

October 2019
DISCUSSION DOCUMENT

STAGE 1

BRIDGE TO THE FUTURE

Scoping paper on
the North Shore's
long-term RoadMap

Business
North
Harbour



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SUMMARY

“Bridge to the Future” outlines a vision and direction for the long-term future of the North Shore’s business and residential community.

The North Shore has 43,430 businesses and 413,000 citizens across five local boards, and is one of the fastest growing areas in Auckland/New Zealand: 4.6 per cent/year (2013-2018). On current trends around 54 per cent more people are likely to have moved to the area or will be living within the area by 2043, which would create a “city” of 640,000 – bigger than the current population of Christchurch and Wellington combined.

This RoadMap will identify business-led transformational initiatives designed to provide an economic action plan for the North Shore to continue as a great place to establish a business, work, live, and visit.

The RoadMap is divided into two stages:

Stage 1 sought to discover what it is that Business North Harbour (BNH) and wider North Shore business community stakeholders believe needs to be achieved, and what that may look like.

Stage 2 will set out what outcomes are expected, including governance and funding arrangements, to give it certainty and security for achieving results.

A governance arrangement is proposed to give the North Shore a collective voice to influence local and central government:

- For leading initiatives and advocacy to achieve the goal of being Auckland’s location of choice for investment, businesses, customers, and employees
- To rapidly increase the North Shore’s GDP via the large professional and innovative business base

1. INTRODUCTION

The North Shore has undergone phenomenal growth since 2000. Employment numbers in the BNH Business Improvement District (BID) have grown by more than 35,000 – and continue to grow rapidly. Fast growth has also occurred in other North Shore areas, such as Albany, Silverdale, Milford, and Takapuna. Overall, North Shore employment growth in 2017 was 4.4 per cent against 3.8 per cent for Auckland and 2.4 per cent nationally.

The North Shore generates around 18 per cent of Auckland's GDP (6.8 per cent of NZ's GDP) – second only to central Auckland (24 per cent of Auckland's GDP) and well ahead of the next business areas, around Auckland Airport and Ellerslie-Southdown with 10 per cent each. Yet the North Shore doesn't have an overarching "master plan" document to guide development, unlike the city centre and airport areas.

A business-focused "Bridge to the Future" road map would show the North Shore **as it is** and provide a comprehensive (and visionary) picture of how **it might be** in the future. A shared plan of action would arm BNH and other North Shore stakeholders with a tool for:

- Understanding the size and character of the North Shore business community that is coming – it's not just a matter of thinking of a **bigger** but importantly a **different** city that is emerging
- Setting an agenda of what needs to be done to cope with the changes underway
- Achieving its **goal** to be Auckland's location of choice for investment, businesses, customers, and employees

Because there is a lack of readily available base information concerning the North Shore's situation and make-up, it is proposed that development of the RoadMap be undertaken in stages, with this step – **Stage 1**: a "Bridge to the Future" scoping paper – bringing together base information concerning the North Shore, including a preliminary description setting out what a long-term North Shore RoadMap might look like. Stage 1 proposes the RoadMap's area of influence be centred on the Upper Harbour Local Board area, where statistics show most employment growth has occurred (6.1 per cent between 2012 and 2017) with a high proportion of professional services, whilst also encompassing some part of the other four North Shore local boards.

Over the next 25 years, many traditional firms will evolve or die, and the businesses that are currently starting will change our commercial centres and way of doing business.

Inputs would include:

- **whether** a North Shore RoadMap is needed, and if it is:
- **what** it should embrace to help BNH achieve its goal that the wider North Shore area become widely seen as the preferred business, investment and employment area of choice in Auckland
- **how** it relates to, or fits within Auckland Council's (and central government's) growth and development planning agenda

This project examines the case for a complete North Shore (i.e., beyond Albany) RoadMap – a shared vision and strategy to steer North Shore's growth and development over the next 25 years. It would be an action plan designed to enable Auckland Council, central government and agencies (transport, education, health, water, energy, and other utilities) to work together with local interests to steer North Shore's growth and development on an agreed pathway.



2. CONTEXT

2.1 The Auckland Plan 2050

The Development Strategy in the Auckland Plan 2050 identifies six urban growth areas to provide the economic and social drivers for future Auckland¹: Albany is identified as one of the growth areas, along with Silverdale, Warkworth, and Whenuapai-Hobsonville. However, even though Albany is land-locked between the growth areas, it has not been prioritised within the Supporting Growth Programme.²

It is also noted that the second Waitemata Harbour Crossing has not been prioritised.

Council's initial "master plan" efforts were focused on the city centre and the area covered by The Southern Initiative (adjacent to Auckland Airport).³

More recently, since the finalisation of Auckland's Unitary Plan in 2016, Warkworth, Silverdale, Whenuapai-Hobsonville, and Drury have been the focus via a staged Supporting Growth Programme.⁴

Auckland Council believes the Albany centre and surrounding growth node has been relatively well served in recent times with the Albany Centre Structure Plan and centre infrastructure investment.⁵ Most recently the Northern Corridor Improvements projects have had a strong emphasis on improving not only vehicle connections, but also walking and cycling links. Furthermore, Auckland Transport (AT) has lodged a notice of requirement to designate a new bus station on Rosedale Road to further enhance access onto the northern busway.

Accordingly, council's priority North Shore developments for 2018-21 are more localised strategic growth plans for centres.

