

## **Submission on Productivity Commission's Issues Paper on Urban Planning**

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### **The Rationale for Planning**

As identified in the issues paper, a critical first step before looking at reform is to set out the rationale for urban planning.

The issues paper starts with the standard economic rationale for public intervention (aka planning) arising from the presence of negative externalities. The following are listed:

1. Land markets are subject to negative externalities which are not priced – the actions of land users affect the amenity of other users – for example, industrial or commercial activities affecting residential uses
2. The value of some land uses that are un-priced or under-priced in the market can lead to a less than optimal provision of amenities such as parks, reserves, and playgrounds
3. There can be a failure of coordination – for example, building new infrastructure such as roads, railway lines, electricity lines, and water treatment facilities.

That list is ok as far as it goes, but undersells urban growth and development issues (and hence the need for and benefits of urban planning) in a major way. Not least of which is the lopsided approach to the provision of public infrastructure and the uneven treatment of housing as an asset class. These are not just externality or co-ordination issues. They are issues of inefficient allocation of resources arising from other policies that lead to inefficient use of urban land which planning then seeks to address.

To take one example, transport is a fundamental shaper of urban form - everyone agrees with that - but how we fund and build transport infrastructure favours some modes over others, and hence has flow on effects to urban form. One of the consequences of this can be inefficient land use patterns - the classic case being urban expansion facilitated by motorway and arterial road extensions, with those extensions paid for by all motorists and many ratepayers, not by those who will actually use the motorways and associated arterial road connections during busy times. Absent full road pricing, planning becomes the next best alternative to a pricing mechanism to deal with the inefficient allocation of resources that arise from poorly conceived transport networks. In other words, either the government needs to get on and fix transport funding and pricing, or it needs to accept that the planning system is going to tackle the resulting inefficiencies.

Added to this is the way infrastructure is priced and the extent of marginal versus average costs. Very rarely does urban expansion proposals face the full, marginal infrastructure costs that they create. There is often a subsidy involved from others. Again planning helps address the inefficiencies that arise unless the government will allow local authorities to impose full user chargers.

The issues paper then goes on to mention positive externalities, like agglomeration as another reason for planning. However in this regard, planning is seen by the issues paper to have an enabling role only by reducing negative externalities that arise from agglomeration. The issue paper says that positive externalities arise from 'self organisation', with the implication that no planning is needed to help with self organisation, or if planning does try to beneficially organise land uses, it is bound to get it wrong. However that self organisation may need a bit of help getting itself organised. Some stability and predictability in the land market has always been a reason for planning, although often not explicitly stated as such. To invest in new apartment buildings or large office buildings that support and enable agglomeration to occur requires deep pockets as well as some certainty over future returns. Positively planning for 'organisation' may have the downside of slowing or stopping some 'natural self organisation' but it may come with the benefit of more agglomeration overall.

Stepping beyond these more basic reasons for planning, the issues paper doesn't touch upon the behavioural issues involved in urban decision making (both public and private). We all know that markets (and most politicians) are short term focused; that markets constantly under and over shoot, while they often are incapable of dealing with things like natural hazard risks. Planning has an important role in helping to counterbalance these tendencies. Planning should be focused on the long term, it should try to even out peaks and troughs (just like the Reserve Bank does for inflation) and it needs to get all players to confront risks that they would otherwise like to ignore. To do otherwise is to see costs past onto others and options for future generations reduced. Planning is a means by which these behavioural issues can be addressed.

The paper doesn't even mention equity and equal opportunity as a reason for planning. There is a redistributive side to planning that is a valid and beneficial role for planning. Spatial inequities do matter, they directly affect people's lives and social and economic well being. These inequities are not just addressed by way of social welfare transfers or public funding of services like education. Planning has to have a role in limiting inequities and ensuring a semblance of equal opportunities for communities. Otherwise urban areas do become divided and some areas become mean and depressing. As with all forms of social inequity and unequal opportunities, this drags down the urban area as a whole. We all pay taxes to help address income inequality and to help provide equal access to education and health. I think there is also a 'planning tax' to be paid that helps ensure that our towns and cities remain relatively egalitarian.

