategically plan better and cohesively with the needs of business firmly in mind.

9.2 Role of Local Government - in Auckland

Key informants were asked what specific role does local government in Auckland have in assisting business location decisions. Themes that emerged in the responses were:

- * Provide infrastructure and zoning on a unified regional plan in advance of the demand. Variations of this theme included:
 - + Provide an overall regional vision/plan and then ensure that it happens.
 - + Provide a framework that enables implication of policy to be thought through.
 - + Provide a regional solution to public transport - a time/cost reduction is the outcome, but needs a change of attitude/structure by/within local government.
 - + Create a single planning authority - a one stop shop and do the infrastructure things;
 - + Create the environment/platform that makes efficient/effective business decisions possible.
 - + The region should be providing a growth strategy that has specific outcomes; the strategy should scrap all the councils and have one coherent organisation.
- * A commercial needs focus is required around a responsive, cost/time effective regulatory environment. Variations on this theme included:
 - + Review its regulatory processes to make them more efficient and user friendly and to meet the needs of business.
 - + By keeping compliance/costs to a minimum and being pro-business in the broadest sense;

- i.e. provide a supportive environment.
 - + Creating low rates and effective utility/costs for business.
 - + By making the costs of doing business in Auckland more efficient; i.e. making those costs generate real benefits.
- * Communicate detailed information on the future strategies planned for the region. Variations on this theme included:
- + To communicate to business that they are wanted/needed, and back it up with action.
 - + Emphasise the "can do" approach to assisting business with regulatory hurdles rather than "can't".
 - + Sit down with business groups and plan these things.
 - + Consider a local government advocacy to Central Government about the trends and issues.

Overall, informants urged that a sense of urgency be provided to solving regional issues, especially transport and proactive use of local government power to create a "business friendly" environment.

9.3 Role of Local Government - Scorecard

Key informants were asked to score a list of suggestions as to how local government in Auckland could enhance the business environment. Their average score is provided in Table 10.

Table 10: How Local Government in Auckland could enhance the Business Environment

Suggested Role of Auckland Local Gov't	Average Score 1-10	Range
1. Make local government regulations easier to meet (less costly & timeliness)	7.6	3-10
2. Make resource consent an easier process	7.6	3-10
3. Ease traffic congestion (for staff/deliveries/business activities)	8.6	5-10
4. Assist in establishing industrial parks:		
(i) For cluster	5.5	1-10
(ii) For mixed usage development	5.9	1-10
(iii) For services	5.8	1-10
5. Restrict rates to transparent/legitimate (regional) services	7.5	3-10

The above table shows that of the 30 informants interviewed:

- * A majority confirmed that traffic congestion was the main issue and its related impact on costs;
- * Local government processes was also cited as a major issue.

9.4 Awareness of Auckland Regional Growth Strategy

Key informants were asked if they were aware of what the key Regional Growth Forum strategy proposal is. Unprompted mention of the Compact City strategy qualified for a "yes." Their responses are summarised in Table 11.

Table 11: Awareness of Regional Growth Forum's Principal Strategy Proposal

Of 30 Key Informants:

- * 19 were rated a "Yes"
- * 11 were rated a "No".

10.0 SUMMARY CONCLUSIONS

There was a consensus among Key Informants on a number of business location influences:

10.1 Land, Site or Property Attribute Factors

Availability of suitable land was less of a concern than the attributes offered by specific sites, properties or buildings being considered. There was a consensus that sufficient land was available to meet Auckland's location needs of the majority business type (small-medium), whether expanding or establishing in Auckland. There was also a consensus that the situation in respect of land availability for large scale industry was less clear cut, especially for those who might wish to purchase large sites for future growth.

Businesses seeking large land acquisition had less interest in interlinkage and clustering, and much more interest in ensuring the site was suitable for expansion over a long time frame. Key Informant specialists on land acquisition for large scale industry indicated that parts of Penrose or the edge of Auckland were previously the prime potential locations but Penrose in particular was declining as a prime "hub" in preference to greenfield (uncontaminated) sites at the outer edge of Auckland. The current trend, however, was for big international businesses to locate in Australia, and it was unclear what the exact land availability requirements of big business would be in the future.

There was a consensus that most of the growth in business numbers in Auckland in the future would be by small-medium scale business, either new businesses being established or existing SMEs expanding. As well as site-property attributes, interlinkage and cluster issues were the main concerns of SMEs when considering location or relocation. Invariably, the location decision process began with the business owner/manager's perspective based on the residential area of Auckland that they lived and took into account proximity to mutual businesses, labour/workforce linkages and planning constraints. Intra-regional linkage considerations for SMEs centred around tradeoffs between labour/workforce mobility between different areas of the Auckland region and locating in an appropriately profiled business location with good access.

In summary, interlinkage location decisions were important to SMEs because they provide both market access as well as service - by suppliers and others.

The "mixed use" trend was minor, but seen as an option for increased business flexibility in the future, and especially as a way to reduce SME costs.

"Clustering" was relatively strong in the sense of sub-regional market identification; Remuera - Doctors/Medical specialists; Newmarket - clothing; Viaduct Basin, Panmure Basin and Upper Waitemata Harbour deepwater locations - boat building; Albany/Massey University precincts - software; West Waitakere - wine making; Papakura - food processing....

10.2 Wider Economy/Policy Impacts

Views on **wider economy and policy issues** reinforced the consensus that location concerns in the future will relate mainly to the needs of SMEs. Key Informants confirmed a trend for medium-large scale business and selected small knowledge-based businesses to leave New Zealand in general. They were leaving due to wider economic/policy related issues which favoured Australia. This meant that some businesses that might have relocated to Auckland from elsewhere in New Zealand were bypassing that option, and Auckland-based businesses with potential to expand were doing so by locating to Australia (Sydney and/or Melbourne and Brisbane).

A trend for skilled people, especially those aged between mid-20s and thirties to leave New Zealand was indicated. Key Informant specialists in knowledge-based businesses (e.g. marine and software sectors) indicated that this trend contributed directly to location decisions by forcing businesses to consider looking to recruit skills from offshore (and expanding in Auckland) or relocate all or part of their business offshore closer to target markets and/or where skills were available. Instances were cited that the trade off in respect

of a decision to remain in Auckland often related solely to the lifestyle preference/ situation of the business owner, rather than any specific business advantages offered by Auckland as a business location.

10.3 Auckland's Location Advantages

There was a consensus that the main advantage for locating a business in Auckland was its market size and downstream effects, compared to elsewhere in New Zealand. Numerous viewpoints were expressed that:

- * Any business wanting to serve the New Zealand market had to locate in Auckland, because this is where clients, customers and sales volumes are located, and economies of scale are most likely.
- * Auckland had a critical mass in terms of workforce availability and variation.
- * Auckland had a lifestyle interlinkage (natural environment, basic education system, recreation and leisure pursuit options etc.) with business that was acting as a perceived or real constraint for many businesses, SMEs in particular, to relocate from Auckland, either to Australia or elsewhere in New Zealand.

There was a consensus, however, that Auckland had no unique competitive or comparative advantages as a business location especially when compared to Australia's major cities (Sydney, Melbourne and Brisbane), with their large populations/ market size and matching (if not superior) lifestyle interlinkages.

The one qualification to this consensus related to Auckland's burgeoning international scale marine industry businesses and the suggestion that its creative driving force depended on the lifestyle interlinkages acquired by participating in Auckland's yachting recreation environment. While marine businesses were no different in respect of the trend to relocate growth offshore rather than in Auckland (for reasons to do principally with market size and skills availability, plus some location constraint factors - which are expanded in Section 11.3 - Marine Industry Vision for Auckland), key informant specialists indicated a view that the critical location issue related more to whether to expand the business offshore rather than to relocate completely from Auckland. The view was expressed that for marine businesses, Auckland would always remain an important location - as a laboratory and interlinkage to Auckland's recreation scene where many business ideas were fertilised.

10.4 Auckland's Location Disadvantages

There was a consensus regarding the main location disadvantages of Auckland as the downstream costs associated with "access" (i.e. traffic congestion, port and airport access, distribution costs, workforce mobility).

All Key Informant specialists in manufacturing and industry location areas, and a number specialising in commercial sector location areas indicated a cross-over trend between Auckland's advantages and disadvantages of market size as follows:

- * There is a trend beginning for this type of business to locate around the Port of Tauranga, and reinforced by a decision of a major shipping container line to shift from Ports of Auckland (Ports of Auckland) to Tauranga;
- * There is a trend for commodity and land-based processing industries to locate with the option of using Tauranga Port as well as Auckland International Airport and Ports of Auckland, reinforced by the need to operate in a way that avoids Auckland's extended traffic congestion;
- * Auckland's access disadvantages were fueling the trend to locate to places like Sydney, Melbourne and Brisbane and being reinforced by the perception that this issues (accessibility) was no worse than Auckland, even though in Sydney and Melbourne's case the market size was four and three times larger than Auckland.

Auckland's apparent inability to solve its "access" disadvantages easily and in a timely way was commented on by a majority of Key Informants (refer Section 11.3 - Sample of Views on Access Disadvantages).

10.5 Role of Local Government

There was a consensus view that the main way local government can enhance the business environment is to be proactive to establish closer liaison and two-way communication with business.

There was an overriding consensus that inter-city bureaucracy in Auckland is causing duplication of services, high and unnecessary costs and a lack of strategic planning and lack of ability of local government to provide essential programmes and agreed solutions, especially to Auckland's "access" disadvantages.

Most Key Informants suggested that local government in Auckland needs to be simplified by creation of a single, cohesive and strategically focused planning organisation. The "one stop shop" approach to planning and resource compliance issues was offered by a number of respondents as a model that Auckland should look to uptake. Comparison with the local government attitude and situation in Sydney, Melbourne and especially Brisbane was made.

There was a consensus view that Auckland business is paying most of the cost of local government services, many of which are in areas that are not related directly to business performance, but business viewpoints are heard the least within Council networks and decision-making.

Many Key Informants indicated that the cost of Rates and Compliance did not reflect "value for money" and is a contributing factor to location and relocation decisions offshore or outside Auckland (Waikato or Bay of Plenty).

APPENDIX I: KEY INFORMANTS INTERVIEWED

Phill Andrews, Managing Director, Equity Reality;
Kevin Avery, Director, Avery Architects Limited;
Michael Barnett, Chief Executive, Auckland Regional Chamber of Commerce and Industry;
Steve Bayliss, Policy Analyst - Economic Development, Manukau City Council;
Annette Black, Chief Executive, Papakura District Enterprise Board;
Denise Bouzaid, Chair - Corporate Sector Committee, New Zealand Society of Accountants;
Roger Carson, Senior Membership Officer, Employers and Manufacturers Association (Northern) Inc;
Neville Collett, Manager, Auckland Business Development Board;
John Dakin, National Director, Property Council of New Zealand;
John Dobrowolski, Associate Director, Bayleys;
Lane R Finley, Executive Director, Marine Export Group of New Zealand Inc;
Cushla Gamlin, General Manager, Enterprise North Shore;
Bruce Goldsworthy, Director, Manufacturers Division, Employers and Manufacturers;
Don Harrington, Australasian Director, Managing Director New Zealand, Jones Lang LaSalle;
Max Heron, Business Broker, Commercial Division, Barfoot & Thompson;
Simon Mackenzie, General Manager, Network Development and **Tim Chatterton**, Manager, Security and Planning, Vector Ltd.;
Dennis Maconaghie, General Manager Client Services, New Zealand Trade Development Board;
Michelle McKellar, Managing Director and **Zoltan Moricz**, National Research Manager, CB Richard Ellis;
Chris Minty, Director, Symphony Group Limited;
Allan Morton, Vice President, New Zealand Software Association;
Peter Neven, General Manager, Auckland, Fletcher Construction;
Symon Peters, Executive Director, City Wise Group;
Peter Rasmussin, Executive Officer - Manufacturing, Employers and Manufacturers Association (Northern) Inc;
Clyde Rogers, Chief Executive, Enterprise Waitakere;
Ray Schofield, Manager, Enterprise Auckland;
Graeme Scott, Director, Andrews, Scott, Cotton - Architects;
Senior Planner, Watercare;
Senior Strategy Manager, Large Commercial Bank;
Russell Sinclair, Auckland Regional Manager, Retail Merchants Association of New Zealand Inc;
Mark Synnott, Managing Director, Colliers Jardine;
Steve Wells, General Manager, NZ Couriers Ltd. (Freightways).

