Supporting Auckland’s growth and competitiveness

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Foreword

To become the world’s most liveable city, Auckland requires a strong and prosperous regional economy transformed by growing exports, innovation, investment and productivity – attained through building sound partnerships and facilitating mutual connections and collaboration.

Auckland Tourism, Events and Economic Development (ATEED) has a single-minded commitment to be the world’s best economic growth agency. Our strategic priorities are ambitious because we want to deliver outcomes for Auckland and its people that go beyond good or great. We want them to be world-leading and to match the pride and outward-looking confidence of this wonderful city.

The world is starting to sit up and take notice.

Auckland was named one of the top 10 cities to visit by Lonely Planet Guide; third most innovative Asia Pacific country on the 2013 Global Innovation Index; and the world’s third best sporting city overall and top medium-sized city at the prestigious SportBusiness Ultimate Sports Cities Awards.

This Growth and Competitiveness Framework encapsulates how our work programmes fit together, and how we respond to Auckland Council’s priorities and global trends through an integrated approach which delivers essential change and creates a legacy for Auckland and New Zealand.

We have already delivered world-class major events including the homegrown NRL Auckland Nines rugby league tournament, and forged successful industry partnerships which have expanded Auckland’s visitor economy. Our business growth programme to showcase Auckland’s innovation has created real momentum, and the opening of the GridAKL innovation precinct at Wynyard Quarter has accelerated our progress towards becoming an innovation hub of the Asia-Pacific region.

Our commitment to partnerships and an integrated approach brings Auckland together – the business community, Auckland Council, iwi, educators, innovators and investors – in a way that both maximises our natural advantages and taps into our Kiwi ingenuity and drive for success.

We are increasing our focus on interventions which will develop our competitive advantages, attract new businesses and investment, and grow a skilled workforce that supports high-value jobs which create prosperity. In short, we aim to deliver new jobs and new money for Auckland.

For example, we believe Auckland can be home to a globally-connected indigenous business ecosystem which creates unlimited opportunities for Māori and Pacific Island business; that Auckland can be the world-leader in future-focused digital learning; and that Auckland can be a world-leading sports city in events, high-performance sports training, nutrition, medicine and rehabilitation.

This Growth and Competitiveness Framework reflects the role ATEED plays in the wider Auckland Council group and in delivering major Council projects. We look forward to playing an increased role in The Southern Initiative – which we believe can become the world-leading urban regeneration programme for indigenous people and migrants.

Based on the fundamental principle of kotahitanga – or shared purpose – and founding principle of kaiarahi – or guidance, information and leadership – ATEED welcomes the challenge to take Auckland on the next phase of its economic growth and to enhance liveability and prosperity. The journey is outlined in this framework.
ATEED GROWTH AND COMPETITIVENESS FRAMEWORK

AUCKLAND PLAN

ECONOMIC DEVELOPMENT STRATEGY

- Grow the visitor economy
- Enable education and talent
- Build a culture of innovation and entrepreneurship
- Attract business and investment
- Grow a skilled workforce
- Build Auckland's brand and identity

Business friendly, well functioning
Innovation hub of Asia Pacific Rim
Internationally connected, export-driven
Creating the World's Most Liveable City
Build Auckland's brand and identity
Grow skills and local workforce
Supporting Auckland's growth and competitiveness
Facilitating new money and new jobs for Auckland
Auckland was founded by entrepreneurial settlers and built on commerce fuelled by the region's iwi traders. The city's expansion fed off its natural advantages – three harbours and productive land – and primary industries which inspired Kiwi ingenuity and innovation. The 20th Century’s incredible technological and social changes shaped Auckland’s evolution.

But by the new millennium, the economy of New Zealand’s largest city and corporate hub was increasingly driven by import-led consumption, real estate and domestic-focused services.

The amalgamation of Auckland Council in November 2010 heralded a new vision for the region – the 30-year Auckland Plan which outlines the steps for Auckland to become ‘the world’s most liveable city’. The plan is supported by a 10-year Economic Development Strategy (EDS) which recognises that a city cannot be the most liveable without a strong and prosperous economy.

The strategy identifies five economic priorities to be achieved by 2022:

• grow a business-friendly and well-functioning city
• develop an innovation hub of the Asia-Pacific region

In 2012 and 2014, respected consultancy Mercer ranked Auckland third in its global Quality of Living survey.
A shared economic agenda for Auckland

In January 2014, Auckland Council, Auckland Chamber of Commerce and ATEED worked with international cities expert Greg Clark to review progress at implementing the EDS, and agree with stakeholders a shared economic agenda for Auckland. The agreed priorities were:

1. Establish a new Auckland Leadership Team
2. Raise youth employability
3. Build and retain talent
4. Build Auckland’s business proposition and brand
5. Boost the investment rate in Auckland’s economy and infrastructure
6. Support more Auckland businesses to innovate and grow
7. Increase Auckland’s visibility
8. Make sure the right infrastructure for growth is planned and in place

- Become internationally connected and export-driven
- Enhance investment in people to grow skills and a local workforce
- Develop a creative, vibrant, international city.

Achieving these priorities will require a transformation in Auckland’s economic performance. In 2012 and 2014, respected consultancy Mercer ranked Auckland third in its global Quality of Living survey.

However, in the OECD’s 2010 economic city survey, Auckland placed 69th of 100 metropolitan regions in terms of GDP per capita. Auckland Council’s target is to be 20 places higher by 2031 and to achieve this there is a critical need to focus on priority interventions and a partnership approach to unlocking new growth opportunities.

The 2013 GDP growth rate of 2.9 per cent was below the EDS target. Unemployment, at 6.7 per cent in 2013, was high by historical standards and employment growth is slower than population growth. Youth unemployment is a particular economic and social challenge for Auckland, with unemployment in the 15-24 age category at 22 per cent in 2013.

