

Questions	Responses
Chapter 3: Integrated planning	
<p>Q3.1 Is there other evidence of the benefits or costs from New Zealand's spatial planning processes that the Commission should be aware of?</p>	<p>We are firm supporters of city planning through spatial plans. These give the broader development community more certainty for future commercial and residential investment choices.</p>
<p>Q3.2 How could the longer-term development and infrastructure needs of cities better align with Central Government's fiscal cycle?</p>	<p>There needs to be balance between what Central Government expects of councils and what councils can realistically deliver. The infrastructure needs of the growing cities are outlined in a Council's LTP, infrastructure strategies and a region's RLTP. Both Central Government and councils need to become more flexible in their approach in their funding and managing of funding infrastructure.</p>
<p>Q3.4 What processes or mechanisms should be used to ensure that proposals for new land use regulation in future spatial plan are subject to rigorous and independent scrutiny?</p>	<p>We support the use of an Independent Hearings Panel (IHP) for all urban centres or regions experiencing/forecasted to experience growth and development. We view the IHP for the Proposed Auckland Unitary Plan (PAUP) as a success. So far, it has used objective, rigorous, and robust analysis to overturn some of Auckland Council's contradictory planning rules like the 1944 heritage overlay.</p>
Chapter 4: Supplying and releasing land	
<p>Q4.1 Should the public have improved access to property data such as the content of District Valuation Rolls and property sales data?</p>	<p>Property Council has no issue with the public having improved access.</p>
<p>Q4.2 What are the merits of statutory controls on subdivision covenants, such as time limits, restrictions on the subject matter in them, providing councils with powers to override them, or creating mechanisms to reduce the barriers to extinguishing them without unanimous consent?</p>	<p>We are unsure if this would be a problem for high growth areas due to demand exceeding supply.</p>

Q4.3

What impact would further narrowing eligibility to make further submissions have on plan change processes? If eligibility should be narrowed, which parties should be excluded?

Property Council supports tightening the process to make the further submission process less complex and administratively cumbersome. Both Tindale and WBOP District Council raise salient points in their submissions about restricting further submissions to new issues or in opposition only.

However, it is crucial that the principles of natural justice guide consultation and engagement on proposed regulation continue to function effectively.

Q4.4

How should eligibility for notification and consultation on site-specific proposed plan changes be defined? Would the definition used in the HASHA Act or the 2009 RMA amendments be preferable?

Property Council would prefer to see the HASHA Act definition used. In places like Auckland, where demand for housing significantly outstrips supply, it is crucial that there is no delay in new supply because of the RMA and the appeals mechanism. The use of Urban Design Panels and design rules would provide a lever to make sure that quality development is taking place. This may alleviate the concerns of the wider public about the risks of low quality density housing.

Q4.5

What has been the experience of using independent commissioners to make planning decisions? Do independent commissioners provide sufficient rigour and impartiality to justify further limits on appeal avenues? Would there be merit in allowing Local authorities to reject recommendations from independent commissioners?

We support the role of Independent Commissioners. In instances where Commissioners have been used, we have found them to understand the planning issues and needs of city more than some councillors. We have found some councillors who try to “protect” their constituents have put the success of the entire planning process into jeopardy. Councillors are influenced by public sentiment that may be counter the needs of a cities.

Commissioners provide the objective rigour and impartial decisions that are needed for high-growth areas. We see no issues with limiting appeals as long as the Commissioners outline a robust and objective case outlining their decision-making process.

We support the stance taken with the IHP in Auckland with the PAUP and believe that this would be a robust mechanism to roll out to other high growth areas.

Chapter 5: Regulations and approval processes

Q5.1

Do other land use rules impose costs above their benefits? What evidence exists of excess costs?

Councils often have good but misguided intentions when it comes to implementing land use rules. They are often responding to the views of a “loud” minority, who do not understand the implications of their actions for future development and growth.

It is crucial that land is used more efficiently; regulations to better match the costs with benefits, and for the costs and risks of infrastructure to stop constraining growth. Councils need district plans that understand commercially viable development.

Q5.3

Does introducing nationally consistent land use rules or specific types of residential development have other possible benefits that the Commission should consider? What types of land use rules should be made nationally consistent? Why?