**APPENDIX II:
QUESTIONNAIRE TO KEY INFORMANTS**

APPENDIX III: OTHER COMMENTS AND OBSERVATIONS

Among many points of detail that emerged during the interview process, some of significance were:

Marine Industry Vision For Auckland

Informant indicated an industry vision to be a South Pacific Super-yacht destination Mecca (with Mediterranean and Florida-Gulf). Informant indicated an industry development/location factor needing to be highlighted; i.e. the need for harbour side and water access by the industry. In time, berthage for 100+ super-yachts per year and slip facilities would be needed. The point: water front space is being taken away from businesses, just at a time it is needed for expanding the industry capacity to build and service a global super-yacht fleet. A significant sustainable revenue earning and employment implication for Auckland is at stake.

Retail Industry Interest To Locate More Large Destination Stores In Auckland

Informant indicated that large destination stores do not require a local catchment. Retailers were interested in providing more to Auckland if Local Government provided a more supportive attitude/facilitation. A recent store established in Onehunga and others in West Auckland were cited as examples where a co-operative local government had paved the way to locate.

Business Flight From Auckland's CBD

Informant indicated that a combination of location factors - relative costs plus lack of parking and a non-supportive Auckland City were key drivers for business relocating out of CBD. Two informants suggested that Auckland City needed a comprehensive review of its services and attitudes to business customers; a third informant described the City's attitude/performance towards business as a disgrace.

Views On Access Disadvantages

In making reference to the rising cost of doing business resulting from worsening access issues, numerous informants made other observations about traffic congestion and transport-related matters. They included observations about:

- * The need for a public transport system that provides an alternative to motorway/road traffic congestion;
- * Issues to do with a second harbour crossing; in particular security of business operation in face of there just being one crossing, and the fact that even if a decision is made today for a 2nd harbour crossing, it will take 10 years to happen - is too long - and therefore businesses are better to plan a relocation somewhere else now than face the rising costs of staying;
- * The inability to solve the "access" issue is creating uncertainty about Auckland's future viability as a business location and "lifestyle" option;
- * Perceptions that Auckland with just 1 million population is worse off than Sydney with 4 million and Melbourne with 3 million (cities which have alternative public transport modes to roads).

Other Comments And Observations

As a final question to the survey, informants were invited to make **any other comments or observations related to the survey**. A summary of responses is provided below:

- * The basic issue is "cost," including time cost. Local government is doing nothing to assist in this.
- * Infrastructure and services used to be built ahead of growth - now it is behind growth, which is causing the main problems in transportation and logistics costs. Also, Auckland's waterfront

APPENDIX III: KEY INFORMANTS' SURVEY

(access) situation is a disgrace; we must get the strategy "right" and do it now before the trend of large scale industry going offshore accelerates.

- * The existing local government structure is not working; compare Auckland with Hawaii with similar geographics/population but one council and good centralised strategic planning. Other variations on this theme included:
 - + Comparisons with Brisbane and Melbourne - fewer councils/local politicians, more centralised planning, and provision of public transport alternatives to roads;
 - + For a City of only 1 million people we have a terrible mess. There wouldn't be many other cities of just 1 million with this kind of traffic problem.
- * Appreciate being consulted as EDA's were not involved earlier.
- * The critical issue is the provision of fast, efficient public transport - as a foresight project - to enable a compact city to be shaped; without public transport. Auckland's development will lack certainty. Other variations on this theme included:
 - + Auckland needs a regional public transport rail network, fed/served locally by bus networks.
- * Auckland needs one umbrella controlling body/organisation plus a partnership structure that includes a business representation. Other variations on this theme included:
 - + A commercial/ business input is needed in the planning decision-making process; there is too much government official driven planning; i.e. officials need to listen to the users and respond.
 - + Local government/government need to take a very proactive stand and do the things that we all know need doing.
 - + Auckland is a single urban area that should be managed as a single entity - many of the decisions made are duly compromised by the layers/multiplicity of authorities that exist.
 - + We want an overall strategy that co-ordinates the way that the region/cities are managed and solves the transport issue. There is too much uncertainty in transport provision and too much duplication in planning provision.
 - + A reduction in the bureaucracy around Auckland councils is a crucial issue, plus the need to encourage business to locate, especially during the start up period.
 - + There is a high communication "gap" between council officers and company people relative to the problems that business want solved.
 - + It has worried me over the last 3-4 years at the lack of power of the ARC in governing Auckland; the average business would support increased cohesion in planning and practice across Auckland. If there was ever a time for an Auckland regional leadership strategy to stand-up it is now.
- * Auckland needs to develop and articulate a strategy for attracting the right type of business. By right type mean value-added, forex, knowledge/skill based in niche markets. Variations on this theme included:
 - + No one wants a level playing field, but a field tilted towards serving Auckland's self-interest.
 - + Some of the questions reflect the problem - is too focused on the existing economy (manufacturing) without real feel for the emerging/growing knowledge-based economy.

**SCOPING PAPER ON
EMPLOYMENT SELF-SUFFICIENCY**

EMPLOYMENT SELF-SUFFICIENCY SCOPING PAPER

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1.0 REPORT PURPOSE AND SCOPE

The purpose of this scoping paper is to explore the issues, scenarios, options, problems, and current experience in the Auckland Region (and elsewhere), with respect to employment self-sufficiency.

The scope of this report is limited to matters that are relevant to the successful outcome of the Auckland Regional Growth Strategy.

2.0 BACKGROUND

The Growth Forum has expressed a wish to explore the issues related to provision of sufficient employment for the local labour force in areas within the Auckland Region.

Among the 18 (interdependent or holistic) *Desired Regional Outcomes* to be achieved in the Regional Growth Strategy and which are directly relevant to consideration of employment self-sufficiency are:

- More employment choices everywhere, better match of employment to population in different parts of the region (Page 13 refers); and,
- Improved opportunities for business (business growth, development opportunities, affordable and suitable land and infrastructure) (Page 13 refers).

In terms of what the Growth Strategy provides for evaluating and achieving these Desired Outcome Areas, eight principles are outlined which are to be applied over the whole region. One of the eight seeks to encourage a regional land use pattern which (four points follow, two of which - in summary):

- Enables a range of business and employment locations such as industrial areas near motorways/rail interchanges etc (Bullet Point 2, Page 16 refers); and,
- Reduces the need to travel by car by encouraging more employment/ business/ retail/ community facilities close to residential areas and the opportunity to walk or cycle. This pattern needs to provide a critical mass in terms of population to support a range of small local enterprises (Bullet Point 4, Page 16 refers).

There is no specific mention in the Growth Strategy of "employment self-sufficiency" as a Desired Outcome Area as such. The term is not used. The closest the Growth Strategy comes to mentioning the concept of employment self-sufficiency is in a section discussing *Access* issues (Page 42 refers):

"In theory, many of the region's transport problems would be reduced by sector self-sufficiency - that is the majority of people living and working in their local area. At present, on average around 56% of Aucklanders work in the local authority area in which they live, but this ranges from a low 38% in Papakura to 78% in Auckland City (1996 Census). By focusing growth in intensification areas (with mixed-use opportunities) it is hoped that there will be a greater ability for people to do this - if they so chose. However with an increasingly more specialised and mobile workforce, more regular job changing and so on, it is unlikely that one community will match people's lifestyles and employment skills. This highlights the need for cross town networks and good access between residential and employment areas."

The balance of this scoping paper explores the appropriateness of including "employment self-sufficiency" *per se* within the Growth Strategy and, if so, in what form; and, if not, what is a more appropriate "employment-related" goal/concept to include within the finalised Regional growth Strategy.

Along the way the paper explores issues, options, scenarios and further work that is relevant to the successful achievement of the "more employment choices everywhere" Desired Outcome Area of the Growth Strategy.

3.0 DEFINITION - DESIRED EMPLOYMENT OUTCOME

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Employment self-sufficiency can be defined as the extent to which an economy (nation, region, territorial, ward, sector or some other defined productive grouping) limits/focuses only on the uptake of labour inputs to resources available within their boundaries. 100% employment self-sufficiency in a region or city equates with achieving sustained/sustainable full employment.

4.0 EMPLOYMENT SELF-SUFFICIENCY POLICY AND PRACTICE IN AUCKLAND

There is no consistent approach adopted by Auckland territorial authorities with respect to employment self-sufficiency policy and practice. In fact, quite the reverse.

Auckland City: The concept of employment self sufficiency is not an element in any of Auckland City Council's existing policy documents (e.g. strategic plan, or draft Livable Communities strategy) and is not expected to be covered in current policy work (e.g. the employment strategy or economic development strategy). That is, there is no existing framework from this Council's perspective to include issues of employment self sufficiency in the Growth Strategy.

Instead, the Auckland City Council sees the focus on making the City and region a competitive and attractive place for business with competitive infrastructure, attractive amenity and a strong reputation for business. The important issue is for the region to be economically competitive against the rest of NZ and the Pacific Rim and to grow the region's economy.

Auckland City concedes, however, that individual councils may wish to pursue employment self sufficiency in their individual Economic Development Strategies through for example supporting the development of skills in their workforce and equitable access to jobs.

North Shore: On the other hand, North Shore City has had a policy of self-sufficiency for some years in providing a balance between the local (North Shore) labour force and employment available on North Shore.

However, the policy is expressed in terminology that emphasises not only self-sufficiency but also sustainability and efficient use of (limited) resources and even entertains the possibility that the City should offer businesses incentives to locate in the City. Some elements of the North Shore approach include:

- To encourage employment levels that are sustainable, with access to local jobs that will lead to a higher standard of living;
- To develop an increase in the local GNP with a quality mix of income sources and an economy based on a successful sustainable business sector;
- Business support programmes (designed) to create more local employment and business activity....
- Business incubator facilities (by) supporting the establishment of high technology industries in the Albany area ...
- Evaluation of community self-sufficiency at a range of scales, beginning with the City as a whole and working down to a local community level;
- Assessment of the extent to which development needs to be managed for the sake of efficiency. And so on...

North Shore's specific application of the concept of self-sufficiency is in terms of "community" self-sufficiency rather than "employment" self-sufficiency. The policy guide that has been adopted is to "manage urban development in a way which permits a high level of community self-sufficiency and focus within the North Shore."

Expression of the self-sufficiency policy is evidenced by Albany's continued growth as a business focus. Benefits of Albany's growth are perceived as including:

- Increasing the level of self-sufficiency for the North Shore and Hibiscus Coast region. There is

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sufficient land zoned for business purposes to provide over 20,000 jobs....

- Containing the demand for commuter travel across the Harbour bridge in the peak direction....

However, should the Growth Forum decide to adopt some degree of employment self-sufficiency as a desired outcome, as part of the consideration there may be merit in undertaking an analysis of North Shore's assessment of self-sufficiency benefit outcomes. For example, and briefly, while peak Harbour Bridge traffic may be reduced in volume as a result of local employment self-sufficiency initiatives (Albany), there is indicative evidence of increased local traffic congestion on North Shore roads around Albany and also wider metropolitan traffic flows to and through Albany as business interest in Albany is regional and not confined to the North Shore. That is, a case can be made for some research to be undertaken to assess the relative cost of doing business from Albany and accessibility time-cost issues to key regional infrastructure (Ports of Auckland and International Airport) from Albany, relative to other key business locations in the Auckland region (e.g. Botany Downs, Penrose-Mt Wellington, the Auckland City CBD and/or Henderson area). For some categories of business, Albany may be advantageous (e.g. software developers) but disadvantageous for other sectors (manufacturing requiring shift-workers or production line employment?).