Some key sectors such as information, communications and technology (ICT), food and beverage, and construction cannot find the skilled workers required, and this shortage is forecast to continue. To fill specific industry gaps, Auckland must produce more graduates in the right specialties, and attract and retain skilled migrants.
Alongside increased business confidence, infrastructure investments – including the City Rail Link and the Auckland Housing Accord – will create new economic and employment opportunities for businesses and residents.

As a small domestic economy, growing exports is critical for Auckland and New Zealand. Enhancements in broadband connectivity and speed, and the emergence of cloud-based solutions are already transforming business models and eliminating the tyranny of distance to international markets.

Auckland has a concentration of tertiary education and research institutions, support organisations, corporates, start-ups and entrepreneurs. Rates of research and development, and commercialisation of intellectual property need to increase.

If growth is to be sustained and accelerated, more ongoing investment in infrastructure, innovation, company expansion and entrepreneurship is needed. Given the importance of the Auckland regional economy to the country, national programmes need to deliver for Auckland businesses and residents.

Progress in addressing unemployment and in particular the high number of young people not in jobs, education or training will be essential. Auckland needs more people working in higher skilled and higher paid jobs.

Tackling these challenges requires a partnership approach, involving central and local government, existing businesses and entrepreneurs, research and tertiary institutions, and investors. Resources are limited, so there is a need to create greater synergy and alignment between all stakeholders.

Innovation and the application of new technologies can fuel the growth of all of Auckland’s businesses. Innovation-based businesses typically grow quicker, employ more skilled staff and engage with international markets faster. New forms of hybrid innovation, combining advances in software and hardware development, offer the opportunity to combine the physical and the virtual and bring life to the ‘internet of things’.

By harnessing opportunities for growth, raising entrepreneurial capacity and responding to global trends such as digital enablement, digital learning and big data analytics, there is the potential for new and existing businesses to lead Auckland’s economic transformation and support the creation of a globally fluent smart city.
ATEED GROWTH AND COMPETITIVENESS FRAMEWORK
STRATEGIC PRIORITIES, SPATIAL FOCUS AND ACTIVITIES

THE SOUTHERN INITIATIVE
- Grow the visitor economy
- Grow a skilled workforce
- Enable education and talent
- Build a culture of innovation and entrepreneurship
- Attract business and investment
- The Southern Initiative

THE CITY CENTRE
- Build Auckland’s brand and identity
- Attract business and investment
- Build a culture of innovation and entrepreneurship
- The City Centre

Supporting Auckland’s growth and competitiveness

Skills for growth
- Skills for work
- Employment pathways
- Business capability building

Visitor product
- World class major eventsportfolio
- Business events
- Domestic and international marketing
- Industry development

Student/talent attraction and retention
- Talent brokerage
- International marketing/branding
- Trade missions
- Industry leadership
- University development

Destination brand
- Business brand/proposition
- Key identity enhancers
- Auckland visibility
- Māori attractions and events

Foreign Direct Investment attraction
- Partnerships for Auckland
- Screen attraction
- Sectors of competitive advantage
- Auckland Investment Office
- Aftercare service (Aroha Auckland)

Auckland’s innovation ecosystem
- GridAKL at Wynyard Quarter
- Key sector growth
- R&D funding programme
- Māori business
To maximise available resources, ATEED’s approach is to establish partnerships, and prioritise and implement actions which have the most significant impact on its efforts to meet the EDS targets.

The Growth and Competitiveness Framework aligns ATEED’s current activities, identifies future priorities and actions, and considers the resources and partners ATEED needs to work with. The intervention logic is outlined.

The framework closes the implementation gap between Auckland Council-wide strategies and ATEED’s ongoing strategic interventions, growth programmes and projects. It is a living framework, which will be supported as required by detailed action plans, investment proposals and delivery partnerships.

Woven throughout the framework is an unbroken thread of aspiration to be world-leading.

The framework is a communication tool for ATEED to engage with its stakeholders and partners. ATEED’s principle of kotahitanga defines its organisational culture of transparency, being easy to do business with, and working with partners.

The framework is consistent with the EDS’ four cross-cutting themes: to fuel Auckland’s Māori economic powerhouse; a sustainable eco-economy; an innovative rural and maritime economy; and a diverse ethnic economy.

The framework’s foundations
ATEED is developing a suite of integrated implementation plans which identify the activities it will undertake to support the achievement of Auckland’s growth targets. Each plan defines a road map to success, contains clear goals and actions, and outlines investment required to achieve targets. Each plan’s target outcomes are linked to the overriding EDS targets.

ATEED delivered the Auckland Visitor Plan and the Auckland Major Events Strategy in 2011. It is progressing implementation plans which cover: innovation; key industry sectors such as food and beverage, and international education; business attraction; and skills and employment.

Auckland as a global city
A June 2013 report from The Global Cities Initiative reinforced the Auckland Plan’s vision for the world’s most liveable city, and the inexorable link between the plan’s two pillars – quality of life and economic prosperity.

The report identified 10 traits of ‘globally fluent’ metropolitan areas, and their critical relationship to the competitiveness, productivity, and prosperity of 21st Century cities.

The table on the next page shows how Auckland and ATEED’s focus matches key traits of a globally fluent city.

The Global Cities Initiative reinforced the Auckland Plan’s vision for the world’s most liveable city, and the inexorable link between the plan’s two pillars – quality of life and economic prosperity.

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Partnerships for Auckland

ATEED is leading the development of a Council-wide approach to drive greater commercial outcomes from the Council’s existing infrastructure and activities. Auckland has an extensive asset base and many activities across the Council group that may be of joint interest to private sector companies, philanthropists, trusts and — in some cases — central government.

These relationships will provide new funding streams to Council, and allow it to better deliver on community expectations. ATEED works with representatives from across Council to scope the feasibility and potential of sponsorships and commercial partnerships.

### THE TEN TRAITS OF GLOBALLY FLUENT CITIES

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<td>Leadership with a world view</td>
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<td><strong>5</strong></td>
<td>Opportunity to appeal to the world – a magnet for attracting people and companies</td>
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ATEED’s Auckland Plan’s vision to be ‘the world’s most liveable city’ shows Auckland’s clear global outlook.

