



4 Here-turi-koka (Aug) 2015

Using Land for Housing Inquiry

NZ Productivity Commission

by email: [info@productivity.govt.nz](mailto:info@productivity.govt.nz)

Tena koutou

REF: Request for submissions on draft report *Using Land for Housing*

Unfortunately we were not aware of the Commission's work in relation to land use regulation, planning and development systems until July 24, which is especially disappointing as both land and housing are issues of great concern to us; furthermore, we would argue that as mana whenua and kaitiaki we have a distinctive role in any work relating to the land. Furthermore, in spite of what is described in the report as a 'comprehensive engagement process' (page 23), mana whenua are noticeably absent from the list of submitters. We would appreciate it if you would put us on your mailing list so that in future we have more time to prepare a response: [info@tamaoho.maori.nz](mailto:info@tamaoho.maori.nz).

Our Te Taiāo (environment) and Oranga Hou (well-being) roopu have considered the material in the draft *Report* in relation to the Findings and Recommendations of particular interest to us. On that basis, we would like to make the following points:

#### **OUR MAIN POINTS**

1. There seems to be no reference to the role of mana whenua in the entire report, and the only references to the Treaty of Waitangi are in relation to colonisation and its consequences. As an entity established by the government, the Productivity Commission has a duty to incorporate the rights and responsibilities of hapu into its findings and recommendations in any report such as this one.
2. While we don't disagree with the *Report's* presumption about the importance of cities to the well-being of NZ, the *Report* does not give adequate attention to the importance to NZ of smaller communities. There are significant problems associated with people from elsewhere in NZ moving to the largest urban areas; specifically, the *Report* should include

- consideration of recommendations for policies and other strategies encouraging best use of existing housing and infrastructure elsewhere in the country, thereby reducing pressure for housing in high growth areas, as well as having other benefits such as providing a wider range of opportunities for economic and employment growth.
3. We are not opposed to the growth of Auckland *per se*, and we definitely believe that a step change must occur to ensure that adequate housing is available to all, but in our kaitiaki role we are categorically opposed to use of greenfields for development, including for housing. Only when all other strategies have been implemented to their fullest extent should use of greenfields be considered as an option. The current emphasis should be on distributing growth across the country and on more efficient use of land in cities that is already developed; the latter will also have positive local effects, such as reducing traffic congestion by making public transport a more viable option.
    - a. We want to specifically note that while we realise that developing greenfields may be an efficient method for meeting social housing objectives, the environmental cost is too high. We have adopted this position even though our members are disproportionately in need of low-cost housing.
  4. Can Taking Land for Housing Be in the Public Interest?, F10.7 (pages 284-85): Of course it *can* be in the public interest, under certain circumstances, but the more significant question is what criteria are used for determining *when* it is in the public interest - especially to a degree sufficient to warrant taking land compulsorily. As noted elsewhere, it is reasonable that a Productivity Commission prioritise strategies that contribute to productivity, but while the case *may* exist for taking land, this *Report* has not demonstrated that it does exist:
    - a. We believe that a policy of encouraging economic growth in areas which are not in the top ten would more effectively address most, if not all, of the harms listed
      - i. At a minimum, it should be investigated because it also has several attractive features which are recognised as problematic in the growth areas such as speculation and difficulty in assembling large tracts of land
    - b. The economic analysis has not considered economic factors such as the costs of allowing, even encouraging, growth to occur so unevenly across the country, thereby also contributing to the 'public harm' of 'uneven distribution of national wealth'. As noted above, a wide range of government policies over several decades have contributed to this public harm; so they should be addressed first before concluding that this strategy is pre-eminent.
    - c. No analysis of the social factors has been even attempted by the Report; before citing social harm as a justification for compulsory land acquisition a proper analysis of social factors needs to be undertaken. For example, there are

examples in NZ, and elsewhere, of how devastating, socially and otherwise, well-intentioned urban renewal projects have been.

