Proposed National Policy Statement on Urban Development Capacity

SUBMISSION FORM

The Minister for the Environment and for Building and Housing invites submissions on the proposed National Policy Statement on Urban Development Capacity.

Details of the proposal are in the *National Policy Statement on Urban Development Capacity* consultation document.

Submissions close at 5pm on Friday 15 July 2016.

Making a submission

There are three ways to make a submission

1. **Use our online submission form** MfE.govt.nz/consultation/proposed-nps-urban-development capacity (we recommend this option).
2. **Use this form** and send it by email or post.
3. **Write your own submission** and send by email or post.

If you want to send us a submission please sent it in Microsoft Word document format (2003 or later version).

Email submissions to: npsurbandevelopment@MfE.govt.nz.

Post submissions to: NPS Urban Development Capacity, Ministry for the Environment, PO Box 106483, Auckland City 1143.

Publishing and releasing submissions

Your submission (or part of it) may be published on the Ministry for the Environment website www.MfE.govt.nz. You must state if you do not want some or all of it published.

Submissions are subject to the Official Information Act 1982 (OIA). If you would like any content withheld, please let us know. This will be considered if we receive an OIA request.

Your submission is also covered by the Privacy Act 1993. Any personal information in your submission will only be used by the Ministry for the purposes of the consultation. Please state in your submission if you do not wish your name to be included in related Ministry publications or on our website.

Submission form

We have included suggested questions below to help guide your submission. You do not have to answer these, and you are welcome to comment on other matters or concerns. Please give a rationale and supporting evidence for your responses.

Contact information

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*fields must be completed

Our Submission is as follows:

We have considered the questions posed on this form, being:

1. *Will the proposed NPS improve decisions made about urban development under the RMA?*

2. *Will the proposed NPS support greater understanding of the demand and supply of development capacity?*

3. *Do you think the proposed NPS will contribute to:*

    - *a better understanding of how planning interacts with the market?*
    - *The ability for councils to plan for and respond to changing demand?*

4. *Would the policies in the proposed NPS support better coordination in regard to land use planning and infrastructure provision?*

5. *The NPS proposes timeframes and frequencies for assessments, targets and monitoring. Are these reasonable? Are they appropriate?*

6. *What will assist councils to implement the proposed NPS?*

7. *Do you have any further comments on the Government's proposal?*

Overview Comments:

1. We understand that the National Policy Statement (NPS) has been developed as part of a response to the current housing shortage and rising house prices. We recognise that the National Policy Statement is a tool which has been devised to address the current housing shortage in high growth areas, and to ensure that Councils undertake strategic planning and ensure that there is land available for future urban and business expansion.

2. In addition to the proposed NPS significant changes to the current resource management process are urgently required. These changes will need to take economic factors into account as well as environmental, social and cultural factors. This submission sets out our views in relation to the current barriers to development (particularly housing) and our concerns with the current regulatory system including; the Resource Management Act 1991, Building Act 2004, Local Government Act 2002, Heritage New Zealand Pouhere Taonga Act 2014, Building (Earthquake-Prone Buildings) Amendment Act 2016, Landlords Liability Act 1967, Health and Safety at Work Act 2015, and various Council bylaws which are often misaligned and contradict each other. Similarly New Zealand Standards for aspects of design contradict planning rules but must be complied with for Building Consent. Arguments in the Hearings and the Environment Court include many conversations about which Act reigns supreme. All aspects add cost to the housing supply.

3. For example the most basic definition in construction is *"Building"* as defined by the Building Act 2004, yet every District Council concocts a new definition in the planning regime to suit their own purposes which is often inconsistent with the Building Act 2004. A *"one country, one rule" approach* would be welcomed and reduce consent times, court appeals and cost.

