



AUCKLAND REGIONAL CHAMBER OF COMMERCE SUBMISSION ON THE DRAFT AUCKLAND PLAN

SUMMARY RECOMMENDATIONS

- Everything is about cities and the wealth and energy they generate for lifting a nation's prospects and prosperity. The Auckland Chamber of Commerce **strongly recommend** the finalised Auckland Plan be trimmed down to identify and give primary focus to delivery of the 5-or-6 'game changing' major projects required to elevate Auckland's status as a great world city to live, work and visit.
- The draft Auckland Plan and supporting plans comprising some 800 pages is a mishmash of proposals and initiatives across a wide front, with not enough focus on what is really important and/or a 'game changer' for moving the city forward.
- For the Chamber of Commerce, of the more than 100 major projects identified in the draft Auckland Plan document the top 'game changing' projects are:
 - On Auckland's waterfront, a world-class convention centre and cruise ship terminal, coupled to a proactive, innovative event marketing strategy (rivalling Melbourne's) to make Auckland a year-round destination for hosting conventions, sporting events, conferences, trade and other events....
 - The Rugby World Cup established a legacy for Auckland as excellent hosts, an innovative, friendly people and a great, scenic place to visit. The Auckland Plan is an opportunity to bed-in the follow up of this success.
 - A comprehensive infrastructure investment strategy to raise the revenue to enable staged completion of Auckland's big transport projects by 2025-30; including: *A dedicated project outcome for each of, as the highest priority subject to confirmation of positive wider economic benefit-cost assessments:*
 - SH1-20 East-West and AMETI corridors by 2015-20
 - CBD-Mt Eden rail tunnel loop & linked developments by 2015-20
 - 3rd Waitemata Harbour Crossing by 2025-30.

- Establish on Auckland's waterfront an iconic 21st century structure differentiating Paris' Eiffel Tower, London's Big Ben, New York's Statue of Liberty, and Sydney's Opera House.
 - Use as a focus to build Auckland's global brand as a great city to live, work, invest and visit.
- An action continuum to transform Auckland's economy by fostering collaboration between Auckland Council, central government and business organisations to deliver the Auckland Economic Development Strategy to:
 - Achieve the proposed 'step change in exports and internationalisation';
 - Focus on attracting investment and global-focused businesses, encouraging innovation services, attracting and retaining talent, skill development, international branding and tourism; and,
 - Ensure a 'business friendly' Council - that its attitudes, planning and programmes - regulations, rates and general policies and infrastructure provision - set the boundaries for a strong, collaborative relationship with business organisations.

Our other high level recommendations are that the finalised Auckland Plan be strengthened to:

- Set out a plan of attack on regulatory and other areas – e.g. development contributions, resource and building consents - where Council can contribute to making Auckland housing more affordable;
- Set out proposals to engage with the housing industry to design a strategy to address Auckland's long-term housing shortfall. (Auckland is currently building less than 5000 houses a year against a need of more than 10,000 houses a year, according to population projections.)
- Be strengthened to show that all major project proposals have been assessed and prioritised for implementation against common criteria, including value for money, affordability, feasibility (i.e. they have clear consent pathways and are do-able with firm start-completion dates), and make the best use of existing networks, resources and infrastructure.
- Take a positive, principle-based approach to exploit the new opportunities arising from the establishment of a single Auckland Council, including:
 - With a strong asset base (\$32.4 billion) we now have enough scale for initiating a once-in-a-lifetime opportunity to think out solutions to our problems for ourselves, and design an innovative 30-year Plan that includes a funding strategy for any project we decide to pursue.

- Central government initiatives for 'shared ownership' of energy and air transport infrastructure to achieve a better 'value for money' from existing assets create the opportunity for a similar approach with assets owned by Auckland Council. Possibilities include a partial sell down that distributes the ownership of key public assets (like Ports of Auckland and Auckland Airport) between Aucklanders and Council, while also helping Council fund the infrastructure investment proposals in the Auckland Plan.
 - Plainly, many people have lost confidence in the stock market and instead invest in property to create a retirement nest egg. For Aucklanders to have the opportunity to take a stake with Auckland Council in a 'shared ownership' arrangement of Auckland assets would be win-win; there would be a return from the investment in the asset, and the satisfaction of seeing progress on critical infrastructure that would not otherwise happen.
- We agree that it is unrealistic to expect rate payers to fund major infrastructure investments.
- We agree that while central government should fund its 'fair share' of the Auckland Plan initiatives, if Auckland really wants to make rapid progress it is now time to take firm leadership to find our own viable solutions.
- The final Auckland Plan should only include projects that are supported by fit-for-purpose funding tools, and which are then supported in the LTP by a business plan setting out a firm implementation timeframe covering design and consent process and construction.

