Future Development Strategy

Organisations

WRITTEN FEEDBACK
Volume 5

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Future Development Plan 2023 #8133

Note: this version of the feedback form has been created for the purpose of publishing submissions. As such, contact and demographic information has been removed and handwritten submissions have been transcribed.

Your feedback

Focusing growth

Denser, more compact cities result in improvements to the environment, the economy, and people's wellbeing.

Auckland's urban area is made up of neighbourhoods, town centres and business areas that are interconnected and that support where most Aucklanders live, work and spend their leisure time.

We propose that most housing and business growth will be focused within existing urban areas and that this growth be more intensive. This means less growth in greenfield areas at Auckland's edges. What greenfield growth there is will be phased over 30 years and longer.

1. What do you think of our approach to focus most of Auckland's growth in existing urban areas?

Other

Tell us why
Please see attached.

Accessible local centres

When people have easy access to workplaces, services, facilities and shops, communities become more resilient and connected. It also helps to reduce travel time, emissions and lower household transport costs.

We propose focusing housing and business development near local centres where most people's daily needs are easy to access by walking, cycling and public transport.

2. What do you think of our approach to focus development near local centres?

Other

Tell us why
Please see attached.

Avoiding hazards

As our climate changes, the frequency and severity of hazards such as flooding, sea-level rise and coastal erosion will worsen. Where and how we plan for growth, and how we adapt to these hazards is increasingly important.

We propose that known areas constrained by significant natural hazard risk should be looked at to see if further development is appropriate.

Where development is already enabled in potentially vulnerable locations, we will further investigate appropriate actions.

3. What do you think of our approach to avoid further growth in areas which are exposed to significant risk of environmental hazards?

Other

Tell us why
Please see attached.

Resilient infrastructure

Infrastructure across Auckland needs to cope with ongoing change, such as the impacts of climate change and evolving technology.

Nature-based infrastructure, such as rain gardens, swales, and detention basins, is better able to respond to ongoing change. This can help protect communities from hazards, as well as protect and restore the natural environment.

We propose prioritising investment in infrastructure that is decentralised, nature-based, regenerative and mauri-enhancing.

4. What do you think of our approach to prioritising nature-based infrastructure that responds to the impacts of climate change?

Other

Tell us why
Please see attached.

Other feedback

5. Do you have any other feedback on our approach to how and where Auckland should grow and change?

Please see attached.

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Auckland's urban area is made up of neighbourhoods, town centres and business areas that are interconnected and that support where most Aucklanders live, work and spend their leisure time.

We propose that most housing and business growth will be focused within existing urban areas and that this growth be more intensive. This means less growth in greenfield areas at Auckland's edges. What greenfield growth there is will be phased over 30 years and longer.

1. What do you think of our approach to focus most of Auckland's growth in existing urban areas?

Agree

Tell us why

ARPHS has repeatedly supported Council's quality compact urban growth model, which has underpinned the development and implementation of the Auckland Plan 2050 and the Auckland Unitary Plan. By prioritising development within existing urban areas, Auckland can create vibrant, interconnected neighbourhoods that offer a range of amenities and services in close proximity. This approach promotes walkability, cycling, and efficient public transport networks, making it easier for residents to access essential services, workplaces, recreational spaces, and social connections. Quality compact development supports active lifestyles, reduces reliance on private vehicles, and encourages physical activity, thereby improving public health outcomes.

If done well, intensifying growth within existing urban areas can foster thriving communities that are socially inclusive and supportive of residents' well-being. It allows for the development of mixed-use spaces that integrate housing, employment opportunities, schools, ECE's, healthcare services, and playgrounds/sports fields. Increased land-use density and diversity are associated with significant health benefits, including major reductions in diabetes, cardiovascular disease and respiratory illness . Furthermore, this mixed-use approach can enhance social interaction, reduce social isolation, and promote mental health and overall community well-being. Creating safe and accessible public spaces, parks, and community gardens further strengthens community bonds, social cohesion, and residents' quality of life. Designing solutions to improve social cohesion is crucial in Aotearoa's current socio-political climate, with a recent report raising concerns about increasing threats to societal resilience.

With an aging population, focusing growth in existing urban areas becomes crucial for meeting the needs of older adults. By creating age-friendly communities, Auckland can provide accessible housing options, essential services, healthcare facilities, and social support networks within walking distance. This approach helps older adults maintain independence, social connections, and an active lifestyle, which are vital for healthy aging. Similarly, for tamariki and rangatahi, quality compact urban form can provide significant health benefits. Focussing growth in existing urban areas can support tamariki and rangatahi through easy access to education facilities and green spaces, environments that promote active mobility, improvements to road safety, and reductions in the inequitable health impacts of air pollution.

Whilst ARPHS are supportive of the overall model proposed by Council for quality compact urban growth, we propose that the FDS—and its supporting actions—can be strengthened in the following areas:

Food environments:

- Integrating food systems planning into urban growth strategies addresses the issue of food security. By supporting local food production, such as community gardens, urban farms, and markets, Tāmaki Makaurau can enhance access to fresh, healthy, locally sourced, and culturally significant foods that serve the needs of diverse communities. Higher deprivation communities are less likely to have access to fresh fruit and vegetables and are more likely to experience chronic health conditions such as diabetes4. New Zealand literature shows that community gardens contribute to community well-being by providing access to fruit and vegetables, increasing nutritional intake, reducing chronic health conditions, increasing physical activity, supporting financial well-being, improving environmental sustainability, revitalising culture and helping to develop a sense of community. ARPHS support Council's implementation action to:

"Investigate ways to encourage multiple uses for open space, greater planting of roadside berms and use of vacant council sites for community gardens/urban farming and local composting"

However, to carry the statement through into meaningful action, and ensure an equitable approach, ARPHS recommend that Council change the wording to:

"Investigate and implement ways to encourage multiple uses for open space, greater planting of roadside berms and use of vacant council sites for community gardens/urban farming and local composting, prioritising areas of higher socioeconomic deprivation"

- ARPHS acknowledges that the FDS recognises food sovereignty as a goal for hapū and iwi in urban development. ARPHS suggests that the Council prioritise this objective through an action in the implementation plan dedicated to collaborating with mana whenua to allocate spaces for whānau to grow their own food. A stronger commitment to food sovereignty in urban planning can have several positive impacts on Māori health and well-being:

1. Improved access to nutritious and culturally significant foods.

2. Revitalisation of traditional knowledge and practices – farming, gardening, and harvesting practices. This helps preserve cultural knowledge and strengthens connections to ancestral traditions.

3. Increased community resilience and self-sufficiency. This can enhance their sense of autonomy and reduce dependence on external food sources.

4. Strengthened community connections and cohesion.

5. Economic opportunities and empowerment, by fostering entrepreneurship and economic self-determination.

- ARPHS also encourage Council to investigate ways to address issues of food sovereignty for other groups, including Pasifika, through allocating spaces for diverse communities to oversee the production of, and improve access to, culturally-significant foods.

Transportation:

- Greater emphasis and detail are required in the FDS around transit-oriented development, which integrates housing, businesses, and amenities within walking distance of rapid transport network stations. Ensuring concentrated development around the rapid transport network promotes walkability, reduces car dependency, and promotes health and well-being.

- To better enable Council to achieve the 2030 and 2035 transport emission reduction targets, ARPHS recommend introducing emission targets to the Auckland Unitary Plan. Achieving these reductions will provide significant health and environmental benefits, including improved air quality, reduced noise pollution, and increased physical activity levels.

Housing:

- Include in the supporting actions the use of financial incentives such as tax breaks, grants, or subsidies to encourage development of affordable, high-density, quality housing around existing and planned rapid transport corridors and near local centres within existing urban areas.

- ARPHS recommend that Council reduce restrictive zoning (including special character provisions) in areas surrounding the city centre to improve access to the amenities that these areas enjoy and increase city-wide housing stock. In the context of the FDS, these areas should be included as spatial priority areas for the next 1-10 years.

Accessible local centres

When people have easy access to workplaces, services, facilities and shops, communities become more resilient and connected. It also helps to reduce travel time, emissions and lower household transport costs.

We propose focusing housing and business development near local centres where most people's daily needs are easy to access by walking, cycling and public transport.

2. What do you think of our approach to focus development near local centres?

Agree

Tell us why

'ARPHS strongly support Council's focus on creating mixed-use, compact, quality localities. Focusing housing and business development near local centres, supporting mixed localities, and promoting multi-modal transport options brings significant public health benefits. By concentrating development near local centres, communities become more resilient and connected, with easy access to workplaces, services, facilities, and shops. This proximity encourages walking, cycling, and the use of public transport, reducing travel time, transport emissions, and household transport costs. It also creates vibrant, active communities that prioritise health and well-being, with reduced air pollution-related health risks, improved road safety, increased physical activity, and enhanced mental health and social connections.

Amongst these benefits, reductions in air pollution-related health risks would be particularly important in the Auckland context. In 2016, over half of all Aucklanders (59.4%) were exposed to levels of nitrogen dioxide (NO2) higher than the current World Health Organization's Air Quality Guidelines, with higher rates for Pacific Peoples (74.5%) . These exposure levels were overwhelmingly from vehicle emissions. This is estimated to have caused 685 premature deaths and 3,504 respiratory and cardiovascular hospitalisations in Tāmaki Makaurau, alongside 6,144 new cases of asthma among children. The annual social costs are $3.2 billion from both the direct hospital costs and restricted activity days where people could not work. There are also significant additional costs from PM2.5 emissions from vehicles. Prioritising compact urban form and mode shift away from cars is crucial to protecting Aucklanders from the ongoing health impacts of air pollution.

Whilst ARPHS are supportive of the overall model proposed by Council for quality compact urban growth, we propose that the FDS—and its supporting actions—can be strengthened in the following areas:

- Prioritise investment in public amenities, and business and transport infrastructure in areas of higher socioeconomic deprivation.

- Consider the role of policies and bylaws in shaping localities and acknowledge this within the FDS. For example, local access to fast food and alcohol has significant impacts on the health of communities. Considering updating policies and bylaws should not be neglected in lieu of an exclusive focus on infrastructure provisions.

- Set a more specific vision for how community well-being can be promoted through local urban planning and design. By highlighting healthy planning principles at the strategic level, the FDS can fully acknowledge the multi-faceted role of localities in supporting social, economic, cultural, and environmental well-being and recognise this as a priority in urban growth. This acknowledgement can also provide an important linkage between the FDS and the Auckland Plan 2050; in particular, by identifying spatial planning's role in supporting the outcomes of 'Belonging and Participation', 'Māori identity and Wellbeing', 'Homes and Places', and 'Transport and Access'. Some considerations include:

- Accessible urban green spaces, blue spaces, and other shared outdoor facilities are essential features in promoting mental health, physical activity, social cohesion, and environmental well-being. To maximise their benefits, these facilities should be co-located near other facilities such as schools.

- Inclusive design is crucial to meet the needs of diverse groups rather than a ‘baseline’ majority. Designing inclusive cities can promote health, reduce discrimination, increase social cohesion, and prevent isolation. To achieve inclusive local centres, the following must be considered:

1. Design aspects to increase feelings of safety for women, gender minorities, and other vulnerable-feeling users of the public realm, as well as design to enable people with sensory, physical, and cognitive limitations to move safely and independently. These may include enhanced wayfinding markers, good lighting, and accessible public toilets for all genders.

2. Diverse representations to increase sense of belongingness, such as facilities and street features that reflect the values and cultures of different communities. This includes the representation of mana whenua histories and presence in design.

3. Homeless person-inclusive design including water and sanitation facilities, charging stations, places to rest/sleep, harm reduction facilities.

4. Transport infrastructure, including cycleway routes, that attend to the needs of diverse groups, including full-time parents/caregivers who require ease of access to schools, local facilities, and parks.

5. A commitment to co-design and participative place making that engages the community in all its diversity at every step of urban planning and design.

Avoiding hazards

As our climate changes, the frequency and severity of hazards such as flooding, sea-level rise and coastal erosion will worsen. Where and how we plan for growth, and how we adapt to these hazards is increasingly important.

We propose that known areas constrained by significant natural hazard risk should be looked at to see if further development is appropriate.

Where development is already enabled in potentially vulnerable locations, we will further investigate appropriate actions.

3. What do you think of our approach to avoid further growth in areas which are exposed to significant risk of environmental hazards?

Agree

Tell us why

ARPHS support Council’s approach to climate change adaptation efforts in existing urban areas. Most notably, we support the criteria for prioritising locations based on population density and NZDep score.
From a public health perspective, it is essential to prioritise areas of higher deprivation when considering natural hazard risks and adapting to climate change. These communities frequently experience significant health disparities, are less financially resilient, and bear a disproportionate burden from climate-related hazards. To promote equity, it is essential to empower Māori,

Pasifika, and other diverse communities in decision-making processes. In this way, their needs can be addressed and knowledges and innovation promoted in designing solutions.

Resilient infrastructure

Infrastructure across Auckland needs to cope with ongoing change, such as the impacts of climate change and evolving technology.

Nature-based infrastructure, such as rain gardens, swales, and detention basins, is better able to respond to ongoing change. This can help protect communities from hazards, as well as protect and restore the natural environment.

We propose prioritising investment in infrastructure that is decentralised, nature-based, regenerative and mauri-enhancing.

4. What do you think of our approach to prioritising nature-based infrastructure that responds to the impacts of climate change?

Agree

Tell us why

ARPHS support the prioritisation of resilient, nature-based, regenerative, and mauri-enhancing infrastructure.

By embracing the concept of biophilic cities, infrastructure can go beyond climate mitigation and adaptation to also promote well-being and co-benefits. Biophilic cities emphasise the integration of nature into urban environments, fostering a connection with the natural world and enhancing the overall wellbeing of residents. These well-being benefits include improved cognitive health, a higher sense of social cohesion, increased emotional well-being, and improved physical health . In particular, increasing urban tree canopy cover, especially in areas where this is already limited, is an important public health intervention, and has been shown to reduce excess summer deaths from heat and mitigate the effects of air pollution.

Building strong basic infrastructure is also crucial to support increased housing density and cope with the impacts of climate change. ARPHS have a broad role in environmental health across Tāmaki Makaurau, with particular interests in safe drinking water, safe fresh and ocean recreational water (through limiting discharge of wastewater and other contaminants), limiting the spread of environment-derived pathogens (e.g., giardia/cryptosporidium) and vectors (e.g., invasive mosquito species), and avoiding urban heat island effects. All of these outcomes are benefitted by resilient, nature-based infrastructure that avoids flooding/pooling and separates contaminated water from that which humans come into contact with.

To achieve equitable outcomes, transparent decision-making processes are crucial in infrastructure investment and design. Engaging with diverse stakeholders, including Māori, Pasifika, and marginalised communities is vital to gain a comprehensive understanding of their perspectives. In this way, their needs can be addressed and knowledges and innovation promoted in designing solutions.

Other feedback

5. Do you have any other feedback on our approach to how and where Auckland should grow and change?

- The FDS Strategic Spatial Framework does not currently reflect the centrality of promoting health and well-being to achieving the best outcomes for Tāmaki Makaurau. Urban planning and development are critical enablers of health and well-being, and a platform through which major health risks can be alleviated through changes to our social and physical environments. The UN-Habitat and the World Health Organization assert that: "If the purpose of planning is not for human and planetary health, then what is it for?". To reflect the essentiality of a health and wellbeing lens to urban development, and to link the FDS to the outcomes identified in the Auckland Plan 2050, ARPHS recommend that Council:

1. Include in the section 'Principles for Growth and Change' a principle dedicated to health and well-being outcomes. This will give a stronger foundation for considering the broader aspects of population well-being within urban planning and anchor the strategy back in its primary purpose—to achieve the best outcomes for Tāmaki Makaurau. Section 3 (the Purpose) of the Natural and Built Environments Bill provides a useful precedent for including such considerations in planning documents.

2. Provide a clearer definition of 'well-being' and its relationship to urban planning at the regional and local levels within the proposed principle. This definition should be guided by the Auckland Plan 2050 and the Local Government (Community Well-being) Amendment Act 2019, which states that the purpose of local government is "to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future". The intergenerational aspect of this purpose should also be incorporated in the proposed principle. Finally, incorporating health and safety considerations will help Council to give effect to Section 7(1) of the Natural and Built Environment Bill.

- The FDS does not include a clear definition of equity, nor does it present supporting actions that clearly demonstrate Council's commitment to achieving equitable outcomes. Nuanced definitions of equity extend beyond socioeconomic outcomes to integrate concepts of accessibility and mobility, affordable housing, and social and cultural integration. By identifying and applying a comprehensive equity framework, the FDS can better address the needs of diverse communities, including Māori, Pasifika, women, disabled people, gender minorities, ethnic minorities, older adults, and people experiencing homelessness. As such, ARPHS recommend the following:

1. Provide a clear and comprehensive definition for equity within the spatial outcome 'Disparities in our communities and investments are addressed'.

2. Strengthen the supporting actions of the FDS to reflect Council's commitment to achieving equitable growth.

3. Consider how targeted spatial planning and development will alleviate existing inequities across Tāmaki Makaurau, rather than just preventing a further widening of disparities from a current 'baseline'.

- ARPHS is encouraged by the Council's acknowledgement of both Te Tiriti o Waitangi and the significance of hapū and iwi values in guiding urban growth and development. There is significant opportunity for the Council to further demonstrate their commitment to these values and Te Tiriti by strengthening their actions of support.

For instance, while spatial response discusses promoting Māori well-being primarily in relation to rural Māori land development, it is less clear how the Council plans to honour hapū and iwi values and aspirations in the growth of urban areas. The strategy also does not fully recognise the heterogeneity of Māori in the Auckland region, focussing solely on hapū and iwi, and not identifying how Council seek to understand and respond to the needs of mātāwaka in urban growth planning. Additionally, although the FDS recognises housing affordability as a barrier to Māori thriving in Auckland, there is a lack of clarity on the Council's intended approach to addressing this barrier, particularly in urban areas.

Furthermore, the FDS acknowledges the importance of incorporating mana whenua histories and presence into urban development through "sensitive and appropriate design, art and names". To fulfil this aspiration of hapū and iwi, promote Māori cultural and spiritual well-being, and uphold Te Tiriti, ARPHS recommends including a relevant supporting action within the FDS. This action should align with the 'Māori identity and well-being' outcome in the Auckland Plan 2050 and identify the mechanisms and strategies that the Council can employ to preserve and celebrate Māori sites, incorporate mana whenua mātauranga and Māori design, art, and names in both public and private development projects.

- The FDS does not give great enough attention to the inter-connected issues of housing affordability, accessibility, and quality, and their impacts on health inequities, nor does it clearly identify the levers available at the local government level to address these problems. ARPHS would like to see greater attention given to the following areas:

1. Housing quality – Access to affordable quality housing is a fundamental human right and a key social determinant of health. A study analysing data from 2010¬¬-2017 estimated that illnesses attributable to unsafe and substandard housing in Aotearoa result in $141 million of direct costs to the public sector annually. Furthermore, the study estimated 229 deaths attributable to these conditions annually, resulting in a cost to society of $1 billion . These substandard conditions are particularly concentrated in the Auckland region and are likely to have worsened in recent years due to a range of economic and social drivers. The provision of safe, quality housing must be a paramount concern in future development.

2. Accommodating larger households – Māori and Pasifika families/whānau are larger as compared to the general population. Multi-generational living is common for Pasifika, in particular, and is an important component of family and cultural well-being. Despite this, access to affordable, quality homes that meet the needs of larger families and whānau is a persistent issue in Tāmaki Makaurau, and a significant driver of health inequities. According to 2018 Census data, 44% of Pasifika and 25% of Māori in Tāmaki Makaurau were living in overcrowded homes. This was

compared to 15% of the general population. Household overcrowding carries significant health impacts, especially for children, including an increased risk of pneumonia, heart disease, exposure to infectious diseases, and mental health issues. Tāmaki Makaurau must grow in a way that not only delivers a higher volume of affordable housing, but accommodates the diverse needs of the population, including the demand for larger dwellings within urban centres.

- ARPHS recommend that Council develop and publish a framework and plan for monitoring and evaluating implementation of the FDS. Transparent and ongoing monitoring will be key for tracking the impacts and guiding future decision-making around urban development policies, projects, and programmes in Tāmaki Makaurau.

- It is critical that Council continues to partner with the relevant government agencies to support the implementation of the FDS.

- Please refer to the attached file for a complete version of ARPHS' response to the Future Development Strategy, including references and relevant contact details.

31 July 2023

Auckland Council
akhaveyoursay@aucklandcouncil.govt.nz

Future Development Strategy

Thank you for the opportunity for the National Public Health Service, Te Whatu Ora to provide a submission on Auckland Council's Future Development Strategy. This submission has been written by the Auckland Service (ARPHS). Please refer to Appendix 1 for more information on ARPHS.

We welcome an opportunity to meet with you to discuss our submission.

The primary contact point for this submission is:

[redacted]

Ngā mihi/Yours sincerely,

[redacted]

Thank you for the opportunity to comment on the Auckland Council Future Development Strategy (FDS).

The strategic direction for Tāmaki Makaurau's growth and development is of great importance in determining the future well-being of all those living in Aotearoa New Zealand's largest urban centre. ARPHS acknowledge the significant complexities faced by Auckland Council (Council) in planning for growth in a region facing significant social, economic, and environmental pressures and uncertainties. We commend Council's commitment to navigating these challenges to deliver the best outcomes for Tāmaki Makaurau.

As a public health organisation, we care about the social determinants of health and the ways in which our built and natural environments shape the health and well-being of our population. Tāmaki Makaurau faces a number of social and health challenges influenced by these environments in which residents live, work, and play. Some of these challenges include entrenched spatial, economic, social, and health inequities; the impacts of breaches of Te Tiriti o Waitangi on Māori health and well-being; low availability and affordability of quality housing; the need to mitigate and adapt to climate change; air pollution; road traffic injuries; interpersonal violence; unhealthy food environments; and declining social cohesion.

Urban planning and development are critical enablers of health and well-being, and a platform through which major health risks can be alleviated through changes to our social and physical environments. As framed by UN-Habitat and the World Health Organization:

"If the purpose of planning is not for human and planetary health, then what is it for?"[1]

This starts at the level of a development strategy, which lays the foundation for the principles and patterns of urban growth. As such, the FDS lends a pivotal opportunity for Council to be leaders and innovators in shaping an equitable and prosperous Tāmaki Makaurau through transformational change.

Overall, ARPHS supports the principles and actions contained within the FDS, particularly in relation to facilitating quality compact growth within the existing urban area. To work towards a future in which all Aucklanders thrive, ARPHS outlines areas of the FDS that can be strengthened in the enclosed consultation response.

[1] UN-Habitat and World Health Organization (2020): Integrating health in urban and territorial planning: A sourcebook. Retrieved from: https://www.who.int/publications/i/item/9789240003170

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ARPHS has repeatedly supported Council's quality compact urban growth model, which has underpinned the development and implementation of the Auckland Plan 2050 and the Auckland Unitary Plan. By prioritising development within existing urban areas, Auckland can create vibrant, interconnected neighbourhoods that offer a range of amenities and services in close proximity. This approach promotes walkability, cycling, and efficient public transport networks, making it easier for residents to access essential services, workplaces, recreational spaces, and social connections. Quality compact development supports active lifestyles, reduces reliance on private vehicles, and encourages physical activity, thereby improving public health outcomes.

If done well, intensifying growth within existing urban areas can foster thriving communities that are socially inclusive and supportive of residents' well-being. It allows for the development of mixed-use spaces that integrate housing, employment opportunities, schools, ECE's, healthcare services, and playgrounds/sports fields. Increased land-use density and diversity are associated with significant health benefits, including major reductions in diabetes, cardiovascular disease and respiratory illness[2]. Furthermore, this mixed-use approach can enhance social interaction, reduce social isolation, and promote mental health and overall community well-being. Creating safe and accessible public spaces, parks, and community gardens further strengthens community bonds, social cohesion, and residents' quality of life. Designing solutions to improve social cohesion is crucial in Aotearoa's current socio-political climate, with a recent report raising concerns about increasing threats to societal resilience [3].

With an aging population, focusing growth in existing urban areas becomes crucial for meeting the needs of older adults. By creating age-friendly communities, Auckland can provide accessible housing options, essential services, healthcare facilities, and social support networks within walking distance. This approach helps older adults maintain independence, social connections, and an active lifestyle, which are vital for healthy aging. Similarly, for tamariki and

[2] Stevenson M, Thompson J, de Sá TH, Ewing R, Mohan D, McClure R, Roberts I, Tiwari G, Giles-Corti B, Sun X, Wallace M. Land use, transport, and population health: estimating the health benefits of compact cities. The lancet. 2016 Dec 10;388(10062):2925-35.
[3] Gluckman, P., Spoonley, P., Bardsley, A., Poulton, R., Te Ahukaramū Charles Royal, H. S., & Clyne, D. (2023). Addressing the challenges to social cohesion.

rangatahi, quality compact urban form can provide significant health benefits. Focussing growth in existing urban areas can support tamariki and rangatahi through easy access to education facilities and green spaces, environments that promote active mobility, improvements to road safety, and reductions in the inequitable health impacts of air pollution.

Whilst ARPHS are supportive of the overall model proposed by Council for quality compact urban growth, we propose that the FDS—and its supporting actions—can be strengthened in the following areas:

- Integrating food systems planning into urban growth strategies addresses the issue of food security. By supporting local food production, such as community gardens, urban farms, and markets, Tāmaki Makaurau can enhance access to fresh, healthy, locally sourced, and culturally significant foods that serve the needs of diverse communities. Higher deprivation communities are less likely to have access to fresh fruit and vegetables and are more likely to experience chronic health conditions such as diabetes[4]. New Zealand literature shows that community gardens contribute to community well-being by providing access to fruit and vegetables, increasing nutritional intake, reducing chronic health conditions, increasing physical activity, supporting financial well-being, improving environmental sustainability, revitalising culture and helping to develop a sense of community[4, 5, 6, 7]. ARPHS support Council's implementation action to:

  "Investigate ways to encourage multiple uses for open space, greater planting of roadside berms and use of vacant council sites for community gardens/urban farming and local composting"

  However, to carry the statement through into meaningful action, and ensure an equitable approach, ARPHS recommend that Council change the wording to:

  "Investigate <u>and implement</u> ways to encourage multiple uses for open space, greater planting of roadside berms and use of vacant council sites for community gardens/urban farming and local composting, *<u>prioritising areas of higher socioeconomic deprivation</u>"*

- ARPHS acknowledges that the FDS recognises food sovereignty as a goal for hapū and iwi in urban development. ARPHS suggests that the Council prioritise this objective through an action in the implementation plan dedicated to collaborating with mana whenua to allocate spaces for whānau to grow their own food. A stronger commitment to food sovereignty in urban planning can have several positive impacts on Māori health and well-being:
  1. Improved access to nutritious and culturally significant foods.

[4] Earle, M. D. (2011). Cultivating health: Community gardening as a public health intervention (Doctoral dissertation, University of Otago).
[5] Bowers, S., Carter, K., Gorton, D., Heta, C., Lanumata, T., Maddison, R., ... & Walton, M. (2009). Enhancing food security and physical activity for Māori, Pacific and low-income peoples. August 2009. Wellington: Clinical Trials Research Unit, University of Auckland; GeoHealth Laboratory, University of Canterbury. Health Promotion and Policy Research Unit, University of Otago
[6] Hond, R., Ratima, M., & Edwards, W. (2019). The role of Māori community gardens in health promotion: a land-based community development response by Tangata Whenua, people of their land. *Global Health Promotion*, *26*(3_suppl), 44-53.
[7] Heerink, S., Sinclair-Phillips, V., Jagger, A., & Hay, K. (2021). Expanding field education: Hope trust community garden. Aotearoa New Zealand Social Work, 33(1), 112-115.

2. Revitalisation of traditional knowledge and practices – farming, gardening, and harvesting practices. This helps preserve cultural knowledge and strengthens connections to ancestral traditions.
3. Increased community resilience and self-sufficiency. This can enhance their sense of autonomy and reduce dependence on external food sources.
4. Strengthened community connections and cohesion.
5. Economic opportunities and empowerment, by fostering entrepreneurship and economic self-determination.

- ARPHS also encourage Council to investigate ways to address issues of food sovereignty for other groups, including Pasifika, through allocating spaces for diverse communities to oversee the production of, and improve access to, culturally-significant foods.

- Greater emphasis and detail are required in the FDS around transit-oriented development, which integrates housing, businesses, and amenities within walking distance of rapid transport network stations. Ensuring concentrated development around the rapid transport network promotes walkability, reduces car dependency, and promotes health and well-being.
- To better enable Council to achieve the 2030 and 2035 transport emission reduction targets, ARPHS recommend introducing emission targets to the Auckland Unitary Plan. Achieving these reductions will provide significant health and environmental benefits, including improved air quality, reduced noise pollution, and increased physical activity levels.

- Include in the supporting actions the use of financial incentives such as tax breaks, grants, or subsidies to encourage development of affordable, high-density, quality housing around existing and planned rapid transport corridors and near local centres within existing urban areas.
- ARPHS recommend that Council reduce restrictive zoning (including special character provisions) in areas surrounding the city centre to improve access to the amenities that these areas enjoy and increase city-wide housing stock. In the context of the FDS, these areas should be included as spatial priority areas for the next 1-10 years.

When people have easy access to workplaces, services, facilities and shops, communities become more resilient and connected. It also helps to reduce travel time, emissions and lower household transport costs.

We propose focusing housing and business development near local centres where most people's daily needs are easy to access by walking, cycling and public transport.

ARPHS strongly support Council's focus on creating mixed-use, compact, quality localities. Focusing housing and business development near local centres, supporting mixed localities, and promoting multi-modal transport options brings significant public health benefits. By concentrating development near local centres, communities become more resilient and connected, with easy access to workplaces, services, facilities, and shops. This proximity encourages walking, cycling, and the use of public transport, reducing travel time, transport emissions, and household transport costs. It also creates vibrant, active communities that prioritise health and well-being, with reduced air pollution-related health risks, improved road safety, increased physical activity, and enhanced mental health and social connections [8].

Amongst these benefits, reductions in air pollution-related health risks would be particularly important in the Auckland context. In 2016, over half of all Aucklanders (59.4%) were exposed to levels of nitrogen dioxide (NO_2) higher than the current World Health Organization's Air Quality Guidelines, with higher rates for Pacific Peoples (74.5%) [9]. These exposure levels were overwhelmingly from vehicle emissions. This is estimated to have caused 685 premature deaths and 3,504 respiratory and cardiovascular hospitalisations in Tāmaki Makaurau, alongside 6,144 new cases of asthma among children [9]. The annual social costs are $3.2 billion from both the direct hospital costs and restricted activity days where people could not work [9]. There are also significant additional costs from PM2.5 emissions from vehicles. Prioritising compact urban form and mode shift away from cars is crucial to protecting Aucklanders from the ongoing health impacts of air pollution.

Whilst ARPHS are supportive of the overall model proposed by Council for quality compact urban growth, we propose that the FDS—and its supporting actions—can be strengthened in the following areas:

- Prioritise investment in public amenities, and business and transport infrastructure in areas of higher socioeconomic deprivation.

[8] UN-Habitat and World Health Organization (2020). Integrating health in urban and territorial planning: A sourcebook. Retrieved from: https://www.who.int/publications/i/item/9789240003170

[9] Kuschel et al (2022). Health and air pollution in New Zealand 2016 (HAPINZ 3.0): Volume 1 – Finding and implications. (Report prepared by G Kuschel, J Metcalfe, S Sridhar, P Davy, K Hastings, K Mason, T Denne, J Berentson-Shaw, S Bell, S Hales, J Atkinson and A Woodward for Ministry for the Environment, Ministry of Health, Te Manatū Waka Ministry of Transport and Waka Kotahi NZ Transport Agency, March 2022). Ministry for the Environment

- Consider the role of policies and bylaws in shaping localities and acknowledge this within the FDS. For example, local access to fast food and alcohol has significant impacts on the health of communities. Considering updating policies and bylaws should not be neglected in lieu of an exclusive focus on infrastructure provisions.
- Set a more specific vision for how community well-being can be promoted through local urban planning and design. By highlighting healthy planning principles at the strategic level, the FDS can fully acknowledge the multi-faceted role of localities in supporting social, economic, cultural, and environmental well-being and recognise this as a priority in urban growth. This acknowledgement can also provide an important linkage between the FDS and the Auckland Plan 2050; in particular, by identifying spatial planning's role in supporting the outcomes of *'Belonging and Participation'*, *'Māori identity and Wellbeing'*, *'Homes and Places'*, and *'Transport and Access'*. Some considerations include:
    - Accessible urban green spaces, blue spaces, and other shared outdoor facilities are essential features in promoting mental health, physical activity, social cohesion, and environmental well-being. To maximise their benefits, these facilities should be co-located near other facilities such as schools.
    - Inclusive design is crucial to meet the needs of diverse groups rather than a 'baseline' majority. Designing inclusive cities can promote health, reduce discrimination, increase social cohesion, and prevent isolation. To achieve inclusive local centres, the following must be considered:
        - Design aspects to increase feelings of safety for women, gender minorities, and other vulnerable-feeling users of the public realm, as well as design to enable people with sensory, physical, and cognitive limitations to move safely and independently. These may include enhanced wayfinding markers, good lighting, and accessible public toilets for all genders.
        - Diverse representations to increase sense of belongingness, such as facilities and street features that reflect the values and cultures of different communities. This includes the representation of mana whenua histories and presence in design.
        - Homeless person-inclusive design including water and sanitation facilities, charging stations, places to rest/sleep, harm reduction facilities.
        - Transport infrastructure, including cycleway routes, that attend to the needs of diverse groups, including full-time parents/caregivers who require ease of access to schools, local facilities, and parks.
        - A commitment to co-design and participative place making that engages the community in all its diversity at every step of urban planning and design.

As our climate changes, the frequency and severity of hazards such as flooding, sea-level rise and coastal erosion will worsen. Where and how we plan for growth, and how we adapt to these hazards is increasingly important.

We propose that known areas constrained by significant natural hazard risk should be looked at to see if further development is appropriate.

Where development is already enabled in potentially vulnerable locations, we will further investigate appropriate actions

ARPHS support Council's approach to climate change adaptation efforts in existing urban areas. Most notably, we support the criteria for prioritising locations based on population density and NZDep score.

From a public health perspective, it is essential to prioritise areas of higher deprivation when considering natural hazard risks and adapting to climate change. These communities frequently experience significant health disparities, are less financially resilient, and bear a disproportionate burden from climate-related hazards. To promote equity, it is essential to empower Māori, Pasifika, and other diverse communities in decision-making processes. In this way, their needs can be addressed and knowledges and innovation promoted in designing solutions.

Infrastructure across Auckland needs to cope with ongoing change, such as the impacts of climate change and evolving technology.

Nature-based infrastructure, such as rain gardens, swales, and detention basins, is better able to respond to ongoing change. This can help protect communities from hazards, as well as protect and restore the natural environment.

We propose prioritising investment in infrastructure that is decentralised, nature-based, regenerative and mauri-enhancing.

ARPHS support the prioritisation of resilient, nature-based, regenerative, and mauri-enhancing infrastructure.

By embracing the concept of biophilic cities, infrastructure can go beyond climate mitigation and adaptation to also promote well-being and co-benefits. Biophilic cities emphasise the integration of nature into urban environments, fostering a connection with the natural world and enhancing the overall wellbeing of residents. These well-being benefits include improved cognitive health, a higher sense of social cohesion, increased emotional well-being, and improved physical

health[10]. In particular, increasing urban tree canopy cover, especially in areas where this is already limited, is an important public health intervention, and has been shown to reduce excess summer deaths from heat[11] and mitigate the effects of air pollution.[12]

Building strong basic infrastructure is also crucial to support increased housing density and cope with the impacts of climate change. ARPHS have a broad role in environmental health across Tāmaki Makaurau, with particular interests in safe drinking water, safe fresh and ocean recreational water (through limiting discharge of wastewater and other contaminants), limiting the spread of environment-derived pathogens (e.g., giardia/cryptosporidium) and vectors (e.g., invasive mosquito species), and avoiding urban heat island effects. All of these outcomes are benefitted by resilient, nature-based infrastructure that avoids flooding/pooling and separates contaminated water from that which humans come into contact with.

To achieve equitable outcomes, transparent decision-making processes are crucial in infrastructure investment and design. Engaging with diverse stakeholders, including Māori, Pasifika, and marginalised communities is vital to gain a comprehensive understanding of their perspectives. In this way, their needs can be addressed and knowledges and innovation promoted in designing solutions.

Do you have any other feedback on our approach to how and where Auckland should grow and change?

- The FDS Strategic Spatial Framework does not currently reflect the centrality of promoting health and well-being to achieving the best outcomes for Tāmaki Makaurau. Urban planning and development are critical enablers of health and well-being, and a platform through which major health risks can be alleviated through changes to our social and physical environments. The UN-Habitat and the World Health Organization assert that: *"If the purpose of planning is not for human and planetary health, then what is it for?"* [13]. To reflect the essentiality of a health and wellbeing lens to urban development, and to link the FDS to the outcomes identified in the Auckland Plan 2050, ARPHS recommend that Council:
    - Include in the section '*Principles for Growth and Change'* a principle dedicated to health and well-being outcomes. This will give a stronger foundation for considering the broader aspects of population well-being within urban planning and anchor the strategy back in its primary purpose—to achieve the best outcomes for Tāmaki Makaurau. Section 3 (the Purpose) of the Natural and

[10] Wet, N (2018). Biophilic Public Health: Re-imagining Public Health for the 21st Century. Retrieved from: https://toiteora.govt.nz/assets/Toi-Te-Ora-Public-Health/Publications-and-Resources/Medical-Officer-of-Health-Reports/20180529_MOH_CPHAC_Biophilic_Public_HealthFINAL.pdf
[11] Iungman T, Cirach M, Marando F, Barboza EP, Khomenko S, Masselot P, Qu jal-Zamorano M, Mueller N, Gasparrini A, Urquiza J, Heris M. Cooling cities through urban green infrastructure: a health impact assessment of European cities. The Lancet. 2023 Feb 18;401(10376):577-89.
[12] Nowak DJ, Crane DE, Stevens JC. Air pollution removal by urban trees and shrubs in the United States. Urban forestry & urban greening. 2006 Apr 3;4(3-4):115-23.
[13] UN-Habitat and World Health Organization (2020): Integrating health in urban and territorial planning: A sourcebook. Retrieved from: https://www.who.int/publications/i/item/9789240003170

Built Environments Bill provides a useful precedent for including such considerations in planning documents.

- Provide a clearer definition of 'well-being' and its relationship to urban planning at the regional and local levels within the proposed principle. This definition should be guided by the Auckland Plan 2050 and the Local Government (Community Well-being) Amendment Act 2019, which states that the purpose of local government is *"to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future*". The intergenerational aspect of this purpose should also be incorporated in the proposed principle. Finally, incorporating health and safety considerations will help Council to give effect to Section 7(1) of the Natural and Built Environment Bill.

