

SUBMISSION BY THE AUCKLAND REGIONAL CHAMBER OF COMMERCE ON THE AUCKLAND COUNCIL DRAFT UNITARY PLAN

INTRODUCTION

1. The Auckland Regional Chamber of Commerce and Industry appreciates the opportunity to make a submission on the Auckland Council Draft Unitary Plan (draft UP).
2. **The Auckland Chamber confirms that it wishes to be heard in support of this submission.**
3. The Auckland Regional Chamber has a corporate membership of more than 6000, including many businesses that expect their views to be forcefully represented in this Submission.
4. The Auckland Chamber is dedicated to the strengthening of the Auckland's status as New Zealand's pre-eminent commercial, industrial and communications region and to assisting the development of the region in creating a desirable environment for its 1.4 million citizens. To this end, the Chamber has sought to establish a partnership relationship with central and local government organisations to help achieve shared delivery of the vision for Auckland.

OVERVIEW

5. The Chamber notes that the draft UP is Auckland Council's rule book to help implement the transformational shift in the future shape of Auckland in a way that supports the development strategy of the Auckland Plan. At the same time, the nearly 2000 pages replace some 14 district and regional plans with one single simplified set of rules, including bylaws.
6. The draft UP sets out what planners, managers and ultimately Councillors believe should be the rules that shapes the way Auckland grows, setting out what can be built and where to create a higher quality and more compact Auckland while providing for rural activities and maintaining the marine environment.
7. Key themes are set out in what is termed in the document as a new concept of overlays (page 4). These include precincts and sub-precincts to reflect and safeguard local flavour, as well as overlays for other factors such as heritage protection, stormwater and volcanic viewshafts.
8. The key themes are grouped as follows:
 - Where we live housing affordability, choice and urban designs
 - Where we work local jobs, business friendly
 - What we value environment, heritage and character

9. Outcomes: According to the draft UP the themes and rules set out will help to create a stronger economy, more affordable housing, better design in our buildings and public spaces and consistent protection of Auckland's heritage, harbours, volcanic cones (maunga), environment and character. As well as the key tool in delivering the Auckland Plan, the UP will help manage growth through initiatives such as the Rural Urban Boundary (RUB).

Purpose of the draft UP - "to give effect to the Auckland Plan"

10. The Chamber shares the widely publicised concerns as well as a number of others about the draft UP, and which have resulted in an overall lack of confidence that the document is anywhere near being a fit for purpose set of rules suitable to 'give effect to' and enable the timely implementation of the Auckland Plan, and especially the fast and bold action required on the big transformational issues facing Auckland.
11. In response to the public criticism, we note comments by the deputy Mayor Penny Hulse that the draft UP is in fact a "draft, draft plan" that would be reshaped following this (initial?) round of consultation. Also, Mayor Len Brown has signaled changes following the chorus of complaints, mainly about apartments and infill housing.
12. We weren't told any of this at the outset. This should not be the situation at this stage of the consultation process, especially given the critical importance of the draft UP to help Auckland address the major issues set out in the Auckland Plan. As others have commented, it is puzzling that council does not communicate well with stakeholders and be more proactive to get a better understanding of what Aucklanders want and expect from the draft UP and what level of change they would support.
13. In the light of the assurances that the draft UP is in fact a 'draft, draft', the Chamber will be expecting to be able to review the reshaped draft UP document following this initial consultation step and prior to notification. We expand this expectation further in our submission. The issues are far too critical for Auckland's future to allow Council to sweep them under the carpet and proceed as if it's business as usual. It isn't.
14. The Auckland Plan makes clear that the job of the draft UP is "to give effect to the Auckland Plan" (see page 341). A whole chapter is devoted to explaining how the Council will align its internal operations, actions and investments to achieve "the promise" of the Auckland Plan and that it is no longer business as usual (Chapter 14). The Auckland Plan's 'promise' involves achieving a number of transformational objectives embracing economic aspirations such as living standards, business, attracting investment along with a number of social and environmental aspirations. The test, then, of the adequacy of the draft UP is to assess how well or otherwise the key transformational objectives such as housing, transport and economic growth (and others in social and environmental areas) in the Auckland Plan are likely to be enabled and given effect to through the rules detailed in the document.
15. Clearly, as has been publicly aired, review of the draft UP confirms that it is a complex, incomplete and badly deficient document with a lot of rough edges and gaps that need to be fixed. While it acknowledges the need to allow for growth; e.g. expanded as well as new residential and commercial areas, and expansion of retail centres, the rules sections need to

be significantly beefed up and re-assessed against how they help 'give effect to' the Auckland Plan's transformational goals, and in particular, for business, in the areas of housing, transport and economic growth.