We strongly recommend the City Centre Masterplan:

- Elevate and leverage the history of Auckland as a port city, and build on the growth over the last 20 years of innovative, knowledge based businesses in this part of Auckland.
- By this we mean making the vibrancy and authenticity of the working waterfront central to the proposition of an intensified "Auckland," and putting greater emphasis in the City Centre development on making the area to attracting high value, knowledge based businesses to locate (rather than promoting the city centre as a residential area).



AUCKLAND REGIONAL CHAMBER OF COMMERCE SUBMISSION ON THE DRAFT AUCKLAND PLAN

INTRODUCTION

1. The Auckland Chamber of Commerce welcomes the opportunity to provide a submission on the 30-year *Draft Auckland Plan* (draft Plan), and looks forward to further engagement with Auckland Council in the development and implementation of the Auckland Plan and the three associated supporting documents:
 - the 10-year Draft Economic Development Strategy (EDS)
 - the 20-year Draft City Centre Masterplan
 - the 30-year Draft Waterfront Plan.

2. The Auckland Council proposes that the Auckland Plan will be a bold 30-year strategy underpinned by the Mayor's vision for Auckland to become the world's most liveable city. We note and agree with the overarching view that Auckland's future lies in being a globally competitive city that maintains the qualities of its unique environment and inclusive community (section 151 refers).

3. We also note and agree with the comment that how well we do economically ultimately underpins everything in the package of plans (section 11 refers). Auckland's standard of living is fundamentally dependent on the productive performance of its businesses. Businesses are therefore central to Auckland's economic development and are the engine of growth.

4. As first signalled during the Auckland governance reform process leading to the establishment of a single Auckland Council, to create confidence the implementation of a single, integrated planning structure will be a success long-term a number of inter-related requirements need to be met, including:
 - Giving appropriate priority to enabling Auckland's economic success by:
 - Focussed action on Auckland's major issues and initiatives;
 - Achieving better value from rates and central government funding;
 - Addressing the impacts of Auckland's land use planning on housing affordability;
 - Creating a strong ongoing working partnership with business;
 - Overcoming a long-standing lack of funding certainty and political will to adopt innovative investment measures for funding major initiatives.

5. We reviewed the draft Plan to assess progress and make recommendations to address the above points and other relevant matters.

Business-friendly intentions

6. The draft Plan highlights that Auckland Council wants to be business-friendly. We welcome this. Strong ongoing consultation, engagement and collaboration to support business getting on with what it does best – business – will help businesses perform well and thereby contribute to determining Auckland's overall level of prosperity and well being.
7. A concerted effort is required by the new Council to ensure that its attitudes, policies and programmes - regulations, rates, planning and infrastructure provision - set the boundaries for improved business performance. Good and responsive local government is essential for good business.

Risk of over promising and under delivering

8. We note that the package of draft plans comprise about 800 pages of documents and include many complex and difficult issues required to address the long-term social, economic, environmental and cultural objectives for Auckland and its communities, and that there is still much work to do.
9. Among many gaps is the absence of a funding strategy, clear evidence of how proposed bold and ambitious goals will be achieved, assessment of what is affordable and feasible, and authoritative summary of the different investment priorities of central and local government.
10. There are also two critical yet-to-be-prepared documents that the draft Plan indicates will help implement the Auckland Plan over the first 10 years of its life. They are the **Unitary Plan** which will detail how Auckland Council (with its partners) will design, develop and grow Auckland; and the **Long Term Plan** (LTP) which will prioritise the funding to deliver the Plan on a staged basis (section 26 refers). However, these will not be available until early in 2012.
11. Without the support of an affordable, realistic funding strategy, the Auckland Plan's key strategies and projects will go nowhere, and the Plan assume the status of little more than a wish list.
12. The sheer size of the documents makes the plans difficult to unravel in terms of what they identify as the priority policies and issues facing Auckland, what we can afford, how major initiatives will be funded and what the action steps to execute the plan's will be and by when. There is a real risk of spreading limited resources too thinly and not enough focus being harnessed for committed action on what is really important.

