

GROWING PAINS

Solving the problems of Auckland's relentless growth



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Auckland – it's rarely out of the news. If it's not rocketing house prices, it's massive traffic jams. Auckland is growing like Topsy, and its growing pains are plain to see. So what is the public sector doing to help Auckland achieve its goal of becoming the world's most liveable city? Confirmed Wellingtonian JOHN O'LEARY visited the Queen City to find out.

Walking down Queen Street, I feel the energy. It's not like the gentle bureaucratic buzz of Lambton Quay – it's louder, rawer. Looking at the faces around me, the rest of the world – especially Asia – seems much closer. Auckland, I am beginning to understand, is different from the rest of the country – not just a little bit different, but a lot different.

My first stop is the Auckland Policy Office, the government's policy and strategy HQ in Auckland which houses some 50 public servants from a range of public service agencies. Formerly known as the Government Urban and Economic Development Office, the APO was established because of a growing recognition that the opportunities and challenges presented by Auckland required a greater degree of central government engagement.

It's a busy place. As I sit waiting in the reception area I spot Steven Joyce, the Minister of Business, Innovation and Employment, heading into what is doubtless one of many meetings he will have during the day.

"The APO is a policy capability beachhead," explains Lewis Holden, Deputy Commissioner, Auckland of the State Services Commission, who is my first interviewee. "It brings central government agencies together to establish a policy presence in Auckland and make sure that policies developed by central government align broadly with Auckland's needs."

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The APO is not the only presence central government has in Auckland, he adds, but it's an important one. "It works like a kind of voluntary club where agencies may have senior managers and analysts working for shorter or longer periods. Currently, we have over 20 people from MBIE, a dozen or so from both the Ministry of Transport and the Ministry for the Environment, and smaller numbers from agencies such as the Department of Internal Affairs, MSD, the State Services Commission and the Ministry for Pacific Peoples."

When it comes to Auckland, says Holden, three facts stand out. "First, Auckland is a very big city in terms of the country of which it is a part. Second, New Zealand has a very centralised form of government. Third, Auckland's not the capital city – this makes it unlike Dublin, London, Paris and other cities that are dominant within their countries."

"All this presents a challenge. How do state services ensure they are doing the right thing by Auckland? And not just by Auckland – but by New Zealand too? Because the fact is that Auckland's success or failure is also New Zealand's success or failure. Wherever we live in the country, we all have an interest in seeing Auckland become a successful, sustainable city."

Central government has a real role to play in the development of Auckland, says Holden. "A successful city is made by things like good governance, a strong economy, good public transport, good healthcare, a high level of

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CONNECTIONS

"This is where the APO comes in. It's a place for making connections between central and local government, and between central government and other stakeholders, such as in business and the voluntary sector. It's a place where we can share ideas and perspectives and make sure we are not talking past each other."

As an example of how the APO relates to local government, Holden points to his membership of the governance board of the Auckland Transport Alignment Project (ATAP), the year-long collaborative initiative begun in 2015 designed to speed up the development of Auckland's transport system and so help combat the chronic traffic congestion that plagues the city. "I work with chief executives of the Auckland Council and Auckland Transport, along with the heads of the Ministry of Transport and NZTA. Transport is a major issue in Auckland, as you know, so co-ordinating central government policy with local government plans in this area is vitally important."

"ATAP is really all about breaking down the siloes between central and local government and achieving a better outcome as a result."

Housing, of course, is another huge issue in Auckland, says Holden. "It's something which many APO staff are working on, making sure that government policy is aligned with local government and other initiatives. And having MSD, MBIE, MfE and other government officials working on housing all in the same place helps ensure coherence within government as well as with Council."

"There are, potentially, a huge range of interventions that central government can make here, both on the demand and supply side. One of the APO's roles is to ensure that the government receives informed, place-based advice and insights that will help lead to sound decision-making."

It's not all smooth sailing, says Holden. "There are differences in perspective, naturally, as well as fiscal constraints and varying regional needs that need to be taken account of. Often the APO is involved in complex negotiating processes – but the advantage is that we are now working more collaboratively with local government and other stakeholders in Auckland."

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"The APO plays an important part in fostering and furthering this understanding. Being here in Auckland really matters."

DIFFERENCE

Holden mentioned the Auckland Council several times in his talk with me, and it is to the Council's offices in Albert Street that I next head. From several storeys up the views over the city toward distant Rangitoto are splendid. Thinking of the steep, narrow geography of Wellington, I am reminded again of how large Auckland is in comparison, and how widely it spreads across its hills and gullies and harbour front.