16. The Chamber acknowledges that preparing a single rule book for Auckland as a unitary council for 1.5 million people and covering 2% of New Zealand's land area is no easy task, as it seeks, or should seek to balance the need to make development easier and maximise Auckland's economic growth potential and at the same time ensure that development is good quality, in the best places and supported by necessary infrastructure.
17. As the Auckland Plan states at a number of places, the progress of Auckland needs to involve collaboration between Auckland Council, central Government and private sector organisations. Auckland Council can't do it alone, and the extent of the issues and gaps in the draft UP reinforces this assessment.
18. The Chamber notes that the Auckland Plan clearly states that "Auckland expects that its economic growth will be transformational built on innovation ... and a business-friendly attitude ..." We agree and expect nothing less; it is not business as usual. We therefore have reviewed the draft UP against these expectations: Will the rules on the key themes help move Auckland forward faster? Is the draft UP business-friendly? Does it go out of its way to provide a set of regulations designed to give effect to the transformational goals on housing, transport and the economy and in other areas set out in the Auckland Plan? If not, why not? What should therefore be amended to make the draft UP do the job it has been established to do?
19. Given that the finalised UP will be a statutory document, for the Chamber, ultimately it doesn't matter who ensures it is a business-friendly, and an enabling package of regulations - Auckland Council or central government, or both with appropriate private sector collaboration. What matters is what the rules allow to get done. As we have said repeatedly, Auckland deserves better outcomes than it has been getting to date from the governance reform process.
20. This submission therefore seeks to provide constructive assessment of a number of the key areas in the draft UP that we submit need improving. Accordingly, the Chamber **strongly recommends** the next iteration of the draft UP be reshaped to address the following high level concerns:

SOME HIGH LEVEL RECOMMENDATIONS

Need to tell and format the story differently

21. **Recommendation 1:** Package and tell the story differently; i.e. from the perspective of Auckland citizens and residents as the 'customers' of Auckland Council.
 - Underlying much of the criticism of the draft UP is that it is overly prescriptive and specifies what Council 'planners' want Aucklanders to do and how we should behave.
 - Critical to Auckland Council delivering a fit for purpose set of rules and processes for taking Auckland forward is that they be drafted from the perspective of how Aucklanders

want to live and work and what they value – not a planning paradigm of ‘we know what’s best for you’.

22. **Recommendation 2:** The format for telling the story needs to be simplified and crafted as a user-friendly document. We should be encouraging people to be become engaged and be positive about Auckland’s future.

- Instead, it is extremely difficult to navigate your way through the draft UP. We have in fact found that some of the GIS maps aren’t visible on-line.
- Because there is no cross referencing, you cannot be assured that everything related to a particular area or issue has been identified.
- The end result leaves readers uncertain on issues and rules they are concerned about as to whether they have accessed all relevant information, whether there are inconsistencies and loopholes they haven’t identified, and feeling that the reliability of the document is questionable.

Don’t fix what’s not broken...

23. **Recommendation 3:** Acknowledge current urban development trends and what this *is* telling the Auckland Council; e.g. there is a perception that the draft UP provides for apartments everywhere across urban Auckland of a prescribed height – four stories in some suburbs, and up to 16 in others. This is not what the overwhelming majority of Aucklanders want.