13. We note that It is intended that the Auckland Plan will be adopted by the end of 2011 in order to give a basis for preparing the 2012/22 LTP, prioritising funding, and help inter-related projects and programmes get underway.
14. Accordingly, **we strongly recommend** the finalised Auckland Plan:
- Set out a clear strategy to support Council's desire to be business-friendly and ensure that its attitudes, planning and programmes - regulations, rates and general policies and infrastructure provision - set the boundaries for a strong, collaborative relationship with business organisations.
 - Clearly identify the major game-changing projects needed for business to make a full contribution to improving Auckland's economic growth and productivity; and,
 - Require all high cost projects to undergo a full economic benefit assessment and prioritisation to identify those offering the highest productivity and value for money, in order to go forward for funding and delivery under the LTP.
15. Despite the gaps and short-comings identified above the release of the draft Plan and associated documents is a significant milestone for Auckland, and represents the beginning of a new process which the Chamber of Commerce welcomes and will continue to play our part.

BACKGROUND

Chambers of Commerce

16. The Auckland Regional Chamber has a corporate membership of more than 6000, including many businesses that expect their views to be forcefully represented in this Submission.
17. The Auckland Chamber is dedicated to the strengthening of the Auckland's status as New Zealand's pre-eminent commercial, industrial and communications region and to assisting the development of the region in creating a desirable environment for its 1.4 million citizens. To this end, the Chamber has sought to establish a partnership relationship with central and local government organisations to help achieve shared delivery of the vision for Auckland.
18. **We wish to take up the opportunity to make a supporting presentation of our submission on the draft Auckland Plan and related documents.** Please confirm arrangements with PA to CEO Michael Barnett, Shai Navot: snavot@chamber.co.nz or 302 9916.

Role of business

19. Auckland has more than 180,000 registered businesses, 95% of whom are small-medium enterprises. They generate around 36% of New Zealand's wealth, jobs and taxation revenue.
20. We note and agree with the draft EDS statement that Auckland's standard of living is fundamentally dependent on the productive

performance of its firms and people (page 10 refers). As noted, businesses and individuals are therefore central to Auckland's economic development and are the engine of growth.

21. Even though Auckland businesses represent the engine room of the New Zealand economy, the overwhelming majority turnover less than \$5 million a year and fewer than 3% are regular exporters.
22. According to an international study, however, Auckland is one of the most entrepreneurial cities in the world. Auckland respondents were deemed to have a particularly strong self-belief in their capabilities. But Auckland scored lower than the comparator cities in terms of entrepreneur's intentions to grow their business beyond 10 employees, and/or converting their innovation potential into a business of global scale and/or to get into exporting. These growth aspiration limitations may be related to cultural and life-style considerations as well as market characteristics.
23. This is a fragile picture of our business performance on the world stage but a strong affirmation of our business growth potential. The Chamber of Commerce strongly agree we need a change of thinking and direction to create a long-term commitment to support progressive industry sectors demonstrating potential to grow and become global players. Attractive incentives to change business behaviour are required.
24. Auckland Council can assist business organisations in this process, and we look forward to the uptake of our suggestions and recommendations to achieve this shift outlined below.
25. Our recommendations to strengthen the draft Plan are intended to be constructive and helpful input which we consider will assist in ensuring the Auckland Plan provides the necessary foundation for the achievement of the Auckland Vision and supporting business to help achieve the goals and strategies for Auckland to become a globally recognised and successful competitive city to invest, live, visit and do business.

GENERAL FEEDBACK

26. The decisions Auckland Council makes about its preferred urban form and delivery of services to accommodate and manage future growth are of critical interest to business.
27. Different urban forms and local government planning and administration regimes have direct cost implications for business and contribute to decision-making on whether to invest and locate a business.
28. We agree with the draft Plan that urban form and land use planning have a significant influence on Auckland's attractiveness for business.