It is conceded by North Shore that out-commuting from North Shore continues to be at a high level (42%?). North Shore also agrees that 100% self-sufficiency is not achievable.

Manukau City indicated a belief that self-sufficiency is an archaic concept, especially within a market-led economy based on free choice. Basically the concept is an alternative term for full employment and idealistic rather than of any practical usage. The Manukau view is that market forces will/can determine employment opportunities on a regional level, and it makes no essential difference where Manukau people gain employment in the Auckland Region - provided they do gain employment.

Accordingly, the Manukau suggestion is that the appropriate role of the Growth Strategy is to provide an environment for the Auckland region that maximises employment opportunities and minimises unemployment. In finalising the Strategy, there needs to be consideration as to what exactly the Strategy can offer in terms of maximising employment opportunities over the period of the Plan. The inputs that need consideration include:

- Assessment of employment opportunities (sectoral analysis);
- Ensuring enough land is provided to meet the employment/ sectoral requirements for the duration of the plan period; and,
- Ensuring a permissive approach rather than prescriptive in the regulatory area; i.e. ensuring a light handed regulatory environment that permits e.g. mixed use through zoning laws etc.

Local government (regional and/ or territorial) can only provide the framework by having the right zoning, the right type of land available, and the right regulatory environment...and then market forces take over.

Manukau also offered the view that if a strategic regional passenger system is set up then this will reduce local community pressures for territorial employment self-sufficiency provision.

Waitakere City cited the statistic that it has the highest level of out-commuting within the Auckland Region (56% compared to North Shore 42%, Manukau 43% and Auckland 16%). While there is no formal adoption of self-sufficiency policies, there is policy aimed at achieving 60% of local residents employed locally.

Local traffic congestion was a key driver of the impetus for a high level of employment self-sufficiency in Waitakere. Another key factor was the relative low business base in the City; e.g. 57% of rates in Auckland come from business, but just 20% in Waitakere. Therefore services are not high and the rate base is not adequate (relative to elsewhere).

A factor in the (un)employment "problem" mix in Waitakere related to the low number of jobs available locally, traffic congestion making access to jobs available elsewhere difficult (especially part-time) and inter-linked social considerations. For example, plenty of part-time jobs may be available in Manukau and/or Auckland City but traffic congestion means long (and unpredictable travel time) to access those

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jobs. (It was also noted elsewhere that in Auckland City high parking costs can diminish the value of the part-time job accessed by someone who travels from Waitakere.)

That is, the focus in Waitakere is on a pragmatic bid to increase employment self-sufficiency by promoting "sustainable business and the jobs they provide for people" and "urban villages." Draft Greenprint targets for 2001 include:

- 60% of the Waitakere workforce is employed within the City;
- Density of 16-20 dwellings and business premises per hectare within a 5 minute safe walk (400 m) of at least one town centre.

5.0 EMPLOYMENT SELF-SUFFICIENCY IN AUCKLAND - SITUATION ANALYSIS

This assessment of employment self-sufficient policy and practice by Auckland territorial authorities does not claim to be complete or a reportage of official City positions on the matter, but offers the flavour of the current situation and the complexities involved in the growth Strategy uptake of this issue.

Overall, it appears that employment self-sufficiency by Auckland local government boundary has limited meaning. While some trends, like increasing congestion (particularly on the Harbour Bridge) may support increasing self-sufficiency in jobs for some areas, other trends like the increasing specialisation of business locations across the region are contrary to self-sufficiency.

Indicative evidence suggests that most Aucklanders choose where to live based on lifestyle and affordability issues and have a job in any of a wide variety of *accessible* locations across the region. People also change residence and jobs frequently between cities across the region.

With manufacturing, hi-tech and business services particularly strong in Manukau, North Shore and Auckland City's CBD respectively, a person living in say Waitakere could travel to any of these locations for work depending on their particular sectoral skills. Similarly, Aucklanders active in Waitakere's land-based enterprises (e.g. wine, marine, film making), travel from all parts of the Region and beyond. Just like the free trade objective, in an essentially free market (or market-led economy) such as Auckland's there are strong economic benefits (nationally, regionally, territorially etc.) from labour mobility.

That is, an interpretation of the Growth Strategy consideration of employment self-sufficiency (Page 42 refers and above) is that the focus of the strategy required in order to achieve the Desired Outcome Area of "more employment choices everywhere" should be around improving regional public transport links in order to facilitate labour mobility within the regional economy, rather than putting the primary focus of the strategy on programmes aimed at increased sector self-sufficiency; i.e. the majority of people living and working in their local area.

That is, mention in the Draft Regional Growth Strategy document that "**in theory, many of the region's transport problems would be reduced by sector self-sufficiency,**" (Page 42 refers) should be interpreted strictly as it is stated in the Draft - a "theoretical" assessment with "limited meaning" in practice.

A recommendation arising from this scoping paper, therefore, could be that reference in the finalised Regional Growth Strategy document to reducing the region's transport problems by pursuing employment self-sufficiency within individual territorial areas be removed or/and replaced by some other more suitable wording consistent with successful achievement of the Desired Outcome Area of "more employment choices everywhere."

It is noted in passing that this scoping paper understands that the term "everywhere" in this context is a geographic reference to "throughout the Auckland Region" or similar.

A second broad consideration that supports reconsideration of the appropriateness of the Growth Strategy adopting "employment self-sufficiency" in some form as a strategy designed to achieve the Desired

Outcome Area of "more employment choices everywhere" relates to the degree of "fit" and/or "uptake" of the concept by territorial authorities and other stakeholders with an interest in delivering improved employment outcomes to Aucklanders.

The research undertaken for this scoping paper has found a consensus among territorial authorities that 100% self-sufficiency is not achievable in practice, and that none of the territorial authorities in fact have adopted employment self-sufficiency *per se* as a local (territorial) objective.

In summary, then, "employment self-sufficiency" is not an appropriate terminology to describe the primary employment-related objectives of Auckland's territorial authorities.

Instead, the shared belief or "vision" reflected in local (territorial) employment initiatives is around a viewpoint that they have a social (or societal) responsibility to their communities (ratepayers, businesses and the wider community) to be proactive in some measurable way to maximise local employment opportunities and to minimise (local) unemployment.

A conclusion of this scoping paper, then, is that the stated Desired Outcome Area of the Growth Strategy of "more employment opportunities everywhere" is an appropriate over-arching (umbrella) shared concept or shared vision within which local (territorial) employment-related initiatives can be consistently developed and implemented. Measurable outputs for such an outcome would be centred around particular programmes and projects aimed at maximising employment opportunities and minimising unemployment "everywhere"; i.e. across the Region.

6.0 SCOPE FOR LOCAL EMPLOYMENT SELF-SUFFICIENCY INITIATIVES

A question left hanging by the above analysis relates to whether some degree or limited application of local (territorial) employment self-sufficiency needs to be provided for within the Growth Strategy.

The consideration that needs to be assessed, and researched further, relates to how to implement the Growth Strategy Principle of "encouraging a regional land use and transport pattern which ... reduces the need to travel by car by encouraging more employment/ business/ retail/ community facilities close to residential areas and the opportunity to walk or cycle." (Page 16 refers)

In particular, as we have seen, the links between local (territorial) employment self-sufficiency, transportation policy and zoned land requirements are important for the northern sector given the key constraint of the Harbour Bridge crossing.

A particular concern of North Shore City is with widespread residential development on business zoned land.

Among suggestions (needing further research) are that the Regional Growth Strategy identify local (strategic) employment opportunities and Council's impose restrictions on residential development in these areas.

Another suggestion (also needing further research) is that the scope for increased mixed use zoning be examined in connection with respect for application of local employment self sufficiency; that is, mixed use zoning be used as an instrument to facilitate/ encourage local employment self-sufficiency (in a suburb or ward) as a way to enable people to live and work locally with resultant impact on local traffic flows.

Other suggestions included ensuring that the finalised Regional Growth Strategy encourages local employment self-sufficiency by, for example, development of programmes to expand a low business base, i.e. economic development generally (Waitakere situation).

Another suggestion, also needing to be researched, is that individual councils may wish to pursue employment self sufficiency in their individual Economic Development Strategies through for example supporting the development of skills in their workforce and equitable access to local employment

opportunities.

7.0 INTERNATIONAL PERSPECTIVE

International examples of employment self-sufficiency policy and practice include the Sydney, Melbourne and Brisbane metropolitan areas. However, the focus in Australia's major cities has not been on achieving employment self-sufficiency *per se*, but on maximising employment opportunities and accommodating business development demand and growth within a planning methodology that takes an over-arching (holistic) approach within which maximising economic self-sufficiency is the driving force and physical environment factors such as residential land demand and transport infrastructure are taken into account. In contrast, Auckland's draft Growth Strategy has the "physical environment" as its driving force (page 15 refers), rather than the economic growth of the region *per se*.

Australian territorial authorities also deliberately set out to encourage business growth and development to their areas (and variously offer incentives to attract business to locate). That is, comparing Australian metropolitan support for self-sufficiency with Auckland's situation and potential structure is not especially useful in the absence of a much deeper scrutiny of the policy basis on which local government operates in Australia compared to Auckland.

However, whether research should be undertaken into the local government arrangements in Australia with respect to the role they play in maximising employment opportunities needs to be considered. It was pointed out in researching this paper that Auckland (the metropolitan region) is increasingly linked and competing with a wider World Region (including the major cities of Australia that together with Auckland dominate the business and trade activity under the CER Australia-New Zealand "free trade" umbrella). Australian cities are competing for business to locate in their "patch," and are offering large pools of employable skills as part of the inducement, amongst other things. There is a trend emerging for businesses to shift across the Tasman to Australia. Can/should the Growth Strategy provide a check to this trend, and develop policies that would see it reverse? This paper argues that this is a valid question, especially if it is agreed that the appropriate focus of the finalised Strategy should be on improving the ability of the local (regional) economy to grow and adapt. Under this view, the consideration for the finalised Growth Strategy is therefore to identify the urban form that will facilitate an expanding economy (and not be a constraint to economic growth), and the role that territorial authorities can best play in maximising an expanding economy.

The British New Towns (and some United States examples) are perhaps good examples of self-sufficiency policy being put into practice. A motivation of Britain's New Towns has been to minimise out-commuting to London, which has seen comprehensive strategies followed to attract business development. The linkages in this process have extended across bids to attract large industries (employing large numbers) to locate as well as to ensure supporting education and social infrastructure is included. They have also been located at some distance from London to encourage self-sufficiency.

Again, however, the validity of comparing the New Town adoption of self-sufficiency with Auckland's situation and potential is questionable in that Auckland's Growth Strategy is essentially within an existing metropolitan area, not a "greenfield" Strategy.

8.0 ROLE OF GROWTH STRATEGY TO ENCOURAGE "MORE EMPLOYMENT CHOICES EVERYWHERE"

A central feature of the draft Growth Strategy is that accommodating population is seen as the key driver.

However, beyond stating that a Desired Outcome Area of the Strategy is "more employment choices everywhere," there is little attention given to the specific strategies and/or programme activities that will need to be implemented in order to achieve the stated Desired Outcome.

