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Auckland Council
Draft Auckland Plan

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NZCID Submission on the Auckland Plan

The New Zealand Council for Infrastructure Development (NZCID) welcomes the opportunity to submit on the Auckland Council's (the Council) Draft Auckland Plan and associated documents (the Plan).

General

NZCID congratulates the Council on publication of the Draft Auckland Plan within the very short timeframes required.

NZCID is aware of the breadth and complexity of issues canvassed in the Plan and recognises the commitment, coordination and haste required by Council to deliver a document of this quality. NZCID acknowledges the Plan as a good start for the Council and a positive contribution to planning for Auckland.

NZCID would particularly like to acknowledge the quality of engagement that it has experienced in relation to the development of the Draft Auckland Plan at all levels of Council.

NZCID notes that the Royal Commission on Auckland Governance identified two broad issues affecting the previous governance system – fragmented governance and poor community engagement – and observes that the new Auckland Council's progress towards more inclusive policy development has been significant.

NZCID acknowledges that the corollaries of greater stakeholder engagement are sometimes challenging, but encourages the Council to continue to draw upon wider community expertise. NZCID draws attention to the Royal Commission which borrowed the following quotation and applied it to Auckland governance:¹

Complex social, economic and environmental issues facing society today cannot be tackled by government alone. To address these concerns, central government agencies need to form effective relationships with communities, through engagement with local government, the community and voluntary sector, businesses and citizens.

¹ Royal Commission on Auckland Governance, p. 296.

NZCID remains committed to an ongoing, constructive relationship with Council and considers that, as an industry body with both public policy expertise and private sector understanding, NZCID represents a valuable tool for Council to enhance decision-making.²

To optimise the value of organisations such as NZCID, the Council must be able to demonstrate that it is listening and responding to concerns. “Responding to concerns” does not necessitate that the Council and NZCID agree on all issues, but that where reasonable questions are raised regarding Council policy, these are resolved on the basis of evidence.

In this submission, NZCID sets out its concerns surrounding the contents of the draft Auckland Plan (and its associated documents, including the draft Auckland Economic Development Strategy, Draft Waterfront Plan and draft City Centre Masterplan).

NZCID’s core concerns can be categorised under three broad headings:

1. Policy integration and alignment;
2. Implementation and funding; and
3. The evidential base which supports the Plan.

Policy integration and alignment

NZCID understands that the foremost mechanism available to Council for aligning and integrating Auckland policies and investments is the spatial plan.

In the view of NZCID, the great value of the Auckland Plan lies in its unique ability to use “space” or “place” as a common denominator uniting Auckland-based activities to integrate and align the various policies, plans, investments and expectations of Auckland.

NZCID acknowledges the very significant challenge of aligning local and central government investment and policy priorities over the long term, in addition to the various priorities across transport, education, health, telecommunications and other sectors.

NZCID considers that the Plan represents significant progress in the collation and spatial interpretation of many distinct, complex and intrinsically different policy areas. NZCID acknowledges the work of the Council in bringing together varying issues from Maori cultural values to urban form to economic development.

While NZCID recognises the progress of Council in addressing this challenge, and supports the Council’s work in developing a truly Auckland-wide spatial approach to regional development, NZCID observes a number of policy intentions which require further consideration to align with and integrate policy areas.

NZCID is concerned that unless the policies, investments and other initiatives featuring in the Plan are integrated, aligned and phased in accordance with central government and the private sector then these plans will compete, conflict and in general not support each other. The consequence of policy misalignment is that plans become more likely to not be implemented, targets not achieved and objectives

² “Consultation is not an end in itself, but a means to enhance decision making.” Royal Commission, p. 296.

not reached. The ultimate consequence for Auckland and the Mayor's vision is likely to be that Auckland will fail to become the world's most liveable city.

NZCID considers that alignment of all policies at all times is an aspirational rather than practical objective. However, NZCID strongly advocates for alignment of major city shaping decisions.

NZCID considers major city shaping decisions to principally relate to form, location and phasing of major transport investments; the relationship of these investments to each other; and the relationship of major transport investments to land use planning.

In the view of NZCID, a number of major city shaping decisions in and around the Auckland central city area are not aligned. In some cases, planned projects conflict with each other. In other cases, project phasing conflicts with land use objectives and the Council's plans in some cases conflict with private sector deliverability:

Each of the four draft plans has its signature infrastructure projects, such as light rail for the Waterfront Development Plan, heavy rail in the CBD Master Plan and combined western aligned road/rail tunnel in the Draft Auckland Plan, but it is not at all clear how these will work together and, more importantly, how they can be economically justified. There is still considerable work to be done to integrate all of the plans into a fully cohesive, coherent and compelling development strategy for Auckland that can actually be funded and implemented.

