

Revised 10 year Economic Development Strategy

to 2010
for Dunedin City



March 2006
Economic Development Unit
Dunedin City Council

Table of Contents

	Page
1.0 Executive Summary	3
2.0 Introduction	4
3.0 Economic Development Vision for Dunedin to 2010	5
3.1 Economic Development Guidelines	6
3.2 Desired Outcomes	6
3.3 Strategic areas of focus	7
3.3.1 Champions for business within Council	7
3.3.2 Targeted Support for a portfolio of industries	8
3.3.3 Taking CARE of business	9
3.3.4 Improved collaboration between education, research institutions and business	12
3.3.5 Brokering of business support	12
3.3.6 Targeted initiatives for specific demographic groups and business issues	13
3.3.7 City Leadership in the Provision of Land, Infrastructure and Services for business expansion	15
4.0 Action Plan and Budget	16
 APPENDICES:	 19
Appendix 1	20
1.1 Economic Trends	21
1.2 Political Trends	22
1.3 Environmental Trends	23
1.4 Social Trends	24
1.5 Technological Trends	24
1.6 Competition	24
1.7 Community Feedback	25
Appendix 2 - SWOT Analysis	26
Appendix 3 Background to 2000 Economic Development Strategy	28
Appendix 4 More detail on Dunedin Summit Key Issues	31
Appendix 5 Dunedin City Council Economic Development Budget 2005/06	32
Appendix 6 Background Research	33
Appendix 7 Summary of Industry Sector support via EDU 2004/05	36
Appendix 8 Appendix 6 - Calculations of Industry Growth an Average wage growth (Dunedin vs New Zealand)	38

1.0 Executive Summary

This updated strategy is a revision of the 10 year Economic Development Strategy created in 2000.

The current “Wealthy Community” vision within the Long Term Council Community Plan (LTCCP) is;

“A City that encourages strong local business and employment growth, and attracts increasing numbers of new businesses and tourists”

This strategy proposes that this will be best achieved if efforts are focussed on helping Dunedin to be a prosperous city that values its heritage, creativity, knowledge and environment, and profits from these strengths.

EDU aims to positively influence the following economic measures and will monitor these;

- **Income growth** – % change in average earnings is greater than changes in the national average
- **Business environment improvement**– growth in business index is greater than national average
- **Growth in productivity** – growth in productivity (average of sectors supported by EDU) is greater than the national average
- **Job growth** – Change in FTE growth (average of sectors supported by EDU) is greater than the national average

The following measures will monitor the effectiveness of the EDU;

- **Resident feedback** – improvement in responses to questions related to economic development in the annual Residents opinion survey
- **Client feedback** – improvement in overall client satisfaction with the annual Economic Development Unit
- **Resource allocation** – annual reporting on results of support to businesses, industries and initiatives using consistent criteria to assist allocation of economic development resources
- **Accessing external funding** – annual reporting on direct external funding secured for business economic development, and successful support offered to other organisations seeking external funding

The strategic areas that are considered as most likely to lead to achievement of the outcomes above are:

- The Economic Development Unit being “Champions” for business within Council
- Targeted support aimed at growing a portfolio of industries that build on the city’s core competencies
- Strong emphasis on “growing our own” (expansion of existing businesses) while balanced with creation, attraction, and retention of businesses
- Improved collaboration between education and research institutions and business
- Brokering of business support agencies and funding
- Targeted initiatives for specific demographic groups and business issues e.g. young entrepreneurs, businesses experiencing skills shortages, sustainable business

For each priority above, measures, actions and programmes are detailed in this document.

2.0 Introduction

The need for a revision of the 10-year Economic Development Strategy completed in 2000 is due to changes in:

- Economic conditions – stronger domestic demand, dropping unemployment has highlighted skills shortages, good commodity prices have countered strong \$NZ
- Political trends – wider variety of NZ Trade and Enterprise initiatives, increased focus on commercialisation of tertiary institutions IP, and industry-led research
- International linkages – Pressure from imports, Shanghai sister city efforts and China/New Zealand free trade talks have highlighted need for Dunedin businesses to consider potential international suppliers, competitors and collaborators
- Competition – other regions have been proactive since 2000 and Dunedin must remain innovative to grow the positive profile of the city to those who may potentially do business or move here
- Need for focus of resources – The Economic Development Unit has less staff than in 2000 but other agencies have increased resources (eg NZ Trade and Enterprise). It is vital that a common vision is agreed to locally and that all efforts are focussed for the “good of business”.
- Feedback from business leaders that has shown a strong desire to see “bold leadership” from local government.

Dunedin must work to boost the effectiveness of local economic development within its constraints of projected moderate population growth, and distance from markets. However it has strengths to build on including cooperation between agencies, an educated population, strong loyalty from residents and Otago “expats”, research capability and a growing awareness of the lifestyle advantages of living in a sophisticated, yet compact, city.

The 2000 Strategy is summarised in Appendix 3, as is the performance against the key projects outlined in the strategy. Rather than simply update the original strategy, this document has restructured the format to offer new insights into why and how Economic Development can add value to business in Dunedin over the next five years.

3.0 Economic Development Vision for Dunedin to 2010

The current "Wealthy Community" vision within the Long Term Council Community Plan is;

"A City that encourages strong local business and employment growth, and attracts increasing numbers of new businesses and tourists"

The following priorities have been identified within the LTCCP. They provide a city-wide focal point for decision-makers including the Council;

- **A city that encourages sustainable economic development** - contributed to by the Economic Development Unit
- **A city that offers high quality employment opportunities for everyone** - contributed to by the Economic Development Unit
- **A city that actively promotes itself and its businesses** - contributed to by the Dunedin Centre, Visitor Centre and Marketing and Communications activities of Council
- **A city that encourages strategic investment in people and businesses** - contributed to by City Property, the Investment Account and the Waipori Fund

This revised strategy focuses on the economic development and employment opportunity priorities within the LTCCP.

This strategy proposes that this will be best achieved if efforts are focussed on helping Dunedin to be a prosperous city that values its heritage, creativity, knowledge and environment, and profits from these strengths.

A smart choice

When this vision is achieved Dunedin will have a larger, wealthier community that attracts and retains skilled labour to meet the needs of business, and offers strong local demand. The city and its hinterland will be renowned for innovative, high value products and services (many of which will utilise, or be the result of, commercialisation of research capability).

Valuing the old, celebrating the new

Established, large industries that build on core competencies and competitive advantage will be valued (e.g. agriculture, education, engineering, tourism). Emerging businesses and industries that utilise the unique strengths of the city in heritage, creativity, knowledge and the environment will also be supported and celebrated.

A great place to do business

The city will profit from local and international relationships built on trust, approachability and a welcoming attitude that are hallmarks of Dunedin. Businesses will enjoy availability, affordability and choice of location, transportation, communication and other infrastructure. The costs related to local government compliance and rates will be minimised.

It's easier here

Dunedin City Council Economic Development Unit will make it “easier to do business in Dunedin”, and help business people feel “the City is on my side”. EDU will be the “first stop” for businesses wanting assistance and the council will be acknowledged widely as being business-friendly. All agencies, advisors and investors will work cooperatively in the best interest of the businesses. Otago-wide initiatives that boost the economic wealth of the region will be strongly supported by EDU and the business community.

3.1 Economic Development Guidelines

The following guidelines support this vision by providing priorities to the Council in determining resource allocation, and subsequently what actions should be undertaken.