Meanwhile the North Shore's wider catchment has continued to grow rapidly. In the 10 years to 2016, the local economy grew at a rate more than double the national average resulting in significant diversification of industry sectors, as well as a massive increase in residential housing.

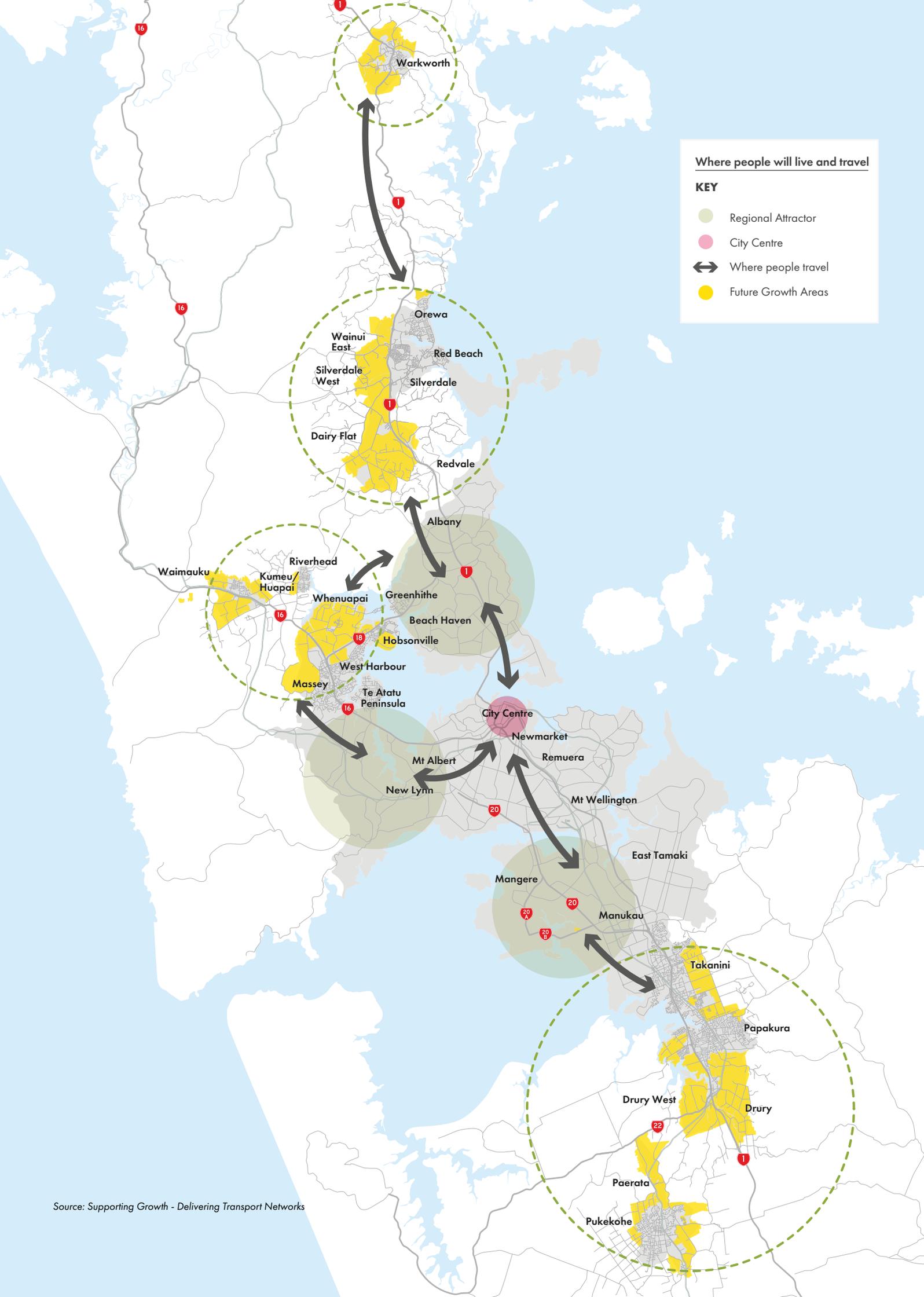
In setting the core purpose of the RoadMap, the next phase (Stage 2) could seek to offer people a viable alternative employment choice on the Shore, relatively close to where they reside, and thus reduce the number of North Shore residents who commute to the CBD.

THE STAGE 2 ROADMAP PROJECT WOULD ADDRESS THE LONG-STANDING:

- Frustrations with traffic and the harbour crossing
- Skills shortages and the lack of connection between North Shore education and industry
- Need for enhanced infrastructure certainty (especially transport, three waters, and energy)
- Lack of a North Shore vision as a place to live, work, and recreate
- Lack of corporate (and other) messaging to retain employment from senior level management, entrepreneurs, through to local youth on the North Shore
- Tensions on growing a business locally versus cheaper international labour
- Need to take into consideration the high cost of housing and other financial barriers

THE ROADMAP WOULD ALSO EMPHASISE POSITIVES:

- Lifestyle – a highly-educated and affluent population, and access to a positive environment
- Green field space available for business and employment development
- First-rate schools and tertiary institutions
- Global successes – firms and individuals



Where people will live and travel

KEY

- Regional Attractor
- City Centre
- Where people travel
- Future Growth Areas

2.2 The essential “difference” of the North Shore to the rest of Auckland

Unlike the rest of Auckland, the North Shore has the potential to rapidly increase its GDP via its large professional and innovative business base⁶.