4. Aspects of corruption exist, are rife and continue to contribute to Council decision making on resource consent applications. Councils have a monopoly when it comes to making decisions on resource consent applications. In our experience, Councils are able to stretch out decision making on applications for months and even years in some cases, making projects financially unviable and putting others at risk due to the opportunity cost of delaying decisions. The possible intent of such actions is to financially stress the applicant into compliance with Council Planner demands (where no adverse effect would result to the environment). Often a Council Planner is defending the work of Council under a district plan change and have unlimited rate payer funding to advance their demands unchecked. The 2013 amendments to the RMA at s88 enable Council to return applications after 10 working days if they deem that they are incomplete. Most cautious and diligent developers undertake pre-lodgement meetings on major projects. However, the MfE directs that these meetings are non-binding on Council. Council may send an applicant down a set path to lodge a consent and then cancel and return the application as incomplete under s88. The

Council clock does not commence until the application is accepted under s88. The MfE does not record and publish the number of applications returned to the applicant as incomplete.

5. The government therefore, has no idea how difficult it is to meet the s88 threshold by the applicant who has acted in good faith on the advice given by Council. This process is not publically transparent and is subject to a degree of abuse. In addition, once lodged some Councils cancel the application after 75 work days and return it to the applicant with no decision, there is no mandate in the RMA to cancel applications.[1] This practice enables Council to improve their statistical reporting in the public realm via the MfE.

6. Once lodged Council is in control of the RMA Processing clock, many Councils stop the processing clock (under s88(c)) at day 10 and send a s92, once the information sought from the applicant is returned, the clock is not restarted by the reviewer until the reviewer is satisfied under s92 that the information is as they want it and no additional queries are raised. This enables Council to endless raise minor refinement maters to further delay restarting the clock if they are busy or other reason. This is a continuation of the serialised s92 process which amendments to the RMA in 2009 were supposed to stamp out. The clock should recommence when the information is returned. Applicants do provide detailed response from technical advisors, consultants and experts. Not agreeing with the applicant is not a reason to delay the restart of the clock. Until there is an independent check on the clock there will be no change.

7. A system that lodged all applications via the MfE rather than Council, and whereby the relevant council automatically received the lodgement would enable more effective monitoring and transparency. Newer electronic systems would reduce labour cost, enable all applications returned under s88 to be tracked, along with all other requests and applicant information.

Proposed NPS Structure and Applicability

8. We support the differentiation between high, medium and low growth areas within the NPS, and the application of different policies to the various growth areas. It is important that the NPS recognises that any solutions to the current shortage of housing across the country and providing for future growth will not be a one size fits all exercise. What works in larger centres with strong economies and growth will not necessarily work within a regional/or slower growing area, and vice versa.

Additional Reporting

9. Proposed Policies PB1-PB5 will entail a high degree of information gathering and analysis by local authorities that contain Medium and High Growth Areas. We agree that any decisions that are made should be based upon solid information and proper analysis of the information needs to be undertaken in order for Local authorities to undertake the monitoring and provide the required reports.

[1] The submitter will supply a copy of Council Policy document to support this statement on request.

10. Central Government will need to ensure that the information required to be reported on is easily available to Local Authorities in a timely manner.

NPS Timeframes

11. The timeframes set down in the Proposed NPS for including targets in Regional Plans and providing strategies are reasonable so long as the required information is easily available.

12. We agree with the use of the fast track Plan Change provisions under Section 55(2A) RMA to allow the objectives and policies from the NPS to be included into the relevant plans – there is little point in opening the process up to public input and potential appeal when the NPS clearly directs that these provisions must be included in the Regional Plans.

Coordination of Infrastructure

13. Providing land for urban growth is only one part of the solution to the current housing shortage. Any land that is *'opened up'* for residential growth outside of current urban limits also needs to be supported by infrastructure – not only roads, power, gas, water, sewer, stormwater and telecommunications, but also social infrastructure – green space, schools and community services. If a developer of housing seeks to provide infrastructure to Council standards – why does Council stand in the way of the applicant? Many developers seek to provide infrastructure to Council Standards at their cost – however, if Council urban growth is not exactly where the developer is proposing it, then the Council will provide technical and evidential barriers to preclude it by citing the Local Government Act 2002, no money to finance or urban design expert opinion under RMA 1991 processes.

