

# Governance for Auckland Growth, Boundaries and Certainty

AUT University 28 April 2009

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# Purpose: putting the reforms to work

- How might the proposed reforms:
  - Define and respond to boundaries?
    - Communities of interests
    - Physical catchments
    - Spheres of influence
  - Improve our capacity to manage population growth?
  - Enhance our ability to sustain economic growth?
  - Enable the region to deal with uncertainty?

# This paper considers some challenges:

1. Boundaries:
  - reconciling flexibility and alignment;
  - giving voice to communities within the community;
  - knowing our limits.
2. Growth:
  - the fallibility of forecasts and the conceit of 50 year plans
3. Certainty
  - knowing the future, shaping outcomes; or
  - managing risk and uncertainty

# Boundary Challenges for the Local Government Commission

- Guided by LGA 2002 Schedule 3 (3) (also Schedule 6)
  - Boundaries define a district or region:
    - (ii) ...appropriate for the efficient and effective performance of its role
    - (iii) "contain ... a sufficiently distinct community of interest or sufficiently distinct communities of interest"
- Boundary alignment
  - Fixed and formative, *or*
  - Fuzzy and flexible

# External Boundaries – fitting Auckland in

- Need flexible arrangements & collaboration across boundaries for :
  - Economic matters
  - Infrastructure and networks
  - Physical and natural resource management
- Defining limits to the region:
  - E.g., Labour market catchments (Warkworth to Karaka?)
  - Economic influence (Tauranga to Whangarei?)
  - Physical catchments (Water catchments, shorelines?)
  - Land use (Urban and peri-urban)
- North and south:
  - where does urban influence end and what is the impact on the governance of neighbouring territories?
- Sensitive to rural and urban differences & transitions:
  - Combine inter-dependent areas; or
  - Reflect broad land use differences

# Internal Boundaries – giving voice to communities

- How to define 20 to 30 communities of interest:
  - Purpose: community, amenity, economy, or democracy?
  - Character: diversity or commonality?
  - Connections: interdependence or autonomy?
- Drawing boundaries of local boards an opportunity to:
  - Provide for communities of interest
  - Promote community leadership
  - See beyond the waterfront
  - Create opportunities for urban villages and local community development

# The growth challenge:

WHEREAS, over the next 100 years, the Auckland region will face enormous change brought about by global economic, environmental, and political forces. Local trends, including high population growth, add to the challenges and opportunities for the region.

Auckland has to compete in a global market place to sell its goods and services and to attract the talented people it requires to secure a sustainable and prosperous future

Terms of Reference, Royal Commission on Auckland Governance

# Growth: promotion or management? expansion or containment?

How will the Auckland Council deal with growth?

1. How to manage population growth:
  - 2 million people by 2041?
2. How to promote economic growth?
  - Performing in a globalising world
  - Auckland as engine room
3. How to reconcile economic, social, cultural and environmental pressures?

