

Manifesto for Auckland

Sep 2023

The deal Auckland needs from the next Government

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Why Auckland and the next Government need to work together

As Mayor, I'm fortunate to have the statutory role to articulate a vision for our region. I know Aucklanders have been doing it tough, and they want to see us work together on an affordable plan to fix the infrastructure deficit, deliver much better transport, housing and urban outcomes, and unlock economic growth and productivity.

The Government relies on Auckland to drive much of the country's growth. Despite this, we aren't afforded the autonomy to meet the needs of a city with such outstanding growth. This growth is a success story, but it's one that needs cohesion and investment if it is going to continue.

Auckland is the engine room of New Zealand. We are a third of the national population, around 40% of the national economy and have the country's largest rural population. Our region is proudly the nation's economic and financial capital. It hosts the largest group of businesses and workers that support our primary export industries, including the largest workforce in horticulture and support industries. We are home to some of our largest cultural institutions and attract international events that no other city in New Zealand could provide for.

So, if New Zealand is to thrive and be competitive, Auckland needs to be a beautiful, bustling, and safe place to live. The things holding us back are obvious to every Aucklander: traffic congestion, public transport, housing affordability, public safety, persistent pockets of social deprivation, and a gaping infrastructure deficit.

Auckland's problems affect the whole country and our place in the world.



**“The solution is not for Auckland to be planned from Wellington. We need to be allowed to plan for our own region”
– Wayne Brown,
Mayor of Auckland**

The fact is, we have struggled to keep up with population growth. These growing pains are systemic: major cities like Auckland drive and enable growth, but tax receipts generated go mainly to central government. Auckland gets short-changed and stuck with the problems

caused by growth without the tools to address them and fully realise the benefits. Aucklanders put more into the Treasury coffers than they get out.

And our hands are tied. Auckland has not been given the funding and financing tools to meet the challenges of growth. We can't even set parking fines, let alone make use of congestion charging, a bed tax, or fairly share the revenue generated by new houses.

The solution is for the region to be empowered to meet the challenges of growth in genuine partnership with the Government. This isn't about receiving government handouts, but we are asking for a fair share of the revenue Auckland generates.

This is about consistent infrastructure investment and credible, integrated plans to deliver. In Australia and elsewhere, place-based agreements such as Regional or City Deals have been successful long-term tools to enable central and local government alignment on transformational priorities. These deals unlock growth, based on devolution and localism. They were a key recommendation of the recent *Future for Local Government* review.

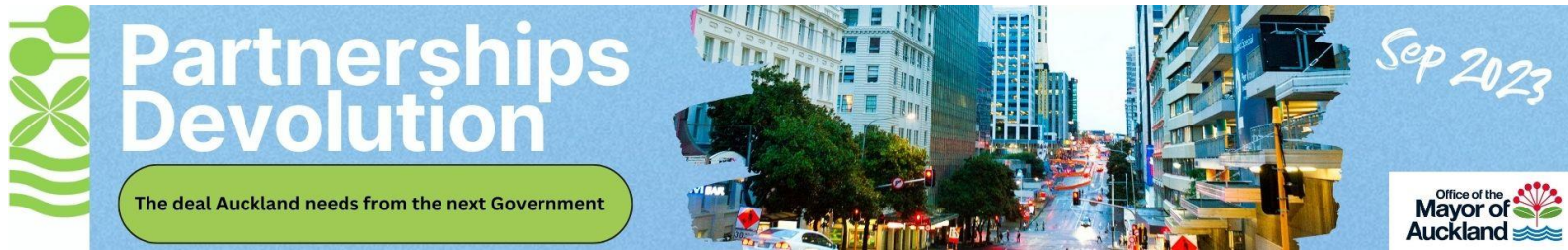
I have put together a plan to turn things around for both Auckland and New Zealand's sake. **So, to whoever forms the next government: let's make a deal to fix Auckland and drive it forward.**

The Deal

Ahead of the election, I am asking political parties to make a long-term commitment to an Auckland Deal that will enable us to address our urgent priorities as a region, and implement our plan to fix Auckland, covering:

1. **Partnership & Devolution:** A fundamentally different relationship between Auckland Council and central government based on mutual respect and alignment of goals.
2. **Transport:** An Integrated Transport Plan to enable people and goods to get around our city faster, cheaper, and with lower emissions.
3. **Housing, Growth & Urban Regeneration:** Tools and investment to enable Auckland to plan and deliver infrastructure, to support growth in decent houses, and regenerate run-down areas.
4. **Infrastructure, Water Reform & Climate Resilience:** Finishing, fixing and protecting our existing infrastructure with tools to fund and finance the major investment required to deal with the deficit.
5. **Environment:** Enabling us to protect and make the most of our environment, including our Three Harbours.
6. **Social, Cultural and Economic Development:** A formal partnership to deliver and fund agreed priorities.

