Auckland Growth Scenario 2023 version 1.1

Summary document

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Purpose

This document provides a brief overview of the most recent growth scenario developed by Auckland Council to support land use and infrastructure planning and investment decisions in line with Auckland Council's Future Development Strategy - Auckland Growth Scenario 2023 version 1.1 (AGS23v1.1). Additional details on the underlying strategies, data inputs, models, and assumptions can be found in related documents linked throughout this document.

Auckland Council's growth scenario

Auckland Council's growth scenario is a spatial and temporal distribution of regional household, population and employment projections over a 30-year period. It is a region-wide spatial planning tool which is updated regularly to reflect adopted plans and strategies and current and planned investment in infrastructure to inform council's investment planning and decisions.

Auckland Growth Scenario 2023 (AGS23) is a numerical representation of the Future Development Strategy 2023-2053 (FDS). The FDS sets out Auckland Council's vision for how the region will grow and change over the next 30 years, and the infrastructure needed to support it. It communicates key strategic outcomes and attempts to better integrate land use planning with infrastructure planning and funding decisions. The FDS also addresses key strategic goals of council around climate change, managing the cost of infrastructure funding and delivery, promoting natural environmental outcomes, and better managing natural hazard risk.

AGS23 is a key means to communicate to infrastructure providers, businesses, central government agencies and others where, when, and by how much, areas of the region are expected to grow over the next 30 years. It enables funding and investment to be focused where it is needed most (where funding allows), increasing the likelihood of that growth potential being realised.

In the shorter-term, AGS23 gives greater weight to existing development trends and projects currently in progress. This reflects decisions which have already been made, and the importance of ensuring these continue to be supported with ongoing investment. In addition, these ongoing and committed projects have a higher level of certainty about partner funding and developer intentions. Over the medium to long-term, the importance of alignment with the high-level, strategic direction and identified and spatial priority areas set out in the FDS is given increased weight.

While the growth scenario provides high-level guidance to inform and coordinate investment decision-making across the council group, external partners and stakeholders, it does not resolve all planning, funding or investment challenges. It is not intended to replace project-based or operational decision-making, forecasting or scheduling, which should consider potential risk and consequence of faster or slower growth than indicated. Nor should the scenario be interpreted as an exact forecast of when growth is going to occur. Projects may want to test different growth assumptions but should be aware that any resulting projections do not replace those of the adopted growth scenario. Projects are encouraged to contact the Growth Scenario team to discuss any significantly different results or growth assumptions which may need updating.

Outputs and growth assumptions from AGS23 inform the council's long-term plan (LTP), asset management planning, infrastructure and financial strategy and other land use planning decision-making as conceptually indicated in Figure 1.