29. Longstanding challenges for local government in Auckland include:

- The need for infrastructure investment – including transport, electricity, telecommunications, water and social area – to keep pace with population growth;
- Increasing housing unaffordability;
- Limited business land availability;
- A wide range of income levels and skills shortages.

30. Underpinning these points is that since the mid-1950s Auckland's population has been increasing at double the rate of the rest of New Zealand, and confirming it as New Zealand's only city of global scale.

Impact of population growth and housing affordability

31. Projections in the draft Plan suggest that by 2040, Auckland's population could increase by 700,000 to 1 million people to reach between 2.2 and 2.5 million. The rate of population growth in Auckland is projected to be double that of the rest of New Zealand, and by 2040 more than 60% of the total NZ population will live north of Taupo.

32. The number of households in Auckland will grow even faster over the same period from 427,000 to about one million households.

33. The draft Plan indicates the Auckland region needs around 10,000 new dwellings per annum to respond to projected population/household growth rates. Current activity levels are around half the volume required.

34. Among reasons often cited as to why building activity is not keeping up with demand relate to the introduction of the Metropolitan Urban Limit (MUL) in 1999, which is claimed to have led to higher land prices than elsewhere in New Zealand and comparable overseas cities.

35. Other drivers contributing to Auckland having severely unaffordable housing compared with many other cities include the high cost of resource consent processes and development contributions.

36. Auckland is competing for skilled workers with cities overseas. Factors such as quality of life, housing affordability, employment opportunities and vibrancy are seen as critical to make Auckland attractive for skilled workers, companies and investors.

37. The draft Plan identifies housing as a top priority. Areas of focus include:

- a consolidated, revamped Central Business District (Parnell to Ponsonby);
- a southern opportunity area (development in and around the airport and south Auckland);
- developments in Tāmaki, Hobsonville, Albany, Flatbush and Mangere.

38. The draft Plan proposes to replace the MUL policy with a Rural Urban Boundary (RUB) policy to allow controlled release of greenfield land (section 166 and 499 refers), to meet market demand by ensuring:
- there is always 5 years' available land which is zoned for residential development and serviced for water and waste water ("unconstrained capacity") and a further 15 years capacity planned;
 - there is a forward supply of unconstrained business land capacity, earmarked for particular purposes (especially Group 1 industrial land).
39. Some major challenges are immediately apparent: First, Auckland will need a significantly expanded construction sector in order to achieve the Plan's targets. The 400,000 additional dwellings required over 30 years equates to around 13,000 new units per year. During its golden building boom years Auckland managed around 10,000 units a year. Currently we are managing around 4000 new units a year.
40. Second, there is no clear evidence that a rigorous, evidenced evaluation of urban form options has been undertaken with criteria that take account of the issues of long-standing concern to the business community, including:
- housing affordability and choice
 - infrastructure costs, especially transport
 - economic growth and productivity
 - social and educational underachievement (and related welfare dependency/ expenditures)
41. It is also disappointing that the draft Plan lacks a clear strategy to contribute to affordable housing in Auckland through:
- less restrictive land use planning
 - seek efficiencies in the resource consent process; and,
 - review the development contributions policy with a view to incentivise building work and make housing more affordable.
42. Accordingly, **we strongly recommend** the finalised Auckland Plan:
- Set out a plan of attack on regulatory and other areas – e.g. development contributions, resource and building consents - where Council can contribute to making Auckland housing more affordable;
 - Set out proposals to engage with the housing industry to design a strategy to address Auckland's long-term housing shortfall. (Auckland is currently building less than 5000 houses a year against a need of more than 10,000 houses a year, according to population projections.)