- i. Compulsory acquisition is more likely to occur in marginalised communities (such as Tamaki in Auckland) which do not have the resources to resist it than in more powerful communities, even though the latter are more likely to have lower-density housing currently and therefore more potential for intensification
  - d. There has been virtually no reference in the report to environmental harm.
  - e. There is no evidence in the Report to economy wide inflation (seventh bullet point on list of harms), which the Reserve Bank is reporting to continue to be consistently low
  - f. Before any drastic strategies such as compulsory acquisition are adopted, much wider analysis is need, balancing, as the Terms of Reference require, economic, social and environmental factors and considering consequences across the country, not only in growth areas.
  - g. Finally, but most importantly to us, the Public Works Act and other legislation which included compulsory acquisition of land in Maori title caused disproportionate harm to Maori. That, combined with what is now acknowledged as unjust acquisition from tangata whenua of nearly 90% of the land in NZ, means that there must not be any further acquisition of Maori land (*i.e.*, land still in Maori title or returned through settlements).
5. Unfortunately, the *Report* does not read as though it is a genuine inquiry into the issues; it seems to be more a collection of evidence which supports certain positions – examples are provided in specific points of our submission.
  6. Obviously, an inquiry into provision of land for housing should focus on those points; however, any decisions about the recommendations need to take into account their impact on a wider range of issues and priorities, particularly environmental and social.

#### **RESPONSES TO SOME QUESTIONS IDENTIFIED IN THE *REPORT***

7. Q3.1: We were very actively involved in development of the Auckland Plan and found that to be a very useful process resulting in a good document; however, it remains to be seen to what extent that plan actually provides an effective framework guiding the shorter-term plans.
8. Q3.4: It is still too early to tell how robust the outcomes of the PAUP Independent Hearings Panel will be, but that type of option would definitely be preferable to review by Treasury given its narrow financial/economic purpose.

9. Q4.1: Yes, the public should have improved access to property data, for the reasons stated in the report.
10. Q4.2: We would agree that statutory restrictions on covenants could be a useful measure, particularly in terms of the subject matter in them; however, covenants that address matters related to protection of traditional Maori cultural interests should not be limited by time or content.
11. Q4.3 and Q4.4: We do not have enough knowledge to comment generally on rights to be involved in plan changes, but it would be another Treaty injustice to further limit in any way the already very circumscribed role that Maori have in decision-making about the environment generally and land use in particular.
12. Q4.5: We have had mixed experiences in hearings conducted by independent commissioners; the problems have been when commissioners are perceived to have conflicts of interest; so if there isn't a remedy for that situation then appeals would need to be allowed.
13. Q5.1: We do not think that the evidence in the *Report* with regard to specific regulatory requirements is sufficient to warrant categorical recommendations about removal. In the first place, cost:benefit analysis is not a straight-forward process: it depends on interpretation about what factors to include and how to weight them. Even more importantly, different communities will have different views on what costs are acceptable; a much wider consultation would be needed to inform recommendations meant to apply across such diverse communities.
14. Q5.3: We are not convinced that any types of land use rules should be made nationally consistent because of the great variety in typography and communities across NZ; however, if consideration is to be given to nationally consistent rules it should be in relation to ones that protect the physical environment.
15. Q9.1: While we do not know the extent to which the RMA requirements discourage better consultation processes, we full-heartedly endorse efforts to encourage more inclusive engagement and are both able and willing to provide practical assistance to this end.
16. Q9.3: No, we don't support a National Policy Statement, both because of the problems described in the relevant section and because situations vary too greatly in different parts of the country to be able to design a statement equally relevant and appropriate for all.
17. Q9.4: No, Ministers should not have powers to direct changes to Plans and Policy Statements because, by definition, all elected officials have short-term perspectives. Planning decisions with long-term consequences should only be made by entities that have both a long-term perspective and long-term accountabilities. See more detail in

specific point below relating to the *Report* section on 'A Larger Role for Central Government'.