14. The following phrase from the consultation document is compelling:

> *"If done well, urban growth and development support the success of the city, bringing in new people and skills, offering increased choices and opportunities, and supporting investment into the infrastructure and services needed for a resilient future. However, without good planning, cities can become victims of their own success, burdened by rising traffic congestion and house prices and poor quality environments."*[2]

15. Areas of new urban expansion require all of the services above in order to be effective and efficient urban areas, and it is the social infrastructure that is most likely to be overlooked if urban expansion occurs quickly and without proper planning being in place. Areas that do not have adequate social infrastructure will not enable residents to fully provide for their social, economic and cultural wellbeing.

16. Extensions to infrastructure can be expensive and the costs to extend services will inevitably be passed on to purchasers. In the New Zealand setting, there are a number of infrastructure providers – Councils, Electricity Lines Companies, Gas Line Companies, Telephone and Internet Companies. Provision of all required infrastructure will require coordinated planning between all stakeholders. All players will need to expand their services to greenfields areas within the same time frames.

[2] New Zealand Government, 2016, Proposed National Policy Statement on Urban Development Capacity – Consultation Document, page 20, paragraph 5.

17. Recent media reports indicate that the projected infrastructure spend required for the whole country is significant. Auckland Council for example has been quoted in media as requiring $19 billion in investment in infrastructure over the next ten years[3]. It is imperative that this investment is planned and coordinated across the relevant agencies to ensure it is provided efficiently and in a timely manner.

18. We support the inclusion of Policies PC3 and PD9 in the NPS to require Councils and infrastructure providers to coordinate and work together in this regard to ensure that infrastructure is provided efficiently and effectively.

19. Additional policies should be included to enable developers with sufficient means to provide solutions to infrastructure to serve the public and their development under the LGA2002 or other vehicle with an offset against Council development contributions or land or other. Adopting such policies would enable residential land to be opened up for housing at an earlier point in time within existing urban boundaries in the event the Council or other providers cannot or will not carry out the required extensions themselves.[4]

Infill vs Greenfields Expansion

20. In Auckland, the focus should be on infill and intensification first over opening up new areas for urban development. This is more efficient in terms of provision of infrastructure, roading and leaving productive land intact where possible.

21. High rise development should be encouraged more in areas that can be sufficiently serviced for this type of development, in order for the *"fullest and best"* use to be made of the available land resource. High rise development can be more cost effective per unit than medium rise development thus lending itself more to affordable housing and meeting the demand for additional housing. As this is likely to be most pressing in high growth areas, we agree that the requirement to produce a future land release and intensification strategy should be required of high growth areas only, as reflected in Policy PD7, however the policy should give preference to intensification over expansion as this is more efficient in terms of resources.

22. Unfettered expansion will result in poor quality development. Given that three of the High growth areas identified in the draft NPS are Coastal settlements (Auckland, Tauranga and Christchurch) the proposed NPS is potentially contrary to the NZCPS [5]. The Proposed NPS

[3] http://www.stuff.co.nz/business/industries/81703095/1-billion-housing-pitch-unveiled-by-Prime-Minister-John-Key

[4] Examples are available on request.

[5] Including, but not limited to, Objective 2 of the NSCPS:

"To preserve the natural character of the coastal environment and protect natural features and landscape values through:

- recognising the characteristics and qualities that contribute to natural character, natural features and landscape values and their location and distribution;

- identifying those areas where various forms of subdivision, use, and development would be inappropriate and protecting them from such activities; and

may also conflict with the NPSET as it is silent on urban and commercial expansion into power corridor setbacks. It should be made clearer in the likes of Objective OA2 whether this proposed NPS sits alongside, above or below other National Policy Statements.