- In fact, many established suburbs have for years quietly been adding up to three storey houses and/or apartments, infill housing and mixed use commercial buildings. Other suburbs (e.g. Henderson) currently have no height restrictions; why change something that is not broken?
- Instead of a whole of Auckland ‘thou will do as we say’ approach, why not let existing ‘natural’ urban growth patterns continue in the established suburbs more or less as it has for the past 20 years and likely will continue in the future?
- To acknowledge the need for change, faster intensification and to enable the accelerated expansion of new housing and employment areas that the population growth projections in the Auckland Plan indicates will be required with some urgency, why not focus the more intensive new apartment-style developments on carefully selected ‘brown field’ areas, coupled with release of new ‘green field’ areas and which, again, follow and build on market trends already evident?
- Acknowledging existing urban development patterns means taking into account the ‘pull’ that Auckland’s State Highway One ‘spine’ continues to have on property developers. Currently, there are significant green field developments occurring along the transport corridor between Warkworth in the north and Pokeno in the south. If Auckland was to follow the linear ‘transport corridor development’ planning approach of cities such as Melbourne and Vancouver, the focus of new ‘green field’ developments in Auckland would also be more clearly linked to commuter rail expansions on services to the south and west (to Helensville).
- In summary, rather than forcing a compact or ‘nodal’ growth model on protesting existing suburbs, there is considerable opportunity to exploit and upgrade existing road and rail transport corridors to accommodate willing new developments along them, and

complement this with selective targeting of areas for 'green field' and/or intensified development, and new innovative options.

24. Another strong theme emerging in the housing debate and deserving to be considered is the implications of Auckland's dominant place in the New Zealand economy. May be it is time for some different thinking? Auckland's rate of population increase is twice as fast as the rest of New Zealand. If it is true that Auckland's strong attraction to migrants and investors is seriously affecting housing prices, availability and affordability, maybe it is time to look at the case for new rules and regulations of the kind that are in place in many other countries; e.g. Australia and elsewhere where house ownership is limited to confirmed residents and citizens.

“Joining up the dots”

25. **Recommendation 4:** In reshaping the draft UP there needs to be more work undertaken to show that consideration is being given to making needed connections or 'joining up the dots' between different service areas such as transport and other infrastructure – utilities, employment precincts, schools, health care, recreation etc.

- As evidenced by the public discussion of the draft UP, there is a strong impression of silo planning creating a mismatch between transport and housing intensification proposals; e.g. proposals to intensify Mt Eden (even though it already experiences considerable congestion on its local roads) while the new bus strategy apparently makes no provisions for improved services to that area. Meanwhile intensification opportunities in nearby Kingsland and Morningside appear to have no relationship to the potential of proposed upgraded public transport services along the western rail line.
- That is, the draft UP appears to be taking a blanket planning approach in respect of intensification without regard to the adequacy or otherwise of supporting infrastructure. There are a lot of rough edges that need sorting out to ensure that urban intensification proposals are not only acceptable to residents but that they are planned and implemented in association with supporting services, especially transport.
- The draft UP does not seem to provide for the expansion of schools, shopping centres, health services and recreation areas etc, all of which will be needed for the extra 1 million-plus people expected to continue to be attracted to Auckland in coming years.
- The potential for more innovation; e.g. for developers and/or a community group to propose, say, mixed use developments combining, e.g., office blocks/ library/ retail with residential is another area that appears under cooked.
- The slowness it is taking council to focus on action to address housing needs (especially the shortage of 'affordable' homes) is another good example of the inefficiency between the various stakeholders in council to move from discussion and process to action and results on big issues. This is discussed in the next section.

A further review will be needed....

26. **Recommendation 5:** At a high level, the draft UP needs a far stronger overlay and connection to how the proposed rules will enable the priority transformational areas for action set out in the Auckland Plan, especially housing, transport and economic growth.

27. With these transformational housing, transport and economic imperatives uppermost in mind, the Chamber **strongly recommends** that after the feedback on the draft UP has been received and the draft 'reshaped' (as deputy Mayor Penny Hulse indicates is proposed) the rules sections be further reviewed by stakeholders prior to notification.
28. The serious deficiency of the draft UP **in respect of housing** has been well publicised. Elsewhere the Chamber has strongly endorsed the Housing Accord between the council and central government as a timely 'game changing' focus to get some faster pace around new housing development, and action to deliver the targets agreed in the Accord - 9,000 consents in Year 1, 13,000 in Year 2, and 17,000 in Year 3 - to ensure that Auckland's housing supply and affordability issues are addressed. To progress this issue long term a close working arrangement is required between Auckland Council, central government and private sector providers, including a shared input to ensure the UP, a statutory document, enables and ensures measurable progress is made as quickly as possible.

