

## Auckland's future shape

**Dr Rick Boven, Director**

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In March central government released its input to Auckland's spatial plan. Revealing early views publicly is a welcome change in engagement between central government and Auckland.

Central and local government views differ on two important points – urban constraints including the Metropolitan Urban Limits and rail transport investment. The papers also reveal differences in decision making approaches.

Central and local government agree that urban constraints set in the 1999 growth strategy should be expanded to accommodate expected population growth. The difference is not about the need for expansion but rather about what happens where, and how soon.

The Auckland Plan proposes more intensive development, mostly within existing urban limits, focusing growth on specific town centres taking account of transport corridors, existing market momentum, areas targeted for regeneration and where infrastructure upgrades would support faster residential or business growth.

Central government proposes early expansion of limits to increase housing supply and make it more affordable, with much more green-field development for households and businesses.

Over the next 20 years, with current trends, Auckland has an estimated housing shortfall variously estimated at between 12,000 and 90,000 dwellings.

Different types of dwellings are needed. As the population ages, households with children will decline from one-half of households to one-third of households, while one and two person households will increase to make up 60% of households. Already, the housing mix is not matched with demand; there are insufficient dwellings for large and extended families, especially for those with low incomes. If urban constraints are lifted and traditional low density subdivision development takes place at the edge of the city, it will not provide the kinds of dwellings needed.

There are other disadvantages with low density, low cost housing at the edge of the city. Low density housing has higher infrastructure costs at establishment and for refurbishment. Fuel cost increases will lead to high travel costs for both private and public transport for those least able to afford it, and on Council.

There are other options available to address the housing shortage and improve affordability. As the central government communication advises, development at transport nodes would be accelerated by more vigorous zoning change, working more closely as partners with private investors, and by reducing local government administrative and transaction costs. Improving construction productivity would improve affordability too, as would introduction of a capital gains tax or other means of reducing the tax incentive for housing investment.

The difference in transport views is about how much emphasis should be placed on public transport, especially rail, versus investment in roads. Both sides agree it is important to

complete planned road investments to accommodate projected growth in commuter and freight travel.

The Mayor wants top priority for building a central rail link soon. Central government reminds Auckland that funds are scarce and suggests there are better investments available elsewhere.

Central government is evaluating the rail link business case and its transport papers state it will not be a willing funder of projects that are not consistent with national objectives. Whether these objectives and the funding criteria applied will take full account of the city-shaping benefits sought by Auckland from the rail investment is unclear.

The point of the rail link is that trains going into Britomart would not have to exit the same way. The resulting increase in service frequency will mean trains depart every five, ten or 15 minutes. With those frequencies rail patronage increases substantially as travellers are less concerned with timetables or a little lateness – the next train will soon be along.

Greater attractiveness of train travel would help slow growth in car traffic and reduce congestion while encouraging development of a higher density city, reducing the need to expand the urban limits, and positioning Auckland for higher fuel and emissions costs. Trains will run on locally sourced electricity, cars on imported oil. There would be more road capacity for freight growth too. The full cost of rail is lower than the full cost of road transport so overall transport costs would be lower.

How the two issues - urban containment and rail - are resolved will affect the future shape of Auckland.

Rather than independently taking or delaying strategic city-shaping decisions based on policy analysis silos and funding power, a better approach would be cooperation. Solutions should be found by rigorous evaluation of options, based on agreed criteria that include the many long term benefits and costs of these city-shaping decisions.

Central government and Auckland Council need to find new ways of working that deliver effective, integrated solutions for Auckland and New Zealand, not too early and not too late. Working together to resolve disagreement about urban limits and rail investment is a good place to start.

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Dr Rick Boven is the Director of the New Zealand Institute, a privately funded think-tank committed to generating ideas, solutions and debate that will improve economic prosperity, social well-being, environmental quality and environmental productivity. Visit us online at [www.nzinstitute.org](http://www.nzinstitute.org)

Contact:

Rick Boven, Director

The New Zealand Institute

P: +64 9 309 6230

F: +64 9 309 6231

M: +64 27 597 5916

E: [rick\\_boven@nzinstitute.org](mailto:rick_boven@nzinstitute.org)

PO Box 90840

Auckland 1142