The “heart” is Albany with Hibiscus & Bays (Silverdale) and the coastal business areas: Orewa, Browns Bay, Mairangi Bay, Milford, and Takapuna, plus Hobsonville (west) and Birkenhead/Northcote (near west), and the urban edge area of Devonport (in the south).

The Upper Harbour Local Board especially has a high proportion of professional services. The RoadMap would reflect the following features compared to the rest of Auckland and the rest of New Zealand:

- The high incomes and skills base of the population
- The high number of well-established businesses; one out of 16 jobs are professional services, (second only to CBD where one out of six jobs are professional services).
- An above average number of SMEs – many technology-focused.
- The high number of businesses that are “global from inception”. \$1.1 billion of exports was generated in 2018 from just 42 North Shore tech businesses.⁷
- An even spread of construction
- Two established tertiary institutes: Massey University and Auckland University of Technology (AUT)
- The national sports innovation hubs, located within the North Shore area include the National Aquatic and Millennium Centre, softball, BMX, and hockey, as well as major yachting and basketball facilities
- Costs are competitive with the CBD and elsewhere in Auckland

The natural environment is a distinctive factor, with close proximity to the many outstanding beaches. North Shore interests currently appear not to be making the most of tourism or attracting millennials looking for a lifestyle, flexible work hours, and “affordable & attractive” places to visit and recreate:

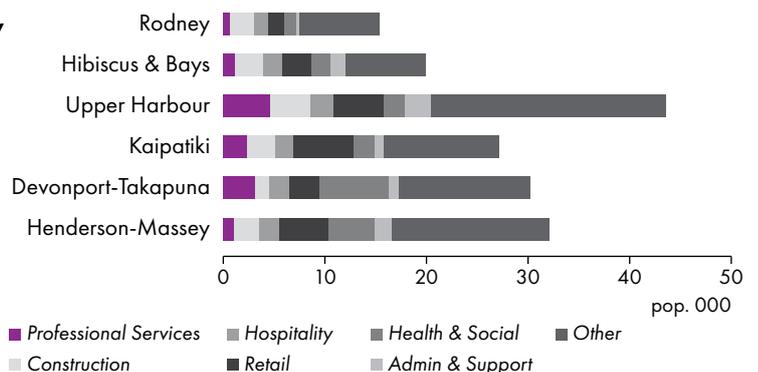
- Takapuna is a business centre near a world-class beach.
- The Milford foreshore suburb has the highest density of CEO residents in Auckland.

- The North Shore has a high number of creative and innovative businesses, with many employing more than 100. Other start-ups operate in warehouses, garages, and homes, as indicated below.

The reviewed area for the “Bridge to the Future” combines parts of all five local boards:

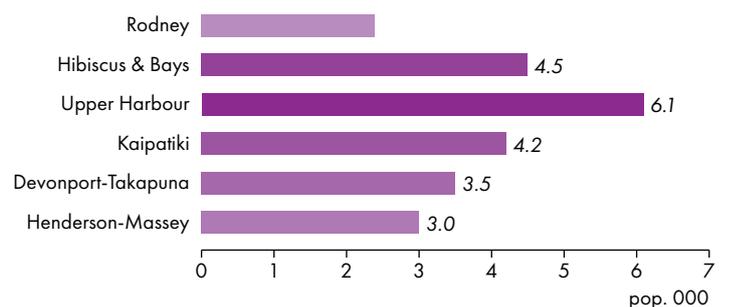
- North to Silverdale/Orewa
- West to Hobsonville
- South to Takapuna (plus Devonport)

Employment by Local Board and industry, 2017



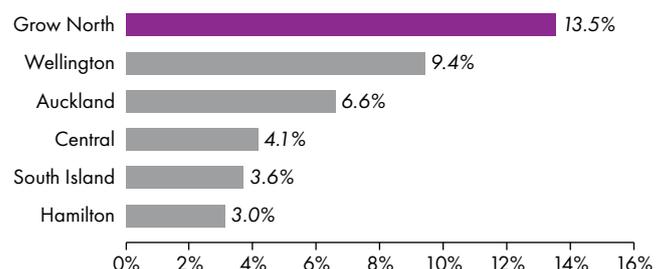
Source: Chief Economist Unit, Auckland Council; Statistics New Zealand

Employment Growth by Local Board, 2012-2017



Source: Chief Economist Unit, Auckland Council; Statistics New Zealand

5-Year Compound Annual Growth Rate for TIN200 in the five years to Dec 2018



Source: NZ Technology Investment Network (TIN)

These five North Shore local boards provide 24 per cent of Auckland’s population and rates.

Population: In 2018, population had reached 413,000 and through the Auckland Unitary Plan, was projected to continue to significantly increase in coming years⁸:

- Silverdale, Wainui and Dairy Flat: 27,000 new homes, and a new public transport corridor to Albany
- North West (Whenuapai and Hobsonville): 30,000 new homes and a new rapid transit network connecting Westgate to Albany.⁹

	POPULATION	MEDIAN AGE	HOUSEHOLDS	BUSINESSES
Auckland	1,685,900	35.1	469,497	163,582
Rodney	68,500	42.6	20,058	8,619
Hibiscus & Bays	112,400	42.4	32,697	9,619
Upper Harbour	70,800	36.2	17,106	8,717
Kaipatiki	96,800	35.7	28,478	8,280
Devonport-Takapuna	64,500	39.7	20,343	8,195
Totals	413,000	39.3	118,682	43,430