Rules to enable transport and economic transformation under-cooked...

29. The draft UP is also seriously deficient in respect of assumptions and emphasis on transport and economic growth objectives.
30. **In respect of transport**, one of the stronger themes of the Auckland Plan is around addressing current congestion problems. A key goal is to integrate all transport components using a single system approach. As with housing, this requires strategic investment and close cooperation and shared leadership between the Council and central government.

The draft UP needs to provide transport providers and stakeholders (Auckland Transport, NZTA, KiwiRail, POAL, Auckland Airport, rail, bus, freight and ferry operators as well as central government) with:

- An enabling regulatory framework
 - Objectives, policies and rules that facilitate transport investments and improvements
 - Land use and environmental controls that are practical, reasonable and achievable.
31. It is unclear as to whether the draft UP does this sufficiently. While there is a high level policy statement in section 2.3.3 that operating the network efficiently and as a single system requires a combined and coordinated approach across many parties (of which seven are named in the draft UP), our review of the draft identified transport related provisions in at least 30 different subsections, with the freight related provisions alone in around 20 different subsections. Also, there is no single transport governance arrangement in place to enable the 'many parties' to combine their resources, expertise and deliver a coordinated approach as the draft UP suggests is required. Elsewhere, the Chamber has **recommended** the establishment of a single Auckland transport governance structure.
32. **Recommendation 6:** As part of implementing Recommendation 2 above to produce a user-friendly document, the Chamber recommends that the transport related provisions of the draft UP and associated bylaws be consolidated into a single document, and be made available to transport stakeholders to review.

33. Doing this would help ensure the transport regulatory sections of the draft UP have been beefed up sufficiently to ensure they will enable and help give effect to the transport objectives in the Auckland Plan. An opportunity for a stakeholder review would also go some way towards enabling the close cooperation and collaboration between the council, central government and the many other parties that is required to achieve the Auckland Plan's goal "to integrate all transport components using a single system approach." It would also bring needed clarity to the draft UP on transport rules and regulations.
34. A second high level area of concern in respect of transport relates to the recent disclosure of a disconnect between the Auckland Plan and the just published Integrated Transport Programme (ITP) which gives details of the projects needed to implement the transport projects listed in the Auckland Plan. According to the ITP, the \$60 billion spend proposed in the Auckland Plan on transport projects over the next 30 years will not measurably reduce current congestion; instead, over time the level of congestion will rise to levels higher than currently exists in cities like Melbourne and Sydney.
35. This disclosure casts serious doubt over the transformational transport objectives in the Auckland Plan. Why the mistake has been allowed to happen and wasn't detected far earlier needs answering.
36. **Recommendation 7:** In the light of the disclosure that under current policies Auckland is doomed to worsening congestion and, reflecting the critical importance of transport to Auckland's transformational economic growth and liveability, at the very least Council should seek a review, if it hasn't already, of all the transport objectives and policies. The review aim should be to substantially beef up the modelling and other assessment tools to the extent needed to provide a credible programme able to successfully bring Auckland's congestion level below those of cities such as Melbourne and Sydney.
37. **In respect of economic growth:** One of the strong themes of the Auckland Plan is around promoting, facilitating, and indeed speeding up, economic growth for Auckland. A key goal is to increase Auckland economic growth to around 5% pa, to bring per capita GDP up to the level of Australian cities over the period of the Plan.
38. None of this important area of the Auckland Plan seems to be reflected or given effect to in the draft UP. Under 2.1.2, Explanation, in the draft Regional Policy Statement (RPS), it states: "The UP does not directly address economic issues such as skills shortages and business investment; rather it provides a resource management framework that delivers certainty to Aucklanders, lower compliance costs and enables investment and growth."
39. However, it certainly does not do this explicitly. Instead, the draft UP is dotted with rules and regulations mainly aimed at managing the effects and impacts of economic growth. If the draft UP was really trying to give effect to the Auckland Plan, it is in the RPS that the economic growth imperatives would be given prominence. Instead, the recurring pattern in the RPS is rhetoric supporting growth, but in the detailed draft UP rules there are lots of policies and strategies to control or manage it because of its perceived harmful effects.
40. The omission of a strong policy and supporting rules package in the draft UP to enable achievement of the Auckland Plan's economic growth objective and targets is a significant strategic mistake.