18. Q9.7: We are categorically opposed to a tax or any other disincentive for undeveloped land to remain in that state. Appropriate use of land is a very culturally-constructed notion. The Western/Biblical belief that it is the function of man to develop land (c.f., Genesis 2:15) was a major factor in settlers' self-justification in taking land from tangata whenua (i.e., because they didn't develop it) on a scale and terms the injustice of which is only now beginning to be recognised. The relatively small amount of undeveloped land remaining in growth areas is a taonga and should be protected as such. As the report acknowledges there are several other strategies which may be used to address the housing shortages (e.g., intensification and infill). We would only support consideration of a tax on vacant properties if it distinguished between land that has already been seriously compromised (previously had other development on it but is now vacant) and land that has not.
19. Q10.1: Essential design features of an Urban Development Authority include
  - a. Restriction to undertaking large-scale projects, only in brownfields, which
    - i. through improved consultation (such as described in the 'Better Consultation' section), are accepted as necessary and appropriate by the local communities in which they are proposed (otherwise most of the problems besetting urban renewal authorities are likely to recur); this will most likely require provision for incentives to ensure the benefits are at least equal to if not greater than the costs for the affected communities (see page 248)
    - ii. focus primarily on provision of affordable housing
  - b. Partnering with the private sector is not required
  - c. Fast-tracking does not supersede appropriate management of environmental and social issues
  - d. Our comments in relation to compulsory acquisition are in Chapter 10.
  - e. Its planning role should not be independent from that of the local authority.

## **SPECIFIC POINTS**

### Chapter 1: About This Enquiry

20. Key Points (page 16):
  - a. Readers should be reminded that making housing more accessible in a place like Auckland will not provide long-term solutions to several of the problems identified, such as concentrated growth and high housing costs, because any perceived improvements will only make migration to the growth areas more

attractive, which may be desirable for labour mobility in the short-term but will eventually lead to the same problems of unaffordable housing<sup>1</sup>

21. Introduction (page 17): We definitely agree with the proposition that it is desirable to maximise options available for quality housing regardless of income, location or tenure choice; however, we also believe that the same applies to employment, and strategies that support growth in already expanding communities are often at the expense of, for example, employment in non-growth areas, thereby seriously limiting rather than maximising options available for quality employment regardless of...location.
22. What this Inquiry Is Not About (page 19): Other points should be added such as
  - a. While the purpose of the Productivity Commission is to focus on productivity issues, we think that a strong reminder should be included to the effect that productivity increases are desirable, but that they are only one of many factors contributing to quality of life in NZ (and that the Commission was not requested to contextualise productivity objectives) and
  - b. Likewise, it should be emphasised that the brief for the report did not include researching alternative strategies such as reducing incentives for moving to current growth areas by investing in areas of economic development that do not rely on being in growth centres for success

## Chapter 2: Cities, Growth and Land for Housing

23. The Benefits of Agglomeration (pages 27-29): This section should include some analysis of the implications of changing technology on, for example, the benefits associated with proximity; our assumption would be that the importance of physical proximity is expected to decline as the possibilities of virtual proximity increases
24. Agglomeration Costs (pages 29-30): As noted in several other parts of our submission, the whole *Report* neglects consideration of the costs of agglomeration in areas that aren't experiencing high growth.
25. The Costs of Urban Planning, F2.6 (page 43): While we would agree with the main proposition in this section, that good urban design has costs - which may not be adequately identified and which should be considered in the decision-making process, as pointed out several times in this submission, we believe that the *Report* itself has the same fault: not clearly articulating the costs associated with various propositions, for

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<sup>1</sup> The same paradox applies in urban transport: building more roads temporarily reduces congestion, but the improved situation attracts more use of roads until the previous level of congestion is achieved (unless so many roads are built that they can accommodate everyone using vehicles for all their transport needs – thereby leaving little land for any other purpose)

example, the social and economic costs of non-intervention in the depopulation of non-growth areas.

- a. While properly recognising that planning systems should aim to balance the competing social, environmental and economic impacts of development (in the Terms of Reference), the *Report* neglects consideration of one of the major reasons why this hasn't been working effectively in NZ: the narrow definition of the occupation of 'planning' and thus of what's included in the curriculum for planning qualifications, with undue emphasis on land use planning without adequate consideration of other aspects of planning that are essential to achieving thriving communities – at both the national and local levels, and thus without adequate training to, for example, identify costs of urban design.
26. Constraints on Labour Market Performance and Productivity (page 62): We are not economists and have not had the time to identify sources to support specific points, but we are concerned that in several places in the report, such as this section, evidence is cited that supports the conclusion, while contradictory evidence is ignored. Two examples are:
- a. While Alonso is cited several times in the *Report* with regard to one aspect of his work, we think it should be recognised that he also problematised, in economic terms, the trade-offs between plans that encourage people to move to where jobs are and plans that encourage jobs to move to where people are.
  - b. Restricting housing supply imposes externalities, but so does central government imposition of growth expectations onto communities that don't desire them.
27. Restrictive Land Use Regulations, F2.15 (p 62): As noted in several other examples, this is an unbalanced conclusion which is not constructive in contributing to good decision-making as it doesn't identify the benefits of restrictive regulations, such as protection of the environment and democratic processes.