Urban planning also has a positive role in advancing other public outcomes. The two obvious examples are Crime Prevention Through Environmental Design and environments that promote physical activity (that are not obesogenic). The built environment directly influences feelings of personal safety and the nature and extent of some forms of opportunistic crime. National policy recognises this. So too with the importance of encouraging walking and cycling. These issues go deeper than just providing CCTV cameras or dedicated cycleways. There are important links between rates of crime and physical activity and the quality of the urban environment. High front fences and blank facades of buildings at street level are but one example of the indirect, but very sensitive links that exist between built environment and public health and safety. Here the issue is not one of managing a negative 'externality' or managing a public resource. Rather, urban planning is a means to help achieve different community outcomes: reduce crime and the resource needed to fight crime; help to moderate rapidly rising publicly funded health costs .

Finally (and it's a BIG final comment), the issues paper misses the whole point that planning is a legitimate means by which the community collectively expresses that some values or outcomes are more important than others. Through Section 6 of the RMA (and the equivalent provision in the former Town and Country Planning Act), parliament has said that some things matter. One of those things is the coastal environment, another is outstanding natural landscapes. While in an economic framework, development in these areas might be construed as creating some negative externalities on these environments, Section 6 matters run deeper than that. There are some values that are fundamental to who we are as a place and a community and it's been decided that these things need to be nurtured and maintained. Heritage falls into the same camp.

Under a 'economic framework' we can ascribe some form of non-use or intrinsic values to these resources and say that if we really want to protect these values, then the public should buy them. But at the end of the day, collectively the community has decided that the planning system is the appropriate means by which these values should be given expression to and protected. If that involves a bit of cost and friction, then so be it.

Again, this type of approach is acknowledged in economic texts<sup>1</sup> but not mentioned in the issues paper. For example:

the government may want to revert to 'paternalism' and decide for the individual how much to consume of certain goods. The goods that would call for such interventions are usually referred to as merit goods, and they may be defined as "goods that society deems to be especially important and that those in power feel individuals should be required or encouraged to consume".

This type of argument could possibly be invoked to cover, for example, affordable housing policies in planning schemes.

So in short, the paper presents a very limited picture of why planning is important. This means it doesn't get off to a very good start.

### **Is Planning Fatally Flawed?**

The issues paper then seems to suggest that planning is fatally flawed whenever it steps beyond addressing negative externalities. Planning can never manage a complex system like a city. It is too slow, gets lost in complexity and in so doing, becomes a means by which interest groups protect their patch. Inevitably, outcomes will be sub optimal.

In terms of the contention that planning will mostly get it wrong, the issues paper presents three failures: not enough houses being built, high land prices and transport congestion.

This seems a bit of a bleak picture. The alternative that NZ towns and cities rate highly in the liveability stakes may be because of urban planning, not in spite of it, isn't even raised as a possibility.

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<sup>1</sup>Land Markets and their Regulation: The Welfare Economics of Planning  
Paul Cheshire and Wouter Vermeulen, page 8

Are there not any benefits at all?

Can a fundamental reform of the planning system really be based on such a one sided assessment of outcomes?

Let's not forget that the benefits of planning could be large, even for the base case of managing externalities<sup>2</sup>:

*because land values are so strongly influenced by the actions of owners of adjoining and nearby plots, land markets if left unregulated would exhibit serious problems of market failure. The pattern of land uses would consequently be far from the optimum.*

The problem of trying to determine the benefits of planning is that there are no 'comparisons' to assess benefits against. There are no unplanned towns or cities where outcomes could be compared to planned towns and cities. Even Houston is 'planned'.

When it comes to the urban failures listed, it seems very easy to place all the blame on planning. Auckland does have high land prices relative to other cities in NZ. But Auckland is much larger and is growing much faster, so prices are bound to rise faster. Geography also makes a difference. In the face of the rising land prices, housing production has been slow in Auckland over the last 5 to 7 years, but is that all the fault of the planning system? There was the global financial crises in the late 2000s that deeply affected the development and construction sector, followed by a major rebuild in the country's second largest city following a natural disaster (which should take precedence in terms of call on labour), followed by an immigration boom for Auckland. Hardly a business as usual set of circumstances.