Source: 2018 Census & Statistics Department

Rates: The five boards contributed just under \$430 million of rates for 2018/19, 23.6 per cent of the total Auckland rates (as of May 2019):

	BUSINESS	RESIDENTIAL	FARM/LIFESTYLE	TOTAL
Rodney	7,313,529	31,809,582	37,973,739	77,096,850
Hibiscus & Bays	12,678,361	89,733,895	3,101,579	105,513,835
Upper Harbour	32,509,855	49,590,495	5,039,517	87,139,867
Kaipatiki	18,126,148	59,978,479	0	78,104,627
Devonport-Takapuna	16,927,718	64,864,139	0	81,791,857
Total	87,555,611	295,976,590	46,114,835	429,647,036

Source: Auckland Council, May 2019

UPPER HARBOUR ECONOMIC PROFILE

ECONOMY

GDP (2010 prices)

\$4,531m **4.5%**
GROWTH IN 2018

EMPLOYMENT

Filled Jobs

53,532 **4.2%**
GROWTH IN 2018

PRODUCTIVITY

GDP per filled job

\$84,645 **0.4%**
GROWTH IN 2018

POPULATION

Usually Resident Persons

67,830 **3.9%**
GROWTH IN 2018

BUSINESSES

Business Units

11,043 **2.4%**
GROWTH IN 2018

SKILLS

Highly-skilled Jobs

19,434 **36.3%**
SHARE OF TOTAL 2018

STAGE 2 OF THE ROADMAP PROJECT WILL INCLUDE THE FOLLOWING ISSUES:

- Extending the scope south to Devonport gives potential for including a view on the future of the naval base, and Auckland’s port reform.
- A rivalry mentioned between Takapuna and Albany retail, and how to address this.
- How the RoadMap reflects the individual key concerns of the areas’ 10 business improvement districts (BIDs) (BNH and Takapuna Beach, plus mainly retail-focused Mairangi Bay, Orewa, Browns Bay, Birkenhead, Northcote, Milford, Torbay, and Devonport business associations) yet provides a united front.
- Ensure the finalised RoadMap has an agenda that gives businesses long-term certainty that they can thrive and collaborate.



“Supporting Growth” (below) clearly indicates that the North Shore is growing faster than elsewhere and stresses the importance of planning. The data suggests employment has minimally increased since the 1990s, however the population has boomed. Yet Auckland Council has not created any overall plans (including transport).¹⁰

It's important to plan

In some areas of the city, such as the North Shore, growth has meant the planning and delivery of bulk infrastructure, such as roads, water and wastewater had to catch up.

The photographs below show the development of Auckland’s North Shore. The photograph on the left is of the Albany and the East Coast Bays area in the 1950s before the construction of the Harbour Bridge. There were few direct connections to the isthmus which meant there was limited development and infrastructure. The construction of the Auckland Harbour Bridge in 1959 made the area more accessible, resulting in rapid residential, industrial and commercial development (as shown in the other two photographs). This shows how growth can happen, given the right conditions, and how important it is to plan and manage growth.



ALBANY AND EAST COAST BAYS 1950s - PRE URBANISATION

Primarily rural with urban development along key arterials. No bulk services.

- Lack of strategic connections
- Rural roads with limited capacity
- Key arterials only
- Browns Bay as seaside town.

Population: 50,000
Employment: 20,000



1990S - MID DEVELOPMENT URBANISATION

- Sub-regional centre planned at Albany
- Residential subdivisions
- Industrial and commercial expansion
- Bulk utilities

Limited transport connections

- Local road network developing
- Expressway instead of motorway
- Arterials developed
- Limited public transport.

Population: 202,000
Employment: 60,000



2000S - LATE DEVELOPMENT URBANISATION

- Sub-regional centre development – retail and commercial at Albany
- Residential subdivisions continue
- Industrial and commercial capacity taken up

Strategic transport connections developing after growth has occurred

- Motorway extended to Silverdale
- Arterials developed
- Rapid Transit Network extended to Albany park and ride station
- Frequent Transit Network – feeder routes.

Population: 280,000
Employment: 90,000

Source: Supporting Growth - Delivering Transport Networks





3. TRANSFORMATION THEMES

Stage 1 research and interviews with key stakeholders especially across Auckland Council, identified the following transformation themes (areas of weakness, strength and opportunities) requiring work if the North Shore is to progress and thrive over the next 25 years:

3.1 Plan for transport certainty: How to create a seamless transport system – roads, parking, park & ride, and modern and convenient public transport services.

This theme would aim to provide a resilient and co-ordinated transport system enabling effective, efficient movement of people and goods to/from and around the North Shore.

Getting to/from the North Shore, specifically the next Waitematā Harbour crossing. This is a foremost immediate issue for the RoadMap at Stage 2: to form a view and advocate.

To quote NZ Transport Agency's (NZTA) website:

NZTA, Auckland Transport (AT) and Auckland Council are working in partnership to investigate more resilient, reliable and efficient transport options to connect the growing number of people, goods and services moving across the Waitematā Harbour between the North Shore, Auckland City and beyond.

NZTA's May report studied three options:

- A tunnel for light rail
- A road-light rail tunnel
- To do nothing

It favoured a light rail tunnel plus road pricing. The business case investigations are due to be undertaken by year end 2019.¹¹ The traffic data states that the tally of vehicles using the bridge daily, about 170,000, is the same as it was in 2006, and the number of people heading into the city centre in cars in the morning peak (7.00 am-9.00 am) has been about 20,000 for 25 years. Meanwhile, bus patronage is up 250 per cent over the past 25 years. There are now more than 1,000 bus crossings daily; 38 per cent of all bridge users are on buses.