41. First, the Auckland Plan is a non-statutory document. It has no status under the RMA. Council is free to change the Auckland Plan whenever they want, without any consultation. However, while the document is supportive of economic growth in the policy section, the failure to reinforce this outcome in the details of the draft UP - a Statutory document – means that it continues to be problematic for major infrastructure providers, and for any developments that fall outside of the normal planning rules (of which there will be many). The needed certainty of a set of rules showing Auckland is a business-friendly city supportive of investment to grow the economy is missing.
42. Second, this omission shows that the primary purpose of the draft UP has been either misunderstood or deliberately changed. As noted above, the Auckland Plan (and Long-term Plan) clearly state that the finalised UP would be “critical” to giving effect to the Auckland Plan. The draft UP should therefore go out of its way to deliberately encourage, facilitate and enable regulatory reform to promote the economic goals and targets in the Auckland Plan. It should bring a new paradigm to the rules; to reinforce the buy-in to Council’s (new) business-friendly culture and that, reflecting the degree of change required to achieve the transformational economic goals and targets in the Auckland Plan, ‘business as usual’ no longer applies.
43. **Recommendation 8:** To reinforce that Auckland is serious about lifting its economic growth performance, the draft UP RPS must at the very least include the relevant economic objectives contained in the Auckland Plan, and the economic growth ‘controlling’ rules be redrafted to align with and support the core objective to enable economic growth activities, not simply manage and/or control its effects.

COMMENT AND RECOMMENDATIONS ON SPECIFIC AREAS

Business Zones

44. The Chamber notes that there are 10 business zones, and in which the draft UP sets out rules that encourage intensification; e.g. in the city centre, metropolitan and town centres, the airport and elsewhere.
45. We have concerns that the Council may struggle to ensure that adequate business land is able to be provided in accordance with the targets in the Auckland Plan. As already noted, the focus of the draft UP has been on housing Auckland’s projected population increase. There have been no corresponding transformational changes in the draft UP, it appears, to enable industrial and business areas to expand to meet the expected growth and/or enable the expansion of supporting infrastructure such as the Ports of Auckland, Auckland Airport, MetroPort etc.
46. We question whether at a practical level sufficient assessment of these requirements has been undertaken. In particular, as Auckland’s population grows appropriate and sufficient land for business will need to be provided to support Auckland’s economic and resulting employment growth. As well, to deliver the actions proposed in the Auckland Plan initiatives will be needed to ensure new business land is available to enable Auckland to incentivise growth and investment, and ensure we can take full advantage of the emerging acceleration of the business cycle. The private sector needs certainty as to when new business zoned

land will become available, and this requirement is basic for attracting new and or existing (offshore) businesses to locate.

47. Elsewhere the Chamber has agreed with the Auckland Plan's contention that at least 1,000-1,500 hectares of new business zoned land will be required during the next 10-30 years.
48. **Recommendation 9:** We submit that Council, in collaboration with the private sector, needs to be proactive on this matter and take steps to ensure that the first of this new business zoned land comes on stream within the next 1-2 years. The initiative is needed now to identify the 1500 hectares indicated in the Auckland Plan, not simply to take advantage of the economic upswing but as part of an overall strategy to showcase Auckland as a business-friendly, attractive city location with a council that backs its policies with action.