Due to its location and history as a trading centre for the colony, Auckland was naturally oriented toward global interaction at an early stage.

Auckland companies have to overcome the tyranny of distance. The EDS recognises the importance of Auckland focusing on sectors in which it is globally competitive, aided by technology such as UFB and improved international transportation.

The EDS objective for Auckland to become an innovation hub of the Asia-Pacific region is being implemented by ATEED actions which will build and support a region-wide innovation ecosystem. An example is the development of GridAKL at Wynyard Quarter, an innovation hub for ICT and digital media sectors.

ATEED’s Major Events Strategy recognises the importance of major events in enhancing Auckland’s global reputation and liveability. The city has developed a portfolio of world-class major events, from the NRL Auckland Nines, to Volvo Ocean Race stopovers, and World Masters Games Auckland 2017, which put Auckland on the world stage.

ATEED’s Auckland Brand project is developing the city’s identity as an ‘urban oasis’, based on the concept of duality that can be applied to all of ATEED’s activities.

ATEED plays a leadership role in the attraction of businesses of scale and productive inward investment into Auckland, and works closely with strategic partners to develop strong channels into key international markets.

The Auckland Plan identified the need for key infrastructure projects which will cost at least $9 billion. ATEED is developing the Auckland Investment Office which will drive the attraction of investment for those projects.

Auckland has a third of New Zealand’s population and accounts for two-thirds of its economy. ATEED recognises the fundamental importance of close collaboration with central government agencies to support economic growth, drive innovation, and increase R&D. ATEED has signed a joint venture with government agency Callaghan Innovation to fund and operate The FoodBowl – Te Ipu Kai, a state-of-the-art facility which supports the development of export products in the key food and beverage sector.

The installation of a new organisation structure ensured ATEED is dynamic and able to adapt to changes and opportunities within its key work streams. ATEED has adopted a 90-day planning model, and introduced a major focus on developing commercial partnerships.
ATEED’s priorities
Supporting Auckland’s growth and competitiveness
ATEED supports the further development of Auckland’s innovation ecosystem, which consists of companies, entrepreneurs, investors, and research and tertiary institutes.

On behalf of Council, ATEED invests in infrastructure including The FoodBowl – Te Ipu Kai, in Mangere, and the GridAKL innovation precinct at Wynyard Quarter. Together with other tertiary and private sector-driven initiatives, they form the backbone of Auckland’s innovation corridor.

ATEED works closely with partners including industry, Crown Research Institutes, the Ministry of Business, Innovation and Employment (MBIE), and Callaghan Innovation. The latter joined ATEED to participate in Massachusetts Institute of Technology’s two-year Regional Entrepreneurship Acceleration Program designed to share global best practises and strategies in support of building innovation-driven enterprises.

Activity is focused on growing Auckland’s internationally competitive sectors including: life sciences (health and biotechnology), marine, high-value tourism, food and beverage processing, ICT, screen and digital, sports centres of excellence, and international education.

ATEED will maximise the value of activities already underway to support innovation, national agency agendas and international trends. These include supporting the development of new acceleration and incubation programmes, and the growth of new investors and funds for early stage and expansion capital.

Auckland’s innovation ecosystem is connected to national and international locations where innovation is thriving. ATEED works closely with the Kiwi Landing Pad in San Francisco, which helps high-growth New Zealand technology companies establish and grow their business in the US. Australia, Southern China, and Europe are other key offshore markets where ATEED is developing connections.

Working with industry, ATEED will encourage investment into Auckland’s innovation corridor where technology driven enterprises are concentrated, and build entrepreneurial capacity within the corridor. The corridor spans the city from Albany in the north, through Takapuna, across the central business district and south to Auckland Airport, as illustrated at right.
This corridor is rich with supporting infrastructure: private and tertiary led accelerators such as Unitec’s The Mind Lab, incubators, co-working spaces such as The BizDojo and The Generator, and facilities such as GridAKL and The FoodBowl – Te Ipu Kai.

Tertiary institutions, corporate offices and research facilities have the capacity to attract communities of entrepreneurs and investors and create clusters of innovation-driven enterprises across the city.

On the North Shore, ATEED works closely with Massey University’s ecentre, is developing two Information Technology Export Clusters (iTECs), and supports the growth of the ‘Techapuna’ high-tech initiative. Techapuna involves growing companies such as Snapcomms, Booktrack, Diablo, Digital Media Developers, Hitech Solutions, AFT Pharmaceuticals and Unleashed Software. Companies ATEED is working with in the iTECs include Abel Software and Argus Tracking.

ATEED’s priorities to support innovation include the services provided by its four area offices and its delivery of the Government’s Regional Business Partners Programme across Auckland. They help small to medium export-ready companies to understand and access Callaghan Innovation’s R&D co-funding grants, and obtain Capability Development Vouchers from New Zealand Trade and Enterprise (NZTE).

The Māori economy
Māori economic contribution is multi-faceted and includes the primary sector, natural resources, small and medium enterprises and tourism. In 2001, the asset base of the national Māori economy was estimated to be $9.4 billion; this figure rose to $16.5 billion by 2006, and was last estimated at $36.9 billion in 2010.

The Māori asset base includes:
- businesses owned by Māori employers ($20.8 billion)
- other Māori entities ($6.7 billion)
- businesses of self-employed Māori ($5.4 billion)
- trust and incorporations ($4 billion).

Source: (BERL, The Asset Base, Income, Expenditure and GDP of the 2010 Māori Economy)

All of ATEED’s activities support the development of Auckland’s Māori economy through greater business connectivity, investment and capability building. Successful Māori economic growth in the region can help Auckland become the world-leading indigenous business ecosystem – one which creates unprecedented opportunities for Māori and Pacific Island start-ups. Partnerships with iwi will be critical for growth.