- The FDS does not include a clear definition of equity, nor does it present supporting actions that clearly demonstrate Council's commitment to achieving equitable outcomes. Nuanced definitions of equity extend beyond socioeconomic outcomes to integrate concepts of accessibility and mobility, affordable housing, and social and cultural integration. By identifying and applying a comprehensive equity framework, the FDS can better address the needs of diverse communities, including Māori, Pasifika, women, disabled people, gender minorities, ethnic minorities, older adults, and people experiencing homelessness. As such, ARPHS recommend the following:
  - Provide a clear and comprehensive definition for equity within the spatial outcome *'Disparities in our communities and investments are addressed'.*
  - Strengthen the supporting actions of the FDS to reflect Council's commitment to achieving equitable growth.
  - Consider how targeted spatial planning and development will alleviate existing inequities across Tāmaki Makaurau, rather than just preventing a further widening of disparities from a current 'baseline'.

- ARPHS is encouraged by the Council's acknowledgement of both Te Tiriti o Waitangi and the significance of hapū and iwi values in guiding urban growth and development. There is significant opportunity for the Council to further demonstrate their commitment to these values and Te Tiriti by strengthening their actions of support.

  For instance, while spatial response discusses promoting Māori well-being primarily in relation to rural Māori land development, it is less clear how the Council plans to honour hapū and iwi values and aspirations in the growth of urban areas. The strategy also does not fully recognise the heterogeneity of Māori in the Auckland region, focussing solely on hapū and iwi, and not identifying how Council seek to understand and respond to the needs of mātāwaka in urban growth planning. Additionally, although the FDS recognises housing affordability as a barrier to Māori thriving in Auckland, there is a lack of clarity on the Council's intended approach to addressing this barrier, particularly in urban areas.

  Furthermore, the FDS acknowledges the importance of incorporating mana whenua histories and presence into urban development through *"sensitive and appropriate design, art and names"*. To fulfil this aspiration of hapū and iwi, promote Māori cultural and spiritual well-being, and uphold Te Tiriti, ARPHS recommends including a relevant

supporting action within the FDS. This action should align with the 'Māori identity and well-being' outcome in the Auckland Plan 2050 and identify the mechanisms and strategies that the Council can employ to preserve and celebrate Māori sites, incorporate mana whenua mātauranga and Māori design, art, and names in both public and private development projects.

- The FDS does not give great enough attention to the inter-connected issues of housing affordability, accessibility, and quality, and their impacts on health inequities, nor does it clearly identify the levers available at the local government level to address these problems. ARPHS would like to see greater attention given to the following areas:
    - Housing quality – Access to affordable quality housing is a fundamental human right and a key social determinant of health. A study analysing data from 2010-2017 estimated that illnesses attributable to unsafe and substandard housing in Aotearoa result in $141 million of direct costs to the public sector annually. Furthermore, the study estimated 229 deaths attributable to these conditions annually, resulting in a cost to society of $1 billion [14]. These substandard conditions are particularly concentrated in the Auckland region and are likely to have worsened in recent years due to a range of economic and social drivers. The provision of safe, quality housing must be a paramount concern in future development.
    - Accommodating larger households – Māori and Pasifika families/whānau are larger as compared to the general population. Multi-generational living is common for Pasifika, in particular, and is an important component of family and cultural well-being. Despite this, access to affordable, quality homes that meet the needs of larger families and whānau is a persistent issue in Tāmaki Makaurau, and a significant driver of health inequities. According to 2018 Census data, 44% of Pasifika and 25% of Māori in Tāmaki Makaurau were living in overcrowded homes. This was compared to 15% of the general population [15]. Household overcrowding carries significant health impacts, especially for children, including an increased risk of pneumonia, heart disease, exposure to infectious diseases, and mental health issues. Tāmaki Makaurau must grow in a way that not only delivers a higher volume of affordable housing, but accommodates the diverse needs of the population, including the demand for larger dwellings within urban centres.

- ARPHS recommend that Council develop and publish a framework and plan for monitoring and evaluating implementation of the FDS. Transparent and ongoing monitoring will be key for tracking the impacts and guiding future decision-making around urban development policies, projects, and programmes in Tāmaki Makaurau.

- It is critical that Council continues to partner with the relevant government agencies to support the implementation of the FDS.

[14] Riggs L, Keall M, Howden-Chapman P, Baker MG. Environmental burden of disease from unsafe and substandard housing, New Zealand, 2010-2017. Bull World Health Organ. 2021 Apr 1;99(4):259-270. doi: 10.2471/BLT.20.263285. Epub 2021 Feb 1. PMID: 33953443; PMCID: PMC8085632.
[15] https://www.stats.govt.nz/news/almost-1-in-9-people-live-in-a-crowded-house

Thank you for the opportunity for ARPHS to provide feedback on the Future Development Strategy.

Auckland Regional Public Health Service is part of the National Public Health Service (NPHS), Northern region. The NPHS began on July 1 2022 when a new national health service Te Whatu Ora was established under the Pae Ora (healthy future) legislation.

Public health services in Auckland work alongside whānau, iwi, communities and organisations to create and support healthier communities and to reduce or eliminate the cause and spread of infectious diseases. This also means collaborating with communities and those in other sectors to improve the wider determinants that affect people's health, like housing or transport.

Our staff includes medical officers of health, senior medical officers, Māori and Pasifika health experts and cultural advisors, health protection officers, public health nurses, health promoters and those in systems, intelligence and planning roles, and management. We fulfil a range of regulatory roles around alcohol licensing, smokefree compliance, infectious disease management and environmental health.

Future Development Plan 2023 #8135

Note: this version of the feedback form has been created for the purpose of publishing submissions. As such, contact and demographic information has been removed and handwritten submissions have been transcribed.

Your feedback

Focusing growth

Denser, more compact cities result in improvements to the environment, the economy, and people's wellbeing.

Auckland's urban area is made up of neighbourhoods, town centres and business areas that are interconnected and that support where most Aucklanders live, work and spend their leisure time.

We propose that most housing and business growth will be focused within existing urban areas and that this growth be more intensive. This means less growth in greenfield areas at Auckland's edges. What greenfield growth there is will be phased over 30 years and longer.

1. What do you think of our approach to focus most of Auckland's growth in existing urban areas?

Other

Tell us why
Please see attached.

Accessible local centres

When people have easy access to workplaces, services, facilities and shops, communities become more resilient and connected. It also helps to reduce travel time, emissions and lower household transport costs.

We propose focusing housing and business development near local centres where most people's daily needs are easy to access by walking, cycling and public transport.

2. What do you think of our approach to focus development near local centres?

Other

Tell us why
Please see attached.

Avoiding hazards

As our climate changes, the frequency and severity of hazards such as flooding, sea-level rise and coastal erosion will worsen. Where and how we plan for growth, and how we adapt to these hazards is increasingly important.

We propose that known areas constrained by significant natural hazard risk should be looked at to see if further development is appropriate.

Where development is already enabled in potentially vulnerable locations, we will further investigate appropriate actions.

3. What do you think of our approach to avoid further growth in areas which are exposed to significant risk of environmental hazards?

Other

Tell us why
Please see attached.

Resilient infrastructure

Infrastructure across Auckland needs to cope with ongoing change, such as the impacts of climate change and evolving technology.

Nature-based infrastructure, such as rain gardens, swales, and detention basins, is better able to respond to ongoing change. This can help protect communities from hazards, as well as protect and restore the natural environment.

We propose prioritising investment in infrastructure that is decentralised, nature-based, regenerative and mauri-enhancing.

4. What do you think of our approach to prioritising nature-based infrastructure that responds to the impacts of climate change?

Other

Tell us why
Please see attached.

Other feedback

5. Do you have any other feedback on our approach to how and where Auckland should grow and change?

Please see attached.

#8135

UNDER the Resource Management Act 1991

AND

IN THE MATTER of a submission by **FLETCHER RESIDENTIAL LIMITED** to **AUCKLAND COUNCIL** on the draft Auckland Future Development Strategy

SUBMISSION BY FLETCHER RESIDENTIAL LIMITED ON THE DRAFT AUCKLAND FUTURE DEVELOPMENT STRATEGY

1. INTRODUCTION

1.1 This submission is made on behalf of Fletcher Residential Ltd ("FRL") on the Auckland draft Future Development Strategy ("Draft FDS").

1.2 FRL is the residential development and delivery arm of Fletcher Building. It is one of the largest developers of new residential communities in New Zealand, having built and sold thousands of homes over the last five years. FRL is committed to quality urban design centred on creating communities through the integration of housing, open spaces and community facilities, and the associated social and economic drivers that form successful neighbourhoods and communities.

1.3 Along with sourcing land from private vendors and developers, FRL partners with Iwi and Government for development and home-building projects, including affordable housing in conjunction with Kainga Ora. FRL currently has 17 developments in progress in Auckland, across all areas of the region, in both brownfield (e.g. Three Kings, Tamaki, Waiata Shores, Stonefields, Hobsonville Point) and greenfield (e.g. Whenuapai, Drury, Red Beach) areas, which when fully developed will provide for over 5,000 dwellings. FRL delivers a full mix of typologies, including apartments, townhouses, and standalone dwellings.

1.4 FRL is also a member of the Riverhead Landowners Group ("RLG") which has sought a private plan change to rezone 80.5 ha of land at Riverhead from Future Urban ("FUZ") to a range of residential zones ("the Riverhead South Plan Change") to enable the development of between 1500 and 1800 homes to be built.

1.5 FRL's extensive experience of land development in Auckland, and its ongoing involvement in the market means that it has detailed knowledge of the market and the factors that contribute to success.

Overview and scope of submission

1.6 Like other major developers who would have been able to provide Auckland Council ("Council" or "AC") with the information necessary to make informed decisions, FRL was not consulted in the preparation of the Draft FDS. The Council's failure to properly consult with the development community is immediately apparent from the document, which is replete with inaccurate assumptions and errors such that if implemented, it is

likely to have major unintended consequences for economic development, housing choice and affordability.

1.7 This submission addresses key errors and inaccuracies identified in the Draft FDS in relation to residential development. The matters identified in this submission should not be treated as exhaustive as the problems with the Draft FDS are extensive and could not all be captured in the limited submission time available.

1.8 FRL requests that the Draft FDS is withdrawn and preparation of a new FDS is commenced afresh. FRL remains willing to engage constructively with the Council to inform this work.

1.9 This submission addresses the following:

(a) The failure to comply with the requirements of the National Policy Statement on Urban Development ("NPS-UD") (Section 3);

(b) The approach in the Draft FDS to consideration of the spatial growth scenarios and intensification options (Section 4);

(c) The likely effects of the Draft FDS on housing affordability and choice (Section 5);

(d) The reasons for enabling greenfield development (Section 6);

(e) The proposed implementation measures (Section 7);

(f) The proposed rezoning and "investigation" of existing FUZ land (Section 8);

(g) The consultation process (Section 9); and

(h) Fletcher's conclusion and requests to the Council regarding the Draft FDS (Section 10).

1.10 A summary of this submission is contained in Section 2.

Separate submission by Fletcher Development Limited

1.11 A separate submission has been lodged by Fletcher Development Limited ("FDL") in relation to the likely effects of the Draft FDS on capacity and demand for business land. These two submissions have been prepared together and raise some of the same issues. In order to ensure that they can each be read as standalone documents, there is some duplication across the two submissions.

Supporting technical reports

1.12 FRL's expert team has undertaken a detailed technical analysis of the Draft FDS. This submission has been informed by the following technical reports, which are appended to this submission:

(a) *Analysis of the Auckland Council Draft Future Development Strategy 2023: Impact on the Provision of Land for Residential Report to Fletcher Living* Tattico Limited **(Attachment A)**;

(b) *Economic Review of Auckland Council's Draft Future Development Strategy (FDS)* Insight Economics **(Attachment B)**; and

(c) *Transport Feedback on the Draft Future Development Strategy* Flow Transportation Specialists **(Attachment C)**.

2. SUMMARY

2.1 The Draft FDS is fundamentally flawed. It fails to give effect to the requirements of the NPS-UD and, if implemented, will have major negative consequences for land values, housing affordability and the health of Auckland's economy.

2.2 The Draft FDS does not meet the requirements of the NPS-UD. Specifically:

(a) It ignores the economic focus of the NPS-UD and rather than supporting the effective functioning of land and development markets, is instead focussed on preventing further growth.

(b) Infrastructure funding constraints have been used as a rationale to place a moratorium on growth, despite the availability of many alternative funding mechanisms. The Draft FDS contains no discussion of alternative solutions at all.

(c) No consultation has been undertaken with the development community which would have provided the Council with information critical to making informed decisions on these issues.

(d) It inappropriately treats capacity enabled by Plan Change 78 ("PC 78") as "plan enabled", notwithstanding that PC 78 is not operative and to the contrary, there remain significant uncertainties regarding the outcomes of that process (particularly having regard to current work being undertaken on natural hazards);

(e) It fails to include proper analysis of whether plan-enabled capacity is feasible and likely to be realised, simply assuming that take-up will remain at historic levels. In fact, much of the capacity enabled by PC 78 may not be feasible or commercially viable. In this regard:

(i) Capacity enabled by PC 78 is not comparable to that enabled by the Auckland Unitary Plan ("AUP"). Whereas the AUP enabled significant development capacity in areas where there was high demand (e.g. in centres and close to Rapid Transport Networks ("RTNs")), PC 78 has the most impact in areas further from the centre, where demand will be lower.

(ii) There is an assumption that retrofitting the infrastructure necessary to service brownfield redevelopments is feasible and cost effective, when in fact it is likely to be impossible or cost prohibitive in many cases.

2.3 The Draft FDS assumes that servicing greenfield development is more expensive than brownfield development, when in fact having regard to the many constraints faced when retrofitting infrastructure in an existing urban area, this is mostly not the case.

2.4 The options analysis undertaken to assess the different growth scenarios is poorly conceptualised and replete with errors, such that its conclusions cannot be relied upon to support the chosen growth strategy.

2.5 The proposed implementation measures, including making changes to the Regional Policy Statement ("RPS") seek to relitigate matters that were comprehensively addressed by the Independent Hearings Panel ("IHP") on the AUP. The approach proposed in the Draft FDS was resoundingly rejected by the IHP, which found that it would likely have major consequences for land prices and housing affordability.

Implications for Riverhead

2.6 The Draft FDS identifies part of Riverhead for removal from the FUZ because of flood risk, with the remainder as an area "under investigation".

2.7 This land has been the subject of a detailed structure planning exercise to inform the Riverhead South Plan Change.[1] Independent consultants have comprehensively assessed the appropriateness of the land for residential development and prepared a development scheme which responds to the constraints and opportunities offered by the site.

2.8 Flood risk is comprehensively understood (and has been modelled to greater accuracy than the Council's own data) and shows that the extent of the floodplain is in fact smaller than previously understood. It is therefore inappropriate for the Draft FDS to seek to "lock in" decisions about the removal of land from the FUZ in the absence of complete information and detailed expert assessments.

2.9 The reasons identified for placing the remainder of the land "under investigation" are an alleged absence of transport infrastructure to support the development and "*the Potential for higher VKT and CO2 emissions than other FUAs due to Riverhead being relatively distant from high quality existing or planned public transport, a wide range of jobs, education and other services compared to other FUAs*."[2]

2.10 None of these reasons withstands scrutiny. In this regard:

(a) The Draft FDS ties the transport infrastructure required to service Riverhead with Kumeu and Huapai. In fact, not all of the upgrades required to service Kumeu and Huapai are required to service Riverhead: they are unrelated.

(b) The Integrated Transport Assessment completed to support the Riverhead Plan Change demonstrates that the transport network can cater for the anticipated demands enabled by the Plan Change. The extent to which there is any dispute about that is a matter for the Schedule 1 process.

(c) In terms of vehicle transport emissions, structure planning has aimed to make the area self-sustaining by providing a balanced provision of residential *and* business land to enable communities to "live work and play" in one location. The likely travel impacts of FUZ areas are grossly overstated and indeed preventing further business development in such areas is likely to have the opposite of the desired effect, because existing residents will continue to need to travel for work and other activities.

2.11 It follows that there is no rationale for the Draft FDS to propose the removal of Riverhead from the FUZ, and to the contrary, detailed structure planning undertaken by RLG has produced a robust and comprehensive development proposal.

1 The Planning, Environment and Parks Committee's decision to reject the plan change for processing under clause 25 of Schedule 1 has been appealed to the Environment Court.

2 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 34.

3. FAILURE TO COMPLY WITH NPS-UD REQUIREMENTS

3.1 The Council has a legal obligation to prepare a future development strategy which meets the requirements of the NPS-UD.

3.2 The Draft FDS does not meet the requirements of the NPS-UD, for the following reasons:

Failure to support competitive land and development markets

3.3 At the fundamental level, the Draft FDS runs directly counter to the imperative in the NPS-UD to support competitive land and development markets, representing an effort to curtail greenfield urban growth in Auckland.

3.4 The Council's assertion that the requirement to deliver "well-functioning urban environments" has shifted the focus of the NPS-UD from an economically focussed policy (per the National Policy Statement on Urban Development Capacity ("NPS-UDC")) to one that incorporates a range of non-economic factors which may override the economic imperative is incorrect.[3]

3.5 The strong economic focus reflected in the NPS-UDC has not been superseded. There remains a strong directive in the NPS-UD for local authorities to deliver greater land supply and support housing affordability. In this regard, the Environment Court has described the purpose of the NPS-UD as follows:[4]

> *"The NPS-UD has the broad objective of ensuring that New Zealand's towns and cities are well-functioning urban environments that meet the changing needs of New Zealand's diverse communities. Its emphasis is to direct local authorities to enable greater land supply and ensure that planning is responsive to changes in demand, while seeking to ensure that new development capacity enabled by councils is of a form and in locations that meet the diverse needs of communities and encourage well-functioning, liveable urban environments. It also requires councils to remove overly restrictive rules that affect urban development outcomes in New Zealand cities."*
>
> *[emphasis added]*

3.6 The Draft FDS enables less, rather than greater land supply. It also seeks to make planning less responsive to changes in demand by proposing changes to the planning documents to implement more restrictive rules, controlling urban development outcomes. This is not what the NPS-UD requires and, as discussed below, is likely to have a chilling effect on Auckland's economy and housing affordability.

Failure to comply with requirements for the preparation of future development strategies

3.7 The preparation of a future development strategy is one of the key implementation methods identified in the NPS-UD to achieve its objectives. The Draft FDS must be consistent with and deliver on the NPS-UD policy framework, including the development imperative set out at paragraphs 3.1-3.6 above.

3.8 This policy direction has been given insufficient focus in the Draft FDS, in favour of delivering on the Council's own interpretation of what is a "well-functioning urban environment." In this regard, while the NPS-UD provides some flexibility for local authorities to formulate their own definition of "well-functioning urban environment", this should not be inconsistent with the overarching policy framework, nor should any

3 *Future Development Strategy – Overall Evidence Report for Consultation* (Auckland Council, June 2023) at 101.

4 *Middle Hill Limited v Auckland Council* [2022] NZEnvC 162 at [33].

additional criteria undermine the delivery of the mandatory elements of a well-functioning urban environment identified in Policy 1(a). Those mandatory criteria include a clear imperative to:

(a) Enable the delivery of a variety of homes in terms of type, price point and location (Policy 1(a)(i));

(b) Enable a variety of sites that are suitable for different business sectors in terms of location and site size (Policy 1(b); and

(c) Support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets (Policy 1(d)).

3.9 The Draft FDS does not clearly demonstrate how these requirements will be achieved, beyond the statement that all of the mandatory requirements will be achieved either "directly or indirectly".[5] In particular, the Draft FDS does not identify how the competitive operation of land and development markets – which is critical to housing affordability – will be supported, as required by Policy 1(d).

3.10 There is no legal basis for the assertion in the Draft FDS that the words "*limit as much as possible adverse impacts on*" in Policy 1(d) imply that it is acceptable for planning for other aspects of well-functioning urban environments to generate adverse impacts on competitive land markets. The primary requirement in Policy 1(d) is to "support" the competitive operation of land and development markets. Further, there is no basis for the assertion that the drafting intent was to imply that the source of any "adverse impacts" would be the Council's own planning decisions.

Improper focus on "plan enabled" capacity

3.11 Clause 3.2 requires every tier 1 local authority to provide at least sufficient development capacity in its region to meet expected demand over the short, medium and long term. "Sufficient" in this context means:

(a) Plan enabled;

(b) Infrastructure ready;

(c) Feasible and expected to be realised; and must

(d) Incorporate the relevant competitiveness margin (20% for the short and medium terms and 15% for the long term).

3.12 The primary assumption underpinning the Draft FDS is that there is at least sufficient development capacity available to meet demand in the existing urban area such that the Council does not need to enable urban expansion. The Draft FDS concludes that there is "plan enabled" capacity of 2,345,500 dwellings and this is several times greater than expected demand.

3.13 The assessment of plan-enabled capacity is based on the evaluation of development capacity done as part of the section 32 evaluation for PC 78. PC 78 is not operative and the timeframe for its completion has been extended by a year. Height and density across the urban area is yet to be resolved. In particular, additional analysis is still to be undertaken on flood hazard extents, which may have a material impact on the capacity assumptions within the urban area.

5 *Future Development Strategy – Overall Evidence Report for Consultation* (Auckland Council, June 2023) at 100.

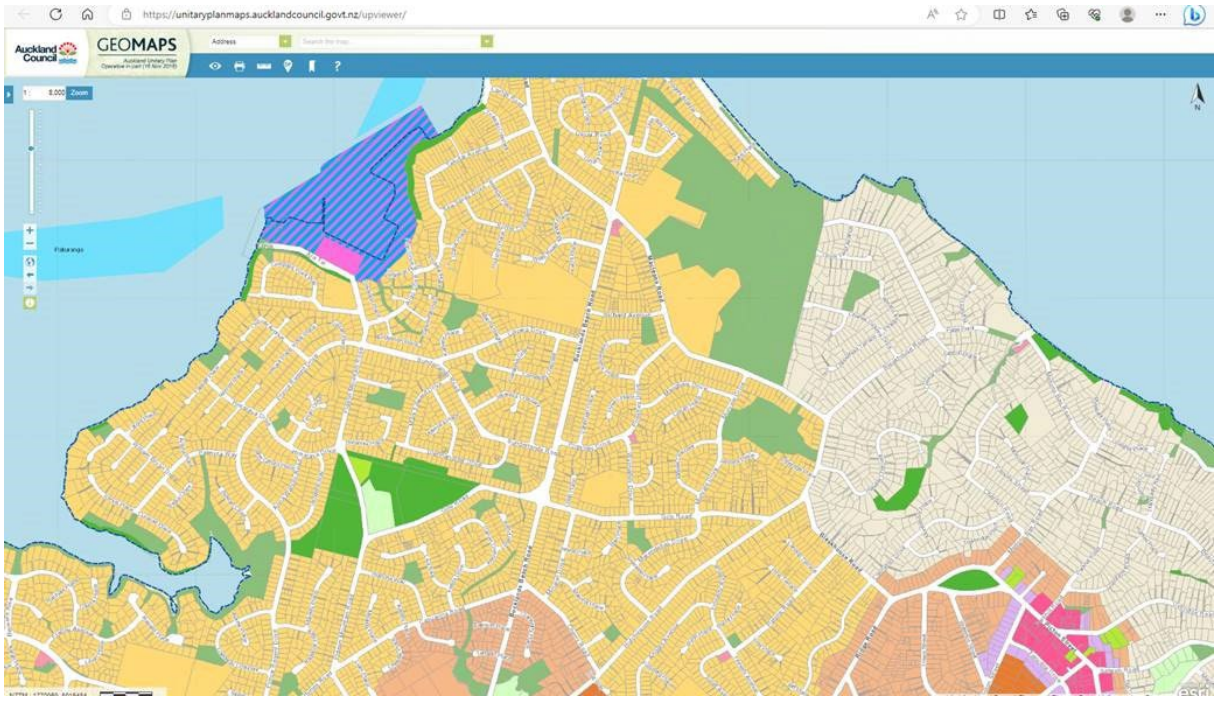
3.14 As such, capacity enabled by PC 78 cannot properly be classified as "plan enabled" and the uncertainties regarding the actual capacity that will be enabled indicate that the Draft FDS is significantly premature.

Failure to consider whether development capacity is feasible and reasonably expected to be realised

3.15 The Draft FDS is required to determine whether the plan-enabled capacity is feasible (i.e. financially profitable to develop), and reasonably expected to be realised (i.e. likely to be taken up by the market).

3.16 The capacity uplifts enabled by PC 78 are inversely proportional to the density already enabled by the AUP. PC 78 is likely to significantly boost capacity in peripheral locations while having little impact in and around centres, where higher density is already permitted by the AUP. Thus, while PC 78 enables unprecedented levels of plan-enabled capacity, much of it is poorly located, suggesting that much of it may not be taken up.

3.17 It also appears that community facilities such as schools may have been included in the assessment of development capacity because they are zoned residential. In reality however, there is no prospect of them being redeveloped for residential. For example, the plan below shows zoning in the Howick area. The large land parcels zoned MHS are for Macleans College, Bucklands Beach Intermediate, Pigeon Mountain School, Howick Primary, Howick Intermediate and Howick College – none of which are likely to be rezoned for residential development.



3.18 There is also no consideration of whether plan-enabled capacity is technically or financially feasible to service. That may not be the case, for example, for replacing water or wastewater trunk mains in densely populated existing urban areas, where the resulting cost and disruption may render it untenable.

3.19 In this regard, the Draft FDS appears to assume that it is cheaper to upgrade existing infrastructure in brownfield areas than to build new infrastructure in greenfield areas. In fact, the costs of replacing old pipes and upgrading utilities, remediating contamination, higher civil and retaining costs, limitations on access, legal and title implications including fragmented land ownership, add significantly to the overall cost.

Neither the Draft FDS nor the supporting evidence reports contain any meaningful discussion of these issues.

Provision of competitiveness margin

3.20 Clause 3.2(d) and 3.22 require that development capacity provided by tier 1 authorities must include a competitiveness margin (20% for the short and medium terms and 15% for the long term) over and above the expected demand.

3.21 The Draft FDS does not provide for a competitiveness margin in its capacity figures. It is therefore uncertain whether this has been properly taken into account.

Failure to engage with development sector

3.22 Clause 3.15 of the NPS-UD requires that the Council engage with the development sector in the preparation of the Draft FDS to:

> *"identify significant future development opportunities and infrastructure requirements."*

3.23 This reflects an intention that local authorities and land developers should work constructively together to deliver urban growth.

3.24 FRL understands that the only members of "the development sector" that the Council has engaged with in the preparation of the Draft FDS are the Property Council New Zealand ("PCNZ") and Kainga Ora. As a government agency undertaking largely brownfield development, Kainga Ora offers a specific perspective on urban development that is not the same as that of the private sector. Similarly, while the PCNZ purports to represent the interests of its members (noting that many of the national-scale development companies are not members), it has no experience of development itself.

3.25 We also understand that the Council has undertaken a survey to ascertain the development intentions of developers in Auckland. FDL did not receive an invitation to participate in this survey and indeed a survey of PCNZ's members has indicated that 93% of those surveyed had not been contacted by the Council.[6]

3.26 The Council has not engaged with FRL or any of the other major developers in Auckland, all of whom could have provided information critical to a full understanding of Auckland's development market and the considerations that are relevant to successful delivery of urban development. This failure to consult is immediately apparent on the face of the Draft FDS, which contains numerous assumptions and assertions which are simply incorrect and could easily have been clarified by the development sector.

4. SPATIAL GROWTH SCENARIOS AND INTENSIFICATION OPTIONS

4.1 Clause 3.14 of the NPS-UD requires that the spatial strategy is informed by "*consideration of the advantages and disadvantages of different spatial scenarios for achieving the purpose of the FDS."*

4.2 The *Growth Scenarios Evidence Report* ("GSER") prepared to inform the Draft FDS includes an analysis of four growth scenarios representing different spatial options for land uses (Climate, Intensive, Compact, and Expansive) to accommodate growth over the next 30 years.[7] It states that the scenarios have been tested against a "*multi-criteria*

6 Presentation on "Auckland Future Development Strategy" (Property Council New Zealand, July 2023).
7 *Auckland Future Development Strategy - Growth Scenarios Evidence Report for Consultation* ("GSER") (Auckland Council, June 2023).

analysis relying on modelling outputs as well as quantitative and qualitative information."[8]

4.3 FRL has undertaken a comprehensive review of the spatial scenario analysis and identified numerous flaws which undermine the validity of the analysis and conclusions.

Inclusion of implausible options

4.4 The process used to derive the four options has a major bearing on the overall direction and likely findings of the analysis. Of particular concern is the inclusion of an unrealistic benchmark scenario (Scenario A) that assumes different development patterns, home and job locations, and travel habits to the other three scenarios, but which are often masked or not properly acknowledged, causing the other three scenarios to be unfairly assessed.

4.5 The GSER states that "*four growth options were developed, representing different spatial options for land use, accommodating a consistent quantum of Auckland's growth and change in dwellings and jobs over the next 30 years*."[9] Similarly, on page 5, the report records that: "*four alternative growth scenarios were developed, each representing a different urban form."*[10] These descriptions indicate that the four scenarios are equally plausible but differ (mainly) in their associated urban form. However, that is not the case.

4.6 There are fundamental differences between Scenario A and the other three scenarios. Whereas the first three scenarios were derived via workshops held with subject matter experts, Scenario A was derived during the development of the Transport Emissions Reduction Pathway ("TERP") by a smaller subject matter expert group to "*reflect a spatial distribution world where climate mitigation and adaptation interventions and land use planning were prioritised over other goals and objectives for the region*." As a result, Scenario A is based on different (and unrealistic) assumptions which make it incomparable to the other scenarios and a poor benchmark for evaluating those other scenarios. For example, the report states:[11]

> *"The evaluation found little difference between the scenarios in terms of model outputs relating to travel behaviour, except for Scenario A which…deliberately [included] significant shifts in land use patterns and transport assumptions."*

4.7 Scenario A incorporates fundamentally different, unsubstantiated transport assumptions that defy any like-for-like comparison with the other scenarios, including that:[12]

(a) People with office jobs work from home 1 day per week (which is about triple the rate assumed for the other three scenarios);

(b) Public transport fares are $2 per trip forever (regardless of trip length/mode); and

(c) The uptake of active travel modes is much greater than in the other scenarios.

4.8 Scenario A also assumes much higher levels of job and housing growth "*to enable the model to make more decisions on uptake of development capacity including providing a significantly more mixed-use environment to support more dispersed employment locations"*.[13] Consequently, Scenario A assumes much closer spatial matches between

8 GSER at 4.
9 GSER at 4.
10 GSER at 5.
11 GSER at 8.
12 GSER at 19.
13 GSER at 13.

the locations of new jobs and new homes than the other scenarios, which directly bolsters its modelled travel benefits.[14]

4.9 Further, Scenario A assumes that relatively high-density development will occur throughout the region, even in remote rural areas, with 80% of future dwellings in rural nodes expected to be "attached" versus only 20% currently.[15] Finally, Scenario A withdraws capacity outside areas for intensification "*as a way to influence the model to respond according with the scenario narrative*."[16] Scenario A is therefore neither plausible nor realistic, so including it is inappropriate as it sets an unfair benchmark against which other scenarios are assessed.

4.10 Similarly, Scenario D is not credible because it reflects a highly dispersed urban form that is also a major shift from the current approach. Scenario D sees only 52% of new homes inside existing urban areas, with 48% in the FUZ and rural areas. This implied future spatial direction is a wholesale departure from the agreed "70/40" split underpinning the current strategy reflected in the AUP and thus also has no real-world basis.

4.11 In summary, therefore, two of the four options have limited real-world value for determining the optimal way to accommodate growth in homes and jobs over time, which undermines the validity of the entire exercise.

Absence of status quo option

4.12 There is also no scenario representing the status quo. This is highly unusual, because the default course of action for virtually every options assessment is to simply "do nothing". Absent of such an option in the assessment, it is impossible to properly compare the potential impacts of the different scenarios to the current evidence-based trajectory.

Flaws in assessment criteria

4.13 It is apparent that no objective assessment of the scenarios has been undertaken. The criteria used to assess options should be identified independently from the options themselves to avoid potential bias, especially when scores depend on experts exercising their professional judgement. Instead, the criteria appear to have been derived from the scenarios, resulting in a circularity between the scenarios and the assessment. Because of this, the Draft FDS records that the results are "thematic",[17] therefore undermining the validity of the exercise.

4.14 The assessment criteria also fails to consider areas of common ground and instead focuses only on differences between the options. Specifically, page 21 of the GSER lists evaluation themes (i.e. criteria) that were initially deemed important, but were later disregarded entirely or considered only fleetingly because the evaluators decided to consider only points of difference. The report states that *"Having considered the range of criteria identified, it was then determined that only criteria that would differentiate the scenarios should be taken through into the evaluation process."* [18]

4.15 While the differences may be of greater analytical interest than commonalities, omitting criteria where the scenarios perform similarly systematically distorts the nature and extent of the differences between the options. Furthermore, several key issues are not

14 This can be seen on page 15, where the assumed locations of new jobs and homes is almost perfectly spatially aligned in Scenario A compared to the other scenarios.
15 GSER at 20.
16 GSER at 13.
17 GSER at 8.
18 GSER at 22

covered in any meaningful detail (presumably because the evaluators considered them areas of common ground), including: [19]

(a) Development feasibility;

(b) Housing affordability; and

(c) Ensuring there is enough land for business.

4.16 Meanwhile, transport impacts and accessibility account for 11 of 29 criteria (38%), compared to only two criteria for natural hazards and climate change adaptation/mitigation (7%). This means that transport and accessibility effects receive more than five times the weight of climate change adaptation and mitigation effects in the growth options assessment (i.e 38% vs 7%).

4.17 While transport issues are important, the FDS can only have a very limited impact on the region's future emissions profile because most of the urban form is already fixed. Further, light passenger vehicles account for only a modest fraction of national CO_2 emissions. In this regard, the latest Greenhouse Gas Inventory (published in 2023) shows that cars produce only 8% of total (gross) CO_2 emissions[20] and average CO_2 emissions of cars are already falling due to rapid shifts towards electric, hybrid, and other low-emissions vehicles. By 2050, petrol cars will account for just over 10% of total Vehicle Kilometres Travelled ("VKT"), with hybrid and electric cars accounting for more than 70%.[21] Therefore:

(a) Policies aimed at curbing Green House Gas ("GHG") emissions from cars will have limited impacts on meeting national emissions targets; and

(b) Seeking to reduce CO_2 emissions via the spatial location of new jobs and homes will have very little impact overall.

4.18 Thus, while reducing vehicle emissions (particularly in the short term) is important, this is not an appropriate primary focus for the Draft FDS.

Inclusion of flawed assumptions and processes

4.19 Some of the model's inputs are out-of-date. For example, the modelling assumes the need to accommodate an extra 408,000 dwellings and 380,000 jobs over the next 30 years, compared to only about half that amount in the Draft FDS itself. By modelling much higher levels of growth than are now anticipated, the analysis overstates the travel (and GHG emissions) impacts of each option.

4.20 Other inputs of concern include the unreferenced and unsubstantiated assumptions that:

(a) A city centre cordon and road pricing are in effect from 2031 and 2041, respectively.[22]

(b) Infrastructure required for all options is technically feasible.[23]

19 GSER at 22; see the list of initial criteria themes in Box 3.
20 Ministry for the Environment "About New Zealand's Greenhouse Gas Inventory" (27 May 2021) <www.mfe.govt.nz/climate-change/state-of-our-atmosphere-and-climate/new-zealands-greenhouse-gas-inventory>.
21 **Error! Hyperlink reference not valid.**Jayne Metcalfe and Serge Peeters "Vehicle Emissions Prediction Model VEPM 6.3 update technical report" (28 April 2022) Emission Impossible Ltd and M&P Consulting Ltd <www.nzta.govt.nz/assets/Highways-Information-Portal/Technical-disciplines/Air-quality/Planning-and-assessment/Vehicle-emissions-prediction-model/VEPM-6.3-technical-report-2022.pdf>.
22 GSER at 17.
23 GSER at 18.

4.21 Infrastructure requirements for the FUZ have been closely studied, but this is not the same for the infrastructure required to support widespread intensification under PC 78. As discussed in Section 6 below, there is significant uncertainty that the infrastructure upgrades needed to support the intensification enabled by PC 78 are feasible.

4.22 The reliability of the model's processes, and hence outputs, is also a concern. For example, page 12 of the GSER records that the model crashes and breaks if there is insufficient capacity, which raises concerns about its robustness and reliability. Further, page 18 of the GSER records that the model has limitations in relation to capturing behaviour change even though that is critical to realising the alleged benefits of certain scenarios. At page 24, the GSER states that:

> *"To direct 'take up' to specific locations sometimes required plan-enabled capacity to be reduced or capped to limit take up and force the model to develop in accordance with the scenario narrative."*

4.23 Interfering with the model's operation and forcing it to take actions that suit a scenario narrative directly invalidates its outputs and casts serious doubt over the objectivity of the overall modelling process itself.

Flaws in approach to scoring

Reliance on subjective assessment

4.24 The majority of criteria were primarily subjectively evaluated by subject matter experts.[24] It is therefore essential that an appropriate mix of experts is used to assess them. However, the number of experts engaged, their qualifications, experience, and areas of expertise are not recorded. The expert group is recorded as comprising only members of the (unnamed) project team plus subject matter experts from Council departments and Council Controlled Organisations ("CCOs"). This raises concerns that a sufficiently deep and broad mix of expertise has not been utilised. There has also been no expert input from any other key stakeholders, such as the development community, which reduces the credibility and reliability of the scores.

Flaws in assessment measures

4.25 In addition, the measures against which criteria were assessed contain numerous flaws. In this regard:

(a) Access to open space is measured by the number of households and people within a walkable catchment of an open space that is at least 3000m^2.[25] Not only is this size threshold arbitrary, but the criterion itself does not consider the quality of the experience, nor the likelihood of congestion occurring at existing parks in scenarios with high intensification.

(b) The extent to which population is exposed to harmful air emissions from transport focusses on the *generation* of emissions, not the population's *exposure* to them.[26] This is highly misleading given the criterion's title, and it directly obscures the likely health impacts of scenarios that rely on high levels of intensification (such as Scenario A). Instead, this criterion assigns Scenario A the highest score possible.

24 Natural hazards, Carbon emissions, Housing choice, Biodiversity, Health of water bodies, Water quality, Highly productive soils, Natural and built heritage, Access to social infrastructure, Air quality, Māori and cultural landscapes, Costs of development, Infrastructure and Market feasibility: see GSER, page 25.
25 GSER at 36.
26 GSER at 37.

(c) Access to social infrastructure was defined to include access to hospitals via active modes or public transport.[27] Hospitals are visited only rarely. And, when they are accessed, it is usually in a hurry via a car or ambulance. Accordingly, the accessibility of hospitals via public transport and active modes is a crude and very narrow way to measure each option's access to social infrastructure.

(d) Similarly, access to social infrastructure and employment in high deprivation areas is partly based on accessibility to tertiary education via active modes or public transport.[28] However, very few regional residents are enrolled in tertiary education, so this is an unduly narrow way to measure the overarching criterion. Further, many people are now regularly accessing tertiary education online.

