



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

The economic development activities contribute 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

Influence on the four well-beings:



Environmental



Social



Cultural



Economic

Possible significant negative effects

If ARC funding for the Economic Development Unit is not continued, barriers to regional economic growth and resourcing for key sectors may not be addressed.

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'. It 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 assuming further 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 has 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.

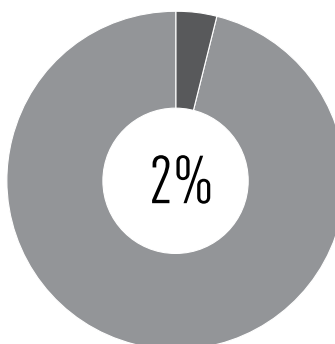
AucklandPlus was established as a business unit of the ARC and is responsible for implementing aspects of the strategy. It plays a vital role in providing regional leadership, coordinating existing economic activities in the region, delivering on the expectations of the Metro Project Action Plan, and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

Assets required by this group of activities

There are no assets relating to this group of activities.

The depreciation costs included in the income statement that follows represents the overhead costs allocated across all ARC activities.

What this will cost



This is 2% of the ARC's total rates

The total rate requirement for the Activity Group for 2009/10 is \$3.138m.



Key financial assumptions

Refer to assumptions under activity 1.

The rationale for funding of this group of activities is contained in the Revenue and finance policy – funding profiles by activity in chapter 6.

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

Economic development	Plan 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
Rates	3,138	3,251	3,158	3,131	3,184	3,233	3,284	3,271	3,325	3,392
Service fees	80	82	80	82	84	86	88	91	93	96
Facilities	192	62	37	38	39	40	41	42	43	44
Grants and subsidies	1,801	852	252	88	91	95	99	102	107	111
Investment	93	121	144	164	187	188	198	224	236	252
Sundry operating	3	3	3	3	3	4	4	4	4	4
Revenue	5,307	4,371	3,674	3,506	3,588	3,646	3,714	3,734	3,808	3,899
Human resources	1,315	1,344	1,343	1,373	1,408	1,445	1,481	1,471	1,514	1,558
Professional services	307	309	317	323	330	339	345	353	363	370
Technical services	235	190	115	118	121	123	126	129	132	135
Contracted services	2,186	1,151	494	402	411	420	431	441	452	464
Materials	3	3	3	3	4	4	4	4	4	4
Printing and office supplies	130	133	135	138	141	144	148	151	149	152
Fuel and power	10	9	10	11	13	14	16	18	23	26
Repairs and maintenance	3	4	3	4	4	4	4	4	4	4
Communications	31	31	31	32	32	33	34	34	35	36
Information services	179	180	181	189	189	194	200	202	209	212
Occupancy	130	130	126	133	134	136	142	143	145	146
Interest and bank charges	7	13	20	23	27	23	14	15	7	-
Other	725	839	839	669	672	676	680	683	687	691
Internal expenditure recovery	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)
Vehicle	20	21	21	22	23	23	24	25	26	27
Depreciation	141	131	101	106	111	96	99	96	100	104
Expenditure	5,410	4,476	3,727	3,534	3,608	3,662	3,736	3,757	3,838	3,917
Net surplus/(Deficit)	(103)	(105)	(53)	(28)	(20)	(16)	(22)	(23)	(30)	(18)

LTCCP Activity 1: Economic development

This activity contributes to the 'Digital Auckland', 'Destination Auckland' and 'Growth through Skills' – One Plan programmes of action.

Key issues

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 potential 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.





Levels of service	Performance measures	Baseline	Targets	
We will provide information on the Auckland region's economy in order to provide targeted support for strategic decision-making.	THIS IS A NEW MEASURE ED 1. Stakeholder satisfaction with access to and quality of regional economic and labour market information.	To be established in 2009/10	To be developed	
We will promote, support and advocate for the Auckland region as a destination for investment, a place for people to conduct business and to visit.	THIS IS A NEW MEASURE ED 2. Percentage increase in enquiries from potential investors interested in investing in the Auckland region as recorded in the AucklandPlus Investment log and monitored on a shared regional register.	To be established in 2009/10	2009/10	Baseline
			2010/11	5% increase on previous year
			2011/12	5% increase on previous year
	THIS IS A NEW MEASURE ED 3. Growth in dollars invested by sector in the Auckland region relevant to enquiries processed by the ARC (AucklandPlus) in business sectors* of importance to the region requiring support. <i>* Current business sectors are: Food and Beverage, Screen Digital, Marine and BioScience.</i>	To be established in 2009/10	2009/10	Baseline
			2010/11	5% increase on previous year
			2011/12	5% increase on previous year
THIS IS A NEW MEASURE ED 4. Global investment benchmarking as measured by GDP Global*. <i>* GDP Global are an internationally recognised provider of benchmarking data for investment promotion agencies (IPAs). They are used by IPAs to benchmark the provision of services to investors.</i>	To be established in 2009/10	2009/10	ARC in top quartile of participating organisations each year.	
		2010/11		
		2011/12		
		2013 - 19		
We will co-ordinate, facilitate and seek to influence economic development activities across the Auckland region to ensure the efficient use of resources and to avoid duplication.	THIS IS A NEW MEASURE ED 5. Stakeholder satisfaction with relationship and services received from AucklandPlus	To be established in 2009/10	2009/10	75%
			2010/11	75%
			2011/12	75%
			2013 - 19	75%

What this will cost

Financial assumptions

- The Economic Development budget assumes external funding to support the programme.
- It is assumed that the completion of the proposed work programmes within this activity is not affected by changes in government policy.
- The budget is based on the assumption that economic well-being will continue to be a priority for local government.

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

Economic development	Plan 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
Revenue	2,169	1,120	516	375	404	413	430	463	483	507
Expenditure	5,410	4,476	3,727	3,534	3,608	3,662	3,736	3,757	3,838	3,917
Net cost of services	3,241	3,356	3,211	3,159	3,204	3,249	3,306	3,294	3,355	3,410
Reserves	(103)	(105)	(53)	(28)	(20)	(16)	(22)	(23)	(30)	(18)
Rating requirement	3,138	3,251	3,158	3,131	3,184	3,233	3,284	3,271	3,325	3,392

