

Roger Blakeley

The Planning Framework for Auckland ‘Super City’ an insider’s view

Auckland Council was launched five years ago, on 1 November 2010. This article examines the planning framework set in place to enable the growth of Auckland over the next 30 years. The author was chief planning officer of Auckland Council from its inauguration until mid-2015. It therefore gives an insider’s view on the framework, which may aid wider understanding in the policy community. The author has also had the opportunity since leaving the council to reflect on what has been learned, and the hurdles still to be cleared. The premise that Auckland’s success is critical to New Zealand’s success underpins this article.

The article examines the governance changes to Auckland, and describes the planning framework and the development strategy in the Auckland Plan. It then analyses the difficult challenges that still confront Auckland: its housing affordability crisis, and measures required

on urban form and planning rules, housing, transport and economic growth. The final section covers the features of the planning process, independent reviews, lessons for other regions, policy lessons and conclusions.

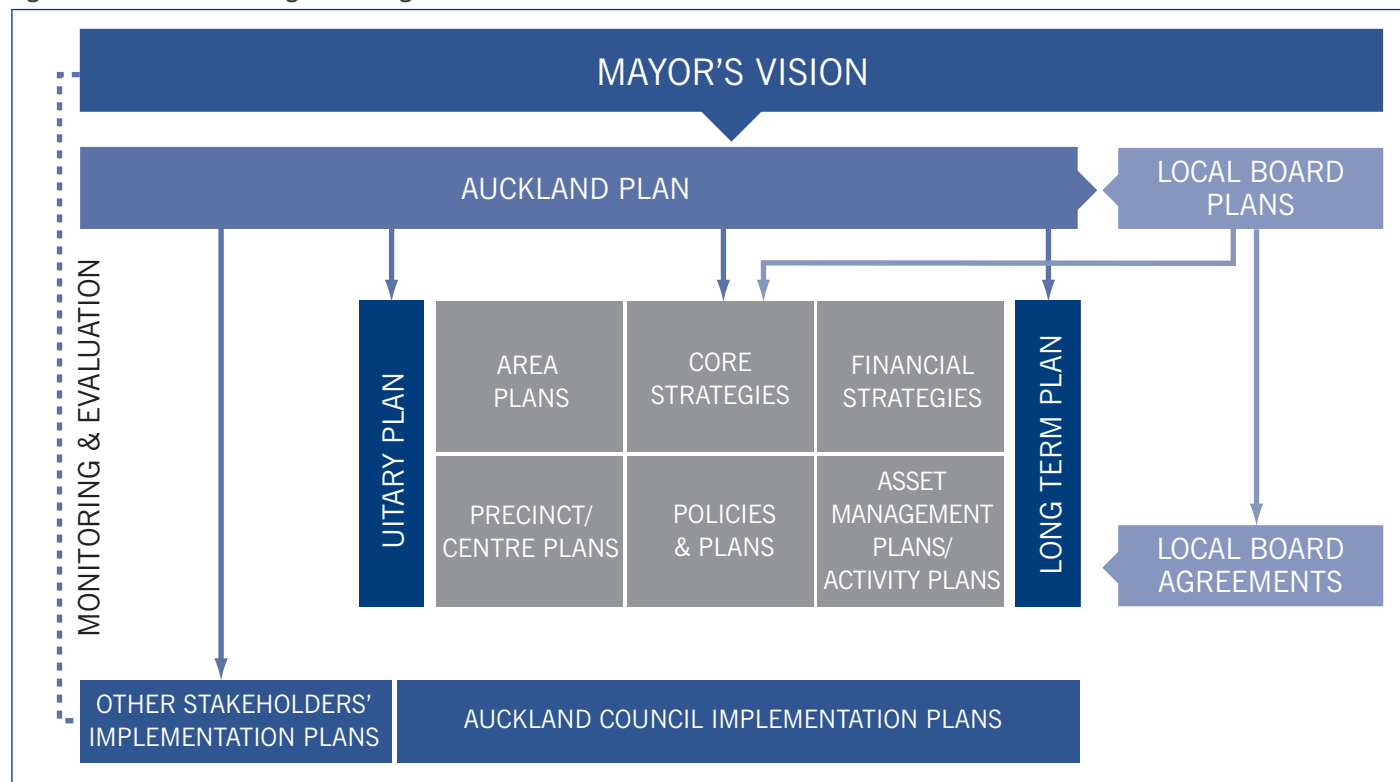
The governance changes to Auckland

The Royal Commission on Auckland Governance was established by the Labour-led government in October 2007 in response to growing concerns about the workability of local government arrangements in Auckland. Its report identified two broad systemic problems in the existing arrangements: regional governance was weak and fragmented, and community engagement was poor (Royal Commission on Auckland Governance, 2009). The commission recommended that a new, single unitary authority called Auckland Council replace the Auckland Regional Council and seven territorial authorities, and that six elected local councils operate within the unitary council; the government amended the latter proposal to 21 local boards. Further, it recommended that the council be led by a mayor elected by all Aucklanders, and with greater executive powers than those provided under the Local Government Act 2002: to chart and lead an agenda for Auckland. All policy would still be approved by the full Auckland Council.

The commission recommended that Auckland Council immediately prepare a regional spatial plan and an infrastructure investment plan, and develop one

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Figure 1: Auckland's Strategic Planning Framework



district plan for the Auckland region. Changes should be made to the Resource Management Act 1991 to remove the right of appeal to the Environment Court from regional policy statement decisions by Auckland Council, and to allow Auckland regional policy statement submissions to be heard by independent commissioners. An urban development agency with compulsory land acquisition powers should be created, reporting to council.