Property Council appreciates the Commission’s concerns as to the benefits of nationally consistent land use rules and agrees that a one size fits all approach can result in unintended consequences.

We support a two-step approach: in the short term, councils should have discretion over land use rules or specific types of residential development – such a move would need to be accompanied by a guide outlining issues that councils must take into consideration. In the event of underperformance or significant issues arising, the Minister responsible would have powers to intervene. We support the monitoring of decisions to identify any patterns or trends. The second step would involve utilising the analysis to formulate District plans that are coordinated with regional spatial plans.

Q5.4

Would national direction on what residential land-use activities should be ‘permitted’ in RMA Plans provide net benefits? What sorts of activities should such a direction focus on?

Property Council would support a national direction approach for residential land-use activities. This would alleviate some of the issues that our Members have when their developments cross council boundaries or they are working in different council jurisdictions. Our Waikato Members often have issues as they deal with the differing Hamilton, Waipa, and Waikato Council rules around land use.

	<p>There is a strong case for easing development controls around density as well as moving activities from a discretionary to permitted or restricted discretionary status. In doing this, there needs to be guidance also around urban design to make sure that quality outcomes occur.</p>
<p>Chapter 6: Planning and delivering infrastructure</p>	
<p>Q6.1 What are the main advantages and disadvantages of development agreements? What, if any, barriers exist that unnecessarily limit the uptake of development agreements?</p>	<p>Property Council supports the use of development agreements. They encourage positive relationships between councils and developers allowing the appropriateness of an agreement to be investigated/ evaluated early, which in-turn allows demand and causal nexus issues to be negotiated up front for significant projects.</p> <p>There is the risk of freeloading. We believe it is crucial that councils enable early developers to prevent freeloaders from using infrastructure that they have provided until they have made a fair contribution towards its costs: that is, stopping cross-subsidisation.</p>
<p>Q6.4 Is the designation process sufficiently responsive to allow major infrastructure projects that unlock new land for housing? Should the default duration of designations be changed?</p>	<p>No, it is cumbersome. We have concerns that NIMBYS and other interest groups would use the Environment Court to appeal against crucial infrastructure that growth areas need. Auckland Transport has had to compromise its designs for Mill Road in South Auckland, which future forecasts show need housing and other infrastructure the size of Hamilton. The reason for this compromise is to protect a small amount of native bush. While we support environmental protection, it is crucial that we optimise the best infrastructure outcomes now for the future.</p> <p>Property Council supports lengthening the default designation duration. This would provide more certainty for the development community.</p>
<p>Q6.5</p>	<p>Property Council supports SmartGrowth as our Bay of Plenty Branch was heavily involved in reviewing it in 2012-2013. We welcomed the</p>

Has the SmartGrowth Property Developers Forum, or similar initiatives in other regions, been effective in managing tensions between developers and councils?

opportunity to have participated directly in the review and stressing our concerns around:

- **Greater flexibility in the regulatory environment.** The forum and Property Council have identified that the sub-regional regulatory planning documents have become overly prescriptive and detailed and unable to accommodate our continually changing operating environment. This was particularly evident with the impacts of the GFC.
- **Alternate funding options for infrastructure.** The forum and Property Council raised this as being one of the key challenges facing the sub-region and have sought that there is a specific action in the Strategy Update to investigate and develop alternate funding options.
- **A more collaborative approach to network infrastructure planning and development.** Looking at this on a sub-regional level will provide economies and efficiencies of scale and better provide for the western bay communities of the future.
- **Working more closely with our neighbours in the Waikato.** The future growth and prosperity of the western bay will be closely linked to that of the Waikato region and stronger links with the Waikato Growth Management Strategy – ‘Future Proof’ will ensure growth synergies and opportunities are not missed.
- **Housing affordability is one of the biggest issues and challenges for the strategy update.** It requires strong, proactive and collaborative leadership from the SmartGrowth partners.

Q6.6

Is there a case for greater consistency of infrastructure standards? If so, what types of infrastructure would benefit from greater consistency, and at what level (regional or Central)?