It is clear that Auckland needs further development of its rail network to serve the central business district and release the capacity of Britomart; however the economics of this project and for rail to the north shore, to the airport and from Avondale to Southdown are seriously challenging. It is very unusual for example that the proposed central rail link does not serve the growth centre at Wynyard Quarter and existing demand generators such as the University of Auckland. Rail to Gaunt Street in Wynyard Quarter is provided in the plan but not until rail to the North Shore is delivered maybe in 30 or 40 years' time.

Meanwhile light rail is planned to support Wynyard Quarter and deliver a highly ambitious 70% non-car mode share into the area while the proposed alignment for heavy rail under Albert Street duplicates the City Centre Masterplan for light rail up Queen Street. Given that funding the central rail link is a challenge, funding duplicate rail corridors within a block of each other is infeasible.

If the Wynyard Quarter is a development priority for the Council over the next decade, then it must be connected by near-term public transport investment. The Council's near-term major public transport initiative is the city rail link (CRL), thus, in the view of NZCID, this link must be configured to include the Wynyard Quarter. Not including Wynyard in the CRL will severely compromise the achievement of the area's highly ambitious 70 per cent non-car mode share, with the potentially heavy congestion resulting.

For the additional harbour crossing Auckland Council favours two western aligned 3-lane road tunnels running north and south, including provision for rail into the future. This builds on the New Zealand Transport Agency 2010 harbour crossing study which proposes two road tunnels running parallel to the existing bridge and feeding into Spaghetti Junction, leaving the existing harbour bridge to serve traffic heading to and from the city. The combined road/rail tunnel is predicated on development of rail to and through the North Shore in the longer term. The benefit cost ratio for two three lane road tunnels is just 0.4, largely due to wider network capacity constraints.

Providing for rail to Albany adds billions to the transport plans and will undoubtedly add many

millions to the cost of the additional harbour crossing. No benefit cost analysis has been done as yet on a combined road rail tunnel or the wider costs of rail to the north shore.

Funding challenges aside, it is difficult to see how loading all traffic into the city on the western side, including diverting existing general traffic, busses and walkers and cyclists from the existing Harbour Bridge into Fanshawe and Cook Streets will contribute positively to a liveable, walk-able city centre or waterfront.

To this end, the draft City Centre Masterplan and draft Waterfront Development Plan conflict with a western aligned harbour crossing. Both documents describe the “greening” of Fanshawe St, the “stitching” of the waterfront together with the CBD and the “calming” of traffic along this critical link. However, the New Zealand Transport Agency’s planning for the additional Waitemata Harbour Crossing will require some 32,000 vehicles per day to use Fanshawe St in 2026.³ None of the Council’s planning documents provide an alternative for Fanshawe traffic, yet the Council also supports a Wynyard-aligned harbour crossing.

Planning for Cook St confronts similar challenges. NZTA planning for the new harbour crossing estimates some 25,000 vehicles will access the city via Cook St in 2026, but the vision for the City Centre Masterplan specifically identifies Cook St as a one of several major roads in the city centre which is “easy” for pedestrians to cross. Again, the Masterplan provides no insight into where these vehicles will go, what the consequences of calming traffic on such busy arterials are, nor whether serious consideration has been given as to whether the social benefits of making Cook St pedestrian friendly outweigh the substantial economic costs.

While a tunnel on the east connecting to Grafton Gully is slightly longer, the strategic benefits of an eastern crossing warrant serious investigation, especially in the context of the new plan for Auckland. This could provide two lanes for north-south traffic, complementing the existing two lanes through Spaghetti Junction, plus a third lane providing direct connectivity to and from the port, the hospital, the university and the eastern suburbs. An eastern alignment provides better resilience, new connectivity and much better balance of traffic east and west of the city, reducing traffic flows on the western side via the existing bridge and creating opportunity for a more liveable walk-able CBD and waterfront. Rail could be integrated, if it proves to be economically viable or, alternately, an additional busway could be delivered providing direct access between the North Shore and east of the city. Regrettably, no benefit cost analysis of an eastern aligned harbour crossing has been undertaken.

Across the region, the Plan states that “congestion is projected to be worse than current levels by 2040.” (674) It is difficult to understand how liveability can increase at the same time as congestion increases, yet not only do the plans in general fail to give confidence that the Council is serious about tackling congestion, but a number of measures seem directed at facilitating congestion. The City Centre Masterplan, for example, is heavily focused on calming traffic through the city centre and reducing the number of general lanes without identifying alternatives for the thousands of delivery and other vehicles that use these roads every day.

The Auckland Plan identifies 13 development areas across the city from Orewa in the north to Papakura in the south where low-medium rise 2-4 story dwellings and medium-high rise 3-8 story apartment blocks will deliver on the Council’s plans for a compact city. The Auckland Plan is very ambitious on intensification. It requires a higher level of urban density than similar plans for

³ Additional Waitemata Harbour Crossing Network Plan: Local Roads, November 2010, p. 39.