The commission recommended that two Māori members be elected to the Auckland Council by voters listed on the Māori electoral roll. Instead, the government established an Independent Māori Statutory Board.

The National-led government in 2009 largely agreed with the recommendations of the commission. An Auckland Transition Authority was formed to manage the changeover, under the Local Government (Auckland Council) Act 2009 and the Local Government (Auckland Transitional Provisions) Act 2010. The new mayor and members of Auckland Council were sworn in on 1 November 2010. The scale of organisational change is perhaps unprecedented in Australasia: creating one new organisation from eight

previous councils, with 8,000 staff, an annual budget of \$3 billion and assets of the value of \$36 billion, and consolidating several thousand computer systems. The change went remarkably smoothly, which is a tribute to good leadership from the elected members, good change management from the executive and staff, and goodwill from the public.

The planning framework

Figure 1 shows the strategic planning framework under the new Auckland Council (Auckland Council, 2012a).

The mayor's vision 'to be the world's most liveable city' was adopted in the Auckland Plan after wide consultation (Auckland Council, 2012a). This is the 30-year strategic spatial plan, with statutory weight, as recommended by the royal commission. Under section 79 of the Local Government (Auckland Council) Act 2009, 'The Auckland Council must prepare and adopt a spatial plan for Auckland. The purpose ... is to contribute to Auckland's social, economic, environmental and cultural well-being through a comprehensive and effective long-term (20- to 30-year) strategy for Auckland's growth and development.' The important distinction in the legislation

is the requirement for a 'spatial plan for Auckland', not just Auckland Council. For the first time Auckland has a single, integrated plan for the region, covering land use, transport, infrastructure and housing, to guide investment by council, government, the private sector, iwi and communities.

The council decided that the Auckland Plan would be shaped by the European Regional/Spatial Planning Charter, also known as the Torremolinos Charter (Council of Europe, 1983). The Torremolinos Charter has four fundamental objectives: balanced socio-economic development of the regions; improvement of quality of life; responsible management of natural resources and protection of the environment; and rational use of land. That decision by council ensured a broad, integrated and values-based approach, not just a population-based strategy, which had been the legacy of previous regional growth strategies.

The Auckland Plan is the overarching plan for all other Auckland plans. Two major plans bookend all others: the Unitary Plan, the council's principal land-use planning document, prepared under the Resource Management Act

1991; and the long-term plan, describing council's intended activities, key projects and programmes, and budget for a ten-year period (currently 2015–25), prepared under the Local Government Act 2002. Local board plans set the priorities and projects for each local board and inform both the Auckland Plan and the long-term plan. Local board agreements on budget are made annually with the governing body.

Figure 1 shows how the various plans interact: core strategies such as the economic development strategy (Auckland Council, 2012b); place-based plans such as the City Centre Masterplan (Auckland Council, 2012c), the Waterfront Plan (Waterfront Auckland, 2012), area plans, precinct plans and centre plans; financial strategies; asset management plans; and implementation plans, such as the Integrated Transport Management Plan prepared by Auckland Transport, which delivers the high-level transport strategy outlined in chapter 13 of the Auckland Plan.

Consistent with its overall approach to planning and implementation, council wanted to deliver the Unitary Plan at pace. It did not want to repeat the experience of some cities and districts, which have taken up to ten years until adoption of district plans. The council proposed to the government that it add an additional step of engagement with the community on a draft Unitary Plan at the front of the process, in return for limited appeal rights at the back. The quality of the plan would be enhanced by the extra engagement step at the start, and time would be saved by avoiding years of appeals to the Environment Court. It recommended that an independent hearings panel hear submissions on the notified Proposed Auckland Unitary Plan. The government agreed to the changes. The independent hearings panel will hear and consider submissions, and make recommendations on the final plan to council for decision. An appeal to the Environment Court is allowed only on any matter where council disagrees with the panel's recommendation. Where the council agrees with the panel's recommendation, an appeal on that matter can only be made to the High

Court on a point of law. Those provisions were included in the Local Government (Auckland Transitional provisions) Amendment Act 2013.

The Auckland development strategy

Figure 2 shows the composite map which incorporated the development strategy within the Auckland Plan. Areas shaded in pink fall within the metropolitan urban limit (MUL) when the council was formed in 2010. The red broken lines show areas for investigation for greenfield development.

The policy of controlling the outward spread of Auckland through MUL-type mechanisms has been a policy in regional planning documents for

the housing market, because lower-priced land is more often found further out on the fringes of cities.

The MUL was usually located adjacent to the existing urban area and could only be expanded through a plan change to the regional policy statement. The rural urban boundary (RUB) is completely different from the previous MUL. The RUB removes the binding constraint, thereby relieving land price pressures caused by the MUL. The RUB is usually located well away from the existing urban area and is designed to provide for 30 years' growth. Greenfield land between the RUB and the existing urban area will be zoned 'future urban' until a staged release of that greenfield land