### Chapter 3: Integrated Planning

28. Urban Limits (page 72): We are categorically opposed to extending urban limits except as a last resort because once greenfields have been developed they are never restored and the cultural values associated with less developed spaces are lost forever. Furthermore, one only has to look at places such as California to see the consequences of allowing urban sprawl, with its consequent environmental degradation, exorbitant travel costs and times, etc. We firmly believe that there are alternative strategies such as encouraging economic development in non-growth areas, intensification in growth areas, etc. which can provide for adequate increase of housing stock.

29. Urban Feasibility Model (page 75-77): We support the recommendation to explore the potential of developing such a model which is appropriate for NZ.
30. Rural Land Zoning, R3.3 (page 79): This recommendation should be amended to incorporate consideration of social, cultural and environmental factors in the review.
31. Highest and Best Use of Land, F3.11: The finding that price indicates the highest and best use of land is a particularly sensitive Eurocentric view which should be noted as such. There needs to be discussion of different cultural views about how land is valued and a recommendation that recognises these differences.
32. Removing or Relaxing RMA Obligations, F3.14 (pages 82-83): We agree with the conclusion that relaxing RMA consultation would increase the risk of poor-quality regulation, for the reasons given but fundamentally because spatial plans, being wide-ranging and long-term, inherently have internal contradictions, and consultation should be part of deciding how to address them.
33. A Tighter Focus, F3.16 and R3.5 (pages 84-85): While we agree that a new planning avenue could be appropriate for larger cities (F3.15), we completely disagree that it should have a 'tighter focus'; as noted above, we believe that planning needs to balance environmental, social and economic concerns and restricting the focus of spatial plans to matters directly affecting land use will perpetuate the problems that have led to the need for an inquiry.
34. Wider Central Government Involvement, R3.7 (pages 85-86): This recommendation is totally inappropriate for this report. The proper balance between central and local involvement in decision-making is a matter of far greater and longer-term significance than current housing issues - it is a constitutional matter. Furthermore, as noted in the discussion, Cabinet has a short-term view whereas a spatial plan, by definition, is long-term.

#### Chapter 4: Supplying and Releasing Land

35. Use of Crown Land for Housing, F4.9 (page 103): We have no objection to use of Crown land for housing purposes; however, we strenuously object any use of Crown land which generates profit for the private sector, for several reasons, but mainly because, as the Crown has belatedly acknowledged, nearly 90% of the land in NZ was wrongly taken from tangata whenua (*Healing the Past, Building a Future*; OTS). While the settlements process nominally addresses this injustice, the material value of the settlements is so minimal in relation to what was taken that it would be a further injustice for the private sector to benefit.
36. Earlier Engagement Can Help. F4.13 and R4.5 (pages 111-12): Our experience also is that early notification and engagement can have a significant impact in reducing timeframes –



and that this applies in a much wider range of situations than just appeals: earlier engagement with tangata whenua in any development project is beneficial. While we share the Report's perception that better outcomes are achieved when participants choose to engage, some parties need external pressure to recognise what is in their own best interests. Therefore we disagree with the conclusion that legislation to require early engagement is unnecessary (and think that the recommendation is too weak); exemptions could be included to provide for situations such as site-specific plan changes.