Melbourne and Sydney over the next 20-30 years, despite the fact that those cities have much more well developed public transport networks.

What is not clear is whether or not this level of intensification will be supported by Aucklanders, whether it is commercially viable, and whether or not the proposed rail and public transport system will be adequate to serve the mobility needs of these communities without substantial further investment in roads. In particular major new intensified developments in the Te Atatu Peninsular, Glen Innes, Birkenhead, Northcote and Takapuna do not have adequate network capacity currently and will require significant new investment. Much of the intensified development is adjacent to existing motorway corridors and likely to have a major adverse effect on congestion into the future in the absence of suitable alternative transport options being provided.

NZCID cautions against overlooking the importance of policy alignment. The Royal Commission identified fragmented governance and a failure to engage as the broad systemic reasons for this failure to deliver. That is, the differing policies and investments of the previous Auckland governance regime, together with the inability of these policies to conform with central government and private intentions and expectations, led to a failure of policy in general.

NZCID draws attention to a long history in Auckland of failed targets. For example, the Auckland Regional Land Transport Strategy 1999 set a target of 110 million passenger transport trips by 2011. Latest transport monitoring shows passenger trips showing very good growth since that time, but only totalling around 65 million trips.⁴

The underlying purpose of the spatial plan, as understood by NZCID, is to adopt 'space' or 'place' as the mechanism to unite, align, integrate, prioritise and implement public policies and investments. NZCID is thus concerned that the Council has not fully seized the opportunity created by the Auckland Plan to use spatial planning as a tool to give "geographical expression to the economic, social, cultural and ecological policies of society."⁵

NZCID recognises that the Council views the Auckland Plan as much broader than the spatial plan envisioned by the Royal Commission, but is concerned that the focus on vision has compromised the practical potential of a spatial plan in the very short timeframes permitted.

In the space of less than one year, the Council cannot be expected to develop policy across broad areas of focus which traverse the extremely complex and dynamic activities of central government and the private sector, as well as Council itself.

In order for the Auckland Plan to be a success, that is, in order for the Auckland Plan to integrate and align policies so that objectives and targets are reached, NZCID considers that the Council must rethink its approach to the Auckland Plan.

In the view of NZCID, the provisions for the spatial plan, as set out in the Local Government (Auckland Council) Amendment Act 2010, require the Council to develop a spatial plan taking into consideration the four well beings. NZCID distinguishes between this intention and what NZCID understands to be the Council's interpretation, which is the development of a comprehensive plan for the four well beings using elements of spatial planning.

⁴ Auckland Council Transport Committee, Transport Monitoring Update, 6 September 2011.

⁵ European Spatial Planning Charter, 1993.

NZCID reiterates that the areas covered in the Plan are extraordinarily complex and challenging for even well-resourced, dedicated central government agencies. But the Council must, in the view of NZCID, recognise its limitations in this first version of the Plan and focus on spatial planning as a mechanism to align and integrate investments, policies and priorities taking into consideration all four well-beings. Doing so will shift the Council's focus to implementation, which is currently a major cause of concern to NZCID.

Implementation and Funding

NZCID strongly supports an Auckland Plan which is implementable. NZCID welcomed the commitment of the Council to implementation of the Plan as stated in the *Auckland Unleashed* discussion document:

“The Mayor and Councillors are committed to ensuring delivery of the Auckland Plan.” (516)

However, NZCID has observed a less determined focus on implementation through the draft Auckland Plan. For example:

“Auckland Council has the mandate to develop and lead the draft Auckland Plan, but its implementation involves the investments and actions of many parties, in particular private infrastructure providers and central government.” (701)

NZCID encourages the Council to remain committed to implementing the final Auckland Plan. NZCID does not consider it appropriate for the Council to suggest the future success of the Plan is the responsibility of other parties. NZCID is concerned that the Auckland Council may already be preparing itself for, and deferring accountability in expectation of, failure.

In the view of NZCID, the value of the Auckland Plan is in facilitating implementation. NZCID does not view the value of the Auckland Plan to be articulation of a current Council's vision of for what it desires Auckland to be in a generation, but a measured, evidence-based, pragmatic and realistic plan for how best to coordinate and allocate the suite of public investments, priorities and programmes in accordance with society's expectations and desires. That is, the value and potential of the Auckland Plan, in the view of NZCID, is as a strategically aligned implementation vehicle for wider central and local government and private sector activity rather than as a vision for what the Council desires Auckland to be.