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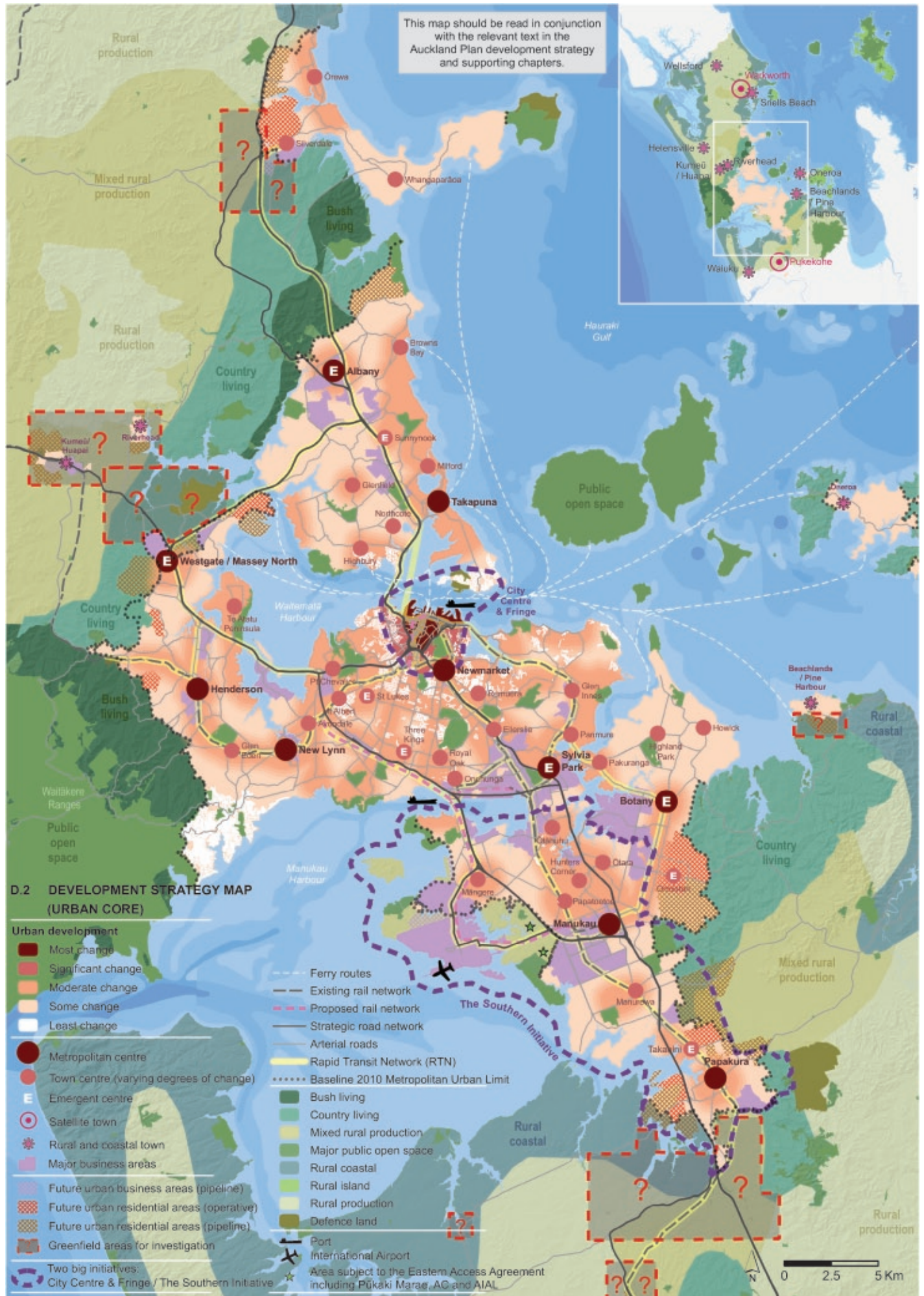
more than 50 years (Hill, 2008). The reasons for its use have changed over time. Initially it was mainly to sequence growth, so that infrastructure could be provided more efficiently. Then, under the Auckland regional policy statement of 1994, developed under the Resource Management Act 1991, the main objective became to protect rural and coastal environments from peripheral growth and achieve containment and intensification. The region has absorbed over 300,000 more people in the last 20 years without significantly extending the MUL.

Studies have shown (Grimes and Liang, 2009) that the metropolitan urban limit has had a significant impact on land prices in the city, with the price of land just inside the MUL around ten times higher than that of land just outside the MUL. More recent research (Zheng, 2013) has concluded that the impact of the MUL on housing affordability is most pronounced for those at the lower end of

occurs to meet demand. By that time it will be rezoned urban and bulk services infrastructure will be in place. The RUB will be confirmed through the Unitary Plan process.

The development strategy provides for an extra 1 million people (400,000 dwellings) in Auckland by 2041, as per the Statistics New Zealand high-growth projection. The 'quality compact city' strategy provides for development both up and out, based on a range of up to 70% of future population growth being located within the existing urban area and up to 40% in new greenfields: a 70/40 split. Providing for an orderly release and development of greenfield land lowers infrastructure costs. Studies on Australian cities (Trubka, Newman and Bilsborough, 2013) have shown that total costs of greenfield development are approximately twice those of brownfield development (particularly for infrastructure provision and transport) for the same quantum of population increase.

Figure 2: Development strategy from the Auckland Plan



Why Auckland has a housing affordability crisis

One dominating question is central to the planning framework: why does Auckland have a housing affordability crisis?

The population pressure in Auckland is part of a global trend affecting all big cities. We live in a rapidly urbanising world: by 2025, 75% of the world's population will live in cities. Globalisation and the knowledge economy have made city-regions the engines of growth of nations. Cities reduce the distance between people, and so reduce the costs of moving people, ideas and goods throughout the economy. That agglomeration effect is why the centre of Auckland has higher labour productivity than the rest of New Zealand (New Zealand Productivity Commission, 2015, p.28). It makes cities more attractive, generates higher wages and more opportunities, and explains why Auckland is growing so rapidly. Statistics New Zealand projects that between 2026 and 2031, 65% of New Zealand's total population growth will occur in Auckland.