No reflection of cardinal modelling

4.26 Another issue arising in respect of the scoring is that the cardinal nature of the modelling outputs is not reflected in the multicriteria analysis scores. For example, an option may have scored only slightly better than another on a specific criterion according to the modelling, but the scores imply that it performed two or three times better overall. This issue affects at least three of the 29 criteria, including:

(a) The extent to which scenarios impact carbon emissions;[29]

(b) Mixed use communities;[30] and

(c) Accessibility to key economic activity.[31]

Inconsistency/errors in scoring

4.27 In addition, the scoring for several criteria does not reflect the preceding discussion. This issue affects at least three of the 29 criteria, including:

(a) The degree to which urban development consumes highly productive land.[32] For this criterion, Scenario C was scored as negative two because of its FUZ land despite the preceding discussion clearly stating that FUZ land is exempt from the requirements of the National Policy Statement on Highly Productive Land;

(b) Housing choice;[33] and

(c) Access to social infrastructure.[34]

Failure to weight criteria

4.28 Finally, the evaluation does not weight the criteria. This is highly unusual, and it directly elevates the importance of some factors while systematically downplaying others. That is because, absent of weighting, the more criteria per theme, the greater the weight afforded that theme in the evaluation, and vice versa. For example, suppose that one theme is measured by ten criteria, while another theme is measured by only two criteria. If weights are not applied, the first theme carries five times as much weight in the

27 GSER at 40.
28 GSER at 41.
29 GSER at 32.
30 GSER at 40.
31 GSER at 45.
32 GSER at 35.
33 GSER at 39.
34 GSER at 42.

overall assessment than the other. Usually, this is addressed by applying weighting that mitigate differences in criteria breadth and depth, but that is not the case here.

4.29 The following table puts the issue in context by showing the share of the 29 criteria that fall into (our suggested) evaluation themes, and the implied weighting on each overall:

Evaluation Themes	Number of Criteria	Implied Weight
Travel Impacts/Accessibility	11	38%
Environment	4	14%
Land & Housing Markets	4	14%
Social/Culture/Heritage	2	7%
Economy	2	7%
Infrastructure	2	7%
Māori	2	7%
Natural hazards/Climate adaptation	2	7%
Total	**29**	**100%**

Number of Criteria and Implied Weighting by Evaluation Theme

4.30 The result is that some themes have been given excess weight at the expense of others, without explanation, distorting the overall assessment.

Summary

4.31 It is apparent from the above that the consideration of spatial growth scenarios that has informed the Draft FDS is replete with baseless assumptions, inconsistencies and errors.

4.32 It is therefore of little assistance in terms of identifying the appropriate strategy for urban growth in Auckland and cannot be relied upon to justify the strategy set out in the Draft FDS.

5. LIKELY EFFECTS OF THE DRAFT FDS ON HOUSING AFFORDABILITY AND CHOICE

5.1 The primary assumption underpinning the Draft FDS is that there is already at least sufficient development capacity available to meet demand in the existing urban area, such that the Council does not need to enable any significant urban expansion.

5.2 As set out in Section 3 above, that approach runs counter to the strong directive in the NPS-UD for local authorities to deliver greater land supply and support housing affordability.

5.3 FRL agrees that brownfield development and urban regeneration should be an important element of Auckland's urban growth model. However, that should not be the only focus.

Need for brownfield and greenfield development and risks of under-supply

5.4 The question of how to manage Auckland's urban growth was considered at length by the IHP on the AUP, chaired by the now Chief Environment Judge, which heard extensive economic and planning evidence regarding the potential risks and benefits of different growth strategies. Having heard that evidence, the IHP concluded that it was critical to the long-term well-being of people and communities in the region that errs toward over-enabling capacity. The IHP said:[35]

35 *Report to Auckland Council Overview of recommendations on the proposed Auckland Unitary Plan* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at [6.2.2].

> *"…the implications for individuals and the community from an under-supply of enabled residential capacity (e.g. house price escalation, over-crowding, extended commuting distances, and migration out of the region) are much more severe than those of an oversupply of enabled capacity (e.g. the inefficient use for a period of land zoned for future urban use). Property markets are able to respond to the over-supply of enabled capacity by, for example, deferring the development of some land zoned for future urban, whereas markets are not able to remove the constraints and distortions from the under-supply of enabled capacity. Thus the Auckland region can be expected to perform more efficiently if the Unitary Plan errs toward an over-supply of enabled capacity than toward an under-supply. Given the level of uncertainty in the projections of demand and supply for the long term, it is neither practical nor prudent to try and target a precise level of enabled capacity."*

5.5 The IHP concluded that it is important to provide multiple ways of accommodating growth, in both brownfield and greenfield areas, to ensure that sufficient development capacity is delivered.

5.6 Notwithstanding the IHP's efforts to ensure sufficient capacity and maintain housing affordability, it is apparent that housing affordability remains a major issue for Auckland and that planning controls are a significant cause. Recent work by the New Zealand Infrastructure Commission has found that urban planning controls have had a major impact on land prices (and therefore affordability), having reviewed the effect of Auckland's Make the Rural Urban Boundary ("RUB") and similar provisions in five other urban areas (Hamilton, Tauranga, Wellington, Queenstown and Christchurch) at two points in time – 2010/11 and 2020/21. It found that:[36]

> *"land just inside the boundary of rural areas and urban areas of a city costs significantly more than would be expected, using land just outside the boundary as a comparator – even after accounting for amenities and infrastructure costs that add value to urban land."*

5.7 Constraining development in the FUZ is a significant concern in terms of fostering and maintaining competition. Without a strong and ongoing supply of new urban land in strategically chosen locations (as per the current development strategy), the competitive operation of the region's urban land market may be compromised. Economic theory explains the potential risks of this loss competition as follows:

(a) **Preventing Market Power and Monopoly**: Competition prevents the concentration of market power and the emergence of monopolistic practices in land markets. If a single entity or a small group of firms dominates the market, they can exert control over prices, limit choices, and stifle competition. Competition avoids this prospect by enabling multiple buyers and sellers to interact within local land markets.

(b) **Consumer Choice and Affordability**: Competition enhances consumer choice and promotes affordability in land markets. When there are many developers and landowners competing for buyers or tenants, consumers have a wider range of options to choose from. This competition exerts downward pressure on prices, making land and housing more affordable for a broader segment of the population. Moreover, competition encourages developers to differentiate their offerings by providing better amenities, quality construction, and innovative designs.

(c) **Price Discovery**: Competition enables price discovery. When multiple buyers and sellers actively engage in a market, they compete to buy or sell on the best

36 New Zealand Infrastructure Commission. (2023). Urban land prices – a progress report. Wellington: New Zealand Infrastructure Commission / Te Waihanga at 8.

possible terms, thereby enabling "discovery" of the current market price (where supply and demand meet). This ensures that market prices better reflect the true value of land based on its size, location, potential uses, and other valued attributes (rather than the profit-seeking behaviour typical of monopolies).

(d) **Efficiency and Productivity**: Competition fosters efficiency and productivity in land markets. In competitive environments, developers and landowners strive to maximise returns by using land resources optimally. This fosters innovative land uses, such as mixed-use development, and adaptive reuse of existing structures. Competition drives developers to find creative solutions to meet the changing needs of residents, leading to improved productivity and efficient land utilisation.

(e) **Investment and Development**: Competition also attracts investment and spurs development in nearby areas. When developers and investors perceive a viable market, they are more likely to invest in land and undertake development projects. The prospect of earning profits motivates developers to take risks and initiate new projects. Increased investment and development activities contribute to economic growth and job creation.

5.8 Despite this, the Draft FDS proposes to significantly constrain greenfield urban growth. In reaching its conclusion that there is now more than sufficient capacity available for urban development in the existing urban area, the Draft FDS relies heavily on PC 78, which has not yet reached the hearing stage and in fact has been deferred by a year. Although the Council is statutorily obliged to implement this plan change, there remains significant uncertainty regarding the extent of development capacity that will be realised as a result, particularly having regard to the decisions required to accommodation for natural hazards. These uncertainties have not been addressed in the Draft FDS.

Failure to consider locations of brownfield intensification

5.9 Further, PC 78 will increase capacity in relatively remote existing urban locations, such as southern brownfield areas where job accessibility is poor, but will produce very little capacity in areas where growth is most desired to achieve a compact urban form. For example:

(a) The city centre accounts for 5% of existing dwellings, but only 3.5% of plan-enabled capacity; and

(b) The inner suburbs account for 3.4% of existing dwellings, but only 1.5% of plan-enabled capacity.

5.10 In contrast, the northern and southern rural towns account for a notably higher share of plan-enabled capacity than their corresponding shares of existing dwellings. Thus, while PC 78 may enable significant new plan-enabled capacity, it does not necessarily help meet the region's goal of a compact urban form. In fact, because the capacity uplifts caused by PC 78 are inversely proportional to the density already enabled by the AUP, it significantly boosts capacity in peripheral locations (with a Residential - Single House zoning), but has relatively little impact in and around centres with Residential – Terraced Housing and Apartment Buildings ("THAB") zoning. As a result, it is questionable whether that capacity is in the right places to achieve the desired urban form. The Draft FDS contains no consideration of these issues.

Serviceability and commercial feasibility of brownfield development

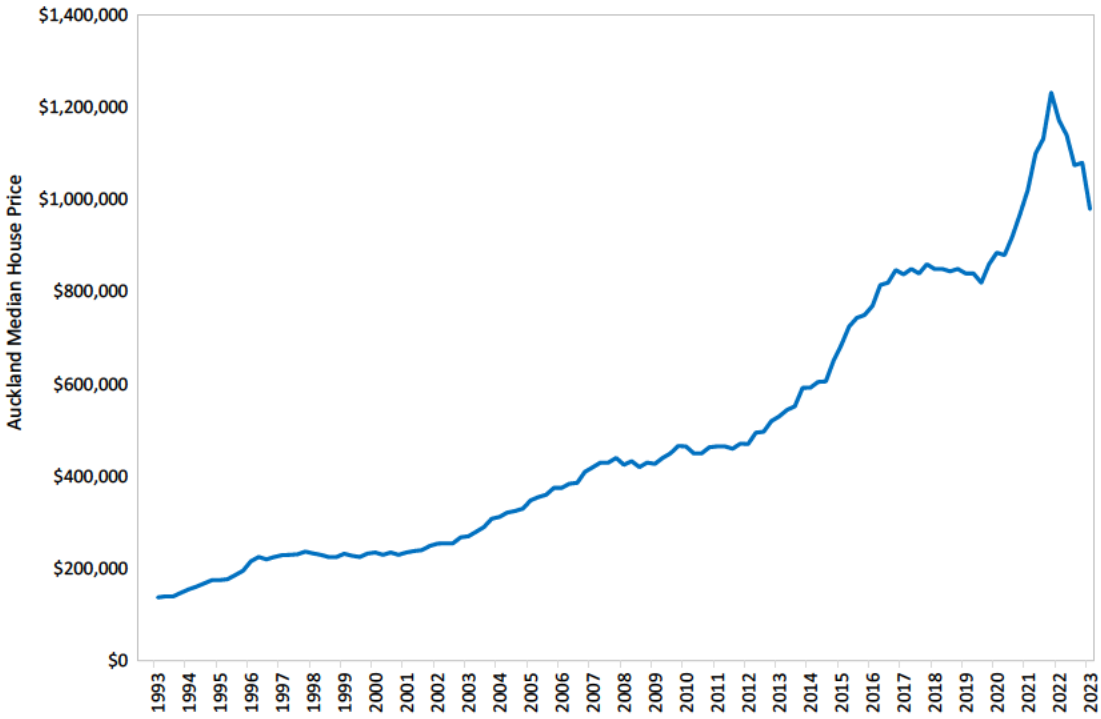
5.11 The Draft FDS also does not properly consider the serviceability or commercial feasibility of the identified development capacity.

5.12 Regarding serviceability, the Draft FDS simply assumes that any infrastructure required to service growth will be technically feasible. However, that will not always be the case.

The disruption associated with upgrading infrastructure (for example, wastewater pipes) through a densely populated urban area may render it technically (and/or practicably) infeasible. However, this is not addressed in the Draft FDS.

5.13 Regarding commercial feasibility, the Draft FDS appears to assume that because plan-enabled capacity is several times the level of expected demand, sufficient capacity will be feasible.[37] In fact, development feasibility has changed dramatically over the last few years due to the compounding effects of lower house prices, higher construction costs, and significantly higher interest rates. Together, these changes conspire against the feasibility of a increasing density scale and may result in a shortfall, particularly over the longer term.

5.14 Figure 5 below shows how Auckland's median house price has tracked over time. While it has climbed steadily since the early 1990s, the region's median dwelling price has fallen precipitously from about mid-2021 onwards (when the Draft FDS' modelling appears to have been done). In fact, the median price has fallen from $1.23 million in mid-2021 to only $980,000 in early 2023, a drop of more than $250,000 (or 20%) in less than two years. Coupled with the near-30% increase in residential construction costs over the same period, it should be clear that development feasibility has changed fundamentally and hence that relying on previous feasibility analyses is inappropriate.



Auckland Median Dwelling Price (from NPS-UD dashboard)

5.15 In terms of likely realisable capacity, the Draft FDS appears to rely on historic uptake to determine that sufficient realisable capacity exists. Specifically, it states:[38]

> *"Take-up has been high in almost all areas where intensification has been enabled by the AUP, including in relatively low land-value*

37 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 29.

38 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 30.

locations. Ongoing take-up of these opportunities is reasonably expected wherever they are provided."

5.16 FRL agrees that take-up will continue, but there is no evidence to support the assumption that it will continue like it has previously. First, feasibility has changed substantially. Second, many of the best intensification opportunities will have already been taken up, with those remaining likely to be more marginal. Third, the capacity unlocked by PC 78 is not like the capacity unlocked by the AUP: whereas the AUP targeted additional capacity in areas where it would be taken up, as set out above, PC 78 applies a blanket approach which is highly unlikely to result in increased development in many areas. This statement therefore contains a false equivalence.

5.17 Accordingly, the issues that were addressed by the AUP IHP regarding the risks of under-supply remain. There is therefore a major risk that the Draft FDS will have a very significant impact on urban land pricing and consequently, housing affordability.

6. RATIONALE FOR GREENFIELD DEVELOPMENT

6.1 Enabling well planned greenfield development alongside urban regeneration is critical to ensure that there is sufficient residential capacity to meet demand and to support the competitive operation of land and development markets, thereby supporting housing affordability and choice.

6.2 Greenfield development offers the opportunity to provide an important part of the market: in accordance with AUP requirements, greenfield developments are typically comprehensively master planned and result in a much higher quality neighbourhood (in terms of subdivision and roading layout, stormwater management, community facilities, etc.) than can be achieved when attempting to retrofit modern development into an existing urban area.

Timing and funding of infrastructure provision

6.3 It is apparent that the key factor underpinning the Draft FDS is the significant budget constraints currently faced by the Council. The Council's response is to put a moratorium on growth until funding issues are resolved and infrastructure can be funded.

6.4 The problem with this approach is that demand for housing and business development will continue, notwithstanding the Council's financial position. It also narrowly assumes that all infrastructure is Council funded, which is not always the case as private developers are often responsible for funding necessary upgrades.

6.5 The Draft FDS includes the fundamental misconception that it is cheaper and easier to upgrade existing infrastructure in brownfield areas than to build new infrastructure in greenfield areas. This is incorrect. In this regard FRL's experience is that:

(a) At scale, the cost of developing on brownfield sites is actually much more than a greenfield site: typically two to three times the cost due to the complexities of retrofitting an existing built up area.

(b) Typically, the costs of replacing old pipes and upgrading utilities, remediating contamination, higher civil and retaining costs, limitations on access, legal and title implications including fragmented land ownership, add significantly to overall cost.

(c) Assembling large tracts of brownfield land is problematic due to existing subdivision and land ownership patterns. Brownfield blocks tend to be smaller.

(d) Greenfield development offers a more efficient provision of infrastructure. That infrastructure is paid for by the development whereas in brownfield development this falls more to the Council.

(e) While greenfield development can impact broader regional infrastructure costs, there are various options available to fund that infrastructure, as discussed below.

6.6 In summary, intensification at scale is slow, expensive, and not practicable in many places of Auckland. Brownfield development can be successful for small infill type development and on the few large land holding blocks, which will continue to contribute to Auckland's growth, but this is not the full solution for providing for growth and affordable housing, nor will it provide for the capacity assumed by the Draft FDS.

Infrastructure funding

6.7 The Draft FDS is entirely silent on other funding options available to fund infrastructure. In fact, there are many other options available that could be explored to enable the coordinated release of greenfield land, including:

(a) Private sector funding of key infrastructure;

(b) The option of partnership arrangements between the private and public sectors to fund infrastructure over time;

(c) Infrastructure funding agreements and the opportunity to build in mechanisms to fund work as land owners benefit from early infrastructure investment; and

(d) Utilisation of the tools in the Infrastructure Funding and Financing Act 2020.

6.8 The Draft FDS appears to assume none of these are applicable or workable. Having regard to the potentially significant economic consequences of constraining growth in the manner proposed, equal energy should be put into identifying innovative proposals that could work on targeted growth areas.

6.9 In addition, the Draft FDS appears to reflect the position that it is necessary for all major infrastructure upgrades to be funded and/or in place before land can be rezoned. That is unnecessary and in fact represents poor planning practice. The NPS-UD requires that urban development is "integrated" with infrastructure planning and funding decisions. As the IHP on the Drury East Plan Changes observed:[39]

> *"The essence of integration is that those matters happen contemporaneously, in a complementary way, and over time….*
>
> *A sequential approach…would compromise the potential for urban zoning and development to occur in a timely and integrated fashion ... That is because live zoning provides certainty and gives confidence to landowners (and central and local government agencies) that expenditure on infrastructure will be worthwhile and efficient."*

6.10 It is unnecessary, and potentially economically wasteful, to require all infrastructure required to support a large, staged development to be present at the outset. Implementing infrastructure before it is required can incur unnecessary financing costs over the period when it is unused or under-utilised. Some infrastructure, such as waste water networks, require a critical volume to operate efficiently, and so unused or under-utilised periods can lead to technical issues. It also prevents funds from being applied to other infrastructure that will be needed sooner. Once implemented, infrastructure needs to be maintained, which incurs costs. Installing infrastructure only when it is needed avoids those interim maintenance costs.

39 *Proposed Private Plan Change 49 - to the Auckland Unitary Plan, Decision following the hearing of a Private Plan change under the Resource Management Act 1991* (Auckland Council, August 2021) at [179]-[180].

Infrastructure triggers

6.11 The analysis which has informed the infrastructure "triggers" for future land release has been undertaken at a coarse scale, and the actual infrastructure requirements required to service land will vary depending on factors including the nature of the development, infrastructure solutions proposed and the status of development on neighbouring sites.

6.12 Over time, infrastructure requirements and solutions are likely to change. For example, the transport projects listed are (for the most part) those set out in the Regional Land Transport Plan ("RLTP"), which is subject to review and change every six years. Further, Appendix 3 of the Draft FDS records that two key transport documents are currently being finalised, being the Auckland Rapid Transit Plan ("ARTP") and the Tāmaki Makaurau Integrated Transport Plan ("TMTP"). As such, projects and project timeframes are subject to change.

6.13 The extent of several projects is significant, such as Mill Road, the North Shore Rapid Transit (extension to Milldale), North-west Rapid Transit and SH16-SH18 Connections. The Draft FDS does not give regard to how these upgrades may be staged, or how interim interventions put in place by the transport authorities may deliver or assist in delivering suitable short to medium term network improvements. For example:

(a) A new Westgate bus station and improvements along SH16 for buses currently being implemented will improve public transport attractiveness and reliability for the North-west, such that the effect between the ultimate outcome (North-west Rapid Transit) and the interim outcome may be relatively minor (more resilient) when considering the timing of development;

(b) The recently completed Northern Corridor Improvements extends the Northern Busway to Albany and therefore assists with improving bus reliability for bus users to the North; and

(c) The provision of bus shoulder lanes in the future on SH1 to Silverdale, where limited interchange crossings exist would present a feasible, reliable and low cost alternative that benefits bus users, with improved frequencies for local service, delivering a viable medium term solution. This approach is already being applied to SH16.

6.14 It is inappropriate to prohibit development where safe transport solutions can be addressed prior to the ultimate corridor upgrade being delivered.

6.15 The identified corridor upgrades do not only address transport (safety, active modes and capacity) but also include a significant amount of land and cost to improve stormwater improvements (for example, the Coatesville-Riverhead Highway upgrade), requiring private land acquisition. It is unreasonable for the Draft FDS to tie the development of private land to transport upgrades, as:

(a) Private land requires third party land acquisition which only the regulatory authorities can deliver.

(b) Safe, effective and efficient solutions can be delivered by private developers within the existing road reserve, which addresses the transport effects of private development.

6.16 Having regard to the above, while alignment of infrastructure and development over the long term is of course critical, it is unnecessary and inappropriate for infrastructure considerations to control development to the extent that a moratorium is placed on growth until infrastructure is available.

6.17 The appropriate time to consider whether the necessary infrastructure is available to support a greenfield development is at the plan change stage, when the proposed

development and its context is fully understood. There is an established legal position regarding the extent of infrastructure required to service a proposed development or rezoning[40] which can be thoroughly tested via the Schedule 1 process. The current framework which includes placing land use and infrastructure upgrade triggers into planning provisions allows the opportunity for developers to progress (working with the road controlling authorities) transport upgrades which inevitably saves the roading authorities money.

Carbon emissions

6.18 In terms of carbon emissions, the Draft FDS also appears to be premised on the assumption that concentrating urban growth in the existing urban area will reduce vehicle emissions. There is no evidence to support that assumption.

6.19 To the contrary, enabling the development of well-functioning urban environments, including business development on the urban fringe will support those areas as self sustaining neighbourhoods in which people can live, work and play, thereby reducing travel requirements.

6.20 Residential growth enabled in recent years has increased the population around Auckland's fringe. However, the development of employment land, and the provision of public transport networks, have not occurred at a similar pace, which in turn requires people to travel large distances to reach employment hubs.

6.21 The Auckland Transport Alignment Project ("ATAP") report that underpins the transport investments included in the Regional Long Term Plan (and the Draft FDS) highlights the:[41]

> *"significant unevenness to future employment accessibility and a growing polarisation of access to employment in the future. By 2046 more than a million people will be living in the western and southern parts of Auckland, nearly half the region's population. However, these areas see relatively little improvement in their access to employment over time."*

6.22 The 2018 Census commuting data shows that a large number of people commute to employment areas where light industrial activities are located, including:

(a) North Harbour Industrial Estate;

(b) Wairau Valley;

(c) Penrose/Mt Wellington/Onehunga;

(d) Henderson;

(e) East Tamaki (Highbrook); and

(f) Auckland Airport.

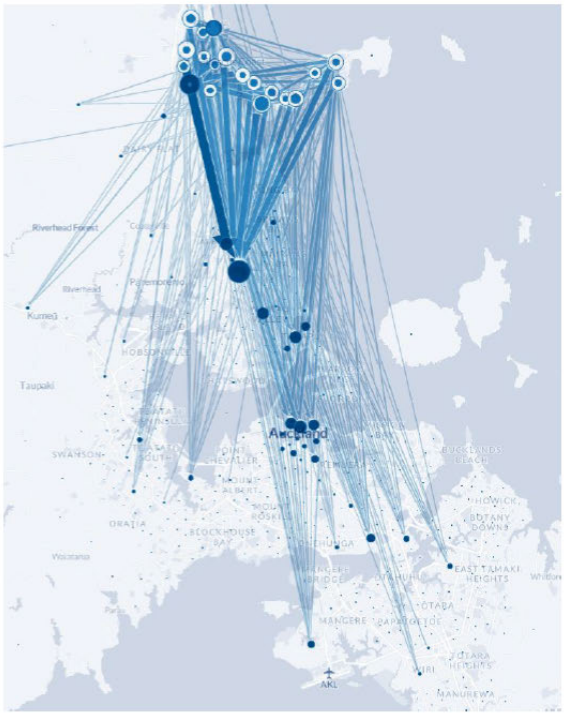
6.23 The mode of travel for the majority of these trips will be by private car, as frequent and reliable public transport connectivity does not exist to all areas, noting also that many

40 *Landco Mt Wellington v Auckland City Council* [2009] NZRMA 132, *Laidlaw College Inc v Auckland Council* [2011] NZEnvC 248.

41 Ministry of Transport NZ "Auckland Transport Alignment Project (ATAP) – Evaluation report" (September 2016) <www.transport.govt.nz/assets/Uploads/Report/ATAP-Evaluation-Report.pdf> at 15.

light industrial businesses include shift work which makes catching public transport less attractive due to off peak reliability and safety.

6.24 Existing commuter travel patterns are shown in the plan below:

North - Silverdale/Whangaparāoa	Northwest - Whenuapai/Hobsonville/Kumeu
	
Number of commuters to prominent light industrial employment areas – 3,800	Number of commuters to prominent light industrial employment areas – 2,300
Estimated annual private vehicle kilometers travelled (vkt) – 50 million	Estimated annual private vehicle kilometers travelled (vkt) – 20 million
Reduction in vkt if 15% work locally – 7 million vkt	Reduction in vkt if 15% work locally – 3 million vkt
Reduction in vkt if 30% work locally – 15 million vkt	Reduction in vkt if 30% work locally – 6 million vkt
Reduction in vkt if 45% work locally – 21 million vkt	Reduction in vkt if 45% work locally – 9 million vkt

Commuter travel patterns (using 2018 census data)

6.25 Providing employment opportunities closer to the new residential areas established around Auckland's fringe (Whenuapai, Silverdale and Pukekohe) is critical to achieving positive transport outcomes for the region, because it:

(a) Reduces the need to travel by private vehicle across the region to access jobs;

(b) Provides the ability to live, work and play about the same suburb, and substantially reduces VKTs;

(c) Allows more focussed public transport connections/routes to be established. Each area (Whenuapai, Silverdale and Pukekohe) has a nearby RTN station and therefore has the ability to extend or provide shorter and more frequent local bus services between residential and employment areas as they develop; and

(d) Provides safe connectivity for road freight and vehicle-based employment related trips, because each area already has established connectivity to the state highway network.

6.26 The Draft FDS also fails to consider the potential extension of commuter rail in the west. Both Riverhead and Kumeu are located near the existing North Auckland Rail Line, which is existing infrastructure that could be utilised for the extension of commuter rail from Swanson, reducing VKT and emissions while managing the transport network.

6.27 In summary, the Draft FDS ignores key accessibility challenges faced by Auckland growth areas as set out in the ATAP Evaluation Report and does not contribute towards reducing VKT for those residential areas already established/establishing about the outer areas of the region.

7. PROPOSED IMPLEMENTATION MEASURES

7.1 The Draft FDS records an intention to implement changes to the AUP to require stricter compliance with the Council's growth strategy. Specifically, the Draft FDS proposes the initiation of a change to the RPS to:

(a) Amend the RPS to more directly require compliance with the FDS; and

(b) RUB a regional plan rule such that it cannot be amended by way of a private plan change request.

7.2 These changes appear to be motivated by a perception that private plan changes approved "out of sequence" with the Future Urban Land Supply Strategy ("FULSS") have undermined the Council's ability to provide for integration of urban growth and infrastructure funding and delivery and should therefore be curtailed.

Requiring compliance with the FDS

7.3 Auckland's experience of the FULSS demonstrates that it is impossible for the Council to unilaterally control where growth occurs. Land release and development has not rolled out in accordance with the identified schedule, because it is a blunt tool that does not take into account land ownership patterns, market demand and other factors which determine how development occurs. Some flexibility is required to accommodate those factors. In this regard, the IHP on the AUP expressly decided to remove reference to a land release programme in the RPS. It said:[42]

> *"This is because the land release programme is currently not complete and therefore not available for review, there will be little public and stakeholder input as the process under which the land release programme is being prepared sits outside of the Resource Management Act 1991 and the programme represents a return to "failed growth policies of the past" and could be used as a means by the Council for constraining growth in the Future Urban Zone."*

7.4 The IHP also said:[43]

> *"The Panel thinks there is a danger that the description of the process of urbanisation in the Future Urban Land Supply Strategy will, over time, be treated as a method of controlling the process, effectively by directing when and how essential infrastructure will be provided. This*

42 *Report to Auckland Council Hearing topic 013 Urban growth* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 8..

43 *Report to Auckland Council Hearing topic 028 Future Urban Zone* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 9.

> *could inhibit or even prevent meritorious proposals for greenfield development without a full assessment of those merits."*

All of those considerations continue to apply.

7.5 Since the FULSS was promulgated, the Council has only advanced one public plan change (at Whenuapai) to give effect to the land release strategy identified. This was subsequently withdrawn. The Council has therefore resoundingly failed to advance public plan changes to release land in accordance with its own policies under the AUP and FULSS. It has relied on the private sector to do this.

7.6 Private plan changes approved have almost all been within the areas identified in the FULSS as targeted for growth and zoned FUZ by the Council through the AUP. They have typically only been inconsistent with the FULSS in terms of timing.

7.7 Any private plan change must be the subject of a rigorous Schedule 1 process under the Resource Management Act 1991 ("RMA") in which the appropriateness of the proposed zoning and the ability of the land to be serviced is thoroughly tested. Decisions on private plan changes are made by experienced Independent Commissioners appointed by the Council. Therefore, all private plan changes that have been approved have been demonstrated to give effect to the relevant statutory and planning documents and to achieve the purpose of the RMA.

Making the RUB a regional rule

7.8 The Urban Growth provisions of the RPS and the question of whether the RUB should be a regional or district rule were robustly and comprehensively debated at the AUP hearings.

7.9 The IHP considered in detail the extent to which the AUP should lock in land supply and infrastructure decisions, concluding that such a step would not be consistent with the sustainable management purpose of the RMA. It said:[44]

> *"While the desire of the Council to achieve planning certainty about growth over the next 30 years is understandable, the Panel does not consider that it promotes the purpose of sustainable management to lock in land supply and infrastructure decisions over such a long period when the environment and the needs of people are constantly changing. Resource management planning needs to be responsive to the dynamic processes of urban growth. While providing certainty can promote efficiency by reducing future process requirements, overly or unnecessarily rigid application of rules can be a hurdle or barrier to efficiency by creating additional costs."*
>
> *[emphasis added]*

7.10 The IHP heard extensive economic evidence that excessively strict controls in respect of urban growth would likely have the effect of driving up prices, suppressing development and severely adversely affecting housing affordability. The IHP said:[45]

> *"The Panel considers that methods aimed at sustainably providing for housing in an efficient manner should be designed to discourage undesirable behaviours, such as land banking, and encourage desirable outcomes, such as creating alternative and competitive development opportunities to meet the needs of people. A Rural Urban Boundary that is permanent for the next 30 years, subject only to the*

44 *Report to Auckland Council Overview of recommendations on the proposed Auckland Unitary Plan* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 67.

45 *Report to Auckland Council Overview of recommendations on the proposed Auckland Unitary Plan* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 67.

> *unilateral power of the Council (or a Minister) to move it, would not provide sufficient planning flexibility to adapt to changing circumstances.*
>
> *For these reasons the Panel recommends that the Rural Urban Boundary should remain as a method in the Unitary Plan but should be moved from the regional policy statement to the district plan. While the policy for its location should remain in the regional policy statement to maintain its strategic direction over a longer term, the location of the boundary itself should be able to be changed by a plan change at the district plan level, which can be the subject of an application by any person."*

7.11 The proposal in the Draft FDS essentially represents another attempt to lock in the RUB, notwithstanding the incontrovertible findings of the IHP that such changes to the planning framework would have significant adverse effects on housing affordability and would be inconsistent with the scheme of the RMA.

7.12 No evidence has been provided to suggest that the IHP's concerns about severe adverse effects on housing affordability would not eventuate if the Draft FDS is approved. This is a major concern for FRL.

7.13 FRL strongly opposes the attempt by the Council to revisit an issue that has been comprehensively considered by the IHP and clearly resolved, following robust assessment.

8. PROPOSED REZONING OF FUZ LAND

8.1 FRL is deeply concerned that the proposal to either remove from the FUZ or "place under investigation" areas of land that are currently zoned FUZ in the AUP. The extent of the FUZ was identified by the IHP on the AUP following a comprehensive Schedule 1 process which considered all of the issues identified in the Draft FDS as reasons for review. Insufficient information has been provided to justify departure from the outcomes of that process.

8.2 Very substantial investment decisions have been made across Auckland based on the Council's decision making in this regard. In many cases, developers have advanced development proposals for their land which have now been thrown into jeopardy by the Draft FDS.

8.3 This potentially has major implications for the economic wellbeing of the development sector and all industries (civil engineers, earthworks companies, house builders, tradespeople, etc) who rely on the development sector for their business. Despite its potentially disastrous effect, the Draft FDS includes no discussion of these issues.

Natural hazards

8.4 It appears that the primary reason for proposing to remove land from the FUZ is because of concern about natural hazards, including in particular, flooding. This appears to be a reaction to recent weather events, which on closer interrogation is not justified.

8.5 Structure planning for development in greenfield locations includes comprehensive consideration of flood hazards and development is governed by Chapter E36 of the AUP which tightly controls development in flood plains.

8.6 It is clear that these provisions are working well as newer master planned communities, developed at scale in greenfield locations performed exceptionally well over the recent weather events. It was the inner city areas of Auckland, where intensification without commensurate infrastructure upgrades were permitted to occur, (which the Draft FDS proposes to intensify) which suffered.

8.7 Accordingly, there is no basis for the removal of all flood plains from the FUZ. Rather, the appropriate use of land that is subject to flood risk should be considered on a case by case basis following detailed analysis of risk that is appropriately undertaken at the structure planning and plan change stage.

Implications for Riverhead

8.8 As a member of the RLG, which is the proponent of the Riverhead South plan change, FRL has a particular interest in the approach taken to FUZ land at Riverhead. Part of the area has been identified for removal from the FUZ, with the remainder as an area "under investigation".

8.9 This land has been the subject of a detailed structure planning exercise to inform the Riverhead South Plan Change.[46] Independent consultants have comprehensively assessed the appropriateness of the land for residential development and prepared a development scheme which responds to the constraints and opportunities offered by the site.

8.10 The part of the land identified for removal from the FUZ in the Draft FDS is an area that is within the 1% annual exceedance probability (1% AEP) flood plain. As part of the structure planning exercise, detailed and updated flood modelling has been undertaken in consultation with Healthy Waters. That modelling is significantly more accurate and refined than the data previously held by the Council and has shown that the extent of the floodplain is in fact smaller than previously understood. This exercise demonstrates that it is inappropriate for the Draft FDS to seek to "lock in" decisions about the removal of land from the FUZ in the absence of complete information and detailed expert assessments.

8.11 In terms of the matters identified as reasons for placing the remainder of the land "under investigation", the Draft FDS asserts that it is appropriate to consider removing the land from the FUZ for reasons including an alleged absence of transport infrastructure to support the development, the absence of a RTN and "*the Potential for higher VKT and CO2 emissions than other FUAs due to Riverhead being relatively distant from high quality existing or planned public transport, a wide range of jobs, education and other services compared to other FUAs*."[47]

8.12 In terms of transport infrastructure, the assessment (and associated infrastructure triggers) appears to have grouped Riverhead with Kumeu and Huapai. In fact, not all of the upgrades required to service Kumeu and Huapai are required to service Riverhead: they are unrelated. Specifically, it is reasonable to tie development within Riverhead to the Brigham to Waimauku SH16 upgrade, but Riverhead should not be tied to the delivery of the Alternative State Highway (Kumeu Bypass) corridor or North-west Rapid Transit extension to Huapai. These provide transport improvements to the Kumeu-Huapai area, not Riverhead.

8.13 The Integrated Transport Assessment completed to support the Riverhead Plan Change demonstrates that the short to medium term transport network can cater for the anticipated long term demands enabled by the Plan Change. The Plan Change aligns with the upgrades proposed as part of the North West long term transport network upgrades planned by the Supporting Growth Alliance, such that the effects of the network for traffic, public transport and local connectivity for all modes are catered for and provided within existing funded projects or by the developers. The extent to which there is any dispute about that is a matter for the Schedule 1 process.

46 The Planning, Environment and Parks Committee's decision to reject the plan change for processing under clause 25 of Schedule 1 has been appealed to the Environment Court.

47 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 34.

8.14 In terms of vehicle transport emissions, the Draft FDS appears to have been informed by transport and land-use modelling to determine the travel patterns for 554 locations across Auckland to identify the travel impacts of each growth scenario.

8.15 This analysis captured only the current snapshot (as at 2022), when many FUZ locations were not well-developed and had relatively poor balances between homes and jobs. However, structure planning for such areas, including Riverhead, has aimed to make them self-sustaining by providing a balanced provision of residential *and* business land to enable communities to "live work and play" in one location. The modelling therefore grossly overstates the likely travel impacts of FUZ areas, and indeed preventing further business development in such areas is likely to have the opposite of the desired effect, because existing residents will continue to need to travel for work and other activities.

8.16 RLG has been working collaboratively with the Council's Plans and Places team and various Council CCOs over the past two years on the proposals for the Riverhead FUZ land. RLG formally lodged the Riverhead Plan Change in July 2022 and RLG has continued to work alongside the Council as the Council has processed the Plan Change. Given this, it is disappointing that at no point over the past 12 months has the Council spoken with RLG regarding the Draft FDS proposal for the FUZ land at Riverhead. In preparing the Draft FDS, the Council appears to have no regard for the detailed specialist investigations undertaken which have been provided to them by RLG.

9. CONSULTATION PROCESS

9.1 The Draft FDS is an extremely important document which will have major implications for Auckland's future growth and wellbeing. The consultation process adopted by the Council has not reflected that importance, and FRL is concerned that when making decisions on the Draft FDS, the Council will not be properly informed of the issues.

Timing

9.2 Section 83 of the Local Government Act 2002 ("LGA 02") requires that when using the special consultative procedure, a local authority must invite views on the proposal "for a period of not less than one month." The consultation period originally provided on the Draft FDS, of one month exactly, represented the bare minimum in terms of the legislative requirements.

9.3 The extension of an additional month was obviously welcomed, but even so, is insufficient to enable a comprehensive response to be provided, particularly because there has previously been no consultation between the Council and developers in the preparation of the Draft FDS, resulting in a significant divergence in terms of understanding of the issue.

No reasonable opportunity to present views

9.4 Importantly, the Council has not provided a reasonable opportunity for submitters to present their views in a manner that is appropriate to the preferences and needs of the submitter, as required by section 82(1)(d) of the LGA 02.

9.5 The Have Your Say events are wholly inadequate to provide submitters with a reasonable opportunity to present their views in accordance with section 83(1)(d) of the LGA 02, having regard to the extensive and complex issues requiring consideration. It is impossible to convey these issues by way of a public "drop in" event.