Strategic alignment
He Kai Kei Aku Ringa – The National Māori Economic Development Strategy and Action Plan – has six strategic goals for lifting Māori economic contribution:
- greater educational participation and performance
- a more highly skilled and successful workforce
- increased financial literacy and savings
- government partnerships with Māori to enable growth
- active discussions about the development of natural resources
- ‘Māori Inc’ as a driver of economic growth.

Māori Economic Growth Forum
The regional opportunity was the first of its kind for Māori businesses, iwi and trust leaders in Tāmaki Makaurau.

The concept developed by ATEED and partners including The Icehouse, MBIE, Te Puni Kokiri, Treasury, NZTE, mana whenua and Māori business, offered an open door to all who wanted to come together to drive Māori economic growth and prosperity in a way that offered direct support and engagement to achieve tangible growth outcomes.

The one-day forum was attended by about 100 people from agencies, iwi, trusts and Māori-owned small to medium sized businesses. It was only the starting point for what is proposed to be a series of economic growth projects and opportunities.

The long-term view is that ATEED will work strategically with Tāmaki Makaurau’s mana whenua and mataawaka in a holistic approach which develops business pipelines with Northland and Waikato regions. This approach will encompass all services which encourage sustainable economic growth. This pipeline will require central and local government agencies, education institutions and other relevant providers to work together.
**GridAKL – the innovation precinct at Wynyard Quarter**

A crucial initiative for Auckland, the precinct will help achieve key EDS priorities for supporting innovation. The first of two hub buildings was officially opened in May 2014 and is home to an exciting group of foundation tenant companies. The second building will be available for tenants in early 2015, with new builds to follow later in the project.

Council is investing $20 million over 10 years in the precinct which will attract international ICT and digital investment, and drive export growth.

The project’s delivery is a partnership between ATEED and Waterfront Auckland.

The precinct vision is that within 20 years it will be a major generator and showcase of Auckland innovation in ICT, digital and high-tech industries. It will attract, create and rapidly grow world-class research, talent and technology based ventures, and foster collaboration.

Staff from ATEED and business support companies will hot desk at GridAKL to work alongside incoming business incubation, mentoring and/or acceleration programmes, and the tenant companies.

Highly respected companies The BizDojo and The Icehouse joined forces to be the hub’s independent operator, and will curate and activate the hub.

**Forging international connections**

ATEED establishes international connections which are a critical component to Auckland’s economic growth. Auckland companies can leverage these connections to expand into key export markets and attract international investors.

During Emirates Team New Zealand’s campaign for the 34th America’s Cup in San Francisco, from July to September 2013, ATEED partnered the Government’s ‘NZ Inc’ programme to support Auckland’s objectives for foreign direct investment alongside the promotion of key Auckland economic sectors including luxury tourism, and business events and international visitors.

The business leveraging programme involved Auckland companies taking part in NZTE’s Kiwi Landing Pad, and added to a number of earlier ATEED initiatives for the ICT sector which have grown Auckland’s relationship with the Bay Area – the gateway to Silicon Valley.

ATEED’s sponsorship of the China Cup – the largest yacht racing regatta in China – has resulted in close engagement between Auckland and important Chinese marine interests. During the 2013 regatta, ATEED led a marine industry delegation which promoted Auckland as a centre of marine heritage, innovation and excellence. Auckland’s Royal New Zealand Yacht Squadron joined the delegation and ATEED facilitated meetings for its members which resulted in a number of potential high-value connections being made.

This has so far resulted in young Chinese sailors being hosted in Auckland for intense coaching. Tennis, baseball, sailing, rugby league and motor racing are other sports where there are potential opportunities to leverage Auckland’s world-class sports infrastructure including the AUT Millennium Institute of Sport and Health, Eden Park, Pukekohe Park Raceway, Bruce Pulman Park and the National Aquatics Centre.

ATEED’s Business Attraction & Investment and Economic Growth teams facilitate trade missions on behalf of Auckland Council to key markets such as China, Australia, the Pacific Islands and California. Export-ready Auckland businesses and innovators are invited to go on these missions, which are led by Auckland’s Mayor and councillors. The missions connect Auckland with potential investors and market influencers across the globe, and result in important deals.
The FoodBowl – Te Ipu Kai

In 2013, ATEED and Callaghan Innovation signed a joint venture deal which saw The FoodBowl – Te Ipu Kai become a Crown entity, two thirds owned and funded by the Government. It was a significant boost for Auckland’s $3 billion-a-year food and beverage sector, and an important strategic and economic growth decision for ATEED.

The addition of Callaghan Innovation’s skills, resources and business networks add great value, and the joint ownership and funding model secures The FoodBowl’s long-term future.

By 2014, The FoodBowl’s processing plant and supporting business development services had been used by more than 600 innovative food and beverage companies from Auckland and around the country – both start-ups and major companies, and typically, more than 20 at any one time.

Leading poultry producer Tegel Foods successfully used The FoodBowl for trials when it wanted to extend the shelf life of its products to overcome the impact of long-distance travel from New Zealand.

Tegel, based in Auckland, was able to produce a new chicken product for Asian markets using the revolutionary high pressure processing system at The FoodBowl for year-long trials.

The FoodBowl has helped Culley’s Hot Sauces and Salts grow from a stall at the Clevedon Farmers’ Market to an international exporter. Owner Chris Cullen moved his production into The FoodBowl, where he has tested and produced numerous hot sauce varieties in 150ml bottles. He oversees a 12-hour production run every three to six weeks with a processing team of up to eight, including his mother and two brothers.

In April 2014, Chris signed the company’s first export deal – to supply a high-end Australian distributor with six of its international award-winning sauces and flavoured salts – and a distribution deal with Progressive Enterprises to stock Culley’s products in Countdown stores nationwide.