Between August 2014 and August 2015 median house prices in the Auckland metropolitan area jumped by about 20%, from \$635,000 to \$765,000 (Real Estate Institute of New Zealand). The median house price in metropolitan Auckland is now about nine to ten times higher than Auckland's median annual household income of about \$80,000. 'Affordable' housing is generally taken to be housing costing three to four times the median household income. The difference is a measure of Auckland's housing affordability problem. Auckland's house prices have been on a different path from the rest of New Zealand's since 2012.

Many factors contribute to the extraordinary growth in Auckland house prices. These include demand drivers (such as a net gain of 60,000 migrants to New Zealand in the last year, low interest rates, and increasing investor presence in the market), and supply drivers (lack of land supply, fragmented land ownership, restrictive planning regulations, constraints in provision of infrastructure, and low measured productivity in the building construction sector). As the deputy prime minister said in a speech on 29 September 2015:

a housing market that is not functioning can have a significant effect on the macro-economy ...

The point is that when the supply of housing is relatively fixed, shocks to demand – like migration flows increasing sharply as they have recently – are absorbed through higher prices rather than the supply of more houses. (English, 2015)

Auckland Council and the government have introduced several significant measures to increase supply of housing in Auckland, which are discussed in the following sections. The government has introduced a range of measures to reduce demand.

The deputy governor of the Reserve Bank commented on the high cost of the land component (60%) in house prices in Auckland, and noted that the council has the opportunity ... to allow greater numbers of dwellings per unit of land, and therefore more affordable housing

There are four major issues within the planning framework: urban form and planning rules, housing, transport and economic development. Discussion on each of these follows.

Urban form and planning rules

The Auckland Plan and the Proposed Auckland Unitary Plan have specifically addressed the need to ensure adequate land supply. The plans have provided for supply through additional intensification within the existing urban area, as well as through staged release of greenfield land within the rural urban boundary to meet future demand over 30 years. In addition, their target is that there will always be at least seven years' forward supply of land zoned for future development, with bulk infrastructure services available for a developer.

Auckland Unleashed (Auckland Council, 2011) received strong public

support for a 'quality compact city' strategy. This strategy was incorporated into the Auckland Plan in 2012, and subsequently the draft Unitary Plan in March 2013. There was pushback from the Auckland 2040 lobby group and other current property owners against greater height and density in suburban areas. These groups often expressed support for action to reduce urban sprawl, but 'not in my back yard' (NIMBYism). Council responded to this public pressure by reducing height limits and reinstating density controls in some areas, notified in the Proposed Auckland Unitary Plan in September 2013. The decision to rescind the proposed removal of minimum lot sizes in the mixed-housing suburban

zone (40% of the Auckland urban land area) significantly reduced the flexibility for developers to provide greater supply, choice and affordability of housing units.

Provisions in the Proposed Auckland Unitary Plan which require minimum apartment floor areas of 30–50 square metres (depending on the zone) and minimum balcony areas of 8–10 square metres have aroused public debate. Studies (MRCagney, 2014) concluded that these proposed apartment and balcony size rules are unlikely to generate improvement in well-being that exceeds their costs. However, such studies have not included the costs and benefits to the wider Auckland community: for example, if no private open space is provided, then the council and ratepayers may need to provide additional open space in urban areas.

The New Zealand Productivity Commission in its draft report *Using*

Land for Housing recommended curtailing councils' ability to set rules in district plans relating to balconies and private open space requirements and minimum floor areas of apartments, and leaving the market to respond to consumer preferences (New Zealand Productivity Commission, 2015, p.120). Auckland Council in its response said that local government, with its local democratic mandate, should be able to tailor local rules, taking account of all benefits and costs. Other rules, such as ceiling heights, have aroused similar debates. The council has decided to provide an incentive regarding balconies by decreasing the minimum floor areas of apartments if a balcony is provided. This is for

and called for a housing action plan to be developed and implemented urgently. The housing action plan was completed with multi-sector input within six months and released in December 2012. It sets out the tools the council can use to influence housing supply and affordability. Most of the actions are now well advanced or completed.

The Auckland Housing Accord, agreed between the government and Auckland Council in September 2013, provided for the establishment of special housing areas (SHAs) and for fast-track consenting and approval processes. It set a target of 39,000 consented dwellings and sites by the end of three years, and specified requirements for affordable housing. The

an independent housing fund agency to philanthropic investors: an action in the housing action plan. This enables community housing providers to access finance at cheaper rates (about 5%). Third, the council has replaced two existing council-controlled organisations with a new organisation, Panuku Development Auckland. It will lead brownfield redevelopment (residential, commercial and mixed), develop underutilised public land holdings and leverage private sector development, at scale. Panuku Development Auckland will redevelop areas in partnership with private sector developers, iwi and government.

Fourth, in the 2015-25 long-term plan and budget a new council infrastructure fund was established, providing \$35 million per annum for the next ten years to local infrastructure for SHAs and other residential growth areas. It is financed by Auckland Transport, and money can be recouped from development contributions paid by property developers in the local area as each of their developments is completed.

There have been some difficulties in putting all of these measures in place. While there were initial public differences between the government and council, the agreement on the Auckland Housing Accord has provided the basis for a collaborative relationship. There were also concerns from council about adequate infrastructure funding to support SHAs, which the council infrastructure fund (described above) has addressed. Issues with timing of provision of bulk infrastructure are not fully resolved.

Difficulties have also arisen in working with local boards on SHAs because of the very limited time for community engagement, given that delivery has to be at pace. It is demanding for local boards when SHA requests must remain confidential for commercial reasons, since boards want to be open with their communities. Another challenge has been the development time lag. It takes 12 months to two years, depending on location, to get housing on the ground.