I agree that it could be said that once the economy got going again after the GFC that the region's planning system was slow to respond to the increase in demand – but why was that? Anything to do with local body amalgamation being proposed, a Royal Commission in train for a couple of years then a 3 year transition process, during all of which much public led planning was put on hold?

Equally, pointing at Germany as a successful planning system misses the point that Germany has a declining population that is also rapidly getting older. Any urban system where there is the same number of houses but fewer people is going to be a lot easier to plan for than a rapidly growing city. In fact, any type of planning system may work in Germany.

Getting back to the issues paper, surely any reasonable review of the planning system should have at least an attempt at listing what the systemic drivers of the problems are?

### **The Problems with Planning**

Even with a more comprehensive understanding of planning and its outcomes, it is still fair enough to say that not all planning is good planning. Planning does 'over and undershoot'. It doesn't always deal with externalities well, for example. In fact what is an externality is a very elastic term. Planning

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<sup>2</sup>Ibid, page 6.

can often end up being used to favour one group over another thereby increasing inequities rather than reducing them and putting the needs of current generations ahead of others. Planning is not perfect.

It is often said that the RMA is not the problem, that it is implementation of the RMA which is the problem. This is true to an extent, but usually this approach is taken to mean some kind of procedural fix will deal with the problems, or we just need a bit more guidance. There have been many procedural fixes over the years, and if anything the calls for fundamental reform have grown. Guidance is available: putting it into action is more complex, but more guidance and help will not be enough.

We have got to a point where our understanding of the benefits and pitfalls of public management have got more fulsome. The issues facing city planning are to a great extent the same issues facing any public policy making - how to deal with complexity; manage systemic, cumulative problems; take into account long time frames and address the distribution of costs and benefits, not just accept a net benefit.

What are some of the more specific 'structural' issues with city planning. A list might be:

1. Urban planning is not just effects-based
2. Planning is too slow
3. Too political
4. NIMBYS have all the incentives to stop things
5. Costs and benefits fall unevenly.

These issues need to be seen against the context of a globalising world and the pressures and opportunities that this presents. Classic urban planning has developed over a period when countries had a reasonably stable outlook in terms of incomes, growth and capital flows. Since the 1990s we have seen growing instability around these core inputs: wages and salaries have stagnated for many as labour markets have globalised, while the premium available for talent and skills has increased; population growth is being strongly influenced by migration, with large short term swings in immigration; capital flows have increased immensely, with much of these flows seeking high, but stable returns. Housing and commercial property are seen as core asset classes where capital gains need to be made.

So it is reasonable to ask how might the planning system evolve to cope with these pressures. The answer to this question is inevitably caught up in the wider question of how the country is to manage financial markets, control credit flows and fund and invest in infrastructure. It is an issue of understanding the importance of 'place' within a globalised world.

The answer for urban planning is not necessarily 'less planning - more market'. In fact the urban planning system could be an important way by which some of the adverse effects of globalisation could be smoothed out and the community see a greater spread of benefits. But to do so, it needs a better set of tools.

### **Objectives of Urban Planning**

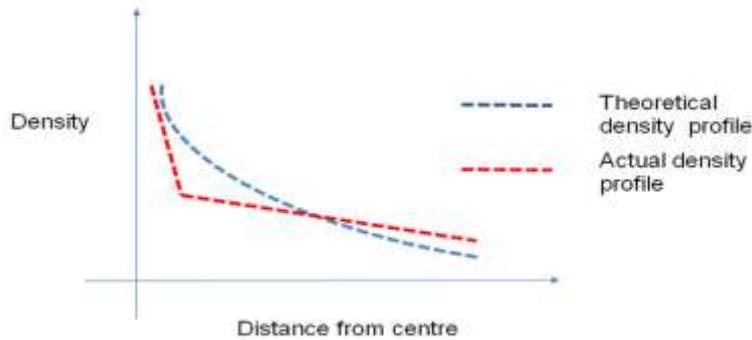
It is raised in the issues paper that the effects-based approach to environmental management does not sit well with the management of urban areas. As a result, planning of urban areas struggles to find its feet under an inappropriate framework. Inefficiencies and poor outcomes creep into the system. I think there is some truth in this fact. Urban areas require a significant amount of co-ordination of infrastructure with land use development. Some certainty over future land use patterns is needed to support investment. The funding of infrastructure needs to be linked to land use planning, while as discussed below, there needs to be a more transparent local 'dividend' from growth and change.