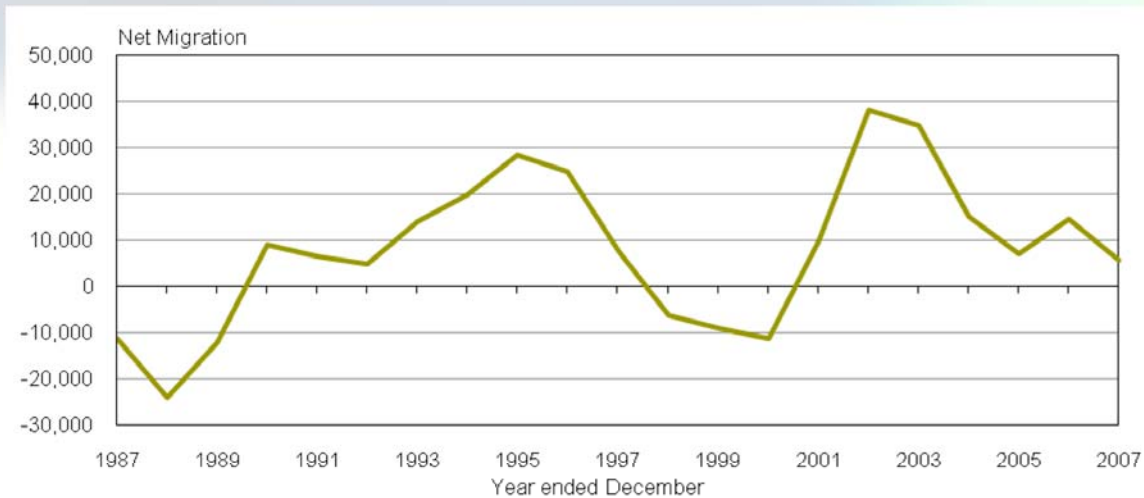
# Accommodating growth

- Consistency and coping with surprises:
  - Consider what we want, or need
  - Provide for the knowable
  - Allow for the unknowable
  - Assume the unexpected
  - Prepare to respond to surprises
- Create capacity for growth without getting “locked in”

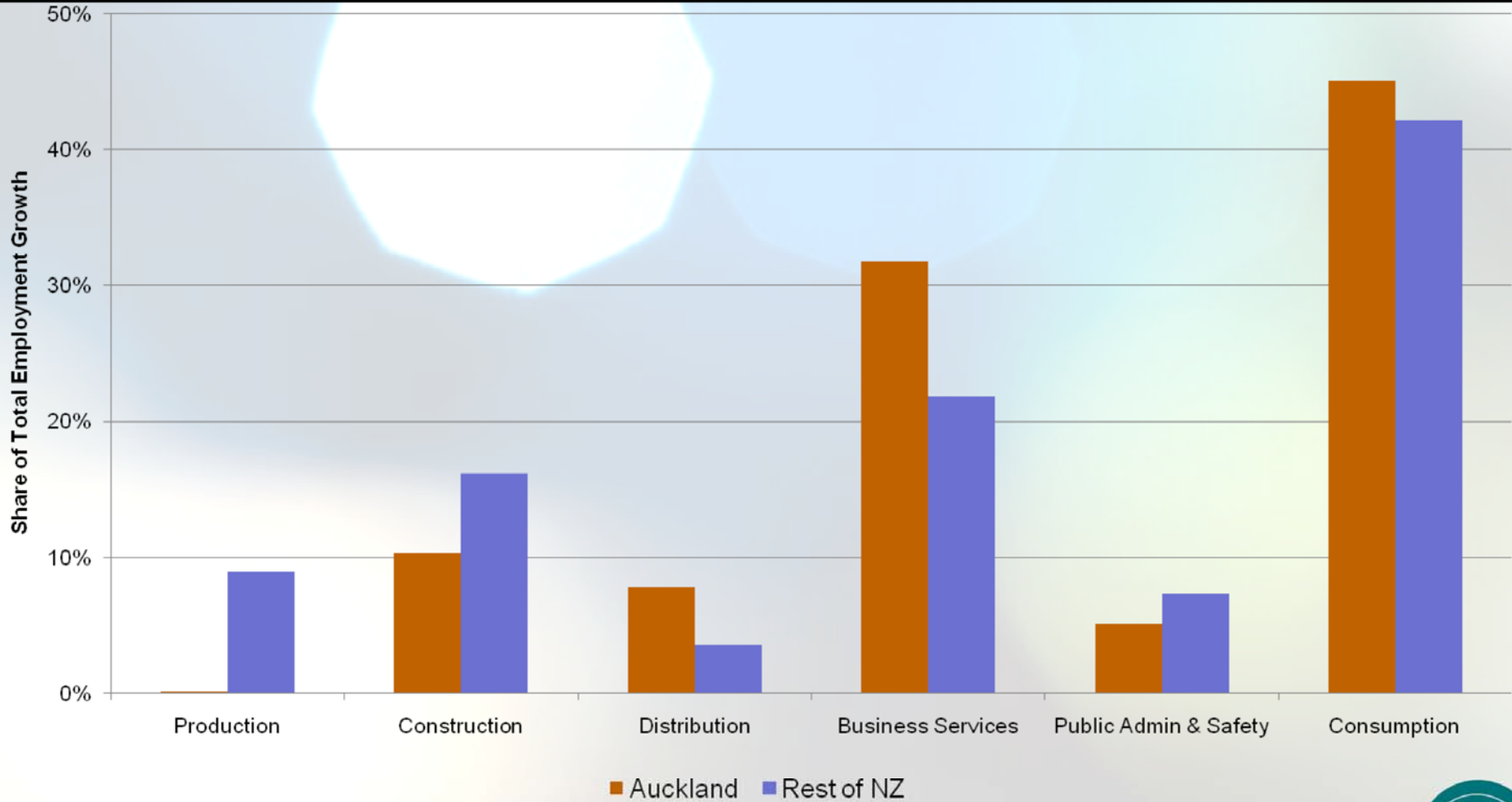
# The real challenge: knowing how little we know