We have done the groundwork. This manifesto includes specific policies in each of these areas which are needed to unlock Auckland's potential.



1. A fundamentally different relationship *between Auckland Council & Government based on mutual respect and alignment of priorities.*

There is no other local authority in Australasia responsible for governing a third of the national population. In size and scope, Auckland is more akin to a State Government in Australia than other local authorities. Yet, in Australia, States receive 45 per cent of their revenue through transfers from the federal government, while Auckland Council receives a paltry 12 per cent. And, indeed, Australian States have been pivotal in driving the success of their major cities, which leave us in their dust. There are also a dozen American states with a population smaller than Auckland, but which have the ability to make decisions about how to fund their activities through taxes, and to make their own laws.

Auckland has been held back by fragmented decision-making, and the lack of a joined-up vision and strategy agreed by both central and local government. This has been made worse by fragmented implementation and poor contract structuring, including too many parties having a say.

One of the points of creating the Auckland Super City in the first place was that it could have a different relationship with the Government and provide regional leadership to deliver for Aucklanders. Going back, the Royal Commission on Auckland Governance said in 2009:

- The relationship between the new Auckland Council and the Government would be one of interdependence and partnership, centred around shared decision making and accountability.
- Joint decision-making boards should be established to set strategy and guide public spending in the areas of social development and transport. This was, among other things, to reduce duplication.
- Having created an Auckland Council, central government should then allow the Council to influence Government decision making, working in partnership for the greater good of Auckland and New Zealand
- The Government should consider models for formal arrangements between central and local government that involve greater devolution to local government, such as City Deal type arrangements.

None of this has happened as proposed, and we want it to. Much of what we do is dictated to us through an ever-growing list of unfunded mandates.

Auckland Council perversely has the least say of any council over how our resources are spent. We are the country's only council that does not have a direct statutory role in setting the policy

direction for transport spending. We are also the only council that is told by Parliament what regional organisations we must fund. Instead of joint decision-making Auckland continues to suffer from a lack of integrated decisions.

The Auckland Deal is also an opportunity to build collaboration and partnerships with iwi, Māori and businesses, and their voices will be critical to its success.

The Auckland Deal will:

- Provide a framework for central and local government strategic alignment, collaboration, and coordination, including mechanisms for Auckland Council to set out Auckland's priorities to Government.
- Enable new partnerships and joint investment across strategic priorities required to unlock growth.
- Enable agreement on legislative and regulatory change to support Auckland. This includes unlocking new funding and financing tools, and a greater share of revenue, to enable us to realise our own ambitions for the region.



2. The Integrated Transport Plan *to enable people and goods to get around our city faster, cheaper and with lower emissions.*

Auckland's single biggest challenge right now is fixing our transport system. We need to get around easier.

We are planning to spend billions on transport over the next decade, but it won't be enough if we don't make serious, and urgent change to transport planning and governance in Auckland.

There is no doubt we need some significant investment. But it needs to be sensible, affordable, and agreed by Auckland – not imposed from on-high far-away. The Council and the Government should work together to support more integrated, joint decision making for the transport system without changing direction every three years.

The dreadful lack of integration across the system means an enormous amount of money is wasted.

Aucklanders need a plan to get freight around the region easier. We also need a decent rapid transit system, which can actually be delivered across multiple election cycles.

Politicians have got into the bad habit of announcing big headline-grabbing mega-projects at election time which are simply too expensive and impractical. The extra harbour crossing, Auckland Light Rail and other proposed motorways are prime examples of this. Sometimes they even announce council will be funding them without talking to us. These projects end up costing us millions to plan, only for a new government to come along and replace them with the next one. Invariably the government provides insufficient funding to meet either the up-front capital costs or the ongoing operating costs of new infrastructure, leaving this to the council.