If the Desired Outcome Area of "more employment choices everywhere" is to feature in the finalised

Strategy, then it will need to be supported by appropriate supporting objectives and measurable outputs (or particular programmes and projects). For example, the draft Strategy provides some population growth targets, but there is no mention of any employment growth targets. There is also no mention or recognition given to any enabling strategies that might be pursued in order to maximise employment opportunities and minimise unemployment, either regionally or territorially.

This contrasts with regional growth strategies elsewhere; e.g. United Kingdom, where regional growth strategies are encouraged by central Government to achieve measurable performance improvement in respect of key economic growth indicators in areas such as employment, regional competitiveness, quality of life, regional trends and local deprivation, amongst others. (Refer UK Regional Strategies "Process" Report, <http://www.local-regions.detr.gov.uk/rdas/5.htm>)

Accordingly, an issue for further research arising from this scoping paper centres on identifying the key data required to extend the Figure 9 Table (What does the draft Strategy mean for the region's cities and districts?) to include relevant employment-related indicators (Page 28 refers). Figure 9 sets out future population and percentage increase 1996-2050 by sector and local authority area.

Assuming that the finalised Strategy adopts an Outcome of "more employment choices everywhere," an extrapolation of the population data is required in terms of trends and influences on employment indicators. For example, what will a 69% increase in North Shore's population over the planning period imply in terms of local employment demand, employment creation opportunity, zoned land requirements, education/training requirements and so on. A preliminary research brief is offered below (Refer Section 12 - Desired Employment Outcome: Core Research Needed).

9.0 PRINCIPLES

The Principles required to underpin a growth strategy that seeks to encourage employment growth - i.e. maximise employment opportunities and minimise unemployment - may need to be further considered. The draft Regional Growth Strategy outlined specifically restricts the Principles to "the physical environment" (Page 15 refers).

However, employment growth in a market-led economy is primarily a result of "human resource and business environment" considerations; i.e. the physical environment is arguably less-and-less a determining factor in employment-led growth. Labour (job seekers), like capital, operates within a global market environment that is driven by employment opportunities connecting with employable skills available.

If employment is to be a desired outcome area of the Growth Strategy, then, as well as the principles being categorised into those being applied *over the whole region* and *new urban areas*, consideration could/should be given to an application as follows:

- Over the whole region;
- To territorial areas (cities and/or wards);
- To employment sectors.

That is, key determinants of future employment in Auckland may have less to do with *new* urban areas than with *renewal* of existing urban areas, and the activities (competitiveness factors) of employment sectors relative to the ability of the Auckland economy *as a whole* to grow and adapt, relative to the performance of other regional economies within the Auckland "economic market area" of influence (e.g. CER partners/competitors - Sydney, Melbourne and Brisbane and overlap areas such as the Waikato, Bay of Plenty and Northland).

10.0 ACCESSIBILITY FACTORS

If the Growth Strategy is to deliver an employment-related outcome of more employment choices everywhere (i.e. to maximise employment opportunities in Auckland, regionally and territorially), a major

consideration will be the degree of linkages between population growth and employment growth.

A number of informants for this paper expressed concern at the absence of any specific outputs to enable the desired employment outcome of the growth Strategy to be achieved. It was also observed that at a territorial level, (some) enterprise boards were being cut back just at a time territorial areas were being asked to be more proactive to promote improved employment and business establishment outcomes.

Employment growth (linked to population growth in the region) will need to somehow be accommodated within the Growth Strategy, and is an area that will require further work. A key area for further work identified by this paper relates to employment access issues related to core aspects of the growth Strategy. In particular, accessibility factors can be summarised in terms of a number of inter-linked supply and demand considerations over the 50-year period of the Plan involving:

- The number and rate of establishment of businesses (i.e. places of employment) in the Region and within each local (territorial) area;
- The number of employment opportunities created (regionally and/or locally) by businesses; (e.g. 90% of Auckland's approximate 100,000 registered businesses employ 5 or less people);
- The number of job seekers regionally and locally;
- Whether the amount of zoned business land is sufficient to meet the local demand for new businesses wishing to establish, and also the types of businesses being established ((e.g., knowledge-based businesses have a high tendency to be small (home-based) and/or a high requirement for modern technology proficient buildings - clean air and fibre-optics etc, while many manufacturing/ food processing businesses requires high resource compliance in respect of discharge and other regulatory matters. Big businesses require large "greenfield" uncontaminated sites to accommodate future growth; marine require access to deepwater. And so on....)).
- Whether transport infrastructure/ accessibility is adequate for business distribution, servicing, customers etc (e.g., North Shore/Waitakere may provide land for manufacturing, but this may not appeal to new businesses because of the time-cost of access to Ports (Ports of Auckland and Airport), workforce etc.
- The suitability of education/training opportunities available for job seekers and/or individuals wishing to establish a business;
- The appropriateness of the local and regional regulatory compliance regime to support and encourage business and/or employment growth in a local region (e.g., a major concern to many businesses is that regulatory and rate requirements by territorial make establishing a cost effective business difficult etc).

11.0 LINKAGES NEEDING RESEARCH - DESIRED EMPLOYMENT OUTCOMES AND TRANSPORT POLICY

A related consideration that will need to be taken into account in the conduct of any further work in respect of assessing employment growth requirements (measured against population increase expectations) concerns the assumption within the draft Strategy that there is a need across the region for a comprehensive "strategic passenger transport network" and the assertion in the draft that it needs to be put in place to lead development (Page 42 refers).

Obviously, if such a network is provided "to lead development" during the planning period (i.e. before 2050), it will have a potential major influence on business and employment locations patterns, and especially on the desirability of local employment self-sufficiency initiatives as a counter to traffic congestion.

Equally, however, if there is little progress made to establish a strategic passenger transport network in the period immediately ahead, then this fact will also have a major influence on the willingness/ desirability of Council's to promote increased local employment opportunities?

12.0 DESIRED EMPLOYMENT OUTCOME - CORE RESEARCH NEEDED

Regardless of whether the finalised Strategy is led (or supported) by a decision to introduce a strategic passenger transport network, the overall view that emerges from preparing this scoping paper is that further research will be required to connect the Desired Outcome in the Strategy of "more employment choices everywhere" with some measurable outputs of particular programmes and projects aimed at achieving the objective.

Assuming that the finalised Strategy supports an Outcome of maximising (sustainable) employment opportunities, the aspects that require to be researched initially (in the context of extrapolating Figure 9 data on population to embrace employment considerations) include the following:

In the period 1996-2050 and by sector and by local authority area:

- What will the employment demand be?
- What will the employment creation opportunities comprise (i.e. sector growth analysis)?
- What will the zoned land requirements be for (measurable) improved employment outcomes?
- What will the supporting regulatory regime requirements be?
- What will the transport corridor provision/ capacity be?
- What (local) supporting education/ training infrastructure will be required?

13.0 SOME OTHER FURTHER WORK CONSIDERATIONS

Other considerations requiring more research related to the achievement of improved employment outcomes under the Growth Strategy included the following:

Pros and cons of territorial authorities competing with each other for businesses to locate versus a regional approach being the driver. It was noted that Auckland's cities can/do compete for businesses and improved employment opportunities, but the region is competing with other regions (elsewhere in New Zealand and Australia's eastern seaboard). It was suggested that at a regional level territorial authorities need to be armed with an overview of the competitive advantage of Auckland compared to other regions. Will this "overview" be provided by the Growth Strategy?

It was suggested that territorial authorities could/ should consider areas where collaboration would be fruitful. In some employment-related areas, issues may straddle territorial boundaries and they may wish to work together to develop a regional or sub-regional strategy or action plan. Each territorial authorities strategy should contribute to the aim of raising the economic performance of Auckland and New Zealand as a whole.

A related area for research that was suggested concerns making a determination of the **desired organisational framework** to deal with these issues ongoing. Territorial planners were being invited to participate in the inputs for developing the strategy, what will the structure be for territorial to participate in the delivery of the outputs of the Strategy, not only in respect of employment outputs but other areas of the strategy?

A third area of additional research centres on consideration of **the legitimate role of the Growth Strategy and territorial authorities to seek to deliver improved employment outcomes**. It was noted that current Government policy does not require territorial authorities to deliver employment outcomes, even though a number have chosen to do so. Implicit in the draft Growth Strategy is a role to provide an enabling structure to facilitate improved employment outcomes by way of appropriate zoning of land, an appropriate regulatory regime and transport infrastructure provision. However, some informants indicated that this role is insufficient to achieve improved employment outcome because other critical factors were also involved and in particular, the provision of required education and training in the region and locally, and lifestyle and living standard factors (housing, mobility, access to health care, security and so on)..

It was suggested that a primary piece of research still required is to pin down exactly (as a measurable

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output) what is to be implemented in the Regional Growth Strategy that will achieve the desired regional outcome of "more employment choices everywhere, better match of employment to population in different parts of the region." (Page 13 refers)

14.0 CONSULTATION

Consultation for this paper included discussion with staff of, and reference to documents prepared by Auckland City Council, Auckland Regional Council, Manukau City Council, Rodney District Council and Waitakere City Council. Reference was also made to documents prepared by the Papakura District Enterprise Board.

15.0 RECOMMENDATIONS

Accordingly, recommendations for *adoption* by the Growth Forum (and inclusion within the finalised Regional growth Forum document) arising from this paper are:

i *Agree* that employment self-sufficiency by Auckland local government boundary has limited meaning within the context of the Regional Growth Strategy, and that the concept is not an appropriate terminology to describe the primary employment-related objectives of Auckland's territorial authorities.

ii *Agree* that achievement of improved employment outcomes (and fulfillment of the Desired Outcome of "more employment choices everywhere") under the Growth Strategy is more likely through improving regional public transport links in order to facilitate labour mobility within the regional economy, rather than putting the primary focus of the Strategy on programmes aimed at increased sector self-sufficiency.

iii *Accordingly, agree* that reference in the draft Regional Growth Strategy document to reducing the region's transport problems by pursuing employment self-sufficiency within individual territorial areas be removed from the finalised Regional Growth Strategy document.

iv *Agree* that the shared belief or "vision" reflected in all local (territorial) employment initiatives and also within the desired outcome statement of principle on employment within the draft Regional Growth Strategy, is around a viewpoint that they (the region and territorial authorities) have a social (or societal) responsibility to their communities (ratepayers, businesses and the wider community) to be proactive in some measurable way *to maximise local employment opportunities and to minimise (local) unemployment.*

v *Accordingly, agree* that the appropriate role of the Growth Strategy in respect of delivering improved employment performance outcomes is to provide an environment for the Auckland region that maximises employment opportunities and minimises unemployment.

vi *Agree* that a number of core indicators (e.g. employment growth targets) to measure the delivery and progress to maximise employment opportunities in the Auckland Region and designed to achieve the Strategy's Desired Outcome of "more employment choices everywhere" need to be included within the finalised growth Strategy document.

vii *Agree* that determinations on a range of employment accessibility issues are a critical success factor to the finalised Growth Strategy having the capacity to measurably maximise employment opportunities in Auckland during the period of the Plan, and that these issues require to be further researched (Refer 15.2.iv below).

