

AUCKLAND SPATIAL PLAN GOVERNMENT POSITION PAPERS: OVERVIEW

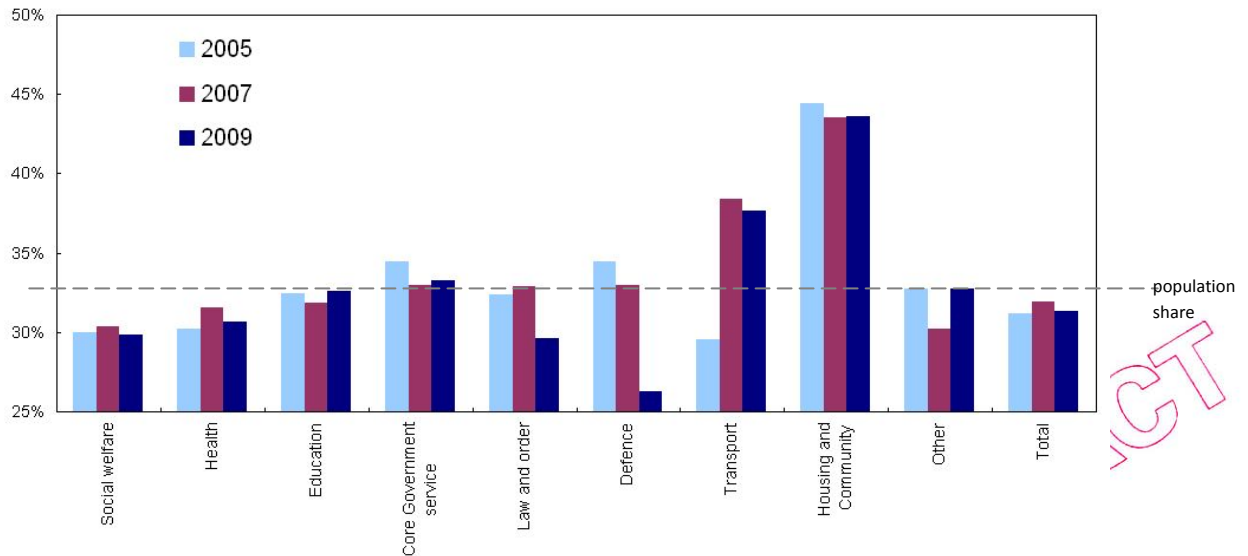
1. This overview paper introduces seven position papers that set out Government's current position in some key policy areas relevant to the Auckland spatial plan. The papers are:
 - Financial Instruments and Funding;
 - Housing Affordability in Auckland;
 - Transport Trends in Auckland;
 - Business Environment and Economic Growth;
 - Urban Form and Land Use Planning;
 - Improving Outcomes Across the Broader Social Sector; and
 - Developing an Evidence Base for the First Auckland Spatial Plan.
2. These papers are intended to open a constructive and ongoing dialogue between the Auckland Council and the Government on how both parties can achieve their objectives for Auckland. The Government recognises that there will be areas where the Auckland Council and the Government have differing preferences and priorities, given the Auckland Council's regional focus and accountability to its ratepayers, and the Government's wider national role and set of accountabilities. However, the Government is positive about working with the Auckland Council to achieve mutually agreed goals.
3. The agreement on, and use of, robust, shared evidence to support proposals and positions will assist both the Government and the Auckland Council in understanding each other's perspective. Each of the attached papers draws on available evidence to reach conclusions.