Sustainable Development - Green Star Office Tool

49. The Chamber notes that under rule 4.2.5.4 Sustainable development, the Council proposes that:
- New large-scale office and industrial buildings must be designed and constructed to a minimum 5-star level from the New Zealand Green Building Council (NZGBC) Green Star Office Tool (2009) and Green Star Industrial Tool (2009); and,
 - Any new development containing five or more dwellings on a site needs to be designed and constructed to a minimum 6-star level from the NZGBC Homestar Tool (2010).
 - Where the relevant green star level is not achieved, the Council will consider: the use of an alternative tool or method; energy efficiency/passive environmental design; water efficiency; internal dwelling amenity; renewable energy; stormwater management; materials and building adaptability; and waste.
 - Where a building does not obtain a green star rating the building should generally achieve a level of design which is equivalent to that required by the rating tool.
 - Where a development does not achieve an equivalent level of design by using an alternative tool or method, applicants must demonstrate sustainable design has been incorporate in the development.
 - Developments that do not comply are restricted discretionary activities; and therefore will require consent.
50. The Chamber supports innovative practices which have positive implications for sustainability and creating an attractive working environment. However, our initial assessment of this proposal is that the requirements are too prescriptive, and potentially unaffordable and very complex to put in place and comply with; i.e. as drafted, they are NOT business-friendly, they are NOT about achieving economic growth and are, instead, likely to be counter-productive to the city's efforts to attract new developments to Auckland.
51. We are advised that even achieving a four star rating costs a premium and the process can be lengthy, adding more uncertainty and cost, and from which the owner can face difficulties recovering through higher rental returns.
52. **Recommendation 10:** We strongly urge a rethink of the merits of retaining this rule in the draft UP.

53. We suggest that council undertake a business-based assessment of how this package of rules will help, if at all, to achieve the Auckland Plan economic growth objectives to attract investors/ investment to Auckland. We see significant cost implications for owners and tenants in respect of other new impositions they are facing in respect of seismic strengthening, fire codes, insurance as well as, in some cases, development and other costs.
54. Instead of imposing a heavily prescriptive sustainability regime on the industry through the draft UP, the Chamber suggests that an approach be undertaken to collaborate and engage with the sector to achieve a mutual, progressive and affordable sustainability best-practice code that can be part of an overall strategy to showcase the city as a business-friendly; an attractive, inviting city with a progressive council - not a council that imposes dictatorial potential high-cost changes regardless.

Housing affordability - value uplift 'wind fall tax' proposal

55. As noted above, housing affordability is a key issue affecting Auckland, is complex and affected by a range of factors, some of which council and government are to look into further as recently indicated in the Housing Accord announcement. We suggest that abandonment of the value uplift proposal be part of this work.
56. Under the value uplift proposal the Council will receive a proportion of the increase in value of rural land where it is re-zoned for urban use, and existing urban land where it is rezoned from low to high density use. Currently, the private land owner receives the benefit of that increase in value resulting from the rezoning decision.
57. The Council will seek to use this income to reduce costs to subsequent homeowners by sharing the cost of urban growth across different development stages, helping to improve housing affordability.
58. The Chamber does not support the value uplift proposal for a number of reasons, including the following:
- This is a heavy handed intervention at a late stage to a long-standing problem that has been created by years of unwillingness to respond to Auckland's growing population by changing the MUL and making more land available for development. It is in essence a 'wind fall' tax.
 - It will interfere with and likely add extra cost to the development/ housing market;
 - Its implications for helping address housing affordability are uncertain, and house prices could well increase in response to implementation of such a proposal – for instance, if demand is such that the money to be paid to the Council ends up being factored into and increasing overall selling prices.
 - The proposal will create inequity between those who have been traditionally allowed to profit from rezoning and those that are now no longer able to.
 - It is inherently unfair in that is akin to a business who takes all the risk and carries the holding costs. Why should they then be expected to give away a share of the return on their investment and enterprise?
 - It seems to allow the Council to "double dip" – as it will also benefit from the increase in rates that results from the rezoning.

- How the level of the value uplift will be calculated and at what stage in the development process is far from clear.

59. **Recommendation 11:** The Chamber strongly opposes the value uplift proposal for the reasons summarised above and requests that it be removed from the draft UP.

Achieving Energy Supply Certainty

60. Nearly all the energy we use comes from outside Auckland. The draft UP acknowledges Auckland energy supply vulnerability. All our electricity and transport fuels come in along single supply lines with no replacement routes in the event of disruption. This is not just an issue for Auckland, but also for Northland, which relies on electricity transmission through Auckland.