There is an argument for a 'metro' planning Act or similar that could sit alongside a natural environment focused RMA. There is a danger in the alternative, of increasing the 'economic' emphasis of the RMA in an attempt to address urban issues. The former Town and Country Planning Act was justly criticised as seeing the natural environment constantly traded off for economic gains. Hence the RMA's attempt to introduce some environmental 'bottom lines' and to separate out natural environment management (regional level function) from land use planning (district-level function). The shift to Unitary Authorities does not help address this issue. It just reduces the environmental bottom-line side of the equation.

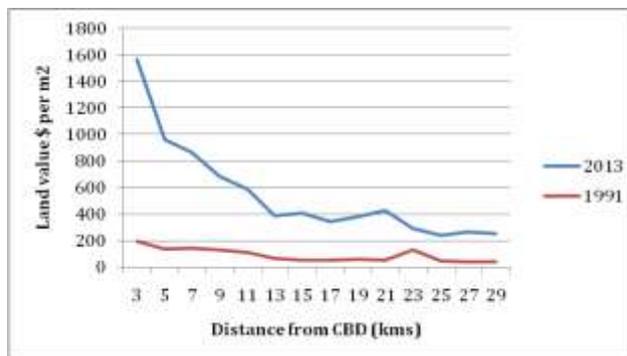
If urban planning is to be given a stronger mandate, then that needs to occur within a stronger framework of natural environment management and protection. The Housing Accord and Special Areas legislation (HASHAA) is an example of trying to 'rebalance' the RMA in favour of housing supply and affordability. The Act does this in a very simplistic way, and if anything fudges things.

There is also an issue as to whether any metro planning act needs to be place specific. Elsewhere I have argued that Auckland faces an 'amenity trade off' that needs to be worked through. I think much of Auckland's housing problems arise from an inability to resolve this trade off and that zoning by itself will not address this issue. At a simple level, Auckland's housing density profile is now sub optimal. Much of the land within 5 to 10km of the CBD is underutilised in a density sense. But these are largely the 'heritage suburbs' which are valued for the character they offer to whole city. Once the more dense areas of the city, as the city has grown in size and land values have risen, the density in the central suburbs is now below what 'fundamentals' suggest. Land prices and transport accessibility suggest that these areas should be redeveloping into more intensive housing but this process is slowed and limited by Section 6 and 7 matters under the RMA.

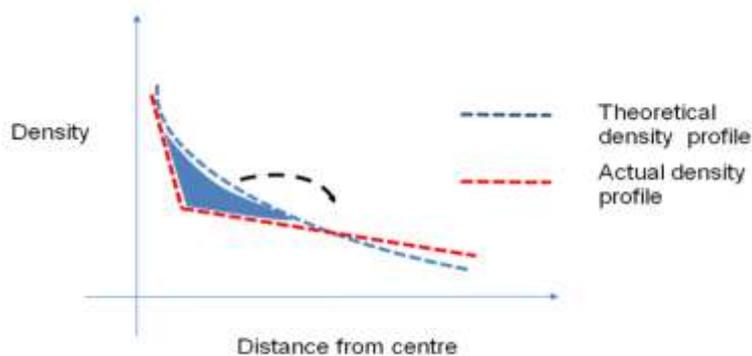
The figure below attempts to describe this issue in a very simple way.



This profile can be based on the very simple proposition that residential land values in the region have increased most in the central areas. The following is based on data collected in 2013 for Auckland.



I support retention of the heritage fabric of the inner suburbs, and that's not just because I live there! Auckland has a unique collection of villas and bungalows. Add to that volcanoes and we have some pretty fantastic environments. The question is how we marry up retaining those values while providing for growth and development. Again in simple terms we have to transfer the density from inner to middle and outer ring suburbs. Figure 2 again shows this in conceptual terms.