Auckland's difference, indeed, is what Jim Quinn, the Council's Chief of Strategy, focuses on as I begin our interview. "People have to understand how different Auckland is. In terms of sheer population size, for example, Auckland is far bigger than any other city in the country, and it's growing fast. Currently, about 1.6 million people live in the greater Auckland area; by 2040 that figure may well have risen to nearer 2.5 million, of which some 1.8 million will be "new" Aucklanders. That's roughly a Christchurch every decade; three in 30 years."

"The growth is off the charts, and we need to be thinking and planning well ahead so the city can cope with it."

Another challenge, says Quinn, is understanding how different Auckland is in terms of its own diversity. "The population here is now superdiverse, and that superdiversity is only going to grow as more migrants make Auckland their home. We need to understand that such a diverse population has varying needs and expectations - the notion of an "average" Aucklander makes little sense these days, if it ever did."

Fortunately, says Quinn, the use of things like big data can help the Council and central government understand the city's population much better as it changes and grows. "This means services can be tailored and projects and initiatives designed more intelligently than in the past, with better resulting outcomes."

Important to Auckland's successful, sustainable growth, observes Quinn, echoing Lewis Holden, is collaboration between the Council and central government. "Here at the Council we work with the APO, and with government agencies directly at senior and lower levels. There's space for good, robust debate about commonly held plans, but it's not a contest for ownership – it's about shared ownership. The question must be: what are we doing to build a common thought base – and therefore a common action plan?"

As examples of current collaboration with central government, Quinn points to ATAP in the area of transport and to the Auckland Housing Accord in the area of housing provision. The Accord, which was agreed in 2013, provided for the establishment of Special Housing Areas (SHAs) and for fast-track consenting and approval processes.





CRITICISM

I point out that the SHAs in particular have come in for negative comment, with critics saying that very few new homes have been built in them. Quinn admits criticism has been levelled at the SHAs, but he does not see this as a reason to stop or change tack.

“With the SHAs, and with the other large collaborative infrastructure projects generally, we’re making progress. Of course it’s not as fast as many would like, but my message would be that we’re getting there; we just have to stick at it – the process from land to consent to liveable house takes time and momentum is building quickly.

“Impatience is understandable but people have to understand that change doesn’t happen overnight.”

Are there things which the Council and central government aren’t doing which they should be? Or things which they are doing but which could be done better?

“Well, I think there could be some legislative improvement,” replies Quinn. “More generally, we need to acknowledge what’s working well and what isn’t. With particular projects like ATAP – now drawing to an end - we need to consider the outputs and what they themselves are inputs into. The Auckland Plan as a whole will be refreshed with these sorts of outputs influencing the finished product.

“A major factor, of course, when it comes to housing provision is the Unitary Plan, on which the independent hearing commissioners are soon to report back. The degree to which densification is permitted will be important in determining how well the city can house its growing, increasingly diverse population.

“Unfortunately, the range of views on densification are varied, as we’ve seen.”

How does Quinn see the future unfolding for Auckland?

“I see a bright future for the city. But we need to get ahead and stay ahead of the curve, investing for the future. The worst thing, I believe, would be to underinvest and cause the city, in effect, to stall – this would damage not just Auckland but New Zealand as a whole.”

ON THE MOVE

My Friday interviews over, I spend a quiet night at my hotel digesting what I’ve learned, and the following weekend I take a look around the city. I walk down to the waterfront and am impressed by the development that’s taken place since I was last there. What used to be a dull area of wharves and warehouses, largely off limits to the public, is now the vibrant, busy Wynyard Quarter. I even attend a couple of Open Homes, to get first-hand experience of the Auckland housing market. The real estate agents, I notice, don’t even suggest a price - a reflection of how hot the market is.

Monday morning sees me in Mayoral Drive, at the offices of the Auckland Regional Chamber of Commerce, where I am to interview the Chamber’s Chief Executive, Michael Barnett. Across the road I see the corrugated iron roof of the pop-up Globe Theatre, a recreation of the second Globe Theatre used by Shakespeare’s company after the first Globe burned down. The plays that have been performed here have been selling out, with tens of thousands of Aucklanders attending the performances or visiting the theatre for tours. The pop-up Globe – sponsored by, among others, the Council’s CCO Auckland Tourism, Events and Economic Development – is one of a number of Council-led arts and culture initiatives which are helping strengthen the city’s reputation as a place of creative activity and experiment.



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When it comes to central government and Auckland, Barnett believes that the government has shown leadership in areas such as infrastructure investment, citing the various large transport initiatives that are under way or planned in the city such as the City Rail Link and the East West Connections project.

“I also think the government has shown some leadership in the area of immigration, allowing entry of skilled migrants which has helped address the chronic skills shortage employers face here. In the long term, though, we need to lift the skill levels of the local population – so education is important, and central government of course has a role to play in that.”