The Council must not allow itself to proceed along the same path as authorities under the previous governance regime which persisted in developing a series of well-regarded, but unimplementable, visionary documents including the Regional Growth Strategy 1999 and the Auckland Sustainability Framework 2007. Such documents did not align with wider society's intentions and expectations and thus could not be delivered.

NZCID acknowledges the importance, but also the seductive qualities, of visionary planning. NZCID strongly advocates for long-term planning, but also notes that it is much easier to continually develop objectives and to restate issues and challenges than achieve those objectives, overcome challenges and seize opportunities.

The difficulty involved in implementing policy suggests to NZCID that the balance of the Auckland Plan should focus on delivering what should otherwise be a more restrained discussion of vision, background, context, etc. However, NZCID observes that the balance of focus in the draft Plan concentrates on these more strategic elements of planning at the expense of harder, more controversial deliverability elements (and indeed evidence, as discussed below).

NZCID considers that in order for the final Auckland Plan to be a success, much greater detail will be required on implementation measures.

The most important aspect of implementation, in the view of NZCID, is funding. Given that funding for many of the projects featuring in the draft Plan rests with central government and other organisations, the final Auckland Plan must also be aligned with the priorities of those parties. The Auckland Council avoid developing a plan for Auckland in isolation of the resourcing capabilities of partner organisations or the demand-driven realities of private sector activities.

NZCID identifies a shortfall in capital funding for the Auckland Plan and its supporting documentation of over \$20 billion. Annual repayments on a \$20 billion loan to finance the unfunded transport projects listed in the plan would consume most, if not all, of the entire annual rates take of the council if funded fully from rates, or the equivalent of 80 cents per litre on the cost of petrol if funded by a regional petrol tax.

In addition, NZCID identifies a number of large investments required to support other agency plans have not been costed appropriately. These include:

- City rail link – NZCID observes that road users are expected to fund up to 80 per cent of the rail link since any government funding will be sourced from fuel tax and road user charges, and road pricing is proposed for up to 30 per cent of the project. The Government remains uncommitted to this project yet it also remains a key policy platform for the Council.
- Operational public transport costs – public transport is expensive to run and the majority of the financial burden is carried by Council. In contrast, the majority of private motor vehicle use is carried by individuals and businesses. The Plan provides little evidence of what the operational costs of PT will be over the term of the Plan relative to roading options.
- Local road upgrades to support NZTA's additional harbour crossing planning – solutions outlined in the Local Roads report of the harbour crossing study suggest significant costs to Council concerning Fanshawe St and Cook St in particular.⁶ These costs are not featured in the Plan.
- Long Term Plan funding in general – in order to fund the 30 year vision in the Auckland Plan, NZCID expects that the Council's ten year funding plan, the Long term Plan should cover around one-third of the projects. The Long Term Plan is not yet available for public comment, but NZCID remains sceptical that this order of funding will be available. A major discrepancy between funding allocated in the ten year plan and the Auckland Plan will negatively impact the future integrity of the Auckland Plan.

In response to the funding deficit, NZCID welcomes and strongly supports the Council's consideration of alternative funding sources. NZCID congratulates the careful and transparent approach to new funding mechanisms progressed by the Council.

While NZCID supports the consideration and implementation of new funding mechanisms, NZCID reminds Council that each of these funding mechanisms represents a tax on residents. As with all taxes, the Council must endeavour to show that public money is being spent prudently. NZCID does not support the levying of additional taxes to fund projects lacking robust analysis or adequate consideration of alternatives.

⁶ Local Roads, pp. 79-81.

NZCID considers that the appropriate proportion of road tax to spend on public transport is the demonstrable value of benefit accrued to road users of attracting those drivers who can take public transport to actually do so. That is, therefore, the Council should not in general rely on road pricing, congestion charging, fuel excise duties or any other road tax to fund large proportions of public transport.

Council should, in the view of NZCID, use rates to fund public transport. The importance of using rates to carry the cost of public transport is not just an accounting formality, but a process of ensuring that the appropriate cost of public transport is made clear to voters and not subsidised by motorists. NZCID considers that if residents desire greater public transport relative to local roading investment, then democratic processes are the appropriate mechanism to determine this proportion.

Given that a large proportion of rates is used to pay for local roads, NZCID considers there is sufficient resource to cover major public transport investment if that is the direction Auckland desires. NZCID considers that roading-related taxes are sufficient, and should be used, to fund the total cost of road transport. Total costs should include, for example, the fair costs of stormwater runoff from impermeable road surfaces. Ensuring costs are passed on as accurately as possible will optimise economic efficiency and deter the development of activities which leverage off unsustainable subsidies created by misdirected policy.

As discussed below, NZCID considers that much of this analysis remains to be performed on many projects set out in the Plan. NZCID considers this work an important corollary of the investigation into new funding sources and critical to achieving public support for new funding measures.