Need for strengthened focus on delivery and realistic actions

43. A consistent failing in past planning for Auckland has been implementation.
44. Without the confidence that the Auckland Plan can and will be implemented, it will not gain the credibility and support needed to underpin its implementation over an extended period.
45. In order to create widespread confidence in the implementation of the Auckland Plan, a number of inter-related requirements need to be met, including:

Alignment of objectives

46. Lack of alignment between local and central Government has been a key failing in past planning and to achieve this will require considerable work to strike a balance between aspiration and what is really important especially in an environment of fiscal constraint and crises management that currently prevails.
47. As the draft Plan confirms, central Government is an indispensable partner if the Plan's goals, strategies and projects are to be achieved (section 22 refers). However, as the Minister of Local Government Rodney Hide confirms in the Government Foreword (page 4 refers), the vision and goals of the draft Plan include some complex issues where the different investment priorities of central and local government still need to be identified.
48. Also, given the critical role of Auckland business in the performance of the New Zealand economy, the lack of alignment in objectives at central and local government level deserves to be addressed with speed and urgency and, as noted above, involve a conversation with business organisations.
49. Accordingly, **we strongly recommend:**
- It is essential that re-alignment of objectives between local and central Government within the context of finalising the Auckland Plan are 'business-friendly', especially in the strategies and programmes of central government and Council with respect to economic development (through the Economic Development Strategy and ATEED programmes).
 - We will elaborate this recommendation further below and in our oral presentation in support of this submission

Close working partnership with business organisations

50. The draft Plan identifies a number of new opportunities for Auckland including, the ability of the single Council to:
- Marshall investment and to shape growth and change more explicitly and more proactively;

- Work in partnership with the private sector and other institutions in Auckland to manage change and leverage assets; and.
- Take bigger actions and leverage assets.

Whole of government-business approach

51. Accepting the above points, the Auckland Council organisation as a whole has an opportunity to work in partnership with the private sector in order to achieve all its key objectives – not just those with respect to economic development
52. The draft Plan and EDS note that Auckland competes against cities around the world to attract and retain companies and skilled employees that contribute to the city's economic growth and development and quality of life. Companies and talented workers are increasingly mobile. Establishing a competitive business climate is essential to attracting and retaining enterprise and talent.
53. To be successful, Auckland must have an overarching environment that welcomes and supports business success.
54. To convert the Council's high level rhetoric to be 'business-friendly' into its operational best-practice, the Chamber **strongly recommends** that the Auckland Plan include some guiding principles for adoption by the whole Auckland Council organization in all its dealings with the private sector, to show that Council really does:
- Value economic development as a key priority that contributes to Auckland's sustainability, quality of life, and financial well-being.
 - Welcome new businesses and acknowledging the important contribution of existing businesses to Auckland's long-term economic sustainability.
 - Want Council costs to be competitive relative to other cities and regions, especially within the industry sectors that are important to the city's economic success, and in which Auckland is competing with other overseas cities for businesses to locate.
 - Provide an environment of "certainty" for businesses by establishing clear, consistent policies for development, regulation, and rates.
 - Have streamlined, timely regulatory and permit processes.
 - Provide responsive and flexible customer services at Council centres.
 - Include economic and business impact considerations in Council decision-making.
 - Demonstrate pride in the successes of Auckland firms and business leaders.
 - Develop and nurtures people and companies in our multicultural (recent migrant arrival) communities, and sister city programmes, whose experience and connections give us a competitive advantage in the Asia-Pacific Region.

Realistic, evidence-based prioritisation

55. Although the draft Plan's schedules include most of the important infrastructure projects needing Auckland's focused attention (Figure 12.2 and Figure 12.3 refers), there is minimal details confirming assessment of economic benefits, or business case preparation.
56. In short, the Plan fails to identify through evidence-based comparison what the really important priority package of projects should comprise.
57. In our view it is imperative this prioritisation is both evidence-based and transparent. This rigour is essential to achieving alignment with central Government objectives for New Zealand and enabling business-led growth.
58. Accordingly, **we strongly recommend** the final Auckland Plan:
- Be strengthened to show that all major project proposals have been assessed and prioritised for implementation against common criteria, including value for money, affordability, feasibility (i.e. they have clear consent pathways and are do-able with firm start-completion dates), and make the best use of existing networks, resources and infrastructure.