23. We understand the rationale for requiring additional reporting by Councils in support of plan changes or other methods to make land available under PD1-PD9. In our experience this is not being done well in 2016. Cost benefit analyses in support of Council plan changes frequently have little regard for economic factors and are not completed in a manner which transparently demonstrates measurable outcomes. The total avoidance of any reference to *"dollar values"* to inform economic analysis results in highly subjective and misleading reporting[6]. The absence of such information at Plan Change notification makes it impossible for a submitter to introduce that information "within scope[7]" - particularly where the district plan review is a rolling review with scope defined for each section. Some sections become operable without the ability to introduce relevant material.

24. We note that the Harrison Grierson and New Zealand Institute of Economic Research Report to the Ministry for the Environment on Section 32 RMA Report of the Auckland Unitary Plan Audit concluded:

> *"The s32 report and associated appendices demonstrate that a large body of work has been undertaken in arriving at the policies and objectives. However, this has not been well sign-posted in the s32 report, which appears to show limited consideration of alternatives in approach and in choice of individual policies. There is little evidence of quantification in the s32 report and more importantly, why quantification was not considered, and there is no summary of the reasoning for the decisions being made. It is long on expectations and justification but short on the detail and assumptions to assess the robustness of its conclusions. There is no step-by-step guide for the reader to understand how the material was used by decision makers to inform their choices. As an examination of the extent to which objectives and provisions being proposed are most appropriate in achieving the purpose of the Act, the section 32 report needs better signposting to the background analysis and a more succinct explanation of what it shows. The problem and how the Council intend to solve needed to be made clearer. The resource management issue being addressed is that there is a restriction of supply of land for development that, in face of expected growth, raises prices of land for development, reduces affordability of housing and increases costs for businesses. This leads to a loss of competitiveness and long term well-being. In defining the issue, the report does not sufficiently draw on the supporting documentation, and then use this to demonstrate why the current proposal to expand the urban boundary with the RUB is beneficial. Costs are not identified or discussed. The report could also more fully explore the relative risks around alternatives and the limitations of the analysis. For instance, there is a trade-off in choices between greater certainty with a long term plan and benefits for*

- encouraging restoration of the coastal environment."

[6] Imagine a Regional Economic Activity Report without any monetary consideration, see - http://www.mbie.govt.nz/info-services/business/business-growth-agenda/regions/documents-image-library/rear-2015/min-a003-rear-report-lr-optimised.pdf

[7] PALMERSTON NORTH CITY COUNCIL v MOTOR MACHINISTS LIMITED [2013] NZHC 1290 [31 May 2013]

infrastructure development; but there is some risk of less market responsiveness if opportunities arise that do not fit within the PAUP 's initial expectations, or if the PAUP removes opportunities that are not apparent at the start of the planning process"[8].

25. Our experience is that Councils place a much higher onus of proof on private developers seeking to rezone land through the Schedule 1 RMA Process than they do for their own Council initiated Plan Changes. Any land to be rezoned for residential or commercial use must be suitable for the type of development anticipated – free from natural hazards and contamination that would reasonably preclude development and able to be serviced by all required infrastructure. The applicant's technical expert at lodgement is commonly peer reviewed via a s42A and/or s92 process under the RMA 1991. This adds cost. Where a peer reviewer is the same expert engaged by Council in writing the operative district plan, that expert is not considered impartial and is in effect defending their original work. This practice is detrimental and costly to rate payers, local government, government and the applicant. In addition we have encountered situations where expert review on the same matter have been serialised with repeat review on the same matter, in general this suggests if you do not like the outcome of review 'try again'[9]. The professional standing of experts is not accepted in this process on either side. It results in a massive amount of lost opportunity and waste to the detriment of New Zealand. Our experience of past referrals to the Office of the Ombudsmen has demonstrated a *"no interest result"*[10]. Referral for this type of *'abuse of process'* to the Auditor General should be enabled.