Of the alternative funding options set out in the Plan, NZCID supports road pricing and views a broad-based, low-level network charge as the most cost-effective form of road pricing available to Auckland authorities. NZCID envisages that this charge would be applied to all vehicles entering the state highway network in much the same way, and indeed would use the same technology, as the Northern Gateway toll. The comprehensive extent of Auckland's strategic roading network ensures that costs and benefits would be reasonably well distributed across the region, without the high establishment costs of some other proposed road pricing systems.

NZCID considers that a network charge will create the fewest distortions in the existing transport and land use activity system of all options discussed in the Plan. A network charge will not necessarily affect through traffic, thus maintaining free access to national strategic roads for those users not accessing the Auckland local road network. A network charge could operate as both a demand management and a revenue sourcing mechanism.

NZCID does not oppose imposition of a regional fuel tax, but considers this option less effective, less targeted and less politically achievable than a network charge: a regional fuel tax cannot be used as a demand management tool, as a variable charge on the state highway network can; a regional fuel tax will create distortions in the fuel retail market, incentivising purchasing outside the region; and research earlier this year by NZCID and GA Research found that only around one-sixth of (nationwide) respondents would prefer to pay 20c per litre than a \$2 average motorway charge, despite the fact that (in Auckland) a 20c petrol tax increase would provide much greater return to Government.⁷

NZCID does not support congestion charging. NZCID considers that congestion charging will distort existing transport movements and result in undesirable outcomes for retailers and other businesses in the

⁷ NZCID and GA Research, *Funding Infrastructure*, April 2011.

central city. Over the long term, NZCID expects activities to develop around the cordon and property prices to increase relative to the central city, impacting agglomeration and economic efficiency.

NZCID supports consideration of tax increment financing and value uplift levies and further investigation into whether these policies could be implemented in Auckland.

NZCID does not consider regional sales taxes to be an appropriate source of revenue for transport. Furthermore, NZCID considers the establishment and management of costs associated with this form of revenue sourcing to be likely beyond the value gained and expects that such a tax would result in significant distortion in the retail market and inflict undesirable costs upon regional businesses.

NZCID supports the use of advanced procurement and other alternative implementation mechanisms, such as PPPs (public-private partnerships) and alliances.

Evidence base supporting the Auckland Plan

NZCID recognises the work of the Council in consolidating information on the Auckland region, its people, activities, trends and general characteristics.

However, NZCID does not observe a similar level of evidence and supporting information in relation to critical decisions. NZCID considers the evidence base presented in the Plan to be insufficient for the Council to progress several key initiatives outlined. NZCID is particularly concerned with the current published assumptions and evidence base supporting the Council's intention to promote a compact city.

NZCID does not observe within the Plan a specific explanation for the compact city approach. Three reasons which do emerge at different stages in the Plan are:

- "Auckland is characterised by a large rural land mass both north and south of its urban heart. This gives rural residents and urban dwellers the opportunity to experience both city and country life. This, along with Auckland's many other natural and marine attributes, makes it a lifestyle choice for many. In fact, this combination is a key point of distinctiveness in an increasingly competitive world where highly skilled people have multiple options about where to locate. It is therefore essential that Auckland's ongoing population growth does not occur at the expense of the very attributes that make Auckland appealing." (165)
- "This Plan foresees Auckland's future growth to be accommodated in a quality compact manner for a number of reasons, primarily due to the associated cost and unaffordability of servicing continuous outward growth." (459)
- "The Auckland Plan is premised on the development of a quality compact urban form. This approach makes better use of existing infrastructure networks, and manages the demand for new infrastructure efficiently and equitably, ensuring that infrastructure investment leads to the most effective outcomes for Auckland." (612)

NZCID finds further explanation for the Council's position on a compact form in a recent *New Zealand Herald* article by Chief Planning Officer Dr Roger Blakeley. Dr Blakeley points out that a compact urban form "has the following benefits:

- Greater productivity and higher rates of economic growth and job creation.
- Lower infrastructure and transport costs, as well as lower greenhouse gas emissions.

- Making the best use of existing infrastructure that Aucklanders have already invested in.
- Lifestyle benefits of countryside experiences and recreational opportunities close to the city.”⁸

Drawing from the above, NZCID summarises the Council’s reasons for promoting a compact city as:

- Maintaining Auckland lifestyle opportunities
- Lowering infrastructure and other service costs (both through better use of existing resources and by reducing the need for new services)
- Improving economic performance
- Lowering greenhouse gas emissions

NZCID agrees that a compact city may result in the above four outcomes, but observes that, equally, it may not. Indeed, if a compact city approach is not well effected by Council and also well-supported by its many implementation partners, the opposite of many of these objectives will result.