New Financial Instruments and Funding Options

59. A key failing of past planning has been that plans and associated projects and programmes have not been funded and/or have been staggered over many years through lack of funding certainty.
60. The same failing threatens to de-rail smooth implementation of the Auckland Plan. The draft Plan is not supported by a funding strategy, and instead in the transport section alone there is a funding gap of between \$10-\$15 billion shown for a group of projects considered critical to the plan's success (section 739 refers).
61. Many of the draft Plan's projects are either uncosted and/or unfunded. Other 'critical' projects are staggered over 20-years apparently reflecting a lack of funding certainty. This is unacceptable. Without certainty around funding and measured action to implement major projects in a reasonable time frame, the Auckland Plan's initiatives will suffer the fate of many previous plans for Auckland's progress – go nowhere.
62. The draft Plan confirms that Council is investigating new approaches to funding and financing the infrastructure and services required to deliver the Plan's objectives (section 738 refers). A summary of possible funding mechanisms is included in the draft, and the observation made that because of the complexity and implications of introducing new funding tools which form part of the overall financial strategy, this will take time to develop.

63. Options include targeted rates, development contributions, reframed 'user pay' options, private-public partnerships, progressive rating, tax increment financing, and asset sales.
64. In our view too much time has been lost, and we should be seeing specific funding proposals tied to projects as part of the draft Auckland Plan consultation process. A critical and urgent process of prioritisation as part of the development of the final Auckland Plan and supporting LTP is essential in the period ahead, and in our view will require further, open consultation with Auckland communities of interest and central government.
65. In developing new funding tools for inclusion in the draft Plan, the Chamber **strongly recommends** Council take a positive, principle-based approach to exploit the new opportunities arising from the establishment of a single Auckland Council, including:
- With a strong asset base (\$32.4 billion) we now have enough scale for initiating a once-in-a-lifetime opportunity to think out solutions to our problems for ourselves, and design an innovative 30-year Plan that includes a funding strategy for any project we decide to pursue.
 - Central government initiatives for 'shared ownership' of energy and air transport infrastructure to achieve a better 'value for money' from existing assets create the opportunity for a similar approach with assets owned by Auckland Council. Possibilities include a partial sell down that distributes the ownership of key public assets (like Ports of Auckland and Auckland Airport) between Aucklanders and Council, while also helping Council fund the infrastructure investment proposals in the Auckland Plan.
 - Plainly, many people have lost confidence in the stock market and instead invest in property to create a retirement nest egg. For Aucklanders to have the opportunity to take a stake with Auckland Council in a 'shared ownership' arrangement of Auckland assets would be win-win; there would be a return from the investment in the asset, and the satisfaction of seeing progress on critical infrastructure that would not otherwise happen.
 - We agree that it is unrealistic to expect rate payers to fund major infrastructure investments.
 - We agree that while central government should fund its 'fair share' of the Auckland Plan initiatives, if Auckland really wants to make rapid progress it is now time to take firm leadership to find our own viable solutions.
 - The final Auckland Plan should only include projects that are supported by fit-for-purpose funding tools, and which are then supported in the LTP by a business plan setting out a firm

implementation timeframe covering design and consent process and construction.

66. We need to constantly remind ourselves that a key rationale for the establishment of a single Auckland Council was to create a unitary local authority that could professionally plan for and implement its strategies and investment priorities in a business-like way.
67. The Chamber is confident that if the public became convinced on the benefits of a particular project, they would endorse its introduction through alternative funding.
68. The Chamber is developing some further thinking on options for funding major projects and to address the funding gap through our membership of the Auckland Business Forum, and which we intend bringing forward in the period ahead. We look forward to engaging with Council in this process.

Prioritising the Economic Development Strategy (EDS)

69. The Chamber supports Council's goals to ensure Auckland is an outward-looking global city with a productive, high-value economy. The proposed approach involves seeking to establish an internationally competitive, prosperous economy for all Aucklanders through a step change in exports and internationalisation.
70. To achieve this goal there are five potential strategic areas that the draft EDS puts forward to be focused on (page 3 refers):
- A business-friendly and well functioning city
 - An innovation hub of the Asia-Pacific Region
 - Internationally connected and export driven
 - Investing in people to grow skills and local workforce
 - A vibrant, creative world city.
71. The Chamber agrees these are the directions that should be focused on to develop a more outward-looking productive high-value economy, and notes that the Council considers its first role in economic development with respect to these goals is to create the conditions within which businesses can flourish and succeed without any further intervention.
72. Based on research from previous councils and central government, and stakeholder consultation, the draft EDS identifies seven priority sector areas (page 21 refers) with significant growth potential and which it is proposed become part of the internationally connected innovation system that will feature in the Auckland Plan.
73. The Chamber **strongly recommends:**
- that the Auckland Plan and supporting EDS be strengthened to include a practical, realistic strategy to support Auckland business taking initiatives to achieve the proposed 'step change in exports and internationalisation'.