On 24 August 2015 the deputy governor of the Reserve Bank said: 'There are good reasons to think that the Auckland market poses an increasing

[Under The Auckland Plan, the transport network] ... will require an additional \$12 billion over the next 30 years to invest in roads, rail, ferries, busways and cycleways.

consideration in the mediation conducted by the independent hearings panel.

The deputy governor of the Reserve Bank commented on the high cost of the land component (60%) in house prices in Auckland, and noted that the council has the opportunity (through increasing the designated areas for high-density residential development) to allow greater numbers of dwellings per unit of land, and therefore more affordable housing (Spencer, 2015a). The council must recognise that a decision in favour of stricter planning and land-use controls involves a trade-off against lower house prices and the greater productivity and economic growth that comes with greater density.

The independent hearings panel on the Auckland Unitary Plan is currently considering the submissions received on the residential zone rules, and is mediating with all parties.

Housing

Housing is the second, related, issue. The Auckland Plan referred to a housing crisis

accord was supported by the Housing Accords and Special Housing Areas Act 2013, which also applies to other cities. Auckland exceeded the target of 11,000 consented dwellings and sites in the first year of the accord. By the end of June 2015 Auckland had established 97 SHAs, with the capacity to yield more than 47,000 homes over ten years.

Another target in the Auckland Plan is to '[i]ncrease residential dwelling construction consents from 3,800 in 2011 to at least 10,000 on average per annum from 2020'. In 2014/15 new dwellings in Auckland were built at a rate of 8,300 per annum (compared with fewer than 4,000 per annum in 2010/11).

Other initiatives by the council help housing supply and affordability. First, Auckland Council and the government are joint shareholders in the Tāmaki Redevelopment Company, which aims to create 6,000 homes over a 20-year period, with associated economic and social development benefits. Second, in 2015 Auckland Council agreed to provide guarantees on bonds issued by

threat to financial stability' (Spencer, 2015b). Auckland Council, with government and the development sector, is working on a range of supply and demand measures to reduce this risk.

Transport

The third issue is transport. The Auckland Plan contains a transformational shift: 'Move to outstanding public transport within one network.' It will require an additional \$12 billion over the next 30 years to invest in roads, rail, ferries, busways and cycleways. The plan prioritises the City Rail Link and notes that new funding tools will be needed to pay for the required \$2.4 billion capital cost.

Significant investment in the public transport system, including electrification of the rail network and new electric trains, has seen passenger patronage increase from 60 million trips in 2010 to 76.5 million trips in the 12 months to January 2015. Rail passenger numbers reached 13.8 million in the year to January 2015, an increase of 20% over the previous 12 months. The draft 2015-25 long-term plan invited feedback on whether the public supported a basic transport network or preferred further investment to deliver the proposed Auckland Plan transport network. In submissions and an independent public opinion survey, the Auckland Plan transport network was supported over the basic transport network at a ratio approaching 2:1. The feedback also showed that the public supported a motorway user charge option over an increased fuel taxes and rates option. The response provided a clear mandate to council to raise the extra funds needed.

The next step for the council is to work with central government to agree on how Auckland can raise the required transport funding to deliver the Auckland Plan transport network. This is likely to require legislative change and could take some years. In June 2015 the council agreed to an accelerated transport programme with extra investment of \$523 million over the next three years, derived from a three-year interim transport levy on residential and business ratepayers, central government contributions and additional council borrowing.

Economic growth

The fourth issue is economic growth. The Auckland economy has largely relied on supplying goods and services to the New Zealand domestic market. To grow at the rate Auckland needs it must add a much stronger export focus, while also retaining its role in the domestic economy. The export focus requires developing and selling high-value goods and services to high-growth sectors (e.g. food technology) of rapidly growing economies (such as China). This will require a fundamental change to the Auckland economy.

The council-controlled organisation Auckland Tourism, Events and Economic Development (ATEED) has taken responsibility for implementation of

future. Several factors contributed to this successful planning. The inaugural chief executive, Doug McKay, and the author made an early agreement about the pace of planning. The maxim for plans was 'simple, fast, bold and innovative'. One reason was for Auckland to be able to move quickly from planning to implementation. The Auckland Plan was adopted after 17 months; in comparison, the London spatial plan took four years. Some district plans in New Zealand, for much smaller and less complex cities, have taken up to ten years to adoption of the plan. In contrast, the Proposed Auckland Unitary Plan, which is a combined regional policy statement, regional coastal plan and district plan, took only 18 months to

The Auckland Plan was adopted after 17 months; in comparison, the London spatial plan took four years.

the economic development strategy. Initiatives have included investing in an innovation hub and technology precinct in the Wynyard Quarter, which is bringing together technology firms, business start-up incubators and research institutions – encouraging exchange of ideas, product development, commercialisation and export expertise – in one place. This approach is being replicated in other sectors: for example, food innovation, health services for export, clean technologies, and screen innovation and production.

The Auckland Plan target is 5% per annum GDP growth over 30 years. In 2014/15 Auckland's GDP grew at 3.7%, creating 37,000 new jobs. This compares with Auckland's GDP growth in 2010, as it came out of the global financial crisis, of -1.2%.

The final section of this article covers the author's reflections, with the benefit of hindsight, on the features of the planning process; independent assessments; lessons for other regions; and policy lessons.

Features of the planning process

Auckland's new planning system has given the city-region a clear blueprint for the

develop for notification. This rapid pace may have shaken the former planning paradigm in New Zealand.