Meanwhile, practical solutions to make the most of our existing infrastructure get ignored because they aren't front page news. It's one reason why Auckland now has a big backlog of local road repairs that will take a decade to clear. It's also why many smaller interventions to speed up public transport haven't been prioritised.

The funding model is broken and not fit for purpose. Even when projects are agreed in the Auckland Transport Alignment Plan, they are subject to constant re-litigation by Waka Kotahi. Waka Kotahi imposes absurdly costly processes on us to access our share of the National Land Transport Fund. In the last three years, we estimate that \$171 million has been spent on the Waka Kotahi business case processes alone.

New funding tools, like the Regional Fuel Tax, also come with significant strings attached – meaning we need to get specific approval from central government before we can fund any

projects, and these funding tools can become political footballs with promises to remove them without considering the consequences for Auckland Council.

Our transport governance system has become fragmented and too complex. It's become an acronym soup of committees, working parties and steering groups that don't lead to actual outcomes for Aucklanders.

The Auckland Deal needs to include an Auckland Integrated Transport Plan, which provides an aligned and integrated policy and investment strategy. A strategy committed to by all parties that is appropriately funded, and which will include:

- Passage of the Auckland Integrated Transport Bill, that will provide for joint decision-making on transport, enabling Auckland Council to exercise greater democratic authority and strategic oversight of transport planning functions. Every other council in New Zealand has the ability to decide its transport policies and funding, except Auckland. This makes no sense and must change.
- Empowering Auckland Council to implement congestion charging, set our own parking fines, and other decisions about our own transport system.
- Transformation of the fragmented nature of transport governance under the integrated transport plan.
- A funding model that provides greater flexibility and enables Auckland to fund local projects with its share of the National Land Transport Fund, without excessive re-litigation and red tape imposed by the Waka Kotahi business case process.
- Agreement on priorities for investment, which will need to include:
 - Building resilience, including running maintenance and renewals at a sustainable rate, which will require more revenue than currently allocated
 - Getting the most out of the existing network and assets, including implementing dynamic lanes and other interventions to speed up buses, , and supporting us to reduce the cost of temporary traffic management
 - Identifying efficiencies and reprioritisation options, and completing and maximising the benefits of current projects, such as the City Rail Link and the Eastern Busway
 - Delivering a rapid transit system, including Northwestern rapid transit as an immediate priority
 - Moving freight more efficiently, which will require investment in the rail network as well as targeted road upgrades to address bottlenecks



3. Tools & investment enabling Auckland to plan and deliver infrastructure to grow decent houses and communities while regenerating run-down areas.

Auckland is growing. This is good news for the Government and the country. More commerce, more jobs, and more people in Auckland means more tax revenue to fill the Treasury coffers.

But policymakers in Wellington need to understand that these benefits don't accrue to councils in the same way they do to Government – more people living in Auckland doesn't provide Auckland Council with more revenue, it just spreads the rates bill across more people. For Auckland Council that growth comes at a greater cost than any rates revenue we will receive. New housing developments must have the local and regional infrastructure to support them – especially if we want them to be nice places to live and avoid adding to our major problems like congestion and deprivation.

To meet community expectations and climate goals we need more than just pipes and road, we need bus lanes, cycleways, multi-function community, parks and open spaces, and leisure facilities, all-weather sports fields etc that cater to our diverse communities.

The current approach to funding this infrastructure is just not sustainable.

Putting the burden only on existing property owners through rates isn't fair and cannot be stretched further. Development contributions, our main growth funding tool, only allow us to recover a portion of the cost of growth. This is especially pronounced in existing urban areas.

We need to be able to charge development contributions based on an estimate of average infrastructure costs, rather than as a strict cost recovery mechanism. This will enable councils to fund growth costs related to widespread intensification where accurate upfront infrastructure costings are not feasible. This will result in a more reactive, agile approach to infrastructure provision that reflects how growth happens in the real world.

Fixing the prescriptive rules around development contributions and targeted rates would see more housing-related infrastructure built sooner and see developers paying a fairer share of infrastructure that they benefit from.

Enabling councils to share in the revenue generated by new households would also provide us with a fair mechanism to enable growth infrastructure.