Economic growth targets

74. The Chamber notes the ambitious performance targets proposed in the draft Plan for Auckland over the next 30 years to:

- raise annual productivity growth from current 1% to 2%
- raise annual export growth from current 3% to 5%
- raise annual GDP growth from current 3% to 5%.

75. As the draft Plan notes, if these performance goals are achieved, the Auckland economy would improve 20 places in 20 years against other OECD cities, and increase its relative contribution to New Zealand's real GDP from 34% to between 39% and 44% of national GDP by 2031.

76. We also note the strong emphasis on seeking a structural change in the Auckland economy, from being import-led and domestically focused, to being more export driven, through a shift to "new economy" industries and long-term sustainable growth.

77. For these targets to be met the transformational shifts proposed in the draft Plan (sections 128 –147) will need to be achieved. Auckland will require a strong and growing economy, and for that an environment which is attractive to business is essential.

78. However in reading the overall package of plans, The Chamber considers that the key role of Auckland's economic performance to provide the environment for a community of thriving businesses and also generate the wealth required to deliver the Plan's social and other investment goals is not sufficiently highlighted.

79. When it comes to the preparation of the LTP, for example, we believe the Auckland Plan and supporting documents need to make it very clear that Auckland's economic performance is both:

- The key driver of the Plan;
- A filter through which the other key elements of the Plan are considered; and,
- A measure for prioritising projects and programmes.

80. While we strongly support the need for setting a new direction and ambitious targets for economic development in Auckland, they need to be demonstrably realistic (i.e. affordable), politically achievable and of a scale that businesses can identify with and help deliver; that is, the 'what' needs to be supported by the 'how' actions required for business buy-in to be a champion of the strategy and help turn the aspirations into achievable programmes of action.

81. Having a nice plan is won't achieve success; the plan needs the reinforcement of a reality check in the form of a fully resourced, targeted campaign designed to get a result.

82. Accordingly, the Chamber **strongly recommends** the final Auckland Plan:

- Include a call-to-action framework on how the Auckland Council group and business organisations might collaborate and work together to champion the delivery of the seven priority area goals and targets described above.

OTHER MATTERS

Efficient, modern infrastructure

83. The Chamber's feedback on transport infrastructure has been provided separately through our membership of the Auckland Business Forum.

84. However, you should note from this submission that the Chamber strongly agrees with the intention to plan and fund one integrated transport network – one that supports the growth and the outcomes that Aucklanders are looking for.

85. Accordingly, we **recommend** that:

- the transport principles set out in Box 11.1 (page 163) be strengthened to give explicit recognition to the role of an integrated transport system to help achieve the Plan's economic growth aspirations; that is, add a bullet in Box 11.1 to read:
 - *Ensure that existing and proposed transport investment is prioritised to assist to achieve Auckland's economic growth objectives.*
- all high cost projects undergo wider economic benefit assessment to identify productivity and value for money benefits.
 - We suggest that this provision be adopted as a policy directive in the Auckland Plan.

86. Given the large funding gap identified in the draft Plan (section 739 refers), we consider it important that assessment of benefits of all major projects, both road and rail, be undertaken against the same criteria. In particular, as noted above, the assessment needs to include contribution to achievement of Auckland's economic growth objectives and value for money.

87. We also agree on the importance of the Auckland Plan setting out clear affordable, implementable strategies to facilitate the provision of modern and efficient broadband, water and wastewater, energy and social infrastructure (and especially year-round useable sporting grounds and recreation areas).