#### Chapter 5: Regulations and Approval Processes

37. Increases in the Cost of Development (p 119): Unless evidence is available supporting the research by Grimes and Mitchell it should be excluded as developers' could not be expected to be providing impartial evidence with regard to cost impacts of planning rules and regulations.
38. Unduly Costly Requirements, F5.1-F5.4 and R5.1-R5.4 (pages 120-124): We acknowledge that regulatory requirements add costs, and we would agree some of the existing requirements do seem to us to be 'unduly costly' in relation to their benefits; however, different people have very different views on which are examples of the costs being greater than the benefits. Therefore we oppose all the blanket recommendations in this section; the proper place for debating each of the points in this section is within the process for creating and reviewing local plans. If specific requirements are to be deleted then there must be evaluation of what purpose they were meant to achieve, and if the purposes are valid then either an alternative standard should be set or consideration given to specifying outcomes rather than how to achieve them.
  - a. Minimum Parking Requirements, F5.3 & R5.3 (pages 122-123): A simple comparison of residential streets in Ponsonby (which rarely have off-street parking available) and the neighbouring Grey Lynn (where off-street parking is available on most sites) raises significant questions about the evidence cited in this section. Large sums of money have been spent trying, with noticeable lack of effectiveness, to address safety and other issues arising from curbside parking in Ponsonby. Lack of on-site parking has not reduced car ownership even though the neighbourhood has easy access to public transport.
  - b. Building Height Limits, F5.4 (page 123-124): Building height limits do not 'force' cities to move outwards – moving outwards only occurs if zoning and other controls allow it.
39. Poor Interaction with Other Regulatory Regimes, F5.7 and R5.5 (pages 126-128): This recommendation should be amended to reflect the points made in section: "... with a view to removing them *where they are unlawful.*"

40. Clarifying the Importance of Housing, R5.6 (pages 128-130): This section does not even begin to provide sufficient evidence to warrant legislation change. The recommendation should be amended to reflect the terms of reference set for the Inquiry: “The Government should undertake robust and wide-ranging consultation to clarify the role and importance of housing and urban environments.”
41. Leading Practices (page 132): Throughout Chapter 5, the Inquiry has relied too acritically on evidence from developers, who are indeed key stakeholders amongst users of the planning system, but most certainly are not representative of those affected by consequences of the how the planning system operates. For this Chapter to have credibility evidence from a more evenly balanced and wider range of stakeholders in the outcomes is necessary. Specifically, the primary purpose of any system is surely to achieve its outcomes, with an important but subsidiary purpose of ease of use. If planning systems and institutions do not “have the characteristics required to make principle- or outcome-based regulation work effectively”, then the recommendation should be that they develop those characteristics. A famous sociologist defined a bureaucracy which focusses on process independently of the extent to which it achieves goals as ‘deviant’. If outcome-based regulation is not to be used then specific, fixed criteria are the alternative, which developers do not like either (see Unduly Costly Requirements section above).
42. Further Liberalisation, F5.13 and R5.7 (pages 137-139): In the noted absence of adequate information as to current practice, the recommendation should be amended to read, “...local authorities should consider whether to move more residential land-use activities...”
43. Inclusionary Housing Policies as a “Second Best” Approach?, F5.14 (page 142): “If” should be highlighted as the operative term in this finding, firstly because it has not been established that planning is the proximate cause of declining affordability and secondly because there is evidence of other significant causes. Some alternate explanations are included elsewhere in this submission; there are other obvious possibilities such as the government’s traditional but significantly declining role in direct provision of affordable housing.

#### Chapter 6: Planning and Delivering Infrastructure

44. Key Points (page 146): Two more key points should be added:
- a. the importance of supporting sustainable development (e.g., on-site wastewater treatment through drainage fields)
  - b. the importance of encouraging reduction in demand on infrastructure (e.g., on-site solar provision of energy)

45. Infrastructure to Support Residential Growth (page 147-148): Either energy and social/community infrastructure should be considered or an explanation provided as to why the *Report* has not discussed them further. Furthermore, there are other aspects of infrastructure such as parks which need to be added, as well as reference to the need to synchronise planning for infrastructure provided by central government such as schools and healthcare
46. Do Infrastructure Costs Vary Depending on the Type of Development? F6.2 (pages 149 – 151): We support this finding, especially as it is one of the many reasons we advocate infill/ intensification in preference to use of greenfields.
47. Effective Use of Existing Infrastructure Assets (pages 160-171): We support all of this section because it is congruent with our main point that best use should be made of existing development before consideration of developing new – which applies to other assets as well as land.
  - a. When to Use User Charging (page 169): Although we agree with user charges, for the reasons described, we think it should be noted in the *Report* that where such charges are applied to necessities, such as water, the cost to lower income people/households is disproportionately high.