However, motorway congestion is slowly increasing. The Automobile Association (AA) estimates the average motorway commuter lost 85 hours (two 40-hour weeks plus) in 2018, compared to 79 hours in 2017. Moreover, the trip from Albany to the CBD took two minutes longer last year. The AA notes that public transport trips are expected to increase by around 70 per cent by 2028, but given the high forecast population growth on the North Shore (Silverdale to Wainui, and other high intensification areas) the AA expects driving to increase by up to 20 per cent by 2028.¹²

The existing Auckland Harbour Bridge:

- A cycleway and walkway are proposed for the west side of the bridge.
- A deadline of early-mid 2020s for clip-on

lane weight stress limits is to be imposed (Beca report 2010). This would potentially require heavy vehicles (trucks and buses) to only use the bridge's centre lanes, creating traffic management challenges (including safety, lane changing, and congestion)

- The single harbour crossing, and length of time to use alternative routes when the crossing is disrupted, highlights the lack of resilience in Auckland's transport system (see below).

The proposed new harbour crossing:

- Under current planning processes, it will be 10 years (late 2020s) before it can be consented.
- Pressure for decisions and action will also increase with the North Shore's expected



population increase, and the popularity of the Shore as a place to live and visit.

- The most recent publicity includes a new bridge, tunnels, a rail crossing, and demolishing the bridge for a new arching structure.
- The light rail tunnel route options include access along Fanshaw St and then drop into the harbour and up onto the North Shore busway. It could have a spur to Takapuna along Anzac Ave, and could go along the trunk route as far as Silverdale and ultimately Warkworth.
- Expanded park-and-ride facilities along the route have also been mentioned.

Transport access to/from the Shore requires a three-pronged collaboration between NZTA, Auckland Council and AT looking at the system, including land use options. The opportunity for input by North Shore stakeholders would seem to be essential.

- The “Bridge to the Future” document could also discuss the potential role of the governance structure for the delivery of the project, e.g., a Harbour Tunnel Authority, possibly including a North Shore advocacy member.

The public debate on the next Waitematā Harbour crossing is also likely to feature:

- Purpose: The issue with current planning is that it appears to be residentially focused, i.e. mainly about North Shore residents commuting to the CBD. It needs to consider:
 - Access to business hubs outside the CBD
 - What consideration is given to business services traffic, freight and commercial trades

- What related consideration is given to expanding the North Shore’s business areas, lessening the need for residents to travel to employment outside the Shore, and so contributing to reducing congestion

- Configuration: A project for rapid rail will take many years, especially if it is to include the current busway’s reconstruction; scope for bus to use the tunnel will be needed. Should there be scope for freight trains to Northland?
- Disruption that will occur during a likely long construction period

3.1.2 North Shore-wide focus:

A range of concerns needing consideration in a North Shore development plan include:

- Ensure effective and convenient links between where people live and work on



the Shore – e.g. Hobsonville/Whenuapai and Albany, Warkworth/Silverdale and Albany. Seek an integrated transportation and traffic management plan that includes:

- Feeder bus services that are timely and better co-ordinated with route services, i.e. preferable to taking a car
- Busways connecting other areas from the south (Devonport), north (Silverdale) and west (Birkdale/Hobsonville/Whenuapai)
- A decongestion action plan
- Park & ride on arterial routes
- Car and bicycle parking
- Parking for freight and commercial (trades)
- Reviewing a light rail service or a rapid transit system that serves the Shore and north through to the city and south
- Ferry services to Takapuna, Hobsonville, and potentially to Milford and Browns Bay. A procurement strategy will be needed to address weather issues and climate change. Could we see the introduction of electric ferries?
- A North Shore airport: Beyond uptake of Whenuapai for commercial services, looking to the long-term (10+ years), it's feasible that development of the existing airfields of Redvale and Warkworth (and possibly Hobsonville) would allow electric-powered (very quiet) short take-off commuter planes to transport people to Auckland Airport and further afield. As with the ferry service development, all that is needed is the technology.
- Advocate for business areas to have:
 - Adequate parking – car parks fill early
 - Promoting alternative modes to cater and assist with the first and last 300-500 metres that makes the difference in mode shift from car to public transport

3.1.3 Heavy rail upgrade

A heavy rail study is underway for improved links between Auckland and Northland. A North Shore advocacy could contribute to this process.



3.1.4 Local transport – business specific issues:

3.1.4.1 Car parking

Car parking needs to be looked at for the long-term covering all aspects, including parking on streets, at park & rides, on business premises.

An overarching North Shore parking plan that meets all the needs is required.

Parking spaces are limited. The only thing that would improve this would be a plan change; officials are guided by the Unitary Plan. However, a change of planning provisions is not realistic in the short-term, given that the thrust of the Unitary Plan (and Resource Management Act (RMA) process) is to reduce reliance on the private car.

The issue with the Unitary Plan is that general business and light industry is the right zone for BNH activity. But the parking issue is caused by CBD-driven commuting, as a result of high intensity population growth. General business and light industry zones appear better served by public transport.

Instead, the thrust of current policy is to provide convenient bus linking where people live (on the North Shore) and work (in the CBD), supported by over-subscribed park & ride facilities which impact commercial activity for no economic benefit to the Shore. In contrast,

the Shore appears to lack effective bus services for accessing business areas.