61. The recognition in the draft UP of Auckland and Northland's energy supply vulnerability needs to be backed-up with an action plan to address the concern. The Chamber notes that the call for some delivery on Auckland's long-term energy infrastructure requirements has been made in a range of planning documents over at least the past 10 years.

62. The draft UP makes a number of suggestions for action including

- enabling the upgrading, maintenance and operation of new and existing energy supply infrastructure to improve physical security and resilience of supply, in particular the location of sensitive activities near electricity generation and transmission facilities
- enabling new facilities for generating electricity from renewable resources to serve both regional and local needs
- enabling small-scale energy generation such as solar panels.

63. **Recommendation 12:** The Chamber supports the above actions, but **recommends** that an initial step needs to be a comprehensive risk assessment of Auckland's energy requirements to meet our growth projections, assessment of risk areas, and completing the long-discussed energy prospectus designed to enable Auckland to outline a strategy of what is needed to secure sustainable energy supply and better manage future demand.

64. Given Auckland's growth profile, energy supply vulnerability and need for securing greater certainty for investment and businesses looking at Auckland as a place to locate a global business, and because we are New Zealand's commercial capital and only city of global scale, we suggest **our recommendation needs to be actioned with measured urgency.**

Cross boundary issues and opportunities

65. The draft UP acknowledges the emerging inter-dependence with its upper North Island neighbours Northland, Waikato and Bay of Plenty.

66. The Chamber supports an initiative to back up this recognition through preparation of an overarching Upper North Island growth plan. The wealth generated from the growing Upper North Island economy will be a critical contributor to NZ's overall economic health in coming years. In many respects, including transport, the Upper North Island is increasingly operating as a single economy. Auckland, Northland, Waikato and Bay of Plenty has:

- 51% of NZ's GDP
- 52% of NZs population, projected to be
- 55% by 2015 and 60% by 2031 and has
- 48% of NZ's workforce & 54% of businesses

67. **Recommendation 13:** Noting that the Upper North Island is a rapidly emerging distinctive economic wealth generator of critical significance to New Zealand's success, we need to be examining:

- What the Upper North Island's governance arrangement is and how well it is aligned to collaborate on critical issues and help lift the performance of the region's economy;
- What demands and opportunities the employment and business growth trends of the upper North Island is creating for transport and other core economic-driver infrastructure and utilities; and,
- What shared arrangements should we be considering in doing our respective urban planning

68. We note that the draft UP focuses on managing cross boundary issues. We seek a change of focus to one of encouraging cross boundary opportunities. As noted above in respect of our comments on switching the focus of the provisions in the draft UP from 'managing the effects of' economic growth to 'giving effect to' ensuring the draft UP regulations encourage and enable economic growth, we **strongly recommend** that the draft UP assessment of cross boundary issues be re-focused to give emphasis to growing a business-friendly and well-functioning Upper North Island economy.

69. We are at a point in our growth and development into a more mature and connected economy that it is time we stopped the territorial patch protection approach to infrastructure planning and instead looked at, for example, a shared port ownership structure for the Upper North Island.

70. For business, inland ports in Auckland and proposed for Hamilton are fixed points in a connected land surface infrastructure system of the Upper North Island, and which also provides for the movement of people and goods between the different parts of the extended region. The MetroPort rail hub in Auckland serving the Port of Tauranga is now New Zealand's third highest container trans shipment 'port' – behind only POAL and Port of Tauranga.

71. For business, the Upper North Island transport infrastructure is a seamless system. Auckland Council and stakeholders like the Chamber of Commerce need to be as strong in our advocacy for the timely completion of the Waikato Expressway, as Hamilton/Waikato and Tauranga/Bay of Plenty leaders should be for Auckland's top priority transport and other critical economic infrastructure projects such as the International Convention Centre.

72. We all have a shared interest and a potential to enjoy huge benefits from these improvements. The opportunity of harnessing a dynamic, progressive single Upper North Island economic region of scale is an exciting prospect, but we must go forward as equal partners, respecting and helping each other work to our strengths and address our weaknesses.

Rural Economy

73. A large proportion of Auckland comprises rural land. The Chamber notes the draft UP RPS 2.1.7 statement that subdivision, use, and development of rural land are greatly influenced

by its proximity to the metropolitan area. We agree that the interrelationship between urban and rural Auckland needs to be recognised and managed, to provide for existing and future generations.