ATEED South Area Office’s business growth specialists have provided Chris with showcasing opportunities at food shows, connected him with a local chilli supplier and mentors who have food exporting experience, helped him gain funding from NZTE towards website marketing, and given him general business growth advice.
Supporting Auckland’s growth and competitiveness
Attract business and investment

The attraction of more businesses of scale, and a focus on productive inward investment align with the EDS’ GDP, exports and jobs growth objectives, as well as the target of increased inward investment. The objective of ATEED’s programme is for Auckland to be recognised as an important destination in the Asia-Pacific region for business and investment opportunities in growth sectors.

The strategic priorities include working with other agencies and partners – such as NZTE and Ministry of Foreign Affairs and Trade – and the identification of target sectors in alignment with ATEED’s sector growth strategies and key international markets.

ATEED is developing strategies to activate a proactive Auckland business and investment attraction presence in key international markets which can turn opportunities into positive outcomes. A major component in the strategy is the development of a post-investment aftercare service – to retain multi-nationals which locate in Auckland and actively encourage further investment.

ATEED’s key performance indicators for the year ended June 2014 included the attraction of at least $240 million of international investment into Auckland, and the attraction of at least five multi-national companies. In 2013, one of the multi-national companies ATEED attracted was UK-based EIMS (see case study p22).

In 2014, ATEED started working on the Auckland Investment Office – an Auckland Council initiative established to co-ordinate inwards investment into Auckland for business growth and the infrastructure needed to improve Auckland’s long-term liveability and economic efficiency.

Aroha Auckland
Auckland is home to multi-national companies across its focus growth sectors: they include IBM, Nestle, 3M, South Pacific Pictures, China Southern, High Modulus, Radius, AIG and ANZ.

ATEED has developed an aftercare programme which will help each multi-national to grow their contribution to GDP, job numbers and export growth from their Auckland base.

The programme identifies additional market opportunities and workforce talent, provides location assistance, and international and local business connections.

Within the programme, The Aroha Auckland 100 is a select group of 15 investors and 85 multi-national companies with bases in Auckland. These companies have been identified as having high growth potential, and being likely to increase their contribution to Auckland’s GDP through increased employment, productivity and export revenue.
**Grow the screen sector**

The ATEED Business Attraction & Investment team has a major focus on opportunities within the screen and digital media industry.

ATEED uses its extensive international connections to attract productions to Auckland which contribute several hundred million dollars to the regional economy each year, from pre to post-production.

ATEED operates Auckland’s regional film office which each year issues filming permits for dozens of international and local productions.

ATEED worked closely with The Weinstein Company on its feature film *Crouching Tiger Hidden Dragon II: The Green Destiny*, which began pre-production in Auckland in March 2014 and was the first major Chinese-US production to be located in Auckland.

In late 2013, discussions began in New Zealand with The Weinstein Company about its needs relating to the feature film’s production. The discussions were assisted by confidence the company gained from the Government raising the baseline incentive rate for international productions to 20 per cent in December 2013.

ATEED provided support in the preparation of a detailed location feasibility study and a web-based location reference presentation which showcased sites around Auckland and the upper North Island. Three top location scouts worked with the producers of *Crouching Tiger Hidden Dragon II: The Green Destiny* to determine availability of additional pop-up filming infrastructure and exterior set build location options in Auckland, and assisted with the company’s negotiations with Auckland Film Studios.

The Auckland film office also worked closely with the producers of *The Wonder 3D* – the first China-New Zealand feature film co-production. The film has a US$20 million budget and began pre-production in Auckland in May 2014.

The office developed the Auckland Film Protocol which helps to ensure companies have a seamless experience filming in the region. The office’s staff help producers tap into Auckland and New Zealand’s vast network of experienced and innovative film industry professionals.

ATEED leads an integrated cross-Council approach to screen assets and partnerships, including the Auckland Film Studios owned by Auckland Council Investments Ltd; and led the development of an industry group established to champion cross-sector collaboration and help the region’s largest private film studios work together.

Strong relationships have been forged with the world’s two most important screen markets – the US, and the People’s Republic of China. Auckland’s ‘sister city’ relationship with Los Angeles has assisted its US efforts. Since 2012, ATEED has signed film production memorandums of cooperation with the governments of Qingdao, and Shenzhen. The benefits include the facilitation of co-productions and opportunities for cross-sector economic growth – such as Chinese digital media and screen students to Auckland’s world-class tertiary courses.

ATEED helps the Auckland screen industry work through issues which arise at central government level. This included discussions in 2013 with the Government on behalf of Auckland during the review and design of the Government’s new large budget screen incentives. These discussions had a positive outcome for the competitiveness of Auckland’s screen industry.
EIMS sets up in Auckland

It was an easy decision for multi-national sales and marketing company EIMS to establish its Asia-Pacific office in Auckland, rather than Singapore or Melbourne.

“Auckland was more business friendly, and putting all the costs together – including real estate, recruitment and taxes – it was cheaper. Melbourne was 60 per cent more expensive,” says Benjamin Tellez, managing director, International Operations for EIMS.

“We needed to bring four key staff from Europe and the New Zealand government was more visa friendly. There were clear differences between Auckland and Melbourne, and Auckland won hands down.”

EIMS specialises in delivering effective multi-lingual sales and marketing programmes for leading information technology companies around the world. With its head office in Bournemouth, England, and other branches in Barcelona and Miami, EIMS first set up its Asia-Pacific office in Singapore in October 2012. But it struggled with hiring people and getting visa clearance – and looked further afield.

ATEED prepared a relocation report and gave Benjamin Tellez some contacts. He easily found office space in upper Queen St, thanks to the support of neighbouring tenant, Telelink NZ, and EIMS opened its new Asia-Pacific office in March 2013.

The EIMS Auckland office started with 12 staff and increased to 25 by the end of 2013, with a target of 100 by the end of 2014 as it gathered in more clients. EIMS does business around the world in 32 languages and needs native-speaking staff to deliver the results.