Property Council supports a greater consistency in infrastructure standard and asset management planning across all Councils. NZTA in conjunction with Road Controlling Authorities are undertaking the One Network Road Classification.

	<p>We envisage a similar focus on the customer level of service and standards across all other major types of infrastructure. Greater consistency and uniformity will provide additional confidence to developers around the required level of infrastructure and reduce possible conflicts between developers and councils.</p>
<p>Q6.7 What approaches do Councils take to facilitate coordination with infrastructure providers? Would there be benefit in establishing infrastructure forums modelled on the Auckland Infrastructure and Procurement Forum in other high growth cities?</p>	<p>We do not know how each Council facilitates coordination with infrastructure providers. However, Property Council supports the establishment of infrastructure forums modelled on the Auckland Infrastructure Procurement Forum. Instead of forums only in high growth cities, we advocate for a wider focus to include Councils experiencing and forecasted to experience high growth such as Waipa and Waikato District Councils.</p>
<p>Chapter 7: Paying for infrastructure</p>	
<p>Q7.1 Is it correct that New Zealand’s current system of rates means that a straight adoption of tax increment financing schemes used overseas is not suited as a funding tool for growth-related infrastructure?</p>	<p>No, TIF does do have a role for some extraordinary capital investments. We do not see the benefit of a TIF for ordinary capital investment in parks, drainage etc. For example, the City Rail Link could have been an opportunity for Auckland Council to use a TIF to finance it instead of solely on inter-generational debt funding. The value uplift for commercial and residential properties along the CRL route and its stations will be significant.</p>
<p>Q7.2 Are there any barriers that are preventing developers from challenging development contributions?</p>	<p>Yes, we believe that many of the councils do not understand the impact that their development contributions policies have on development feasibility. Please see attached Appendix 1: <i>Submission on Development Contributions</i> for more information.</p> <p>Furthermore, the process can be time consuming with developers required to foot the administrative costs of the process. A related concern is the use of financial contributions by some councils to offset the shortfall in development contributions. For instance, the Napier City Council has determined it will collect financial contributions for land development, subdivision, residential multi-unit development, and industrial and</p>

commercial land development for projects such as library facilities (something councils cannot collect development contributions for).

Chapter 8: Governance of transport and water infrastructure

Q8.1

What other issues, if any, relating to the governance of transport infrastructure should the Commission be aware of?

There is an inherent tension between the Central Government strategic profile of a Government Policy Statement on Land Transport Funding (GPS) and council Long Term Plans and Regional Land Transport Plans. This tension is not unexpected and comes from competing priorities and funding constraints.

More certainty around funding is crucial. Auckland has numerous examples where funding constraints has led to sub-standard transport infrastructure and sub-optimal outcomes. Infrastructure must be future-proofed or as near too as possible. We support Central Government providing councils with revenue tools like a regional fuel tax or the ability to implement road pricing.

To implement a revenue tool, we envisage councils developing a robust and independently peer reviewed business case that justifies any additional imposition of costs for consumers. Furthermore, there must be public support for any revenue tool before implementation can occur.

Q8.2

Are there significant scale economies in the provision of water infrastructure that could improve the efficiency of provision that are not being realised in New Zealand's high growth cities?

The provisioning of water is a topical issue. Realistically, the high-growth areas in NZ in the future will be Auckland, Hamilton, Tauranga, and Christchurch. A one-size fits all approach cannot work for these cities as they all have different issues and needs.

Q8.3

Would greater integration and clarity within the statutory and legal frameworks for water supply, wastewater and stormwater assist councils in providing the water infrastructure necessary to support urban growth?

Yes, Property Council supports aligning, integrating and providing clarity around the water statutory and legal frameworks.