And, recommendations for *further work and research* by the Growth Forum in finalising the Growth Strategy arising from this paper are:

i *Agree* that research is required to identify a number of relevant core indicators required to measure the delivery and progress to maximise employment opportunities in the Auckland Region (and

thereby achieve the Strategy's Desired Outcome of "more employment choices everywhere").

ii *Agree* that the inputs needing to be researched as to how the Strategy can maximise employment opportunities in the region include:

- Assessment of employment opportunities (sectoral analysis by area);
- Ensuring enough land is provided to meet the employment/ sectoral requirements for the duration of the plan period; and,
- Ensuring a permissive approach rather than prescriptive in the regulatory area; i.e. ensuring a light handed regulatory environment that permits e.g. mixed use through zoning laws etc.

iii *Agree* that further research is required in respect of extrapolating the economic impacts arising from the projected population trends by region and local authority area (Figure 9 data of the draft Growth Strategy, page 15 refers) in respect of maximising employment opportunities in the region during the period of the plan. In particular research is required to determine (in the period 1996-2050 and by sector and by local authority area):

- What will the employment demand be?
- What will the employment creation opportunities comprise (i.e. sector growth analysis)?
- What will the zoned land requirements be for (measurable) improved employment outcomes?
- What will the supporting regulatory regime requirements be?
- What will the transport corridor provision/ capacity be?
- What (local) supporting education/ training infrastructure will be required?

iv *Agree* that further research is required in respect of a range of inter-linked employment accessibility factors likely to be critically influenced by the outputs of the Strategy over the period of the plan and in particular:

- The number and rate of establishment of businesses (i.e. places of employment) that will be required in the Region and within each local (territorial) area;
- The number and types of employment opportunities that will need to be created (regionally and/or locally) by businesses;
- The number of job seekers regionally/locally who will be competing for available job opportunities;
- Whether the amount of zoned business land is sufficient to meet the local demand for new businesses wishing to establish, and also the types of businesses being established;
- Whether transport infrastructure/ accessibility is adequate for business distribution, servicing, customers etc;
- The suitability of education/training opportunities available for job seekers and/or individuals wishing to establish a business;
- The appropriateness of the local and regional regulatory compliance regime to support and encourage business and/or employment growth in a local region; and other access considerations.

v *Agree* that the Principles detailed in the draft Growth Strategy need to be assessed as to their suitability to underpin the output activities that are required to be added to the Strategy designed to encourage employment growth - i.e. maximise employment opportunities and minimise unemployment.

vi *Agree* that further research is required to identify the appropriate role and outputs needed in the Strategy to enable the regional economy to grow and adapt successfully to accommodate the projected increase in population and to cope with increasing competition from comparable regional economies elsewhere also seeking to attract businesses and employable skills to relocate from Auckland.

vii *Agree* that notwithstanding the inappropriateness of the finalised Growth Strategy adopting employment self-sufficiency as a primary objective, individual territorial authorities may wish to pursue modified local employment self-sufficiency initiatives designed to maximise local employment opportunity uptake in a local area, and that scope for such initiatives be further researched and assessed with consideration to the research suggestions outlined above.

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viii *Agree* that further work is required to assess the implications of transport output assumptions within the draft Growth Strategy (especially the assumption that a "strategic passenger transport network" will lead development) in respect of determination of employment related outputs to include within the finalised Strategy.

ix *Agree* that further work designed to upgrade the finalised Strategy's capacity to deliver outputs directed at maximising employment opportunities in the Auckland region be considered on the following specific topics:

- **Pros and cons of territorial authorities competing** with each other for businesses to locate versus a regional approach being the driver, and particularly mindful that the region is increasingly competing with other regions (elsewhere in New Zealand and Australia's eastern seaboard) for businesses to locate and creation of employment opportunities.
- Pros and cons of an appropriate structure/organisation be included in the finalised Strategy to enable territorial authorities to consider areas where collaboration on delivery of employment related outputs would be mutually beneficial to the region and territorial authorities.

To make a determination of the **desired organisational framework** of the Strategy to enable territorial planners to participate in the delivery of outputs (programmes and projects), monitor progress and be accountable for performance outcomes set out in the finalised Strategy, not only in respect of employment outputs but other areas of the Strategy.

SCOPING PAPER ON MIXED LAND USE

MIXED LAND USE SCOPING PAPER

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1.0 REPORT PURPOSE AND SCOPE

The purpose of this scoping paper is to explore the issues, scenarios, options, problems and current experience in the Auckland Region (and elsewhere), with respect to mixed land use.

The scope of this report is limited to matters that are relevant to the successful outcome of the Auckland Regional Growth Strategy.

2.0 DEFINITION

In general terms, "mixed use" in relation to urban planning refers to two or more different land use classifications being permitted within the same land use zone; for example, a "residential" land use within a "commercial" or "business" land use zone, or "commercial" land use within an "industrial" land use zone, and other variations.

A local authority may have a land use zoning system based on "industrial," "commercial" and "residential". Theoretically, there can be some nine different "mixed use" classifications based on the possible combinations between the three land use zones.

Another theoretical possibility is that a distinctive "mixed use" land zone be identified, which is defined uniquely in terms of the blend or mixture of "residential" and/or "business" to be permitted within the zone.

Motivations for local authorities to permit "mixed" land use vary. Sometimes a mixed use development is permitted to encourage a more flexible, diverse and vibrant community (in the view of those taking the decisions to permit "mixed use"). Another motivation for promoting "mixed use" is to reduce private and/or public transport usage by enabling people to live-and-work in their local neighbourhood (e.g. within the same building, or walking/cycling distance). Yet another motivation for establishing a "mixed use" regime is simply to give people the choice to decide for themselves what combination of lifestyle activity to pursue in terms of "business" and "residential" designation. Many Auckland homes are also sites of registered businesses, even though zoned residential for planning purposes.

In this report, "mixed use" generally refers to the definition provided within the Draft Regional Growth Strategy, at page 61:

"Mixed-use development: A mixture of activities, such as residential, business, retail, hospitality, either within the same building or within the same block or area. For example, an apartment building with shops, cafes and offices on the lower floors, or a town centre with these activities."

However, it is noted that other definitions of mixed use have been formalised by Auckland councils. For example, Auckland City's Draft "Urban Design Code for Liveable Communities 2050" defines **mixed-use developments** (page 41 refers) as follows:

"Developments with a combination of residential and non-residential uses (such as retail, commercial or business activity).

Also, the term "mixed-use" may be used by planners and councils without any precise definition being provided, in contrast to the strict definition that may apply in the same contexts when discussing "residential" or "business" land use classifications.

That is, an area for **further work** relates to ensuring that any "mixed-use development" uptake within the finalised Growth Strategy is defined and applied consistently.

In summary, the term "mixed-use" can be defined and used in a number of different ways:

- as a general or generic term;
- to represent a specific type, category or classification of "mixed-use" (e.g. a specific residential zone

- that permits certain types of commercial or business land use activity);
- as a technical planning term with legal connotations (e.g. a specified "mixed-use zone" within which, for example, a specified mix of business and residential activities may be permitted).

3.0 "MIXED-USE" PROVISION WITHIN THE DRAFT REGIONAL GROWTH STRATEGY - ANALYSIS

The Draft Regional Growth Strategy identifies *mixed-use development* as a technique to be used to achieve intensification and higher population densities in specified geographic areas (centres and corridors) within Auckland (refer page 40 especially), and to achieve some of the specified desired outcomes - transport, employment etc (refer pages 16 and 17).

There is also an implication that mixed-use development will itself be a desired outcome of the strategy through the resulting integration-intensification in local areas of working, living, shopping and leisure activities that is being encouraged.

However, mixed-use developments *per se* are not identified specifically within the Draft Strategy. Also, use of "mixed-use" terminology appears to be used in a number of different contexts and interchangeably with the term "intensification." For example, at page 40 of the Draft it appears that "mixed-use" development is regarded as an outcome of intensification; whereas the same paragraph also seems to feature "opportunities for mixed-use development" as a technique to achieve intensification.

Accordingly, the balance of Section 3 aims to analyse the principal references to "mixed-use" within the Draft Strategy with a view to identifying aspects needing clarification and/or further work and analysis. The main references to "mixed-use" are at pages 16/17 and 40.

Among the principles outlined in the Strategy for evaluating regional growth alternatives to be applied over the whole region is to:

"Encourage a regional land use and transport pattern which ... enables a variety of mixed use areas for small business in neighbourhood centres." (Refer page 16).

And among the principles to be applied to urban intensification areas both existing and greenfield developments is:

"Each intensification area to provide a range of dwelling types and densities including mixed use development activity where appropriate," (Refer page 17) and

"Intensification areas to be within walking distance of a commercial or employment centre." (Refer page 17)**

- ** It is assumed that this reference to "intensification" references a residential area as distinct from a "commercial" area, and therefore qualifies as a "mixed-use" development area.

Elaboration of the Strategy's principles is found at page 40 in the Draft, and in particular the last two paragraphs:

"The sub-regional, town and neighbourhood centres, will not only be a focus of residential development, but also for different levels of employment activity. This is known as "mixed use" development, etc, etc and further on.....

"In sequencing intensification, there is a need to ensure that opportunities for mixed-use development are encouraged (e.g. at Mt Wellington or Albany Centre) rather than focusing solely on employment or residential opportunities.

"The draft Strategy therefore provides for a greater range of locational choice for business

through the opportunities for mixed-uses, and by ensuring land is available, in specific employment zones ... for larger industrial and commercial development or activities not suitable in a mixed-use environment.

"The use and demand for such (mixed-use development) land may change over time, and the transport strategy must respond....."

Considerations for further work and analysis arising from the draft Strategy treatment of mixed-use include the following matters:

- Clarification of the relationship between "intensification" and "mixed-use development." It is unclear as to why "in sequencing intensification, there is a need to ensure that opportunities for mixed-use development are encouraged." It seems to be assumed that "mixed-use" assists or promotes "intensification". However, further work may reveal that only certain types of "mixed-use" are capable of achieving the level of intensification required by the strategy.
- Work is also needed on the extent or degree of mixed-use development that Aucklanders would accept or regard as desirable. How much more mixed-use development needs to be encouraged? What is the balance to be achieved in the level of "mixed use" development across the region and between the different cities/districts, compared with desired levels of "residential" and "business"?
- Consideration could be given as to whether the Strategy need some "mixed-use" indicators. The draft includes maps that include "existing" residential and business areas (refer centre-fold map). If weight is to be given to mixed-use development in the finalised Strategy, a map of "existing" mixed-use areas could be a useful addition; as a guide to identifying potential mixed-use growth centres and corridors around which the desired intensification could be encouraged to take place.
- Elaboration appears needed of the claim that the draft Strategy provides for "a greater range of locational choice for business through the opportunities for mixed-use." It is unclear how the draft Strategy *per se* links "business" location choice to "mixed-use" as there are no mixed-use development zones *per se* provided in the draft Strategy, other than by way of an inference to support what local councils might or might not allocate. (This consideration is taken further in Section 4 when looking at mixed-use policy and practice by local councils.)
- Research interviews for this paper drew the comment from two sources that the Strategy might be assisted if (as well as "mixed use" maps) a guideline might be included in respect of "activities" considered suitable in an Auckland mixed-use environment, and "activities" considered to be not suitable in an Auckland mixed-use environment.
- Consideration could also be given to whether there is a need for the finalised Strategy to include a measure on the likely demand for mixed-use developments and the configuration or ratio of such developments in terms of residential and business land usage, and geographic extent.
- There may also be a need for further work on the linkage between mixed-use and more intensive development and the proposed transport strategy. If an efficient dedicated passenger transport network is provided (e.g. within 10 years of the commencement of the strategy), what impact will this have on levels of demand for mixed-use development facilitation and provision (compared with e.g., another 10 years of traffic congestion increasing at current rates)? In considering the linkage between mixed-use and transport policy, consideration needs to be given to identifying a process to enable the most appropriate questions to be asked about this linkage and the implications for the Strategy.

4.0 "MIXED-USE" POLICY AND PRACTICE IN AUCKLAND

There are numerous examples of mixed-use development in the Auckland Region. Each has a unique form and origin which this paper does not explore. However, some examples of mixed-use are noted, and may

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provide consideration for some **further work** (e.g. to compare their density and contribution to intensification in Auckland) especially if it is decided that mixed-use is a likely significant desired outcome of the finalised Strategy; i.e. in 50 years time, the Strategy will result in the creation of considerable areas of mixed-use in urban Auckland.