26. Private developers are required to provide detailed reports on potential land hazards and Detailed Site Investigations in terms of site contamination in order for Councils to consider that applications for Plan Change are sufficiently complete to proceed to notification of a plan change. These same Councils in their own Plan changes have considered that initial reports (which have almost always included a recommendation to have more detailed reports undertaken prior to land being developed) have been sufficient, and the matter of land safety and suitability can be considered at subdivision stage. The risk is that the detailed reports will show that some land is not suitable for residential development, thus reducing the amount of land available for residential redevelopment and potentially increasing prices to future purchasers. If policies such as PD1 and PD2 are to be implemented effectively so that sufficient land can be provided for growth, these matters will need to be considered at the time the land is investigated for being made available. A level playing field is required so that suitable land can be made available through either Plan Change method (Council or Private) in a timely manner.

27. We also find that Councils fail to provide essential relevant technical reports at the time of notifying plan changes, such as an Integrated Traffic Assessment in support of Notice of Requirement applications. We are also aware of Council Initiated Plan Changes that have

[8] Harrison Grierson and New Zealand Institute of Economic Research, November 2013, Section 32 RMA Report of the Auckland Unitary Plan Audit (Report to the Ministry for the Environment)

[9] Documentation is available on request.

[10] Changes to the Office of the Ombudsmen in the past year may make revisiting some of these prior request appealing and may result in a different opinion in 2016.

sought to introduce new road connections under Structure Plans, but have not provided any form of Traffic Impact Assessment at notification.

28. Clear conflicts of interest occur in this process – where the Council is the landowner of land to be rezoned under a Council Plan Change in opposition to a Private Plan Change by a Developer and hears and decides on both applications.

29. Targeted measures that have been made available to Auckland Council such as Special Housing Areas have been applied in a haphazard manner and not capitalised on. In one instance[11], a large tract of land (in the order of 105 hectares) was classified a Special Housing Area. This area included recently developed townhouses, existing houses with individual title, multiple reserves, a school and two large modern churches. The areas concerned are fully developed, is it Auckland Councils intent to knock new housing down to make way for increased capacity? Given current house and land prices in Auckland, land that has been recently developed with buildings is unlikely to be redeveloped due to the higher value of developed land compared to vacant land. Large scale redevelopment would also be frustrated by those sites all being subdivided and having individual titles. There were some undeveloped areas in this Special Housing area (approx 25 hectares), which is expected to yield 360 houses[12]/sites approximately – still a relatively low yield for such a large space (1 unit per 694m^2) with special provision under the Housing Accords and Special Housing Areas (Auckland) Order 2013 for buildings up to six storeys and 27 metres in height[13]. The Special Housing Area notations are due to expire in September 2016. The target of up to 56,000 new houses in these Special Housing Areas is unlikely to be anywhere close to being met.

30. We also note that some areas have effectively been down-zoned under the PAUP – from Area D under the North Shore Operative District Plan (since 2002) to Mixed Housing Suburban and Mixed Housing Urban, which has less allowance for high density housing. Why does this occur at a time when residential land is scarce and when the PUAP has appropriate zoning to allow for denser living and previous plans have identified such land as being suitable? The infrastructure is already in place to take the higher density, it has been budgeted under the LGA2002 and exists.

31. Whilst we support provisions arising from the NPS in plans and regional policy statements being based upon evidence from data collected by Councils and National agencies, as set out in Objective OB1, we have concerns that the current methods of collating data on resource consent processing times and costs (notably the MfE surveys which occur on an annual basis) are not presenting a robust and accurate picture of the resource consent processing climate at present.

32. Of particular note, the information collected only relates to the year an application is processed to a decision. It does not show situations where an application can take years to be processed and be subject to serialised Section 92 requests (which in our experience do still occur despite the streamlining measures that have been implemented through various

[11] An aerial photo depicting the zone is available on request.

[12] http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11251200

[13] Housing Accords and Special Housing Areas (Auckland) Order 2013, Schedule 1B, Part 2

amendments to the RMA). The Section 92 processed is abused by some Councils with the effect of slowing development.

33. We have been subject to Section 92 requests for matters that fall outside of the Local Authorities jurisdiction and stray into Regional Council functions, when Regional Council consents have already been granted for those same activities.

