

A vibrant red flower, likely a New Zealand flax (Phormium tenax), is positioned in the center of the page. The flower has a dense, rounded head of numerous long, thin, red stamens. It is attached to a green stem with several long, narrow, green leaves. The background is a solid, light grey.

COLLECTIVE COURAGE

Auckland, 2015

kpmg.com/nz

LET'S ACT WITH COLLECTIVE COURAGE

AUCK

Cities are a vitally important part of the cultural, social, environmental and economic make-up our world. Cities will determine New Zealand's future success – and for too long, our cities have been under-recognised and under-performing.

Globally, there are 500 large cities that control 80% of the global financial activity. It's the competition between these cities that will determine our prosperity, both economic and social.

What makes a great city? It's a city that embraces its culture. It moves faster, does more, and keeps improving and evolving. It creates jobs and generates opportunities.

Auckland should be one of these great cities. Auckland is a young city with deep roots. It's a city that provides our connection to the world, our channel for trade, our link to supply of food, our base for diversity, and our connection to past generations. It's a rich city with opportunity whose time has come. The responsibility lies with the current generation to grasp that opportunity.

A night-time photograph of the Auckland skyline, featuring the Sky Tower and various illuminated buildings. The word "LAND" is superimposed in large, white, sans-serif capital letters across the center of the image. The background shows a dark sky with some clouds and city lights reflecting on the water in the foreground.

LAND

Sometimes, however, it seems we are not prepared to grasp that opportunity. We created a Super City, but can't quite take the super actions and do all the bold things the future generations would expect us to do.

KPMG does not believe we can afford to accept this. The social and financial implications for Auckland and New Zealand are significant. We care about our city and our prosperity. We believe in the opportunity, and we know we can do something much better.

I have asked our people to imagine Auckland in 2035, and paint a picture we can embrace.

This is their picture, and it's about 'collective courage'. It's not a prescription for council to act on; but an attitude for our citizens, businesses, public institutions and Council to collectively embrace. I am inspired by their picture – it's powerful. I would like to share it with you.



Simon Hunter
Partner, KPMG
Auckland

‘Auckland’ or Tamaki is a place that people have been drawn to for more than 175 years.

Tamaki has also been known as *Tamaki herenga waka* or ‘the place where the canoes are tied’. For generations, people from all corners of the world have sought to ‘tie their waka’ here and make Tamaki their home.

Te pai me to whai rawa o Tamaki or ‘the luxury and wealth of Tamaki’ traditionally speaks to the bountiful, physical resources of the region. However, the true luxury and wealth Tamaki has to offer is its people.

The people of Tamaki are our magnet.

As we start thinking about the future of Tamaki, it is our responsibility to ensure that the magic of Tamaki is never lost. By focussing on our people, we can live up to our name today of *Tamaki Makaurau* or ‘Tamaki of a hundred lovers’.

TAMAKI

K



WE

LOVE

**KPMG's purpose is
to fuel New Zealand's
prosperity.**

This vision includes realising the massive potential of our largest city. We do that by being part of the city, and ensuring we contribute to that city.



OUR CITY

The things we love about Auckland are:

- » Our heritage
- » The buzz of a city that has energy and edge
- » The way we embrace diversity
- » Our connection to the future economic powerhouse
- » Our connection to New Zealand's food bowl

We love the revitalisation that's happening under our feet – cycle ways, rail, connections, Britomart, Wynyard Quarter, the expansion of commerce off Queen Street, the cosmopolitan living spaces and apartments, and the blossoming of every small village and community.

We're in awe of the incredible natural environment – three stunning harbours, hundreds of islands, the magnificent Waitakere and Hunua ranges, our regional parks, our beaches, our volcanoes.

The flight path— 12 changes that really matter

We have asked our people to imagine Auckland in 2035 and paint a picture we can embrace. This is the picture in 72 words and 12 actions.

“Imagine the impact of these changes. Acting now on these ideas, with collective courage, will create a legacy for future generations.”