To date we have tried to do this 'shift' by zoning - enabling more housing around suburban centres in middle ring suburbs for example, while trying to push along areas like Albany, Flat Bush and Manual Central. But the market response has been slow/limited to that strategy. It is gathering pace as land values rise, but is it reasonable to say that the response has not been what is needed. More up

zoning in middle and outer ring areas may help by it is apparent it is not just a zoning issue. To get the redevelopment going in the middle and outer ring areas, the market needs a helping hand. That hand - such as investment in transport, social infrastructure and open spaces - has not been easy to organise. Add to that is the not unexpected reaction from existing middle ring communities saying "why do we need to take the growth not accommodated elsewhere". A stalemate arises.

There is also the response of a lot more greenfields land to provide the alternative, but that in itself is a sub optimal outcome.

So a metro planning act may help to pull these various strings together. However a metro planning Act is not likely, by itself, to be the answer.

### **Faster Processes**

This has been the common fix to date – first with resource consent timelines, now with plan making processes. As the issues paper notes, planning is supposed to be a dynamic process, but it can fall behind trends and pressures, rather than anticipated them. Why is that? Much of the friction in the system is because of the strategic growth issues outlined above and the more detailed factors that are discussed below. Speedier processes do not mean that the causes of friction get removed. More likely is that they just get ignored. At some point faster processes become counter-productive. Mistakes do not get rectified, proper analysis of alternatives does not occur, people feel short changed by the speedy process. No mention is made in the issues paper of HASHAA as a speedier process and whether this is leading better outcomes, for example. We have yet to see the outcome of the Auckland Unitary Plan process and its timeline.

There are benefits from some form of time constraints, but usually what is needed is more resources to complete the tasks in the shorter time periods, unless steps are taken to narrow the range of issues to be addressed.

### **NIMBYs**

It is a fact that NIMBYs have substantial incentives to get involved in planning decisions and to make sure that they are heard. It is a lot easier for a group of NIMBYs to get organised to oppose a development, than it is for the beneficiaries of the development to get involved. The normal fear of change and desire to hang onto the status quo are powerful forces.

Having said that, it is easy to cast NIMBYs as solely being interested in protecting and even enhancing their investment in property. There is a theory that NIMBY type behaviour really took off in the 1980s after a period of persistent inflation saw property prices rise substantially, with the result the people had an 'asset' to protect. This is the so called homeowner hypothesis to zoning – that zoning, rather than being a top down exercise in city planning is actually the result of a whole bunch of locally driven decisions about development and future intensity.

While true to an extent, this oversimplifies things in my view. In my experience, many NIMBYs are driven by a genuine concern about their neighbourhood, not just the value of their house. To me

NIMBY behaviour is ultimately driven by a miss-alignment between costs and benefits. Benefits of development are often spread thinly over a city, while the costs fall on particular areas.

At a site-by-site level, is a poorly designed block of flats next door to a suburban house a negative externality? From the point of view of the suburban home owner next door, there is a tangible negative cost. The benefits from increased housing supply for new households is less apparent. So at one level, if the desire is to limit the involvement of NIMBYs, then what is a negative externality needs to be defined. Past attempts to reform the RMA have sought to define in some way urban amenity, given the importance of amenity in most urban planning decisions. These attempts have all ended in a dead end. At the end of the day, even if next door effects are not allowed to be considered, neighbourhood level effects will still be in contention and worried neighbours will just attach themselves to these concerns.

The other tack to take is not to restrict the grounds for NIMBY objection, but to restrict their opportunity to do so. There are increasing moves to reduce the ability for NIMBYs to participate in consent processes. There is a potential re-appearance of a form of standing and limited appeal rights. At some point, there will be a push back against such approaches.

It is true that participation in development decisions undertaken by others is an entitlement provided by planning, not a fundamental property right. But the reasons for comprehensive consultation processes in planning run deep and are connected to the reaction to 'authoritarian' planning practised post war.

While NIMBYs add friction, they also bring value from their knowledge of the local area. Either channels to participation get narrowed or a system is developed to encourages positive engagement.