EIMS works for IT multi-nationals such as IBM, Dell, Microsoft, Oracle Cisco, EMC, Juniper Networks and Savvis in different markets, and is Good Technology’s exclusive partner in New Zealand and Australia. Towards the end of 2013, EIMS pitched for Symantec’s business in Asia Pacific and the contract meant another 10-15 staff was required in the Auckland office.

Benjamin Tellez says the main markets for the Auckland team are New Zealand, Australia and Singapore. But he sees big potential in China, Hong Kong, Taiwan, Korea and Japan, and emerging markets of Vietnam, Thailand, Indonesia and Malaysia.
Nurturing a strong skills base is identified internationally as a key to developing an innovation and knowledge-based economy.

The development of skills, particularly in Auckland’s growth sectors, is a major opportunity identified in the EDS. ATEED supports the development of management capability in small to medium businesses and has identified a number of other priorities including:

• understand and respond to the key skills gaps holding back growth
• encourage more businesses to invest in skills and maximise the uptake of available support for skills and training through the Regional Business Partners Programme
• build the capacity and improve the performance of Māori small to medium companies and entrepreneurs
• grow Auckland’s export education offering and making stronger links to future skills needs and key sectors
• work with Council and the Youth Connections Service to connect more young people across Auckland with future employment opportunities. ATEED is a partner in the Mayor’s Youth Employment Traction Plan, and The Southern Initiative, which will deliver youth employment in South Auckland.

The overall objective is for Auckland to be recognised internationally as a highly skilled and innovative city which attracts talent into a sustainable workforce.

The ATEED Area Offices’ delivery of the Regional Business Partners Programme assists local companies with NZTE-funded vouchers to spend on improving workforce skills and capability.

ATEED has developed a Skills, Education and Employment Plan focused on increased collaboration across educational institutes and industry. ATEED participates in the Auckland Skills Steering Group, and the Education and Skills working group.

ATEED delivers the Lion Foundation Young Enterprise Scheme across Auckland. Each year, hundreds of secondary school students form companies and create a product or service which they market and sell throughout the year. YES students learn business fundamentals, planning, interpersonal relations, financial decision making, reporting, risk management and teamwork.

ATEED works with partners to attract talent, increase workforce and student retention, and address the skills shortage in key industries. A collaborative approach will increase Auckland’s productivity, increase innovation and commercialisation, and result in greater exports and higher rates of GDP per capita.
ATEED is a partner in this game-changing approach which brings together business, central government, young people and other stakeholders.

**Mayor’s Youth Employment Traction Plan**

The traction plan provides a new and holistic approach to addressing youth employment in a practical, action-focused way. ATEED is a partner in this game-changing approach which brings together business, central government, young people and other stakeholders to collaboratively develop solutions, streamlined processes and employment pathways. The approach features:

1. **Council leadership** – Council being an exemplar youth employer and using its leadership to remove barriers to youth employment

2. **a traction hub** – responsible for the delivery of the plan and stakeholder engagement

3. **employer engagement** – working with industry to develop an employer’s pledge which will streamline processes and pathways for employers and young people.

The plan was launched and explained to business leaders and youth representatives at a summit in April 2014. Business leaders who attended the launch will work with Council representatives to create a formal commitment to solving the youth employment issue.
Enable education and talent

Talent is the lifeblood of any successful city, and high-quality education is essential to a productive and competitive economy. New Zealand’s world-class education system is a key competitive advantage. The nation needs to ensure it produces skilled future workers and that it attracts the right international talent to support high-growth innovative businesses.

ATEED has a role in the attraction of international students. Export education, as it is sometimes known, is already a major contributor to Auckland’s economy and there is significant potential for further growth.

Auckland made the top 20 in the influential QS Best Student Cities index for 2013/14 published by respected London-based organisation Quacquarelli Symonds.

ATEED’s Study Auckland team works to grow export education in collaboration with providers and industry organisations. In 2014, a relationship was established with Education New Zealand which further supports the sector’s growth. Successful outcomes will include increased international connectivity and the attraction of international students who obtain qualifications and seek jobs in Auckland’s growth industries – particularly those with skill shortages.

Working with partners, ATEED also facilitates the development of industry infrastructure to support growth, and to identify and develop new areas of specialisation including high performance sport, nutrition, and food and beverage.

Attracting international students

Study Auckland represents about 130 Auckland schools, tertiary institutions and private education providers which enrol international students in the region.

Its three main aims are:
- to promote Auckland as a study destination and grow the economic and social benefits of the export education sector in a sustainable manner
- to support the export education sector to deliver a quality experience for students in Auckland
- to be the Auckland region’s key support and co-ordination agency for the export education sector.

Its programme includes leading international trade missions to countries such as Germany and China. The latter involved a group representing three universities and 17 Auckland high schools targeting a key market which makes up nearly 30 per cent Auckland’s international student population.
Students light up the delivery centre

The technology delivery centre based at the Unitec Institute of Technology in Auckland is a busy place, but its staff operate with calmness and professionalism.

The Unitec students work alongside full-time staff and gain valuable experience in customer service as they take calls, handle inquiries and deliver technical programming expertise for three major corporates.

Technology and innovation company Concentrix, owned by American multi-national Synnex Corporation, is a strategic partner with IBM and together they have developed the delivery centre which builds skills and capability in Auckland.

The Unitec centre opened in February 2013 and by early 2014 had employed more than 200 students (more than 60 per cent of its workforce).

The students – who need great communication skills – do part-time work which provides valuable workplace experience and a head-start in the competitive job market when they graduate.

The move is supported by ATEED, which has developed a partnership with Unitec to help grow a talented workforce.

Some students have already secured full-time employment, either with or through IBM, following their work in the delivery centre.

IBM supports students at Unitec by funding a number of Success Scholarships to post-graduate level. It has established a mentoring programme for scholarship recipients who are enrolled in IT, business management, finance or communication courses. IBM staff are also involved in guest lectures, tutorials and industry based learning programmes.
The Auckland Visitor Plan’s key strategy was to establish Auckland as a unique destination – not an arrival and departure point.