The plans were *evidence-based*. Comprehensive data-gathering informed the plans around, for example, the demographic change covering the projected regional population growth of Auckland, its ageing population, and the rapid change of Auckland as a super-diverse city with 40% ethnic migrants.

The levels of *community engagement* were unprecedented. The Auckland Plan, Proposed Auckland Unitary Plan and 2015-25 Long-term Plan each involved tens of thousands of Aucklanders through public meetings, website visits, submissions and social media, including Facebook, Twitter and online panels. Interactive digital models gave the public the opportunity to help shape their city and its ten-year budget. These innovations involved citizens in the co-design and delivery of planning and policy. This engagement directly addressed one of the two systemic problems in Auckland identified by the royal commission, that '[c]ommunity engagement was poor'.

A *bold* approach was taken to setting visions, goals and targets, and focusing on game-changers such as the transformational shifts in the Auckland Plan. Innovative policy responses were applied to persistent, wicked problems. One such example is the Southern Initiative. Cross-sectoral *collaboration* – joined-up thinking and action involving council, central government, iwi, business, universities, community organisations, interest groups and the wider public – was core to all plans. *Implementation* strategies were fully integrated into all the plans, and the 2015-25 long-term plan was explicitly aligned to the Auckland Plan for prioritisation of strategic resource allocation.

... there are some lessons from Auckland's experience ... [w]rong information about Auckland was put in the public domain as part of campaigns against amalgamation in other regions.

Independent reviews of the Auckland 'super city'

The Auckland planning framework has been assessed by several independent reviews. The controller and auditor-general, in her review of the transition and first two years of Auckland Council, commented on the Auckland Plan:

We heard from everyone we spoke to about the unifying and focusing benefits of the Auckland Plan. The Plan has provided a coherent strategic regional direction, including a sense of purpose, a sense of regional identity, and recognition of Auckland's national significance. This direction has a lot of organisational, stakeholder, and public support. (Controller and Auditor-General, 2012, p.25)

Mai Chen interviewed people involved in the creation of the Auckland Council

for her book *Transforming Auckland*, and observed:

As noted by David Shand (former member of the Royal Commission), 'There is now a feeling in Auckland, and across the rest of New Zealand, that there is an Auckland Council that matters'. (Chen, 2014, p.6)

The international advisory committee for the fourth New York regional plan compiled a report on current global thinking and practice about how leading metropolitan regions are addressing long-term challenges. This was based on case studies of 12 global city-regions:

London, Paris, New York, Tokyo, Hong Kong, Singapore (the 'big six'); Auckland, Sydney, Barcelona, Vienna (four 'new' world city-regions); and Moscow and Sao Paulo (two 'emerging' global city-regions). On the challenge of regional planning and governance, they listed Auckland and Paris as top of the 12 city-regions, with a 'single, integrated regional plan delivered by a regional authority':

Recognition of the regional dimension of growth is a vital step in many institutionally fragmented regions. Auckland made a decisive step in 2010 with the merger of its region's eight councils into one 'super city' under a new executive mayor. The organisational transformation required transformational governance and management changes, but was managed smoothly. Mayor Len Brown, the first mayor of the new regional Auckland Council was then

able to build a single comprehensive strategy: 'The Auckland Plan', produced only 17 months after amalgamation. The Council's services and activities are delivered by Council-controlled organisations – corporate entities with board members appointed for their business acumen. (Clark and Moonen, 2015)

Auckland's rating in the world's most liveable cities surveys in 2015 included:

- Mercer Survey: 3rd (up from 4th in 2010)
- Economist Intelligence Unit: 9th (up from 10th in 2010)
- *Monocle* magazine (UK): 17th (up from 20th in 2010).

The recognition of Auckland's achievements through international and national awards is also based on independent assessments. Auckland was rated the third best sporting city in the world in 2014, behind London and Melbourne, by the SportBusiness Ultimate Sports City award. Lonely Planet's 2014 *Best in Travel* guide named Auckland as one of the top ten cities in the world to visit. Auckland's waterfront won the top award for 'excellence on the waterfront' at the 30th annual Waterfront Centre Conference in Washington DC in 2012, and other top international awards.

Numerous national awards have also been given to the Auckland Plan, City Centre Masterplan, Waterfront Plan and Proposed Auckland Unitary Plan by the New Zealand Planning Institute, New Zealand Urban Design Institute, New Zealand Institute of Landscape Architects and the Institute of Public Administration New Zealand.

Lessons for other regions

It would not be appropriate for this article to comment on what other regions may choose to do regarding amalgamation. However, there are some lessons from Auckland's experience that other regions may consider. Wrong information about Auckland was put in the public domain as part of campaigns against amalgamation in other regions. In fact, there have been clear benefits to Auckland from the amalgamation and the planning framework.

Rates

Auckland Council inherited from the eight legacy councils an average rates increase of over 9% in 2010/11, and a proposed average annual rates increase of 6% in following years. The council has lowered these figures considerably. In the 2015–25 long-term plan, adopted in June 2015, the budget includes an average general rates increase of 2.5% for 2015/16, followed by a rise of 3.2% in 2016/17 and 3.5% for each of the remaining years in the ten-year budget.

Efficiency savings

The council predicts \$2.64 billion of efficiency savings during the ten years of the 2015–25 long-term plan, or an average of \$264 million per year.

Debt

The value of council's assets will grow at a much faster rate than debt over the next ten years: average annual debt will increase by \$466 million per year, but assets will grow by an average of \$1.7 billion per year. The council runs a disciplined debt management strategy based on prudential ratios aligned with maintaining an AA credit rating (stronger than that of all New Zealand banks).