Economic development efforts will make it easier to do business in Dunedin through;

- Supporting population growth up to 150 000, with particular emphasis on the 25-45 age group
- Monitoring economic and industry trends and identifying opportunities or barriers to growth
- Advocating on behalf of business at a strategic level within council to ensure local infrastructure and land availability/planning meets the needs of business, at a reasonable rates cost
- Growing a business-friendly culture within Council that leaves business people feeling “the city is on my side”
- Promoting industries and businesses that utilise local human and natural resources, and value our environment
- Supporting businesses and initiatives that grow markets outside Dunedin, and/or retain profits locally. Encouraging Council, where possible, to buy locally.
- Cooperating with other Councils and businesses within Otago to deliver projects that have benefit that spread across the region
- Encouraging businesses to grow through cooperation within, and between, industries
- Focussing on supporting local businesses and entrepreneurs, while welcoming businesses that wish to relocate to Dunedin
- Brokering contacts and economic development information so Dunedin is the easiest place to access appropriate advice, training and funding
- Utilising the goodwill towards Dunedin from current and past residents to gain international sales, and skilled staff
- Recognising that lifestyle factors are vital to attract and retain skilled staff and business people (but that it is outside the scope of this specific strategy)

3.2 Desired Outcomes

3.2.1 Monitoring the health of the Economy

Economic Development efforts are one of many influences that affect business growth. The impact of Economic Development on the following results will vary but the Council’s efforts should seek to positively influence:

A city that encourages sustainable economic development

- **Growth in productivity** – growth in productivity (average of sectors supported by EDU) is greater than the national average (as at March in the previous reporting year)

- **Business environment improvement** – growth in business index is greater than national average (as at March in the reporting year)

A city that offers high quality employment opportunities for everyone

- **Job growth** – Change in FTE growth (average of sectors supported by EDU) is greater than the national average (as at March in the previous reporting year)
- **Income growth** – % change in average earnings is greater than changes in the national average (as at March in the reporting year)

3.2.2 Monitoring effectiveness of the Economic Development Unit

Because of the difficulty directly linking the efforts of economic development with business results, the following outcomes will be introduced to monitor the effectiveness of these efforts;

- **Resident feedback** – improvement in responses to questions related to economic development in the annual Residents opinion survey
- **Client feedback** – improvement in overall client satisfaction with the annual Economic Development Unit
- **Resource allocation** – annual reporting on results of support to businesses, industries and initiatives using consistent criteria to assist allocation of economic development resources
- **Accessing external funding** – annual reporting on direct external funding secured for business economic development, and successful support offered to other organisations seeking external funding

3.3 Strategic areas of focus

The following five strategic areas will offer results most likely to achieve the outcomes identified;

3.3.1 Champions for business within Council

A key advantage of having an Economic Development Unit within Council should be that it is a “champion” for business. Business people should feel that “the city is on my side” through;

- Ensuring the needs of business are strongly advocated when strategic Council decisions are being made, and that key business stakeholders are, wherever possible, part of strategic discussions early. An example of this would be input into District Plan changes.
- Promoting a business-friendly culture within all council departments so that business people feel that they are treated with respect
- Advocating and mediating between individual businesses and council departments to avoid and alleviate conflict
- Monitoring, and attempting to ensure Dunedin City provides an environment for business competitive with other New Zealand cities (in terms of rates, compliance costs, users charges and licence fees, and the processing of consents)

Part of the goal within this focus is for the Economic Development Unit to be known amongst the business community as offering this role, and the others outlined in the strategy. It is important that the services and support offered is promoted effectively.

3.3.2 Targeted support for a portfolio of industries:

The following industries will be supported specifically within this strategy:

Industry	Industry/cluster maturity	Employee Count Growth % 2000-2004
Education	Established	-15.8%
Engineering and manufacturing	Established	+10.1%
Tourism	Established	+6.5%
Primary production and forestry	Established	Declined
Bio-industries	Emerging	Unavailable
Creative*	Emerging	-26.6%
ICT	Emerging	+16.3%
Professional services	New	+25%
Research**	New	

*Includes film, fashion, design

**While not a defined industry, research is a core competency within Dunedin

This mix of industries offers a portfolio of:

- Core competencies within established industries that may need encouragement to cooperate for more international success, and to expand out of their "comfort zone" (eg agriculture, engineering, education)
- Emerging industries that attract highly skilled and creative workers capable of competing internationally from a relatively isolated location (eg Bio-industries, ICT)
- Industries that not only offer wealth to the city, but boost Dunedin's image nationally and internationally (eg Tourism, Creative).

Support for Tourism is currently delivered by Tourism Dunedin, a Council controlled organisation. All other industries are supported directly via the Economic Development Unit or through industry clusters such as Education Dunedin, Engineering Dunedin or bioSouth. This strategy offers focus for Economic Development Unit activities only. It assumes that the funding of Tourism Dunedin will be linked to annually agreed performance indicators that measure growth in the industry (e.g. visitor spend > national average), organisational efficiency.

The support offered by DCC to different industries is compared on a \$ support per FTE or \$ support per GDP basis in Appendix 5. It is proposed that the level of support for different industries be reported on annually using common criteria so councillors, staff and affected industries can gain an overview of industry support.

Future support should be more closely linked to specific industry projects that can demonstrate benefits that will enhance the revised economic development measures. Professional services is a growing industry and it is

not clear what or how economic development can assist this industry to grow. However it is proposed that this be investigated further as there is a growing number of consultants basing themselves in Dunedin and doing business internationally.

The industries that are not included (that were in the original strategy) are:

	Reason for removal of industry from strategy
Contact Centres	International focus for contact centres in India Enquiries very low. EDU is responding on a case-by-case basis.
Art and Culture	Creative Industries incorporates film, fashion, and design. Fine arts unable to be scaled up as a business. Culture encouraged by events, and Community and Recreation services within council.
Sport	Only 1.3% of workforce. Difficult to determine proportion of value added that is attracted from outside Dunedin.
Community Economy	Not a defined industry and outcomes are linked to other parts of Council.
Business and Industry	Addressed under Regional and Pan-industry part of revised strategy

3.3.3 Taking CARE of business

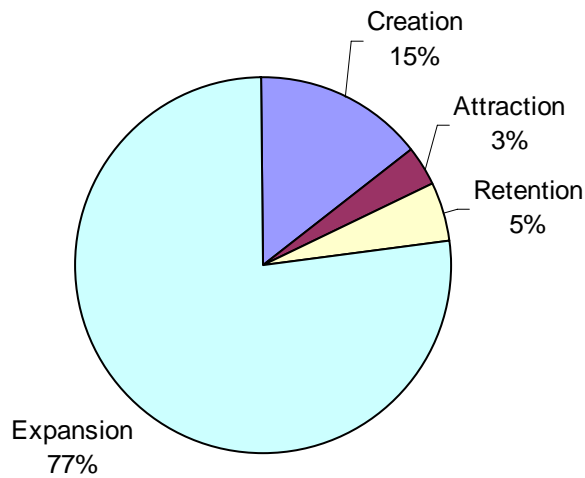
An acronym "CARE" can be used to describe where emphasis can be put in business development –

- **Creation** – helping start-up businesses, and commercialisation of Intellectual property
- **Attraction** – prompting and supporting relocation of existing businesses to the city
- **Retention** – keeping businesses that might be considering relocation out of the city or closure
- **Expansion** – assisting established local businesses to grow

Emphasis has moved since 2000 from Attraction and Retention towards Creation and Expansion. This is partially due to more buoyant economic conditions, and a development of the "grow your own" philosophy.

Analysis of EDU budgets and staff time shows that the apportionment currently is approximately as shown below

Current emphasis of EDU budget and staff time



Future emphasis will be monitored through tracking of EDU staff time and spending. The current emphasis will be reviewed yearly to enable a change in emphasis as economic conditions change.

Businesses can be assisted in a variety of ways and it is useful to define these.

Areas for effort include:

1. Business Development – offering mentoring and referrals to assist business growth
2. Cluster/Industry development – encouraging collaboration between local businesses to compete nationally and internationally
3. Pan industry assistance - initiatives that benefit multiple industries – eg UPSTART, WorkOtago
4. Economic environment– this covers “hard” infrastructure (like transportation) and other factors that restrict business growth. The key barrier currently is skills shortages.
5. Internal culture – Advocating on behalf of business within council at both a strategic and one-to-one level

All new projects will have a sunset clause where funding is reduced in order for reallocation of resources, or reinvestment if the benefits are clearly demonstrated.