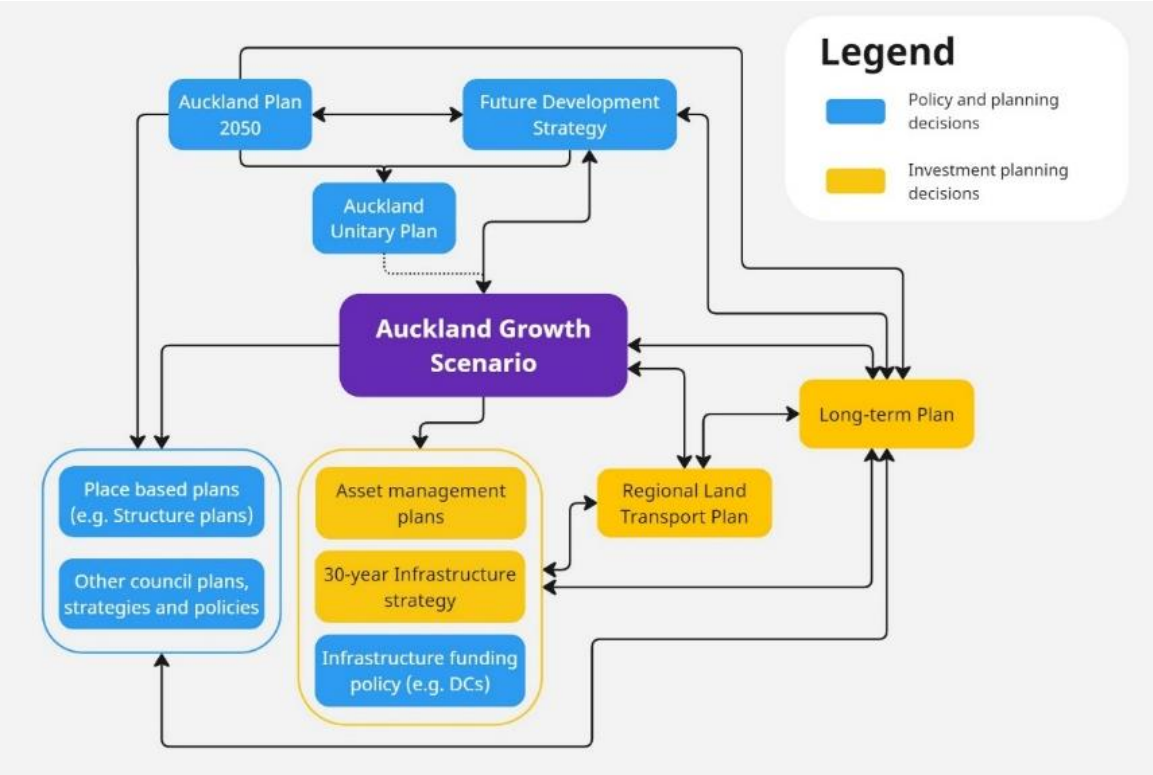

Figure 1 Relationships between the Auckland Growth Scenario and key council plans, policies and strategies

Previous scenarios

AGS23v1.1 is an update to AGS23v1, which was released in February 2024. AGS23v1 was developed following the adoption of the FDS and provided projections for use in the LTP 2024-2034, as well as for other council planning and forecasting purposes.

AGS23v1 replaced the 'i11' series of growth scenarios which were strategically aligned with the Auckland Plan 2012, and later the Auckland Plan 2050 Development Strategy 2018 including the Future Urban Supply Strategy 2017. The last scenario in the i11 series was i11v6, which was released in August 2020. i11v6 was developed in response to uncertainty caused by the developing Covid-19 pandemic and changes to Stats NZ's population estimates for the Auckland region.

Changes from the previous strategies and growth scenarios largely relate to the expected timing and sequencing of future urban areas in accordance with planned bulk infrastructure provision. Other changes include assumed further intensification of the existing urban area in the medium term, further intensification enabling provisions (and take-up) in the longer term, revised regional growth assumptions, and rebasing the scenario to 2022 population data from Stats NZ[1] (where available).

[1] The i11 series used 2013-base population data with some 2018 corrections.

Scenario AGS23v1.1

AGS23v1.1 updates the employment projection of AGS23v1 to better align projected employment growth with the intention of the FDS, and better reflect the opportunities created by planned employment land releases. The population and household projections remain the same as the AGS23v1 release.

Key regional assumptions

- **A regional level projected growth** of 241,338 households, 597,745 people and 355,047 jobs over a 30-year period, from 2022 to 2052 is assumed for AGS23v1.1.
- **The FDS timing and location of growth and development** is assumed to guide the distribution of the regional level projections at the subregional level in AGS23v1.1. The council must have regard to the FDS when preparing or changing any Resource Management Act 1991 (RMA) planning documents[2]. The FDS, along with the AGS, is also used to inform the Long-term Plan (LTP), Infrastructure Strategy, Regional Land Transport Plan (RLTP) and other relevant plans and strategies[3].
- **Population growth continues** over the long-term within the bounds of the low to high range, generally following the medium scenario. However, it is acknowledged that the highly volatile nature of migration may mean short-term changes (i.e. ups and downs) vary from the long-term trends. These variations are expected, but not predictable. The current expectation or bias is towards an upside risk relative to the medium projection which reflects higher than expected (record) net migration observed in 2023. The aggregate social benefits of planning for more, even if it does not occur, significantly outweigh the costs of planning for too little if growth ends up being higher. Details of the regional population assumptions for AGS23v1.1 can be found in the Housing and business development capacity assessment for the Auckland region 2023 (HBA).
- **Auckland will continue to be dominant in national population growth,** strengthening over time as the driving factors of this historic and assumed future dominance remain sound. These factors include Auckland's relative scale, population structure, relative locational advantages, and the resulting abundance of opportunities. AGS23v1.1 includes the explicit assumption that the FDS vision and direction, implemented by planning for growth in line with the scenario's projections, will maintain and enhance these advantages.
- **Growth in large-scale development project areas continues over the long-term.** Current development plans and development activity have been factored into the growth assumptions for large-scale project areas, including Kāinga Ora's large-scale urban developments. As is the case for any development activity, there is some risk that the assumptions based on previously stated commitments about Kāinga Ora's programme may need to be reconsidered. Changes to assumptions for Kāinga Ora development areas will be considered in future updates to the growth scenario.
- **Greenfield land release**, as indicated in the FDS, limits widespread development in future urban areas until the necessary planned, bulk infrastructure is available. AGS23v1.1 does not 'predict' that the funding and infrastructure constraints are resolved sooner (or later) than indicated.