<p>Q8.4 Does a case exist for introducing access, quality, and price regulation for water services in New Zealand?</p>	<p>The issue in New Zealand is the uneven nature of our councils. We have some councils experiencing significant growth, yet neighbouring councils could be experiencing terminal population decline. Councils in decline are regional with lower population bases, which have their own sets of challenges around asset maintenance and renewal.</p> <p>Property Council supports regulation around providing quality water. However, it is up to each council to determine the best means of pricing it (user pays or a flat fee e.g.) to reflect their situation. However, councils must have a publically available robust and transparent policy that outlines the how they formulate their charges.</p>
<p>Q8.5 How could the governance and funding arrangements for water infrastructure be improved to encourage providers to be more responsive to demands for new connections to the water network?</p>	<p>For the larger councils, we believe that the CCO option and a user pays model that accurately reflects costs is a possible governance model. In order to progress this, our concerns, which we outline in in Q8:7 would need to be addressed.</p> <p>For our smaller centres and regions, a shared services approach could work best. These councils have the ability to pool resources and share asset management plans that could allow them to become more responsive. The Waikato Mayoral Forum is one example of a shared services approach.</p>
<p>Q8.6 Do the existing checks and balances that apply to Watercare provide sufficient oversight of Watercare’s infrastructure growth charges? If not, what alternative measures would be most appropriate?</p>	<p>No, there are not enough checks and balances. As our previous submission stated, Watercare’s infrastructure growth charge is a DC but is not caught by the requirements of the Local Government Act. Charges are increasing and it is not clear they are proportionate or appropriate.</p> <p>We support removing the flat charge and replacing it with charges that reflect the true costs of each development. It is not equitable to charge the same for each unit in a complex as you would for a house on a greenfield development.</p>
<p>Q8.7 Are there other regulatory requirements that apply to councils that should be extended to include CCOs?</p>	<p>We support greater public transparency in how CCOs:</p> <ul style="list-style-type: none"> • develop and implement their policies and decisions

- takes into account the role of public submissions and involvement in reaching decisions on projects and strategies
- arrives at its pricing regime

We support councils who have CCOs to take a greater role in their functions and decision-making. Auckland has a number of examples of where Auckland Council and Auckland Transport are not on the same page. One example is Auckland Transport including light rail in its draft 2015 RLTP, despite Auckland Council not being aware that this was being included.

It is crucial that CCOs are co-ordinated to achieve the best possible outcomes. SOIs are one method, but these are easily manipulated so that low-risk and easily achievable outcomes are achieved. Councils like Auckland, must use the CCOs to drive through their policies to support the needed necessary growth.

Chapter 9: Shaping Local behaviour

Q9.3

Would there be merit in a National Policy Statement relating to the provision of adequate land for housing? What would be the costs and benefits of such a statement?

We support the introduction of a National Policy Statement. The objectives of a Policy Statement should include:

- ensuring adequate commercial and residential land supply, to service and house the projected population for each Local area
- enabling sufficient quality, feasible development according to the population projections for each Local area
- ensuring infrastructure funding and provision is integrated into land-use planning
- ensuring timely, efficient, cost effective planning and consenting processes
- strengthen the principles of the RMA around the urban issues facing New Zealand

	<p>Please see Appendix 2: <i>Property Council of New Zealand: The need for Resource Management Act reforms</i> for more information on this</p>
<p>Q9.4 Would there be merit in expanding existing powers in the RMA to enable Ministers to direct changes to District Plans and Regional Policy Statements that provide insufficient development capacity to meet population growth? What would be the costs, benefits, and implications of such a move?</p>	<p>There may be unintended consequences of allowing Ministers to become involved in changing District Plans and Regional Policy Statements. For example, if the notified Auckland Unitary Plan was changed and the intensification/density targets removed there could be conflict over strategy, priorities and projects between a changed Plan and Auckland Council's Auckland Plan, Annual Plan, LTP and Auckland Transport's RLTP.</p> <p>The current system allows community and stakeholders who submitted continued engagement during the District Plan/Unitary Plan development process. We would not support losing this if Ministers became involved.</p> <p>We believe the preferred role of the Minister for the Environment is to provide strategic guidance using National Policy Statements. We would also welcome more partnerships between Central Government and councils in a similar vein to the Housing Accords in Auckland.</p>
<p>Q9.7 Is there merit in providing councils with the ability to levy special rates on vacant properties – an idle land tax?</p>	<p>Property Council disagrees with burdening landowners with additional rates. Property development has a number of substantial financial risks.</p> <p>What our Members find is that councils is often a challenge during the resource consent stage; whether it is through seeking changes to the development plans, which can substantial cost overruns or adding additional costs. Furthermore, councils often charge a development contribution. These costs occur before construction.</p> <p>An additional financial imposition may actually prove detrimental to development and have the perverse outcome of land remaining unproductive or under-utilised.</p>

Chapter 10: Planning and funding our future

Q10.1 What are the important design features of an Urban Development Authority. What are the risks with this approach, and how can they be managed?