Examples of current initiatives undertaken within the CARE and areas for effort mix include:

	Business development	Cluster/industry development	Mixed industry projects	Economic Environment	Internal culture
Creation	One-on-one business assistance Student entrepreneur initiative		UPSTART business incubator Micro-credit		
Attraction		Film Dunedin/Film Queenstown initiatives	Promotion of CFI and Taieri industrial park Are you ready? campaign		
Retention	Rates relief				
Expansion	Marketing grants and rates relief R&D promotion Fisher and Paykel cluster initiative	Major Regional Initiatives eg bio-processing Topoclimate Industry clusters Tourism Dunedin funding	Support for HTS project (high temp superconductors) Sister City	Work Otago skilled staff attraction Broadband Otago Forward newsletter Yearly Berl report Yearly skills shortage research	Business Profile and advocacy

3.3.4 Improved collaboration between education, research institutions and business

Education and research are well-established within Dunedin and these are included in the portfolio of industries to receive specific support (see section 5.3.2).

However, these areas of expertise offer unique benefits to local Dunedin businesses through;

- Training opportunities for business owners
- Research and development (both technical and design)
- Student internships and holiday work
- Student projects
- Commercialisation of intellectual property
- Utilisation of staff expertise within institutions

Currently the interaction between Dunedin businesses and the tertiary institutions and research organisations is generally reliant on personal relationships.

If the resources available to local business were more systematically and regularly promoted it would offer better utilisation of this expertise by Dunedin business to compete internationally.

3.3.5 Brokering of business support

Currently the following local organisations in Dunedin are involved in business development/training or economic development in some way;

- Economic Development Unit, DCC (including Kickstart student business coach)
- Otago Chamber of Commerce (incl. Enterprise Training, Biz)
- Otago Southland Employers Association (incl. Business in the Community)
- Tourism Dunedin
- Otago Forward (Regional economic development agency)
- UPSTART business incubator (incl. Dunedin Fashion Incubator and Icehouse business training)
- Mayors Taskforce for Jobs
- Otago Polytechnic
- University of Otago (including Otago Innovation Ltd)
- Youthworks and other employment orientated agencies supporting disadvantaged job seekers.

As well as these local organisations businesses also have links with (and get assistance from) central government involvement from;

- NZ Trade and Enterprise
- Te Puni Kokiri
- Department of Labour (Immigration and Enterprising Communities)
- Foundation for Research, Science and Technology (FRST)

While there is excellent cooperation between most of these organisations (most of the time) there is currently no coordinated assessment of how well this mix of providers meets business needs.

Other regions have separated the Economic Development role from the local council (Venture Southland, Venture Taranaki, Canterbury Development Corporation), although 50% of local authorities still retain an in-house unit (Deloitte report 2002). It is recommended that a coordinated survey of local businesses be proposed to local organisations delivering business and economic development with the goal of gauging business satisfaction with current services, and to find ways to improve understanding and utilisation of services and funding available.

As well as addressing these issues, the study should propose how business would prefer to contribute to strategic directions for economic development. Currently, business people are involved in a wide range of boards and leadership groups with links to economic development (eg Chamber of Commerce, UPSTART, clusters) but there is no systematic way of combining these interests to reinforce current, or offer new, directions to the city.

3.3.6 Targeted initiatives for specific demographic groups and business issues

With changing economic conditions and demographics there will be a need to create tailored assistance for specific needs. The following are examples of projects that are either underway currently, or will be undertaken;

3.3.6.1 Sustainable business development

Sustainable Business is defined as the integration of economic growth, social equity and environmental management, both for now and for the future (as outlined by the Sustainable Business Network, www.sustainable.org.nz).

Issues such as sustainable transport, waste reduction, responding to climate change, and energy efficiency are all issues that Dunedin businesses should be aware of and develop appropriate proactive responses to.

This strategy proposes that the sustainable business network be assisted by EDU to promote discussion and debate around sustainable development issues to local business people.

3.3.6.2 Student entrepreneurs

With a large student population that traditionally migrates away from Dunedin at the end of their studies it is proposed that emphasis be put on fostering student entrepreneurs. Research shows that entrepreneurs are more likely to remain in the city of their birth or where they were educated. Already a proportion of rapidly growing businesses are being started by students and graduates, but with targeted assistance this could be increased. The EDU already has funding for a pilot scheme to assist students wishing to grow or start a business (Kickstart).

3.3.6.3 Mature business owners

There is another challenge at the other end of the age range. Businesses led by owners in their 50's have the challenge of succession planning to ensure a smooth transition out of the business. If planned well, this can offer stability for the business and good returns for the owner "bowing out". In order to help local businesses capture the wisdom of past experience, and benefit from new expertise it is proposed that efforts be put into assisting family businesses to survive and grow through leadership transition.

3.3.6.4 Export ready businesses

To boost wealth in the city it is vital that Dunedin firms focus on export. It is proposed that effort be put on international connections for both supply of components and export sales through:

- Short and long term migrant contacts – international students have parents with potential business connections and long term migrants are also a source of useful international business contacts
- Ex pat Otago residents – either physical relocation through a "come home" campaign or assistance through links to overseas contacts. Closer links with University, Polytechnic and College of Education Alumni should be forged.
- Sister Cities – fostering understanding of different cultures and profitable long term relationships between Dunedin business people and those in sister cities.
- Project Gateway – Dunedin is unique in its financial support for businesses wishing to export to Australia. While the uptake of grants has been disappointing (due partly to the drastic reduction in travel costs, and therefore the value of subsidy available), Project Gateway should be retained and reshaped to ensure that Dunedin businesses are the best informed and have the best contacts when entering or growing their market in Australia.
- Marketing Support Programme – EDU have grants available for businesses entering new markets, or promoting new products. While the programme is open to businesses that sell domestically outside Otago, most grants go to help explore export opportunities.

3.3.6.5 Businesses constrained by skills

The skills shortage is a critical issue for many Dunedin businesses and attraction of skilled staff and training of new or potential employees is vital to turn growth potential into reality.

Dunedin City Council has led the region and New Zealand by developing a comprehensive website for both employers and prospective employees (www.workotagonz.com) and promotion at UK immigration fairs.

As long as the skills shortage research shows a high impact from unfilled vacancies the Economic Development Unit will work with:

- City promotion, Work Otago, NZ Immigration Service and interested employment agencies to focus on recruiting appropriate staff
- Youth orientated employment agencies to ensure that clients are offered accurate information on industries experiencing skills shortages, and businesses are encouraged and supported to employ and upskill young people

3.3.7 City leadership in the provision of land, infrastructure and services for business expansion

Due to the topography of Dunedin, there is a limited area available for greenfields commercial development close to the city. This challenge demands Economic Development involvement in;

- Encouraging upgrading and utilisation of Brownfields sites
- Encouraging utilisation of land zoned industrial on the Taieri plains that is available for greenfields development
- Alignment between the Property division of Council that is measured on returns to ratepayers, and the Economic Development Unit that, at times, sees a need for land development that may not offer market returns, yet would benefit the economy long term.

Key services for business include continuous access to affordable broadband, electricity and freight. Economic Development efforts should aim to monitor the demand and supply of these key business inputs and where possible facilitate a “better deal” for local businesses.

4.0 Action Plan and Budget

If the strategy proposed is adopted, the following actions will be necessary. The Community Outcome for all projects is "Wealthy Community". Income budgeted includes \$95 000 sourced from external sources

Indicators	Where We Are Now	Where We Want To Get To	Possible programmes to achieve the community outcomes	Budget			Coordinating Agency	Other Agencies involved
				2005/06	2006/07	2007/08		
Client feedback	80% strongly agree or agree that they are satisfied with the work of the EDU (2005)	Maintain or improve current result	Business Advocacy Coordination of business support researched and implemented (5.3.4) Sustainable business network support plan (5.3.5.1) Commercial real estate focus within DCC clear (5.3.6)	\$10 000	\$10 000	\$10 000	EDU	Banks, Accountants Chamber, OSEA, NZTE Sustainable business network DCC Property
Skilled staff shortage	39% businesses surveyed experiencing staff shortages (2004 survey)	< 25% business surveyed experiencing staff shortages	Skilled Staff Attraction (5.3.5.5)	\$50 000	\$50 000	\$50 000	EDU	Recruitment agencies Other Otago Councils Immigration
			City Promotion	\$759 000	\$759 000	\$759 000	City Marketing & Comm'n	