9.6 A hearing should have been scheduled to enable submitters to properly set out their concerns.

9.7 FRL took up the opportunity to present to the Planning Environment and Parks Committee on 21 July. Despite the large number of major developers and other interested parties in attendance, FRL was disappointed to see that only six Councillors

were present at the meeting. The meeting was an important opportunity for the Committee to understand direct from developers the key issues which have been ignored or misrepresented in the Draft FDS. It is unfortunate that so many Councillors elected not to attend.

Views to be received with an open mind

9.8 FRL has received advice that the Council may be aiming to adopt the FDS in September 2023. If correct, this timeframe leaves no scope for proper consideration of submissions and the undertaking of any necessary further analysis. It also suggests that the Council is not approaching this process with an open mind, but is instead committed to approving the Draft FDS notwithstanding the major flaws identified by submitters.

10. CONCLUSION AND REQUESTS

10.1 Having regard to the above, FRL requests that the Council pauses the current programme on the Draft FDS and initiates meaningful consultation with the community, including the residential development sector, as required by Clause 3.13 of the NPS-UD.

10.2 Future work on a revised FDS should be underpinned by the following principles:

(a) Sufficient land must be released at the appropriate time to cater for growth, continuing the combination of urban consolidation, greenfield development, and the expansion of satellite townships;

(b) Land should be released at the time needed to meet the community's needs, taking into account the long timeframes to work through the Council's regulatory processes to deliver occupiable homes;

(c) Opportunities for and staging of growth needs to be considered on an area by area basis, rather than applying blanket rules across the region;

(d) The private sector should be enabled to deliver quality urban growth;

(e) Growth needs to be serviced by adequate infrastructure, which can be supplied through a broad range of options including innovative methods and participation by the private sector (investment and development);

(f) Stormwater and flood plain management are important factors and need to be considered in the release of land, but there are various methods to manage such issues; and

(g) There should be sufficient flexibility to enable departure from the future development strategy in site specific circumstances, to be responsive to new information, site specific analysis and market need. As such, the RPS does not need to be amended to preclude private plan changes which are inconsistent with the future development strategy and the RUB does not need to be a regional rule.

DATED at Auckland this 31 day of July 2023

Yours sincerely

[redacted]

ATTACHMENT A

ANALYSIS OF THE AUCKLAND COUNCIL DRAFT FUTURE DEVELOPMENT STRATEGY 2023: IMPACT ON THE PROVISION OF LAND FOR RESIDENTIAL REPORT TO FLETCHER LIVING

28 JULY 2023

TATTICO LIMITED

#8135

tattico

Analysis of the Auckland Council Draft Future Development Strategy 2023

Impact on the Provision of Land for Residential

Report to Fletcher Living

28 July 2023

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1 EXECUTIVE SUMMARY

1.1 This report has been prepared in support of a submission by Fletcher Residential Limited (Fletcher) on the Auckland Council Draft Future Development Strategy (Draft FDS).

1.2 This report focuses on the impact of the Draft FDS on the future supply of residential land to enable Auckland to meet its social and economic development needs. This analysis focuses on future urban zoned land and the requirement for a planned continuous supply of 'development ready' residential land.

1.3 The conclusions of this analysis are that:

(a) The Draft FDS fails to take adequate account of the diverse needs for residential land. Providing sufficient development ready land is essential to provide for housing to meet the social and accommodation needs of the Auckland community.

(b) The Draft FDS does not provide the area of land required in suitable locations and at the right timing for release of land.

(c) While the Draft FDS acknowledges the need for housing land in future urban areas, the reality is the Draft FDS significantly slows down the release of residential land in these areas. This constrains the supply of housing and diminishes the ability to meet the social needs of the community. It puts at risk housing affordability.

(d) The Draft FDS inappropriately relies solely on urban consolidation to provide all new residential land through until 2030. There is a need for greenfield residential land to provide housing in the north, northwest, east and south.

(e) The Draft FDS promotes a set of "principles for growth and change" with a heavy environmental focus and disproportionately less weight given to growth capacity for housing.

(f) This understating of the importance of residential development runs contrary to section 5 of the Resource Management Act 1991 (RMA) which, in association with the rest of Part 2 of the RMA, requires that decisions making under the RMA achieves a balance between cultural, environmental, social and economic outcomes essential to a sustainable community.

(g) Reinforcing this is the National Policy Statement on Urban Development (NPS-UD) which requires Council to provide a minimum of 30 years' growth for residential land, and to complete a robust "Housing and Business Development Capacity Assessment" (HBA).

(h) The Draft FDS cuts across the long established and well tested growth strategy, which was extensively securitized and developed through extensive work by the Council and engagement with the community and stakeholders.

(i) Since 2011, the Council have been promoting a balanced growth strategy for Auckland, targeting housing and employment land supply through both urban consolidation and targeted greenfield expansion. This has been consistently reinforced through the Auckland Plan, Auckland Unitary Plan, Future Urban Land Supply Strategy (FULSS) and various structure plans.

(j) The Draft FDS is wrongly based on a premise that it is more cost effective to develop brownfields than greenfield. The efficiencies of medium and large scale greenfield development give a more cost-effective way to deliver housing than an equivalent yield in a brownfields situation. This relates to the cost of retrofitting at scale an existing urban area.

(k) The current Draft FDS appears to be a reaction to constraints on natural hazards and infrastructure funding.

(l) It is accepted that the Council has financial constraints which are negatively impacting infrastructure provision. However, the solution is not to restrict greenfield development for a decade, as the FDS is proposing to do in certain areas. If the problem is funding infrastructure; then the solution is to find innovative ways to fund infrastructure.

(m) Harnessing the talent, skills and resources of the private sector to solve infrastructure problems on an area-by-area basis will support sustainable growth and can be achieved via the route of private plan changes. The blanket approach in the Draft FDS of treating every greenfield area the same, by revoking the pathway for private plan changes, will not yield the desired outcomes that council is trying to achieve and will instead hinder economic and employment growth in the region. There will be different solutions for different areas and each should be assessed on their merits.

(n) It seems Council is working from a premise that only the Council can fund infrastructure, rather than looking at mechanisms to assist in the sustainable funding and delivery of infrastructure.

(o) The only way to solve infrastructure is through partnership with the development community. A more agile rather than restrictive strategy is called for.

(p) If the FDS is pursued in its current form, then it will trigger the unintended consequences of:

- Further constraining housing land supply.
- Significantly and negatively impacting residential affordability through land supply constraint.
- Having a demonstrable negative impact on the social and economic development of Auckland and the development sector.

1.4 The conclusion of this analysis is that the final FDS needs to provide a significantly increased focus on and provision for housing including affordable housing. To this end, this report recommends:

(a) the Council pause the current programme on the FDS;

(b) there be meaningful consultation with the community including the residential and development sector;

(c) some key principles be agreed including:

(i) sufficient residential land must be released at the appropriate time to cater for growth;

(ii) this will continue the combination of urban consolidation, greenfield development, and the expansion of satellite townships;

(iii) growth, including residential land, needs to be serviced by adequate infrastructure;

(iv) that infrastructure can be supplied through a broad range of options including innovative methods and participation by the private sector (investment and development);

(v) stormwater and flood plain management are important factors and need to be considered in the release of land, but recognising different appropriate methods to manage such land;

(vi) apply those principles on an area-by-area basis to identify the release of land;

(d) ensure there is sufficient continuous release of residential (and employment) land to cater for growth;

(e) this land be released at the time needed to meet the community's needs, taking into account the long timeframes to work through the Council and regulatory processes to deliver occupiable homes.

(f) enable the private sector to deliver the range and quality of urban growth that is good for the community and which the NPS:UD and RPS aspire to;

(g) retain changes to the RUB as a district control matter.

2 FLETCHER SPECIFIC INTEREST

2.1 Fletcher Residential has dedicated 'land development', 'residential' and 'apartment' teams targeted with procuring and developing residential land and housing within the Auckland region.

2.2 Through its various development teams (land development, residential, apartments), Fletcher has an extensive knowledge of the Auckland market, the demand for housing and the type of living environments which Aucklanders aspire to live in. This includes both brownfield and greenfield projects.

2.3 The reality is that different people pursue different lifestyles. If the Council's aspiration is to meet the social needs of the community, then the Future Development Strategy needs to enable a broad range of housing typologies and living environments that helps people meet their needs.

2.4 This has certainly been a driver for the Fletcher programme. Fletcher has been very active in both detached dwellings, terrace house and apartment products.

2.5 It has delivered these products in a geographic spread across Auckland with extensive use and activity in the brownfields area, e.g. Three Kings, , Tamaki, Waiata Shores, Stonefields, Hobsonville Point; and in greenfield locations, e.g. Whenuapai, Drury, Red Beach.

2.6 Fletcher has in its delivery of housing programmes aligned with the Council's growth strategies. Fletcher has delivered housing to target the balance of brownfields, greenfield and provincial centre development and in a broad range of typologies ranging from downtown apartments through suburban apartments, brownfields terrace house department, brownfields detached homes and greenfield terrace and detached dwelling typologies.

2.7 Fletcher has also worked hard to deliver a broad range of product from social housing for Kainga Ora, market affordable housing, to full market housing. These have been in a range of different typologies. Fletcher has worked with different partners in this delivery including Kainga Ora, iwi authorities, partnering with the Council in the Eke Panuku land holdings, through to its own initiatives.

2.8 The Draft FDS has a significant impact on the ability of Fletcher to deliver development ready land and to construct the housing essential to the Auckland wellbeing.

2.9 This submission is intended to target across all the Auckland region and the identified greenfield development areas currently zoned Future Urban.

3 RESIDENTIAL LAND

3.1 The Draft FDS sets out a set of four spatial outcomes, namely:

- *Tāmaki Makaurau is viewed as an interconnected living system;*
- *development achieves high quality living environments;*
- *disparities in our communities and investments are addressed;*
- *development results in resilient built systems, natural environment and communities.*

3.2 The spatial outcomes themselves are laudable objectives and can and should be supported.

3.3 There is a critical omission in that, given the NPS-UD and other statutory requirements, one of the core spatial outcomes should be to provide for the growth of Auckland to meet the economic and community needs and to provide this in a manner which provides a range of lifestyle choices and affordable housing product.

3.4 The Draft FDS then goes on to identify the four key challenges faced by the Council, and from that develops a set of "principles for a quality compact approach to growth and change".

3.5 These principles are:

- *supporting greenhouse gas emission reduction;*
- *adapt to impact of climate change;*
- *make efficient and equitable infrastructure investment;*
- *protect and restore the natural environment;*
- *enable sufficient capacity for growth in the right place at the right time.*

3.6 In terms of these principles:

(a) The principles are based on an assumption of creating a quality compact approach to growth and change. This seems to be predicated on a significant over reliance on urban intensification and a substantial reduction in what has been a long-established balance strategy where urban consolidation and brownfield development has been a key component but supplemented and supported by greenfield development.

(b) There has been limited engagement with the development community over such a fundamental change and the economic and social consequences of this, including the impact on housing affordability. For reasons set out later in this report, there will inevitably be significant unintended consequences if this significant policy change is adopted.

(c) Enabling sufficient capacity of growth in the right place at the right time is created as the fifth and last principle. While principles are not necessarily listed in a hierarchical sense, it must be remembered that the NPS-UD sets a National Policy requirement for tier 1 councils (Auckland) to:

> *"(i) achieve a well-functioning urban environment in existing and future urban areas; and*
>
> *(ii) … provide at least sufficient development capacity … in the short term, medium term, and long term (up to 30 years) for:*
>
> *housing in existing and new urban areas in both standalone dwellings and attached dwellings and business land from different business sectors*." (clause 3.13 of the NPS-UD)

(d) The NPS-UD is promoting the requirement for a generous supply of housing so as to not constrain supply and therefore distort housing affordability and to provide choice for future residents. The FDS seems to lean towards a more constrained "sufficiency only" provision.

3.7 In the contextual background information, the FDS reports assert that the series of private plan changes have undermined the Council's ability to provide for an integrated development. This in the context where, as commonly agreed, the Council does have significant infrastructure budget constraints and is needing to target and prioritise spend areas.

3.8 This report elaborates further later in this report but in this context it should be recognised that:

(i) All new greenfield development funds at least the infrastructure provision within the new subdivision and area.

(ii) All new development is assessed through the resource consent process to ensure that infrastructure needs are met. Through a variety of mechanisms including development contributions and infrastructure funding agreements or other consenting requirements, infrastructure provision is provided.

(iii) The plan changes referred to have almost invariably been within the areas identified in the FULSS as targeted for growth and zoned Future Urban by the Council through the AUP.

(iv) For various reasons stated as the impact on the Council's budgets from a variety of activities including Covid and storm damage, the Council has not advanced public plan changes to release land in accordance with its own policies under the AUP and FULSS. It has relied on the private sector to do this.

(v) If the constraint is infrastructure, then the solution is to find innovative ways to work with the private sector to resolve the constraint and enable development.

3.9 The economic analysis commissioned by Fletcher would suggest that the requirement for additional greenfield land is understated, and the lack of engagement over the HBA as required under the NPS-UD, has not enabled the Draft FDS to appropriately address this. This is set out in the economic analysis by *Insight Economics*.

3.10 The Draft FDS assumes that the cost of brownfield land versus greenfield land is cheaper due to efficiencies. Fletcher with extensive experience in both brownfield and greenfield development has a different experience.

(a) At scale, the cost of developing on brownfield sites is actually much more than a greenfield site. In land development costs these are typically two to three times the cost due to the complexities of retrofitting an built up area.

(b) The Fletcher experience is that typically brownfield is more expensive because the costs of replacing old pipes and upgrading utilities, remediating contamination, higher civil and retaining costs, limitations on access, legal and title implications including fragmented land ownership, add significantly to cost.

(c) Assembling large tract of brownfield land is problematic due to existing subdivision and land ownership patters. Brownfields blocks tend to be smaller. Intensification at scale is slow, expensive, and not practicable in many places of Auckland. Where there are moderate sized blocks of residential zoned land, most of these are already committed for permanent uses such as schools (mostly zoned residential in the AUP) , retirement villages, etc. They are not realistically available for redevelopment.

(d) Greenfield offers a more efficient provision of infrastructure. That infrastructure is paid for by the development whereas in brownfield that can more fall to the Council

(e) It is recognised that greenfield can impact broader regional infrastructure costs. Obviously these need to be factored in That is why a case-by -case analysis between the Council and stakeholders of the greenfield block is warranted. This will enable management of infrastructure while providing for growth.

(f) Brownfield development does work for small infill type development and on the few large land holding blocks That will continue to contribute to Auckland's growth, but is not the full solution for providing for growth and affordable housing.

3.11 The Draft FDS associated reports identify opportunities for more efficient use of residential land. This is demonstrated in a number of urban renewal and regeneration project across the region. This analysis is fully supportive of the continuation of the planning strategies to support urban consolidation. The issue is the move away from the "balanced strategy" to an over dependence on brownfields development. The economic analysis commissioned by Fletcher demonstrates that urban consolidation needs to be supplemented with the steady release of greenfield land for development.

4 INSUFFICIENT SUPPLY OF RESIDENTIAL LAND

4.1 The Draft FDS promotes a significant urban consolidation model through until at least 2030 with no greenfield expansion.

4.2 The key areas identified for growth are shown on the diagram below. This is essentially:

- Westgate / Whenuapai;
- City centre;
- Mt Roskill
- Tamaki;
- Mangere;
- Drury.

4.3 Regeneration or even urban renewal projects in all of these areas is supported. The FDS correctly identifies the importance of brownfields development and the urban consolidation model. This has been a key plank of Auckland's growth widely supported by the industry from its inception in the Auckland Plan (and in fact through growth strategies prior to amalgamation) and reinforced through the Auckland Unitary Plan. The issue for the FDS is the degree to which, particularly for the next decade, it relies almost exclusively on the urban consolidation / brownfields development, and effectively seeks to stop any further greenfield development until at least the 2030 decade.

4.4 It should be noted that Fletcher, through its various entities, has been and is active in all six of the brownfields growth areas identified within the FDS.

4.5 Fletcher is in a major land development role in Whenuapai, Three Kings (adjacent Mt Roskill) and Drury. It is a significant residential developer in Tāmaki and Mangere. It is active in a number of projects in the Isthmus area and aspires to be active in the opportunity for urban renewal and urban regeneration projects around what will be the new station nodes when the CRL is operational.

4.6 There are various infill opportunities across the region. However the FDS should:

- Provide for a minimum of 30 years growth as required by the NPS:UD
- Be driven off a robust HBA and at all times provides more than sufficient residential land capacity, so as not to distort market prices;

- Create opportunities across the region, not just focused in a few locations;
- Enable high-quality sites that meet the housing needs.

The current FDS does not set out a strategy to achieve this. Too much development is constrained by 'timing' issues which effectively equate to infrastructure financing issues.

4.7 The Council has produced five structure plans since the FULSS was prepared.

- of these, one (Silverdale West) is solely focused on providing industrial employment land;
- The remaining four provide for residential with some level of business land;
- Apart from 3 small blocks of FUZ zoned land targeted for release in 2025+ under the new FDS timing, no other FUZ zoned land is targeted for release until 2030 at the earliest. In fact:
    - 6 blocks in 2030+
    - 17 blocks in 2035+
    - 7 blocks in 2040+
    - 3 blocks in 2045+
    - 7 blocks in 2050+
    - 10 blocks recommended for further investigation
    - 5 blocks recommended for full or partial removal
- of the other four structure plans providing for residential activity;
    - the Warkworth Structure Plan is deferred from 2018/2022 to 2040+;
    - the Drury Structure Plan is deferred from 2018/2028 to 2035+ although a large block of industrial land has been recently rezoned.;
    - the Pukekohe Structure Plan is deferred from 2018/2023 to 2035+ and 2040+;
    - the Whenuapai Structure Plan is targeted in part for the next 10 years and in part 11-30 years (FUZ zoned land) .

4.8 In each case, the reason for deferral related to matters of infrastructure (including transport) or stormwater management. None are deferred because of an assertion of a surplus of land or changed requirements for housing.

5 FDS PRINCIPLES FOR GROWTH AND CHANGE

5.1 The Draft FDS sets out the key principles which have led to the strategy.

5.2 Section 2.5 "*Principles for growth and change*" identifies the "*universal ways of accommodating growth, applicable Tāmaki Makaurau-wide, no matter what scale or spatial environment is considered".* These principles are:

- *Support greenhouse gas emission reduction*
- *Adapt to impacts of climate change*
- *Make efficient and equitable infrastructure investments*
- *Protect and restore the natural environment*
- *Enable sufficient capacity for growth in the right place at the right time*

5.3 While the Council constraints on infrastructure are recognised, the key principle for growth related infrastructure should be to invest in the provision of infrastructure to meet the social and economic needs of Auckland. It is about infrastructure being an enabler of housing, community and economic development; rather than constraining growth due to infrastructure. There needs to be a balance. What that balance is needs to be worked through. However, the key principles of the FDS should start from the premise of infrastructure as an enabler of growth.

Council's approach to reviewing future urban areas

5.4 The Council's approach to reviewing future urban areas is set out Appendix 7 to the Draft FDS. The scope of the review covered all Future Urban areas that had not been live zoned as of 2023, with the intention being to evaluate the appropriateness of areas for future growth. Consideration was given to new strategic and policy direction, new and updated data, changes to enabled development capacity.

5.5 The following key criteria were used:

- Exposure to natural hazards
- Modelled contributions to increased CO_2 emissions/vehicle kilometres travelled (VKT)
- Infrastructure timing and delays

5.6 *"Other factors"* considered were:

- High-level, indicative bulk infrastructure costs
- Committed council infrastructure
- Urban form and future business land provision
- Potential to provide key locations for future managed retreat of nearby vulnerable existing urban areas
- Presence of known sites of significance to mana whenua, Māori freehold land, commercial and cultural redress, and cultural and statutory acknowledgement areas
- Loss of highly productive land
- Impacts on the natural environment, including indigenous biodiversity and water quality.

5.7 The assessment criteria do not take into consideration factors such as the need for residential land in the area, or the existing investment in the area as an enabler of growth. Much of this investment has followed the clearly signalled growth strategy for Auckland.

5.8 Adequacy of supply of residential land is considered an "*other factor*". This does not reflect the priority the NPS:UD requires Council to give to 30 years minimum of residential growth opportunity.

5.9 The timing of when many future urban areas will be able to enable growth has changed due to updated information on deliverability of key infrastructure to support that growth.

5.10 There is an underlying theme in the Draft FDS of constraining and slowing down *Future Urban* land release, and the economic and social benefits this brings, because of infrastructure constraints. While it is accepted the FDS must be tempered by the current financial position the Council is in, for reasons set out below, if the issue is *how infrastructure is funded* so as to be an enabler of growth rather than a constraint on growth, then the FDS should be open to different and innovative ways of addressing the issue. This rather than the presumption of an unresolvable budget problem leading to a necessity to defer land release and constrain development.

6 REQUIREMENTS FOR A PLANNED SUPPLY OF LAND TO MANAGE GROWTH

6.1 The National Policy Statement on Urban Development (NPSUD) sets a legislative requirement to have a planned 30-year growth for Auckland. This is for both residential growth and business development.

6.2 The NPSUD requires tier 1, 2 and 3 local authorities (Auckland being tier 1) to "*at all times provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term and long term.*"

6.3 The strategy is targeted at both "*existing and future urban areas*" and sets a requirement to provide growth for at least 30 years.

6.4 In a recent Environment Court decision (*Middle Hill Limited v Auckland Council* 2022), the Court stated:

> *"The NPS-UD has the broad objective of ensuring that New Zealand's towns and cities are well functioning urban environments that meet the changing needs of New Zealand's diverse communities. Its emphasis is to direct local authorities to enable greater land supply and ensure that planning is responsive to changes in demand while seeking to ensure that new development capacity enabled by council is of a form and in locations that meet the diverse needs of communities and encourage well-functioning, liveable, urban environments. It also requires councils to remove overly restrictive rules that affect urban development outcomes in New Zealand's cities."*

6.5 The Auckland Plan, Auckland Unitary Plan and Future Urban Land Supply Strategy are set out to create a balanced strategy that will achieve this requirement.

6.6 The Draft FDS significantly slows down the release of residential land in the medium and long term through deferring the live zoning of Future Urban zoned land. This will only lead to a shortage of land supply which in turn will escalate land price.

6.7 The Auckland Transitional Act required the development of the Auckland Plan. This in turn set a 30-year horizon to, among other things, manage growth. This promoted a combination of existing development areas plus greenfield expansion.

6.8 The first iteration of this work was the Auckland Unitary Plan (AUP) which provided for a level of appropriate development, both live zoned and zoned for future urban development.

6.9 This was then complemented by the FULSS of 2017 which informed the direction and location of growth, particularly for the future urban areas identified within the AUP.

6.10 The key issue with the FULSS has been the implementation of this strategy.

6.11 The long-established development scenario set effectively in 2011 has been:

- a 'spatial plan' that provides a 30-year strategy for the development of Auckland and its communities that integrates social, economic, environmental and cultural objectives (the Auckland Plan) - completed;
- identification of a resource management strategy which among other things identified areas of future urban zoned land (the AUP) - completed;
- identification of key growth areas to be live zoned over time (the FULSS) – completed.
- development of a structure plan for key growth areas – 5 structure plans have been completed, with no other ones currently proposed;
- implementation of the necessary plan changes to give effect to these developments - only one public plan change advanced, even that was withdrawn by Council. 18 private plan changes advanced.

6.12 What this shows is that:

(i) Since 2011, there has been a long-established strategic policy direction on the growth for Auckland based on urban consolidation and some greenfield expansion.

(ii) This has been embraced by the community including the development community.

(iii) Very substantial investment decisions have been made based on this Council commitment.

(iv) The implementation of this strategy has solely relied on the private sector through the development community to rezone FUZ land through private plan changes.

(v) Council has failed to deliver a single private plan change.

(vi) This has delivered additional growth for Auckland.

(vii) To the best of Fletcher's knowledge, none of these developed private plan change areas experienced any issues with extreme flooding events or geotechnical problems. The system worked and is working.

(viii) The private sector community has funded the necessary infrastructure to service these areas. It is recognised that the Council does face future funding constraints, this is addressed below.

6.13 With some changes, the FULSS could simply be updated for the next Long Term Plan (LTP), rather than pushing through an FDS based on incomplete information. The FDS is such a critical development tool and has a huge implication on:

- land supply,
- housing affordability
- social development
- economic development,

It is essential that any review of the FDS is a fully researched, worked through and tested strategy prior to adoption.

7 LAND SUPPLY AND HOUSING AFFORDABILITY

7.1 The key lesson of the 2000s and mid-2010s is that constraining land supply raises land value expectations in the current owners. This in turn raises the price developers need to pay for the land, which, when passed on to the end resident, significantly raises house cost. Under supply of land distorts normal market operations.

7.2 It is not the developer who is making the significant value uplift. Developer margins have been reasonably constant. It is the distortion in the market that raises hope value amongst existing rural and urban landowners, because there is a critical land supply shortage. A healthy over zoning is an important method to ensure these distortions do not occur.

7.3 The *Insight Economics* report commissioned by Fletchers addresses the impact of the the Draft FDS on residential housing supply, affordability and consumer choice. That work is not repeated in this report but is relevant to the conclusions of this planning analysis. In particular the report identifies:

(a) The importance of the balanced strategy providing for both brownfield and greenfield.
(b) The issues with an over reliance on brownfields to solve all Auckland's growth.
(c) The availability of brownfield land being not necessarily bin the right locations.
(d) the connection between land supply and housing affordability.
(e) The view that the Draft FDS significantly overstates the infill housing opportunity for growth in terms of realistic availability.
(f) The importance of offering housing choice in terms of location and typologies to residents

7.4 One of the key unintended consequences of the FDS is that it will significantly constrain land supply, which will have a further negative impact on housing affordability.

8 UNDERSTANDING THE TIMEFRAMES TO GET LAND DEVELOPMENT READY

8.1 In identifying the timing for land to be development ready, the Council needs to take a realistic understanding of the timeframes involved. Even on optimistic timeframes, it is a five-year process between commencement of the work to create the housing opportunity. Often this can extend out to closer to eight – ten years.

8.2 The process typically includes:

(a) Development consultation and adoption of a structure plan – One year. The five structure plans the Council have done each took on average 2 years .

(b) Taking this structure plan, preparing, notifying, processing, hearing and determining a plan change – two years. The Council plan change on Whenuapai, which was ultimately withdrawn, took 4 years 8 months. The private plan change on Drury took 2 years.

(c) Preparing, lodging and obtaining the necessary resource consents and engineering plan approval – one year.

(d) The physical land development works involving procurement, establishment, bulk earthworks, infrastructure, subdivision and titling; is typically an 18-month process, even for a relatively confined stage. That does then achieve development ready sites.

(e) The actual design, construction and completion of housing can be a further 18-month to 2 year process.

8.3 These are realistic, if slightly optimistic, timeframes. Very few projects would hit good timeframes at every stage.

8.4 The key point is that if the Council is to achieve the 'development ready' timeframes it seeks, then the commencement of structure planning work and other aspects needs to start a minimum of five years prior and more likely eight years. This signals two issues:

(i) The importance of creating resource up front to get the enabling provisions in place.

(ii) The infrastructure cost when services are actually required will come at occupation of the residential land. There is an inherent extended timeframe, i.e. a commitment to a certain area now does not equate to when the infrastructure rolls out. The operational demand for infrastructure is at least five years later. Obviously planning, consenting and construction needs to be timed accordingly. But housing and infrastructure can advance concurrently.

(iii) Furthermore, because development is staged, there is a scaling up of demand for infrastructure even once the first portions of the development are occupied.

9 SUPPORT FOR THE CONCEPT OF A FUTURE DEVELOPMENT STRATEGY (FDS)

9.1 This analysis supports the concept of having a Future Development Strategy; but does not support the published draft approach.

9.2 Having a blueprint for how Auckland will grow and where and how growth will be managed is an essential informant of the market. Done right, it will direct the market to locate industry in the locations that work best from an economic, social and environmental perspective.

9.3 The 2017 Future Urban Land Supply Strategy (FULSS) has worked reasonably well in informing and directing the location of growth, albeit that the strategy has not been responsive enough to the keep up with the pace of growth.

9.4 An update of the FULSS through the FDS is a sound objective and is supported. Six years on, the FULSS does need an update. However, this needs to be a planned, considered, comprehensive upgrade; rather than a rushed reaction to a series of events.

9.5 It is accepted that there are financial infrastructure constraints facing Auckland, and therefore the direction and pace of growth needs to be clearly signalled by the Council to assist in the logical and sequential development of appropriate parts of the urban area of Auckland.

9.6 The FDS is the right thing to do; but the strategy embodied within the Draft FDS is not.

10 A BETTER WAY TO SOLVE INFRASTRUCTURE

10.1 The FDS effectively identifies the significant budget constraints the Council is facing and their inability to solve infrastructure. The reaction to this is to offer up only one technique which is to slow down or stop growth until the Council's financial position catches up and infrastructure can be funded. Only then does the Draft FDS contemplate the release of land for growth.

10.2 The critical issue in this Draft FDS is that the need for employment land and housing land does not cease until the Council's financial position rectifies itself.

10.3 If the problem is the provision of infrastructure, then the FDS should focus on the problem and find alternative ways of working with the private sector to solve infrastructure.

10.4 Managing the pace of growth is but one tool available. It is a tool that distorts the market and undermines housing affordability, as proven over the last decade. There are other examples where private sector funding have delivered necessary infrastructure to facilitate growth.

10.5 Infrastructure is fundamentally a cost to the government (and its related agencies), the Council (and its Council Controlled Organisations), the private development sector, and the private investment sector.

10.6 Rather than constrain the entire Auckland greenfield and satellite township land release programme, a better solution is to analyse on an 'area-by-area' basis and find innovative ways of funding the infrastructure to enable the release of some or all of that land.

10.7 The Council needs to explore options including:

(i) private sector funding of key infrastructure to enable at least early stages of growth;

(ii) the option of partnership arrangements between private and public sector to fund infrastructure over time;

(iii) infrastructure funding agreements and the opportunity to up front pay development contributions and build in mechanisms to fund that work as others benefit from the early infrastructure investment;

(iv) Exploring how it can utilise the tools in the Infrastructure Funding and Financing Act 2020.

The Draft FDS seems to assume none of these are applicable or workable. Equal energy should be put into identifying innovative proposals that could work on targeted growth areas.

11 RIVERHEAD CASE STUDY

11.1 Fletcher is a member of the Riverhead Landowners Group ("RLG"), which is the proponent of the Riverhead South plan change, Fletcher has a particular interest in the approach taken to FUZ land at Riverhead. Part of the area has been identified for removal from the FUZ in the Draft FDS, with the remainder as an area "under investigation".

11.2 This land has been the subject of detailed structure planning exercise to inform the Riverhead South plan change. Independent consultants have comprehensively assessed the appropriateness of the land for residential development and prepared a development scheme which responds to the constraints and opportunities offered by the site.

11.3 The part of the land identified for removal from the FUZ in the Draft FDS is an area that is within the 1% annual exceedance probability (1% AEP) flood plain. A comprehensive Stormwater Management Plan is included as part of the Structure Plan and Plan Change. As part of the structure planning exercise, detailed flood modelling has been undertaken in consultation with Healthy Waters. That modelling is significantly more accurate and refined than the data previously held by the Council and has shown that the extent of the floodplain is in fact smaller than previously understood. This exercise demonstrates that it is inappropriate for the Draft FDS to seek to "lock in" decisions about the removal of land from the FUZ in the absence of complete information.

11.4 In terms of the matters identified as reasons for placing the remainder of the land "under investigation", the Draft FDS asserts that it is appropriate to consider removing the land from the FUZ for reasons including an alleged absence of transport infrastructure to support the development, the absence of a rapid transit network and "the Potential for higher VKT and CO2 emissions than other FUAs due to Riverhead being relatively distant from high quality existing or planned public transport, a wide range of jobs, education and other services compared to other FUAs."[1]

11.5 In terms of transport infrastructure, the assessment (and associated infrastructure triggers) appears to have grouped Riverhead with Kumeu and Huapai. In fact, not all of the upgrades required to service Kumeu and Huapai are required to service Riverhead: they are unrelated. Specifically, it is reasonable

1 Draft FDS, Appendix page 34.

to tie development within Riverhead to the Brigham to Waimauku SH16 upgrade, but Riverhead should not be tied to the delivery of the Alternative State Highway (Kumeu Bypass) corridor or North-west Rapid Transit extension to Huapai. These provide transport improvements to the Kumeu-Huapai area, not Riverhead. This is addressed in the report of *FLOW*

11.6 The Integrated Transport Assessment completed to support the Riverhead Plan Change demonstrates that the short to medium term transport network can cater for the anticipated long term demands enabled by the Plan Change. The Plan Change aligns with the upgrades proposed as part of the North West long term transport network upgrades planned by the Supporting Growth Alliance, such that the effects of the network for traffic, public transport and local connectivity for all modes are catered for and provided within existing funded projects or by the developers. Moreover, Riverhead and the Kumeu areas are located nearby the existing main trunk north rail line, with the opportunity to extend commuter rail from Swanson through to Kumeu to assist the existing communities and manage the transport network. The extent to which there is any dispute about that is a matter for the Schedule 1 process.

11.7 In terms of vehicle transport emissions, the Draft FDS appears to have been informed by transport and land-use modelling to determine the travel patterns for 554 locations across Auckland to identify the travel impacts of each growth scenario.

11.8 This analysis captured only the current snapshot (as at 2022), when many FUZ locations were not well-developed and had relatively poor balances between homes and jobs. However, structure planning for such areas, including Riverhead, has aimed to make them self-sustaining by providing a balanced provision of residential and business land to enable communities to "live work and play" in one location. The modelling therefore grossly overstates the likely travel impacts of FUZ areas, and indeed preventing further business development in such areas is likely to have the opposite of the desired effect, because existing residents will continue to need to travel for work and other activities.

12 NATURAL HAZARDS ARE ALREADY ADEQUATELY CONTROLLED

12.1 The FDS states that delaying development of some Future Urban zoned land is in part a response to the significant weather events and flooding and stormwater issues following the January and February storm events in Auckland.

12.2 There is no debate that land developed for residential needs to either avoid or successfully mitigate the effects of natural hazards including flooding and land stability. However, the solution is not to remove future urban zoning completely where there is "possible" hazard risk. The solution is to ensure that before a development proceeds, it has been robustly tested for vulnerability to natural hazards, and can demonstrate that any identified natural hazard risks can be avoided, remedied or mitigated.

12.3 In this regard, the RMA, RPS and Auckland-wide provisions in the AUP including the approach of 'Future Urban' zoning (which requires a plan change before an area can be development) and assessment criteria that apply to any subdivision or development consent, already give the Council full ability to prevent development occurring in high risk natural hazard areas where risk cannot be successfully avoided or mitigated.

12.4 There is no urgency to hurry through this Draft FDS for reasons of natural hazards. The existing legislative regime and AUP provisions provide all the safeguards needed.

12.5 The existing controls are working well. The vast majority of issues that occurred in the January/February weather events occurred in areas that had been developed a substantial time ago and in existing urban and suburban areas. It is understood those areas developed under the current AUP controls were relatively unimpacted by the storm events.

12.6 In terms of flood management, there are multiple engineering solutions that work well and have proved successful on land that can be flood prone if not managed. As long as new development is accompanied by appropriately designed and tested engineering solutions paid for by the developer, then it is not necessary, nor is it appropriate, to constrain development based on a perception of a flood risk or geotechnical risk. The right approach is to ensure the natural hazard risk is successfully managed or removed through robust engineering design and investment.

13 PLAN CHANGE 78

13.1 The Draft FDS seems to rely heavily on Plan Change 78 to provide for growth in the short term. Plan Change 78 in turn relies heavily on the Resource Management Amendment Act 2022. However the Council has recently deferred the timing on plan change 78 by one year.

13.2 It is inappropriate and unwise to rely on a plan change which is still yet to have its hearing stage.

13.3 There must also be uncertainty as to the future of the plan change given the divergent political views at national level over the degree of compulsion and how best to manage growth.

13.4 It is poor public policy practise to place so much reliance on managing such a critical factor as Auckland's growth on an untested plan change.

14 CHANGES TO THE RURAL URBAN BOUNDARY (RUB) SHOULD REMAIN A DISTRICT PLAN LEVEL CONTROL (AS OPPOSED TO A REGIONAL CONTROL AS PROPOSED WITHIN THE FDS)

14.1 The suggestion that the RUB should be a regional rule and therefore only able to be modified effectively by the Council through a public plan change, is demonstrably a retrograde step.

14.2 This approach was tested through the Auckland Unitary Plan process. That process found that a plan change to the RUB should remain a district matter and that it was inconsistent with the RMA to do otherwise:[2]

"While the desire of the Council to achieve planning certainty about growth over the next 30 years is understandable, the Panel does not consider that it promotes the purpose of sustainable management to lock in land supply and infrastructure decisions over such a long period when the environment and the needs of people are constantly changing. Resource management planning needs to be responsive to the dynamic processes of urban growth. While providing certainty can promote efficiency by reducing future process requirements, overly or unnecessarily rigid application of rules can be a hurdle or barrier to efficiency by creating additional costs.

The Panel considers that methods aimed at sustainably providing for housing in an efficient manner should be designed to discourage undesirable behaviours, such as land banking, and encourage desirable outcomes, such as creating alternative and competitive development opportunities to meet the needs of people. A Rural Urban Boundary that is permanent for the next 30 years, subject only to the unilateral power of the Council (or a Minister) to move it, would not provide sufficient planning flexibility to adapt to changing circumstances. "

"For these reasons the Panel recommends that the Rural Urban Boundary should remain as a method in the Unitary Plan but should be moved from the regional policy statement to the district plan. While the policy for its location should remain in the regional policy statement to maintain its strategic direction over a longer term, the location of the boundary itself should be able to be changed by a plan change at the district plan level, which can be the subject of an application by any person."

14.3 The reasons why the Council's suggestion of a regional rule was rejected in 2016, are equally valid today. No modification is justified. As noted by the Panel in its Recommendation Report to the Council on the Auckland Unitary Plan.

[2] Report to Auckland Council, Overview of recommendations on the proposed Auckland Unitary Plan, 22 July 206, page 67.

14.4 The community has effectively relied on the private sector to implement the plan changes necessary to give effect to the FULSS and associated structure plans. The only public plan change that the Council promoted giving effect to the FULSS was Whenuapai. Even then, the Council ended up withdrawing that plan change. No public plan changes have been promoted that would give effect to the current growth strategy. Every greenfield development has relied on a private sector initiative and a private plan change.

14.5 Being able to deliver these critical plan changes to provide for growth, is essential. Since 2017, the Council has relied on the private sector to do this. In a time where the Council is signalling severe financial constraints, a more effective and practical approach is to work collaboratively with the private sector to facilitate a blend of public and private plan changes to implement the Council's growth strategy.

14.6 The issues that were addressed by the AUP IHP regarding the risks of under-supply of residential land remain and the Draft FDS does not address these. There is a major risk that the Draft FDS will have a very significant negative impact on urban land pricing and consequently, housing affordability.