E.g., population projections:

- ARGS (1999) “1.6 to 2.2m” by 2050
- Stats NZ (2007) 1.8m to 2.1m by 2031
  - 8 years on, 20 years out!
- Dependent on volatile international migration:



# Drivers of Growth: Employment Change 2000-08



# Promoting growth

- What we have: a dependent economy:
  - Consumption-driven growth
  - Increasing business services (especially employment placement, insurance & finance)
  - Slowing import substitution – from manufacturing to logistics
  - Reliance on hinterland exports
- What we want: an internationally connected economy:
  - Export-driven – competitive products and services
  - Productivity-focused in the public and private domains
  - High value added and high income
  - Commercially and environmentally sustainable

# The idea of certainty: can we really know the future?

Interpreting the Royal Commission vision for Auckland -

- Well-being depends on competing internationally for capital and talent
- Capacity to compete depends on quality infrastructure and high amenity
- CBD and harbourside are key to quality of life and state of the economy
- Containment manages the externalities of a large city
- Economic concentration yields productivity advantages

# Contrasting approaches to uncertainty?

- Royal Commission → outcome focused
  - delivering a vision:
    - 180 recommendations
      - Regional mayor, unitary council, 11 committees, 8 functional areas, 7 CCOs, 3 community boards, 9 advisory panels, regional EDA, joint social issues board, 6 local councils, new boundaries.
- Government's Plan → platform focused:
  - creating the capacity to change
    - 15 decisions:
      - Regional mayor, unitary council, x? CCOs, 20-30 local boards, waterfront development agency

# The reality of uncertainty

- We cannot predict the future with confidence:
  - We cannot project even population or housing demand with accuracy.
  - Who picked the severity and timing of the credit collapse? (And did we listen?)
  - When (or how) is it likely to end, and what will be its impacts?
  - What follows a long term run-down of consumption-based growth?
  - Do we really know how an ageing, multi-cultural, resource-constrained society with significant income disparities will live, or want to live, in 20 years time?
- We can probably assume that:
  - Public life will continue to be volatile
  - Right at the moment less may just be better, and
  - Less may be all we can afford for some time to come.
- Government's reform reflects the times; but it is not a model for all times

# Addressing governance in a new age of uncertainty

- Keys to a successful city?
  - Resilient → networked, flat organisations may be best
  - Competitive → low costs, high profile, connectivity should help
  - Appealing → affordable, liveable, accessible
  - Focused → specialised, committed, connected inside and out
  - Flexible → open, negotiable, vigilant, responsive
- Critical success factors:
  - Leadership: capacity to understand communities of interest and communities of place, see beyond local sectional interests, global in outlook
  - Organic organisation – avoiding entrenched values & practices
  - Accountability: commitment to deliver to community at large
  - Open-minded and resistant to entrenched interests and fads

# The governance challenge: making Auckland work

- **The Leadership Challenge**
  - Inclusive not autocratic
  - Multi-layered not single-minded
  - Effective out there and back here
- **The Organisational Challenge**
  - A significant organisational challenge:
    - Matrix (Commission); hierarchical (Government), or networked?
    - Centralised or decentralised?
    - Retrofitting an old culture, or starting again
    - Replacing legacy systems.
- **The Fiscal Challenge**
  - Community driven and disciplined, or
  - Deficit driven and expansive?
- **The Community Challenge**
  - Fully engaged
- **The Planning Challenge**
  - Forward looking and flexible rather than dogmatic and doctrinaire
  - Think about the means and don't assume the ends
- **The Infrastructure Challenge**
  - Monumentalism or productivity driven?
  - Know the purpose and make it fit