Youth Employment			Youthworks support	\$85 000	\$85 000	\$85 000	Otago Youth Employment Trust	
Industry Growth	Industries supported by EDU 1.1% < growth than NZ average 2004 (see appendix 6)	Industries supported by EDU > growth than NZ average 2004	Revision of industry portfolio and support per industry Marketing Support & Project Gateway business grants Development Rates relief Industry Facilitation Industry project support (5.3.1) Tertiary business and research support Tourism Dunedin grant	\$100 000 \$50 000 \$50 000 \$314 600 (countered by income) \$225 000 \$120 000 \$1038 275	\$100 000 \$50 000 \$50 000 \$314 600 (countered by income) \$225 000 \$120 000 \$1038 275	\$100 000 \$50 000 \$50 000 \$314 600 (countered by income) \$225 000 \$120 000 \$1038 275	EDU	
Sister City Business and cultural links				\$60 000	\$60 000	\$60 000		
Regional projects	No MRI	MRI secured	Otago Forward	\$100 000	\$100 000	\$100 000		

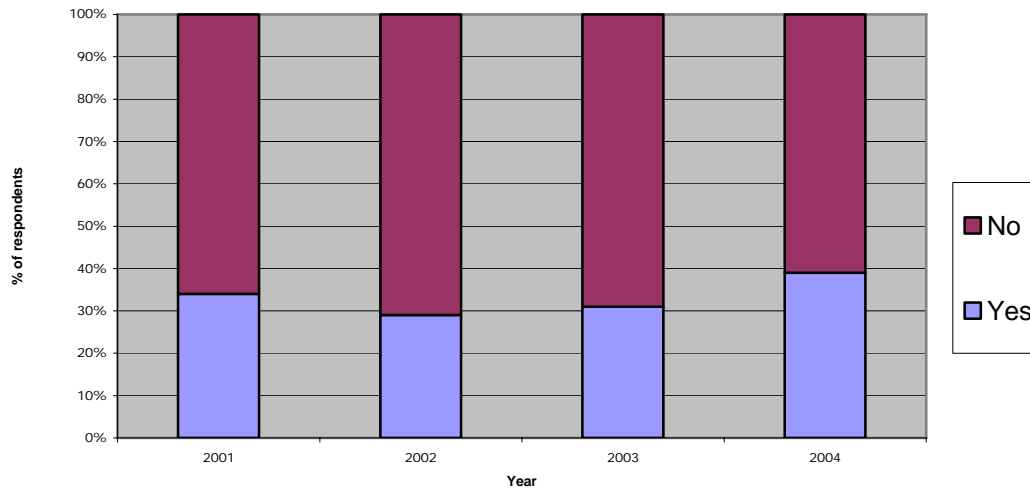
Income growth	Growth in hourly wage/capita 0.6% < national average (see appendix 6)	Growth in hourly wage/capita > national average	Business Development and Incubation (incl UPSTART, Kickstart) Succession planning (5.3.5.3) Microcredit	\$130 000	\$130 000	\$130 000		
Operational improvements			Staffing, and operational costs New measures for Economic Development Creation of CARE monitoring for EDU (5.3.2)	\$772 000 \$50 000 (overall research budget)	\$772 000 \$50 000 (overall research budget)	\$772 000 \$50 000 (overall research budget)	EDU	

APPENDICES:

Appendix 1 Environmental Analysis

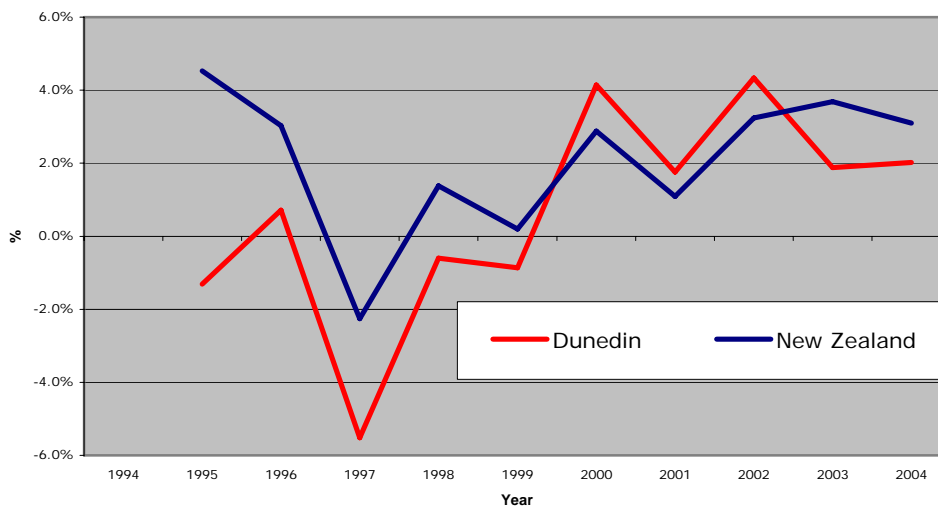
1.1 Economic Trends

Businesses Experiencing Skills Shortages in Dunedin



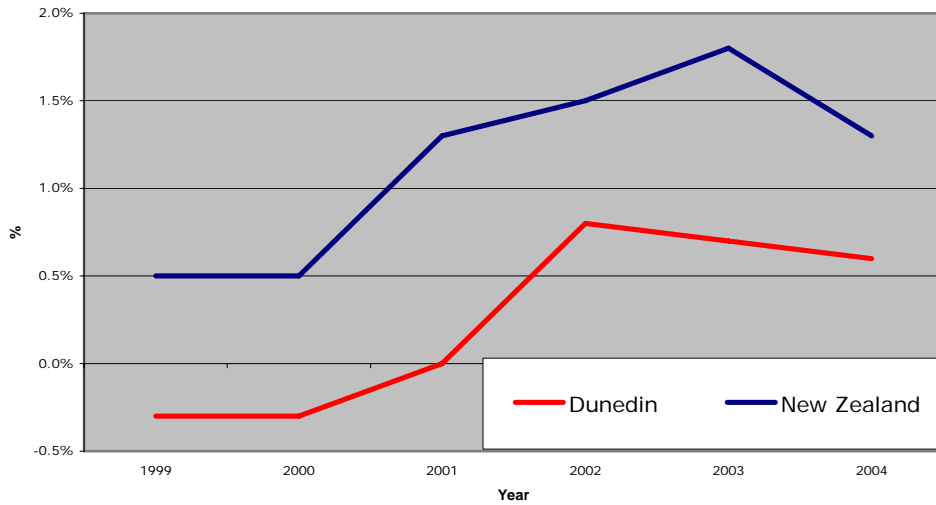
Skills Shortages – The Dunedin City Council has surveyed businesses since 2001 about the effect of skills shortages. 542 businesses responded in 2004, and reported a worsening shortage of skilled labour, with an estimated direct loss of business of \$10m due to unfilled vacancies.

Employment Growth Dunedin vs New Zealand



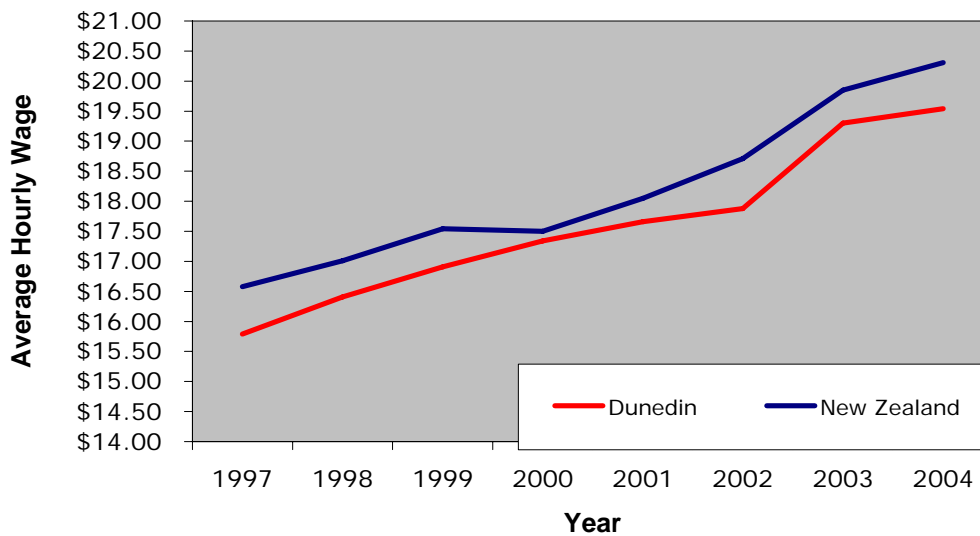
Since 1997 Employment Growth has more closely matched New Zealand trends. Most growth has come from the services sector with FTE numbers almost doubling in the 10 years from 1994 to 2004, at which time this sector made up 46% of all FTE's.