15 RECOMMENDATIONS

15.1 It is suggested the Fletcher submission seek the following next steps from the Council:

(a) the Council pause the current programme on the FDS;

(b) there be meaningful consultation with the community including the residential development sector;

(c) some key principles be agreed including:

(i) sufficient land must be released at the appropriate time to cater for growth;

(ii) this will continue the combination of urban consolidation, greenfield development, and the expansion of satellite townships;

(iii) growth needs to be serviced by adequate infrastructure;

(iv) that infrastructure can be supplied through a broad range of options including innovative methods and participation by the private sector (investment and development);

(v) stormwater and flood plain management are important factors and need to be considered in the release of land, but recognising different appropriate methods to manage such land;

(vi) apply those principles on an area-by-area basis to identify the release of land;

(d) ensure there is sufficient continuous release of housing land to cater for growth;

(e) this land be released at the time needed to meet the community's needs, taking into account the long timeframes to work through the Council and regulatory processes to deliver occupiable homes.

(f) enable the private sector to deliver the range and quality of urban growth that is good for the community and which the NPSUD and RPS aspire to;

(g) retain changes to the RUB as a district control matter;

(h) it is recognised the Council may want to record that the live zoning is dependent on an infrastructure funding agreement between landowners and the Council over key infrastructure funding;

(i) the plan can record that as part of any rezoning, appropriate management of flood plain and overland flow will be required to ensure development sites are not within flood plains.

ATTACHMENT B

ECONOMIC REVIEW OF AUCKLAND COUNCIL'S DRAFT FUTURE DEVELOPMENT STRATEGY (FDS)

27 JULY 2023

INSIGHT ECONOMICS

INSIGHT | ECONOMICS

#8135



Final Report: 27 July 2023

Economic Review of Auckland Council's Draft Future Development Strategy (FDS)

Prepared for: **Fulton Hogan Land Development & Fletcher Building**

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1. Executive Summary

Scope & Purpose of Report

This report peer reviews Auckland Council's (**AC**'s) *Draft Future Urban Development Strategy* (**FDS**) from an economics perspective, particularly the underlying assessment of options in its *Growth Scenarios Evidence Report* (**GSER**). It focuses on the rationale for, and likely effects of, proposed major reductions in Future Urban Zone (**FUZ**) land due to alleged greenhouse gas (**GHG**) impacts.

Background

The Auckland Plan 2050's development strategy is the region's current blueprint for growth, which reflects the culmination of many years' close collaboration by all stakeholders. The FDS, however, signals a wholesale departure from this. Given the tremendous time and effort taken to forge the current approach, the evidential threshold for any proposed new strategic direction – like the FDS – is necessarily high. In our view, though, the research and analysis underpinning the FDS is materially deficient and well short of that standard. This report explains our position by describing several serious issues with the multicriteria analysis (**MCA**) of growth options underpinning the FDS.

Key Findings – Scenario Definition

The first step in an MCA is to define the options for assessment. Typically, there are three or four options, one of which is the status quo, so that any proposed changes can be readily assessed. The FDS' scenario definitions, however, are unorthodox and puzzling. First, they include an unrealistic, utopian scenario – based on a totally different set of transport and infrastructure assumptions – that forms a fictional benchmark against which the other scenarios are unduly assessed. In addition, another scenario reflects a highly dispersed urban form that also makes no sense. Consequently, two of the four scenarios are implausible and become unnecessary distractions. Moreover, no scenarios represent the status quo, which dramatically reduces the overall utility of the analysis.

Key Findings – Evaluation Criteria

The criteria used to assess options are also problematic because:

- They ignore common ground and focus only on option differences. This distorts the scale of reported option differences, while omitting key criteria because they were deemed as areas of common ground. Conversely, by including all criteria in the assessment, a full picture of option similarities *and* differences could have emerged to enable better-informed decisions.

- The criteria fixate on travel impacts despite future travel mostly being "baked in" due to the current population and existing urban form. In addition, the MCA's focus on car-based travel grossly overstates its role in GHG emissions, while ignoring the current, rapid shift towards lower emissions vehicles. At the same time, the analysis of FUZ GHG emissions is flawed because it reflects only the current situation, not each FUZ area's future state, where they are designed to operate in a largely self-sustaining manner (as per their structure plans).

- Finally, the criteria overlook the likely adverse effects of intensification, while largely ignoring key criteria in the NPS-UD, such as the need to promote competition in markets, while boosting housing choice and improving affordability.

Key Findings – Option Scoring & Weighting

We also hold grave concerns about the MCA's approach to scoring/weighting because:

- It relies intrinsically on a model whose inputs, throughputs, and outputs appear unreliable. In addition, many criteria are scored primarily by an unnamed panel of Council and CCO experts, without any real input from other key stakeholders, particularly FUZ landowners.

- 10 of the 29 criteria are assessed via very narrow and specific measures that belie the broader scope of the overarching criteria and distort likely option merits and effects.

- In addition, the scores for many criteria defy the reported outputs of the model and/or differ significantly from the preceding commentary and analysis.

- The decision not to weight criteria directly elevates the importance of some factors while systematically downplaying others. This is because, absent weights, the more criteria per theme, the greater the weight afforded it, and vice versa. And, in the MCA, one theme – travel impacts and accessibility – had 10 criteria, while other themes had only two.

Key Findings – Consideration of Capacity Sufficiency

The MCA pays little attention to the sufficiency of business and residential capacity and instead relies mainly on the theoretical, plan-enabled capacity of PC78. This seems inappropriate because:

- PC78 is on hold and, if it is later withdrawn or revised substantially, there will be major implications for capacity sufficiency, but this is not acknowledged in the FDS. Moreover, plan-enabled capacity has no real-world meaning, so relying on it here is unsound.

- PC78's capacity uplifts are inversely proportional to the density already enabled by the AUP, so it significantly boosts capacity in peripheral locations while having little impact in and around centres, where higher density is already permitted by the AUP. Thus, while PC78 enables unprecedented levels of plan-enabled capacity, much of it is poorly located.

- Capacity serviceability is not properly assessed, with the MCA merely assuming that all plan-enabled capacity is technically feasible to service. That may not be the case for (say) replacing water or wastewater trunk mains in densely populated existing urban areas, where the resulting cost and disruption may render it untenable.

- Similarly, feasibility and uptake assume a continuation of the past. However, financial feasibility has changed profoundly, and many of the best intensification opportunities have already been taken up (with remaining thus ones being more marginal overall). Consequently, the assumption that the past will simply continue is not well-founded.

- Finally, the assessment pays almost no attention to business land needs and instead simply notes that at least 1,000 hectares of business land will likely be needed in the FUZ. That aside, it largely remains silent on this critical piece of the capacity puzzle.

Key Findings – Impacts on Choice & Competition

The MCA also fails to adequately consider impacts on key NPS-UD directives, such as promoting competition in markets, and ensuring greater housing choice and improved affordability. Instead, the evaluation zooms in to fixate on other factors that supposedly contribute to "well-functioning urban environments" (**WFUE**). While that is AC's prerogative, the FDS seems to place undue weight on these other elements of WFUE while losing sight of economic factors.

The potential downzoning of large swathes of FUZ land is a particular concern because it will erode competition. Indeed, without a strong and ongoing supply of new urban land in strategically chosen locations (like the FUZ), the competitive operation of the region's urban land market will be compromised. At the same time, this FDS does not reflect the community's preferences. According to a survey conducted for PC78, "infrastructure that can cope" matters the most to Aucklanders when planning for more housing. This will be even more important now after the devastating effects of the anniversary weekend floods and Cyclone Gabrielle. Together, these events revealed major vulnerabilities in the region's three waters network and highlighted the risk of excessive intensification (i.e. creating too much impervious surface area in concentrated locations).

Key Findings – Deriving the FDS from the MCA

Lastly, the methodology used to translate the MCA into the FDS' preferred scenario is unclear. Rather than selecting the best-performing option from the MCA, as is usually done, the FDS instead creates a new, hybrid option that lacks any meaningful detail or explanation. In doing so, we consider the FDS to have erred because:

- More than half of all MCA scores (56%) were negative. According to the GSER, these negative scores "indicate the need for a specific policy intervention in addition to, or even instead of, land use or transport interventions alone." However, the FDS does not explain how it reflects or responds to the need for additional interventions to achieve its objectives.

- The FDS has not properly considered Infrastructure implications and instead deems intensification better due to allegedly lower public costs. We disagree. First, most growth-related infrastructure is funded directly by developers, and does not draw on public funds. Second, as already noted, the cost of (eventually) upgrading infrastructure networks in some existing areas could be prohibitively expensive and/or cause unacceptable disruption. Third, the "modelled" differences in infrastructure cost are much less than the MCA scores, commentary, and conclusions suggest. Accordingly, it is difficult to have any faith that the FDS has properly considered infrastructure implications when deriving its preferred scenario.

- Finally. The FDS' desire to spatially align new jobs with new homes implicitly assumes that existing urban areas work best because they let new homes reside near existing employment areas. However, this overlooks the fact that many existing employment areas are nearly fully built-out. Accordingly, new business land will still also be required in the FUZ to keep pace with residential growth and ensure appropriate balances between homes and jobs. Again, however, the FDS' proposal to slash the FUZ does not seem to reflect this.

Overall, we strongly reject the MCA underlying the FDS and urge a complete rethink.

2. Introduction

2.1 Purpose of Report

This report peer reviews Auckland Council's (**AC**'s) *Draft Future Urban Development Strategy* (**FDS**) from an economics perspective, particularly the assessment of options in its *Growth Scenarios Evidence Report* (**GSER**).[1] For brevity, this report addresses only the most substantive issues arising, with a specific focus on the rationale for, and potential effects of, the proposed downzoning of large tracts of Future Urban Zone (**FUZ**) land due to alleged greenhouse gas (**GHG**) emissions impacts.

2.2 Background

Auckland is New Zealand's largest region by far, accounting for a third of its population, and a similar (or higher) share of total economic activity. While population growth slowed temporarily due to the pandemic's effect on migration, strong and sustained growth is still forecast well into the future.

In fact, the latest projections indicate the need for at least another 200,000 homes over the next 30 years, which is more than the current sizes of Hamilton, Tauranga, Dunedin, Queenstown, and Invercargill combined. Solid employment growth is also expected. So, there is still a challenge to ensure that enough homes of the right types and sizes are provided in the right places at the right time to keep pace with demand well into the long term.

The need to plan for strong and sustained population and economic growth is nothing new, though, with the region's current growth blueprint embedded in The Auckland Plan 2050's development strategy. It reflects the culmination of several years' concerted and collaborative effort by AC, local developers, and other key stakeholders (such as central Government and infrastructure providers).

The FDS, however, signals a wholesale departure from the current evidence-based approach to accommodating growth, including the proposed deletion of entire FUZ areas in flood-prone locations, with large chunks of FUZ areas elsewhere placed in limbo pending further investigation.

Given the overwhelming time and resource expended to agree the current approach, as per the Auckland Plan 2050, any proposal to depart from that – like the FDS – must be supported by comprehensive and exhaustive research and analysis that clearly spells out the case for change and proves that the FDS is a superior way forward.

In our opinion, however, the research and analysis underpinning the FDS – particularly its evaluation of different growth scenarios – is materially deficient and falls well short of the evidential threshold that one would rightfully expect given the circumstances.

2.3 Key Issues Addressed & Report Structure

This report focusses on the following aspects of the FDS's growth options assessment, which follow the key steps in the underlying multicriteria assessment (**MCA**):

[1] Available here https://akhaveyoursay.aucklandcouncil.govt.nz/85613/widgets/408922/documents/261986

1. **Option Definition**: The process of identifying and evaluating scenarios is unorthodox and potentially misleading. It incorporates a "utopian" hypothetical option that becomes a fictional benchmark against which the other scenarios are unfairly assessed (**section 3**).

2. **Criteria Identification**: The criteria are not well formulated, and place far too much emphasis on vehicle kilometres travelled (**VKT**) despite the widely-known limited ability for land use controls to materially affect GHG emissions (**section 4**).

3. **Option Scoring & Weighting:** The scoring and weighting of growth options in the MCA appears to skew the assessment towards those that match the FDS' new growth narrative (**section 5**).

4. **Consideration of capacity sufficiency:** The analysis errantly relies on plan enabled capacity, rather than feasible or likely realisable, when assessing the need for - and merits of – the FUZ (**section 6**).

5. **Impacts on Competition, Choice & Affordability**: The analysis pays little attention to impacts on key NPS-UD issues, such as land market competition, plus housing choice and affordability, despite the FDS being a key vehicle for helping achieve such objectives (**section 7**).

6. **Derivation of Preferred Strategic Direction**: Finally, the methodology used to translate the options analysis into the FDS' preferred/composite scenario is unclear and raises many unanswered questions (**section 8**).

3. Scenario Definition

3.1 Introduction

The first step in an MCA is to define the options for assessment. Typically, there are three to four options, with one being the status quo, so that any proposed changes can be readily compared to the current course of action. However, the FDS' approach to option definition is unorthodox and the resulting set of options raises many issues, as set out below.

3.2 Inclusion of Implausible/Extreme Scenarios

The process used to derive the four options and their associated characteristics is slightly unclear, but it has a major bearing on the overall direction and likely findings of the analysis. Of particular concern is the inclusion of an unrealistic benchmark scenario (Scenario A) that assumes different development patterns, home and job locations, and travel habits to the other three scenarios, but which are often masked or not properly acknowledged, causing the other three scenarios to be unfairly assessed.

For example, the executive summary of the GSER simply notes that "four growth options were developed, representing different spatial options for land use, accommodating a consistent quantum of Auckland's growth and change in dwellings and jobs over the next 30 years."[2] Similarly, on page 5, the report goes on to further state that: "four alternative growth scenarios were developed, each representing a different urban form."[3] Clearly, these descriptions imply that the four scenarios are equally plausible but differ (mainly) in their associated urban forms. However, that is not the case.

The fundamental differences between Scenario A and the other three becomes clearer throughout the rest of the document, with numerous obscured soundbites adding important context. For example, the following comment is buried amongst the detail on page 8:

> *"The evaluation found little difference between the scenarios in terms of model outputs relating to travel behaviour, except for Scenario A which…deliberately [included] significant shifts in land use patterns and transport assumptions."*[4]

Digging deeper, I discovered that even the process for deriving Scenario A differed from the others. Specifically, page 12 of the GSER acknowledges that the first three scenarios were derived via workshops held with subject matter experts. Scenario A, conversely, was derived during the development of the Transport Emissions Reduction Pathway (**TERP**) by a smaller subject matter expert group to "reflect a spatial distribution world where climate mitigation and adaptation interventions and land use planning were prioritised over other goals and objectives for the region."[5]

[2] GSER, page 4
[3] GSER, page 5
[4] GSER, page 8
[5] GSER, page 13

This hypothetical fourth scenario (derived by a smaller number of experts outside the workshops held specifically for that purpose) makes many unrealistic assumptions that render it a poor benchmark for evaluating other scenarios.

For example:

- Scenario A Incorporates fundamentally different, unsubstantiated transport assumptions that defy any like-for-like comparison with the other scenarios, including that:[6]
    - People with office jobs work from home 1 day per week (which is about triple the rate assumed for the other three scenarios); and
    - Public transport fares are $2 per trip forever (regardless of trip length/mode); and
    - The uptake of active travel modes is much greater than in the other scenarios.
- Plus, Scenario A assumes much higher levels of job and housing growth "to enable the model to make more decisions on uptake of development capacity including providing a significantly more mixed-use environment to support more dispersed employment locations".[7] Consequently, scenario A assumes much closer spatial matches between the locations of new jobs and new homes than the other scenarios, which directly bolsters its modelled travel benefits.[8]
- Scenario A assumes that relatively high-density development will occur throughout the region, even in remote rural areas, with 80% of future dwellings in rural nodes expected to be "attached" versus only 20% currently.[9]
- In addition, it features a superior public transport network with greater network reach and higher service frequency.
- Finally, Scenario A omnipotently withdraws capacity outside areas for intensification "as a way to influence the model to respond according with the scenario narrative."[10]

Because of these key differences in foundational assumptions, Scenario A is neither plausible nor realistic, so including it is inappropriate as it sets an unfair benchmark against which other scenarios are assessed. Interestingly, even the report itself appears to acknowledge the limited inferential value of this scenario, with the following admission made on page 28:

[6] GSER, page 19

[7] GSER, page 13

[8] This can be seen on page 15, where the assumed locations of new jobs and homes is almost perfectly spatially aligned in Scenario A compared to the other scenarios.

[9] GSER, page 20

[10] GSER, page 13

Figure 1: Excerpt from Page 28 of the GSER

> Overall, Scenario A performed the best across most criteria. Scenario A was specifically developed with significant shifts in land use planning and transport assumptions to better reflect the expectations of the TERP[8], to test whether modelled travel behaviour, mode share and especially transport greenhouse gas emissions would change compared with other scenarios. As such, the fact that Scenario A performed better provides some important lessons but does not necessarily provide the solution for spatial planning. However, these differences also makes it challenging to compare outputs on a like-for-like basis with the other scenarios, particularly when trying to identify the land use, transport, model input or other reason for these differences. The findings from the evaluation of Scenario A and the other three scenarios inform the spatial component of the Future Development Strategy.

In our view, the inclusion of Scenario A has significantly clouded the overall assessment of options and appears to reveal the degree to which some participants have "pushed the envelope" towards an ideologically preferred outcome. Despite all that, Scenario A still did not achieve the ambitious emissions reductions sought via the TERP[11] which, in our view, highlights the risk and futility of focussing too strongly on GHG emissions in developing the FDS.

In a similar vein, scenario D makes little sense because it reflects a highly dispersed urban form that also veers from the current agreed approach and thus is not credible. For context, scenario D sees only 52% of new homes being built inside existing urban areas, with 48% in the FUZ and rural areas. This too is a wholesale departure from the agreed "70/40" split underpinning the current strategy and therefore also has no plausible, real-world basis.

Coupled with the fanciful nature of Scenario A, the unusual spatial definition of Scenario D means that two of the four options are non-starters for determining the best way to accommodate growth in homes and jobs over time.

3.3 Absence of Status Quo Option

Not only is the assessment compromised by the inclusion of two unrealistic scenarios (A & D), which needlessly consume analytical resources while bloating FDS reporting, but there is also no scenario representing the status quo. This is unusual, because the default course of action for virtually any option assessment is to simply "do nothing" and carry on as-is. Absent such an option in the assessment, it is impossible to compare the potential impacts of proposed new directions to the current, evidence-based future development trajectory.

For the record, we note that Scenario C is the closest match to the status quo, but it also includes a series of undocumented adjustments that obscure any efforts to reconcile the proposed new strategic direction with the current agreed one.

[11] See page 31 of the GSER.

4. Evaluation Criteria

4.1 Introduction & List of Criteria

This section addresses several critical issues related to the criteria selected to evaluate options. For ease of reference, the table below lists the 29 criteria in the growth options MCA, which we have grouped according to the key themes emerging.

Table 1: Criteria in Growth Options MCA (grouped by perceived key themes)

Travel Impacts/Accessibility (11 criteria)
Degree to which essential social infrastructure/employment is accessible by multiple modes in high dep. areas
Extent to which education is accessible by different modes (public transport + active modes)
Extent to which employment opportunities are aligned with areas of population growth
Extent to which household living costs can be reduced by increased proximity to employment opportunities
Extent to which key areas of economic activity are accessible by different modes (public transport + active modes)
Extent to which population is exposed to harmful air emissions
Extent to which rural production areas are accessible
Extent to which scenarios promote mixed use communities to reduce travel distances and safety risks
Extent to which scenarios provide improved, inclusive, & equitable access to social infrastructure & public spaces
Extent to which travel times are reliable
The extent to which scenarios impact carbon emissions
Environment (4 criteria)
Extent to which development promotes the restoration/connectivity of indigenous biodiversity
Extent to which development provides opportunities to improve the health of natural wetlands (brownfields)
Extent to which development provides opportunities to improve the health of natural wetlands (greenfields)
Extent to which options reduce the ability to swim safely and collect shellfish
Land & Housing Markets (4 criteria)
Extent to which growth creates greater housing choice to meet projected demand
Extent to which physical constraints increase the cost of development
Extent to which suitable land is available for Group 1 (land extensive) industries
Extent to which the market is likely to respond to the proposed land use pattern
Social/Culture/Heritage (2 criteria)
Extent to which scenarios are likely to result in improved levels of access to quality open space
Extent to which scenarios retain qualities of historic heritage places and values
Economy (2 criteria)
Extent to which opportunities for the agglomeration of similar/dependent industries are provided
The degree to which urban development consumes highly productive soils
Infrastructure (2 criteria)
Extent to which scenarios support current committed infrastructure
The extent to which scenarios result in measurable public monetary costs or losses over time from infrastructure
Māori (2 criteria)
Extent of Māori land within growth areas
Extent to which scenarios impact on Māori cultural landscapes
Natural hazards/Climate adaptation (2 criteria)
The extent of new urban development areas in 100-year floodplains (brownfields)
The extent of new urban development areas in 100-year floodplains (greenfields)

We now discuss several substantive concerns arising from the breadth and depth of these criteria.

4.2 Circularity Between Options & Criteria

The criteria used to assess FDS options reflect the collective input of many stakeholders, particularly the expert group convened to evaluate options. While that is fine, the overall process for deriving the assessment criteria is unclear and has resulted in a troublesome circularity between the scenarios and the criteria evaluating them. For example, page 8 of the GSER states:

> *"While the scores provide a useful indicator of the relativities between the scenarios, there was a strong inter-relationship between the scenarios and the criteria they are measured against. Therefore, the findings drawn from the results of the evaluation are thematic."*

This circularity between options and scores, and the resulting thematic nature of the results, is unusual and highly misleading. The criteria should be derived independently from the options to avoid potential bias, especially when the scores derived in the MCA depend on experts exercising their professional judgement in insolation (evidently) at remote, independent evaluation sessions.

4.3 Decision to Ignore Common Ground

Another issue with the evaluation criteria is the unusual decision to ignore common ground and focus only on option differences. Specifically, page 21 of the GSER lists various evaluation themes (i.e. criteria), which were initially deemed important, but then many are disregarded entirely or considered only fleetingly because the evaluators decided to look only at points of difference. In the words of the report:[12]

> *"Having considered the range of criteria identified, it was then determined that only criteria that would differentiate the scenarios should be taken through into the evaluation process."*

While option differences may be of greater analytical interest than commonalities, omitting criteria where options perform similarly systematically distorts the scale of reported option differences. Conversely, by including all criteria in the assessment, even those where options are expected to perform equally, readers can gain a full picture of option similarities *and* differences.

At the same time, focussing only on differences has meant that several key criteria are not covered in any meaningful detail (presumably because they were deemed by evaluators as areas of common ground), including: [13]

- Development feasibility;
- Housing affordability; and
- Ensuring there is enough land for business.

In our view, the GSER unhelpfully focusses on a carefully curated set of criteria that are designed to amplify option differences while simultaneously masking a high degree of common ground. Overall, this is an unhelpful and misleading way to frame the analysis.

[12] GSER, page 22

[13] See the list of initial criteria themes in Box 3 on page 22 of the GSER.

4.4 Undue Fixation on Travel Impacts & Accessibility

Transport has always been an important consideration to help determine where and when to enable growth in the population and the economy over time, particularly access to public transport and potential for active travel. That said, the FDS appears to place excess weight on travel accessibility and its impacts, particularly since the MCA has no criteria weightings.[14] Absent such weights, the more criteria there are per theme, the greater the weight that theme carries in the assessment.

As per the table above, transport impacts and accessibility – as we have categorised them – account for 11 of 29 criteria (or 38%), compared to only two criteria for natural hazards and climate change adaptation/mitigation (7%). This means that transport and accessibility effects receive more than five times the weight of climate change adaptation and mitigation effects in the growth options assessment (i.e 38% vs 7%). While transport impacts and accessibility *are* important, the FDS's fixation on them is a concern for the reasons set out below.

4.4.1 Future Travel & Emissions are Mostly Baked-In

Auckland's future spatial form, and thus its future transport emissions, are already largely baked-in due to its existing population and economic activity, with growth therefore having only marginal effects overall. This is a key finding of the FDS, which states the below in its executive summary:[15]

> *"Most of Auckland's future spatial form already exists and growth has limited influence."*

Later, on the same page, it elaborates that:[16]

> *"Key destinations for household trips, such as employment areas and education facilities, are well established, so changing the location of future dwellings (e.g. adding more origins) does not materially affect existing travel patterns other than reinforcing them by adding more trips."*

Indeed, with 1.7 million existing residents, the region's spatial form is mostly "baked-in" with growth representing only small changes. Consequently, focussing on marginal changes in $C0_2$ emissions between growth options, while placing little weight on other important factors, seems inappropriate and ultimately unhelpful.

4.4.2 Cars Account for Only a Small Share of Total CO_2 Emissions Anyway

Not only will the FDS have trivial impacts on the region's future emissions profile, but light passenger vehicles (i.e. cars) also account for only a modest fraction of national CO_2 emissions anyway. This is illustrated in the table below from the latest Greenhouse Gas Inventory (published in 2023).[17] It shows that cars produce only 8% of total (gross) CO_2 emissions, and hence that policies aimed at curbing GHG emissions from cars will have limited impacts on meeting national emissions targets.

[14] GSER, page 21
[15] GSER, page 8
[16] GSER, page 8
[17] https://www.mfe.govt.nz/climate-change/state-of-our-atmosphere-and-climate/new-zealands-greenhouse-gas-inventory

Table 2: Shares of Gross $C0_2$ Emissions by Group in 2021

Emitter Groups	$C0_2$ Emissions Shares
Agriculture	49%
Manufacturing	8%
Energy Producing Industries	7%
Industrial Processes	6%
Other Productive Sectors	6%
Road Transport - Cars	8%
Road Transport - LCVs	3%
Road Transport - HCVs	5%
Other Transport	2%
Waste/Tokelau	4%
Fugitive Fuel Emissions	1%
Total	**100%**

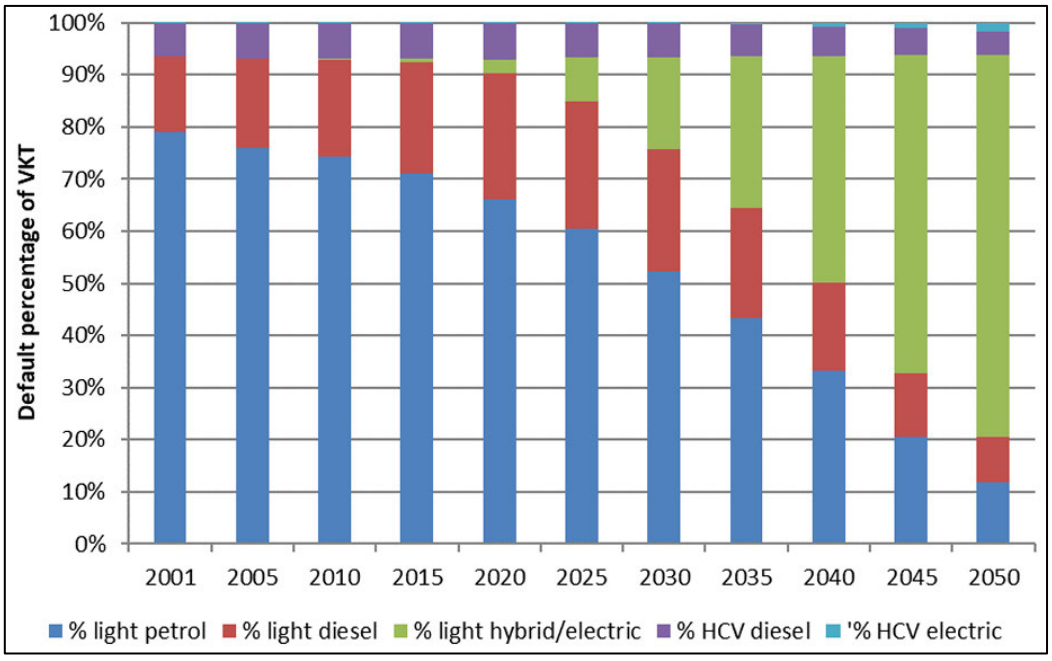
4.4.3 Car CO_2 Emissions Are Falling Rapidly Already

Not only do cars account for a slim share of national CO_2 emissions, but the average CO_2 emissions of cars is already falling due to rapid shifts towards electric, hybrid, and other low-emissions vehicles. This is illustrated in the chart below, which shows the projected composition of future VKT according in the Vehicle Emissions Prediction Model (**VEPM**), developed jointly by Waka Kotahi (**WK**) and AC.

In the graph below, the:[18]

- Blue segments represent the share of total VKT by petrol-powered cars, and
- Green segments represent the share of total VKT by hybrid and fully electric vehicles.

Figure 2: Historic & Projected Shares of VKT by Vehicle Type and Motive Power



[18] https://www.nzta.govt.nz/assets/Highways-Information-Portal/Technical-disciplines/Air-quality/Planning-and-assessment/Vehicle-emissions-prediction-model/VEPM-6.3-technical-report-2022.pdf

Figure 2 above shows that petrol-powered cars accounted for nearly 80% of total VKT in 2001, but will reach about 60% by 2025. By 2050, petrol cars will account for just over 10% of total VKT, with hybrid and electric cars accounting for more than 70%. Given this rapid background trend, it follows that trying to reduce Co2 emissions via the spatial location of new jobs and homes will have very little impact overall and thus is not an appropriate primary focus for the FDS.

Interestingly, the relative importance of fleet electrification, and the limited scope to affect change via land use controls, was clearly acknowledged in the Auckland Climate Plan (**ACP**), which the FDS seeks to give effect to. For example, the ACP notes the following emissions reduction potential by policy initiative (on page 51):

- Remote working and reduced trip lengths –10% emissions reduction.
- Shifts to PT, walking and cycling – 14% emissions reduction.
- Switching to low-emissions vehicles – 55% emissions reduction.

Given that the FDS will have only minor impacts on the first two categories, its overall potential to accelerate ongoing CO_2 emissions reductions is limited and must be recognised as such.

4.4.4 FUZ GHG Analysis is Flawed & Misleading

According to the FDS, large areas of FUZ are pending further investigation due to natural hazards and the potential for higher-than-desired GHG emissions. We agree that development should be managed in flood-prone areas, or those at undue risk of natural hazards. However, we fundamentally disagree with potentially downzoning large swathes of FUZ due to estimated GHG impacts, because the underlying modelling is stacked against the FUZ. We elaborate below.

To estimate the future GHG emissions of different growth nodes, including the FUZ, various transport and land-use models were run iteratively to determine origin-destination matrices showing the travel patterns for 554 zone (i.e. locations) across Auckland. Mapping those fine-grained model zones to AUP zones, the travel impacts of each growth scenario could be readily estimated.

While the overall modelling approach is fine, the analysis captured only the current snapshot (as at 2022), when many FUZ locations were not well-developed and had relatively poor balances between homes and jobs. In short, by failing to reflect the self-sustaining future state of each FUZ area due to a balanced provision of residential *and* business land (as per their structure plans), the modelling grossly overstates the likely travel impacts of FUZ areas. This major limitation of the VKT and GHG assessment is documented on page 82 of the Future Urban Areas Evidence Report, as per the screenshot below.[19]

[19] Future Urban Areas Evidence Report, page 82.

Figure 3: Caveat of the Future Urban Areas Evidence Report Transport and GHG Assessment

- Presented data is a snapshot in time – some locations may be quite early in their development cycles and (modelled) travel behaviour may change as a result of further development (eg a FUA develops with stage 1 mostly residential, stage 2 mostly employment, but at the time of assessment, only Stage 1 residential development is underway, with PT services expected later, leading to long Car commutes (high VKT and low population) for early residents)

To understand the implication of this, consider the plight of Milldale and the FUZ surrounding it. Not only is Milldale one of New Zealand's largest residential subdivisions, but it is also adjacent to Silverdale West, where about 600 hectares of light industrial land will eventually be live-zoned. However, because the travel analysis reflected only the situation in 2022 when the Silverdale West business node was yet to commence, the travel impacts of Milldale and surrounding FUZ areas were systematically overstated. Conversely, if the model had been rolled forward to include the future employment area nearby, plus the various commercial areas yet to be fully developed within Milldale, its modelled impacts would differ vastly. The same applies in other FUZ areas where residential growth has preceded job growth, or vice versa.

Interestingly, despite this inherent bias against the FUZ, the modelling still showed that people living in the FUZ would generate near-identical rates of CO_2 to those in the existing urban area. In fact, the modelled car CO_2 per household for the FUZ was *lower* than for the existing urban area. See Table 3 below.[20]

Table 3: Outputs of Travel Model for CKT and CO2 by Household Origin

Origin	VKT/Car/Household	Car CO_2/household
Existing urban	48.60	3.31
FUZ	50.59	3.30
Rural	69.74	4.51
Out of Region	51.94	3.40
Total Auckland	**50.39**	**3.40**

4.4.5 Failure to Consider Other Options to Reduce CO_2 Emissions

Reducing CO_2 emissions is a task shared by all levels of Government, each with its own set of levers. For example, Central Government can introduce emissions standards for vehicles entering the fleet, or it can raise petrol taxes, to name but a few. Local Government, on the hand, has a smaller set of tools to play with, so the focus appears to have settled on the use of land use controls to reduce average travel distances.

We agree that shorter trips and greater use of public transport and active modes are important policy targets for Local Government. However, they are not the only tools available, with others being important additions. For example, the ACP identifies the following other ways to help improve Auckland's future GHG emissions profile (some of which may require central Government support):

[20] Future Urban Areas Evidence Report, page 91.

- Reduce private vehicle travel and encourage lower emissions travel options by introducing pricing and parking measures[21]; and

- Implement policies and regulations that facilitate faster uptake of lower emissions vehicles.[22]

And, according to recent policy research, travel demand management (**TDM**) measures like road pricing and parking charges are more effective at reducing VKT than land use controls or mode shifts to public transport (**PT**).[23]

4.5 Intensification Amenity Effects

Unlike its strong focus on transport, the FDS appears to pay little – if any – attention to the potential adverse effects of intensification even though they will vary by scenario. These effects have been widely canvassed in recent policy work, both here and overseas, including a cost benefit analysis completed by Sense Partners and PWC for the MDRS.[24] It identified the following common adverse amenity effects of intensification, none of which appear to be adequately considered in the FDS, particularly for scenario A that relies on widespread intensification.

- Loss of views;
- Shading and loss of sunlight;
- Noise pollution; and
- Light pollution.

Note: while the NPS-UD & MDRS accept that such effects will occur and implore Councils to enable intensification anyway, they are still relevant to the comparison of options (from an economic perspective) but are notably absent from the assessment.

4.6 Impacts on Housing Sufficiency, Choice & Affordability

Finally, we note that the FDS provides very limited coverage on key NPS-UD objectives, such as land market competition, capacity sufficiency, housing choice, and affordability. Given the significance of these concerns, they are addressed separately in sections 6 and 7 below.

[21] ACP pages 82 and 142

[22] ACP page 144

[23] See, for example, the findings of this report: https://www.transport.govt.nz/assets/Uploads/Discussion/DiscussiondocumentHikinateKohuparaKiamaurioraaiteiwiTransportEmissionsPathwaystoNetZeroby2050.pdf

[24] https://environment.govt.nz/assets/publications/Cost-benefit-analysis-of-proposed-MDRS-Jan-22.pdf

5. Option Scoring & Weighting

5.1 Introduction

Once growth options/scenarios and evaluation criteria are identified, the next step in an MCA is to score options against criteria, before weighting the scores to derive an overall ranking of options. In this section we discuss several issues related to the scoring and weighing of criteria.

5.2 Reliability of Model Inputs & Outputs

According to the GSER, the scores derived for each criterion reflect the outputs of an iterative modelling exercise combined with expert judgement. While we agree that a wide range of complementary quantitative and qualitative data should be used to score options wherever possible, we have some concerns about the reliability of the model's inputs and outputs.

First, some of the model's inputs are out-of-date. For example, the modelling assumes the need to accommodate an extra 408,000 dwellings and 380,000 jobs over the next 30 years, compared to only about half that amount in the FDS itself. By modelling much higher levels of growth than are now anticipated, the analysis overstates the travel (and GHG emissions) impacts of each option.

Other inputs of concern include the unreferenced and unsubstantiated assumptions that:

- A city centre cordon and road pricing are in effect from 2031 and 2041, respectively[25]
- Infrastructure required for all options is technically feasible[26]

While the latter is likely for the FUZ where infrastructure requirements have been closely studied, the same cannot be said for the infrastructure required to support widespread intensification under PC78 (whose newfound capacity is integral to the FDS's proposed new direction).

Second, the reliability of the model's processes, and hence outputs, is also a concern. For example, page 12 of the GSER admits that the model crashes and breaks if there is insufficient capacity, which raises concerns about its robustness and reliability. Further, page 18 of the GSER admits that the model has limitations around capturing behaviour change even though that is critical to realising the alleged benefits of certain scenarios. Even worse, page 24 states that:

> *"To direct 'take up' to specific locations sometimes required plan-enabled capacity to be reduced or capped to limit take up and force the model to develop in accordance with the scenario narrative."*

This is a startling confession. Interfering with the model's operation and forcing it to take actions that suit a scenario narrative directly invalidates its outputs and casts serious doubt over the objectivity of the overall modelling process itself.

[25] GSER, page 17

[26] GSER, page 18

5.3 Reliance on Expert Judgement

We are also concerned that expert judgement has played such a major role in scoring the scenarios. For example, the following matters were primarily evaluated by the subject matter experts:[27]

- Natural hazards
- Carbon emissions
- Housing choice
- Biodiversity
- Health of water bodies
- Water quality
- Highly productive soils
- Natural and built heritage
- Access to social infrastructure
- Air quality
- Māori and cultural landscapes
- Costs of development
- Infrastructure
- Market feasibility

These considerations are broad and far reaching, so it is essential that an appropriate mix of experts is used to assess them. However, the number of experts engaged, their qualifications, experience, and areas of expertise are not divulged, which raises concerns that a sufficiently deep and broad mix of expertise has been brought to bear. This is compounded by a comment on page 25 of the GSER which identifies the expert group as comprising only members of the (unnamed) project team plus subject matter experts from Council departments and CCOs.

In our view, the absence of any expert input from other key stakeholders, such as FUZ landowners, dramatically reduces the credibility and reliability of scores derived via expert judgement.

5.4 Many Criteria are Assessed by Narrow/Misleading Measures

There are also several specific scoring issues that appear to hamper the assessment's reliability and directly reinforce scenarios that fit a particular narrative.

The first specific scoring issue is that many criteria in the MCA are assessed against measures that appear unduly narrow, incomplete, or misleading. These include:

- **Access to open space** is measured by the number of households and people within a walkable catchment of an open space that is at least 3000m^2.[28] Not only is this size threshold arbitrary, but the criterion itself does not consider the quality of the experience, nor the likelihood of congestion occurring at existing parks in scenarios with high intensification.

[27] GSER, page 25

[28] GSER, page 36

- The **extent to which population is exposed to harmful air emissions** from transport focusses on the *generation* of emissions, not the population's *exposure* to them.[29] This is highly misleading given the criterion's title, and it obscures the likely health impacts of scenarios that rely on high levels of intensification (such as Scenario A). Instead, this criterion assigns scenario A the highest score possible.