Briefly, centres and corridors of mixed-use in Auckland include:

- Mixed use corridors along Ponsonby Road, Parnell Road and Newmarket which also support convenient and regular (Link) bus services.
- A corridor along Great South Road, another along Remuera Road and also Manukau Road; Lake Road from Takapuna to Devonport; Dominion Road is another example.
- Mixed use developments in the inner city, especially towards the waterfront, and based on a planning change to enable apartment building construction;
- Waitakere City is promoting intensification areas around transport nodes such as the railway stations, supported by its District Plan provisions and design guidelines.
- On a smaller scale, examples of recent mixed use buildings include:
 - * Axis Building, Parnell;
 - * Bond Street, Kingsland;
 - * Upper Queen Street;
 - * Cornerstone's 60 Work/ Live units, 14 Airborne Road, Albany.

Socially, indicative evidence suggests that mixed-use is attractive to Aucklanders and to developers, but there is a distinct lack of hard evidence as to its "success" in terms of intensification and increased density and in relation to maximising local employment. This observation is expanded in considering the Auckland City experience with mixed-use (below) and invites consideration of some further work on mixed-use in respect of the needs of the Regional Growth Strategy.

A feature of mixed-use development in Auckland is its random and ad hoc nature. There is no particular guideline apparent directed at ensuring mixed-use developments are planned and implemented to achieve a particular desired outcome - socially, economically and culturally and/or in terms of linkages to the region's current or proposed transport strategy.

Mixed use in Auckland tends to be based on taking the current "business" or "residential" zone designation and making some adjustments to permit a degree of mixed-use, rather than determining areas to be designated as "mixed use zones" *per se*.

A suggestion that arises for **further work** is that regional guidelines be developed and promulgated for the location and general promotion of mixed use developments. This suggestion is taken up further into the paper, but aspects such a guideline might embrace include the following:

- quality, consistency and transparency considerations related to the treatment of urban design, heritage and amenity issues by local authorities when promoting/ undertaking mixed-use development projects;
- identification of appropriate roles to be taken by local authorities and the private sector in respect of encouraging/ undertaking mixed use developments;
- attention to linkages such as transport planning and service provision; e.g. some Auckland City mixed-use corridors are suitable for provision of regular bus services (Link), while other corridors appear more suited/ viable in terms of private vehicle usage;
- attention to local employment requirements, impacts of business location decisions etc;
- attention to cluster considerations; e.g. the needs of the maritime industry along the water front, as well as tourism operators (tours to restaurants) and public access issues; the needs and relationships between residents and businesses along Remuera road (where a health sector cluster has emerged).

Some further considerations in respect of developing a mixed-use guideline or code are discussed in the light of the Auckland City experience with mixed-use (see below).

In **Auckland City** "mixed-use development" is a central or key concept of a strategy it is developing for managing the growth of the City into the new millennium, and known as the *Liveable Communities 2050 Strategy*.

Briefly, Auckland City has determined that mixed use can be a "core" feature or outcome of urban growth centres whose development are provided for in a Liveable Communities 2050 Strategy. The City believes that the Liveable Communities strategy will enable it to plan for future growth while ensuring that environmental, infrastructure (including drainage and transport), and amenity issues are addressed. (Refer page 5 - draft report *Growing Our City Through Liveable Communities 2050, April 1999*).

A feature of the strategy is the creation of mixed use "centres" and "corridors" based around strategic transport routes. The urban growth centres have three types of configuration - with a residential emphasis; residential and employment; and with an employment emphasis (Page 39 refers).

The mixed use centres have been identified at strategic locations with some or all of the following characteristics:

- a high level of transit service, with the possibility of improved connections to future high capacity transit stations and regional transportation facilities;
- connections to adjacent areas by pedestrian and/or cycle facilities;
- direct access to existing or potential open spaces in the vicinity;
- vacant or under-utilised land with sufficient development capacity under current zoning provisions to allow for redevelopment.

The urban growth centres and corridors, some of which will be mixed use, are set out in proposed strategic growth management areas (Refer maps at the back of the Liveable Communities document).

In an interview with Auckland City Council planning staff, it was noted that the liveable communities strategy (document) does not embrace all the areas within the City where mixed-use occurs. For example, Ponsonby Road, Parnell and some waterfront areas (e.g. Mission Bay) where there are areas of mixed use development but which are not included in the Strategy.

Rather, the mixed use centres and corridors set out in the document are where the City is focusing management/ accommodation of the future population growth of the City and projected in the draft Regional Growth Strategy. It is in these areas that the City intends to facilitate the intensification process arising from the Regional Growth Strategy. However, the Liveable Communities Strategy is also a response to the need for the City to accommodate the population growth arising from trends occurring regardless of the Regional Growth Strategy targets.

It was also mentioned that other new mixed-use developments may arise in the future that are not in the liveable community strategy or current district plan. A key aim of the Auckland City liveable communities strategy is to enable citizens a wide spectrum of choice.

In general terms Auckland City's intensification and growth management objectives are summarised at pages 13-14 of the draft "Growing Our City Through Liveable Communities 2050" report, and should be assessed directly. Mixed-use development is one outcome, and transport another. Topics discussed include:

- The impacts of growth
- The costs of growth, including funding the increased demand for services and amenity issues.

Some additional aspects related to mixed-use development mentioned included the following:

- **Social objectives** - giving people choice of lifestyle, creating a greater sense of (village-like) community through enabling a diverse range of lifestyle activities and options within walking distance in a local area, including creation of the "cafe society." An issue under further consideration relates to whether more regulation is needed to promote more certainty factors; e.g. to enable an apartment or business developer to know that a future "neighbour" will be compatible and

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not "a problem".

- **Transport planning objectives** - encouraging mixed-use corridor developments along passenger transit routes, and which therefore have an improved prospect of becoming more economically viable services.
- **Rating objectives** - aspects have been canvassed in respect of considering a package of incentives that the Council can offer developers to undertake intensification projects (Reference W1000/009).
- **Strategic outcome objectives** - The City currently has no particular geographic size restrictions to the extent of the area of the City that eventually should or should not be covered by a mixed-use designation. Consideration is being given to creation of a planning and regulatory model that designates mixed use "zones".

Other features of the strategy identified by Auckland City planners included:

- In respect of intensification, building mixed use around the existing commercial (business zoned) centres identified on the strategic growth management area map, rather than down arterials. For example, Newmarket is an example of mixed-use arising from a commercial base, in which a significant residential component is being included.
- However, some mixed use centres were developing around residential centres; e.g. the Kingsland centre.

In summary, it was suggested that "mixed use" has an important place in the future of the City, but can't say exactly to what extent. From a market perspective, the demand for mixed use was arising from people achieving lifestyle choices for themselves; from a planning perspective, the central issue of the growth management of the City and a driver of a lot of Auckland's mixed use development was to overcome accessibility (i.e. transport and time-cost) issues (as well as to respond to social demands for liveable communities based on giving people "choice").

Auckland City's mixed-use experience

In summary, it was indicated that a range of planning and education issues had been raised by the city's recent promotion of mixed-use (apartment developments) in the central business district and B4 zones including:

- **Noise and smell** - acoustics, air conditioning systems, restaurant and night club neighbours, persistent food smells from restaurants, street noise, including early morning rubbish collections, building construction sites, early morning bird chorus, low level vibration.... etc, etc. A lot of the "problems" have to do with the education of apartment owners/tenants about what to expect before they purchase or lease an apartment. The City is preparing an educational pamphlet to be available for prospective apartment owners/tenants.
- **Density issues** - the City is designing some research on maintenance of employment outcomes arising from mixed-use developments involving high density residential development in business areas. The study is looking at the impact of new residential high density development locating in B4 in particular and what effect this has on service activities and employment opportunities in these areas. Indications are that as "residential" density increases under mixed-use, "business" density reduces, and in particular small-medium businesses (SMEs) are being pushed out of the inner city mixed use areas. It may be that the research will confirm the trends and identify some reasons businesses are relocating, and create a case for further work examining other employment implications in mixed-use areas. Do they increase or decrease? The study may also provide some empirical data that confirms that mixed-use does in fact encourage intensification. An outcome of the study may be consideration to a more prescriptive regulatory regime to restrict/define the intensification balance between residential and business use in designated mixed use zones.
- **Clustering issues** - e.g. a trend along Remuera Rd is for health care businesses to cluster and this is raising issues with (long established) local residents in terms of the quality of the local environment, residential amenity and pressures to transform a residence into a health care business, etc.
- **Other planning issues** - These include the regulatory differences between "residential" and "business"; e.g. a business can construct up to the boundary, which has implications for a residential

neighbour. Another planning issue relates to provision of adequate parking; e.g. developers building to the minimum specification resulting in inadequate/substandard parking provision for owners/tenants and pressures on street parking etc.

A number of suggestions of **further work** arise as a result of the discussion with Auckland City planners, including:

- A workshop be convened on mixed-use issues related to implementation of the Regional Growth Strategy.
- Consideration be given to a study to relate the projected population increase numbers of the Regional Growth Strategy to distribution/ intensification potential under "mixed use development" scenarios. As population in the Auckland Region grows, there could be merit in a study to examine the scope for residential intensification by encouraging infusion of more business activity in residential zones (across the Region and not just mainly in Auckland City); and also scope for further population intensification in business zones by encouraging more residential uptake regionwide. Consideration could also be given to the extent that the apartment building activity can expand across the Region, and the contribution and disadvantages that more apartment building can make to achievement of the Regional Strategy's desired outcomes..
- Consideration be given to a research project to set out the criteria for cities to establish a mixed use zone structure, and what the ideal proportions should be in terms of types of activities - residential and business - and the critical mass needed in a mixed zone to support inclusion of public transport. These matters could be canvassed in a "Guidelines for Cities on Mixed-use Development" that could be prepared by the Regional Council/Forum.
- Some Auckland City views on the finalised shape of the Growth Strategy in respect of "mixed-use" are at Section 7 (below).

5.0 INTERNATIONAL PERSPECTIVE

This paper is limited to an edited summary of the main international perspective on mixed-use, and to suggesting further work in an international context considered relevant to the successful outcome of the Auckland Regional Growth Strategy based arising from the summary.

Historically, mixed use buildings and localities have been common in Asia and Europe for hundreds of years. Many larger European cities, have extensive mixed-use modalities. In Japan, Tokyo is known as the city of a million villages - each city block has a "mix" of residents, business and amenity etc.

A summary of recent literature suggests that "mixed-use" is resurgent in many parts of the modern world and in particular North America, as economies undergo transformation from predominantly "industrial" (manufacturing etc) towards "knowledge-based" or "information" and "service" based.

Drivers for promoting mixed-use include the option of a different lifestyle that is more urban than suburban being one of the current issues which happens to be converging in this direction, together with the creation of what is commonly called "information" societies or economies in which higher skills are in greater demand..

In an Information Paper on "Mixed Use Developments", The Australian Department of Tourism, Small Business and Industry has summarised the appropriateness of mixed-use for modern, post-industrial economies with its reliance on the service sector and the trend for small businesses and home based or part time work:

The industrial economy supported many jobs, often well paid, secure and predominantly "male" jobs, as well as youth jobs, often in large businesses. Segregated land uses, cars and good road capacity combined to support dispersed residential sprawl. In contrast, the post-industrial economy supports a different labour market, dominated by part-time, low paid jobs dominated by women, and small business, often home-based, predominantly in the service sector. Increased road congestion, the financial and time costs of commuting and more women working means

that low paid jobs need to be close to workers homes and other daily activities, or else high levels of unemployment are likely.

Despite these trends, households are relocating in large numbers to new growth areas such as coastal areas and urban fringes, for a combination of lifestyle and affordability reasons, with little appreciation of the employment implications. Unemployment is generally following them.