For NZCID to be satisfied that a compact city will result in the above four outcomes, significantly more explanation and evidence will need to be produced by the Council, specifically:

- **Maintaining Auckland lifestyle opportunities** – NZCID observes that the areas preferred by the property market for development are not those identified in the Plan as significant recreational, environmental or otherwise sensitive sites (for example, in north-east and south-east of the metropolitan area).

NZCID further observes that one of the “very attributes that make Auckland appealing” is access to a mix of housing, including standalone units with outdoor areas. However, recognition of this lifestyle attribute is ignored in the Auckland Plan and will be severely compromised for all but the wealthiest residents under the Council’s vision.

NZCID requests greater clarity from Council as to why a compact city is required to maintain lifestyle benefits, how the Council identifies and gauges these attributes, as well as identification of those activities and communities which will be impacted by other urban forms.

- **Lowering infrastructure and other service costs** – NZCID is unaware of any research which demonstrates that a compact model will lower infrastructure costs in Auckland. Given that some infrastructure costs will increase, for example stormwater, and that greenfield infrastructure development is less costly than brownfield, NZCID requests evidence from the Council demonstrating the lower infrastructure costs of the compact approach in Auckland.

While NZCID does not expect a more dispersed scenario to lower infrastructure costs, NZCID considers it possible that the increase in land prices, which in the real estate market environment must necessarily rise with supply constraints, may shift cost savings from infrastructure service delivery to property owners. NZCID requests an investigation into the additional costs to homeowners and to infrastructure providers of different urban forms in Auckland.

- **Improving economic performance** – NZCID is unaware of evidence which connects better economic performance with a compact urban form. NZCID is aware of demonstrated

⁸ “Roger Blakeley: Three Hot Issues for Aucklanders”, *NZ Herald*, 13/10/2011

agglomeration benefits associated with types of density, but distinguishes between spatially specific agglomeration benefits and a broad causal association between urban form and economic performance.

NZCID draws attention to the recent rejection of a compact city approach by the State of Florida, due to the perceived impact on economic growth of restrictive land policies.⁹ NZCID requests that the Council investigate the consequences of a compact city for economic growth in Auckland.

- **Lowering greenhouse gas emissions** – NZCID is unaware of Auckland-based research which investigates and models carbon emissions of different urban forms. Given that a compact approach is likely to reduce the number of trees in Auckland, that multi-story units require greater energy to produce,¹⁰ and that carbon charges have already been applied to fuel purchase, NZCID requests further investigation by the Council into what the carbon implications are of a compact city versus other urban forms.

To be clear, NZCID does not oppose a compact approach. NZCID's concerns are with decision-making which is not supported by a robust evidence base. To this end, NZCID considers that a commitment to a compact city on the current evidence base available to respondents is premature.

NZCID asks why 75 per cent of growth should occur within the rural-urban boundary and not 80 per cent or 70 per cent. No evidence is forthcoming in the Plan explaining, supporting and affirming the Council's position on this most critical of issues.

NZCID emphasises the critical role of evidence-based decision-making. Without a sound evidence base the Council's policies will not be supported by other public and private entities, will be overturned by subsequent administrations and will not achieve the Council's vision.

Of particular interest to NZCID is the Council's blanket assertion that intensification will lower infrastructure costs. NZCID considers that across the region as a whole, this statement may or may not be true and NZCID is interested in obtaining the Auckland-based evidence behind this statement.

NZCID expects that in some parts of the region expansion will lower society-wide lifetime infrastructure costs, while in other parts of the region intensification will offer positive infrastructure savings.

More broadly, NZCID is concerned for the wider impact on Auckland of an evidence-light pursuit of a compact city, in particular, the impact on homeowners and property prices generally. NZCID has not seen Auckland-based evidence demonstrating the costs to property owners of a compact approach. NZCID does observe, however, that the costs of infill in Brisbane, a comparable city to Auckland, are around 30 per cent higher than for greenfields.¹¹

Moreover, work by MOTU on Auckland has shown large differences in the cost of land outside the metropolitan urban limit, suggesting land prices and thus property prices are being impacted by land supply constraint.¹²

⁹ <http://www.newgeography.com/content/002471-florida-repeals-smart-growth-law>

¹⁰ See, for example, Peter Rickwood, Gary Glazebrook and Glen Searle, 'Urban Structure and Energy – A Review', in *Urban Policy and Research*, 2007, pp. 1-25.

¹¹ Glen Searle, 'Too Concentrated? The Planned Distribution of Residential Density in SEQ', in *Australian Planner v. 47, no. 3 September 2010*, p. 136.

¹² Grimes A. and Liang Y., "Spatial Determinants of Land Prices in Auckland: Does the Metropolitan Urban Limit Have an Effect?". *A report for the Centre for Housing Research*

NZCID is concerned that the Council may be transferring the cost of infrastructure development from the Council onto property owners. NZCID is particularly concerned that the rating approach used by the Council provides an incentive to Council to further drive up land prices in order to lift its rating base.

