



PUKEKOHE
BUSINESS ASSOCIATION

STRATEGIC PLAN

Pukekohe Business Association Strategic Plan 2011-21

September 2011

Overview

This is the strategic plan for Pukekohe Business Association (PBA) in its role as manager of the Pukekohe Business Improvement (BID) programme. This programme is funded from the commercial rate collected in Pukekohe by Auckland Council. The work of PBA-BID is independent of the Council. In practice, PBA implements strategies in association with Council as appropriate.

A ten-year perspective has been taken to ensure that longer-term strategic options are considered and also to embrace the huge changes that are underway, especially in the global context.

PBA strategies are 'alive' in the sense that they are always subject to review and may be modified from time to time as new information and fresh perspectives emerge. In any case, it will be reviewed annually and extended by a year each August.

The sections that follow are:

1. Situation and Context
2. PBA Vision for Pukekohe
3. PBA Purpose
4. PBA Capabilities and Capacity
5. Core Strategies

Situation and Context

This section summarises current PBA perspectives of the key external influences on Pukekohe business through to 2021.

1. Influences of Global Change

- The turbulence in the global economy first experienced in 2008 continues and intensifies throughout the period as it adjusts to continual change. Some of this change will be seen as 'shocks', including oil prices that are increasingly volatile around an upward trend that reaches US\$300 per barrel by 2021, the early effects of climate change on regional food production patterns, and geopolitical shifts and disruptions.

- Global financial markets become more erratic because they are slow to adjust to continual shocks and eventual responses overshoot.
- Two of New Zealand's major trading partners become less reliable: Australia as it encounters serious water deficits, and China as internal political pressures threaten the security of both its markets for New Zealand exports and its capacity to supply expected imports.
- The global threat of carbon emissions has strong international recognition by 2018 and this delivers strong binding agreements to cap emissions. The cost of carbon emissions more than doubles by 2021 and no sectors are exempt. Associated with this is far wider public acceptance of the urgent need for protection and recovery of natural ecosystems, both globally and locally.

2. Influences of the New Zealand Economy

- The overall effects on New Zealand of the influences from global changes are to increase the cost of business (especially through oil/gas prices and the cost of capital), to make importing more risky, and to make international markets for products and services less stable, but also to provide new market opportunities for highly adaptable and resilient businesses.
- The average NZ\$ exchange rate remains high (75c – 80c US) but has considerable variation. This situation is due to the NZ\$ being regarded as a favourable currency for short-term trading during times of global financial turmoil. Thus, the exchange rate continues to reflect international trading of currencies rather than goods and services, a situation that harms exporters while assisting distribution and retailing based on importing. It would be possible to reduce the attractiveness of currency trading, and thus reduce the exchange rate, through imposing a financial transaction tax (as do several of trading partners) but this is unlikely to become government policy.
- New Zealand wages continue to decline relative to many other countries, so that manufacturing and services become more cost competitive internationally (while, of course, relative international purchasing power per capita declines).
- As a broad generalisation, the global influences of oil prices and greater riskiness of trade shift the economy gradually towards a more inward-facing orientation – reduced reliance on international trade, perceived increasing attractiveness of national self-sufficiency and, within New Zealand, more emphasis on production for local markets. This re-stimulates aspects of the manufacturing sector and also encourages more local production and marketing of fresh produce.

3. Regional Influences

- Pukekohe is increasingly exposed to conflicting influences. One of these is the strong policy of integration of Franklin with Auckland City, which regards Pukekohe as a satellite dormitory town for a workforce that is largely employed to the north. As a distant and relatively small part of Auckland City, Pukekohe is obliged to strive continually to receive its due share of attention and resources.
- A competing influence is the increasing relative value of Franklin as a food producing region, especially for Auckland markets, but also for other New Zealand regions and for well-established export markets. Franklin has natural advantages of soils and climate and local core competencies in the sector. In Pukekohe, these competencies are extended to specialist supply, packing, processing, logistics and storage.
- A third influence, pertaining to both light manufacturing and services based on broadband, is that Pukekohe has locational advantages relative to more northern parts of Auckland. These advantages are in supplying and servicing markets to the south, as well as relatively favourable land prices and access to an established and reliable local workforce.