Across the world, blue collar workers have declined from 33% in the 1960s to 17% in 1995. Only 2% of the world's workforce are likely to be blue collar workers by 2025. Some key indicators of the extent of these employment changes in Australia include:

- * 90% of new jobs are in the service sector;*
- * 97% of new businesses are small firms;*
- * 68% of new jobs created were in newly established firms;*
- * part-time jobs have increased to 25% of total jobs after being stable at 9-10% up until 1988;*
- * around 50% of the workforce will be part-time by 2010;*
- * 82% of the jobs created in the 1980s went to women. The fastest growing employment group from 1982 to 1992 were older women aged 45-54;*
- * 21% of all businesses are now home based;*
- * estimates suggest that 16% of dwellings in Australia have a home-based business, and could increase by 8.5% annually. In the USA it is currently 37%, and may be 49% by 2000;*
- * self-employment now accounts for 17% of Queensland's workforce;*
- * more than 50% of journeys to work are now not directly from home but from a destination on the way; and,*
- * on average each household now needs 1.5 jobs.*

These trends suggest that mixed-use developments with their closer linkages and reduced travel times and use of resources between daily activities, far better serve the post-industrial economy and an increasing proportion of employees needs than the traditional (industrial society) structure of segregated residential and business zones.

Internationally there is a growing number of examples of mixed-use developments. They include:

- The redevelopment of one of San Diego's first bedroom communities, the Hillcrest area, is regarded as a popular and successful example of developers and the community working together to create an attractive mixed-use development with good links to the rest of the urban fabric. It was realised that in such a large scale mixed-use, there was a need to for the community to identify with the project. This resulted in the integration of the Uptown District into the project as a pedestrian village catering for premium up-market apartments with walkways to nearby commercial zones. The developers succeeded in listening to the community and precisely catering for their expectations.
- Mixed use development has been used and promoted as an incentive for better passenger transport services in Canada for many years. The Ontario Department of Transport were one of the first to issue Transit-Supportive Land use Guidelines which included promoting mixed-use corridors along the main passenger transport routes.
- Vancouver and San Francisco, both of which have many similarities with Auckland, have adopted the concept of promoting mixed-use nodes along their urban rail corridors although it is more recent in the latter case. Because of the length of their corridors and the limited demand for additional non-residential uses, both have been restricted to single lot depth of mixed use other than at nodes.
- Hong Kong, with its greater urban densities, still finds additional advantages in further intensification and mixed-use at the transport nodes both for the Mass transit Railway (such as at Queens road, Tin Hau and Kwun Tong Stations) and for its heavier inter-region railway at Sha Tin and Tai Po Stations. These have formed the core of very convenient and commercially successful town centres and popular mixed use activities. The use of creative strata zoning, development control drawings, covered footbridges and escalators provide very safe, convenient linkages and

efficient hubs of activity. However, the difficulties of catering for large transport interchanges under buildings, especially diesel buses, has proved difficult, even at ground level. Such difficulties with pollution-prone areas should not be under-estimated in any mixed-use involving passenger transport interchanges.

- The most publicised mixed-use project in the UK would be the redevelopment of the Docklands area in London. This was private enterprise run under central government intervention and implemented on a grand scale.
- Docklands contrasts with the more modest refurbishment of the Oxo building in London's South Bank where inventive refurbishment has created an attractive and popular residential and commercial mixture. The Oxo building illustrates the potential for mixed use development in refurbished older or historic buildings.
- Closer to home, the largest mixed-use development in the Southern Hemisphere is probably that of the Pyrmont District in Sydney, NSW. Urban Pyrmont has been redeveloped on a large scale over many square kilometres and has been revitalised. This involved the development of large apartment and town house developments, retail and other business activities - all linked around public transport (a light rail branch line). It has been particularly successful; illustrating that such mixed-use developments are possible to realise on a large scale, providing there are sound planning and studies preceding them and an appropriate administrative organisation is established. In this case, a special planning authority - an offshoot of the City of Sydney - has overseen the development for the past five years.

A summary of benefits and disbenefits of mixed-use arising from assessment of the international perspective.

Mixed-use development Appeal/Target Groups can be identified as follows:

- * Small businesses
- * Home-based workers
- * IT industries and services
- * New/ emerging businesses
- * Professional or working couples
- * Part-time workers sharing roles/ jobs
- * Young urban-oriented workers
- * Recent immigrants
- * Students
- * Elderly/childless households
- * Single person households
- * Artists and crafts people
- * Carless households
- * Innovative developers
- * Venture capital financiers

Further work arising from this assessment could be a project to verify its relevance to the Auckland situation. Recent examples of mixed-use developments in Auckland might be tested against historical data to assess whether in fact the appeal/target groups nominated have responded in terms of the Growth Strategy's desired outcomes such as intensification and density. Comparisons of 1960s/70s and 1990s data in mixed-use corridors such as Ponsonby Road, Newmarket and Remuera Road might be considered. It should be noted that Auckland City indicated for this paper that there are indications that in fact business enterprise in some mixed-use areas may in fact have declined, and empirical data on intensification as a result of mixed-use is lacking.

Arising from consideration of the international literature, the benefits and disbenefits of mixed-use can be given as follows:

Benefits - Mixed-use developments cater for our contemporary need to use land and other resources more efficiently, to enhance or redevelop under-utilised properties, and to provide more convenience. In particular, they

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- * Increase the amount of short trips and pedestrian trips
- * Reduce the number of vehicle trips, particularly private car trips
- * Reduce the length and time of trips
- * Facilitate viable passenger transport use if related to passenger transport corridors and nodes
- * Increase energy efficiency with reduction of unnecessary vehicle trips
- * Reduce fuel consumption
- * Reduce pollution - particularly of air and urban waterways
- * Reduce greenhouse gases such as CO₂
- * Provide for a more interesting and vibrant lifestyle option that is rare in Auckland
- * Better cater for small and emerging businesses and home-based workers
- * Better cater for carless households and busy urban couples
- * Better suit the modern, post-industrial (information age) economy.

Disbenefits of mixed-use developments:

- * Requires changes to approaches and standards to those normally practiced
- * Can result in higher levels of human activity and noise
- * Can result in increased tensions or conflicts between different land uses or activities in close proximity
- * May result in less certainty of environmental quality and lowering of property values
- * Generally greater front end risks for developers
- * More complex management required
- * Can result in planning blight if carried out on large scale or far ahead of demand
- * Can result in substandard development if poorly located or planned
- * Some land uses are clearly incompatible (e.g. Car/drive-in oriented uses and pedestrian/public transport services) so that combinations of uses need to be selective to some degree.
- * Can result in poor or minimal results for facilitating passenger transport if efforts are dissipated throughout region or at locations unrelated to passenger transport corridors.
- * Can produce uncertainty for financing or investment if carried out without adequate research locally.

The above "checklist" of benefits and disbenefits of mixed-use developments lacks empirical authority and is to some extent subjective. However, its usefulness could be as a guideline to designing appropriate **follow-up** projects.

6.0 SITUATION ANALYSIS

Overall, assessment of international trends in respect of uptake of mixed-use, the globalisation of the world economy towards more "clean" knowledge-based wealth creation ... through to the response by Auckland City to respond to population growth pressures and to place mixed-use as a central or key concept within strategies to achieve the intensification targets identified in the draft Regional Growth Strategy, suggests that a strong case can be made to the effect that mixed-use development in Auckland is a concept whose time has come.

If it is agreed that more mixed-use development is an attractive proposition for Auckland's growth and development, then it would follow that a strong case can also be made for a more formalised adoption of mixed-use in local planning models and activities. For example, local authorities could be encouraged to acknowledge that formalising mixed use development zones within district and strategic plans, that are distinct from residential and business (commercial and industrial) zones.

The international uptake of mixed-use suggests that mixed use can be used as an instrument to facilitate and reflect the diversity of lifestyles that already characterises Auckland. If this view is accepted then it could be argued that a priority focus of the finalised Regional Growth Strategy ought to be provision for more mixed use development as a desired outcome, and not simply be a tool of intensification and the region's emerging transport policy.

Trends in the international economy appear to support "mixed-use" community developments. With the

current reliance of the global economy, including Auckland, on higher skills, IT and promoting complementary immigration, there appears to be an increasing readiness in Auckland to accept new lifestyle arrangements to those prevalent in earlier decades. The increase in Asian and other immigrants who are often used to higher densities and different lifestyles, together with younger generations of Kiwi workers (many well traveled) who are more attracted to an urban rather than a suburban lifestyle, also appears to be increasing the demand for different lifestyle communities than previously provided in Auckland.

The draft Strategy seeks to promote the comprehensive development or re-development of areas around selected town centres and main transport routes. This includes placing special emphasis on the development of a series of mixed-use, intensive, sub-regional centres across the region.

That is, mixed-use development emerges as a vital component of the Regional Growth Strategy. However, the draft Strategy in fact lacks specifics and focus in terms of precise location and criteria for such developments. Instead, much of the emphasis and discussion in the draft is on intensification - i.e. the process - rather than mixed-use *per se* (i.e. the outcome). While intensification is clearly being promoted as the primary thrust for a more Compact City by 2050 as the recommended scenario, the situation analysis of international and local trends suggests that mixed-use development should be targeted as a core strategic element of the Regional Growth Strategy, if the Strategy is to achieve its objectives. For example, Auckland City has clearly concluded that mixed-use development has a central role to play in the achievement of a more Compact Auckland City as called for by the draft Strategy.

That is, this paper is suggesting that the role of mixed-use development as an outcome of the intensification process is somewhat understated in the draft Strategy, and that more consideration needs to be given to determining the capacity for mixed-use development to contribute to the achievement of the desired outcomes of the Regional Growth Strategy.

It is also noted that there is little specific reference to mixed-use development in the implementation chapter of the draft Regional Growth Strategy. The implementation technique most relevant to mixed-use development would be the provision of comprehensive planning, and in particular structure planning, which should allow to design new and re-developed areas "in a manner which provides for a range of housing types, encourages public transport, walking and cycling, and makes provision for sufficient open space, health and other community facilities" (Refer draft Strategy report, page 40). The draft Strategy suggests that the city and district councils co-ordinate the development of these structure plans and encourages these councils to develop design guidelines. That is, there is possibly a lack of methodology and organisational structure in the draft Strategy to be confident that the desired outcome identified can/will be achieved.

A principle of implementation might be worthwhile considering. For example, an implementation guideline for the Regional Strategy could make it clear that selection of mixed-use development activities are up to individual authorities as long as they can show that they are achieving the outcomes (in the form of progressive intensification targets and indicators).

To reinforce this point the implementation guideline would clarify whether mixed-use is an outcome or an input (or tool) to achieve intensification and better transport, etc.

Accordingly, this paper suggests that a consideration for **further work** in respect of mixed-use uptake within the finalised Strategy is to design a methodology for input of mixed-use development into the Strategy. The following process is suggested for consideration, to:

- Identify a project that enables the concept of "mixed-use" to be placed more at the centre of the Regional Growth Strategy; i.e. confirmed as a critical success factor to the achievement of the Compact City 2050 targets identified in the Strategy; i.e. - an outcome or a tool to achieve desired outcomes (intensification and/or transport) or both.
- Identify current mixed-use development centres and corridors within the Auckland Region; and perhaps giving consideration to publishing a mixed-use map within the finalised Strategy;
- Identify potential (future) mixed-use development areas within Auckland; perhaps do this as an

outcome of intensification, so that the finalised Strategy includes a series of maps showing the results of intensification in respect of "residential," "business" (industrial and commercial), and "mixed-use" planning zones.