3.1.4.2 Congestion caused by growth; the motorway is used as a local road and a through route.

3.1.4.3 Feeder buses and park & ride

facilities urgently need sorting. AT sees the solution to increase yellow lines and paid parking in local streets – which seems to be producing the wrong effect of encouraging local business staff to use the free park & rides to park rather than pay on the street. Meanwhile commuters are choosing to use the park & ride facilities, and not use the local feeder bus service, as these attempt to be all things for all people - i.e., take 40 minutes for a five-minute trip. The park & ride fills early, so commuters park in city streets, forcing local businesses to park a long way away – which is restrictive for customers.

All this combined with the hilly topography and the unpredictable weather of the North Shore has discouraged commuters to choose public transport for their first and last mile.

AT needs to complete an overall review as there appears to be price sensitivity around paid parking and feeder buses. There is a need to improve and incentivise the use of feeder buses, and monitoring of T2 and T3.

3.2 Advocate for an integrated infrastructure plan – to ensure the North Shore’s infrastructure is resilient, co-ordinated, and contributes to economic growth and increased quality of life.

An integrated North Shore infrastructure plan is needed to manage growth – especially if/when the next harbour crossing is built. The single harbour crossing highlights the lack of resilience¹³ in the current system.

Securing critical infrastructure is needed for access to the Shore and coping with urban growth – transport (second harbour crossing, motorway, rapid transit, Skypath cycleway and walkway for public transport, commuters, commercial and freight, and general traffic), energy, water, high-speed broadband, and other government services – education, health, police, fire service – and an efficient and reasonable regulatory regime, taxes, and rates.

As well, the RoadMap needs to secure infrastructure for access to proposed residential developments.

Using population growth projections, the RoadMap should include a timeline for each key initiative required, likely to be:

- Building our next Waitemātā Harbour crossing and the road network
- Strengthening bus services and possibly adding rail
- Providing freight distribution and commercial service access
- Providing airport service – look at North Harbour’s airport capacity
- Securing our energy future – an uptake of electric vehicles (EVs) could increase electricity demand
- Improving water storage and use, and wastewater services
- Boosting housing, building and construction
- Investing in schools and hospitals
- Developing high-speed broadband and telecommunications

North Shore’s local boards had Auckland’s highest population increase over the past five years, reaching 413,000 in 2018 – an increase of 76,658 from the 2013 Census – and is projected to increase by more than 50 per cent to 634,300 in 25 years (2043).¹⁴

Over 25 years, population is projected to increase by 221,000. At 2.7 people per household, this will require some 81,963 residences built or 3,279 per year.¹⁵ There will need to be a transport system that can cope with this growth – both public transport and roading – plus additional infrastructure if the move to EVs occurs. A new hospital, schools, and recreation facilities will be required, plus assurance that water, electricity, waste, police, fire, court, and other public services are able to cope.

A view needing to be researched is the merit of a North Shore urban development authority (UDA) being appointed to manage and drive the North Shore’s infrastructure plan for growth. Part of the rationale supporting the formation of a UDA is that we are hung up on existing siloed patterns of development. Current plans focus on residential areas but don’t have a more sustainable model or urban development. The Unitary Plan needs to trigger linked transport between residential developments and:

- Industry/employment
- Education services
- Health services
- More open space and recreation services

Part of the view supporting a more focused and integrated arrangement is that:

The RMA is process focused, not outcome driven.

If the RMA is not reformed, there won’t be any real change because it doesn’t enable sustainable development.

For example, the risk is that silo planning continues, e.g. housing developments have opened up large areas, but without consideration to public transport services to where the new residents work. It should be putting public transport in with every housing development build – BUT

- The Supporting Growth Programme shows it hasn’t.
- Urban supply and the Auckland Transport Alignment Project (ATAP) are disconnected¹⁶.

A local voice is needed to advocate for RMA reform by joining local boards and BIDs, with strategic planning, with AT for an integrated planning outcome linking transport, housing, and where the jobs are. Current planning is silo-centric by each sector.

Conclusion: Interviews and research clearly indicate that an overarching RoadMap is urgently needed.

INFRASTRUCTURE ISSUES THAT STAGE 2 WILL NEED TO CONFIRM:

- Who should drive this growth co-ordination planning and delivery role?
 - Auckland Council, local boards, the BIDs, a dedicated North Shore UDA? Or,
 - An incorporated board of governors representing all the above stakeholders?
- This is discussed in Section 4: **Governance**.

Note: The UDA is part of government initiative to enable and incentivise councils to fund infrastructure to get ahead of growth pressures. It aims to fix blockages on several fronts, including making planning rules more flexible and less restrictive, pursuing congestion pricing, and enhancing infrastructure funding and financing.

3.3 Nurturing an innovative business and education community

High growth projections for the North Shore seem a good gauge to demonstrate the need for a continuing large supply of housing linked to education and business, employment growth and development.

Linked to the population increase and residential developments is that the North Shore has a high proportion of professional firms – the second highest in Auckland after the CBD¹⁷.

For example, a map from Grow North Innovation District shows a significant number of innovative businesses are clustered¹⁸; Grow North says ICT companies (predominately software firms) are clustered in Takapuna township, and between Constellation Drive and Rosedale, with another cluster in the Apollo Drive area. Tech manufacturing companies are more geographically spread from Northcote north, although there is a cluster in Albany around Rosedale Road.

3.3.1 Developing a collaboration of the willing

This should bring together those with a love for a North Shore where people can work, live and recreate in close proximity. For example, there is a considerable strength of feeling for growing and branding a clean and green collaboration pipeline (see graphic below).