#### Chapter 7: Paying for Infrastructure

48. Recent Reviews and Legislative Changes (page 196): Another possible explanation for why developers have not more frequently lodged objections about development contributions is that the facts do not support their complaints. We don't have facts so are not taking a position, other than that an inquiry should not assume that complaints being persistent equates with their being justified, especially on a topic in which there are vested interests.
49. Using Targeted Rates as an Alternative to Development Contributions, R7.3 (page 201): The recommended legislative change should also include provision for a council to recover the cost of considering such requests from developers, both to ensure that requests aren't made frivolously and that the cost is borne by those who will benefit from it.

#### Chapter 8: Governance of Transport and Water Infrastructure

50. Performance Objectives for Auckland Transport and Watercare, R8.1 and 8.2 (pages 219 and 220): We support these recommendations as steps to address the problem of 'lack of coordination' identified in Table 8.3.
51. Should the IGC More Closely Reflect Costs? R8.3 (pages 221-22): We would agree that Watercare should change its charging approach, with two provisos:

- a. The emphasis should be on 'better' reflect costs, not on 'perfectly' reflect costs
- b. Externalities such as impact on the environment should be included in the costings

#### Chapter 9: Shaping Local Behaviour

52. Existing Homeowners Benefit From More Restrictive Land Supply (page 230): Existing home owners only benefit from "increasing the value of the asset" if they want to sell and leave the area, or are speculators; otherwise they are disadvantaged as well, for example, by having restricted upward mobility if they want to stay in the community. (This point also applies to the 'value' component of F9.3.)
53. Addressing the Democratic Failure (pages 234-35): We support inclusion of this section in the report and would add another aspect of the problem: local government structures, such as Auckland's, which do not ensure a Maori voice, thereby discouraging Maori (or any other minority) participation.
54. Better Consultation, F9.7 (pages 235-240): We strongly support inclusion of this section in the report.
55. A Larger Role for Central Government, F9.8 (pages 240-46): While it is true that local preferences may be at odds with national interests, we are generally opposed to a larger role for central government for several reasons:
- a. In principle, because it is yet another violation of rangatiratanga of the hapu
  - b. In practice, because the evidence is mixed, at best, as to whether central government makes better decisions for the nation, much less for local communities. The 'Think Big' approach of the 1970-80's is one good example; more recent central government decisions which have widened social and economic disparities is another (see *The Spirit Level* for evidence of negative national consequences when disparity increases). It remains to be seen if the central government decision to amalgamate local authorities in Auckland results in better planning overall or merely reduces the quality of planning to the lowest common denominator. The Government's heavy-handed approach to addressing consequences of the earthquakes in Christchurch certainly do not seem to have been successful.
  - c. Furthermore, as the consequences of focussing growth in the cities increasingly affects the ability of smaller communities to remain economically viable it is likely that many living outside the cities will share the concerns of city residents about the wisdom of this approach.

- d. Central Government is subject to the same problem as local government in being responsive to particular interests, the difference only being the interests to which they respond.
- e. Finally, since the ten growth communities considered in the report comprise well over half the NZ population and if they are resistant to further growth in their communities it raises the question of how a compelling national interest is determined if it isn't by the majority of the people.

We agree that in some situations it is in the interests of all for central government to become more involved in local decision-making; however, the rationale and evidence of benefits, and for whom, must be more clearly articulated than they have been to date in the 'land for housing' situation for this to be acceptable. (NB: The title of this section should be posed as a question rather than a statement.)

56. Do Councils Want Their Population to Grow? (page 248): We agree with the observation that developing mechanisms that would encourage local governments to welcome growth, particularly by providing better ways to address associated costs, should be "considered on their own merits from an economy-wide perspective"; however, since the *Report* makes recommendations in many other areas in relation to points that also need consideration through a wider lens, we think that a recommendation should be included here as well.
57. Is Land Banking a Problem? F9.12 (pages 251-257): While we agree that land banking appears to be a symptom rather than a cause, the wording of this finding implies that all "constraints are the result of local regulatory and investment decisions" which is not only patently untrue (if this were the case, all communities with similar regulations would have similar constraints), it also contradicts other parts of the report which acknowledge factors such as geography. Furthermore, as we have pointed out elsewhere in this submission, central government policy also has contributed to the situation.
- a. (page 257) There is no evidence in the *Report* to support the assertion that the "best way to tackle land banking is to increase the amount of land available for development". Indeed, the *Report* doesn't consider any strategies on the other side of the equation: "reducing expectations of future price increases" which encourage land banking (page 256).
58. Matching of Funding with Benefits Received, F9.19 (pages 263-64): This is yet another example of the wording in a finding being stronger than the evidence provided: specifically, it has not been demonstrated that "land value rating provides a *better* match..." (emphasis added); evidence in the *Report* has only been provided to show that undeveloped land does receive some benefits from some Council amenities and services.