Large-scale quality urban development requires direct support from central government. Auckland Council has worked with the Government and Kāinga Ora to target investment in priority growth areas through the Auckland Housing Programme, including in the Inner North West and as part of Kāinga Ora's large-scale projects. But some of the projects have been driven by Wellington rather than Auckland, especially in Drury.

Our growing pains have been seriously exacerbated by unfunded mandates on us to enable new greenfield development and intensify the outer reaches of the city. Such mandates are fundamentally incompatible with the affordable, growing and vibrant city that we envisage for Auckland.

At the moment, because of the rigid mandate imposed on us through the ‘three houses, three storey’ Medium Density Residential Standards (MDRS) it’s difficult for us to restrict residential development in some areas that flooded during January this year. That is absurd and needs to be changed. These mandates come at enormous cost and in this case have totally unworkable aspects. To meet the demands of a growing population, Auckland Council needs to be able to make sensible regional decisions about land use without interference from central government.

We need to refocus our collective investment to deliver high-quality urban outcomes. We also need to regenerate our run-down areas including parts of the city centre, to enable intensification, avoid slums, and unlock economic development that will support the whole country.

In addition, like other local authorities, Auckland Council is often required to be the insurer of last resort for building work. This is due to the concept of joint and several liability, even when the council has made little to no contribution to the loss. This has created an uncapped liability for local government, without any funding for it, which ultimately falls to ratepayers.

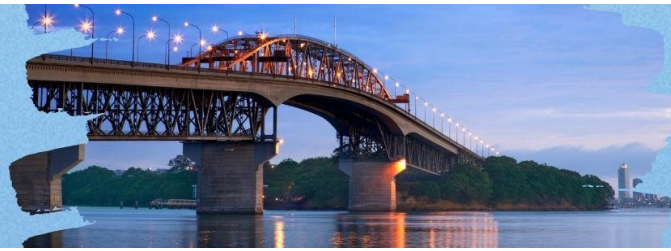
The Auckland Deal needs to include:

- Reform the law relating to development contributions and targeted rates to enable councils to adequately recover the costs of growth. This includes allowing us to charge development contributions based on an estimate of average infrastructure costs.
- Provide additional funding tools to incentivise councils to unlock land for housing, such as a share of the Government revenue generated by a new household.
- Provide Auckland Council with flexibility about where to opt out of the Medium Density Residential Standards and enable growth in the right places.
- Remove existing restrictions on Auckland Council which prevent it from down-zoning land that is at a high risk of flooding.
- A joint agreement on investment and funding for large-scale projects and urban regeneration initiatives, as part of a reinvigorated Auckland Housing & Regeneration Programme.



Infrastructure Water Reform Climate Resilience

The deal Auckland needs from the next Government



Sep 2023



4. Finishing, fixing and protecting our existing infrastructure, with tools to fund and finance the major investment required to deal with the deficit.

Auckland last seriously invested in its infrastructure 50 – 60 years ago and that infrastructure is straining under population growth, particularly when we respond to the impacts of climate change.

A back of the envelope calculation suggests a minimum of \$60 - 70 billion will be needed in the next 30 years just to maintain and replace our existing infrastructure and community assets. Where is that money going to come from? Aucklanders already pay more than \$2 billion a year in council rates and we've borrowed \$12 billion.

We could start by fixing the big holes in our rates funding. Auckland Council foregoes around \$47 million a year in revenue from Crown properties and other non-rateable land, despite the Crown benefiting from council services. The Crown also collects the GST charged on top of our rates. This is unfair on ratepayers. The *Future for Local Government* review recommended GST be returned to councils, and we strongly agree.

Significant investment is required in Three Waters infrastructure over several decades, and there is a strong case that local authorities need access to greater financial tools to make this investment at the right time. But, while there were good aspects to the so-called Affordable Waters reform, the whole package is an unworkable solution, especially because stormwater cannot be separated from core council functions like roads and parks. It would make more sense to provide water authorities in Auckland with access to Government-backed finance, alongside the economic and quality regulation already passed. Auckland Council supports water quality standards and economic regulation, **but if it is a balance sheet problem then deal with that.**

Climate change is a major threat to the resilience of our homes and infrastructure and requires a significant response. The risk of severe flooding and land instability will only increase as our population grows.