- **Access to social infrastructure** was defined to include access to hospitals via active modes or PT.[30] We consider this unhelpful because hospitals are visited only seldomly. And, when they are accessed, it is usually in a hurry via a car or ambulance. Accordingly, the accessibility of hospitals via PT and active modes is a crude and very narrow way to measure each option's access to social infrastructure.

- Similarly, **access to social infrastructure and employment in high deprivation areas** is partly based on accessibility to tertiary education via active modes or PT.[31] Again, however, very few regional residents are enrolled in tertiary education, so this is an unduly narrow way to measure the overarching criterion. Not only that, but many people are now regularly accessing tertiary education online.

- The **extent of Māori land within growth areas** was crudely inferred via GIS estimates of proximity to Marae and other similar landmarks, without any input from Mana Whenua, despite the assessment recognising that:[32]

  > *"Only Mana Whenua can determine what impact the scenarios would have on Māori land and what types of Māori land are of greatest priority…[but the assessment] does not represent the views of Mana Whenua."*

- **Accessibility to key economic activity** was measured in reference to only the city centre, airport, metropolitan centres, and town centres. While those undoubtedly are areas of key economic activity, they are not the only ones. Others that could/should have been included are the large swathes of business/mixed-use/light industrial zones that span the region:[33]

- **Access to education** was measured by access to tertiary education by PT and active modes.[34] However, as already noted, only a small share of the region's population is engaged in such study and many are now studying online. Moreover, students enrolled in tertiary education are likely to self-select living locations that are relatively close to their place of study, so this specific measure is of limited value for differentiating options.

[29] GSER, page 37.
[30] GSER, page 40.
[31] GSER, page 41.
[32] GSER, page 43.
[33] GSER, page 45.
[34] GSER, page 47.

- **Household living costs** are measured by the extent to which living costs can be reduced by increased proximity to employment opportunities. However, according to the Household Economic Survey (**HES**), transport costs are only about 10% of weekly household spending. Coupled with the fact that travel to work accounts for only 20% of weekly travel, this criterion effectively focuses on an issue that represents only about 2% of weekly spending.

- **Costs of development** were measured only by the extent to which physical constraints (like contour or instability) may affect them.[35] This is an incredibly narrow view of development costs and, amongst other things, overlooks the effects of lower land market competition on section prices. At the same time, it penalises development in newer areas where land is yet to be shaped and readied for buildings, while glorifying intensification, despite noting that:

  > *"At the evaluation workshop, the relativity between scenarios was agreed because Scenario D takes development into more marginal land. However, it is also acknowledged that within existing urban areas there may be additional development costs that are not addressed by the evaluation."*

- **The extent to which the market is likely to respond to the development pattern** conflates areas with high land value as areas that are attractive to the market, even though the opposite is often the case.[36] i.e. the market often prefers lower cost options.

5.5 Cardinal Nature of Model Outputs Not Reflected in Scores

The next specific scoring issue is that the cardinal nature of the modelling outputs is not reflected in the MCA scores. For example, an option may have scored only slightly better than another on a particular criterion according to the modelling, but the MCA scores imply that it performed two or three times better overall. This issue affects at least four of the MCA's 29 criteria, including:

- The extent to which scenarios impact carbon emissions (page 32);

- Mixed use communities (page 40);

- Accessibility to key economic activity (page 45); and

- Infrastructure costs (page 55).

5.6 Scoring Does Not Reflect Preceding Discussion

Finally, we note that the scoring for several criteria do not reflect the preceding discussion in the GSER. This issue affects at least six of the MCA's 29 criteria, including:

- The degree to which urban development consumes highly productive (page p35);

- Housing choice (page 39);

[35] GSER, page 56.

[36] GSER, page 57.

- Access to social infrastructure by high deprivation areas (page 42);
- Access to education (page 47);
- Household living costs (page 50); and
- Costs of development (page 56).

5.7 Decision Not to Weight Criteria

As noted earlier, the expert evaluators made the unexplained decision not to weight the criteria when assessing options. This is highly unusual, and it directly elevates the importance of some factors while systematically downplaying others. That's because, absent weights, the more criteria per theme, the greater the weight afforded that theme in the evaluation, and vice versa.

For example, suppose that one theme is measured by 10 criteria, while another theme is measured by only two criteria. If weights are not applied, the first theme carries five times as much weight in the overall MCA than the other. Usually, this is addressed by applying weights that mitigate differences in criteria breadth and depth, but that is not the case here.

The following table puts the issue in context by showing the share of the MCA's 29 criteria that fall into (our suggested) evaluation themes, and the implied weighting on each overall. Clearly, the absence of weights causes some themes to be given excess weight at the expense of others, which lacks explanation and almost invariably distorts the assessment of options.

Table 4: Number of Criteria and Implied Weighting by Evaluation Theme

Evaluation Themes	**Number of Criteria**	**Implied Weight**
Travel Impacts/Accessibility	11	38%
Environment	4	14%
Land & Housing Markets	4	14%
Social/Culture/Heritage	2	7%
Economy	2	7%
Infrastructure	2	7%
Māori	2	7%
Natural hazards/Climate adaptation	2	7%
Total	**29**	**100%**

6. Consideration of Capacity Sufficiency

6.1 Introduction

The NPS-UD requires Auckland, like all high growth areas, to provide at least sufficient housing and business capacity to meet demand (at all times) right through to the long term, including providing a range of options to meet varying needs, preferences, and budgets. The NPS-UD also specifies different types of capacity that must be assessed, which vary according to whether they are:

- Plan-enabled;
- Serviced (or serviceable) with infrastructure;
- Feasible for development; and
- Likely to be realised over each NPS-UD timeframe.

These different measures of capacity are critical to understanding whether planning decisions, such as future development strategies, enable enough capacity to meet likely future demand. Unfortunately, however, the FDS remains relatively silent on these matters and appears to pay little attention to capacity sufficiency. We elaborate briefly below.

6.2 Reliance on PC78 Plan-Enabled Capacity

Section 3.3 of the FDS addresses development capacity, albeit only at a high level. It refers to plan-enabled capacity for an additional 2.35 million additional dwellings, much of which stems from recent theoretical capacity uplifts ushered in by PC78. For ease of reference, the table below shows the broad location of this plan-enabled capacity relative to the distribution of existing dwellings.

Table 5: Location of Plan-Enabled Capacity Relative to Existing Spatial Form

Existing urban	% of Existing Dwellings	% of Plan-Enabled Capacity
Central City	5.0%	3.5%
Inner Suburbs	3.4%	1.5%
Eastern Brownfield	10.9%	10.9%
Isthmus Brownfield	26.9%	26.0%
Northern Brownfield	16.4%	16.2%
Southern Brownfield	13.2%	16.2%
Western Brownfield	6.7%	6.6%
Greenfield		
Northern-western Greenfield	10.9%	9.1%
Southern Greenfield	1.5%	3.0%
Rural		
Northern Towns	1.6%	2.4%
Rural	1.0%	0.7%
Southern Towns	2.6%	3.8%
Auckland Totals	**100.0%**	**100.0%**

An important observation from this table is that PC78 has boosted capacity in relatively remote existing urban locations, such as southern Brownfield where job accessibility is poor, but produced very little capacity in areas that are favoured by the growth options assessment. For example, the city centre accounts for 5% of existing dwellings, but only 3.5% of plan-enabled capacity. Similarly, the inner suburbs account for 3.4% of existing dwellings, but only 1.5% of plan-enabled capacity. On

the other side of the ledger, northern and southern rural towns account for a notably higher share of plan-enabled capacity than their corresponding shares of existing dwellings.

Thus, while PC78 may enable unprecedented levels of plan-enabled capacity, it does not necessarily help meet the region's goal of a compact urban form. In fact, because the capacity uplifts caused by PC78 are inversely proportional to the density already enabled by the AUP, it significantly boosts capacity in peripheral locations, but has relatively little impact in and around centres where higher density is already permitted.

This is reflected in the excerpt below, which shows the location of plan-enabled capacity relative to the city centre.[37] Given these insights, it is important not to get waylaid by the very large (aggregate) plan-enabled associated with PC78 and instead drill-down to consider whether that supposed theoretical capacity helps achieve the desired compact urban form. Potentially not.

Figure 4: Location of PC78 Plan-Enabled Capacity Relative to City Centre

5.2.4 Enabled Capacity by Distance from the CBD

The plan-enabled capacity in each travel distance band from the city centre is shown in Table 5-1, and compared with existing dwelling numbers. The plan-enabled capacity increases with distance outward from the city centre. Under the current AUP, there is plan -enabled capacity for close to 231,000 dwellings within 6km of the centre. The NPSUD/MDRS provisions without QMs would enable some 371,000 dwellings. With all QMs in place, the plan-enabled capacity would be some 276,000 dwellings. This is about 3.8 times the current 79,000 dwellings there.

Table 5-1 : Plan-Enabled by Distance from CBD

Distance from CBD (km)	Existing Dwellings	MDRS/ NPSUD No QMs	MDRS/ NPSUD (with all QMs)
0-2	28,800	96,500	90,000
2-3	13,500	67,900	40,000
3-4	10,500	57,700	36,100
4-5	10,900	61,400	44,600
5-6	15,200	87,500	65,000
0-6	79,000	371,000	276,000
6-10	87,000	478,900	414,600
10-12	45,100	304,900	281,200
12-15	66,700	411,100	370,300
0-15	278,000	1,566,000	1,342,000

Source: Housing Enablement Model 2022

Another issue is that PC78 is now effectively on hold, so it seems inappropriate to continue relying on its potential theoretical capacity. If PC78 is later withdrawn or revised substantially, there may be major implications for capacity sufficiency, but this is not properly acknowledged in the FDS. Moreover, plan-enabled capacity is a purely theoretical metric that has no real-world meaning, so relying on it here is, in our view, imprudent.

[37] PC78 Economy Matters section 32 report, page 99.

6.3 Assessing Serviceability, Feasibility & Realisability

Another concern is that FDS does not explicitly consider the infrastructure serviceability of growth associated with each scenario. Instead, it simply assumes that any infrastructure required to service growth will be technically feasible.[38] That will not always be the case, though.

Take, for example, the upgrading or replacement of a water or wastewater trunk main through a densely developed part of the existing urban area. The disruption associated with such an upgrade may render it technically (and/or practicably) infeasible, and this is more likely for growth scenarios that rely heavily on intensification. Again, however, this is not addressed in the FDS.

Similarly, the FDS and its accompanying evidence reports does not appear to properly consider financial feasibility. Instead, it invokes the following logic, presumably as a reason not to bother.[39]

Figure 5: Future Urban Areas Evidence Report Comments on Residential Capacity

1.3.5 Residential development capacity

The statutory requirement to apply MDRS to Auckland's residential zones has changed the development landscape by substantially increasing residential development capacity.

The draft FDS meets the statutory requirement under the NPS-UD to ensure there is at least sufficient housing and business development capacity to meet demand over the next 30 years. (Auckland Council, 2023d). Therefore, the draft FDS does not focus on identifying significant additional plan enabled development capacity. The focus is rather on the quality aspects of accommodating growth; where and how development take-up occurs.

This sentiment is echoed in the FDS itself, which states that plan-enabled capacity is several times the level of expected demand[40], which evidently provides some latitude. Then, it claims that "much of this enabled capacity is or will be commercially feasible" but that not all needs servicing now.

We consider it inappropriate to merely assert that a high proportion of plan-enabled capacity will be feasible without doing the work to prove it. Indeed, development feasibility has changed dramatically over the last few years due to the compounding effects of lower house prices, higher construction costs, and significantly higher interest rates. Together, these changes conspire against feasibility and may result in a shortfall, particularly over the longer term.

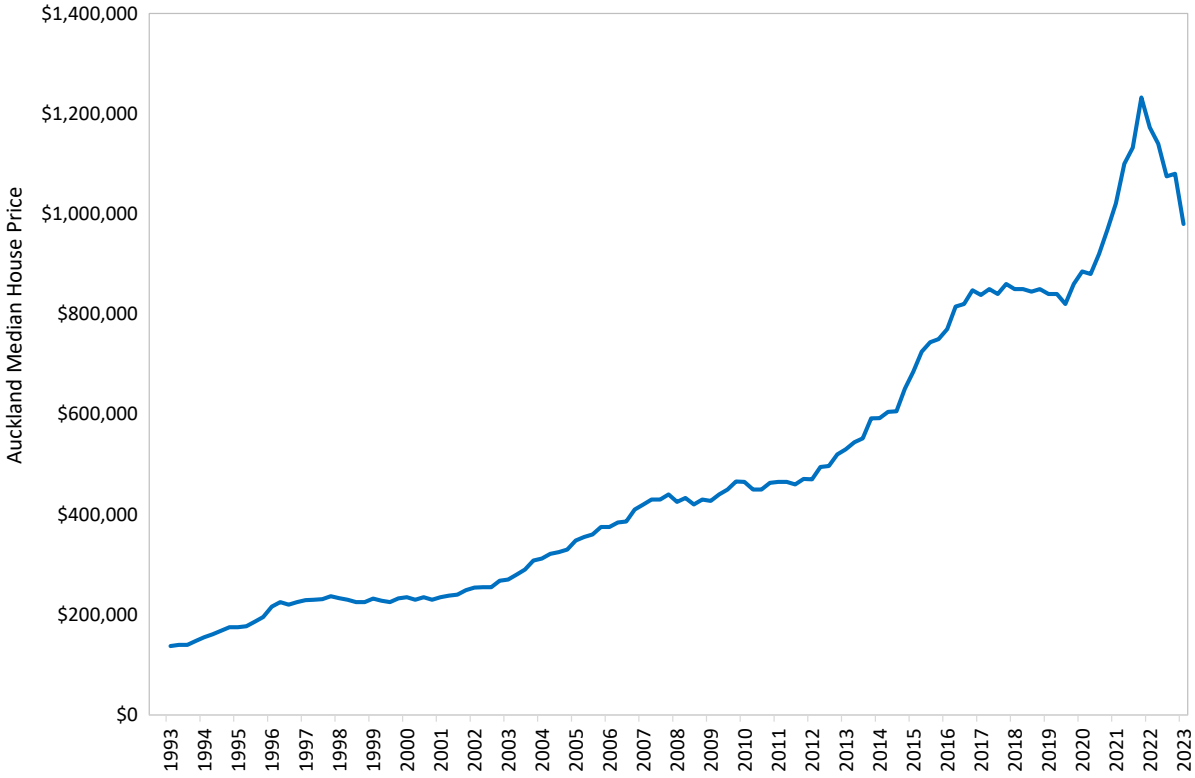
For context, the chart below shows how Auckland's median house price has tracked over time. While it has climbed steadily since the early 1990s, the region's median dwelling price has fallen precipitously from about mid-2021 onwards (when the FDS' modelling appears to have been done). In fact, the median price has fallen from $1.23 million in mid-2021 to only $980,000 in early 2023, a drop of more than $250,000 (or 20%) in less than two years. Coupled with the near-30% increase in residential construction costs over the same period, it should be clear that development feasibility has changed fundamentally and hence that relying on previous feasibility analyses is inappropriate.

[38] GSER, page 18.

[39] Future Urban Areas Evidence Report, page 14.

[40] FDS, page 29

Figure 6: Auckland Median Dwelling Price (from NPS-UD dashboard)



Not only does the financial feasibility of development appear to mostly be overlooked by the FDS and the GSER but, when it is considered, it is via an unorthodox approach that is unlike anything we've ever seen before. Specifically, the GSER summarises its approach to estimating development attractiveness and feasibility as follows:[41]

> *"The attractiveness of a [MSM transport] zone is determined through the land use model based on various aspects. Firstly, it looks at the permissible development (capacity together with the projected household and employment growth) to determine how much additional development is required to accommodate growth.* ***It then looks at the "rent values" in each to determine which zones are profitable to develop*** *(from developer's point of view higher rent means more profit). Baseline rent values are from the Council's rating database."* [emphasis added]

In terms of likely realisable capacity, the FDS appears to rely on historic uptake to determine that sufficient realisable capacity exists. Specifically, it states:[42]

> *"Take-up has been high in almost all areas where intensification has been enabled by the AUP, including in relatively low land-value locations. Ongoing take-up of these opportunities is reasonably expected wherever they are provided."*

We agree that take-up will continue, but not necessarily like it has before. First, financial feasibility has changed substantially. Second, many of the best intensification opportunities have already been

[41] GSER, page 24
[42] FDS, page 30

taken up, with remaining ones likely to be more marginal. Third, the capacity unlocked by PC78 is not like the capacity unlocked by the AUP, so this statement is a false equivalence.

6.4 Consideration of Business Land Needs

Finally, we note that the FDS appears to pay scant attention to ensuring that sufficient business land is provided in the right places at the right time to keep pace with demand. Instead, the FDS simply asserts that:[43]

> *"There is likely to be at least sufficient plan-enabled business capacity on an aggregate, region-wide basis."*

However, this is immediately qualified in the next paragraph as follows:[44]

> *"Shortfalls in some sub-regions, or for specific business sectors, particularly for land extensive sectors could occur in the short to medium term. Over the medium to long-term, these are planned to be addressed by the provision of additional business-zoned land, including through the provisions of new centres in new development areas."*

We agree that there will be shortfalls in business capacity over the short- to medium-term for certain parts of Auckland and/or specific business sectors. This is reflected in the current, historically low vacancy rates prevailing in many of the region's business property markets.

For example, a Colliers research report for the first quarter of 2023 noted that the region's industrial property market had reached a historically low level of vacancy, with the vacancy rate for prime industrial properties falling to only 0.5%.[45] In some southern industrial areas, such as Manukau/Wiri and East Tamaki, there were virtually no vacancies as at the time of their survey. This is a concern, because a lack of vacant premises stifles opportunity and may even cause some businesses to be displaced to other regions, such as the large new business area in Pokeno.

Other recent research reports draw similar conclusions. For example, Bayleys[46] recently noted that "historic low levels of vacancies, combined with strong demand from occupiers, is often resulting in spaces being leased well in advance of actual lease expiry dates or physical vacancies." This is highly unusual and reveals the extent of current industrial land shortages.

The Bayleys report goes on to state that "persistent shortages of industrial land have led to substantial growth in prices. Would-be owner occupiers are increasingly having to extend their search perimeters [sic] out to the fringe of the region or even into other regions." Other research by CBRE[47] and JLL[48] also report incredibly low vacancy rates for many business property markets, which confirms an acute need to provide additional business land now.

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[43] FDS, page 31

[44] ibid

[45] Colliers, Auckland Industrial Snapshot for Q1 2023, page 1.

[46] Bayleys, Industrial Market Update, Auckland Q1 2023

[47] CBRE, Auckland Property Market Overview, Q1 2023

[48] JLL, Market Snapshots Q1 2023.

Despite this backdrop of a dearth of available business land, the FDS appears to take a rather cavalier attitude to planning for growth in business activity. It cites fanciful estimates of vacant and vacant potential capacity within existing business areas[49] and appears to presume that this can meet short to medium term needs.

Not only do we categorically reject the FDS' estimates of additional business capacity residing within existing areas, but we also consider its assessment of the need for additional business land to be internally inconsistent. On one hand, it notes that at least 1,000 hectares of business land will be needed in new urban areas, but on the other it appears to delay the rezoning/enablement of them. For example, it seems that the rezoning of the Silverdale West business area has been pushed back despite being a critical part of the blueprint for that area.

In our view, the FDS's approach to business land is reckless. Not only will it starve the market of much needed boosts in supply to rectify existing shortfalls and keep pace with projected growth in demand, but it will also push up land prices and thereby undermine affordability for businesses looking to establish, expand, or relocate within the region.

[49] For example, it estimates unrealistic levels of plan enabled capacity above ground floor in areas where ground floor locations are not only preferred, but often essential for access and other reasons.

7. Impacts on Choice & Competition

7.1 Introduction

Just as the FDS provides only very limited commentary on capacity sufficiency, so too does it pay surprisingly little attention to other NPS-UD objectives, such as land market supply, competition, plus future housing choice and affordability. We briefly touch on these issues below.

7.2 Importance of Fostering & Maintaining Competition

A key plank of the NPS-UD is to foster and maintain competition in both land and development markets. For example, Objective 2 of the NPS-UD seeks that:

> *"Planning decisions improve housing affordability by supporting competitive land and development markets."*

This is given effect to via Policy 1 of the NPS-UD. It requires planning decisions to contribute to well-functioning urban environments, which (amongst other things):

> *"Support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets."*

At a more prescriptive level, the NPS-UD requires Tier 1 territorial authorities like AC to complete a housing and business capacity assessment (**HBA**) triennially to inform its Long-Term Plan (**LTP**), with clause 3.23 specifically requiring that:

> *"Every HBA include analysis of how the relevant local authority's planning decisions and provision of infrastructure affects the affordability and competitiveness of the local housing market."*

Notwithstanding this unambiguous policy direction, though, the FDS provides no analysis of likely effects on competition. This seems to reflect AC's apparent perspective that:

- The introduction of the concept of "well-functioning urban environment" (**WFUE**) has shifted the focus of the NPS from an economically driven policy (like its predecessor, the NPS-UDC) to one that incorporates a range of non-economic factors; and

- Although WFUE has mandatory elements, Councils can add to them. AC has added numerous non-mandatory elements to its definition of WFUE and formulated a set of assessment criteria that seem to weigh these more heavily than some of the mandatory criteria; and

- The words "limit as much as possible adverse impacts on" in Policy 1(a)(d) imply that it is anticipated that planning for other aspects of well-functioning urban environments will generate some adverse impacts on competitive land markets, which are therefore acceptable in NPS-UD terms, which helps justify its decision to curtail FUZ opportunities.

While AC is correct that it can include non-mandatory factors in its definition of WFUE, this should not be at the expense of other core purposes of the NPS-UD. To be frank, it appears that the FDS has placed undue weight on these new elements of WFUE while losing sight of economic factors (such as supporting housing affordability and enduring competitive land markets). These remain key focuses of the NPS-UD, but the FDS does not adequately capture that.

In particular, the potential downzoning of large swathes of the FUZ is a significant concern in terms of fostering and maintaining competition. Without a strong and ongoing supply of new urban land in strategically chosen locations (as per the current development strategy), the competitive operation of the region's urban land market will be compromised. Economic theory explains the potential risks of this loss competition as follows:

- **Preventing Market Power and Monopoly**: Competition prevents the concentration of market power and the emergence of monopolistic practices in land markets. If a single entity or a small group of firms dominates the market, they can exert control over prices, limit choices, and stifle competition. Competition avoids this prospect by enabling multiple buyers and sellers to interact within local land markets.

- **Consumer Choice and Affordability**: Competition enhances consumer choice and promotes affordability in land markets. When there are many developers and landowners competing for buyers or tenants, consumers have a wider range of options to choose from. This competition exerts downward pressure on prices, making land and housing more affordable for a broader segment of the population. Moreover, competition encourages developers to differentiate their offerings by providing better amenities, quality construction, and innovative designs.

- **Price Discovery**: Competition enables price discovery. When multiple buyers and sellers actively engage in a market, they compete to buy or sell on the best possible terms, thereby enabling "discovery" of the current market price (where supply and demand meet). This ensures that market prices better reflect the true value of land based on its size, location, potential uses, and other valued attributes (rather than the profit-seeking behaviour typical of monopolies).

- **Efficiency and Productivity**: Competition fosters efficiency and productivity in land markets. In competitive environments, developers and landowners strive to maximise returns by using land resources optimally. This fosters innovative land uses, such as mixed-use development, and adaptive reuse of existing structures. Competition drives developers to find creative solutions to meet the changing needs of residents, leading to improved productivity and efficient land utilisation.

- **Investment and Development**: Competition also attracts investment and spurs development in nearby areas. When developers and investors perceive a viable market, they are more likely to invest in land and undertake development projects. The prospect of earning profits

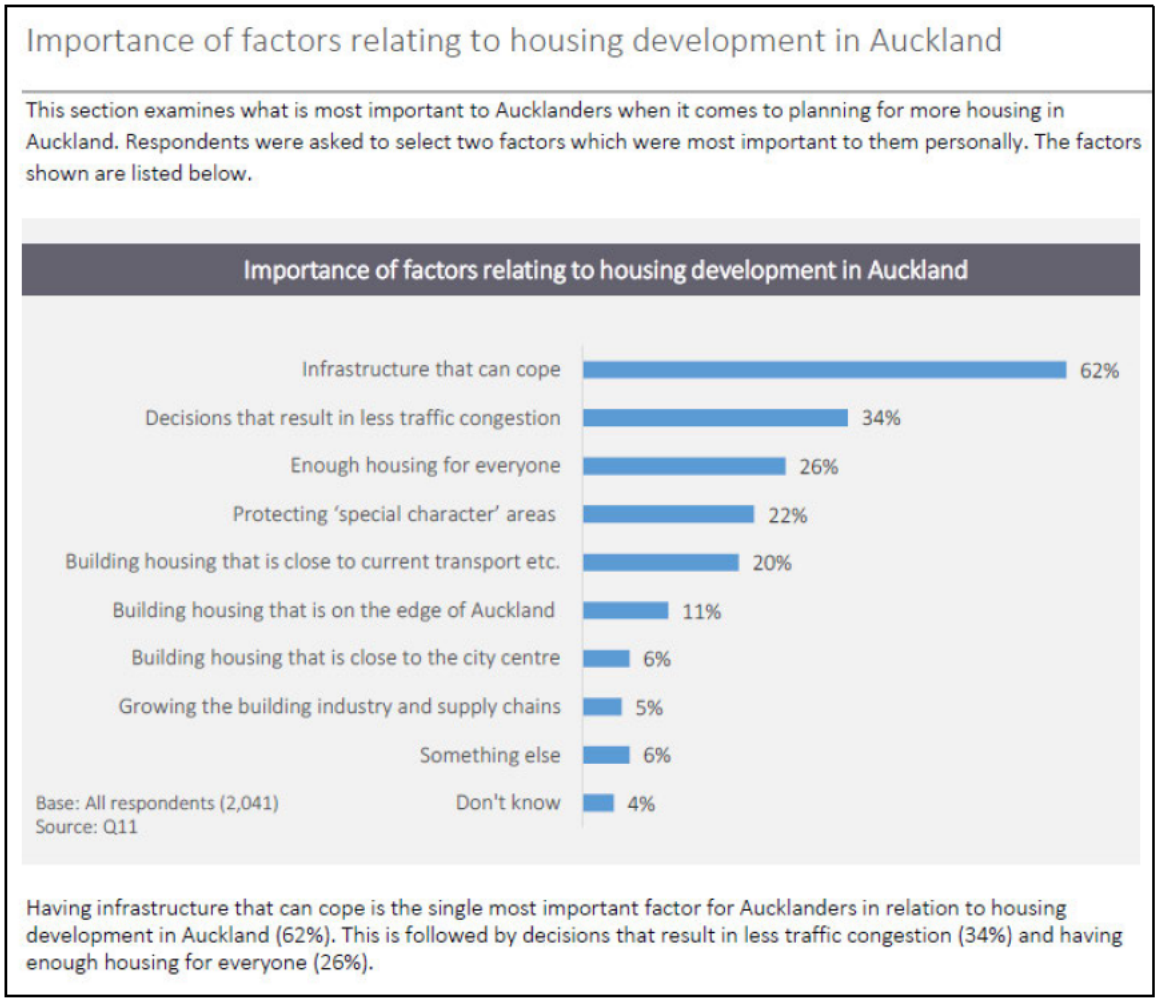
motivates developers to take risks and initiate new projects. Increased investment and development activities contribute to economic growth and job creation.

Overall, we are concerned about the FDS's potential impacts on competition. The large volumes of theoretical capacity unlocked via PC78 are not complete substitutes for competition in regional land markets. And, absent the latter, land prices will rise, flowing directly into new dwelling prices.

7.3 Providing Housing Choice & Reflecting Community Values

Finally, we note that it is critically important that the FDS promotes housing choice and reflects what's important to residents and businesses. In our view, the FDS is far too concerned with its futile pursuit of curbing GHG emissions, which does not reflect the community's preferences. See, for example, the chart below which shows the importance of various factors to the Auckland community in relation to planning for more housing.[50]

Figure 7: Importance of Various Factors Relating to Planning for More Housing in Auckland



As we can see above, "infrastructure that can cope" mattered the most to Aucklanders when surveyed (in 2021/2022) about the things that matter most in terms of planning for more housing.

[50] IPI Overall Evaluation Section 32 report, page 284

We expect that infrastructure adequacy will be an even greater concern now following the devastating effects of the anniversary weekend floods coupled with Cyclone Gabrielle. Together, these events revealed massive vulnerabilities in the three waters network and highlighted the risk of excessive intensification (i.e. creating too much impervious surface area in concentrated locations).

In our view, the FDS does not properly reflect the factors that matter most to Aucklanders in terms of new housing opportunities. This is exacerbated by a seeming over-reliance on capacity unlocked by PC78, most of which reflects intensification, and almost all of which[51] is only for one housing typology (attached). This limited range of choice is unlikely to best meet the needs of Aucklanders over time, so it is critical that the FUZ is maintained as much as possible to provide housing choice and boost competition in the region's urban land market(s).

[51] According to PC78 documentation, 96% of plan-enabled residential capacity is for terraces or apartments.

8. Deriving the FDS from the MCA

8.1 Introduction

Finally, the methodology used to translate the options analysis into the FDS' preferred scenario (i.e. its composite scenario) is unclear. Rather than selecting the best-performing option from the MCA, the FDS creates a new, hybrid option from the results that lacks any meaningful detail. This, in turn, obscures the details of the implied new strategic direction, and its rationale. This is a concern, and not just for transparency reasons, as briefly explained below.

8.2 Impacts of Negative Scores

The MCA adopted a seven-point scoring scale, ranging from -3 to 3, with negative scores reflecting bad outcomes, and positive scores good outcomes. While that's fine, the GSER makes the following critical acknowledgement about the implications of negative scores in its assessment, which is not captured in the overall narrative of the report:[52]

> *"In most cases, a negative score indicates the need for a specific policy intervention in addition to, or even instead of, land use or transport interventions alone."*

The table below shows the MCA scores, with red text indicating negative ones. Clearly, there are a lot of negative scores.

Table 6: MCA Scores (Red Values = Negative)

Criteria Themes	MCA Criteria (paraphrased)	A	B	C	D
Natural hazards & climate change	The extent of development areas in 100-year floodplains (greenfields)	-1	-1	-2	-3
	The extent of development areas in 100-year floodplains (brownfields)	-1	-3	-2	-2
Travel & Access	The extent to which scenarios impact carbon emissions	-1	-2	-2	-3
Environment	Scope to improve the health of natural wetlands (greenfields)	1	1	2	2
	Scope to improve the health of natural wetlands (brownfields)	-1	-1	-2	-2
	Impacts on ability to swim safely and collect shellfish	-1	-1	-2	-3
	Promotion of the restoration/connectivity of indigenous biodiversity	-1	-1	-1	-2
Economy	The degree to which urban development consumes highly productive soils	-1	-1	-2	-3
Social, Cultural, and Heritage	Retention of the qualities of historic heritage places and values	-2	-1	-1	0
	Likely result on levels of access to quality open space	2	1	1	-1
Travel & Access	Extent to which population is exposed to harmful air emissions	3	2	1	1
Land & Housing	Extent to which growth creates greater housing choice to meet demand	1	1	1	0
Travel & Access	Promoting mixed use communities to reduce travel distances & safety risks	2	1	1	-1
	Providing inclusive/equitable access to social infrastructure & public spaces	1	1	-1	-2
	Accessibility of social infrastructure & employment in highly deprived areas	-2	-3	-3	-3
Māori	Extent of Māori land within growth areas	1	1	1	2
	Extent to which scenarios impact on Māori cultural landscapes	-2	-1	-1	-3
Travel & Access	Accessibility of key areas of economic activity by PT + active modes	3	3	2	1
	Education is accessible by different modes (PT + Active)	3	2	1	2

[52] GSER, page 7.

Criteria Themes	MCA Criteria (paraphrased)	A	B	C	D
	Employment opportunities are aligned with areas of population growth	3	2	2	1
	Household living cost reductions from proximity to employment areas	3	2	1	1
	Rural production areas are accessible	-1	-2	-2	-2
	Travel times are reliable	-1	-2	-2	-2
Economy	Opportunities for agglomeration of similar/dependent industries	3	1	1	-1
Land & Housing	Suitable land is available for Group 1 (land extensive) industries	-2	-3	-2	-2
Infrastructure	Scenarios support current committed infrastructure	1	2	3	-2
	The scenarios result in measurable public monetary costs or losses	2	1	-1	-3
Land & Housing	Physical constraints increase the cost of development	-1	-2	-2	-3
	The market is likely to respond to the proposed land use pattern	1	1	-1	-2

In truth, more than half (56%) of all MCA scores are negative. Even the utopian scenario A scored negatively on 14 of the 29 criteria (48%). Table 7 summarises the situation by (our suggested) criteria theme. The widespread dominance of negative scores highlights the FDS' limited ability to affect meaningful change according to its own reporting.

Table 7: Share of Negative, Positive, and Neutral Scores by Theme

Criteria Themes	Negative Scores	Neutral Scores	Positive Scores
Travel impacts/accessibility	43%	0%	57%
Environment	75%	0%	25%
Land & Housing Markets	63%	6%	31%
Social, Cultural, and Heritage	50%	13%	38%
Economy	63%	0%	38%
Infrastructure	38%	0%	63%
Māori	50%	0%	50%
Natural hazards & climate adaptation	100%	0%	0%
All Themes	**56%**	**2%**	**42%**

8.3 Consideration of Infrastructure Implications

Infrastructure is a major technical and financial challenge for all Councils, especially in growing areas like Auckland. However, the GSER has only two criteria on infrastructure, which belies its vital importance in helping redefine the region's growth strategy. The scores for those two infrastructure criteria are reproduced below.

Table 8: Scenario Scores for Infrastructure Criteria

Criteria Themes	MCA Criteria (some paraphrased)	A	B	C	D
Infrastructure	Extent to which scenarios support current committed infrastructure	1	2	3	-2
	The extent to which scenarios result in measurable public monetary costs or losses over time	2	1	-1	-3

Table 8 shows that Scenario C, which is the closest match to the status quo, rightfully scored best on the first criterion because it most closely aligns with the agreed development trajectory and hence current growth-related infrastructure programme. But, Scenario C performed poorly on the second

criterion (the extent to which it could result in measurable public monetary costs or losses). Overall, the GSER concludes that:[53]

> *"More intensive compact urban forms perform better in terms of the least monetary cost of infrastructure over time, as they result in more efficient use of existing services and new infrastructure. More expansive urban forms require the greatest amount of new infrastructure with the highest costs."*

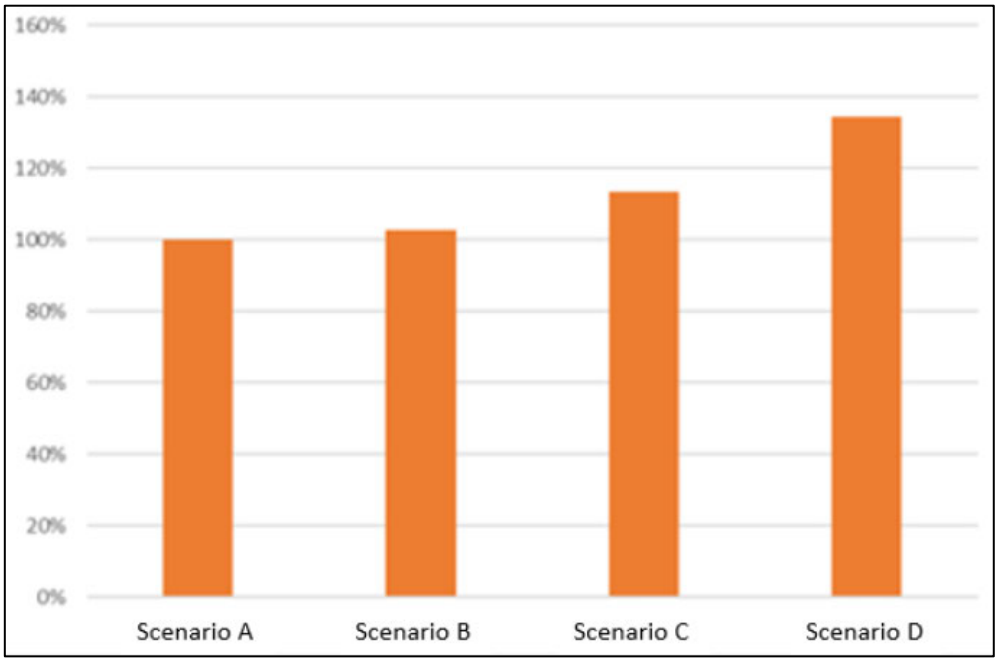
We challenge this conclusion on several grounds. First, the process used to quantify the infrastructure costs of each option are not explained. According to the GSER, infrastructure criteria were evaluated via subject matter expert input, which seems wholly inadequate given the cost and importance of infrastructure implications arising from the FDS.

Second, the cost of providing most growth-related infrastructure is recovered directly from developers via development contributions, private developer agreements, and developer self-provision. Accordingly, the reference to public monetary costs in the second criterion is misleading.

Third, the cost of (eventually) upgrading infrastructure networks in some existing urban areas could also be prohibitively expensive and/or cause unacceptable levels of disruption. This risk is particularly acute for the widespread, uncontrollable, and unpredictable growth enabled by PC78, which Scenarios A & B both rely heavily on, but the MCA scores wrongly signal otherwise.

Fourth, notwithstanding all the above, the "modelled" differences in infrastructure cost across options is much less than the scores, commentary, and conclusions suggest. This is shown in the screenshot below from page 55 of the GSER.

Figure 8: Relative Cost of Infrastructure to Service Expected Growth



[53] GSER, page 9.

To our eyes, it appears that Scenario C's infrastructure costs are only about 15% more than the far-fetched Scenario A. This is relatively immaterial in the scheme of things, with most projects having contingency buffers that far exceed the implied differential in option infrastructure costs.

Given that developers bear virtually all growth-related infrastructure costs, not ratepayers, we consider the FDS's analysis of infrastructure implications to be deficient and highly unreliable. This raises serious concerns about the validity of relying so heavily on intensification to meet the region's future business and residential needs.

8.4 Aligning New Jobs with New Homes

As already noted, the FDS places significant emphasis on travel impacts and accessibility, including the relative locations of new jobs and new homes. It assumes that more intensive development of existing urban areas is best because it lets new homes reside near existing employment areas. In forming this view, the FSDS seems to overlook the reality that many existing employment areas are almost fully built-out, with only limited scope for growth.

This again highlights the risk of relying just on plan-enabled capacity measures. While there may be enormous theoretical potential via the redevelopment of existing employment areas, this is seldom financially viable, particularly compared to residential, so it will not occur *en masse*.