Population Change - Dunedin vs New Zealand



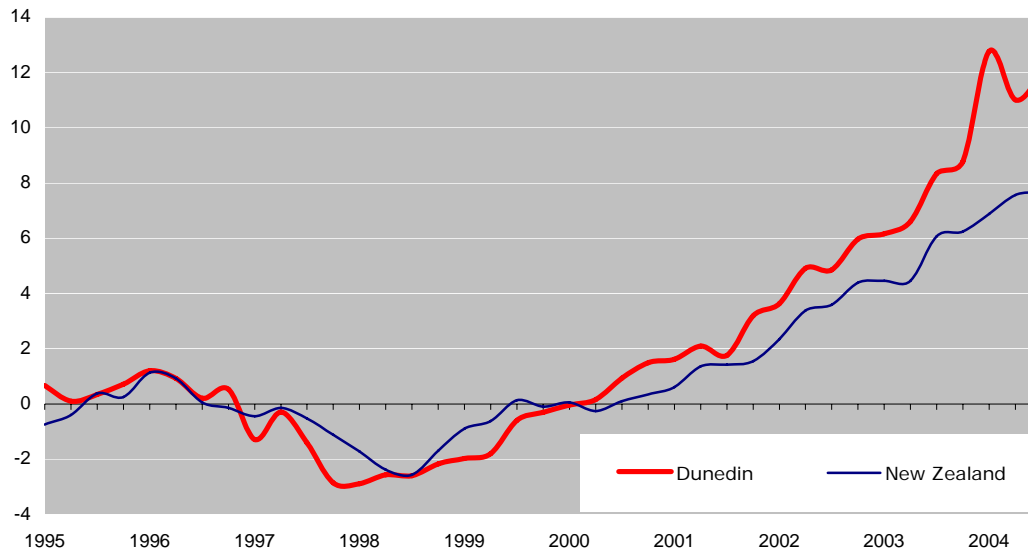
While rising, the population growth in Dunedin has been consistently almost 1% lower than the average in New Zealand. The “high” population growth predictions adopted by Council for infrastructure planning estimate growth of 6% in population over 10 years (2001-2011). This equates to 7200 people.

Changes in Average Hourly Wage



The average wage in Dunedin is consistently lower than the national average. As well as industry growth, emphasis should be placed on assisting industries that offer a sustainable pay rate.

Dunedin Business Environment Index



The Business Environment Index measures a range of indicators including job advertisements, retail trade, residential and commercial building consents, real estate sales and tourist visitor nights. The index uses the average level of economic activity between 1996 and 2003 as a baseline to show contractions or expansions in the economy.

Dunedin has outperformed the national average since 2000.

1.2 Political Trends

1.2.1 Central government involvement in Economic Development

In 2000, Trade New Zealand had one staff member assigned to Otago/Southland. In 2004, there are three frontline business development staff, one regional development person, one national position (based in Dunedin but working nationally), and two support staff.

This increased staffing has come as a result of the evolution of Trade New Zealand into NZ Trade and Enterprise (NZTE) that has an expanded brief beyond the traditional export consultancy role. NZTE has now injected funds and effort into regional projects, Polytechnic/industry links, Enterprise Culture, Clusters and a wider variety of one-on-one grants.

Otago Forward was created in 2002 to foster regional economic projects. This group made up of the Otago Regional Council, Ngai Tahu, Otago Chamber of Commerce and all Otago local authorities was in response to a central government initiative that offered \$2m to each region to help spark a project of regional importance (Major Regional Initiative or MRI). To date Otago Forward has not yet decided on a project of benefit to the region. This is partially due to the diverse economic "drivers" and conditions in the Otago region, the fact that regional economic development agencies were already working well together, and because some projects that would fit MRI criteria had already been undertaken before the funding became available (eg Centre for Innovation).

comes from growing awareness amongst businesses that longevity relies on sustainable resource use, and market pressures from consumers.

1.2.2 Commercial focus for tertiary institutions and CRIs

Since the 2000 strategy the government has increasingly linked funding of research to commercialisation and industry linked outcomes. This, combined with stronger commitment from tertiary institutions to profit from commercialisation, offers an opportunity for Dunedin to profit from the research capabilities in the city. This focus on research must be balanced by the Tertiary institutions against resources put into commercialisation of Intellectual Property.

1.2.3 Effect of Anti-terrorism measures

The increased emphasis on anti-terrorism has dramatically increased the effort and cost of freighting internationally. Export freight compliance costs are estimated to have risen 70% in the last year.

There are also opportunities for some Dunedin businesses if their products relate to traceability or security (eg Country of origin issues for primary produce, freight tracking).

1.2.4 Free Trade and international links

Free Trade talks have commenced with China and harmonisation of regulations with Australia offer opportunities and challenges for Dunedin businesses. Sourcing production or components will become easier but competition will also intensify.

Companies previously committed to local manufacture are now being forced to consider offshore manufacture to compete internationally. This can be seen as a threat to local manufacturing jobs or as an opportunity for local businesses to focus on added value to keep their products differentiated from mass-produced "me-too" items.

One opportunity unique to Dunedin is the Sister City relationship that Dunedin has with Shanghai. The potential for this to foster strong relationships between civic and business leaders is yet to be realised but the mayor and councillors are very committed to maximising the benefit of this opportunity.

1.3 *Environmental and sustainability trends*

The ratification of the Kyoto Protocol by New Zealand has created a target of getting CO₂ emissions back to 1990 levels by 2012. The costs and/or changes forced by this commitment will impact most dramatically on energy and transport dependent industries. Details of how the costs and benefits of this protocol are still to be finalised.

Sustainability of business practices, both from a labour and environmental aspect, is growing as a trend affecting business. The pressure to respond to these issues comes from growing awareness amongst businesses that longevity relies on sustainable resource use, and market pressures from consumers.

1.4 Social Trends

Dunedin has a relatively static population, particularly compared to other major New Zealand cities. It has a smaller proportion of children compared to the New Zealand average but because of the high tertiary student population, a higher proportion of young adults. Trends show that nationally there will be a falling population within the tertiary student age range in future.

The 2001 census shows 13.3% over 65 years old in Dunedin, compared with 12.1% nationwide. Nationally this is predicted to reach 25% by 2051. An aging population and low population growth is likely to make it more difficult for Dunedin businesses to recruit staff in future, and may demand a more flexible workplace to retain experienced workers.

The average household size at the 2001 census was 2.5 people (compared to 2.7 NZ wide). This trend towards shrinking household sizes is predicted to continue, putting pressure on central city land for residential development.

The mobility of labour, declining numbers of young people entering the workforce and international demand for skilled staff is likely to continue to restrain Dunedin business growth.

1.5 Technological Trends

Improvements in, and reduction in cost of, technology has opened possibilities for Dunedin businesses to develop world-class technological solutions and services. Some businesses are restrained by the bandwidth available locally.

While trend-spotters used to predict that technology would mean a dramatic rise in work-from-home employees, and a reduction in travel needed to do business, this has not transpired. Demand for CBD office space and air travel have both increased strongly, indicating that while technology may make face to face contact less essential, the social benefits have overshadowed the advantages of technology.

Gene technology and other advances in science have prompted the growth of Dunedin as a strong "player" in biotechnology. The strength of both the health sciences and agricultural sector mean that there is a diverse range of research and business developments.

1.6 Competition

1.6.1 Other regional cities

Since the previous economic development strategy a number of cities in New Zealand have been active in economic development and promotion. For example Hamilton has developed a technology park linked to Waikato University that has attracted local and overseas companies.