Local boards

Local boards have real power to negotiate local service standards, manage local facilities and parks, host local events and prepare local board plans. Local leadership can propose local bylaws, and provide input to council-controlled organisations and economic development plans. Their budgets are real, and they have autonomous decision-making authority over one in every four dollars of council's core budget spent in their local areas.

Council-controlled organisations

Auckland Transport, ATEED, Watercare, Panuku Development Auckland, Regional Facilities Auckland and Auckland Council Investments Ltd deliver major infrastructure and services across Auckland. The council-controlled organisation model has been very successful in delivering major infrastructure and services.

City-regional planning and implementation

Auckland has a single, strategic spatial plan for the region – the plan for Auckland, not just Auckland Council. For the first time, regional investment planning by council, government, infrastructure providers, iwi, and commercial and housing developers over 30 years is aligned. This is a major improvement over the previous eight separate councils' strategic plans, based on historic local government boundaries which bore no particular relationship to the regional economic ecosystem.

Working with central government

Under the previous regime government had to speak to eight councils with potentially eight different points of view.

Special role of Auckland in the New Zealand economy

Auckland is New Zealand's only city of international scale. Auckland is competing in the global marketplace for talent and investment with cities like Sydney and Melbourne. The success of Auckland is critical to New Zealand's success. That is why central government might want to seriously consider intervention if it believes 'bad' planning decisions are jeopardising national objectives. There could have been a better policy dialogue between council and government about what Greg Clark called 'the natural tension between a global city and the nation state' (Clark and Moonen, 2015). There are still big challenges for Auckland

Redevelopment opportunities in inner suburbs under the Proposed Auckland Unitary Plan were set to remain low. However, they are likely to increase following council's revised position on residential zoning to allow for more density.

Government leaders can now pick up the phone and speak to one council leader. Councillors meet with Cabinet ministers annually; the State Services Commission has recently created a deputy commissioner role in Auckland to strengthen the working partnership; and the government and council have successfully collaborated on several partnerships, such as GridAKL, Te Papa South, the Auckland Housing Accord and SHAs, the Auckland Co-design Lab, a single integrated transport network, major sporting events such as the Rugby World Cup 2011 and Cricket World Cup 2015, and the Maunga Authority.

Policy lessons

On reflection, the following policy lessons emerge from the planning process.

to meet the target of 5% per annum GDP growth. It involves a shift from city-region to successful global city.

Tackling the housing affordability crisis head-on

The council has been at the forefront of thinking on ways to address housing supply issues, with its work on the Auckland Plan, housing action plan, future urban land supply, Auckland Housing Accord and special housing areas (with government), the Proposed Auckland Unitary Plan, and promoting quality urban design. The mayor and deputy mayor called for council to take a more front-foot approach on broader supply and demand issues, and the council's chief economist was commissioned to lead an economic report on housing supply, choice and affordability. The report calls for the

council and government to work together to achieve a home-buyer's price-to-income ratio of 5:1 by 2030 (it is currently 9–10:1) (Parker, 2015). The report is not council policy, but it will inform council's ongoing strategy for action and advocacy.

Becoming a high-quality urban city

Population densities generally increase as one gets closer to a city centre. However, Auckland's population density, at some 32 people per hectare in inner suburbs, is low by international measures. Auckland does not have an urban area as such, as suburbia is adjacent to the city centre. Auckland's current low population density in its inner suburbs can be attributed to the legacy council planning regulations

priced in the lowest quartile, and 30% in the upper quartile. Today only 5% of new homes are priced in the lowest quartile and nearly 60% are priced in the upper quartile. Prices and rents are rising disproportionately at the bottom end of the market due to lack of supply. Planning rules are seen to be adversely affecting the poorest and most vulnerable people. The weighing of distributional impacts against community interests should have been brought into the analysis earlier, but is being considered now.

NIMBYism and intergenerational equity

In the community meetings and media commentary on the draft Unitary Plan, groups such as Auckland 2040 argued

The recent OECD report (to government) made this recommendation on planning issues:

Provide guidance to regional authorities in the implementation of environmental and planning regulations, including the Resource Management Act. Reduce their economic costs and scope for vested interests to limit competition or thwart rezoning and development that would be in the wider public interest. (OECD, 2015)

NIMBYism has been identified as one of the reasons for a bias towards the present at the expense of longer-term future thinking (Boston and Stuart, 2015). Auckland could follow Vancouver's example and adopt the alternative acronym QIMBY (quality in my back yard). That is, there is no reason to fear intensification in suburbs, provided it is based on quality urban design and amenities. Indeed, that is the principle in the Auckland Plan and Proposed Auckland Unitary Plan. This would require a shift in thinking, from NIMBY to QIMBY.

When the Auckland Plan committee made decisions on the notification of the Proposed Auckland Unitary Plan in August 2013, local board chairs were present in the council chamber and able to speak to matters under debate, but did not have a vote.

for the isthmus area. Redevelopment opportunities in inner suburbs under the Proposed Auckland Unitary Plan were set to remain low. However, they are likely to increase following council's revised position on residential zoning to allow for more density. To ensure adequate supply, choice and affordability of housing, Auckland needs to shift from being a suburban city to a high-quality urban city (Parker, 2015).