In short, The FDS' presumption of significant job growth in existing urban areas is unlikely in some areas. Accordingly, new business land *will* be required in and around the FUZ to keep pace with residential growth and to address historic and existing home/job balances in the region's greenfield areas. This is also recognised in the executive summary of the GSER, which states that:[54]

> *"Providing business land opportunities in future urban areas provides opportunities to balance employment and housing."*

We agree wholeheartedly, and even the FDS notes the capability of FUZ business land to help improve employment access and bolster travel outcomes, but the proposal to undertake wholesale investigations of large parts of the FUZ (partly on travel grounds) directly contradicts it.

In our view, key decisions about the region's likely future urban form deserve a far more rigorous and reliable evaluation of options before any tweaks to the existing direction can be identified. Afterall, even the MCA itself observed the following about spatially aligning new jobs and homes: [55]

> *"Across all scenarios the model favours greenfield areas with the most job growth in [the FUZ] in Rodney and then Franklin."*

[54] GSER, page 9.

[55] GSER, page 48.

ATTACHMENT C

TRANSPORT FEEDBACK ON THE DRAFT FUTURE DEVELOPMENT STRATEGY

18 JULY 2023

FLOW TRANSPORTATION SPECIALISTS

flow
TRANSPORTATION SPECIALISTS

#8135

18 July 2023

Aidan Donnelly
General Manager, Development
Fletcher Living
Private Bag 99922
Newmarket
AUCKLAND 1149

Dear Aidan

TRANSPORT FEEDBACK ON THE AUCKLAND FUTURE DEVELOPMENT STRATEGY

Flow has been asked by Fletcher Living to provide comments on the Draft Auckland Future Development Strategy (Draft AFDS), which was recently released by Auckland Council. The Draft AFDS is proposed to replace the Future Urban Land Supply Strategy 2017 (FULSS) and the Auckland Plan 2050 Development Strategy 2018. If adopted, the AFDS will form the basis of Auckland's long term strategic planning framework.

The AFDS seeks to place some rigor on future development when considering the challenges currently faced by Council, which relates to financial challenges (funding), developing in flood prone areas, and ensuring that Government (both local and central) obtain a return on major infrastructure investments.

1 SUMMARY OF OUR ASSESSMENT

Our assessment discusses the transport concerns with the AFDS, as it relates to the following:

- The AFDS proposes to delay Future Urban Zoned land that is earmarked for employment (in particular light industry), as assessed through Structure Plans. In doing so, the AFDS will make it challenging for established/establishing residential catchments located about the fringe of Auckland to align with the outcomes sought by the Transport Emissions Reduction Pathway (TERP). This is because by delaying the outer employment areas, the AFDS
    - puts greater reliance on others (eg Auckland Transport and public transport providers) to establish and operate viable public transport networks that get people to work at the time and with the reliability that they need
    - reduces the ability to travel by cycle, scooter, and walking to access nearby employment
    - decreases the opportunities for those living in adjacent residential areas to drive shorter distances to work, therefore reducing vehicle-kilometres travelled
    - increases economic and social inequities, by making people more reliant on travelling by car if public transport cannot provide a viable alternative.

- Appendix 8 of the ADFS proposes to delay land development, aligning development when the strategic infrastructure required to service the "full build-out" of development area is "likely to be implemented". This outcome gives no certainty to when land can be developed. While the assessment of plan changes under the existing framework can be improved, development controls and developer funded upgrades that mitigate transport effects can suitably be captured in the current planning framework and reflects that development of large Plan Change areas and associated upgrades can be sequenced and occur over a number of years, if not decades.
- There is no certainty as to the timeframes of the Transport Triggers set out in Appendix 6 of the AFDS, with a number of concerns relating to the triggers suggested. These concerns along with some commentary are set out below.

2 DELAYING LAND EARMARKED FOR EMPLOYMENT

2.1 AFDS Proposal

The AFDS proposes to delay/push back the timing of Future Urban Zoned land that, through Structure Plans is earmarked for employment (light industry) development. The areas which have been delayed are located where residential growth is currently occurring at a fast rate, as allowed through approved resource consents. Large areas where employment land is proposed to be delayed are set out in Table 1.

Table 1: Revised timing of employment land

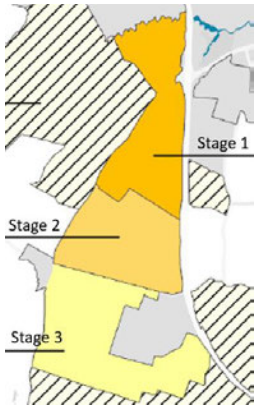
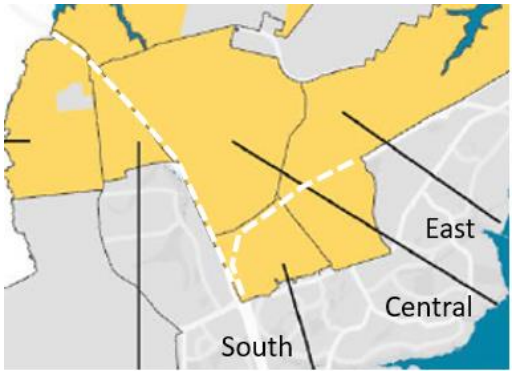
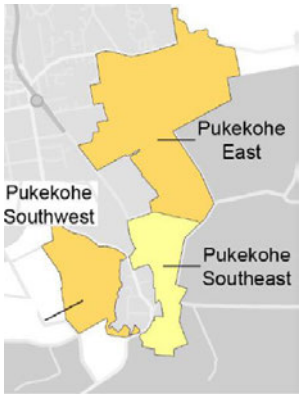
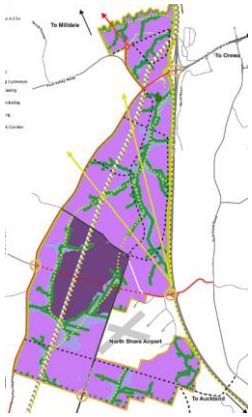
Area	Silverdale/North	Whenuapai/Northwest	Pukekohe/South
Location Map			
Structure Plan	Silverdale West Dairy Flat Industrial Area Structure Plan, April 2020	Whenuapai Structure Plan, September 2006	Pukekohe-Paerata Structure Plan 2019

Table 1: Revised timing of employment land

Area	Silverdale/North	Whenuapai/Northwest	Pukekohe/South
			
FULSS 2017 Timing	2018-2022	2018-2022 (East) 2028-2032 (Central)	2023-2027 (Pukekohe Southeast, Southwest)
AFDS Timing	2030+ (Stage 1) 2035+ (Stage 2) 2040+ (Stage 3)	2035+ 2050+ (Stg 2 North)	2035+ Pukekohe Southwest 2040+ Pukekohe Southeast
Proposed Jobs	9,000 Jobs (FULSS)	8,600 Jobs (WSP)	2,350 Jobs (PPSP)

2.2 Development of employment land

In recent history, the development of employment (light industry) land has taken 20+ years to be occupied, with recent examples including North Harbour Industrial Estate, Highbrook and The Landing at Auckland Airport. Each of these locations has relied on a suitable connection to the state highway network via an interchange, allowing the movement of road freight and vehicle-based employment related trips. Importantly, these areas have provided employment opportunities to the north, central and southern areas of Auckland. However, due to the lack of available light industrial land further afield, they are also employment hubs relied on by the wider population, with some having little or no support from suitable public transport.

The Auckland Transport Alignment Project (ATAP) report that underpins the transport investments included in the RLTP/AFDS highlights the *"significant unevenness to future employment accessibility and a growing polarisation of access to employment in the future. By 2046 more than a million people will be living in the western and southern parts of Auckland, nearly half the region's population. However these areas see relatively little improvement in their access to employment over time."*[1]

[1] https://www.transport.govt.nz/assets/Uploads/Report/ATAP-Evaluation-Report.pdf. Page 15

From a transport perspective, it is important to note that the traffic effects of a development area are not experienced from day one but are instead realised over time (20+ years). Recent development areas such as Drury South (Precinct I410) and Puhinui Precinct (I432) set out transport triggers and matters of discretion that need to be addressed to allow development to progress in an integrated manner, where effects are managed. While these frameworks can be improved, the intent of the provisions is to ensure integrated land use and transport network outcomes.

2.3 Travel behaviour

Residential growth enabled by the Metropolitan Urban Limit (MUL) and more recently, the Rural Urban Boundary (RUB) has increased population about Auckland's fringe. However, the development of employment land, and the provision of public transport networks, have not occurred at a similar pace, which in turn requires people to travel large distances to reach employment hubs.

We have assessed the travel behaviour of commuters about these outer areas (Whenuapai and Silverdale/Whangaparāoa) to better understand the destinations where people currently travel for work.

The 2018 Census commuting data (refer **Error! Reference source not found.**) shows that a large number of people commute to employment areas where light industrial activities are located, including

- North Harbour Industrial Estate
- Wairau Valley
- Penrose/Mt Wellington/Onehunga
- Henderson
- East Tamaki (Highbrook)
- Auckland Airport

The mode of travel for the majority of these trips will be by private car, as frequent and reliable public transport connectivity does not exist to all areas, noting also that many light industrial businesses include shift work which makes catching public transport less attractive due to off peak reliability and safety.

Figure 1: Commuter travel patterns (2018 Census)

North - Silverdale/Whangaparāoa	Northwest - Whenuapai/Hobsonville/Kumeu
	
Number of commuters to prominent light industrial employment areas – 3,800	Number of commuters to prominent light industrial employment areas – 2,300
Estimated annual private vehicle kilometers travelled (vkt) – 50 million	Estimated annual private vehicle kilometers travelled (vkt) – 20 million
Reduction in vkt if 15% work locally – 7 million vkt	Reduction in vkt if 15% work locally – 3 million vkt
Reduction in vkt if 30% work locally – 15 million vkt	Reduction in vkt if 30% work locally – 6 million vkt
Reduction in vkt if 45% work locally – 21 million vkt	Reduction in vkt if 45% work locally – 9 million vkt

Providing employment opportunities closer to the new residential areas established about Auckland's fringe (Whenuapai, Silverdale and Pukekohe) is a critical piece to achieving positive transport outcomes for the region, as it

- Reduces the reliance to travel across the region to access jobs, which are predominantly being accessed by private vehicle travel
- Locating employment opportunities about the residential growth areas will have a positive community effect, providing the ability to live, work and play about the same suburb, and substantially reduce vehicle kilometres travelled
- Allows more focussed public transport connections/routes to be established. Each area (Whenuapai, Silverdale and Pukekohe) has a nearby RTN station and therefore has the ability to extend or provide shorter and frequent local bus services between residential and employment areas as they develop

- Each area already has established connectivity to the state highway network, providing safe connectivity for road freight and vehicle-based employment related trips.

The AFDS ignores key accessibility challenges faced by Auckland growth areas as set out in the Auckland Transport Alignment Project Evaluation Report and does not contribute towards reducing vehicle kilometres travelled for those residential areas already established/establishing about the outer areas of the Region.

3 TRANSPORT TRIGGERS

The AFDS proposes to introduce infrastructure triggers at Appendix 6 that are required to be implemented prior to areas being development ready, with the proposed timings set out in Appendix 8.

The timing of areas being 'development ready' consider all infrastructure requirements. Our assessment has considered transport matters only, noting that other infrastructure (such as services) may be the primary purpose for the proposed delay. The number of transport triggers however is large and forms a significant obstacle in how land development can occur over time.

Transport projects listed for most part are those set out in the Regional Land Transport Plan (RLTP) which also tie back to the Auckland Transport Alignment Plan (ATAP). At Appendix 3 of the AFDS, it notes that two key transport documents are currently being finalised, being the Auckland Rapid Transit Plan (ARTP) and the Tāmaki Makaurau Integrated Transport Plan (TMTP). As such, projects and project timeframes are subject to change.

Issues with the AFDS transport triggers include

- It is proposed that Council will be stringently adhering to the infrastructure timeframes set out in the AFDS, however, the AFDS also allows timeframes to be reviewed. Using infrastructure upgrades such as Mill Road as an example, it is not reasonable to have development areas controlled by projects where funding may be redirected, be brought forward/pushed out or removed altogether, which can be based on decisions at a government political level, and therefore out of the control of Council
- The extent of several projects is significant, such as Mill Road, the North Shore Rapid Transit (extension to Milldale), North-west Rapid Transit and SH16-SH18 Connections. The AFDS does not give regard to how these upgrades may be staged, or how interim interventions put in place by the transport authorities may deliver or assist in delivering suitable short to medium term network improvements. For example,
    - a new Westgate bus station and improvements along SH16 for buses currently being implemented will improve public transport attractiveness and reliability for the North-west, such that the effect between the ultimate outcome (North-west Rapid Transit) and the interim outcome may be relatively minor (more resilient) when considering the timing of development
    - The recently completed Northern Corridor Improvements extends the Northern Busway to Albany and therefore assists with improving bus reliability for bus users to the North.

The provision of bus shoulder lanes in the future on SH1 to Silverdale, where limited interchange crossings exist would present a feasible, reliable and low cost alternative that benefits bus users, with improved frequencies for local service delivering a viable medium term solution. This approach is being applied to SH16, so would seem reasonable for SH1 North.

The above examples will help provide alternative travel options for the outer residential areas but may remain inadequate when providing attractive, efficient connectivity to key employment hubs located about the Auckland Region.

- Areas have been grouped (such as Riverhead with Kumeu and Huapai) and are therefore subject to wider area upgrades that do not necessarily impact on the safe and efficient accessibility of the area. That is, it is reasonable to tie development within Riverhead to the Brigham to Waimauku SH16 upgrade, but Riverhead should not be tied to the delivery of the Alternative State Highway (Kumeu Bypass) corridor or North-west Rapid Transit extension to Huapai which provides much needed transport improvements to the Kumeu-Huapai area, not Riverhead.
- The AFDS should not prohibit development where safe transport solutions can be addressed prior to the ultimate corridor upgrade being delivered.
- Corridor upgrades listed for areas do not only address transport (safety, active modes and capacity) but also include a significant amount of land and cost to improve stormwater improvements, for example, the Coatesville-Riverhead Highway upgrade. Long term connectivity opportunities exist for active modes when addressing corridor issues together, but cannot be achieved in isolation.
- As with current plan changes, safe, effective and efficient solutions are being delivered by private developers within the existing road reserve which address transport effects of private development. Therefore, it is unreasonable for the AFDS to tie the development of private land to transport upgrades, as private land requires third party land acquisition which only the regulatory authorities can acquire.

The logic of including strategic transport triggers to development areas which have a cost well in excess of what the Government (either locally or centrally) can progress is unreasonable. The assessment of Private Plan Changes could be improved, where development progressing prior to transport upgrades outlined in the RLTP need to demonstrate how the development will manage/control effects, such that the effects are mitigated.

The AFDS, while attempting to align the implementation of strategic transport infrastructure prior to development is not reasonable for the reasons outlined above. The current framework which includes placing land use and infrastructure upgrade triggers into planning provisions allows the opportunity for developers to progress (working with the road controlling authorities) transport upgrades which inevitably saves the roading authorities money.

4 CONCLUDING COMMENTS

An issue which exists with the delivery of transport networks, is having no easy mechanism to obtain targeted rates or contributions from land use development that can then contribute towards infrastructure that predominantly serves the area. Until a mechanism exists, the ongoing issue of ranking the region's transport priorities will always fall to where there is greater return on the investment.

Based on the current benefit framework, this is always going to direct investment where the greater demand/population exists and therefore starve investment the further out development is from the Isthmus.

The commuter travel patterns give two examples where a lot of traffic passes through Auckland. While efforts are being made to improve connectivity through active modes and public transport interventions, land use interventions also need to be part of the short to medium term solution. That is, ensuring employment opportunities exist where people live, ensuring schools (primary, secondary and tertiary), and community services such as libraries, medical centres, and hospitals exist so that cross city travel by private vehicle is minimised. We need a balanced approach to development, and land use plays a significant part of this. Rather than push certain growth areas out, we need to consider how balanced growth in areas helps achieve an efficient and feasible transport system, especially where there is currently an imbalance between residential, employment and community services in the outer areas of Auckland.

Should you wish to discuss any of the above further, please contact me on [redacted].

Yours sincerely

[redacted]

Future Development Plan 2023 #8136

Note: this version of the feedback form has been created for the purpose of publishing submissions. As such, contact and demographic information has been removed and handwritten submissions have been transcribed.

Your feedback

Focusing growth

Denser, more compact cities result in improvements to the environment, the economy, and people's wellbeing.

Auckland's urban area is made up of neighbourhoods, town centres and business areas that are interconnected and that support where most Aucklanders live, work and spend their leisure time.

We propose that most housing and business growth will be focused within existing urban areas and that this growth be more intensive. This means less growth in greenfield areas at Auckland's edges. What greenfield growth there is will be phased over 30 years and longer.

1. What do you think of our approach to focus most of Auckland's growth in existing urban areas?

Tell us why

Accessible local centres

When people have easy access to workplaces, services, facilities and shops, communities become more resilient and connected. It also helps to reduce travel time, emissions and lower household transport costs.

We propose focusing housing and business development near local centres where most people's daily needs are easy to access by walking, cycling and public transport.

2. What do you think of our approach to focus development near local centres?

Tell us why

Avoiding hazards

As our climate changes, the frequency and severity of hazards such as flooding, sea-level rise and coastal erosion will worsen. Where and how we plan for growth, and how we adapt to these hazards is increasingly important.

We propose that known areas constrained by significant natural hazard risk should be looked at to see if further development is appropriate.

Where development is already enabled in potentially vulnerable locations, we will further investigate appropriate actions.

3. **What do you think of our approach to avoid further growth in areas which are exposed to significant risk of environmental hazards?**

Tell us why

Resilient infrastructure

Infrastructure across Auckland needs to cope with ongoing change, such as the impacts of climate change and evolving technology.

Nature-based infrastructure, such as rain gardens, swales, and detention basins, is better able to respond to ongoing change. This can help protect communities from hazards, as well as protect and restore the natural environment.

We propose prioritising investment in infrastructure that is decentralised, nature-based, regenerative and mauri-enhancing.

4. **What do you think of our approach to prioritising nature-based infrastructure that responds to the impacts of climate change?**

Tell us why

Other feedback

5. Do you have any other feedback on our approach to how and where Auckland should grow and change?

#8136

UNDER the Resource Management Act 1991

AND

IN THE MATTER of a submission by **FLETCHER RESIDENTIAL LIMITED** to **AUCKLAND COUNCIL** on the draft Auckland Future Development Strategy

SUBMISSION BY FLETCHER RESIDENTIAL LIMITED ON THE DRAFT AUCKLAND FUTURE DEVELOPMENT STRATEGY

1. INTRODUCTION

1.1 This submission is made on behalf of Fletcher Residential Ltd ("FRL") on the Auckland draft Future Development Strategy ("Draft FDS").

1.2 FRL is the residential development and delivery arm of Fletcher Building. It is one of the largest developers of new residential communities in New Zealand, having built and sold thousands of homes over the last five years. FRL is committed to quality urban design centred on creating communities through the integration of housing, open spaces and community facilities, and the associated social and economic drivers that form successful neighbourhoods and communities.

1.3 Along with sourcing land from private vendors and developers, FRL partners with Iwi and Government for development and home-building projects, including affordable housing in conjunction with Kainga Ora. FRL currently has 17 developments in progress in Auckland, across all areas of the region, in both brownfield (e.g. Three Kings, Tamaki, Waiata Shores, Stonefields, Hobsonville Point) and greenfield (e.g. Whenuapai, Drury, Red Beach) areas, which when fully developed will provide for over 5,000 dwellings. FRL delivers a full mix of typologies, including apartments, townhouses, and standalone dwellings.

1.4 FRL is also a member of the Riverhead Landowners Group ("RLG") which has sought a private plan change to rezone 80.5 ha of land at Riverhead from Future Urban ("FUZ") to a range of residential zones ("the Riverhead South Plan Change") to enable the development of between 1500 and 1800 homes to be built.

1.5 FRL's extensive experience of land development in Auckland, and its ongoing involvement in the market means that it has detailed knowledge of the market and the factors that contribute to success.

Overview and scope of submission

1.6 Like other major developers who would have been able to provide Auckland Council ("Council" or "AC") with the information necessary to make informed decisions, FRL was not consulted in the preparation of the Draft FDS. The Council's failure to properly consult with the development community is immediately apparent from the document, which is replete with inaccurate assumptions and errors such that if implemented, it is

likely to have major unintended consequences for economic development, housing choice and affordability.

1.7 This submission addresses key errors and inaccuracies identified in the Draft FDS in relation to residential development. The matters identified in this submission should not be treated as exhaustive as the problems with the Draft FDS are extensive and could not all be captured in the limited submission time available.

1.8 FRL requests that the Draft FDS is withdrawn and preparation of a new FDS is commenced afresh. FRL remains willing to engage constructively with the Council to inform this work.

1.9 This submission addresses the following:

(a) The failure to comply with the requirements of the National Policy Statement on Urban Development ("NPS-UD") (Section 3);

(b) The approach in the Draft FDS to consideration of the spatial growth scenarios and intensification options (Section 4);

(c) The likely effects of the Draft FDS on housing affordability and choice (Section 5);

(d) The reasons for enabling greenfield development (Section 6);

(e) The proposed implementation measures (Section 7);

(f) The proposed rezoning and "investigation" of existing FUZ land (Section 8);

(g) The consultation process (Section 9); and

(h) Fletcher's conclusion and requests to the Council regarding the Draft FDS (Section 10).

1.10 A summary of this submission is contained in Section 2.

Separate submission by Fletcher Development Limited

1.11 A separate submission has been lodged by Fletcher Development Limited ("FDL") in relation to the likely effects of the Draft FDS on capacity and demand for business land. These two submissions have been prepared together and raise some of the same issues. In order to ensure that they can each be read as standalone documents, there is some duplication across the two submissions.

Supporting technical reports

1.12 FRL's expert team has undertaken a detailed technical analysis of the Draft FDS. This submission has been informed by the following technical reports, which are appended to this submission:

(a) *Analysis of the Auckland Council Draft Future Development Strategy 2023: Impact on the Provision of Land for Residential Report to Fletcher Living* Tattico Limited **(Attachment A)**;

(b) *Economic Review of Auckland Council's Draft Future Development Strategy (FDS)* Insight Economics **(Attachment B)**; and

(c) *Transport Feedback on the Draft Future Development Strategy* Flow Transportation Specialists **(Attachment C)**.

2. SUMMARY

2.1 The Draft FDS is fundamentally flawed. It fails to give effect to the requirements of the NPS-UD and, if implemented, will have major negative consequences for land values, housing affordability and the health of Auckland's economy.

2.2 The Draft FDS does not meet the requirements of the NPS-UD. Specifically:

(a) It ignores the economic focus of the NPS-UD and rather than supporting the effective functioning of land and development markets, is instead focussed on preventing further growth.

(b) Infrastructure funding constraints have been used as a rationale to place a moratorium on growth, despite the availability of many alternative funding mechanisms. The Draft FDS contains no discussion of alternative solutions at all.

(c) No consultation has been undertaken with the development community which would have provided the Council with information critical to making informed decisions on these issues.

(d) It inappropriately treats capacity enabled by Plan Change 78 ("PC 78") as "plan enabled", notwithstanding that PC 78 is not operative and to the contrary, there remain significant uncertainties regarding the outcomes of that process (particularly having regard to current work being undertaken on natural hazards);

(e) It fails to include proper analysis of whether plan-enabled capacity is feasible and likely to be realised, simply assuming that take-up will remain at historic levels. In fact, much of the capacity enabled by PC 78 may not be feasible or commercially viable. In this regard:

(i) Capacity enabled by PC 78 is not comparable to that enabled by the Auckland Unitary Plan ("AUP"). Whereas the AUP enabled significant development capacity in areas where there was high demand (e.g. in centres and close to Rapid Transport Networks ("RTNs")), PC 78 has the most impact in areas further from the centre, where demand will be lower.

(ii) There is an assumption that retrofitting the infrastructure necessary to service brownfield redevelopments is feasible and cost effective, when in fact it is likely to be impossible or cost prohibitive in many cases.

2.3 The Draft FDS assumes that servicing greenfield development is more expensive than brownfield development, when in fact having regard to the many constraints faced when retrofitting infrastructure in an existing urban area, this is mostly not the case.

2.4 The options analysis undertaken to assess the different growth scenarios is poorly conceptualised and replete with errors, such that its conclusions cannot be relied upon to support the chosen growth strategy.

2.5 The proposed implementation measures, including making changes to the Regional Policy Statement ("RPS") seek to relitigate matters that were comprehensively addressed by the Independent Hearings Panel ("IHP") on the AUP. The approach proposed in the Draft FDS was resoundingly rejected by the IHP, which found that it would likely have major consequences for land prices and housing affordability.

Implications for Riverhead

2.6 The Draft FDS identifies part of Riverhead for removal from the FUZ because of flood risk, with the remainder as an area "under investigation".

2.7 This land has been the subject of a detailed structure planning exercise to inform the Riverhead South Plan Change.[1] Independent consultants have comprehensively assessed the appropriateness of the land for residential development and prepared a development scheme which responds to the constraints and opportunities offered by the site.

2.8 Flood risk is comprehensively understood (and has been modelled to greater accuracy than the Council's own data) and shows that the extent of the floodplain is in fact smaller than previously understood. It is therefore inappropriate for the Draft FDS to seek to "lock in" decisions about the removal of land from the FUZ in the absence of complete information and detailed expert assessments.

2.9 The reasons identified for placing the remainder of the land "under investigation" are an alleged absence of transport infrastructure to support the development and "*the Potential for higher VKT and CO2 emissions than other FUAs due to Riverhead being relatively distant from high quality existing or planned public transport, a wide range of jobs, education and other services compared to other FUAs*."[2]

2.10 None of these reasons withstands scrutiny. In this regard:

(a) The Draft FDS ties the transport infrastructure required to service Riverhead with Kumeu and Huapai. In fact, not all of the upgrades required to service Kumeu and Huapai are required to service Riverhead: they are unrelated.

(b) The Integrated Transport Assessment completed to support the Riverhead Plan Change demonstrates that the transport network can cater for the anticipated demands enabled by the Plan Change. The extent to which there is any dispute about that is a matter for the Schedule 1 process.

(c) In terms of vehicle transport emissions, structure planning has aimed to make the area self-sustaining by providing a balanced provision of residential *and* business land to enable communities to "live work and play" in one location. The likely travel impacts of FUZ areas are grossly overstated and indeed preventing further business development in such areas is likely to have the opposite of the desired effect, because existing residents will continue to need to travel for work and other activities.

2.11 It follows that there is no rationale for the Draft FDS to propose the removal of Riverhead from the FUZ, and to the contrary, detailed structure planning undertaken by RLG has produced a robust and comprehensive development proposal.

1 The Planning, Environment and Parks Committee's decision to reject the plan change for processing under clause 25 of Schedule 1 has been appealed to the Environment Court.

2 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 34.

3. FAILURE TO COMPLY WITH NPS-UD REQUIREMENTS

3.1 The Council has a legal obligation to prepare a future development strategy which meets the requirements of the NPS-UD.

3.2 The Draft FDS does not meet the requirements of the NPS-UD, for the following reasons:

Failure to support competitive land and development markets

3.3 At the fundamental level, the Draft FDS runs directly counter to the imperative in the NPS-UD to support competitive land and development markets, representing an effort to curtail greenfield urban growth in Auckland.

3.4 The Council's assertion that the requirement to deliver "well-functioning urban environments" has shifted the focus of the NPS-UD from an economically focussed policy (per the National Policy Statement on Urban Development Capacity ("NPS-UDC")) to one that incorporates a range of non-economic factors which may override the economic imperative is incorrect.[3]

3.5 The strong economic focus reflected in the NPS-UDC has not been superseded. There remains a strong directive in the NPS-UD for local authorities to deliver greater land supply and support housing affordability. In this regard, the Environment Court has described the purpose of the NPS-UD as follows:[4]

> *"The NPS-UD has the broad objective of ensuring that New Zealand's towns and cities are well-functioning urban environments that meet the changing needs of New Zealand's diverse communities. Its emphasis is to direct local authorities to enable greater land supply and ensure that planning is responsive to changes in demand, while seeking to ensure that new development capacity enabled by councils is of a form and in locations that meet the diverse needs of communities and encourage well-functioning, liveable urban environments. It also requires councils to remove overly restrictive rules that affect urban development outcomes in New Zealand cities."*
>
> *[emphasis added]*

3.6 The Draft FDS enables less, rather than greater land supply. It also seeks to make planning less responsive to changes in demand by proposing changes to the planning documents to implement more restrictive rules, controlling urban development outcomes. This is not what the NPS-UD requires and, as discussed below, is likely to have a chilling effect on Auckland's economy and housing affordability.

Failure to comply with requirements for the preparation of future development strategies

3.7 The preparation of a future development strategy is one of the key implementation methods identified in the NPS-UD to achieve its objectives. The Draft FDS must be consistent with and deliver on the NPS-UD policy framework, including the development imperative set out at paragraphs 3.1-3.6 above.

3.8 This policy direction has been given insufficient focus in the Draft FDS, in favour of delivering on the Council's own interpretation of what is a "well-functioning urban environment." In this regard, while the NPS-UD provides some flexibility for local authorities to formulate their own definition of "well-functioning urban environment", this should not be inconsistent with the overarching policy framework, nor should any

3 *Future Development Strategy – Overall Evidence Report for Consultation* (Auckland Council, June 2023) at 101.

4 *Middle Hill Limited v Auckland Council* [2022] NZEnvC 162 at [33].

additional criteria undermine the delivery of the mandatory elements of a well-functioning urban environment identified in Policy 1(a). Those mandatory criteria include a clear imperative to:

(a) Enable the delivery of a variety of homes in terms of type, price point and location (Policy 1(a)(i));

(b) Enable a variety of sites that are suitable for different business sectors in terms of location and site size (Policy 1(b); and

(c) Support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets (Policy 1(d)).

3.9 The Draft FDS does not clearly demonstrate how these requirements will be achieved, beyond the statement that all of the mandatory requirements will be achieved either "directly or indirectly".[5] In particular, the Draft FDS does not identify how the competitive operation of land and development markets – which is critical to housing affordability – will be supported, as required by Policy 1(d).

3.10 There is no legal basis for the assertion in the Draft FDS that the words "*limit as much as possible adverse impacts on*" in Policy 1(d) imply that it is acceptable for planning for other aspects of well-functioning urban environments to generate adverse impacts on competitive land markets. The primary requirement in Policy 1(d) is to "support" the competitive operation of land and development markets. Further, there is no basis for the assertion that the drafting intent was to imply that the source of any "adverse impacts" would be the Council's own planning decisions.

Improper focus on "plan enabled" capacity

3.11 Clause 3.2 requires every tier 1 local authority to provide at least sufficient development capacity in its region to meet expected demand over the short, medium and long term. "Sufficient" in this context means:

(a) Plan enabled;

(b) Infrastructure ready;

(c) Feasible and expected to be realised; and must

(d) Incorporate the relevant competitiveness margin (20% for the short and medium terms and 15% for the long term).

3.12 The primary assumption underpinning the Draft FDS is that there is at least sufficient development capacity available to meet demand in the existing urban area such that the Council does not need to enable urban expansion. The Draft FDS concludes that there is "plan enabled" capacity of 2,345,500 dwellings and this is several times greater than expected demand.

3.13 The assessment of plan-enabled capacity is based on the evaluation of development capacity done as part of the section 32 evaluation for PC 78. PC 78 is not operative and the timeframe for its completion has been extended by a year. Height and density across the urban area is yet to be resolved. In particular, additional analysis is still to be undertaken on flood hazard extents, which may have a material impact on the capacity assumptions within the urban area.

5 *Future Development Strategy – Overall Evidence Report for Consultation* (Auckland Council, June 2023) at 100.

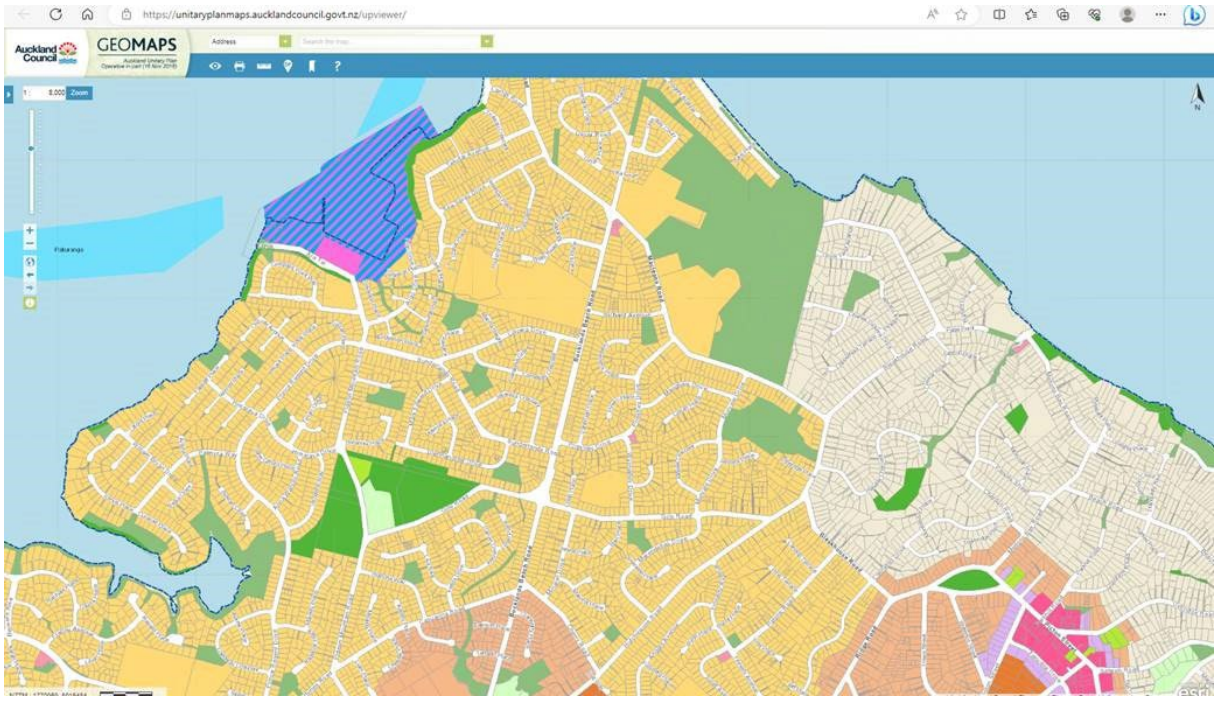
3.14 As such, capacity enabled by PC 78 cannot properly be classified as "plan enabled" and the uncertainties regarding the actual capacity that will be enabled indicate that the Draft FDS is significantly premature.

Failure to consider whether development capacity is feasible and reasonably expected to be realised

3.15 The Draft FDS is required to determine whether the plan-enabled capacity is feasible (i.e. financially profitable to develop), and reasonably expected to be realised (i.e. likely to be taken up by the market).

3.16 The capacity uplifts enabled by PC 78 are inversely proportional to the density already enabled by the AUP. PC 78 is likely to significantly boost capacity in peripheral locations while having little impact in and around centres, where higher density is already permitted by the AUP. Thus, while PC 78 enables unprecedented levels of plan-enabled capacity, much of it is poorly located, suggesting that much of it may not be taken up.

3.17 It also appears that community facilities such as schools may have been included in the assessment of development capacity because they are zoned residential. In reality however, there is no prospect of them being redeveloped for residential. For example, the plan below shows zoning in the Howick area. The large land parcels zoned MHS are for Macleans College, Bucklands Beach Intermediate, Pigeon Mountain School, Howick Primary, Howick Intermediate and Howick College – none of which are likely to be rezoned for residential development.



3.18 There is also no consideration of whether plan-enabled capacity is technically or financially feasible to service. That may not be the case, for example, for replacing water or wastewater trunk mains in densely populated existing urban areas, where the resulting cost and disruption may render it untenable.

3.19 In this regard, the Draft FDS appears to assume that it is cheaper to upgrade existing infrastructure in brownfield areas than to build new infrastructure in greenfield areas. In fact, the costs of replacing old pipes and upgrading utilities, remediating contamination, higher civil and retaining costs, limitations on access, legal and title implications including fragmented land ownership, add significantly to the overall cost.

Neither the Draft FDS nor the supporting evidence reports contain any meaningful discussion of these issues.

Provision of competitiveness margin

3.20 Clause 3.2(d) and 3.22 require that development capacity provided by tier 1 authorities must include a competitiveness margin (20% for the short and medium terms and 15% for the long term) over and above the expected demand.

3.21 The Draft FDS does not provide for a competitiveness margin in its capacity figures. It is therefore uncertain whether this has been properly taken into account.

Failure to engage with development sector

3.22 Clause 3.15 of the NPS-UD requires that the Council engage with the development sector in the preparation of the Draft FDS to:

> *"identify significant future development opportunities and infrastructure requirements."*

3.23 This reflects an intention that local authorities and land developers should work constructively together to deliver urban growth.

3.24 FRL understands that the only members of "the development sector" that the Council has engaged with in the preparation of the Draft FDS are the Property Council New Zealand ("PCNZ") and Kainga Ora. As a government agency undertaking largely brownfield development, Kainga Ora offers a specific perspective on urban development that is not the same as that of the private sector. Similarly, while the PCNZ purports to represent the interests of its members (noting that many of the national-scale development companies are not members), it has no experience of development itself.

3.25 We also understand that the Council has undertaken a survey to ascertain the development intentions of developers in Auckland. FDL did not receive an invitation to participate in this survey and indeed a survey of PCNZ's members has indicated that 93% of those surveyed had not been contacted by the Council.[6]

3.26 The Council has not engaged with FRL or any of the other major developers in Auckland, all of whom could have provided information critical to a full understanding of Auckland's development market and the considerations that are relevant to successful delivery of urban development. This failure to consult is immediately apparent on the face of the Draft FDS, which contains numerous assumptions and assertions which are simply incorrect and could easily have been clarified by the development sector.

4. SPATIAL GROWTH SCENARIOS AND INTENSIFICATION OPTIONS

4.1 Clause 3.14 of the NPS-UD requires that the spatial strategy is informed by "*consideration of the advantages and disadvantages of different spatial scenarios for achieving the purpose of the FDS."*

4.2 The *Growth Scenarios Evidence Report* ("GSER") prepared to inform the Draft FDS includes an analysis of four growth scenarios representing different spatial options for land uses (Climate, Intensive, Compact, and Expansive) to accommodate growth over the next 30 years.[7] It states that the scenarios have been tested against a "*multi-criteria*

6 Presentation on "Auckland Future Development Strategy" (Property Council New Zealand, July 2023).
7 *Auckland Future Development Strategy - Growth Scenarios Evidence Report for Consultation* ("GSER") (Auckland Council, June 2023).

analysis relying on modelling outputs as well as quantitative and qualitative information."[8]

4.3 FRL has undertaken a comprehensive review of the spatial scenario analysis and identified numerous flaws which undermine the validity of the analysis and conclusions.

Inclusion of implausible options

4.4 The process used to derive the four options has a major bearing on the overall direction and likely findings of the analysis. Of particular concern is the inclusion of an unrealistic benchmark scenario (Scenario A) that assumes different development patterns, home and job locations, and travel habits to the other three scenarios, but which are often masked or not properly acknowledged, causing the other three scenarios to be unfairly assessed.