NZCID requests investigation into the costs of the compact city and careful analysis as to whether costs are being appropriately distributed.

In the view of NZCID, a region-wide “one size fits all” approach to urban form which bluntly assumes compact to be better than expansion fails to recognise the advantage of a spatial approach to planning. It risks unfairly raising costs to different members of the community and may also inhibit economic performance and lower liveability.

NZCID considers that intensification should occur in those areas where it is shown to be more cost effective (economically, socially and environmentally) than expansion. NZCID considers the principal, but not only, determining factor of cost to be infrastructure service delivery and operation. Thus, an urgent exercise for the Council should be to understand what the costs are to society (public and private, economic, social and environmental) of expansion/intensification in various parts of the region.

NZCID considers that any regional target for intensification is inappropriate at this stage of Council’s understanding. The determinant of expansion or intensification should be the lowest aggregate cost to society as demonstrated through a robust evidence base. If, for example, major sewer, transmission and road upgrades are required to intensify an urban area, expansion may offer a more beneficial outcome for Auckland. Likewise, if expansion undermines public transport at the same time as major roading investment is required, then intensification will become comparatively cheaper.

In contrast to regional intensification targets, which NZCID considers ambitious, the Council only anticipates an approximate doubling of residents in the city centre to 2032 (to 44,000 from around 20,000 now). This number appears very low given the level of investment and improved amenity planned for the city centre. NZCID considers that the release of the Wynyard Quarter as well as areas to the east and south of the CBD provide an excellent opportunity to promote city living and that, therefore, a much higher number of residents could be targeted. Again, however, the evidence base is not sufficient to confidently enforce targets.

The ongoing costs of public transport provision to service a compact city is an associated but further area requiring greater demonstration of evidence. The Council has set very ambitious land use targets through the Plan which require the optimal deployment, uptake and success of public transport, especially rail. Yet there is very little evidence presented in the Plan which shows that public transport investment promises better value for money than roading investment or that rail provides better returns than buses.

NZCID cautions against assuming that either public transport will lower transport costs or that rail will provide a more cost effective solution than other public transport modes. The internationally renowned Eddington report on transport observed that, even in the densely populated UK, roading investment returns are often extremely attractive relative to other investment opportunities.¹³ The report noted that in some instances road-based solutions such as buses offer better value than fixed solutions such as trams.¹⁴ And in other instances, Eddington points out that earmarked solutions make no economic sense

Aotearoa New Zealand, 2007.

¹³ Sir Rod Eddington, *The Eddington Transport Study*, December 2006, p. 44.

¹⁴ *Ibid.*, p. 44.

at all. Eddington draws particular attention to “grand projects” which upon closer analysis are shown to represent poor value for money.¹⁵

The point that Eddington labours is that investigation, analysis and evidence is critical to the delivery and performance of a world class transport network. This evidence is not yet visible in the Plan and must be developed before critical infrastructure decisions are made.

In the view of NZCID, the Council should aspire to improve overall access and should avoid reducing the accessibility of one mode in order to make other modes more competitive. To this end, the Council should work equally hard to improve private motor vehicle access as it does public and active transport access.

Given the high efficiency of the Auckland motorway network, the topography of the region, the dispersed nature of Auckland’s urban form and the mix of activities engaged in by residents, the Council should expect that private motor vehicle solutions will in many cases present a more cost effective solution than public transport for society as a whole. In these cases, roading options should be advanced.

NZCID detects a concerning lack of determination on behalf of the Council to improve private vehicle operation and a sense of resignation that congestion will worsen. There is neither analysis nor scenario development in the Plan which sets out different options to improve private motor vehicle access and elaboration of what the costs may be. The apparently resigned attitude of Council to congestion seems unwarranted given that the Plan itself projects congestion decreasing due to roading and public transport investment. (674)

The particular issue with roading congestion is that commuters to and from work are only part of the community affected. Freight as well as workers and students who cannot rely on public transport, including builders and other tradespeople, sales representatives who travel long distances and many other workers, cannot substitute vehicles for public transport. Congestion thus badly compromises the efficiency of these workers, yet the evidence base within the Plan treats these road users and work commuters as equals. NZCID would like to see much clearer delineation of different road users according to area and much greater discussion of the proportion of workers and students capable of surrendering cars for public transport.

NZCID does not believe public transport provision and uptake can only occur if private vehicle use is discouraged. NZCID considers it a principal challenge of the spatial plan to ensure efficient movement of people and goods across Auckland’s transport network and that, to improve Auckland liveability, the Council must succeed at enhancing the attraction of public transport to commuters without reducing the efficacy of private motor vehicle access.