The spatial plan and Government investment in Auckland

4. The Local Government (Auckland Council) Act 2009 requires the Auckland Council to prepare an Auckland spatial plan and defines a purpose, scope and process for this, consistent with international practice. The Auckland Council must involve central government and other significant decision-makers throughout the preparation and implementation of its first spatial plan.
5. Central government spends the majority of public money in Auckland, more than eight times the amount that local government spends. The imperative to spend this money effectively is one driver for taking a coordinated, cross-portfolio approach to providing input into the development of the spatial plan.
6. In 2010, the New Zealand Institute of Economic Research¹ reported on Government's expenditure (operating and capital) in Auckland for the 2008/09 financial year. The report concluded that core Government operating expenditure in Auckland was estimated at \$20 billion or 31 per cent of the \$64.0 billion total in the 2009 fiscal year. This is just below Auckland's population share (33 per cent). Operating expenditure share had remained relatively flat since 2005.

¹ Central Government Expenditure in Auckland: Report to the Ministries for Economic Development and the Environment. (2010). NZIER.

Figure 1: Auckland's share of Government expenditure 2005–2009



7. Capital expenditure was estimated at \$2 billion or 37 per cent of the \$5.4 billion national total in the 2008/09 fiscal year (slightly above population share). Much of the Government's capital expenditure is on infrastructure to support growth. Transport accounted for \$722 million of capital investment and has increased since then.
8. Transfer payments and social services are responsible for the bulk of Government operating expenditure in Auckland (as is the case in the rest of New Zealand). However, Government also makes significant infrastructure investments in transport, housing and education in Auckland. Crown asset holdings in Auckland are valued at approximately \$30.5 billion.
9. One of the primary opportunities for Government provided by the Auckland spatial plan is to better align the location and sequencing of different infrastructure and services with each other, and with land use and demand. The size and nature of Government investment in Auckland emphasises the importance of this opportunity.

Auckland's changing population

10. Auckland's population grew by 600,000 people between 1976 and 2006 (30 years) and is forecast to reach somewhere between 2.3 and 2.6 million by 2050. The number of households in the region will grow even faster over the same period from 427,000 to about one million.
11. The number of Māori in Auckland will increase by 39 per cent, while Pacific people will increase by 65 per cent and those of Asian descent by 168 per cent. European and Others, by contrast, will increase 12 per cent, and will comprise just over half the population in 2021.
12. Auckland has one of the highest levels of inward international migration in the world, third only to Toronto and Vancouver, with migrants making up 40 per cent of the resident population. Likely trends for the next 35 years are decreasing household size, an ageing population, increasing fuel prices and the impact of new technology on transport and communications.
13. Households with children (which currently make up almost half of Auckland households) will decline to around one third of all households. Single person and couple households

will increase significantly to make up about 60 per cent of total households. The balance will be multi-person households.

Government's strategic priorities for Auckland

14. Internationally, cities are increasingly driving national economic growth and competing globally for skilled workers, international and innovative companies, and high value economic activities. Auckland is predicted to take up to 60 per cent of New Zealand's population growth over the next thirty years and this growth provides New Zealand with significant economic and social opportunities.
15. Cities typically have higher productivity, due to scale and density, which can improve national economic performance. They can be magnets for skills, investment and high value economic activity, and are centres of innovation and change that can stimulate national productivity improvements.
16. Auckland has a higher than average share of New Zealand's high growth industries and enjoys approximately 45 per cent greater labour productivity than the rest of the country. Two thirds of New Zealand's top 200 companies are based in Auckland. Auckland performs relatively poorly in international terms, however, and currently ranks 84th out of 116 OECD city-regions on GDP per capita (lower than Brisbane and Melbourne).
17. Planning and infrastructure investment in Auckland have struggled to match and capitalise on its scale and rapid growth. This is partly because of an inability to set and implement regional strategic direction as a result of the previous, fragmented local government structure. The governance reforms, including the requirement for an Auckland spatial plan, provide an opportunity to address this, and also provide a new context for the relationship between central government and the Auckland Council.
18. If developed and implemented appropriately, the Auckland spatial plan can make an important contribution to the achievement of the Government's economic growth, infrastructure, environmental, social and cultural objectives. The development of the spatial plan provides an opportunity for the Auckland Council and Government to identify and prioritise those initiatives that will make the most significant contributions to achieving national and regional outcomes.