This 10-year plan focuses on two simultaneous priorities: to grow demand for Auckland; and to enhance the visitor proposition.

The plan was revised in 2014 and included a new economic aspiration – to expand the visitor economy from $4.8 billion in 2012 to $7.2 billion by 2021. Auckland’s visitor economy revenue remained static at $3-3.5 billion per annum in the 10 years prior to 2011.

Major events underpin visitor economy growth and the region’s transformation into the world’s most liveable city. They are key enablers, not only of the regional and national economy, but also of Auckland’s social and cultural development.

Auckland’s Major Events Strategy guides future events selection across the region based on a portfolio approach – particularly the attraction of economic anchor events.

It outlines the type of major events which are right for Auckland: events of national or international interest; events which enhance Auckland’s brand; events which can deliver economic and/or social outcomes.

The strategy outlines four important outcomes Auckland seeks from its events portfolio:

- an expanded Auckland economy from the injection of new money
- growth in visitor nights from attracting domestic and international visitors and encouraging them to extend their stay
- enhanced liveability by making Auckland more interesting and exciting
- increased international exposure.

The strategy includes a measurement and evaluation methodology called ‘Return on Regional Investment’ which was developed for Auckland by an independent consultancy.

**International partnerships**

ATEED has developed strong international partnerships to maintain incremental momentum in two of Auckland’s fastest-growing high-value visitor markets. These are with China Southern Airlines and Flight Centre Australia. The latter partnership was formalised in June 2013 and involved $1 million of monetary and in-kind support. A special suite of Auckland-themed collateral was developed to showcase Auckland as an ‘urban oasis’, and for training Flight Centre agents. Flight Centre has more than 700 retail outlets in Australia, and is the third biggest retailer in any sector. Australians are Auckland’s largest tourism market, so ATEED worked with Flight Centre to create a range of holiday packages involving Auckland experiences which appeal to different Australian visitor groups – and to encourage them to stay longer and spend more.

Grow the visitor economy
A sacred journey
A new multi-day walking experience on Rangitoto and Motutapu islands in the Hauraki Gulf has been developed by ATEED in partnership with the Department of Conservation (DOC), Tamaki Collective iwi, Fullers and other stakeholders. Named ‘Rangitoto Motutapu Haerenga – A Journey Through Sacred Islands’, the walk was designed as a three-day experience from the summit of Rangitoto and its volcanic landscapes and native forests through to Motutapu’s ancient landscapes and cultural sites. The walk is a cornerstone of a new national range of high-profile multi-day walks being developed by DOC, and is a key part of ATEED’s drive to deliver on the Auckland visitor Plan by developing new tourism products.

A cruise ship and super yacht destination
ATEED is responsible for enhancing the experience of cruise ship passengers who visit Auckland, and for driving strategies which increase full-service ‘exchange’ ship stopovers which are of greater economic value than ‘transit’ visits. It also has a growing programme working with partners to attract super yachts to the city – at least three each summer. Each super yacht visit is expected to bring a net GDP injection for Auckland of nearly $2 million. Research for the Auckland Visitor Plan showed international visitors ranked the region’s harbours and islands as its number one selling point. These features and the city’s sailing heritage attract super yacht owners. To support off-shore marketing efforts, ATEED collaborates with organisations including the New Zealand Marine Industry Association, Tourism New Zealand, and NZTE.

ATEED partnered Waterfront Auckland in a project to transform Shed 10 – a historic cargo shed on Queen’s Wharf – into Auckland’s new primary cruise ship and events facility. It opened in 2013.

The need for a state-of-the-art facility was confirmed by Auckland’s record 2012/13 cruise season, which saw 100 cruise ship arrivals (with 178,000 passengers and 78,000 crew) and resulted in a $116.3 million injection into the region’s economy. Auckland was voted ‘Best Turnaround Destination’ by cruise line executives in the March 2013 issue of Britain’s Cruise Insight magazine.

Shed 10 will help ATEED improve this reputation further, encourage more ships to come to Auckland, and passengers to want to return.

Related economic growth opportunities include ship replenishment, training for cruise ship staff, and marine maintenance.
Attracting major conferences
A strong emphasis on growing high-value visitor segments will be crucial if Auckland is to achieve the increased yield needed to meet the Auckland Visitor Plan’s growth target.

The business events (conferences and incentive visitors) segment is a key high-value contributor to Auckland’s visitor economy. The Auckland Convention Bureau (ACB), an ATEED business unit, collaborates with the business events sector in Auckland to grow conference and incentive activity across the region, which will be fuelled by the New Zealand International Convention Centre to be built at SkyCity.

In August 2014, ACB released a comprehensive Auckland Business Events Plan to ensure the region reaches its true potential as a destination for business events. It is a 10-year plan designed to attract more conferences, seminars, trade shows, exhibitions and incentive travel reward programmes to Auckland. The plan was prepared by ACB in consultation with industry.

Business events all year round
In addition to growing the visitor economy, the ACB’s efforts to attract business events to Auckland will help to reduce the impact of seasonality.

The majority of international business events occur outside Auckland’s December to March peak tourism season. Already, about 70 per cent of international business event delegates who visit Auckland do so at shoulder or off-peak times.

In the 2013/14 year, the ACB team successfully bid for international events which were forecast to inject more than $10 million into the regional economy. A further 13 bids were made for events which were still in the selection process at the end of June 2014.

Dick Smith NRL Auckland Nines
In September 2013, ATEED signed a five-year sponsorship with the National Rugby League (NRL), and organiser and underwriter Duco Promotions Ltd, for an exciting annual nine-a-side tournament involving all 16 NRL Clubs. The $9 million total sponsorship was one of ATEED’s largest investments from the Major Events Fund since Rugby World Cup 2011. It followed 18 months’ feasibility and negotiations by ATEED, the NRL, New Zealand Rugby League, the Australian Rugby League Commission and Duco.

