

*Feedback on:*

**Government's Urban Development Authorities Discussion  
Document: 20 April 2017**

*For clarifications and questions, please contact:*

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Chair, Puketāpapa Local Board

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The Puketāpapa Local Board does not support the Government's proposed Urban Development Authorities in Auckland for the reasons explained below.

In view of this decision, the Board will limit its feedback to the three questions relating to the proposal in general.

**A. General Comments**

1. The Productivity Commission's brief summary of town planning in New Zealand indicates that Local Government overall has successfully worked with existing legislation to provide for their communities, amenity, growth, housing, environment and wellbeing.

These achievements have taken place despite the time successive governments have taken to develop a National Policy Statement on Urban Development Capacity under the Resource Management Act 1991. This is an essential guide to local authorities on what government considers are the important objectives and policies for urban development as a matter of national significance. This document has been twenty five years in the making.

2. The undersupply of housing in Auckland points to four critical factors ;
  - (a) the challenges faced by previous Auckland councils to align regional and city plans relating to zoning and development options;
  - (b) the extent of recent migration growth, from both internal and external sources, that Auckland Council has little control over;

- (c) the national approach to housing that has morphed from a social necessity in 1967 to an investment necessity in 2017. The expected behaviours that lead to land banking and property speculation therefore come as no surprise and are generally encouraged by taxation regimes;
  - (d) the cost of building materials in New Zealand.
3. Since its creation in 2010, Auckland Council has successfully developed, consulted on and adopted the Auckland Plan and its associated Unitary Plan. The issues raised in the Productivity Council's 2015 'Using Land for Housing Inquiry' that underpins the Government's Urban Development Authorities proposal have been overtaken by Auckland Councils recent success in adopting their own solution for housing intensification.

**B. Responses to Specific Proposals.**

1. To what extent do you agree (or disagree) with the overall proposal to enact new legislation?

The Puketāpapa Local Board does not agree with the proposed new legislation being applied in Auckland. Panuku Development, an Auckland Council Controlled Organisation, has been created with a particular focus on quality urban development, regeneration and transformation. It has a mandate very similar to that proposed in the Government's Urban Development Authorities document including the capacity to work with other partners. This would include government, government departments and State Owned Enterprises as, and when, this would assist in achieving the purpose of a particular development.

The proposal that Urban Development Authorities would override district, regional or unitary plans if the government believed that the public benefit of the project would be sufficiently high to justify it, negates the purpose of both the Local Government Act 2010 and the Resource Management Act 1991.

The inference from this suggestion is that both of the above Acts are a hindrance to urban developments of scale irrespective of who undertakes them. If that is the case, the most effective and efficient process for government to follow would be to review both Acts with a view to providing a more supportive development

environment. It needs to be noted however that Panuku Development has been able to work within the parameters of the current legislation.

2. What additional development powers would you like to see enacted in the proposed legislation (if any)?

Rather than the additional development powers proposed in the new legislation, we would suggest that government focus its attention on improving the existing legislation as the powers to achieve appropriate housing intensification already exists within that legislation.

Sections 207A – 211 of the Local Government Act 2010 specifically provides for development agreements and amending these would be a simple, cost effective and democratic option where government could be included as a development partner if that is what government considered necessary. This is especially pertinent given that the current proposals provide for a veto power for local authorities. This points to partnering being a more constructive option for all parties as compared to the proposed overriding legislation.

The Puketāpapa Local Board would suggest that there is an opportunity for government to consider alternate legislative changes related to immigration. Further funding options for urban development could well be available through the various New Zealand Immigration categories. This could be in the form of a general, and additional, infrastructure contribution to the area of residency or a more deliberate focus on larger infrastructure bonds within the investor or entrepreneur categories.

The Puketāpapa Local Board would also like to see a more purposeful government agenda to prioritise the construction of affordable housing over larger, luxury property developments.

3. What additional limitations or protections would you like to see included in the proposed legislation (if any)?

If government progresses the current Urban Development Authorities proposal to legislation, the Puketāpapa Local Board would want to see the Auckland Council

area exempted from the Act as it replicates the organisational structures that are already in existence – and that have taken years to establish.

All parties need to recognise, that New Zealand has not just arrived at a housing shortage – it has been simmering away for decades fed by the factors identified earlier. The processes outlined in the Government’s Urban Development Authorities document will not resolve this housing shortage any faster than using the legislation that already exists in Auckland.

The time needed to progress the steps outlined in the Discussion Document from ‘Initiating Development Projects’ through to ‘Dealing with Infrastructure when winding-up a Development Project’ will take years even if the powers contained in the Public Works Act 1981 are required. The suggestion that this legislation would only be used as a last resort indicates that any development period could take a very long time indeed.

By comparison, the Auckland Council Unitary Plan has now been adopted and Auckland is ready for multi-unit developments to commence across the entire region now. Appropriate zoning is in place through the Auckland Unitary Plan and the three Council Controlled Organisations - Panuku Development Auckland, Watercare and Auckland Transport – are all capable of providing the necessary infrastructure to support intensified urban development in Auckland.

This intensification may, or may not, involve changes to some classifications of reserves in order to streamline or fast track development as outlined in the Urban Development Authorities proposals. Of particular interest is that any changes to Reserves Classifications in Auckland would go through the usual community consultation rather than the compulsory acquisition and reclassification process suggested in the Discussion Document.

However, the limitations to intensified urban development in Auckland are no longer legislative or structural as is being suggested with this Urban Development Authorities proposal. The biggest challenge currently is the means of funding infrastructure plus the skills needed to undertake the construction work needed.

A better approach to accelerating and supporting urban development may well be through targeted funding and education rather than another layer of

legislation. Auckland's current growth of 45,000+ p.a. will create the need for some 14,000 new residential units p.a. and, with the adoption of the Unitary Plan, the only impediment to these being built is the lack of funds and skills.

The Puketapapa Local Board would urge government to give priority to addressing these issues in order to ensure that the building of homes needed in Auckland and other urban centres can be expedited.

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