This point is picked up below.

### **Too Political**

It is often said that NIMBYs lead onto NIMTOs – elected members who say 'not in my term of office'. Planning is a political act, and political decision making gets swayed by popular opinion. It should do – that is the point of democracy. However in a fast growing city, there a few votes in overtly supporting growth. So how do we overcome that bias?

A planning commission may help. In Auckland, the establishment first of Watercare, then Auckland Transport has demonstrated the benefits of 'arms length' implementation focused council controlled organisations. Do we need a similar set up for planning – a separate agency with its own Board and headed by a Commissioner (appointed by the council and working within the terms of a broad agreement with the Council). We have an Independent Hearings Panel operating in Auckland to determine that new 'plan', so we are already half way there. Having said that, there needs to be the right checks and balances to stop the type of authoritarian planning seen post war.

### **Costs and Benefits**

Ultimately, planning becomes an exercise in addressing costs and benefits – but it is not just working out if benefits outweigh the costs, it is about where costs and benefits fall and how they fall over time that is important.

At the moment, urban planning is cast as a form of competition where short run localised costs often outweigh long term benefits: the negative costs of a housing development that may change an area's amenity is identified, but the loss to housing supply from the development not proceeding is not counted. You might say here that the basic problem planning has is dealing with cumulative effects – small effects one way or another that add up. In the natural environment, it is hard to account for cumulative costs from resource use, in the built environment, it is hard to account for the cumulative costs of not using resources.

A number of administrative type tools are being proposed to help address this imbalance in urban areas. The use of price signals and zoning budgets are but two examples. Neither of these are mentioned in the Issues Paper. These tools also start to get closer to the point raised in the issues paper about the management of complex systems - the need to focus more on the inputs into urban change, rather than the outputs.

Previous attempts at setting out a more context specific approach to urban development - like the Form Based codes of New Urbanism - suffer from a degree of rigidity. But the move to a much more fine grained approach to zoning and development intensity has some merit. Development envelopes could be set on the basis of a range of factors, the presence or absence of which affect that envelope, rather than a set of zone-based controls. For example relevant factors could be (from the smaller to the bigger):

- amount of street frontage
- north, east or west facing versus south facing
- corner site versus mid block
- adjacency to public open space
- proximity to public transport routes
- distance from CBD.

There would be no residential zones as such, rather a list of factors that would determine development potential. An algorithm could be prepared which encapsulated these factors.

Another way to tackle the issue of complexity and cumulative effects, is to break down the metro area into many small precincts and precinct-by-precinct, undertake the fine grained analysis required. The Proposed Unitary Plan for Auckland has a hybrid of this approach.

But more dynamic approaches are needed and hence the consideration of price signals. It is conceivable that land values could play a stronger role in zoning decisions. Land values encapsulate the locational benefits of land, as well as demand factors.

As land values rise then development density should increase to compensate for the higher values (the land area per unit of housing should reduce to ensure housing remains relatively affordable). Zoning could be based on some sort of land value bands, and as areas rise in value, then the zoning

would switch from one band to another (a bit like as incomes rise, tax rates increase). Published in advance, and calculated on an area-wide basis, the land value bands would signal to residents what may happen.

For example, in a very simple way:

Land Value per m <sup>2</sup> (area median)	Permitted development	Discretionary development
Up to \$500 per m <sup>2</sup>	Stand alone houses on sections of more than 400m <sup>2</sup>	Two storey stand alone houses on sections of 300m <sup>2</sup> or duplexes on 400m <sup>2</sup> sections
Between \$500 and \$1000 per m <sup>2</sup>	Stand alone houses on sections of 300m <sup>2</sup> or duplexes on 400m <sup>2</sup> sections	Three storey terrace / row houses with 150m <sup>2</sup> per unit
Between \$1000 and \$1,500m <sup>2</sup>	Terrace / row houses with 150m <sup>2</sup> per unit	Terraces, Low rise apartments (up to 4 storeys) – no density
Over \$1,500m <sup>2</sup>	Terraces, Low rise apartments (up to 4 storeys)	Mid rise apartments (4 to 6 storeys) - no density

Regular monitoring of land values would be necessary and they would need to be mapped. As areas change in land value from one band to another, then the zoning adjusts automatically – no need for a zone change. There could be some sort of warning given of likely change when land values get close to the ceiling of a band; that is, before they trip over into a new band.