The inaugural Dick Smith NRL Auckland Nines took place in February 2014 at Eden Park and was a phenomenal success. Independent economic consultant Fresh Info estimated the tournament injected an extra $9.35 million into the region’s economy (2.5 times the forecast), and contributed an additional 68,000 visitor nights (with about 40 per cent from international visitors).

This made the NRL Auckland Nines the most successful two-day major event in ATEED’s annual portfolio. The event’s impressive outcomes were recognised in three of ATEED’s five awards at the 2014 SportBusiness Ultimate Sports Cities Awards: for best event legacy, best security, and best home-grown event.

The series fits the Major Events Strategy criteria for an economic anchor event. It will generate significant international exposure, economic impact and visitor numbers over the contract term, and create a legacy for rugby league in Auckland.

Duco is responsible for generating tournament revenue including ticket sales. Duco and the NRL are responsible for managing and delivering the five tournaments.
Build Auckland’s brand and identity

Every great city has a great brand which is much more than just a logo – it is a complete value proposition which sets a city’s identity apart on the global stage.

A clearly articulated city brand is important for attracting tourists, international students, researchers, innovators, entrepreneurs, investors and events – and the associated benefits they bring.

ATEED led a project to establish a clear and agreed Auckland story to be used by anyone speaking on behalf of the city, and to develop the region’s brand activity.

The Auckland story focuses on the dualities that define it – the contrast of a thriving global city set in unique and beautiful natural surroundings including three harbours and a volcanic isthmus.

This story was developed with a focus on how Auckland targets key markets and sectors. For example, for domestic tourism, ATEED emphasises the urban experience; for international visitors, the emphasis is on the natural playground which surrounds the city.

The investment brand proposition for Auckland is being developed, and there is an increased focus on building the city’s international profile.

ATEED also manages the regional brand identity – the Auckland ‘A’ – which aims to create a joined up visual identity for Auckland as a destination for tourism, events and business.

ATEED’s role is to:
- promote Auckland’s identity and brand story consistently and seamlessly across all business, tourism and major event activity in domestic and international markets in a way which leverages the region’s distinct advantages
- lead the development of Auckland as a global innovation and business brand
- deliver a targeted global business marketing campaign
- leverage Auckland’s identity through significant statements (major events and festivals, new buildings and infrastructure developments).

The Auckland story focuses on the dualities that define it – the contrast of a thriving global city set in unique and beautiful natural surroundings including three harbours and a volcanic isthmus.
**AKL: The Show Never Stops**

In February 2014, ATEED and city centre business association Heart of the City launched the television commercial for Auckland’s domestic tourism campaign called *AKL: The Show Never Stops*.

The advert tells Auckland’s story in a way which inspires New Zealanders from outside Auckland to visit, stay longer and spend more. It was greeted positively by the public, media and industry.

Featuring people immersed in shows, street life, world-class restaurants and coastal landscapes, the images reflect extensive research into why people around New Zealand want to visit Auckland. The ad features a soundtrack by Joel Little, the Grammy winning producer for Lorde – Auckland’s global singer-songwriter sensation.

Focus groups had talked about the need for Auckland to be New Zealand’s international city, a vibrant and exciting centre the whole country can be proud of. The advert captures that essence and also highlights a wider regional offering – the stunning natural playground – as another reason for visitors to stay longer.

The advert was phase two of an integrated domestic campaign launched in late 2013 with a combination of print, outdoor and online marketing. ATEED’s Tourism, Brand and Marketing Communications teams collaborated with agency Colenso BBDO on the campaign.

The campaign was a finalist in two categories at the 2014 TVNZ NZ Marketing Awards, and won the ‘Lifestyle/Travel/Leisure’ industry award.
Success measurement

The GDP, export growth, and productivity measurements contained in the EDS are designed to measure macro economic outcomes – they are not detailed enough to cover business or sector performance changes as a direct result of ATEED’s work programme.

ATEED has 25 key performance indicators which it publically reports on annually. But the organisation’s performance measurement needs to evolve alongside work programmes.

ATEED undertakes detailed project-level evaluation to better understand the impact of interventions and to inform future activities. Measurement categories will include:

### Grow the visitor economy
- number of visitor nights in Auckland
- spend by visitors in Auckland
- number of visitors to Auckland
- overall visitor satisfaction (all visitors) with the experience in Auckland
- percentage of customers satisfied with visitor information centres and services overall
- Return on Regional Investment from major events portfolio
- percentage of Aucklanders who agree events make Auckland a great place to live
- visitor nights generated by major events
- estimated number of attendees at major events
- percentage of attendees satisfied with major events overall
- number of major international events attracted or facilitated

### Enable education and talent
- GDP contribution of international education to Auckland economy

### Build a culture of innovation and entrepreneurship
- percentage of Auckland businesses innovating
- start-up companies through GridAKL innovation precinct
- total value of grants made
- percentage of stakeholders satisfied with provision of business advice, start-up and training programmes
- number of actively managed businesses through Regional Business Partners activity
- total GDP in targeted sectors (tourism, ICT, food and beverage, screen and digital media, life sciences including health and bio-technology, international education, marine) compared with total Auckland GDP
- number of economic initiatives with Māori

### Attract business and investment
- GDP Global Investment Promotion Agency benchmarking
- facilitation of the establishment, or significant expansion, of multi-national companies in target sectors
- number of intensively account-managed customers in Aroha Auckland aftercare programme
- total GDP contribution of deals effected with ATEED involvement
- value of investment deals effected by ATEED within the financial year

### Grow a skilled workforce
- adoption of ATEED’s Skills, Education and Employment Plan

### Corporate capability
- percentage of Council Controlled Organisation monitoring and accountability requirements which meet targets
As it develops the Growth and Competitiveness Framework, and its plans and work programmes, ATEED’s kotahitanga approach includes direct engagement with industry, partners and other stakeholders.

ATEED welcomes input. Please email your comments and observations on this framework to: business.ateed@aucklandnz.com