74. Rural production, from livestock to viticulture, is a key contributor to both our domestic and export economy. In particular, as a direct result of the high quality fertile soils in certain parts of Auckland, the rural economy is a significant contributor to Auckland's food and beverage export-based sector. Rural land also offers places for recreation, tourism and important open space.
75. These factors mean that Auckland's rural areas are important places where people and communities want to live, work and play.
76. We note that the draft UP regulatory provisions mainly focus on managing the competing nature of activities on rural land, the impact of urban growth and the desire to live in rural areas creates challenges for how our rural areas function.
77. **Recommendation 14:** The Chamber recommends that a re-appraisal of the regulatory provisions to ensure they provide stronger and more direct support to 'giving effect to' the objectives in the Auckland Plan to encourage and enable the production of primary produce, food and beverage products for export and local consumption continuing and expanding in terms of its contribution to the regional and national economy.

Timing of Notification and Maintaining Momentum

78. In principle, the Chamber supports a finalised draft UP becoming operative as soon as possible. However, there is considerable work needed to get to this stage and we agree that the submissions process must be robust and fair.
79. We note legislation provides for the draft UP to become fully operative in 2016, while Auckland Council wants it to become operative in September this year. Given the considerable reshaping that will be required and the deputy Mayor's "draft, draft" comments, we agree that a rushed process would be counter-productive and urge Council to change its stance to instead focus on doing what's required to ensure the best possible outcome.
80. Three years should be plenty of time to ensure that appropriate checks and balances are in place, objective scrutiny of the draft UP's policies and regulatory provisions occurs, and a robust assessment of evidence is undertaken to ensure that the best decisions for Auckland are arrived at. At the same time, in the interim until the draft UP becomes fully operative Auckland needs to get some certainty that it can ensure progress is made now on the city's critical issues.
81. The Housing Accord does this for housing. We suggest a similar pragmatic collaboration mechanism be created to enable action on other major issues Auckland faces immediately. It is about getting on and making the best possible arrangements in an environment in which it is no longer business as usual. We also note Council's declaration in the Auckland Plan and elsewhere that implementing Auckland's major issues requires a collaborative approach with central Government and other stakeholders, including the private sector. In practice, however, a significant challenge remains for the Council to find ways to communicate

effectively between its governance tiers, departments and CCOs, central government and private sector organisations.

82. **Recommendation 15:** Accordingly, we **strongly recommend** the establishment of a joint working party of central government, Auckland Council and private sector organisations to ensure an accelerated momentum of action on Auckland's key issues. Tasks of the working party would include review of the reshaped draft UP prior to notification (and final sign off by Council) to ensure that the revised rules are sufficiently robust to enable and give effect to the transformational issues in the Auckland Plan, and in particular achieve the needed alignment on and between the transformational objectives on housing, transport and other essential infrastructure and economic growth as recommended in this submission – recommendations 1-15 above.

CONCLUDING COMMENTS

83. Auckland and New Zealand deserves the best possible outcome from the establishment of the Auckland Plan and supporting draft UP. The bottom line is that it doesn't matter who does it; it is about making it happen and what gets done.
84. The Chamber reinforces its desire to work with council to get a workable, fit for purpose rule book. As Government has indicated in the Housing Accord and elsewhere, Auckland Council must be respected to decide where and how it wishes to grow. However, there is a critical contribution by Auckland to NZ Inc through its role as NZ's commercial capital. Auckland is too important to New Zealand to be allowed to get its planning structure wrong and unworkable.
85. The finalised UP will be a statutory rule book. As well as giving effect to the Auckland Plan, the draft UP must align with and enable aspirations of central government for NZ, and it must enable the business sector to get on with doing business efficiently and with certainty.
86. The extent of the issues exposed by the draft UP, prompt a conclusion that council has got things seriously wrong. It needs all the help it can get, and must listen and take on board what changes to the draft Aucklanders are saying are required. The issues are far too critical to allow Council to sweep them under the carpet.

Michael Barnett

Chief Executive
Auckland Chamber of Commerce
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