

Economic development

This section discusses how the ARC will promote economic well-being in the Auckland region. It includes the following LTCCP activity:

1. Economic development.

Key issues

The ARC, through the Local Government Amendment Act 2002, is charged with the promotion of economic and social well-being of its communities, in the present and in the future.

The Auckland Regional Economic Development Strategy was developed in 2002 through a partnership between central and local government, business, education, Māori, Pacific people and the wider community. The strategy outlines a vision for the Auckland region to be an 'internationally competitive, inclusive and dynamic economy', and provides a framework for building alignment, collaboration and a common direction for the many people, communities, businesses and agencies who can make a difference to the quality of the region's economy.

In order to implement the strategy, the Auckland Regional Economic Development Forum developed the Metro Project Action Plan with input from a range of stakeholders, collaboration with partners, and advice from a team of international experts. The Action Plan has identified five key objectives and 31 separate actions. One objective, to "transform Auckland into a world class destination" has a specific tourism focus. Supporting this objective is an action "to produce and implement a regional visitor strategy".





The first step towards completing this action was the release in December 2007 of “Bringing the World to Auckland: The Case for Investment in Auckland’s visitor economy”. This report, developed by ARC economic development agency AucklandPlus, identifies an opportunity for Auckland to generate an additional \$12 billion in visitor expenditure over the next 10 years with the right investments in tourism. It recommends “the establishment of a regionally mandated and funded agency charged with managing and marketing the Auckland visitor experience”. (The full report is available at www.aucklandplus.com)

To this end the ARC is taking a broader role in tourism development and have allocated a budget of \$500,000 for tourism promotion and destination management.

What we want to achieve

We will implement, facilitate and advocate for the actions in the Metro Project Action Plan. This action plan reflects international best practice around five key objectives:

- taking effective and efficient action to transform Auckland’s economy
- developing world-class infrastructure and world-class urban centres
- transforming Auckland into a world-class destination
- developing a skilled and responsive labour force
- increasing Auckland’s business innovation and export strength.

We will also undertake regional promotion, act as a single facilitation point for current and potential investors, and facilitate regionally significant projects.

We will also review our policy, planning and delivery functions in order to better consider and respond to their impacts on the region’s economic well-being.

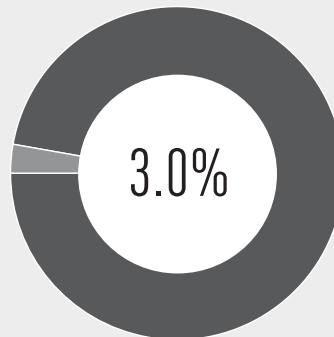
Our responsibilities

The Auckland Regional Economic Development Forum and the Auckland regional economic development unit (AucklandPlus) were both established in response to a request from central government and the region’s local councils that the ARC take on a leadership role in economic development.

The Auckland Regional Economic Development Forum was established to provide strategic direction and leads the development, monitoring and review of the regional economic development strategy. It also monitors the progress of the regional economy towards the outcomes sought in the strategy.

AucklandPlus was established as a business unit of the ARC and is responsible for implementing aspects of the strategy. It plays a vital role in providing regional leadership, coordinating existing economic activities in the region, delivering on the expectations of the Metro Project Action Plan, and ensuring alignment rather than duplication of economic development activity in the Auckland region.

What this will cost



This is 3.0% of the ARC’s total rates
 The total rate requirement for the Activity Group for 2008/09 is \$3.952m



The economic development activities contributes to the following community outcomes:

- A thriving regional economy that supports a good standard of living.
- The ARC, the community, local and central government, and business work together to achieve results.
- Aucklanders are educated and skilled and have access to appropriate learning and training opportunities.
- Māori are succeeding socially and economically, and contribute to decision-making.
- Valuing our identity and the changing face of Auckland.
- Aucklanders have access to a range of affordable and safe ways to move people and goods.
- Recreational and leisure opportunities that offer a range of experiences for all.

Influence on the four well-beings:



Environmental



Social



Cultural



Economic

Prospective income statement for year ending 30 June - dollars in thousands

Plan 2008	Economic development	Plan 2009	LTCCP Forecast 2009	Variance 2009
4,248	Rates	3,952	3,479	473
107	Service fees	152	78	74
75	Facilities	56	16	40
567	Grants and subsidies	1,152	8	1,144
119	Investment	140	71	69
11	Sundry operating	14	1,053	(1,039)
5,127	Revenue	5,466	4,705	761
2,377	Human resources	1,856	1,420	436
226	Professional services	379	499	(120)
105	Technical services	170	224	(54)
1,327	Contracted services	1,580	2,082	(502)
10	Materials	12	7	5
119	Printing and office supplies	176	87	89
24	Fuel and power	12	12	-
10	Repairs and maintenance	6	4	2
62	Communications	51	38	13
159	Information services	213	50	163
265	Occupancy	240	135	105
10	Interest and bank charges	(1)	5	(6)
191	Other	625	181	444
(23)	Internal expenditure recovery	(34)	(114)	80
24	Vehicle	14	18	(4)
369	Depreciation	220	138	82
5,255	Expenditure	5,519	4,786	733
(128)	Net surplus/(Deficit)	(53)	(81)	28

LTCCP Activity 1: Economic development

What we plan to deliver

We will undertake specific regional scale activities to implement the Auckland Regional Economic Development Strategy and the Metro Project Action Plan. Key to the success of this programme will be the building and maintenance of successful relationships with central and local government agencies, business and community interests.

The Auckland Regional Economic Development Strategy will be further developed with a focus on skills and education, the identification of transformative sectors of industry, and broadband infrastructure.

AucklandPlus's contribution will be in three core business areas: regional promotion, a single facilitation point for current and potential investors in a range of activities, and as facilitator of regionally significant projects.

We will co-ordinate with central and local agencies to implement a programme of work in the areas of:

- skills and education
- business innovation and exports
- promoting Auckland as an investment destination
- leveraging opportunities and benefits from hosting major events, such as the 2011 Rugby World Cup.

What this will cost

Activity prospective cost of services statement for year ending 30 June - dollars in thousands

Plan 2008	Economic Development	Plan 2009	LTCCP Forecast 2009	Variance 2009
879	Revenue	1,514	1,226	288
5,255	Expenditure	5,519	4,786	733
4,376	Net cost of services	4,005	3,560	445
(128)	Reserves	(53)	(81)	28
4,248	Rating requirement	3,952	3,479	473

Variations to the LTCCP 2006-16

ARC is considering taking a broader role in tourism development and has included a budget of \$500,000 in the Draft Annual Plan 2008/09 as a transitional step. Council is also seeking feedback from Aucklanders on a proposal to take a greater role in tourism development in the next LTCCP.

ARC service levels

Measures	Target	Results
1. Auckland regional brand awareness.	50 per cent or more respondents state they are aware of the regional brand.	
2. Regional economical development projects under implementation.	10 or more regional projects under implementation by the end of each financial year.	
3. Number of regional value propositions delivered to potential investors.	12 regional value propositions delivered to potential investors within the financial year.	
4. Increased investment in sector development in the Auckland Region.	Increase by 5 Geographic Units per industry per annum.	
5. Stakeholder satisfaction with AucklandPlus relationship and services received.	75% respondents that are either satisfied or very satisfied with the effectiveness of the relationship and quality of services/ advice/support received from AucklandPlus.	
6. A single facilitation point website will be recognised as a first for potential investors into the region, with usage increasing.	2008/09 - Visitor sessions increased by 20% each year up to 2016.	