Land values may decline, but this is rare and usually is the case of a city with declining population, in which case there is no harm done if the zoning envelope no longer matches the land price band.

The land price bands would need to be based on assessments of demand, as well as affordability and housing construction costs.

There are some areas where despite the high land values, commensurate development intensity would not be beneficial overall. For example are heritage areas and coastal areas. In these areas there would have to be some sort of cap.

If set out in the relevant city plan, then such an approach would provide stronger signals as to future changes and if anything may create an incentive for existing residents to moderate future land price increases by encouraging some development. Of course there are many inputs into land prices, including proximity to amenities, transport and schools, all of which may change, and these issues would need to be worked through.

Zoning budgets are another tool that may help to address the cumulative consequences of 'putting things off'. The basic idea of zoning budget is that the budget must always balance. A reduction in housing potential in one area needs to be made up by an increase in housing potential elsewhere. After an initial budget setting exercise that determines the best spatial arrangement of development, subsequent development proposals that are in-line with that budget but are refused consent due to local concerns can only be declined if an alternative location for the development can be found.

This would have to be a realistic, not fanciful, alternative. It couldn't just be a call that "the development go somewhere else". The planning authority would need to find that alternative. This places the opportunity costs of refusing cost to the forefront. But it may also create an incentive for communities that wish to limit growth in their area to work with developers and other communities to proactively find places for that growth to go, and perhaps even help fund that growth. There is the prospect of extending the idea to some form of 'allocate-and-trade' type arrangement whereby wealthy areas wanting less development than that allocated could 'sell' their housing requirement to other areas, with that trade establishing their threshold for how much that reduction in growth is really worth to them.

What could be said of these more dynamic processes is that the zoning system is not an end point as it is so often perceived to be, but a journey along a continuum which all urban areas experience. Zoning to separate out incompatible activities is warranted, but zoning within these activity groups that sets a development envelope creates a stickiness to future changes that sees cumulative effects accumulate (or not). This is appropriate in some environments - like heritage environments and coastal areas - but for the bulk of the urban area it is increasingly too cumbersome.

### **Incentives**

Ultimately it's got to be about incentives and compensation. Open any recent book about zoning and economics and the same messages comes through. To take one example - *Urban Economic and Urban Policy: Challenging Conventional Policy Wisdom* by P Cheshire, M Nathan and H Overman (2014)<sup>3</sup> - planning systems need to build in both incentives and compensation systems for 'losers'<sup>4</sup>. In the context of the English planning system this includes land price discontinuities being a material consideration in planning decisions, but also local communities receiving a growth dividend through impact fees and a proportion of national taxation reaped from extra development in an area.

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<sup>3</sup> Hardly wet liberals

<sup>4</sup> Page 226

In my view, any reform of the planning system needs to concentrate on the these types of structural issues, rather than hope some quick fix to a process or an legislative objective will solve the problem. My list would include:

- Homeowners need other avenues to invest their assets, rather than rely on housing. This will help to reduce pressure to protect their asset. Tax policy is important to urban outcomes, as is migration swings, credit growth and money supply
- Government needs to reform the way key urban shaping infrastructure is funded, with transport being the first. This is to ensure that infrastructure funding more correctly incorporates urban and environmental benefits and costs
- Communities need to see some benefits to local infrastructure and services from growth if they are to be less resistant to change. This should include local application of development impact fees, but also arguably a proportion of GST
- Infrastructure providers need some certainty over land use patterns to plan ahead. There needs to be greater alignment between land use and infrastructure planning - a task that could be undertaken by some form of Planning Commission, operating within the terms of a strategy set by Councils.
- At a strategy level, some form of zoning budget needs to be adhered to, with changes in one area off-set by changes in another.
- A more dynamic approach to zoning within broad activity areas needs to be developed that signals changes, rather than sets what may be perceived to be an 'end point'.

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