Ian Williamson
Advisory, KPMG
Auckland

**Act now with
courage for future
generations.**

01

**Remember
our Heritage,
understand its
difference**

02

**Become global
citizens with
local hearts**

03

**Engage our
people, inspire
their action**

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**Design
representation
that really hears
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**Liveable
Auckland to
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businesses to
shape the city**

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**Consolidate key
institutions,
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**Be smart, stop
wasting our
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**Get real,
sweat all
financial
assets**

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**Let the Port
capture
our heart**

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**Move with pace
and ruthless
discipline**

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**Attract and
inspire young
wealth creators**



01



Remember **our heritage,** understand its **difference**

**Whakamaumahara ngā taonga tuku iho, hei whakamana āpōpō.
Remembering our heritage, empowering our tomorrow.**

Imagine a city that understands, values and embraces its heritage as the foundation for its future.

Our history from the arrival of the waka in Tamaki through to today provides a strong foundation for the city and its future. The history is rich and brings together a diverse mix of people. Auckland has been slow to embrace this complete history and its people. Auckland is passive and non-committal about its people and culture, and changing this will make a significant difference. This is our source of uniqueness which we must understand and treasure.

“Auckland is already known for its beauty and as a local I know how good our food culture and natural food resources are... let’s share that with the world.”



Duncan Mutch
Advisory, KPMG
Auckland





Become global citizens with **local hearts**

Imagine the people of Auckland being passionate and truly head over heels IN LOVE with their city. Think of the power of 2 million people thinking as global citizens and acting with a local heart. Contrast this with the dominant paradigm in Auckland today, where the thinking is often based on what's-in-it-for-me or my local street.

Auckland is already one of the world's best culturally diverse cities. There is a unique richness in our population that builds from the arrival of Maori 700+ years ago, plus the influx of people from Europe and the Pacific Island. We are citizens of the globe and this diversity, if recognised, is unique and a source of advantage.

Our identity as New Zealanders is growing and we can build a city that identifies and recognises its many local hearts as vibrant building blocks rather than isolated entities. A city that successfully links the four levels of global citizens, New Zealand, Auckland and connecting to our local heart is virtually unstoppable.

“Picture an Auckland rich in language, arts and culture. A vibrant city that dances with its people.”



Annie Zhang
Advisory, KPMG
Auckland



03



Engage our people, **inspire** their action

Imagine an Auckland where the council and people are connected, and that connection drives action.

New Zealand ranks highly on a number of public and social measures such as transparency, media freedom and civic engagement. Given that New Zealand's demography is changing more rapidly and widely than most countries, it is critical to ensure we continue to build on this status.

We need to remain vigilant. While New Zealand ranks highly in civic engagement, the short to medium-term trend shows lower voter and community participation.

To be successful Auckland must find a new way of engaging its people in the city. It must engage them in the Auckland story so they are compelled to act. Our leaders must be able to make this happen.

"I hope for a future Auckland where my young daughters would not only consider it their responsibility, but WANT to turn up to vote and be involved in their community. To feel like they and their young friends have voices that are heard and they can help shape the future of the city they are in love with."



Sarah Dobson
Advisory, KPMG
Auckland



04



Design representation **that really hears Aucklanders**

Imagine an Auckland where diverse people in unique communities are 'super connected' to local and regional decision making. This representative model recognises the different needs of Auckland's citizens, and is able to prioritise the issues at hand with a longer term vision for our city.

This will require a citizen-centred representative model that takes away the unnecessary hierarchy (such as fixed local boards) that stifles creativity and excludes the opportunity for all voices to be heard on the issues that affect them.

We are starting to see this concept emerge with the creation of community-focused social networks like 'Neighbourly'. But we need to start thinking bigger. The goal is to bring communities closer to the decisions that are shaping the future of our city.

We need to make the shift from a very localised sense of community to an Auckland wide sense of community. Pocket neighbourhoods will become a way of forming a collective guardianship for a city, where no resident will feel isolated or unheard. Everyone can buy into the city's vision because they know they have played a part in creating it.

Auckland has the opportunity to build the world's first multi layered and adaptive representative model.

"Born and raised in Auckland, I have seen it grow into an increasingly diverse and interesting place to live. Our city's proximity to the coasts and access to a variety of leisure activities provide for a world-class lifestyle."



Dylan Marsh
Advisory, KPMG
Auckland





Liveable Auckland to **alive and loving**

Imagine a city that is defined by the passion and excitement of the people who live there. We see people choose Auckland over other 'nice liveable' cities because it is so vibrant, colourful and alive. A place that Aucklanders are passionately in love with, and proud to be part of.

One of the seven principles identified as a key success factor for a Magnet City is that it must have a definable identity. The identity of a city reflects the values, interests, skills and behavioural tendencies of its residents. While it is informed by the national identity, a city identity can and should be significantly different.

