

SUBMISSION

From: Northland Regional Council

On: Using Land for Housing - Issues Paper

To: The Productivity Commission

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1. The Northland Regional Council (Council) wishes to thank the Productivity Commission for the opportunity to make a submission on the 'Using Land for Housing' issues paper.
2. While the issue of using land for housing is possibly of more obvious and immediate concern for territorial authorities, regional councils also have a significant role to play.
3. In general terms there is no problem with making sufficient land available to satisfy the demands for housing in the Northland region. Some proposed residential developments have not gone ahead due to environmental, infrastructural, and/or financial reasons but these particular instances should not be confused with any systemic problems.
4. Throughout the various stages of preparing the draft report, the Council would encourage the Commission to keep in mind:
 - a) The need to manage the environmental impact of residential developments;
 - b) The need to manage the supply of land for non-residential purposes;
 - c) The need to provide and fund infrastructure to service developments;
and
 - d) The whole-of-life costs of developments.

5. Council is confident that the Commission is already well aware of these issues and the suggestion is that these matters need to be persistent and pervasive in the policy analysis rather than isolated to particular sections.
6. We are also well aware of the particular challenges faced by Auckland and Christchurch in making land available for housing. While supportive of any steps that would assist those areas, Council is concerned at the potential for unintended adverse consequences for other regions that may arise from any changes.
7. Where the Commission is considering any proposals to address particular issues for Auckland and/or Christchurch, Council would support additional analysis being undertaken to consider the effect of the proposals on medium and low growth regions.
8. Responses to selected questions posed in the Issues Paper:
 - Q2 - Can the current land planning and development system be made to work better to benefit cities throughout New Zealand? Is a different type of planning system required to meet the needs for housing in New Zealand's fastest growing cities?**
9. It may well be possible to modify the planning systems to improve the availability of housing in New Zealand's fastest growing cities. In looking at this, the Council recommends that the Commission take a *primum non nocere* (First, do no harm) approach. It is important that in making changes to benefit the fastest growing cities, there are no inadvertent adverse consequences for the planning frameworks and processes that currently serve other cities, towns, provinces and the rural sectors.
 - Q4 - Would a significantly increased supply of development capacity lead to an increased supply of affordable housing, or would further regulatory or other interventions be required to achieve that outcome?**
10. A significant increase in supply of development capacity would likely result in Councils needing to make greater and more distributed investments in infrastructure to service the increased 'options' for development created by that increased supply. This would result in Councils having to take on more debt with likely increases in both rates and development contributions.

11. Merely increasing the supply of development capacity is possibly the bluntest of levers that can be applied to the question of the availability of land for housing. Other more sophisticated proposals to streamline the path from raw development capacity to housing ready to occupy should be compared for their principal effectiveness and collateral side-effects.

Q9 - How easy is it to understand the objectives and requirements of local authority plans? What improves the intelligibility of plans?

12. All Council planning documents should, at their highest level, be understandable by a broad cross-section of the communities that they serve. This can be a difficult challenge and it is sometimes supported by additional non-statutory guides and summaries that Councils are becoming more adept at producing.
13. It is however an unrealistic and impractical hope that these planning documents can both robustly fulfil their statutory purposes and be readily understandable by the general public in their entirety. It is both necessary and reasonable to expect that those members of the community that wish to engage with specific details of statutory plans may need professional assistance.

Q53 - Are there particular types of development (eg, greenfields, infill etc) that are less costly to service with infrastructure? What evidence can you provide about any variation in infrastructure costs?

14. It is often stated that infill development is substantially cheaper to service than greenfields development. While this can be the case, it is not always so and two particular factors seems to determine the balance of the outcome.
15. For greenfields, the single most determinant factor is often how adjacent or remote the greenfield site is to existing development and trunk infrastructure.
16. For infill development, the most determinant factor is usually whether the *in situ* infrastructure has surplus capacity to service the infill development. Retrofitting additional infrastructure into a brownfields development is often substantially more expensive than the equivalent greenfield development.
17. If the Commission is considering evidence on this matter, we would suggest that the case studies are tested against the two factors we have raised.

Q55 - Are development contributions used exclusively to drive efficient decisions about land use, or are they used to promote broader goals?

18. Development Contributions are not used exclusive or principally to drive efficient decisions about land use. The purpose and principles relating to development contributions are already well articulated in legislation, in case-law, and in development contributions policies. The Council recommends that the Commission seek the support and advice of the Development Contributions Working Group (DCWG) in any analysis or consideration it will be giving to development contributions.

Q60 - What are the main advantages and disadvantages of having infrastructure vested in Council Controlled Organisations?

19. This question has a much wider scope than the current terms of reference in front of the Commission. The Council submits that if the Commission makes any findings in this area that it must be referred to a further Inquiry that has broader terms of reference, adequate to address this question.
20. The Council looks forward to the release of the draft report of the Commission in 2015 and would welcome any other opportunities to participate that may arise.

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