NZCID considers a major opportunity to improve liveability without compromising private motor vehicle, which has not been adequately addressed in the Plan, to be telecommuting. Substituting physical access for digital access removes cars from the road and promotes environmental well-being.

NZCID observes that ‘working from home’ is Auckland’s second most common “method of travel” to work and significant opportunity exists to leverage off existing practice.¹⁶

¹⁵ *Ibid.*, p. 48.

¹⁶ In the 2006 Census, 7.6% of Aucklanders declared they worked from home on the census date, versus 5.6% who took either bus or train.

In light of the Government's major investment in fibre in Auckland, environmental objectives and global trends towards e-communication, NZCID sees very good policy alignment and significant opportunity to expand e-business.

NZCID considers that the Council should elevate telecommuting in its order of priorities and develop the evidence base to establish the optimum balance of residents working from home and those travelling elsewhere.

NZCID asserts that the costs of a compact city and its according transport needs are quantifiable and comparable, and that they are spatially distinct. Council must perform this work on an area by area basis before the final Auckland Plan is progressed, or it is not meeting the requirements of the spatial plan as set out in the Local Government (Auckland Council) Act 2010 s. 79 (4) (c):

The spatial plan must – provide an evidential base to support decision making for Auckland, including evidence of trends, opportunities, and constraints within Auckland.

The relative scarcity of evidence presented in the Plan extends beyond the compact approach. As indicated above, NZCID remains unconvinced of the calculated economic, social and environmental benefits of many of the major infrastructure investments set out in the Auckland Plan. These include, but are not limited by:

- Additional Waitemata Harbour Crossing – NZCID acknowledges that responsibility for an AWHC (including planning) ultimately rests with NZTA, but considers the Council's position on the form and location of the crossing to be premature. NZCID notes that the Council, drawing on feedback on *Auckland Unleashed*, prefers a western-aligned tunnel. However, NZCID notes that *Auckland Unleashed* never advised the public that a tunnel could connect to the east, nor that a tunnel to the west will cost at least \$2 per journey more to fund. No value for money assessment has been performed on an eastern aligned option; the opportunity for this option to facilitate planned development in lower Grafton has not been considered; the option to operate a second busway on an eastern option has not been acknowledged; and the economics for the western option remain discredited.
- Central Rail Link – NZCID considers there to be very convincing reasons to extend rail through Britomart, but remains concerned by analysis to date which has shown a return on investment as low as 30 cents for every dollar invested in the current option. NZCID considers that land development resulting from the improved level of access offered by rail to be a major benefit of the investment, but that the misalignment of the Council's land use and transport planning undermines the economics of the CRL. Specifically, NZCID is concerned that the current option does not support the Wynyard Quarter, but instead supports the CBD which is competing with Wynyard in the property market. NZCID requests that Council investigate the implications for the property market of combined release of land in the Wynyard Quarter and land along the proposed route of the CRL.
- Wider relationship between rail and the property market – NZCID observes challenges currently facing developers owning available property around rail nodes, including in Newmarket and New Lynn. NZCID would like to see evidence explaining the lack of interest in these properties in order to be comfortable that similar challenges will not afflict the central city following delivery of a CRL. Moreover, NZCID is yet to be convinced that sufficient investigation has been performed into the implications for the property market of concurrent development at each of these locations.

- CRL and wider PT operating costs – NZCID considers that capital investment for public transport can be covered through a network charge, but notes that the operational expense of public transport is significantly higher than for private transport (which is largely born by private users). The financial impact of this expense needs to be analysed and made public before a heavy commitment is made to a public transport-oriented approach. NZCID observes that the Auckland Regional Council's projected PT operational spend for 2010/11 exceeded \$100 million.¹⁷ This cost can be expected to increase significantly under the direction set out in the Plan, but NZCID finds no evidence that this has been accounted for.
- Wynyard Quarter – NZCID is unconvinced that the Council can achieve its objective of less than 30 per cent private vehicle mode share accessing Wynyard Quarter without the CRL stopping west of Te Wero Bridge. NZCID has seen no evidence of what the consequences will be if, as NZCID expects, car use significantly exceeds Council expectations, nor contingency planning by the Council, if this is the case.
- City centre – NZCID observes no evidence supporting the significant investments described in the City Centre Masterplan. NZCID observes no evidence that the various plans to boulevard, green, calm and remove traffic from the city centre as described in the Masterplan has undergone serious cost-benefit analysis, nor that the consequences for business in the city have been considered.

NZCID reemphasises the importance of a comprehensive evidence base, as well as alignment of policy and a serious commitment to implementation and funding.

NZCID congratulates the Council on progress it has made to date and looks forward to working with the Council to progress issues of importance to Auckland.

¹⁷ Auckland Regional Council, *Annual Plan*, p. 15.