34. Councils are able to request "peer reviews" of professionally prepared reports under Section 92 of the RMA, despite the authors of those reports being qualified and bound by professional standards and ethics.

35. Councils are able to commission peer reviews of these reports at the applicants cost. If the report is commissioned under Section 92, applicants have the option to agree to the report being commissioned or refuse to agree. Refusal allows Councils to decline an application on the basis of not having sufficient information being provided. If a peer review is accepted, often the review cost will be close to what was paid for the original report, so applicants are effectively paying twice, with little impact on the outcome of the application. In the worst case (to date) we have paid seven times on the same matter.

36. The applicant is not typically privy to Council's instructions to the reviewer, not given an estimate of the cost for the review prior to it being requested, but is liable for the cost of the review under the RMA1991.

37. Councils can also commission the reports under Section 42 RMA. This does not stop the processing clock, but there is no requirement to seek the applicant's approval prior to commissioning the report. Again, the applicant may or may not be privy to Council's instructions and the likely cost of the report prior to it being commissioned, but is required to pay for it.

38. Hundreds of thousands of dollars of waste exists within the Section 92 process and this cost is eventually passed on to future land purchasers. We find that often, Councils will employ the same experts to peer review an application that have been used to assist with input into plan drafting. This is a clear conflict of interest. Experts are effectively being invited to justify their original stance with access to unlimited Council resources, including experts and legal advice, and all of this cost being charged back to the applicant.

39. We also find that external experts are either not being well instructed on scope or are venturing outside of scope without being reigned in. This even occurs at Environment Court level where matters outside of those in front of the Commissioners have been examined. Ratepayer funds pay for this.

40. Such requests and costs simply cause delays in development occurring and unnecessarily inflate development costs.

41. We have been subject to external experts charging in triplicate for the same work.

42. The imbalance of power also flows through into Plan Change applications. We have been subject to Council officers reporting publicly to their hearings panel that a plan change

application is *"on hold at the applicant's request"* when this is not the case. We have also had Council officers reporting publicly on financial matters when the invoice in question was in dispute, and the amount of the invoice was printed in local media. Further examples of protracted resource consent examples are available on request.

43. The information gathered during the MfE reporting is only as accurate as the Council's own record keeping and inputting. Failure to update Council systems and take a consent off Section 92 hold within Council systems can artificially decrease the number of working days to taken to make a decision.

44. Increasingly Council Planners seem reluctant to use their discretion in accepting an original applicant report, and/or the findings of a peer reviewer, and weighting that aspect of peer review against other relevant facts in the application to come to a decision and make recommendations. We find that the Planners utilise the peer review information and send it back to the applicant with a *'change it or else'* we will decline, instead of assessing the information and balancing the social, cultural, economic and environmental aspects of the whole application before them as the RMA expects the Council Officer to do at Part 2. We are advised that this is particularly evident in the fields of Urban Design and Heritage. Urban Design in particular is emerging as a barrier to efficient processing of resource consent applications and is adding significant cost to the delivery of both residential and commercial projects.

45. We are aware that the changes to Section 37A(4) of the RMA which were enacted under the 2009 Amendment are being used by Councils to avoid a discount in terms of Section 36AA(1) (which also was enacted by the same 2009 Amendment) by extending timeframes by 20 working days on the basis of "heavy workloads". The ability to extend timeframes to less than double the statutory maximum without the applicants approval (and in some cases even knowledge) effectively cancels out the discounting policy, which was devised to encourage Councils to process consents more efficiently. We have been advised by Councils that they will use these provisions to their advantage at every opportunity. The data being gathered on by MfE, discounting does not accurately reflect Council performance in terms of consent timeframes.

46. The Section 37 provisions themselves are weak in regards to only requiring an applicant to be notified of the decision, with no specific timeframe given for doing so. An applicant's first notice that Section 37 timeframe extensions have been applied can be at the time the bill for processing is queried (after the decision is released and Council invoice has been issued).