3.3.2 Why is the North Shore ripe for an innovative business and education cluster development?

Each silo in the pipeline is prominent in its high quality on the North Shore – but the linkages aren't connecting. What is needed is a collaboration, not through a plan, but action,



that shines the right light and joins up schools, forward-looking businesses, and a leadership to make the connections.

While there is a *North Shore thrive* initiative, it seems to comprise groups talking past each other, competing for the same money, and not joining the dots between the five silos of the collaboration pipeline:

- Businesses are concerned because they can't source the innovative students, and they want global advice.
- Schools don't know what, where, and how to teach the new high skill jobs that are being created. They need to know more about the Shore's high-growth businesses.
- Businesses want people with soft skills; they're often looking for someone with a passion versus a person with a qualification.

The RoadMap needs to capture the opportunity for volume growth in innovative business, education/training, and employment cluster on the North Shore. Massey, AUT and Millennium would seem to have a key role to play.

Additionally, the RoadMap can serve to ensure that this joining of the dots occurs across all types of business, and is not just aimed at innovation and technology.

3.3.3 Avoiding traffic congestion

It's important to encourage the trend for business people to enjoy a better lifestyle, life/work balance, and working sustainably by choosing to work close to their accommodation. Fewer, shorter commutes mean less waste.

Co-Operative Education

Incubator

Accelerator

Shared Space

Global Business

The Collaboration Pipeline

3.3.4 Encouraging innovative businesses

The growth cycle of innovative business needs to be considered. The company is formed in a home, grows, and needs nurturing so relocates close to other like-minded businesses. It picks up a big client and staff increases, so it moves out into its own premises – just down the road. The North Shore’s innovative businesses have clustered together.

Clustering is important to a company’s fast-track innovation and hastens product development and service responsiveness:

“I’m both competing and encouraged by my competitor across the road. I learn from what I see them doing. But I’m now also developing my own competitive POD.”

Clusters reveal that the immediate environment beyond the business plays a vital role as well. Innovative businesses need high-quality transportation infrastructure, well-motivated and educated employees, and strong nearby competition.

Ambitious pioneering businesses push suppliers and service firms around them to develop the supply chain and specialist advice they need. As providers specialise, some develop their own innovations that in turn attract other ambitious pioneering businesses requiring that specialisation.

The North Shore’s industry cluster (including marine innovation, health-tech, and agri-tech) is now happening on a significant scale around Rosedale, Takapuna, and Silverdale.¹⁹

A view that emerged from a number of interviews is that **Stage 2** could assess giving recognition of the North Shore clusters’ potential to affect competition and businesses’ growth in three broad ways:

- By increasing the productivity of companies based in the area by addressing skills shortages through education, and attracting skills to the area
- By driving the direction and pace of innovation, and attracting fast growing tech businesses by creating suitable commercial spaces and vibrant precincts close to where young people live and, learn and work

- By stimulating the formation of new business by working closely with tertiary/ university education (Massey and AUT), schools, and business incubators

The host of linkages among the North Shore’s innovative and professional services business clusters has resulted in a whole greater than the sum of its parts – exports and productivity are high relative to other areas of Auckland.

The potential for still higher growth is apparent through a more co-ordinated joining of the factors needed to drive up this growth.

The heart of the next transformation theme calls for improved branding and communications to showcase the potential of the North Shore to:

- Attract progressive, knowledge-based businesses to invest and locate.
- Give people within the rest of NZ and worldwide a reason to visit.
- Show Auckland Council, Government, and Shore residents that business/ residents care greatly for the future of their slice of Auckland.

GENERAL ISSUES FOR STAGE 2 TO CLARIFY:

- How much business space is available, and where?
- How much capacity is there for residential development, and where?
- How much recruitment is possible from local schools/tertiary organisations?
- How can education be better integrated within industry to provide a local source?
- How can stronger connections be made between residential, education, and business areas?

Therefore, the RoadMap needs to identify the actions required to:

- Define “Brand: North Shore” – a strong business support programme which enables collaboration and connections between business and education. This was asserted as a possible opportunity for the BID to develop (See section 4: **Building a strong North Shore brand**, below)
- Create a pathway from school into businesses and back into schools, and tied to a home nearby, i.e. create a ready-skilled local workforce on site.
- Careers evening/events at schools
- Encourage businesses to offer work experience

- Encourage the role that tertiary institutes and agencies could play.
- Hook up businesses needing a mentor or facilitator with the skill required.
- Devise a campaign that could be run (e.g., by BNH) to encourage businesses to have a workplace with a home-based facility – giving them flexibility to avoid traffic congestion.
- Address skills shortages and staff training.
- Give more emphasis to the need for linking more housing needed to cope with projected growth.

THERE IS ALSO POTENTIAL FOR STAGE 2 TO:

Promote/advocate for another North Harbour business development cluster. For example: the retail sector is rapidly growing and fast changing across Albany, Takapuna, Northcote, and Silverdale.

That is, the RoadMap will need an ongoing communication for a growth programme designed to give information to schools (staff, pupils, and parents), businesses (owners concerned about local recruitment and growth/marketing) that seriously worthwhile opportunities are available for participants in North Harbour’s pipeline linking education and business.

There is a need to plan centres or precincts that will attract more ambitious “global from inception” businesses, and tech farms close to where high-skilled talented people live and play.