Another example of regional competition is in recruitment of skilled staff. In 2002 when the City Council promoted Dunedin at the London

Opportunities expo (for potential migrants) it was one of 30 exhibitors and one of the few regions represented. In 2004, there were 62 regions and employers promoting themselves at the same expo.

1.6.2 Outsourcing of services

When the previous strategy was compiled outsourcing of services such as call centres and IT support was a "hot topic" in economic development. New Zealand was seen as an ideal location for such services due to the international time differences, high education levels and English as the primary language.

While some enquiries are still being received and responded to regarding outsourcing, the worldwide trend has seen call centre and IT outsourcing focus on low cost centres like India.

1.7 Community Feedback

1.7.1 Young Business group feedback – August 2003

In August 2003 14 "young business leaders" participated in a workshop led by John Bell from the University of Otago. The workshop asked participants where do they wanted to take Dunedin, why they were in Dunedin, what was holding them back and what the DCC role in economic development should be.

Key recommendations were:

- Aim for *population increase* to around 150,000
- "*grow your own*" philosophy of business development supported
- Untapped potential in *tourism*, and *utilisation of "ex-pat" Otago residents/ students*
- Need for *investor leadership*
- DCC should undertake *strategic investment and re-zoning*
- DCC should continue to push "*business friendly*" attitude
- Keen for *council to take bold leadership*

1.7.2 Dunedin Strategy Summit – November 2004

Full summary attached as appendix.

Key recommendations:

- *Employment/Population Structure* - Creating high-tech/wealth generating jobs that are appropriate to Dunedin's resources and advantages. Retain students and attract new migrants
- *Leadership/City Vision* - Develop bold leadership across the City based on a set vision
- *Strategic/Sustainable Growth* - Develop and implement a plan for active, managed growth
- *Active City Promotion* - Create a positive image and perception of Dunedin, which will foster an environment that encourages migrants and new industry developments
- *Eco/Heritage Tourism Capital* - Promote tourism product. Protect eco/heritage tourism attractions

Appendix 2 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong cooperation between economic development agencies • Mandate for strong local government leadership • Buoyant local and national economy • Established industry clusters boosting cooperation • Educated, innovative population including independent tertiary students • Strong loyalty from residents and "ex-pats" • Sister City link with Shanghai • Wide range of world class educational, creative and research expertise • University committed to commercialisation of IP • Research capability within tertiary institutions and CRIs. • Desirable location for skilled staff wishing to improve lifestyle • Unique eco-tourism attractions 	<ul style="list-style-type: none"> • Small, slow growing, local market • Physically isolated from key national and international markets • Business assistance offered through variety of organisations • Economic development goals absolute (not relative to national economic growth) • City council Support for different industries varies greatly on \$/job or \$/GDP basis • Aging demographic could see businesses relocate or close with retirement of owners • Local economy still heavily influenced by agricultural commodity prices and exchange rate • Skills shortage restricting business growth • Central Otago growth shifts business focus away from Dunedin • Measurable impact of initiatives difficult to determine

Opportunities	Threats
<ul style="list-style-type: none"> • Better coordination of economic development to present coherent support to businesses and industries • Better understanding and interaction between economic and community development agencies • Revision of goals to peg to national trends • Lifestyle quality attracts skilled staff and entrepreneurs • Succession planning offers business people clear pathways to wealthy retirement • Educational, research and design expertise boosts foreign exchange earnings and becomes vital tools for Dunedin business • Emphasis on productivity and growth in pay rates focuses on value-add industries • Strengthening of international relationships to boost export success (ex-pats, sister city) • Increased cooperation via clusters boosts profits 	<ul style="list-style-type: none"> • Economic development agencies unwilling to coordinate services for the good of local business • Competition for resources between industries • Strategy driven by media and political agendas • Retiring business people unwilling to plan succession • Businesses do not utilise educational, research or design expertise and lose market share to competitors that do • Business growth restricted by staff availability/recruitment • Macroeconomic trends turn against agricultural products • Other regional centres win the “lifestyle war” to attract skilled staff and entrepreneurs • Measures inaccurate or are inefficient to assess • International relationships do not translate into improved profitability

APPENDIX 3 - Background to 2000 Economic Development Strategy

An economic development strategy was prepared in 2000 by the Economic Development Strategic Working Party. This strategy was built on feedback from the public during the "Directions for Dunedin" consultation, liaison with industry sector leaders and council managers.

The strategy identified the following key industry sectors for Dunedin:

- Business and Industry
- Biotechnology
- Contact Centres
- Engineering
- Primary Production and Processing
- Tourism
- Education
- Forestry
- ICT Companies
- Art and Culture
- Sport
- Community Economy

Business and Community representatives asked the Council to focus on:

- Creating an environment that supports business development and investment
- Facilitating a cohesive cooperative sector
- Ensuring access to information that will assist industry development
- Facilitating better communication, promotion and City profile
- Ensuring supportive local and regional government

2000 Strategy Goal and Achievement to Date

In the strategy prepared in 2000 the Council agreed that Dunedin should have as its target:

- The creation of 2,000 new jobs by the year 2005, and a further 4,000 by 2010 (totalling a workforce goal of 46,906 FTEs by 2010)
- a population increase to 140,000

The jobs goal for 2010 has been met, with the 2005 Berl report indicating 46,627 FTE's in the Dunedin economy as at March 31 2004. The population increase has been more modest with a total population growth of 2300 people from 1999 March 2004 (reaching a total population of 121,900). Dunedin's population increase has been approximately half the average New Zealand growth.

The Berl population forecast for Dunedin that has been adopted for the Asset Management Plans of all Dunedin City Council departments estimates population growth to 127,900 in 2021.

Key Actions from 2000 Strategy	“Score”	Comments
“DUNEDIN INCORPORATED” – economic development advisory board to be established	C	A formalised Economic Development Advisory Board was created. It included key local business people and offered a good sounding board for individuals to suggest changes to Council policy. However few new initiatives were suggested and with attendance dwindling, the group was disbanded in 2003. Since then there has been a workshop with young business people in 2003, and more recently a strategic directions workshop in November 2004. While an ongoing advisory board is not currently operating, excellent governance has been fostered in key industries (e.g. bioSouth, Education Dunedin, Engineering), and other EDU-linked initiatives (UPSTART business incubator).
KEY SECTOR SUPPORT - Focus on Biotechnology, Contact Centres, Education, Engineering, Forestry, Primary Production and Processing, Software and Hi Tech Companies, Tourism, Art and Culture, Sport	B+	Clusters are currently active in engineering, biotechnology, education, forestry, agriculture and shellfish. The Economic Development Unit is assisting ICT and fashion businesses one-on-one and through support of the UPSTART incubator. Tourism has the dedicated support of Tourism Dunedin (funded primarily by DCC).
MAJOR INITIATIVES - Centre for Innovation, Project Gateway, Forestry Enterprise Park, and High Performance Sports Centre	C	The Forestry Enterprise Park did not get approval to proceed, although there has been some expansion (e.g. NZ Wood Mouldings). The High Performance Sports Centre is located in the old Art Gallery at Logan Park and the Centre for Innovation has strong occupancy. Project Gateway has successfully facilitated growing Australian visitor numbers to Dunedin and flights to Australia. Trans-tasman airfreight ex-Dunedin has not yet been secured and the uptake by local businesses for grants to assist with Australian marketing has been below projections.