The benefit of an UDA is about giving the market confidence about the delivery and timescale of infrastructure and the ability to coordinate that with development, as well as helping developers get access to finance.

A UDA must:

- be a repository for key information, knowledge and expertise-accumulating best practice
- implement strategies, policies and actions that enable quality urban design outcomes that benefit the city, region and New Zealand
- ensure longevity and decisions which endure over time, in urban planning and policy

We support regional UDAs that cover all the projected growth areas in New Zealand. It is crucial that UDAs demonstrate good quality planning and are able to secure sufficient housing supply. We believe regional UDAs are the best option because they may be able to reflect the needs, aspirations, and subtle economic, political, and social nuances of regions better.

These UDAs should be able to operate in both greenfield and brownfield land. We support the ability of UDAs to be able to compulsory acquisition land.

We would like to see the UDAs work in conjunction with councils when it comes to developing planning outcomes. It is crucial that good quality urban design outcomes are included as part of the planning process.

See Appendix 3: *Development agency could help Wellington's economic growth* for more information.

Recommendations	Responses
<i>Chapter 3: Integrated planning</i>	
R3.1	Support
R3.2	Support
R3.3	Support
R3.4	Support, but not at the expense of further density
R3.5	Instead, we would prefer to see guidelines issued by Central Government to council on spatial planning. We would also like to see RMA, LGA and LTMA reform that increases the synergies between these planning acts and spatial planning.
R3.6	Support
R3.7	Change emphasis to those Central Government agencies who invest in infrastructure like Ministry of Health or Ministry of Education. By including all actors, you are opening it up to nearly every single Central Government Department, Ministry, SOE, or Crown Agency, which we oppose.
R3.8	Support
<i>Chapter 4: Supplying and releasing land</i>	
R4.1	Support, we would like to see more focus on councils keeping records on codes of compliances and not just resource consents.
R4.2	Support
R4.3	Support. Councils should be using these statistics, instead of developing their own and “reinventing the wheel”
R4.4	Support
R4.5	Support
R4.5	Support
R4.6	Support
<i>Chapter 5: Regulations and approval processes</i>	
R5.2	Support, we believe that the market will dictate this
R5.3	Support, we believe that the market will dictate this

R5.4	Support, we are encouraged by the IHP process for the PAUP
R5.5	Support
R5.6	Support
R5.7	Support
Chapter 6: Planning and delivering infrastructure	
R6.1	Support
R6.2	Support
R6.3	Support, we believe that there is an opportunity to work effectively and efficiently with neighbouring councils to achieve cost savings, efficiencies and more effective outputs
R6.4	Support, but only if there is a clear public mandate and councils have undertaken fair and transparent publicity about the positives and negatives of such a switch.
R6.5	Support, but only if there is a clear public mandate and councils have undertaken fair and transparent publicity about the positives and negatives of such a switch.
R6.6	Support
R6.7	Support
Chapter 7: Paying for infrastructure	
R7.1	Support
R7.2	Support, we are frustrated at how councils over appropriate costs assigned to growth
Chapter 8: Governance of transport and water infrastructure	
R8.1	Support
R8.2	Support

R8.3	Support, but want to see the removal of the word “economic” from the recommendation. We support a fair and transparent allocation of Watercare costs.
R8.4	Support
<i>Chapter 10: Planning and funding our future</i>	
R10.1	<p>Support, Property Council’s position is that an urban development authority should:</p> <ul style="list-style-type: none"> ▪ have powers to purchase/agglomerate land ▪ ensure the coordinated provision of development opportunities with infrastructure ▪ have the ability to sell on parts to private developers ▪ provide credit markets more confidence about the delivery and timescale for infrastructure, and timeframes for aggregating land and completing regulatory processes, assisting with private sector developers’ access to finance.