[2] Policy 3.17(a) National Policy Statement on Urban Development 2020 and s74(2)(b)(i) RMA 1991.

[3] AGS23v1.1 is itself a key means to achieve these goals by articulating expected land use outcomes to influence funding decisions and improve land use and infrastructure integration.

- **AGS23v1.1 is a strategic, high-level tool, and does not, and should not, pre-empt local, detailed and context specific decision making.** Land use assumptions for some pending or planned investment decisions have not been built into the growth scenario due to uncertainty on scale or timing of delivery. For example, future plan changes, significant development proposals, indicative central government changes, or transformational projects such as rapid transit proposals or other major transport investment not outlined in existing council strategies or plans have not been included. Increased private finance or changes to public funding may change the location, rate, type or timing of planned development, or even create new opportunities (and constraints) not currently anticipated. Regular growth scenario reviews and updates will capture these kind of changes as they are confirmed.

Regional projections

Scenario AGS23v1.1 regional household, population, and employment growth projections are shown in Table 1.

Table 1 Scenario AGS23v1.1 regional household, population and employment projections

Year	Households	Population	Employment
2022	573,280	1,695,741	934,212
2027	613,125	1,798,799	1,007,834
2032	654,269	1,906,619	1,056,419
2037	698,153	2,012,449	1,104,991
2042	740,366	2,112,691	1,158,682
2047	781,850	2,206,635	1,219,117
2052	814,618	2,293,485	1,289,259
2022-2052 growth	**241,338**	**597,745**	**355,047**

The regional growth numbers used in both AGS23v1.1 and AGS23v1 are based on custom population projections procured from Stats NZ in March 2023 (referred to as the ACMar23 projections) to inform the HBA and the 2024-2034 LTP.

Final population figures used in both AGS23v1.1 and AGS23v1 have been adjusted from the ACMarch23 projections to account for higher than projected net migration experienced between March 2023 and June 2024. Some variances have also occurred because of the assumptions applied when distributing subregional growth.

Growth distribution

Regional growth has been distributed to smaller geographies referred to as 'MSM' zones, which are the primary geographies used for transportation modelling in the Macro Strategic Model. MSM zones are often used for strategic land use planning and growth scenarios because transportation modelling is a critical input to so many planning and decision processes in the region. There are 594 MSM zones in the Auckland region in the current zone system.

The distribution of growth to MSM zones relies on several tools, processes and data sets developed as part of the HBA, as well as infrastructure timing, assumptions and strategic direction from the FDS.

The scenario uses a fixed total regional population projection for the 30-year scenario timeframe. This means an increase in assumed take up in one location needs to be 'balanced' by a decrease elsewhere, all else being equal. [4]

The distribution of growth has been guided by:

1. the existing situation and assumptions about future development opportunities driven by accessibility, and infrastructure based on published plans and strategies,
2. current and assumed future plan-enabled capacity, based on the Auckland Unitary Plan and direction from the FDS, and
3. expectations about demand from residents and likely supply from developers.

Household formation is modelled from the regional population and demographic projections using observed household characteristics and trends from census data. Households have been allocated to MSM zones based on estimates of housing capacity along with assumptions about future timing of investments and growth from the FDS.

The population projections are a key input to the Business Sufficiency Model, which forecasts employment by industry at the regional level and allocates employment to MSM zones. More details about population and household projections, as well as the Business Sufficiency Model can be found in the 2023 HBA.

Review and updates

All growth scenarios reflect a point in time using the best available information at the time of creation. Regular updates to and adjustments of AGS will occur as new information is made available to account for changes to local, regional and national context and to ensure the short to medium term outcomes, in particular, reflect the latest conditions and expectations. Updates of AGS are likely to occur on an annual basis.

Work on the next version, AGS23v2, will begin towards the end of 2024. This update will incorporate available information and decisions which have been made since the release of AGS23v1 and AGS23v1.1 to ensure the growth scenario remains up to date and a reliable source of current expectations around growth at the regional and subregional levels.

Information and decisions which will be considered include decisions from the LTP 2024-2034 and Regional Land Transport Plan 2024 (RLTP), data releases of the 2023 Census, information such as central government policy changes, latest economic forecasts and migration data.

[4] Within the constraints of normative regional scenario development. It is accepted that Auckland is an 'open city' and its collective success in terms of maintaining or improving attractiveness and accessibility will largely determine the scale and rate of future growth within a reasonably narrow band. For the purposes of scenario development, this is indicated by the lower and higher population projection scenarios in the ACMarch23 ensemble.

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Te Kaunihera o Tāmaki Makaurau