Provision of enough industrial and business land for productive use

88. Currently, just 17% of Auckland's land area is designated for urban usage but it is estimated that within the current planning framework that there is enough industrial land to meet business demand to 2019 only. In particular, the draft Plan notes there is an 'extremely short supply of large lot industrial land' (section 504 refers)
89. Further, there appears to be nothing in the draft Plan to address this shortage with urgency or any regard to supporting the economic growth targets. There is mention of 6000 hectares of additional Greenfield land for investigation "for future residential, industrial and employment growth."
90. Also, the draft Plan says little on the areas to be considered for prioritised business and industrial land use and makes no firm recommendations other than that its location will depend on provision of infrastructure (and especially efficient transport) and the need to balance economic growth with the maintenance of rural values and lifestyles.
91. Accordingly, the Chamber **recommends** the finalised Plan:
- Clearly identifies the areas available for business expansion, where the shortages are expected to occur and what the plan will be to ensure Auckland has sufficient industrial land for the foreseeable future.

Southern Initiative and draft City Centre Masterplan

92. The draft Plan identifies two main target areas for growth, stating that they have the potential to transform Auckland's economic performance. Firstly, the International City Centre and fringe is identified as Auckland's cultural, civic, academic, business and entertainment heart. Secondly, the Southern Opportunity Area, anchored by Auckland International Airport, is identified as a key area for future growth in freight, logistics, and high value manufacturing.
93. We agree the southern opportunity area could be an attractive locality for high value manufacturing, such as food processing and technology and where educational institutions and networks provide outstanding opportunities to connect future employees with industry.
94. The City Centre Masterplan identifies eight 'place-based' transformational moves (section 531 refers), including to:
- Reinforce the city centre as the 'engine room' of the Auckland economy and fully exploit the waterfront opportunities; and
 - Develop a compelling value proposition and climate for individuals and business to invest in their city centre.
95. Meanwhile a draft Waterfront Plan envisages a world-class destination and precinct which supports commercially successful and innovative

businesses, and is a potential site of an iconic building (section 553 refers).

96. The Chamber welcomes these high level proposals in principle but is disappointed there is a lack of required project establishment and implementation detail in the draft Auckland Plan. As described in our submission to the "Auckland Unleashed" discussion document, the southern initiative and city centre-waterfront proposals are largely aspirational and lacking in concrete directives or clear details and strategy such as key outcomes to be achieved, resources required, milestones and a measurable programme of action to be completed within the term of the plan.

Business intensification of the City Centre – Wynyard Quarter

97. The City Centre Plan also seems to prioritise residential development in the Quay Street – Wynyard Quarter area, without any apparent economic assessment of the priority need for, or advantage of intensification of business development in this part of the central business district.

98. Given the areas proximity to New Zealand's commercial capital precinct and the port (and knowing that the economic targets of the Plan will lead to increased export-based activity through the port), the emphasis on intensification should surely be on wealth and productivity increases through business development?

99. Accordingly, we strongly recommend the City Centre Masterplan:

- elevate and leverage the history of Auckland as a port city, and build on the growth over the last 20 years of innovative, knowledge based businesses in this part of Auckland.
- By this we mean making the vibrancy and authenticity of the working waterfront central to the proposition of an intensified "Auckland," and putting greater emphasis in the City Centre development on making the area to attracting high value, knowledge based businesses to locate (rather than promoting the city centre as a residential area).

CONCLUDING COMMENTS

100. The first Auckland Plan provides the opportunity to create a coordination and information-sharing tool for helping Auckland lift its game and deliver better outcomes.

101. How well we do economically ultimately underpins everything in the plan. The priority emphasis and projects therefore needs to be in areas that will help build an internationally competitive prosperous economy that all Aucklanders can benefit from and participate in.

102. The next iteration of the Plan's development needs to be supported by an evidenced based assessment of projects to address

Auckland's big issues and initiatives, and include a funding strategy that is demonstrably realistic (i.e. affordable) and which stakeholder and public buy-in can be agreed, as well as its timely implementation.

103. The Chamber's submission is made in the positive spirit of developing an Auckland Plan that supports and encourages business-friendly innovation and growth for the benefit of all Aucklanders.
104. We are seeking a plan that we can join with Council to champion and promote, and look forward to the finalised Plan – and supporting LTP - highlighting that the intention is implementation and action.
105. The Auckland Chamber looks forward to continuing to work with the Auckland Council to achieve our shared objective of attracting and encouraging the development of business opportunities in Auckland.

Michael Barnett
Chief Executive

31 October 2011