59. Summing Up: How Should General Rates Be Set? F9.20 (page 264-65): This finding is also unsubstantiated:

- a. the 'ability to pay' analysis does not include comparison of the differences between high and low value housing on similarly-valued land
- b. see above point re 'benefits received'

This, especially in view of the *Report's* acknowledgement of minimal impact on land supply (page 265), means that consideration of requiring that all councils adopt the same valuation base does not merit further consideration.

60. Rates on Crown Land, F9.21 and F9.22, R9.1 (pages 266-69): We agree with the points in this section and the consequent recommendation.

#### Chapter 10: Planning and Funding Our Future

61. Key Points (page 270): As noted in several places in this submission, there needs to be a distinction between development in brownfield and greenfield areas, with the latter being unacceptable.

62. What Housing Accords and Special Housing Areas Do and Do Not Address (page 272): A significant omission from the list of what they do not address is an effective mechanism for addressing the need for 'affordable housing' which is disproportionately high but only a minimal requirement for developments under these provisions

63. Benefits of Large-scale Developments, F10.1 (pages 273-74): This finding requires clarification as to the circumstances in which economies of scale, for example, translate into benefits to first-home buyers. In the Auckland situation they could simply translate into additional profits for developers and construction companies. Furthermore, the successful involvement of one overseas building partner does not equate to the apparent conclusion that it's important to attract overseas developers generally.

- a. Overseas Investment Framework, R10.1 (page 274): Insufficient evidence has been provided to warrant this recommendation. Evidence from two developers is both inadequate volume and variety. Like many other aspects of the *Report*, this type of recommendation requires consideration in a broader context (e.g., implications for local employment) and with wider consultation.

64. Should New Zealand Have an Urban Development Authority? R10.2 (pages 291-94): As noted throughout our submission, development of greenfields should be excluded.

65. Funding Growth-Enabling Infrastructure Through Value Capture, F10.10 (pages 295-96): We agree with this concept in principle but more work would need to be done to make it practical and appropriate. The *Report* has already noted several important problems but hasn't considered the full range of possibilities for managing them (e.g., capital gains tax on property could be a way of ensuring that those on low and/or fixed incomes don't

have to pay for property value increases until they are realised). Furthermore, there are other problems that weren't identified, for example, distinguishing between land value changes generated by the local community and changes due to other factors such as oil price increases making access to public transport a more attractive.

66. Conclusion (page 304):

- a. Chapter 1 didn't state that "improving the supply of land for housing is the most important component of addressing affordability concerns" – it stated, more properly, that it is "one of the most important" (page 17); in a report on land and housing the distinction is important.
- b. It is inappropriate to recommend drastic measures such as provision for large-scale compulsory land acquisition when there is evidence, in Auckland at least, that the building industry does lack capacity, which is already contributing to increased costs and delay in building.
- c. We agree with the analysis about people finding change difficult, but reference should also be made to the importance of ensuring that people who are disproportionately bearing the costs of change also have disproportionate access to benefits (the corollary, in reverse, of 'user pays'). Otherwise it is all too likely that the costs of change will fall disproportionately on the marginalised groups least likely to be able to resist. Furthermore, if these changes are made primarily in relation to national rather than local interests, then the cost of providing compensatory benefits must be borne nationally – not locally.

If you would like any further information from us, please feel free to contact us.

Naku noa,

A handwritten signature in blue ink, appearing to read 'Dennis Kirkwood', with a large circular flourish at the start and a long horizontal stroke extending to the right.

**Dennis Kirkwood**

Chairperson, Ngati Tamaoho Trust