<p>REVIEW OF COUNCIL PROCEDURES - To create a 'user friendly' approach to business throughout every activity of council</p>	<p>B</p>	<p>While measurement of the success of this is difficult, the EDU has established some clear goals for the unit and the Council that are to:</p> <ul style="list-style-type: none"> • be the first stop for business • make it easier to do business in Dunedin • help business people feel that the "city is on my side" <p>EDU has actively promoted its "business advocacy" role both with other council departments and externally to groups such as business bankers and accountants.</p> <p>An EDU client survey has been created. Results have improved to a point where 65% of clients surveyed in 2004 believed that the Dunedin City Council respected their business (up 11% on 2003), and 83% were satisfied or very satisfied overall with the work of the Economic Development Unit.</p>
<p>PROMOTE AND PROFILE DUNEDIN OPPORTUNITIES – Especially with East Coast Australia and Auckland Use Expatriates for Dunedin promotion</p>	<p>B</p>	<p>Project Gateway has targeted East Coast Australia and Australian visitors have risen 45% between June 2001- June 2004. City Promotion has focussed heavily on selling the Dunedin "lifestyle' and the current campaign contrasts the stresses of Auckland city life with the benefits of Dunedin. " The Are You Ready?" campaign has seen recall amongst the target market rise to 60% (higher than that ever achieved by any other city promotion activity).</p> <p>Difficulty with access to databases of Otago expatriates has restricted the effectiveness of Dunedin promotion via this group. However an electronic newsletter has been created and it is distributed quarterly to over 750 subscribers (both expats and others interested in relocating to Dunedin).</p>
<p>ACHIEVE 6% GROWTH IN VISITOR NIGHTS - Through creation of Tourism Dunedin as a separate Trust</p>	<p>A</p>	<p>Tourism Dunedin reports an average growth in Visitor nights of 7.3% per annum between Dec 2001 and Dec 2004</p>

APPENDIX 4 - More detail on Dunedin Summit key issues

Key Issues Influencing the Future Growth of Dunedin as created at City Strategy Summit, November 2004

Priority	Issue	Key Elements	Results Sought
1	<i>Employment/Population Structure</i>	<ul style="list-style-type: none"> • Creating high-tech/wealth generating jobs that are appropriate to Dunedin's resources and advantages e.g. University, AgResearch • Retaining students • Attracting new migrants 	<ul style="list-style-type: none"> • Attract more new migrants • Increase tertiary numbers • Reverse aging population trend • Increase employment opportunities • Become a Business friendly city • Higher paid jobs • No skill shortages
2=	<i>Leadership/City Vision</i>	<ul style="list-style-type: none"> • Develop bold leadership across the City based on a set vision 	<ul style="list-style-type: none"> • A City-wide vision established • Inspirational leaders
2=	<i>Strategic/Sustainable Growth</i>	<ul style="list-style-type: none"> • Develop and implement a plan for active, managed growth 	<ul style="list-style-type: none"> • Planned growth • Not "growth at any cost"
4=	<i>Active City Promotion</i>	<ul style="list-style-type: none"> • Create a positive image and perception of Dunedin, which will foster an environment that encourages migrants and new industry developments 	<ul style="list-style-type: none"> • Increased city promotion • New weather station site • People saying: "I want to live in Dunedin for lifestyle and business"
4=	<i>Eco/Heritage Tourism Capital</i>	<ul style="list-style-type: none"> • Promotion of tourism product • Protection of eco/heritage tourism attractions 	<ul style="list-style-type: none"> • Increase visitor numbers • Target high value tourists • Sustainable Tourism • Dunedin viewed as 'green globe city' • Build programmes around eco-heritage
6	<i>Environmental Protection</i>	<ul style="list-style-type: none"> • Protect our assets and preserve our natural resources 	<ul style="list-style-type: none"> • Water and air quality standards to be retained

APPENDIX 5 - Dunedin City Council Economic Development Budget 2005/06

Please note that this budget does not detail spending of Tourism Dunedin, or the Marketing and Communications Agency, as these organisations, while linked to economic development, operate separately from the Economic Development Unit. Income and expenditure related to the Visitor Centre, while a tourism related service, is not included as it is outside the scope of this strategy

ECONOMIC DEVELOPMENT UNIT		
INCOME EXTERNAL TO DCC		
Grants and contracts		\$95 000
Industry Facilitation (countered by income)		\$314 600
EXPENDITURE		
Business Advocacy		\$10 000
Skilled staff attraction (WorkOtago)		\$50 000
Economic Research and analysis		\$50 000
Microcredit support		\$50 000
Project Gateway		\$50 000
Sister City		\$60 000
Youth Employment		\$85 000
Marketing Support Grants		\$100 000
Regional (Otago Forward) projects		\$100 000
Tertiary, business and research support		\$120 000
Business development and incubation		\$130 000
Industry support (including clusters)		\$225 000
Development Rates Grants		\$300 000
Industry Facilitation (countered by income)		\$314 600
Operational and internal costs		\$772 200
RATES FUNDED COSTS		\$2 007 200
TOURISM DUNEDIN		
Operational Grant		\$688 275
Project Gateway Grant		\$350 000
RATES FUNDED COSTS		\$1 038 275
MARKETING AND COMMUNICATION		
City Promotion		\$759 000

APPENDIX 6 - Background Research

“Local Authority Involvement in Economic Development Initiatives - Choices for Successful Management”

Report of the Controller and Auditor-General, August 2002

A strategy for managing risk (ie the likelihood that the local authority will not achieve its intended development outcomes) was outlined which discussed the following key issues:

- The strategy needs to be well balanced
- The strategy needs to have proper regard to community and regional views
- Internal expertise may be limited
- Joint ventures offer benefits and pose risks
- Legal liabilities can arise
- Measuring the impact of expenditure needs to be effective
- Performance measures need to be properly developed and interpreted

The document also outlined the types of Economic Development initiatives that local authorities are undertaking:

Direct Financial Support

- Funding individual businesses, giving guarantees to lending institutions, subsidising new or existing business, or direct infrastructure investment
- Funding third parties to provide services
- Subsidising local authority charges and fees

Indirect Support

- Facilitation Initiatives
- Providing agency services
- Aligning the strategic focus of local authority activities to its economic development goals

2003 Survey of Local Authorities’ Economic Development Expenditure and Activities

Local Government New Zealand and EDANZ, September 2003

- 92% of local authorities expect funding for economic development to increase or remain the same in the future
- 33% of local authorities use the rating system for economic development

Summary of Recommendations for Local Government

“Entrepreneurship and Local Economic Development”, OECD 2003

Recommendations on Strategy

- Seek to ensure the availability of business premises offering affordable and flexible rents
- Make local regulations current and minimise their burden on enterprise

Recommendations on Programme Design

- To help counter displacement effects ensure a strong marketing component in assistance programmes and consider restricting the terms of business support.
- Encourage the creation of team-based firms.

- Examine where the public sector can play a catalytic role in establishing private-sector-led networks.
- Encourage the creation of team-based firms
- Examine where the public sector can play a catalytic role in establishing private-sector-led networks

Recommendations on Finance

- Work with local banks and other financial institutions to facilitate access to finance for entrepreneurs
- Consider the promotion of mutual credit guarantee associations
- Encourage equity investments through education and information, and support networks of business angels

Ten Design Principles For Industrial Policy

“Industrial Policy for the Twenty First Century”

Dani Rodrik, Harvard University, September 2004

1. Incentives should be provided only to “new” activities
2. There should be clear benchmarks/criteria for success and failure
3. There must be a built in sunset clause
4. Public support must target activities, not sectors
5. Activities that are subsidised must have the clear potential of providing spill-overs and demonstration effects
6. The authority for carrying out industrial policies must be vested in agencies with demonstrated competence
7. The implementing agencies must be monitored closely by a principal with a clear stake in the outcomes and who has political authority at the highest level
8. The agencies carrying out promotion must maintain channels of communication with the private sector
9. Optimally, mistakes that result in “picking the losers” will occur
10. Promotion activities need to have the capacity to renew themselves, so that the cycle of discovery becomes an ongoing one

“Local Authority Involvement in Economic Development Initiatives = Choices for Successful Management”

Report of the Controller and Auditor-General, August 2002

A strategy for managing risk is advocated (ie the likelihood that the local authority will not achieve its intended development outcomes):

- The strategy needs to be well balanced
- The strategy needs to have proper regard to community and regional views
- Internal expertise may be limited
- Joint ventures offer benefits and pose risks
- Legal liabilities can arise
- Measuring the impact of expenditure needs to be effective
- Performance measures need to be properly developed and interpreted

An outline of Economic Development Initiatives that Local Authorities are undertaking was given

-

Direct Financial Support

- Funding individual businesses, giving guarantees to lending institutions, subsidising new or existing business, or direct infrastructure investment
- Funding third parties to provide services
- Subsidising local authority charges and fees