4. Situation of Franklin and Pukekohe

- All of the influences from global, national, and regional sources (as outlined above) play out in Pukekohe. The population of Franklin is projected to increase by 20,000 over the next 20 years, with about 35% of the increase located in Pukekohe.
- The context for each of the major business sectors in Pukekohe is
 - Food growing and associated value chains – which include specialist supply, growing, logistics, packing, processing, storage and distribution: increasingly favourable international markets although difficult exchange rate and higher energy costs, and increasing opportunity for local food processing.
 - Light manufacturing: favorable to growth based on emerging locational advantages, provided that suitable land supply can be ensured at reasonable cost, and a well-focused plan for workforce training and development is implemented.
 - Retailing: grows relatively rapidly in step with population and disposable incomes, and opportunity to develop specialised boutique shopping and recreational experiences as part of maintaining vitality of town centre. (If this is poorly handled, town centre could hollow out as Manukau road malls become relatively more attractive.)
 - Motorsport – future size largely dependent on sustainability of the track at Pukekohe Racing. Enthusiasm for motorsport is put under pressure by difficult economy and rising oil prices.

- Tourism and Equine – support roles for development led from other parts of Franklin.
- Professional services – size and growth opportunities depend on profiles of user sectors, except new growth prospects for broadband applications services.

PBA Vision for Pukekohe

In 2021, Pukekohe is a prosperous and lively town with a country feel. It is recognized as the business, commercial, and community hub of Franklin. People are drawn to it to live, work, shop, relax, and conduct business.

PBA Purpose

The purpose of the PBA BID is to contribute to attainment of this vision for Pukekohe through

- **Supporting** the continuous improvement of business performance
- **Attracting** businesses in selected sectors by **promoting** the advantages of location in Pukekohe
- **Advocating** to Auckland Council, through the Franklin Board and other appropriate Council institutions specific policies and investments that are most conducive to the vision.

PBA will accomplish this through

- **Consultation** with businesses and their groupings to reveal **priority needs** to be addressed
- **Leadership** that introduces innovative and effective approaches and programmes
- **Providing access to relevant data and information.**

PBA will maintain close contact with wider Franklin developments and issues and will contribute to the conversation about them, while ensuring that its resources are applied in the interests of Pukekohe.

PBA Capabilities and Capacity

The PBA BID has sufficient resources to begin implementation of this plan and to progress strategies that PBA should implement alone. The feasibility of other strategies will depend on

leveraging the resources and experience of other organizations through forming partnerships and other forms of alliance as required.

Core Strategies

The PBA BID programme to 2021 has four core strategic themes:

Theme 1: Tightly focused attraction of new businesses

The focus is in businesses categories for which Pukekohe has demonstrable competitive advantage as a location. Within these categories, new business creation is facilitated and businesses that already exist elsewhere are attracted to relocate.

The key enablers are:

- Robust evidence for the attractiveness of Pukekohe to focus categories
- The capability to give sound advice to businesses that start up or relocate, with access to a comprehensive information base and knowledge of procedures
- Facilitation of straightforward processes for obtaining necessary approvals.

The focus business categories are:

- Value-adding to horticultural growing – processing and manufacturing
- Specific categories of light manufacturing. These priority opportunities will be identified and promoted before the end of 2012.

Later in the period, as oil price increases shift the economy, more attention will be placed on development of 'local for local' business development.

Throughout the period, businesses will be encouraged strongly to adopt profitable approaches that have a low carbon footprint, are energy efficient, and have effective waste management.

Theme 2: Workforce development

This strategy is associated closely with attraction of new businesses. It has two main thrusts:

- Providing more local employment opportunities for the workforce that prefers to live in Pukekohe yet is obliged to commute north for work
- Establish a 'schools to skills' programme that is aimed to retain more young people in Pukekohe through attaining skills that are aligned with the categories of business growth and, hence, relatively secure employment opportunities.

The role of PBA is to facilitate, encourage, and coordinate workforce development initiatives. The PBA website will be developed as a major resource for use in this programme.

Theme 3: Retail vibrancy

This strategy recognises that Pukekohe has two spatially separated retail clusters – the town centre, and the malls on Manukau Road. This distance between them raises issues that must be addressed:

- The attractiveness of the two clusters must be kept in balance, especially avoiding the tendency – observed in many other towns – for town centre retail to decline and/or trade down as ‘big box’ malls grow. Balance is achieved through the town centre differentiating its benefits from the malls through offering specialised boutique shopping and attractive integrated recreational experiences. All town centre stakeholders must be committed to the core objectives for its development.
- Travel between the two clusters must be easy and convenient – by car, on foot, and by public transport.
- The very unattractive appearance and congestion of Manukau Road must be addressed through integrated planning of roads, pathways for pedestrians and cycles, and landscape design.

Theme 4: Advocacy

The priorities are:

- Ensuring availability of land suitable for expansion of light manufacturing and horticultural food manufacturing
- Improved public rail services both north and south, including extension of electrification from Papakura to Pukekohe
- Improved access to the retail clusters for cars, pedestrians, cyclists, and public transport
- Establish and maintain a comprehensive and up-to-date information base for use by all stakeholders of PBA.

To address these priorities, PBA will maintain a robust monitoring function and allocate appropriate resources to the processes of advocacy.