Distributional impacts

Poor urban planning is seen as one of the drivers of inequality (English, 2015). Regulations that drive up the price of housing, such as the current urban limits, and minimum lot sizes which prevent subdivision below a certain size, reduce opportunities to build affordable homes. Twenty-five years ago around 30% of new homes coming into the market were

strongly against intensification in the low-density inner suburbs. Their voice was influential in the council's decision to tighten up proposed changes to density provisions in the notified plan. That decision benefited current homeowners, but reduced affordable choices for current or future first-home buyers, or people from lower socio-economic groups wanting to locate closer to the city centre. It acted as a transfer of wealth from future generations to the current generation. Another group, Generation Zero, articulated this point well, but did not get much traction in the debate. A higher quality of public debate could have better informed the community that a 'quality compact city' strategy could deliver greater density and more affordable housing while also achieving quality living through good urban design.

Section 32 analysis

The provisions of section 32 of the Resource Management Act require cost-benefit analysis of proposed rules. For example, the council's analysis of minimum car parking requirements in Auckland showed that the costs of the existing planning rule exceeded the benefits by a factor of at least six. Changes have now been made to this rule, but it raises the question of how it was adopted in the first place. The local government sector needs to build its economic analysis capability. At present such analysis is often handed to consultants. If a standardised land-use evaluation methodology was available, it would reduce barriers to good economic analysis by reducing costs.

Role of local boards in regional policy

The Auckland governance reforms made a clear distinction between the role of the governing body in setting regional policies, and the role of local boards in local services, such as facilities and parks,

local service standards, local board plans, and representing their communities' views. In order to fulfil those different roles, local boards were involved directly in providing policy advice: for example, local board chairs were members of the Unitary Plan committee. When the Auckland Plan committee made decisions on the notification of the Proposed Auckland Unitary Plan in August 2013, local board chairs were present in the council chamber and able to speak to matters under debate, but did not have a vote. These arrangements were appropriate given the respective regional and local decision-making roles of the governing body and local boards.

Transport

There were initial public differences between the government and council on government funding support for the City Rail Link. A contributing factor was substantial differences between council officers and government officials regarding the calculation of the wider economic benefits of the link. In 2013 the government agreed to cost-sharing on the City Rail Link, and timing issues are being resolved. The early stages of the rail tunnel are proceeding in 2015 as part of the downtown development project. Another issue of public disagreement related to road pricing that involved charges on the use of existing motorways. Road pricing, such as London's congestion charges and Singapore's electronic variable road pricing system, is accepted international practice as a demand management tool. Auckland Council's strategy to address congestion has been clear: to put in place an efficient and accessible public transport system, then to apply demand management tools to incentivise motorists to shift from private cars to public transport, and encourage mode shifts to cycling and walking. On 27 August 2015 the minister of transport and the mayor of Auckland announced the Auckland Transport Alignment Project, a year-long joint project between government and council. The scope encompasses roads, rail, public transport, personal mobility devices, walking, cycling, new technologies such as driverless cars, network optimisation and demand management. The objectives are

to support economic growth and increase productivity by ensuring improved access to employment; improve congestion; improve public transport's mode share; and ensure that any increases in financial costs will deliver net benefits to users of the transport system. The challenge is a shift from congestion to accessibility.

Incentives to grow

The revenue incentives for growth to councils are limited. When Auckland grows the council takes on more transport and other infrastructure demands, to be funded from a limited revenue base from rates. Councils are under pressure not to invest if they think a growing city is going to push up rates for existing ratepayers.

Auckland's housing crisis; allowed more time for consideration of the feedback on the draft Unitary Plan; avoided an election year for decisions on the proposed Unitary Plan; put more early time and resources into the section 32 cost-benefit analysis of rules, including how to quantify the benefits for the wider public good; made more use of research, photographs, and real examples of quality intensification to address NIMBYism; and created more opportunities for the younger generation's voice to be heard.

Conclusions

These reflections and analyses lead to five conclusions. First, the Royal Commission on Auckland Governance identified two

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Various parties, including the OECD, the New Zealand Productivity Commission, the New Zealand Initiative and Local Government New Zealand, have argued that local government needs to share in a revenue base which benefits from increased economic activity, to help pay for increased infrastructure and services. Examples could be greater use of targeted rates to capture some of the uplift in value that benefits a whole neighbourhood from new infrastructure, or road pricing tools such as congestion charges, which serve as a demand management tool and could provide a revenue source for funding infrastructure for housing supply. This could provide incentives for communities that want to grow.

With the benefit of hindsight, some things might have been done differently

The council might have: provided more clarity to the public from the beginning about the fundamental drivers of

broad systemic problems in the existing Auckland local government arrangements: regional governance was weak and fragmented, and community engagement was poor. Both have been resolved, through the governance reforms and unprecedented community engagement in the plans for Auckland. Second, the Auckland Plan, Economic Development Strategy, City Centre Masterplan, Waterfront Plan and Proposed Auckland Unitary Plan, adopted by council within its first three-year term, have together created the platform for the growth of Auckland over the next 30 years.

Third, Auckland has been recognised internationally as a top city-region in the world for regional planning and governance, for having 'a single, integrated, regional plan delivered by a regional authority' (Clark and Moonen, 2015). Fourthly, there are still major issues to be resolved, in particular so that Auckland will achieve four major shifts:

from city-region to global city, and a major attractor of investment and talent; from suburban city to high-quality urban city, with increased intensification in the inner suburbs and on the isthmus; from NIMBY (not in my back yard) to QIMBY (quality in my back yard), with increased supply, choice and affordability of housing; from congestion to accessibility, with the best mix of investment in public transport, roads, cycling and walking, and demand management.

Last, while the governance reforms and the planning framework have laid the foundation for Auckland's quest 'to be the world's most liveable city', the four major

shifts above will need sustained effort by council, government, private sector, iwi and communities, for Auckland to deliver on that vision for its citizens and for its contribution to the future success of New Zealand.

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