3.4 Building a Strong North Shore Brand

Building and promoting a distinctive North Shore brand and culture has been recognised – to drive up investment, business growth, wealth creation, exports, and GDP.

A strong North Shore brand which would be firstly for the domestic market, could also resonate on the international stage.

However, skills shortages appear to be holding back growth. There is a need to plan centres or precincts that will attract more ambitious “global from inception” businesses, and tech farms close to where high-skilled talented people live and play. Then employees will bike and scooter to work. These sorts of businesses are beginning to move to the North Shore, enabling owners and staff to avoid commuting via the motorway system.

As well, for companies with a global view, New Zealand is an incubator audience where you can test products. The damage is isolated if it doesn't work.

Currently there seems to be an under-selling of the attractiveness of the area for hosting visitors and/or tourists to events, conferences, etc. This is an important potential promotional channel.

Other reasons for development of a North Shore brand include:

- Highlighting the strong, positive points of difference between the North Shore and the rest of Auckland (as discussed earlier)
- Assessing the scope to create a Government-backed North Shore export marketing campaign – a brand and pooled expertise to drive up foreign exchange earnings and GDP



4. GOVERNANCE

Establishing a RoadMap governance that provides some local say and control over North Harbour’s growth and transformation destiny

If the North Shore is to have a serious and compelling RoadMap to guide development over the next 25 years, some form of dedicated local governance and an appropriate budget will be required.

There are a number of governance options and approaches that could be taken for guiding and overseeing the delivery of the RoadMap, including:

BNH could manage the project using the (informal) RoadMap plan as a guideline for advocacy **OR**

A group of forward-looking North Shore private sector people whose networks are growing, and including younger and ambitious leaders, could include government and council specialists, as an attractor for investment and business establishment in the North Shore **OR**

The RoadMap – in effect a “master plan” – could be adopted by Auckland Council, and implemented by the administration, (as the city’s master plan and the Airport initiative are currently being delivered). This option would only be considered if there was the ability to influence the council’s planning and finance teams **OR**

A group of stakeholders whose interests are aligned with the outcomes proposed could manage the process.

GOVERNANCE ISSUES FOR THE STAGE 2 PROJECT TO CLARIFY INCLUDE:

- How the RoadMap plan is to be managed, and what appropriate structure and status it has.
- If the RoadMap is to be results-driven, it will need an organisational structure and a business plan with:
 - A budget
 - Works programmed
 - Timeline
 - Performance criteria (KPIs)
- The RoadMap’s clearly defined purpose will need to be determined. What is the development outcome sought from the initiative? (See below.)





5. CONCLUSION

Stage 1 has determined that there is value in establishing a single RoadMap for overseeing the North Shore's growth and transformation over the next 25 years.

It is anticipated that **Stage 2** will recommend a governance model (from the above) that is considered the best vehicle to achieve the desired outcomes. For example, an organisation able to:

- 1 Give the North Shore a collective voice with which to influence local and central government over the North Shore's growth and transformation destiny.
- 2 Achieve the outcome or goal of linked transport provision between residential developments and industry/employment and education (and health services, and open space and recreation services).
- 3 Focus on identifying the hot spots for infrastructure and opportunities for new business clusters on the North Shore, especially in the professional services, and knowledge-based business areas.
- 4 Create a North Shore brand and promotion to drive up investment, business growth. Wealth creation, exports, GDP, and tourism are funded to give it certainty and security for achieving results.

6. NEXT STEPS

- Circulate the "Bridge to the Future" discussion document for feedback.
- Complete consultations.
- Conduct presentations to selected groups.
- Scope a Stage 2 project.

Endnotes

- 1 See Auckland Plan 2050, Development Strategy – Sequencing and Timing of Growth, Map 31
- 2 See “Supporting Growth – Delivering Transport Networks”.
- 3 See City Centre Masterplan 2012, p.7
- 4 See MAP “Supporting Growth – Delivering Transport Networks”.
- 5 Refer: <http://www.aucklandcity.govt.nz/council/documents/districtplannorthshore/maps/appendix10-albanycentre-structure-plan.pdf>
- 6 See Attachments: Employment growth by LB and industry, GPD by LB and innovative business list in website www.grownorth.co.nz.
- 7 See Attachments: “Grow North Survey, summer of 2018”
- 8 See “Supporting Growth” for population increase details and the transport network proposed for the next 30 years, discussed below.
- 9 See “Supporting Growth,” page 25.
- 10 See “Supporting Growth”, It’s important to plan, page 9
- 11 See NZ Herald report, Tuesday, 3 September 2019
- 12 AA Auckland Congestion Report 2018, Issue Two, July 2019, “Storm clouds gathering”
- 13 Note: Resilience is one of six guiding principles. Others are: investment analysis, funding mechanisms, accountability & performance, regulation, and co-ordination.
- 14 See Attachments: Projected Auckland population growth: 2018-43
- 15 See Attachments: Projected Auckland population growth at high estimate: 2018-43
- 16 See “Supporting Growth” North section (p.20) shows large residential developments (many completed or under construction) with none of the proposed transport links underway. Has added to the huge daily traffic congestion.
- 17 See Attachment: Auckland Council economists industry statistics by local board.
- 18 See Attachments: Grow North Innovation District “174 Innovators in the North”; source www.grownorth.co.nz
- 19 See a list of innovative North Shore businesses at www.grownorth.co.nz.

Additional resources



Additional resources referenced in this document are available via this QR code or visiting businessnh.org.nz/webpages/bridge-to-the-future/





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