- Identify a project to assess the merits of introducing a planning framework that formally places "mixed-use" zones within the planning process of local authorities;
- Identify a project to determine the critical success factors of mixed-use developments and then promulgate a guideline or "checklist of considerations" that local authorities can take account of in planning & development of specific mixed-use centre and corridor developments in their areas;
- Identify a process for ongoing consultation and "education" between Growth Forum staff responsible for implementation of the Regional Growth Strategy and local/territorial planners/staff responsible for implementation "on the ground" of specific mixed-use development projects; both generally and specifically in relation to implementation of the Regional Strategy intensification targets.

7.0 ROLE OF THE GROWTH STRATEGY TO PROMOTE MORE "MIXED-USE" DEVELOPMENT IN AUCKLAND

The precise role of the Regional Growth Strategy to promote and encourage more "mixed-use" development over the next 50 years needs **further work**.

In particular, there is a need to consider the balance of responsibilities between being too prescriptive and too permissive. Local councils (such as Auckland City) have made it plain that they do *not* want a prescriptive Strategy in which specified "mixed-use" development centres and corridors are pre-ordained. On the other hand, more mixed-use development is a key input to the achievement of the Strategy, and also a vital input in the determination of regional transport development and infrastructure.

There also appears to be an acceptance by local authorities that the Regional Strategy/ Forum has a role/responsibility to identify the critical issues and potential for more mixed-use developments in Auckland.

The idea of developing a regional "best practice guide" for mixed-use development design and implementation projects was also raised by informants for this paper.

In summary, in determining and confirming the Strategy's role to promote and encourage more "mixed-use" developments in Auckland in the period ahead, in addition and/or elaboration of matters already raised in this paper, careful assessment of the pros and cons of the following matters is suggested:

- Consideration to including (a number and type of) mixed-use developments as desired outcome of the strategy. That is, by 2050 it is envisaged that certain (specified) areas of Auckland will be predominantly of a mixed-use characteristics.
- Consideration to more clearly identify mixed-use development as a principle within the growth strategy, and clarify the distinction between mixed use development (as a strategic outcome?) and intensification (as a strategic input) of the Strategy.
- Consideration of the role of the ARC and the Growth Forum in terms of implementation of more mixed-use development. In particular, to be consistent in respect of ensuring that the Forum promotes implementation of mixed-use as a desired policy (if that is the decision), while territorial authorities are encouraged to implement that policy within a permissive rather than a prescriptive planning model (again, if that is the decision). That is, the Strategy needs to make it clear that the role of territorial authorities is to decide the amount and location of mixed-use in "their patch", but to implement the policies in a way that is consistent with the desired outcomes of the Strategy. A set of mixed-use development guidelines may be needed as an attachment to the Strategy.
- The relationship between mixed-use development provision in district planning and transport planning also needs careful assessment. Consideration is required as to whether mixed-use should reflect the positioning of transport corridors, or whether greenfield transport corridors should be planned as apart of future mixed-use developments. Judging from the international experience, a combination approach is likely - the key point being that whether in planning transport routes or

- mixed-use centres and corridors the interdependence between both factors needs to be considered.
- Consideration of the linkages between transport planning and provision of mixed-use development zones leads on to the issue of how much mixed-use spread should the Strategy provide for?

That is, it may not be in the best interests of achieving successful implementation of the Strategy to restrict mixed-use considerations simply to policy and leave territorial authorities to make decisions on implementation. If the Strategy requires mixed-use developments in order to succeed, then there is obviously the matter of identifying the areas or "zones" that can and/or should be allocated for mixed-use development. This is clearly an area for further work.

8.0 SOME OTHER "FURTHER WORK" POSSIBILITIES

At the risk of repeating some suggestions for "further work" already outlined in this paper, the following are some suggestions:

A number of informants suggested that it would be useful if key mixed-use criteria or principles could be enunciated, rather than make any prescriptive designation of mixed-use zones.

It was suggested that if the Growth Strategy regards mixed-use development as desirable, then the strategy should identify the factors that are important to achieving it.

In terms of the finalised Auckland Regional Growth Strategy, Auckland City planners indicated that they don't want the Strategy to set down a prescriptive "must do" mixed use strategy; the role of determining the extent and type of mixed use in a local area was strictly the role of the local authority.

Instead, the role of the Strategy should be to identify the issues and potential benefits of mixed use development in the Region, and to develop a best practice guide to facilitate local authorities to introduce mixed use, if they decide they want to.

Other further work suggestions included to look at areas that were previously purely "business" (commercial and or industrial) zones or purely "residential" zones and are now "mixed use" and undertake a determination in terms of population densities "then" and "now".

A profile of Ponsonby Road and fringe in the 1960s and 70s and in the late 1990s might be informative in terms of confirming the impact of mixed-use on population density issues and therefore the value of mixed use as a desired outcome of the Strategy and intensification through increased mixed usage as a positive planning instrument of the Strategy.

A similar study could be undertaken in respect of Newmarket, and any difference in the outcome with that into Ponsonby looked at.

Other issues of mixed-use requiring further work include:

- Assessment of what mixed-use does for density;
- Assessment of synergy between business and residential activities within mixed use zones; and,
- Assessment of the relationship between mixed-use activities and scale; for example ...

If the Strategy wants residential capacity increased in an area, does it follow (and if so, to what extent) that a mixed use zone should be declared to enable multi-story buildings to be provided. Further work could also be considered on the merits of considering a greenfields mixed-use development within the Auckland Region.

A related project could be to undertake a planning model for a mixed use development/community. Terms of reference for such a study could be to look at whether planning should be permissive or prescriptive and where the balance should be. If there are too many rules, people are put off; if there are not enough rules, considerable uncertainty can be generated as no one knows what category of neighbour they will have.

That is, if mixed use is to be a core outcome of the Strategy, more consideration may be required of the

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extent that mixed-use zoning should be provided in district plans, and the implications that this holds for rating policies and infrastructure provision.

Another project that could be considered relates to the application of mixed-use development as a way for Auckland to improve its international competitiveness position in the global economy.

Just as Auckland is competing with Ports such as Tauranga, so the Auckland metropolitan region is competing with settlements such as the Tauranga, Sydney, Brisbane and the Gold Coast for lifestyle and employment. There is a compelling argument that can be developed that if the Auckland Region is to maintain its competitive edge in attracting and keeping its businesses (workforce, skills and residents) and investment, then it must offer attractive options (including well planned mixed-use developments) to an increasingly globally mobile and diverse population.

A project to confirm a mixed-use implementation programme could be a useful further work activity. Inputs for inclusion into such a programme could include the following:

- How regional, corridor, district and site-specific level opportunities for mixed-use developments (already drafted within the Growth Strategy and Regional Land Transport Strategy?) are to be firmed up and proceeded with;
- What priority to give to specific regional programs;
- What criteria and guidelines will be provided for implementation Growth Strategy related mixed-use projects
- What process to follow to identify key or pilot sites in consultation with/between local authorities and regional planners and transport planners.
- What process to follow to encourage developers/ private sector towards more uptake of "appropriate" mixed-use developments?

In this context, the following statements could be made:

For best results, Local Authorities should be pro-active in identifying, designating and facilitating appropriate areas and corridors for mixed use developments, always relating them to the transport strategies for the region -particularly the main passenger transport corridors.

Simultaneously, Local Authorities, if not already done so, could draft appropriate mixed use developments design Guidelines, incorporating transport and pedestrian access requirements, urban design and conservation parameters as well as landscape/ streetscape/ open space provisions.

Developers, investors, financiers and, project managers, real estate professionals and facilitators can be oriented and assisted more towards mixed use developments by focus groups, workshops or charrettes, so that a body of professional and business interest and ownership is developed without being unduly persuaded by any particular developer or vested interest.

In order to encourage appropriate mixed-use developments to achieve the objectives of the Regional Growth Strategy the following framework of options is offered:

A Leave entirely to the market to determine the location, extent and all risks associated with mixed use developments:

Based on international experience, even in "free markets" such as USA and Hong Kong, is not likely to succeed since the risks to the private sector are too high in the face of much control being in the hands of Local Authorities. The private sector cannot be expected to have as its priority the success of the RGS or passenger transport, even if it is supportive of these.

B Local Authorities be aggressively pro-active acquiring suitable sites, aggregating land and acting as the primary developer, especially for initial projects:

This scenario is also not recommended since experience in Auckland and elsewhere points to

unsatisfactory results with conflicts of interest for Local Authorities and unnecessary exposure of the Local Authorities and ratepayers to commercial risks without sufficient experience and skills to manage such projects. It would also divert the Local Authority's resources away from other vital functions such as sound planning and structure planning and guideline development, which are necessary for them to undertake if good developments are to be achieved.

C Local Authorities being pro-active in promoting mixed use developments in principle but focused on it as a tool to realise the RGS, especially viable passenger transport corridors:

As well as carrying out the necessary structure planning, and guideline development with appropriate environmental and urban design criteria, councils can orientate their District Plans and Annual plans to facilitate mixed use developments, where appropriate. Private sector participation could be left to undertake actual development and project management after appropriate feasibility studies are carried out. This scenario is the recommended course, with a clearer division of roles between public and private sectors, while both acting in a loose partnership to realise the RGS.

D Local Authorities carrying out the essential planning functions but leaving the private sector to undertake most of the promotion as well as actual development:

This would more purely test the market for mixed use developments and the greater ownership of the private developer in such ventures. Based on local and international experience, this is not recommended since success has been shown to require a better balanced involvement of both public (for overall coordination, planning and guidelines) and private (for commercial risk taking, expertise and experience).

9.0 CONSULTATION

Consultation for this paper included Auckland Regional Council and Auckland City Council staff, and reports issued by Waitakere and North Shore cities.

10.0 RECOMMENDATIONS

A principal recommendation arising from this paper is that a workshop on "mixed-use" be organised by the Growth Forum aimed at establishing a consistent understanding of what mixed use is in an Auckland context and to consider other related matters.

It is recommended that the **further work** suggestions raised in this paper be considered systematically and prioritised against the key outcomes to be identified in finalising the strategy and resources available to undertake the further work suggested. The further work agenda is outlined in paragraphs throughout this scoping paper.

A priority area for further work is to undertake research on the extent and type of mixed-use development to be encouraged under the intensification programme - how much "mixed-use" development will Aucklanders agree to support in the years ahead? How much mixed use is required in order to enable the Strategy to be achieved?

Another priority area for further work relates to considering whether/how local authorities should be encouraged to adopt mixed-use planning zones in their district planning, rather than providing for mixed-use within the existing planning structure of residential and business (industrial and commercial) zone arrangements.

Another priority for further work is to conduct research that clearly establishes whether mixed-use in fact will achieve the desired levels of intensification and density required by the Strategy. A project to compare intensification data of the 1960s in areas (like Ponsonby and Newmarket) prior to their development as mixed-use centres and corridors would provide a useful empirical benchmark to assess the extent to which mixed-use should or should not be put at the core of the Strategy's implementation.

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It is recommended that serious consideration be given to confirming an indicative range of "centre" and "corridor" "mixed-use developments" throughout the Region; a mixed-use development profile of Auckland in Year 2050 - those that are considered as logical for implementing the finalised Strategy and would be a consistent expression of an Auckland in which the concept of "mixed use" is featured more at the centre of the Strategy as a desired outcome (rather than simply as a tool to achieve intensification and transport outcomes).

It is recommended that a mixed-use development guideline or "checklist" of principal considerations to be taken into account be developed within a sub-strategy to co-ordinate the implementation of proposed mixed-use development projects between regional and local planners, transport interests and private sector developers.

It is recommended that special note be taken of Auckland City's determination of "mixed use" as a central consideration in implementing the intensification requirements of the Regional Growth Strategy, and that consideration be given to this in respect of other recommendations to place mixed-use more at the centre of the Strategy.

It is recommended that Auckland City's experience with mixed use be noted, and fully considered in designing the implementation of the finalised Strategy, and in particular the design of any guidelines or "checklist" of principles for actioning mixed use developments, as recommended in this paper.