Indirect Support

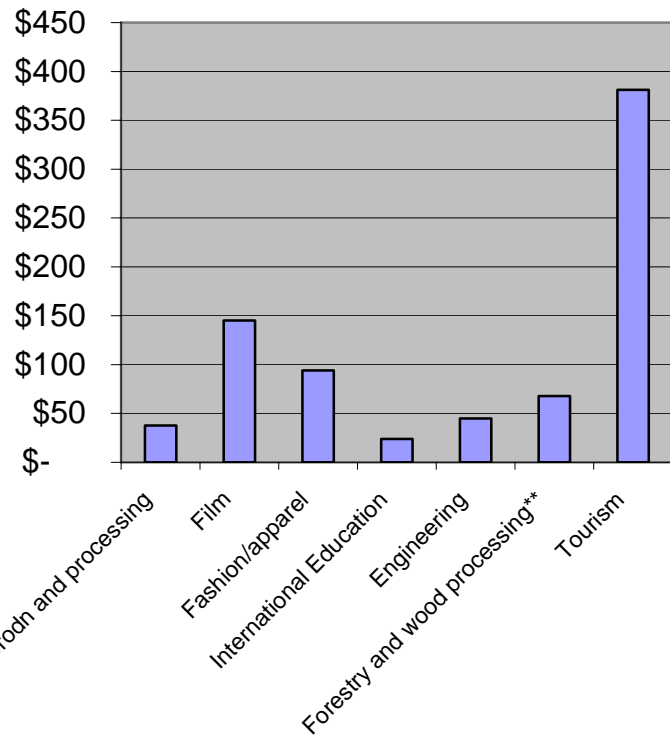
- Facilitation Initiatives
- Providing agency services
- Aligning the strategic focus of local authority activities to its economic development goals

Appendix 7 - Summary of industry sector support via EDU 2004/05

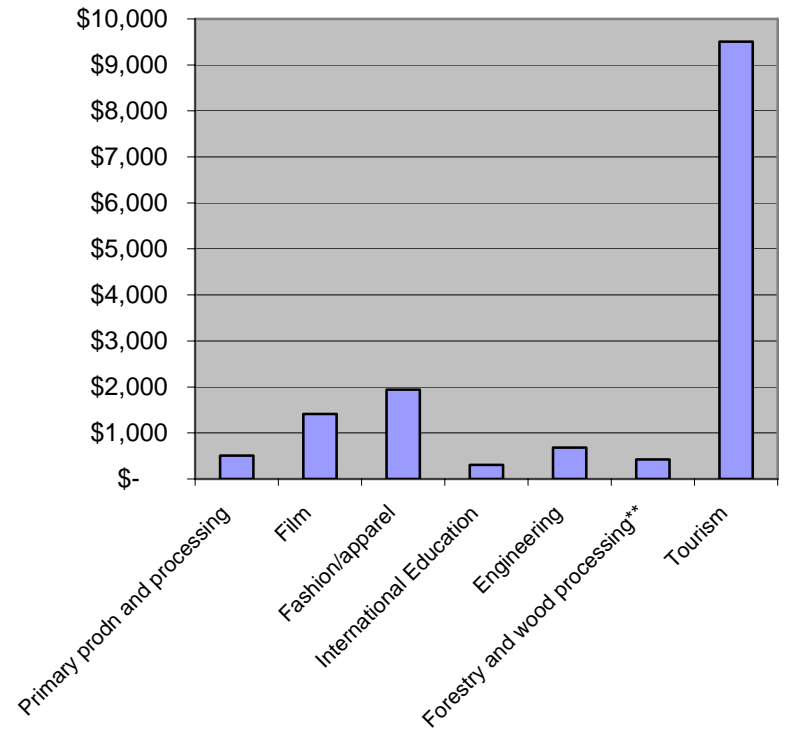
Industry	Approx staff time	Approx Staff cost*	Budget 04/05	Total support offered	Industry FTE's	GDP Dunedin City (\$m)	GDP/FTE	Support per job	Support per \$m GDP
Primary prod'n	0.5	\$ 35,000	\$ 110,000	\$ 145,000	3848	\$ 286	\$ 74,324	\$ 38	\$ 507
Film	0.25	\$ 17,500	\$ 15,000	\$ 32,500	224	\$ 23	\$ 102,679	\$ 145	\$ 1,413
Fashion/apparel	0.25	\$ 17,500	\$ 35,000	\$ 52,500	558	\$ 27	\$ 48,387	\$ 94	\$ 1,944
International Education	0.4	\$ 28,000	\$ 39,000	\$ 67,000	5,675	\$ 219	\$ 38,590	\$ 24	\$ 306
Domestic Education	0.4	\$ 28,000	\$ 40,000	\$ 68,000	incl above	incl above			incl above
Biotechnology	0.4	\$ 28,000	\$ 35,000	\$ 63,000	n/a	n/a			
Engineering	1	\$ 70,000	\$ 35,000	\$ 105,000	2,334	\$ 154	\$ 65,981	\$ 45	\$ 682
Forestry	0.1	\$ 7,000	\$ 10,000	\$ 17,000	251	\$ 40	\$ 159,363	\$ 68	\$ 425
ICT	0.2	\$ 14,000	\$ 20,000	\$ 34,000	n/a	n/a			
Team leadership	0.5								
TOTAL FOR EDU	4	\$325,000	\$ 339,000	\$741,000					
Tourism				\$1,065,000	2,793	\$ 112	\$ 40,100	\$ 381	\$ 9,509
Other sectors									
Business Services					4,102	\$ 198	\$ 48,269		

*assumption of cost of Business Development Advisor averages \$70000 incl outgoings

EDU support per job 2004/05



EDU Support per \$m GDP



Appendix 8 - Calculations of Industry Growth and Average wage growth (Dunedin vs New Zealand)

% Industry Growth by FTE's YE March 2004

Industry Sector	Dunedin	New Zealand	Percentage Point Difference
Education	-0.5%	2.6%	-3.10
Engineering	12.8%	2.6%	+10.2
Tourism	2%	3.1%	-1.1
Primary Production/Forestry	-4.6%	-0.03%	-4.63
Bio-industries	n/a	n/a	-
Creative*	6.5%	3.0%	+3.5
ICT	n/a	n/a	-
Professional Services	5.8%	6.1%	-0.30
TOTAL	2.0%	3.1%	-1.1

Source: BERL database

* Creative = Film, Television and Motion Picture

Quarterly Employment Survey - Average Hourly Earnings

Period	Dunedin City							New Zealand							Difference Percentage Points
	Average Hrly Earnings (\$)			Sample Error (%)				Average Hrly Earnings (\$)			Sample Error (%)				
	Male	Female	Total	Annual % increase	Male	Female	Total	Male	Female	Total	Annual % increase	Male	Female	Total	
March 2003	19.63	17.91	18.78		5.1	3.9	3.6	20.62	17.47	19.21		1.1	0.9	0.8	
June 2003	19.41	18.12	18.79		5.3	3.4	3.5	20.78	17.75	19.42		1.2	0.9	0.9	
September 2003	19.78	18.44	19.14		4.4	3.3	3.0	21.03	17.98	19.65		1.0	0.8	0.8	
December 2003	19.99	18.39	19.22		4.9	3.8	3.3	21.24	18.11	19.83		1.0	0.9	0.8	
March 2004	19.59	18.98	19.30	2.8%	5.0	4.2	3.6	21.17	18.21	19.85	3.3%	1.0	0.9	0.8	-0.5%
June 2004	19.39	18.87	19.14		7.3	5.5	4.9	21.65	18.58	20.28		1.3	1.1	1.0	
September 2004	20.21	18.85	19.54		4.4	4.1	3.3	21.68	18.63	20.31		1.2	1.0	0.9	
December 2004	20.35	18.80	19.58		3.8	4.0	6.0	21.63	18.57	20.25		1.2	1.0	0.9	
March 2005	20.50	19.19	19.88	3.0%	5.3	5.1	4.2	21.89	18.89	20.56	3.6%	1.2	1.0	0.9	-0.6%

Source: Statistics New Zealand, Quarterly Employment Survey