Bennet has some concerns, however. “There’s too much duplication when it comes to central and local government. I mean, in relation to the question of transport infrastructure, why do we need both a central government agency (NZTA) and a local government body (Auckland

What it comes down to, thinks Barnett, is telling Auckland's story better. "I don't think we do that very well, frankly. It's something we've all got to do – local Aucklanders, local and central government, New Zealanders generally."

Transport)? How does having two separate organisations help?"

What more, I ask, could central government do to help Auckland grow successfully and sustainably?

"It could make it easier to attract investment, to do business," says Barnett. "At the moment Auckland underperforms when it comes to attracting foreign investment. Government needs to operate as an enabler, helping to open doors for overseas companies that want to invest here.

"At the same time, Auckland needs to expand its export activity, especially to fast-growing, increasingly prosperous regions of the world like China and South-East Asia. We need to make sure people in Beijing and Jakarta know about Auckland and what it offers in terms of exports like high-quality processed foods and services like education and IT. Central government can operate as an enabler here, too."

What it comes down to, thinks Barnett, is telling Auckland's story better. "I don't think we do that very well, frankly. It's something we've all got to do – local Aucklanders, local and central government, New Zealanders generally. And we've got to do it in a compelling way that people understand, not in policy speak."

Like Jim Quinn at the Council, Barnett sees the city as having a bright future. "But we've got to up our game. We have to understand that we're in a global competition for talent and investment, and that we're up against the likes of Sydney and Singapore. People these days have a choice where they invest, where they live – we have to ensure they choose Auckland and not another city."

LESS THAN PERFECT

I have lunch in the CBD's pretty, prosperous High Street and then Uber my way across the Harbour Bridge to Massey University's Albany campus, where I am to speak with Dr Andy Asquith, Senior Lecturer at the School of Management and Director of the Public Management Group. Asquith is a specialist in local government and has involved himself in local government affairs, serving as a member of the One Auckland Trust and making submissions on the subject of the city's amalgamation of eight councils into one Auckland Council.

Asquith, I soon discover, believes the relationship of central government with local government (especially in Auckland) is less than perfect.

"Frankly, I think central government is scared of Auckland and doesn't know how to deal with it. Too often the response to an initiative from the Auckland Council is negative and knee jerk. A classic example is in the area of housing, where there's been a lack of a sensible dialogue between central government and the Council."

But what about the Auckland Housing Accord and its SHAs, not to mention the Tamaki Regeneration Company and other government-backed initiatives aimed at addressing the housing shortage?

"In my opinion, these things are too little too late. The government should have anticipated the demands on housing stock that were going to be made by Auckland's rapid growth. It could for example have increased the number of construction workers available by easing visa restrictions and cutting down on red tape."

"As it is, there's now considerable tension between central government and the Council around the issue of the urban growth boundary, which some politicians want substantially modified."

Central government, says Asquith, has to think more deeply and positively about local government, especially about local government in Auckland. "It can do this, if it wants to. The Council here is doing some good work in starting discussion about urban form and sustainability, from which future Aucklanders will reap a benefit in terms of a greener, more user-friendly city. Central government needs to come to the party."

One thing central government is waking up to, believes Asquith, is the fact that a large part of the country's leadership talent is to be found, not in the Wellington beltway, but in the Auckland CBD. "Government needs to draw on this talent, not ignore it, which is what it has tended to do in the past."

ALL JAFAS NOW

Asquith, as I have found out, has a rather different view of the central government/local government relationship in Auckland compared with my other interviewees. On one thing, however, he is in agreement with Lewis Holden, Jim Quinn and Michael Barnett: everyone in New Zealand has an interest in seeing Auckland succeed.

"The fact is, whether we like it or not, we're all JAFAs now."

I have a 'plane to catch and Uber my way south from Albany to the airport. The traffic flows freely and my trip is completed in less than an hour. Later, however, I learn that I only just missed getting caught up in a huge traffic jam on the Southern Motorway caused by a digger striking an overbridge and being knocked off its trailer onto two of the three southbound lanes.

Michael Barnett, whom I had talked to just a few hours before, was caught up in the jam, commenting later that Auckland had suffered a "massive loss of productivity" due to people missing meetings, goods not being delivered and international visitors getting stuck. An AA member survey a few days later reveals that nearly half the drivers questioned would leave the city if they could, so sick are they of traffic delays. Worryingly, predictions are that road congestion is only going to worsen, despite all the new transport infrastructure being put in place.

Auckland is growing, and its growing pains are very real. A lot is being done by central and local government (among others) to address the challenges posed by this growth, and no doubt further measures will be catered for in the upcoming budget. The question is – is it enough? As my 'plane begins its descent and I catch sight of small, compact, Wellington below me, I conclude that on this question the jury's still out.

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