Think of the great cities that have clearly defined their identity. There's New York, the city that never sleeps; or London, a cosmopolitan global crossroads. On a smaller scale – and more likely to compete directly with Auckland – are Changwon, the environmental capital of Korea; and Tel Aviv, a very liberal 'non-stop city' bursting with an abundance of music and arts festivals.

It's time to define the authentic city identity for Tamaki Makaurau... and start shaping the city everyone will fall in love with.

"Auckland holds so much opportunity, we have the ability to be an amazing city, a place people aspire to live. I want to be a part of that city, vibrant and innovative. When I travel and say I am from Auckland, I want other travellers to know where that is and what we do – to be globally known."



Maree O'Neill
Advisory, KPMG
Auckland



06

Engage business to **shape the city**



Imagine enterprise, education, Council and Government actually working together... discussing the future, shaping progress, and working as one to benefit Auckland. This cohesive network is a collaborative unit, wrapped in strong leadership; showing the world that Auckland is a real force on the global stage.

Auckland businesses have a key role to play in the development and marketing of the city. Growing cities that attract wealth and innovation have the business community as active players in the leadership discussions and decision-making.

Auckland needs to engage with enterprises to take an active role, to be a voice and a vessel for change. Council cannot do it alone. They need to work with enterprises to set the direction, attract funding, and build a city of growth and prosperity.

“As I embark on parenthood for the first time, I hope for a future Auckland where my child feels that staying in Auckland will give them the best opportunities for learning, growth and success. Education institutions, business, and local Government – must all work together to foster opportunities for their young people. To ensure no matter what path they take, they feel that Auckland offers as many options as any other city across the globe.”



Catherine Gibson
Advisory, KPMG
Auckland



07



Consolidate key institutions, **optimise the impact**

Imagine Auckland's key institutions united across research, health and education with a joint focus on making Auckland a global player. They will be leading the way and attracting young wealth creators.

Currently, Auckland's key institutions are fragmented and constrained in their ability to compete on a global stage as they are too small and insular. Auckland has multiple Universities, Polytechnics, Crown Research Institutes and Public Health organisations who all operate separately with their own agendas. By consolidating these institutions, they can focus on developing Auckland and optimising their impact.

"For all parties, be they Government, iwi, private sector or not-for-profits, we must improve how we work together for what's best for our communities and our city."

Panuku Development
Auckland

www.panuku.co.nz

"There is an amazing opportunity here to align our city's sharpest minds to drive the coming change in Auckland."



Josh Walton
Advisory, KPMG
Auckland





Be smart— **stop wasting** **our millions**

Imagine freeing up \$10billion of cash over 20 years to make this a better city. It's possible.

The 'soft start' for creating the Super City limited the courage or ambition from day one, and we're paying the price for that today. There was no real attempt to optimise the business at that critical time. Instead of creating an ambitious culture and driving real change that fixed the inherent problems, things have often become more complex and less efficient. The culture has delivered, over six years:

- › Almost 50% increase in rates
- › Almost 40% increase in costs
- › Almost 33% increase in staff numbers and 50% increase in employee costs from the base number agreed at the time of amalgamation.

This is the time to get more from this expenditure and to build a culture that makes things happen fast. There is simply too much at stake to continue with a passive approach. A smarter and leaner organisation that acts with discipline and pace has the ability free up, or create, over \$10billion of cash that can be reallocated to making Auckland the city it could be. In fact, \$10billion is conservative if the same thinking is applied to fees and alternative revenue streams (e.g. transport charges, tourist charges, property transaction charges). This may come with some pain and disruption; but we have a responsibility to do this for the generations that follow.

Don't delay – make 'it' happen.

“There is simply too much at stake to continue with this passive approach. The people of Auckland are bold and determined, the Super City needs to be too!”



Wei Ou
Advisory, KPMG
Auckland



09



Get real— **sweat all financial assets**

Imagine a city which leverages its financial resources to increase the pace of change and create a city that is a magnet.

The city has a significant portfolio of financial assets with an estimated market value of \$15-\$20b. These include property assets, Ports of Auckland, Auckland Airport, Watercare and even the Auckland Energy Consumer Trust assets. All of these have been declared 'no-go zones', but the next generation will look back and wonder: why the city was so unwilling to identify strategic solutions that could make Auckland a better place?