Potential Landbanking

47. We are concerned about recent reports that the Government may be given powers to seize land that is being landbanked[14]. We urge caution in this regard - what may appear on the surface to be developers in high growth areas choosing to *'land bank'* may actually be site(s) that the owner has plans to develop but that has been subject to a protracted resource consent application process. A requirement to report to MfE on consents that have been in

[14] New Zealand Herald, 3 July 2016 "Govt Eye Seizing Property for Housing".

Council systems longer than the 130 day maximum may capture this information and provide a more accurate picture of consent processing timeframes and land that is actively being landbanked. Any application with Council longer than two years should be referred to the Office of the Ombudsmen and/or Auditor General automatically.

Inefficient Planning System

48. District Plans in general do not allow for proper consideration of economic factors and the economic viability of projects. Developments that are not deemed economically viable will not proceed. However, in our experience, many District Plans do not specifically allow for consideration of such matters in their assessment criteria or have sufficiently detailed Objectives and Policies.

49. We particularly agree with findings F5.10 and 5.14 of the New Zealand Productivity Commission's report on Using Land for Housing:

> *"F5.10Building height limits significantly reduce development capacity. Such restrictions contribute to housing shortages and higher house prices, and force cities to move outwards, increasing transport costs for some residents. They weigh against objectives of increasing urban density and using city land more efficiently. Although building height limits can play a role in managing local externalities from development, they also create costs that are felt across a city."*
>
> *"F5.14 Limits on density – either explicit restrictions on density or implicit controls such as minimum section size rules – are blunt tools that have a negative impact on development capacity, affordability and innovation. Externalities arising from more intensive development can be better managed through other controls and policies"*[15].

Development Contributions

50. Most, if not all, Councils have devised their Development Contribution Policies under the Local Government Act, rather than the Resource Management Act 1991. Appeal rights to the amounts levied are limited to those matters that Councils themselves have identified in their Development Contributions Policies. We are aware of policies whereby the only grounds for appeal are that the policy has been incorrectly applied or that the Development Contribution has been incorrectly calculated. Previous appeal matters such as whether the amount levied is *"manifestly excessive"* have been removed from those policies.

51. The cost of development contributions is passed on to purchasers and is contributing to increased house prices and declining affordability. A greenfields residential development on the North Shore of Auckland of Auckland would be levied $22, 445.70 per site (including GST)

[15] New Zealand Productivity Commission, September 2015 "Using Land for Housing" page 328

under the current Development Contributions Policy[16] plus a further $12, 673 in Watercare Infrastructure Growth charges. This is $35,118.70 added to the cost of each new dwelling before the land cost, building cost and consenting charges are even considered. All of these additional costs are passed onto the eventual purchasers to the detriment of affordable housing.

52. We note also that most development contributions policies treat all residential development as being equal, and will charge the same flat levy for a new 250m^2 dwelling as they would for a 100m^2 dwelling, despite a larger house usually being able to contain more occupants and therefore create more demand for infrastructure.

Conclusion

53. A NPS on Urban Development Capacity will be a useful as part of a range of measures that are required in order to ensure the current planning system in responsive to demand for residential and commercial land. In high demand areas, intensification should be the preferred method and this should be elevated in the NPS.

54. We support measures to make land available to allow urban growth in a considered and responsible manner, and where infrastructure is available or can easily be made available to service the development under LGA2002 or by private means.

55. Based upon past experience, Council performance with regards to efficient processing of applications and proper consideration of urban environments is an ongoing issue that will require further review and reform of both the LGA2002 and the RMA1991.

Publication and Official Information Act requests

If requested, we may release your submission under the Official Information Act 1982. We may also publish all or some of it on the Ministry website.

Please check this box if you would like your name, address, and any personal details withheld. ☒

Note that the name, email, and submitter type fields must be completed.

[16] Auckland Council Contributions Policy 2015, Schedule 3, page 19, based upon the 2016/2017 figures for Greenfields Reserve Acquisition, Reserves Development and Community Infrastructure, East Coast Bays stormwater and North transport.