Work is already underway on the *Making Space for Water* programme which will link waterways with stormwater infrastructure to reduce risk to people and property. This includes culvert and bridge upgrades.

We've already secured \$380 million from central government to help us undertake this work. However, there is a lot more to do. Whoever forms the next government must take the lead on a managed retreat and ensure that any mandates on local government are fully funded.

Auckland Council and the Government need to agree some different funding models to enable Auckland, as the only international city of scale, to fund and finance the operational maintenance of our infrastructure.

The Auckland Deal needs to include:

- An annual transfer of tax revenue equal to GST charged on rates in Auckland Council.
- Rates paid on Crown property and other non-rateable land.
- Government to take the lead on developing a national funded solution to managed retreat – Auckland cannot cover more buy-outs.
- Repeal of the Affordable Waters Reform, and replacement with access to Government-backed finance for Three Waters infrastructure.
- A fair agreement on supporting climate adaptation work, including Making Space for Water.



5. Enabling us to protect and make the most of our environment, including our Three Harbours.

A stunning natural environment – harbours, beaches, forests, maunga, islands, urban trees – that can be accessed and enjoyed by Aucklanders across the region, including in its heart, is our greatest asset.

The council, alongside our mana whenua partners, is a key custodian of the natural environment and we acknowledge the importance of protecting and enhancing it. We hold the responsibility of monitoring and safeguarding the natural environment and making it accessible. We also have a role to play in protecting our environment by reducing our region's carbon emissions and pollution. But we need national support, especially to tackle the climate threat and energy transition.

The government must also support us to address major biosecurity threats, such as the exotic Caulerpa outbreak and other invasive pests that threaten the abundance and health of our flora and fauna. We need government's support to ensure that legislative tools go further in protecting our harbours for future generations to enjoy.

The Auckland Deal needs to include:

- Agreement to work together on environmental priorities of national concern.
- Joint initiatives to support the health of our Three Harbours, and public access to them, including responding to the exotic Caulerpa species.
- Direct support for climate initiatives to reduce the region's carbon emissions in line with Auckland's plans for a practical reduction pathway.



6. Partnerships to deliver *on joint priorities in these areas.*

Some Auckland communities experience intergenerational poverty, and under existing legislation Auckland Council is supposedly responsible for promoting the social and cultural well-being of Aucklanders. But clearly central government is the bigger player in the social space, and there has always been a lack of clarity about where central government ends and local government begins here.

There seems to be a great deal of duplication and inefficient allocation of responsibilities. For example, the Citizens Advice Bureau are really a central government service, providing a shop front for government agencies that have gone online, and their funding should reflect that.

Auckland Council and central government need to agree a clear strategy in these areas to deliver better public services, particularly for Aucklanders with complex social needs. Such a partnership would be consistent with the Royal Commission's recommendation to establish a Social Issues Board as the main governance body for social policy.

Again, while we aspire to contribute to the economic and cultural development of our region, we lack some of the obvious tools to do this. We can't impose a sensible 'bed tax' – used by most of our comparator cities – to share the cost of attracting major events. This is despite the Crown receiving most of the tax revenue in the form of GST that these events generate. We can't reasonably put all the burden on ratepayers for these activities.

We also need to rethink how arts, amenities and cultural institutions, such as the Auckland Museum, Art Gallery, surf lifesaving and the rescue helicopter are funded. Right now, Auckland ratepayers are mandated to fund these institutions each year without democratic accountability. No other council has this type of rigid arrangement imposed on them. It's time to review this arrangement, which in principle is just wrong.

Auckland Council and the Government can reduce duplication and get more for our investment by working together better.

The Auckland Deal needs to include:

- Auckland Council and central government to formally agree on a strategic approach and priorities in funding these services through an Auckland Regional Social and Economic Development Plan.
- New legislation, as proposed by Auckland Council, to reform Auckland Council's relationship with key regional organisations, including the Auckland War Memorial Museum, the Museum of Transport and Technology, and regional amenities.
- New legislation allowing Auckland Council to propose a bed tax to cover the cost of attracting and hosting major events and attractions.
- Agreement to fairly allocate responsibilities for funding core social services, including CABs.

Contact us if you would like to find out more

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Thank you
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