There is clearly an aversion to privatisation. Yet with such a valuable portfolio there are many alternatives for better utilisation of specific assets; or for a portfolio-based collaboration with central Government or the NZ Super Fund.

Currently, the city seems oblivious to the cost and lost opportunity associated with its portfolio of financial assets. This mindset needs to change.

Leverage the city's financial resources to increase the pace of change and create.

Open our eyes to the possibilities.

"Auckland city has the chance to turn value into a legacy we can all be proud of."



Chloe Jurgens
Advisory, KPMG
Auckland





Let the port capture our heart

Imagine having an Auckland waterfront which fully realises its potential and gives back to its city. A city that's connected and centred on its waterfront, with a more potent mix of industry, commerce and freely accessible public space.

Auckland's waterfront is currently under-utilised. The Port of Auckland and Auckland Council could better use this vital asset to fuel the city and fulfil its vision of being the most liveable in the world. It could be a real competitive advantage.

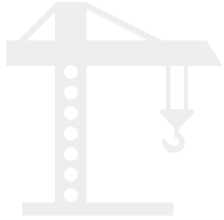
By 2040, the Wynyard waterfront redevelopment will contribute \$4.29 billion to Auckland through the creation of 40,000 jobs and by boosting a range of industries including tourism, business services, hospitality and marine. This value could be significantly enhanced through the Port's future which could reshape the economic focus and in turn reshape our city.

“Auckland waterfront is New Zealand’s window to the world, it is the city’s living heart. Its sails and sparkling waters remain in tourists’ minds and it is where Aucklanders want to meet and socialise. It needs to be seen as quintessentially ours... with nature, family-friendly parks and environmentally-friendly architecture.”



Laura Gudfin
Advisory, KPMG
Auckland





Move with pace and ruthless discipline

Imagine if we stopped “thinking about infrastructure as an economic stimulant and start thinking about it as a strategy. Economic stimulants produce Bridges to Nowhere. Strategic investment in infrastructure produces a foundation for long-term growth.”

– Roger McNamee

Auckland is currently constrained by three critical and interrelated building blocks: underdeveloped transport networks, unaffordable housing, and an ageing city centre. It is critical that these three aspects become a catalyst for change and unleash our competitive advantages.

“Of the top 50 Most Liveable Cities Auckland’s infrastructure currently ranks equal second last.”

– store.eiu.com

Auckland needs to engage all stakeholders so that it can move with real pace and ruthless discipline to address the gaps. Doing this will be the stimulus for growth that in the future is necessary to fund the city.

“Infrastructure helps create the environment where we live, work and play. Therefore, good investment decisions should begin and end with the aspirations we hold for our children’s children.”



Tuhi Isaachsen
Advisory, KPMG
Auckland





Attract and inspire **young** wealth creators

Imagine an Auckland globally recognised for its nature tech, the fusion of clean technology and food production. A future city that attracts leading researchers and educators, is a hive for start-up companies, and a place global citizens aspire to make their new home. This is an Auckland that is brimming with life, innovation and wealth.

Research into magnet cities highlights the need for cities to generate a positive magnetic pull. The city must be desirable to people who are innovative, enthusiastic, highly educated and skilled, and focused on start-ups. They attract growth by the buzz they generate in their city. Auckland needs these young wealth creators and we need to act to create a city they want to move to.

We need to leverage our assets, build our downtown, redesign the waterfront, and focus on technology education.

“Young Wealth Creators are the people who create the jobs of tomorrow and with that, a city (and nation’s) future wealth. The more young wealth creators there are in a city, the more that city will be assured of long-term economic growth. As existing (and some new) city residents fill existing city jobs, the young wealth creators create new net additional jobs.”

“Auckland has the potential to be a vibrant city, synonymous with food and agri technology. People will aspire to live here, attracted by the hub of food science/technology activity, the opportunities to mix with like-minded people, to develop and grow their own business and of course the lifestyle!”



Jacqui Scott
Advisory, KPMG
Auckland

We hope you're inspired by our vision for our city in 2035. Our people at KPMG want it to happen, and are keen to start the journey. All of this is possible. If we can dream it, we can do it.

20

35

We can create the living and loved city we all desire – if our Government, council, private sector, and residents act now. We just need to take action, be bold, and commit to making this happen.

Auckland, let's act with collective courage.



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