4.5 The GSER states that "*four growth options were developed, representing different spatial options for land use, accommodating a consistent quantum of Auckland's growth and change in dwellings and jobs over the next 30 years*."[9] Similarly, on page 5, the report records that: "*four alternative growth scenarios were developed, each representing a different urban form."*[10] These descriptions indicate that the four scenarios are equally plausible but differ (mainly) in their associated urban form. However, that is not the case.

4.6 There are fundamental differences between Scenario A and the other three scenarios. Whereas the first three scenarios were derived via workshops held with subject matter experts, Scenario A was derived during the development of the Transport Emissions Reduction Pathway ("TERP") by a smaller subject matter expert group to "*reflect a spatial distribution world where climate mitigation and adaptation interventions and land use planning were prioritised over other goals and objectives for the region*." As a result, Scenario A is based on different (and unrealistic) assumptions which make it incomparable to the other scenarios and a poor benchmark for evaluating those other scenarios. For example, the report states:[11]

> *"The evaluation found little difference between the scenarios in terms of model outputs relating to travel behaviour, except for Scenario A which…deliberately [included] significant shifts in land use patterns and transport assumptions."*

4.7 Scenario A incorporates fundamentally different, unsubstantiated transport assumptions that defy any like-for-like comparison with the other scenarios, including that:[12]

(a) People with office jobs work from home 1 day per week (which is about triple the rate assumed for the other three scenarios);

(b) Public transport fares are $2 per trip forever (regardless of trip length/mode); and

(c) The uptake of active travel modes is much greater than in the other scenarios.

4.8 Scenario A also assumes much higher levels of job and housing growth "*to enable the model to make more decisions on uptake of development capacity including providing a significantly more mixed-use environment to support more dispersed employment locations"*.[13] Consequently, Scenario A assumes much closer spatial matches between

8 GSER at 4.
9 GSER at 4.
10 GSER at 5.
11 GSER at 8.
12 GSER at 19.
13 GSER at 13.

the locations of new jobs and new homes than the other scenarios, which directly bolsters its modelled travel benefits.[14]

4.9 Further, Scenario A assumes that relatively high-density development will occur throughout the region, even in remote rural areas, with 80% of future dwellings in rural nodes expected to be "attached" versus only 20% currently.[15] Finally, Scenario A withdraws capacity outside areas for intensification "*as a way to influence the model to respond according with the scenario narrative*."[16] Scenario A is therefore neither plausible nor realistic, so including it is inappropriate as it sets an unfair benchmark against which other scenarios are assessed.

4.10 Similarly, Scenario D is not credible because it reflects a highly dispersed urban form that is also a major shift from the current approach. Scenario D sees only 52% of new homes inside existing urban areas, with 48% in the FUZ and rural areas. This implied future spatial direction is a wholesale departure from the agreed "70/40" split underpinning the current strategy reflected in the AUP and thus also has no real-world basis.

4.11 In summary, therefore, two of the four options have limited real-world value for determining the optimal way to accommodate growth in homes and jobs over time, which undermines the validity of the entire exercise.

Absence of status quo option

4.12 There is also no scenario representing the status quo. This is highly unusual, because the default course of action for virtually every options assessment is to simply "do nothing". Absent of such an option in the assessment, it is impossible to properly compare the potential impacts of the different scenarios to the current evidence-based trajectory.

Flaws in assessment criteria

4.13 It is apparent that no objective assessment of the scenarios has been undertaken. The criteria used to assess options should be identified independently from the options themselves to avoid potential bias, especially when scores depend on experts exercising their professional judgement. Instead, the criteria appear to have been derived from the scenarios, resulting in a circularity between the scenarios and the assessment. Because of this, the Draft FDS records that the results are "thematic",[17] therefore undermining the validity of the exercise.

4.14 The assessment criteria also fails to consider areas of common ground and instead focuses only on differences between the options. Specifically, page 21 of the GSER lists evaluation themes (i.e. criteria) that were initially deemed important, but were later disregarded entirely or considered only fleetingly because the evaluators decided to consider only points of difference. The report states that *"Having considered the range of criteria identified, it was then determined that only criteria that would differentiate the scenarios should be taken through into the evaluation process."* [18]

4.15 While the differences may be of greater analytical interest than commonalities, omitting criteria where the scenarios perform similarly systematically distorts the nature and extent of the differences between the options. Furthermore, several key issues are not

14 This can be seen on page 15, where the assumed locations of new jobs and homes is almost perfectly spatially aligned in Scenario A compared to the other scenarios.
15 GSER at 20.
16 GSER at 13.
17 GSER at 8.
18 GSER at 22

covered in any meaningful detail (presumably because the evaluators considered them areas of common ground), including: [19]

(a) Development feasibility;

(b) Housing affordability; and

(c) Ensuring there is enough land for business.

4.16 Meanwhile, transport impacts and accessibility account for 11 of 29 criteria (38%), compared to only two criteria for natural hazards and climate change adaptation/mitigation (7%). This means that transport and accessibility effects receive more than five times the weight of climate change adaptation and mitigation effects in the growth options assessment (i.e 38% vs 7%).

4.17 While transport issues are important, the FDS can only have a very limited impact on the region's future emissions profile because most of the urban form is already fixed. Further, light passenger vehicles account for only a modest fraction of national CO_2 emissions. In this regard, the latest Greenhouse Gas Inventory (published in 2023) shows that cars produce only 8% of total (gross) CO_2 emissions[20] and average CO_2 emissions of cars are already falling due to rapid shifts towards electric, hybrid, and other low-emissions vehicles. By 2050, petrol cars will account for just over 10% of total Vehicle Kilometres Travelled ("VKT"), with hybrid and electric cars accounting for more than 70%.[21] Therefore:

(a) Policies aimed at curbing Green House Gas ("GHG") emissions from cars will have limited impacts on meeting national emissions targets; and

(b) Seeking to reduce CO_2 emissions via the spatial location of new jobs and homes will have very little impact overall.

4.18 Thus, while reducing vehicle emissions (particularly in the short term) is important, this is not an appropriate primary focus for the Draft FDS.

Inclusion of flawed assumptions and processes

4.19 Some of the model's inputs are out-of-date. For example, the modelling assumes the need to accommodate an extra 408,000 dwellings and 380,000 jobs over the next 30 years, compared to only about half that amount in the Draft FDS itself. By modelling much higher levels of growth than are now anticipated, the analysis overstates the travel (and GHG emissions) impacts of each option.

4.20 Other inputs of concern include the unreferenced and unsubstantiated assumptions that:

(a) A city centre cordon and road pricing are in effect from 2031 and 2041, respectively.[22]

(b) Infrastructure required for all options is technically feasible.[23]

19 GSER at 22; see the list of initial criteria themes in Box 3.
20 Ministry for the Environment "About New Zealand's Greenhouse Gas Inventory" (27 May 2021) <www.mfe.govt.nz/climate-change/state-of-our-atmosphere-and-climate/new-zealands-greenhouse-gas-inventory>.
21 **Error! Hyperlink reference not valid.**Jayne Metcalfe and Serge Peeters "Vehicle Emissions Prediction Model VEPM 6.3 update technical report" (28 April 2022) Emission Impossible Ltd and M&P Consulting Ltd <www.nzta.govt.nz/assets/Highways-Information-Portal/Technical-disciplines/Air-quality/Planning-and-assessment/Vehicle-emissions-prediction-model/VEPM-6.3-technical-report-2022.pdf>.
22 GSER at 17.
23 GSER at 18.

4.21 Infrastructure requirements for the FUZ have been closely studied, but this is not the same for the infrastructure required to support widespread intensification under PC 78. As discussed in Section 6 below, there is significant uncertainty that the infrastructure upgrades needed to support the intensification enabled by PC 78 are feasible.

4.22 The reliability of the model's processes, and hence outputs, is also a concern. For example, page 12 of the GSER records that the model crashes and breaks if there is insufficient capacity, which raises concerns about its robustness and reliability. Further, page 18 of the GSER records that the model has limitations in relation to capturing behaviour change even though that is critical to realising the alleged benefits of certain scenarios. At page 24, the GSER states that:

> *"To direct 'take up' to specific locations sometimes required plan-enabled capacity to be reduced or capped to limit take up and force the model to develop in accordance with the scenario narrative."*

4.23 Interfering with the model's operation and forcing it to take actions that suit a scenario narrative directly invalidates its outputs and casts serious doubt over the objectivity of the overall modelling process itself.

Flaws in approach to scoring

Reliance on subjective assessment

4.24 The majority of criteria were primarily subjectively evaluated by subject matter experts.[24] It is therefore essential that an appropriate mix of experts is used to assess them. However, the number of experts engaged, their qualifications, experience, and areas of expertise are not recorded. The expert group is recorded as comprising only members of the (unnamed) project team plus subject matter experts from Council departments and Council Controlled Organisations ("CCOs"). This raises concerns that a sufficiently deep and broad mix of expertise has not been utilised. There has also been no expert input from any other key stakeholders, such as the development community, which reduces the credibility and reliability of the scores.

Flaws in assessment measures

4.25 In addition, the measures against which criteria were assessed contain numerous flaws. In this regard:

(a) Access to open space is measured by the number of households and people within a walkable catchment of an open space that is at least 3000m^2.[25] Not only is this size threshold arbitrary, but the criterion itself does not consider the quality of the experience, nor the likelihood of congestion occurring at existing parks in scenarios with high intensification.

(b) The extent to which population is exposed to harmful air emissions from transport focusses on the *generation* of emissions, not the population's *exposure* to them.[26] This is highly misleading given the criterion's title, and it directly obscures the likely health impacts of scenarios that rely on high levels of intensification (such as Scenario A). Instead, this criterion assigns Scenario A the highest score possible.

24 Natural hazards, Carbon emissions, Housing choice, Biodiversity, Health of water bodies, Water quality, Highly productive soils, Natural and built heritage, Access to social infrastructure, Air quality, Māori and cultural landscapes, Costs of development, Infrastructure and Market feasibility: see GSER, page 25.
25 GSER at 36.
26 GSER at 37.

(c) Access to social infrastructure was defined to include access to hospitals via active modes or public transport.[27] Hospitals are visited only rarely. And, when they are accessed, it is usually in a hurry via a car or ambulance. Accordingly, the accessibility of hospitals via public transport and active modes is a crude and very narrow way to measure each option's access to social infrastructure.

(d) Similarly, access to social infrastructure and employment in high deprivation areas is partly based on accessibility to tertiary education via active modes or public transport.[28] However, very few regional residents are enrolled in tertiary education, so this is an unduly narrow way to measure the overarching criterion. Further, many people are now regularly accessing tertiary education online.

No reflection of cardinal modelling

4.26 Another issue arising in respect of the scoring is that the cardinal nature of the modelling outputs is not reflected in the multicriteria analysis scores. For example, an option may have scored only slightly better than another on a specific criterion according to the modelling, but the scores imply that it performed two or three times better overall. This issue affects at least three of the 29 criteria, including:

(a) The extent to which scenarios impact carbon emissions;[29]

(b) Mixed use communities;[30] and

(c) Accessibility to key economic activity.[31]

Inconsistency/errors in scoring

4.27 In addition, the scoring for several criteria does not reflect the preceding discussion. This issue affects at least three of the 29 criteria, including:

(a) The degree to which urban development consumes highly productive land.[32] For this criterion, Scenario C was scored as negative two because of its FUZ land despite the preceding discussion clearly stating that FUZ land is exempt from the requirements of the National Policy Statement on Highly Productive Land;

(b) Housing choice;[33] and

(c) Access to social infrastructure.[34]

Failure to weight criteria

4.28 Finally, the evaluation does not weight the criteria. This is highly unusual, and it directly elevates the importance of some factors while systematically downplaying others. That is because, absent of weighting, the more criteria per theme, the greater the weight afforded that theme in the evaluation, and vice versa. For example, suppose that one theme is measured by ten criteria, while another theme is measured by only two criteria. If weights are not applied, the first theme carries five times as much weight in the

27 GSER at 40.
28 GSER at 41.
29 GSER at 32.
30 GSER at 40.
31 GSER at 45.
32 GSER at 35.
33 GSER at 39.
34 GSER at 42.

overall assessment than the other. Usually, this is addressed by applying weighting that mitigate differences in criteria breadth and depth, but that is not the case here.

4.29 The following table puts the issue in context by showing the share of the 29 criteria that fall into (our suggested) evaluation themes, and the implied weighting on each overall:

Evaluation Themes	Number of Criteria	Implied Weight
Travel Impacts/Accessibility	11	38%
Environment	4	14%
Land & Housing Markets	4	14%
Social/Culture/Heritage	2	7%
Economy	2	7%
Infrastructure	2	7%
Māori	2	7%
Natural hazards/Climate adaptation	2	7%
Total	**29**	**100%**

Number of Criteria and Implied Weighting by Evaluation Theme

4.30 The result is that some themes have been given excess weight at the expense of others, without explanation, distorting the overall assessment.

Summary

4.31 It is apparent from the above that the consideration of spatial growth scenarios that has informed the Draft FDS is replete with baseless assumptions, inconsistencies and errors.

4.32 It is therefore of little assistance in terms of identifying the appropriate strategy for urban growth in Auckland and cannot be relied upon to justify the strategy set out in the Draft FDS.

5. LIKELY EFFECTS OF THE DRAFT FDS ON HOUSING AFFORDABILITY AND CHOICE

5.1 The primary assumption underpinning the Draft FDS is that there is already at least sufficient development capacity available to meet demand in the existing urban area, such that the Council does not need to enable any significant urban expansion.

5.2 As set out in Section 3 above, that approach runs counter to the strong directive in the NPS-UD for local authorities to deliver greater land supply and support housing affordability.

5.3 FRL agrees that brownfield development and urban regeneration should be an important element of Auckland's urban growth model. However, that should not be the only focus.

Need for brownfield and greenfield development and risks of under-supply

5.4 The question of how to manage Auckland's urban growth was considered at length by the IHP on the AUP, chaired by the now Chief Environment Judge, which heard extensive economic and planning evidence regarding the potential risks and benefits of different growth strategies. Having heard that evidence, the IHP concluded that it was critical to the long-term well-being of people and communities in the region that errs toward over-enabling capacity. The IHP said:[35]

35 *Report to Auckland Council Overview of recommendations on the proposed Auckland Unitary Plan* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at [6.2.2].

> *"…the implications for individuals and the community from an under-supply of enabled residential capacity (e.g. house price escalation, over-crowding, extended commuting distances, and migration out of the region) are much more severe than those of an oversupply of enabled capacity (e.g. the inefficient use for a period of land zoned for future urban use). Property markets are able to respond to the over-supply of enabled capacity by, for example, deferring the development of some land zoned for future urban, whereas markets are not able to remove the constraints and distortions from the under-supply of enabled capacity. Thus the Auckland region can be expected to perform more efficiently if the Unitary Plan errs toward an over-supply of enabled capacity than toward an under-supply. Given the level of uncertainty in the projections of demand and supply for the long term, it is neither practical nor prudent to try and target a precise level of enabled capacity."*

5.5 The IHP concluded that it is important to provide multiple ways of accommodating growth, in both brownfield and greenfield areas, to ensure that sufficient development capacity is delivered.

5.6 Notwithstanding the IHP's efforts to ensure sufficient capacity and maintain housing affordability, it is apparent that housing affordability remains a major issue for Auckland and that planning controls are a significant cause. Recent work by the New Zealand Infrastructure Commission has found that urban planning controls have had a major impact on land prices (and therefore affordability), having reviewed the effect of Auckland's Make the Rural Urban Boundary ("RUB") and similar provisions in five other urban areas (Hamilton, Tauranga, Wellington, Queenstown and Christchurch) at two points in time – 2010/11 and 2020/21. It found that:[36]

> *"land just inside the boundary of rural areas and urban areas of a city costs significantly more than would be expected, using land just outside the boundary as a comparator – even after accounting for amenities and infrastructure costs that add value to urban land."*

5.7 Constraining development in the FUZ is a significant concern in terms of fostering and maintaining competition. Without a strong and ongoing supply of new urban land in strategically chosen locations (as per the current development strategy), the competitive operation of the region's urban land market may be compromised. Economic theory explains the potential risks of this loss competition as follows:

(a) **Preventing Market Power and Monopoly**: Competition prevents the concentration of market power and the emergence of monopolistic practices in land markets. If a single entity or a small group of firms dominates the market, they can exert control over prices, limit choices, and stifle competition. Competition avoids this prospect by enabling multiple buyers and sellers to interact within local land markets.

(b) **Consumer Choice and Affordability**: Competition enhances consumer choice and promotes affordability in land markets. When there are many developers and landowners competing for buyers or tenants, consumers have a wider range of options to choose from. This competition exerts downward pressure on prices, making land and housing more affordable for a broader segment of the population. Moreover, competition encourages developers to differentiate their offerings by providing better amenities, quality construction, and innovative designs.

(c) **Price Discovery**: Competition enables price discovery. When multiple buyers and sellers actively engage in a market, they compete to buy or sell on the best

36 New Zealand Infrastructure Commission. (2023). Urban land prices – a progress report. Wellington: New Zealand Infrastructure Commission / Te Waihanga at 8.

possible terms, thereby enabling "discovery" of the current market price (where supply and demand meet). This ensures that market prices better reflect the true value of land based on its size, location, potential uses, and other valued attributes (rather than the profit-seeking behaviour typical of monopolies).

(d) **Efficiency and Productivity**: Competition fosters efficiency and productivity in land markets. In competitive environments, developers and landowners strive to maximise returns by using land resources optimally. This fosters innovative land uses, such as mixed-use development, and adaptive reuse of existing structures. Competition drives developers to find creative solutions to meet the changing needs of residents, leading to improved productivity and efficient land utilisation.

(e) **Investment and Development**: Competition also attracts investment and spurs development in nearby areas. When developers and investors perceive a viable market, they are more likely to invest in land and undertake development projects. The prospect of earning profits motivates developers to take risks and initiate new projects. Increased investment and development activities contribute to economic growth and job creation.

5.8 Despite this, the Draft FDS proposes to significantly constrain greenfield urban growth. In reaching its conclusion that there is now more than sufficient capacity available for urban development in the existing urban area, the Draft FDS relies heavily on PC 78, which has not yet reached the hearing stage and in fact has been deferred by a year. Although the Council is statutorily obliged to implement this plan change, there remains significant uncertainty regarding the extent of development capacity that will be realised as a result, particularly having regard to the decisions required to accommodation for natural hazards. These uncertainties have not been addressed in the Draft FDS.

Failure to consider locations of brownfield intensification

5.9 Further, PC 78 will increase capacity in relatively remote existing urban locations, such as southern brownfield areas where job accessibility is poor, but will produce very little capacity in areas where growth is most desired to achieve a compact urban form. For example:

(a) The city centre accounts for 5% of existing dwellings, but only 3.5% of plan-enabled capacity; and

(b) The inner suburbs account for 3.4% of existing dwellings, but only 1.5% of plan-enabled capacity.

5.10 In contrast, the northern and southern rural towns account for a notably higher share of plan-enabled capacity than their corresponding shares of existing dwellings. Thus, while PC 78 may enable significant new plan-enabled capacity, it does not necessarily help meet the region's goal of a compact urban form. In fact, because the capacity uplifts caused by PC 78 are inversely proportional to the density already enabled by the AUP, it significantly boosts capacity in peripheral locations (with a Residential - Single House zoning), but has relatively little impact in and around centres with Residential – Terraced Housing and Apartment Buildings ("THAB") zoning. As a result, it is questionable whether that capacity is in the right places to achieve the desired urban form. The Draft FDS contains no consideration of these issues.

Serviceability and commercial feasibility of brownfield development

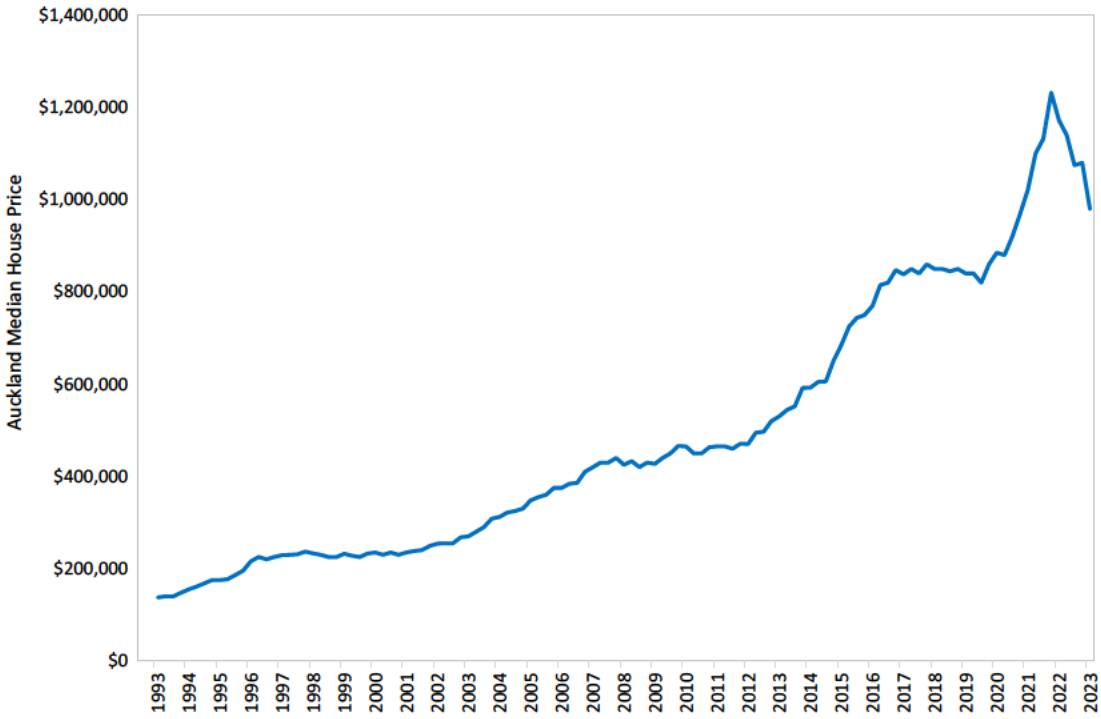
5.11 The Draft FDS also does not properly consider the serviceability or commercial feasibility of the identified development capacity.

5.12 Regarding serviceability, the Draft FDS simply assumes that any infrastructure required to service growth will be technically feasible. However, that will not always be the case.

The disruption associated with upgrading infrastructure (for example, wastewater pipes) through a densely populated urban area may render it technically (and/or practicably) infeasible. However, this is not addressed in the Draft FDS.

5.13 Regarding commercial feasibility, the Draft FDS appears to assume that because plan-enabled capacity is several times the level of expected demand, sufficient capacity will be feasible.[37] In fact, development feasibility has changed dramatically over the last few years due to the compounding effects of lower house prices, higher construction costs, and significantly higher interest rates. Together, these changes conspire against the feasibility of a increasing density scale and may result in a shortfall, particularly over the longer term.

5.14 Figure 5 below shows how Auckland's median house price has tracked over time. While it has climbed steadily since the early 1990s, the region's median dwelling price has fallen precipitously from about mid-2021 onwards (when the Draft FDS' modelling appears to have been done). In fact, the median price has fallen from $1.23 million in mid-2021 to only $980,000 in early 2023, a drop of more than $250,000 (or 20%) in less than two years. Coupled with the near-30% increase in residential construction costs over the same period, it should be clear that development feasibility has changed fundamentally and hence that relying on previous feasibility analyses is inappropriate.



Auckland Median Dwelling Price (from NPS-UD dashboard)

5.15 In terms of likely realisable capacity, the Draft FDS appears to rely on historic uptake to determine that sufficient realisable capacity exists. Specifically, it states:[38]

> *"Take-up has been high in almost all areas where intensification has been enabled by the AUP, including in relatively low land-value*

37 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 29.

38 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 30.

locations. Ongoing take-up of these opportunities is reasonably expected wherever they are provided."

5.16 FRL agrees that take-up will continue, but there is no evidence to support the assumption that it will continue like it has previously. First, feasibility has changed substantially. Second, many of the best intensification opportunities will have already been taken up, with those remaining likely to be more marginal. Third, the capacity unlocked by PC 78 is not like the capacity unlocked by the AUP: whereas the AUP targeted additional capacity in areas where it would be taken up, as set out above, PC 78 applies a blanket approach which is highly unlikely to result in increased development in many areas. This statement therefore contains a false equivalence.

5.17 Accordingly, the issues that were addressed by the AUP IHP regarding the risks of under-supply remain. There is therefore a major risk that the Draft FDS will have a very significant impact on urban land pricing and consequently, housing affordability.

6. RATIONALE FOR GREENFIELD DEVELOPMENT

6.1 Enabling well planned greenfield development alongside urban regeneration is critical to ensure that there is sufficient residential capacity to meet demand and to support the competitive operation of land and development markets, thereby supporting housing affordability and choice.

6.2 Greenfield development offers the opportunity to provide an important part of the market: in accordance with AUP requirements, greenfield developments are typically comprehensively master planned and result in a much higher quality neighbourhood (in terms of subdivision and roading layout, stormwater management, community facilities, etc.) than can be achieved when attempting to retrofit modern development into an existing urban area.

Timing and funding of infrastructure provision

6.3 It is apparent that the key factor underpinning the Draft FDS is the significant budget constraints currently faced by the Council. The Council's response is to put a moratorium on growth until funding issues are resolved and infrastructure can be funded.

6.4 The problem with this approach is that demand for housing and business development will continue, notwithstanding the Council's financial position. It also narrowly assumes that all infrastructure is Council funded, which is not always the case as private developers are often responsible for funding necessary upgrades.

6.5 The Draft FDS includes the fundamental misconception that it is cheaper and easier to upgrade existing infrastructure in brownfield areas than to build new infrastructure in greenfield areas. This is incorrect. In this regard FRL's experience is that:

(a) At scale, the cost of developing on brownfield sites is actually much more than a greenfield site: typically two to three times the cost due to the complexities of retrofitting an existing built up area.

(b) Typically, the costs of replacing old pipes and upgrading utilities, remediating contamination, higher civil and retaining costs, limitations on access, legal and title implications including fragmented land ownership, add significantly to overall cost.

(c) Assembling large tracts of brownfield land is problematic due to existing subdivision and land ownership patterns. Brownfield blocks tend to be smaller.

(d) Greenfield development offers a more efficient provision of infrastructure. That infrastructure is paid for by the development whereas in brownfield development this falls more to the Council.

(e) While greenfield development can impact broader regional infrastructure costs, there are various options available to fund that infrastructure, as discussed below.

6.6 In summary, intensification at scale is slow, expensive, and not practicable in many places of Auckland. Brownfield development can be successful for small infill type development and on the few large land holding blocks, which will continue to contribute to Auckland's growth, but this is not the full solution for providing for growth and affordable housing, nor will it provide for the capacity assumed by the Draft FDS.

Infrastructure funding

6.7 The Draft FDS is entirely silent on other funding options available to fund infrastructure. In fact, there are many other options available that could be explored to enable the coordinated release of greenfield land, including:

(a) Private sector funding of key infrastructure;

(b) The option of partnership arrangements between the private and public sectors to fund infrastructure over time;

(c) Infrastructure funding agreements and the opportunity to build in mechanisms to fund work as land owners benefit from early infrastructure investment; and

(d) Utilisation of the tools in the Infrastructure Funding and Financing Act 2020.

6.8 The Draft FDS appears to assume none of these are applicable or workable. Having regard to the potentially significant economic consequences of constraining growth in the manner proposed, equal energy should be put into identifying innovative proposals that could work on targeted growth areas.

6.9 In addition, the Draft FDS appears to reflect the position that it is necessary for all major infrastructure upgrades to be funded and/or in place before land can be rezoned. That is unnecessary and in fact represents poor planning practice. The NPS-UD requires that urban development is "integrated" with infrastructure planning and funding decisions. As the IHP on the Drury East Plan Changes observed:[39]

> *"The essence of integration is that those matters happen contemporaneously, in a complementary way, and over time….*
>
> *A sequential approach…would compromise the potential for urban zoning and development to occur in a timely and integrated fashion ... That is because live zoning provides certainty and gives confidence to landowners (and central and local government agencies) that expenditure on infrastructure will be worthwhile and efficient."*

6.10 It is unnecessary, and potentially economically wasteful, to require all infrastructure required to support a large, staged development to be present at the outset. Implementing infrastructure before it is required can incur unnecessary financing costs over the period when it is unused or under-utilised. Some infrastructure, such as waste water networks, require a critical volume to operate efficiently, and so unused or under-utilised periods can lead to technical issues. It also prevents funds from being applied to other infrastructure that will be needed sooner. Once implemented, infrastructure needs to be maintained, which incurs costs. Installing infrastructure only when it is needed avoids those interim maintenance costs.

39 *Proposed Private Plan Change 49 - to the Auckland Unitary Plan, Decision following the hearing of a Private Plan change under the Resource Management Act 1991* (Auckland Council, August 2021) at [179]-[180].

Infrastructure triggers

6.11 The analysis which has informed the infrastructure "triggers" for future land release has been undertaken at a coarse scale, and the actual infrastructure requirements required to service land will vary depending on factors including the nature of the development, infrastructure solutions proposed and the status of development on neighbouring sites.

6.12 Over time, infrastructure requirements and solutions are likely to change. For example, the transport projects listed are (for the most part) those set out in the Regional Land Transport Plan ("RLTP"), which is subject to review and change every six years. Further, Appendix 3 of the Draft FDS records that two key transport documents are currently being finalised, being the Auckland Rapid Transit Plan ("ARTP") and the Tāmaki Makaurau Integrated Transport Plan ("TMTP"). As such, projects and project timeframes are subject to change.

6.13 The extent of several projects is significant, such as Mill Road, the North Shore Rapid Transit (extension to Milldale), North-west Rapid Transit and SH16-SH18 Connections. The Draft FDS does not give regard to how these upgrades may be staged, or how interim interventions put in place by the transport authorities may deliver or assist in delivering suitable short to medium term network improvements. For example:

(a) A new Westgate bus station and improvements along SH16 for buses currently being implemented will improve public transport attractiveness and reliability for the North-west, such that the effect between the ultimate outcome (North-west Rapid Transit) and the interim outcome may be relatively minor (more resilient) when considering the timing of development;

(b) The recently completed Northern Corridor Improvements extends the Northern Busway to Albany and therefore assists with improving bus reliability for bus users to the North; and

(c) The provision of bus shoulder lanes in the future on SH1 to Silverdale, where limited interchange crossings exist would present a feasible, reliable and low cost alternative that benefits bus users, with improved frequencies for local service, delivering a viable medium term solution. This approach is already being applied to SH16.

6.14 It is inappropriate to prohibit development where safe transport solutions can be addressed prior to the ultimate corridor upgrade being delivered.

6.15 The identified corridor upgrades do not only address transport (safety, active modes and capacity) but also include a significant amount of land and cost to improve stormwater improvements (for example, the Coatesville-Riverhead Highway upgrade), requiring private land acquisition. It is unreasonable for the Draft FDS to tie the development of private land to transport upgrades, as:

(a) Private land requires third party land acquisition which only the regulatory authorities can deliver.

(b) Safe, effective and efficient solutions can be delivered by private developers within the existing road reserve, which addresses the transport effects of private development.

6.16 Having regard to the above, while alignment of infrastructure and development over the long term is of course critical, it is unnecessary and inappropriate for infrastructure considerations to control development to the extent that a moratorium is placed on growth until infrastructure is available.

6.17 The appropriate time to consider whether the necessary infrastructure is available to support a greenfield development is at the plan change stage, when the proposed

development and its context is fully understood. There is an established legal position regarding the extent of infrastructure required to service a proposed development or rezoning[40] which can be thoroughly tested via the Schedule 1 process. The current framework which includes placing land use and infrastructure upgrade triggers into planning provisions allows the opportunity for developers to progress (working with the road controlling authorities) transport upgrades which inevitably saves the roading authorities money.

Carbon emissions

6.18 In terms of carbon emissions, the Draft FDS also appears to be premised on the assumption that concentrating urban growth in the existing urban area will reduce vehicle emissions. There is no evidence to support that assumption.

6.19 To the contrary, enabling the development of well-functioning urban environments, including business development on the urban fringe will support those areas as self sustaining neighbourhoods in which people can live, work and play, thereby reducing travel requirements.

6.20 Residential growth enabled in recent years has increased the population around Auckland's fringe. However, the development of employment land, and the provision of public transport networks, have not occurred at a similar pace, which in turn requires people to travel large distances to reach employment hubs.

6.21 The Auckland Transport Alignment Project ("ATAP") report that underpins the transport investments included in the Regional Long Term Plan (and the Draft FDS) highlights the:[41]

> *"significant unevenness to future employment accessibility and a growing polarisation of access to employment in the future. By 2046 more than a million people will be living in the western and southern parts of Auckland, nearly half the region's population. However, these areas see relatively little improvement in their access to employment over time."*

6.22 The 2018 Census commuting data shows that a large number of people commute to employment areas where light industrial activities are located, including:

(a) North Harbour Industrial Estate;

(b) Wairau Valley;

(c) Penrose/Mt Wellington/Onehunga;

(d) Henderson;

(e) East Tamaki (Highbrook); and

(f) Auckland Airport.

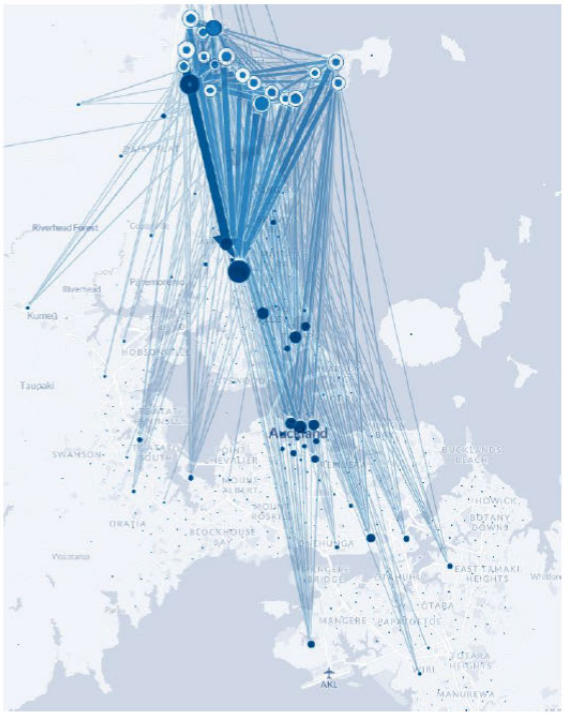
6.23 The mode of travel for the majority of these trips will be by private car, as frequent and reliable public transport connectivity does not exist to all areas, noting also that many

40 *Landco Mt Wellington v Auckland City Council* [2009] NZRMA 132, *Laidlaw College Inc v Auckland Council* [2011] NZEnvC 248.

41 Ministry of Transport NZ "Auckland Transport Alignment Project (ATAP) – Evaluation report" (September 2016) <www.transport.govt.nz/assets/Uploads/Report/ATAP-Evaluation-Report.pdf> at 15.

light industrial businesses include shift work which makes catching public transport less attractive due to off peak reliability and safety.

6.24 Existing commuter travel patterns are shown in the plan below:

North - Silverdale/Whangaparāoa	Northwest - Whenuapai/Hobsonville/Kumeu
	
Number of commuters to prominent light industrial employment areas – 3,800	Number of commuters to prominent light industrial employment areas – 2,300
Estimated annual private vehicle kilometers travelled (vkt) – 50 million	Estimated annual private vehicle kilometers travelled (vkt) – 20 million
Reduction in vkt if 15% work locally – 7 million vkt	Reduction in vkt if 15% work locally – 3 million vkt
Reduction in vkt if 30% work locally – 15 million vkt	Reduction in vkt if 30% work locally – 6 million vkt
Reduction in vkt if 45% work locally – 21 million vkt	Reduction in vkt if 45% work locally – 9 million vkt

Commuter travel patterns (using 2018 census data)

6.25 Providing employment opportunities closer to the new residential areas established around Auckland's fringe (Whenuapai, Silverdale and Pukekohe) is critical to achieving positive transport outcomes for the region, because it:

(a) Reduces the need to travel by private vehicle across the region to access jobs;

(b) Provides the ability to live, work and play about the same suburb, and substantially reduces VKTs;

(c) Allows more focussed public transport connections/routes to be established. Each area (Whenuapai, Silverdale and Pukekohe) has a nearby RTN station and therefore has the ability to extend or provide shorter and more frequent local bus services between residential and employment areas as they develop; and

(d) Provides safe connectivity for road freight and vehicle-based employment related trips, because each area already has established connectivity to the state highway network.

6.26 The Draft FDS also fails to consider the potential extension of commuter rail in the west. Both Riverhead and Kumeu are located near the existing North Auckland Rail Line, which is existing infrastructure that could be utilised for the extension of commuter rail from Swanson, reducing VKT and emissions while managing the transport network.

6.27 In summary, the Draft FDS ignores key accessibility challenges faced by Auckland growth areas as set out in the ATAP Evaluation Report and does not contribute towards reducing VKT for those residential areas already established/establishing about the outer areas of the region.

7. PROPOSED IMPLEMENTATION MEASURES

7.1 The Draft FDS records an intention to implement changes to the AUP to require stricter compliance with the Council's growth strategy. Specifically, the Draft FDS proposes the initiation of a change to the RPS to:

(a) Amend the RPS to more directly require compliance with the FDS; and

(b) RUB a regional plan rule such that it cannot be amended by way of a private plan change request.

7.2 These changes appear to be motivated by a perception that private plan changes approved "out of sequence" with the Future Urban Land Supply Strategy ("FULSS") have undermined the Council's ability to provide for integration of urban growth and infrastructure funding and delivery and should therefore be curtailed.

Requiring compliance with the FDS

7.3 Auckland's experience of the FULSS demonstrates that it is impossible for the Council to unilaterally control where growth occurs. Land release and development has not rolled out in accordance with the identified schedule, because it is a blunt tool that does not take into account land ownership patterns, market demand and other factors which determine how development occurs. Some flexibility is required to accommodate those factors. In this regard, the IHP on the AUP expressly decided to remove reference to a land release programme in the RPS. It said:[42]

> *"This is because the land release programme is currently not complete and therefore not available for review, there will be little public and stakeholder input as the process under which the land release programme is being prepared sits outside of the Resource Management Act 1991 and the programme represents a return to "failed growth policies of the past" and could be used as a means by the Council for constraining growth in the Future Urban Zone."*

7.4 The IHP also said:[43]

> *"The Panel thinks there is a danger that the description of the process of urbanisation in the Future Urban Land Supply Strategy will, over time, be treated as a method of controlling the process, effectively by directing when and how essential infrastructure will be provided. This*

42 *Report to Auckland Council Hearing topic 013 Urban growth* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 8..

43 *Report to Auckland Council Hearing topic 028 Future Urban Zone* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 9.

> *could inhibit or even prevent meritorious proposals for greenfield development without a full assessment of those merits."*

All of those considerations continue to apply.

7.5 Since the FULSS was promulgated, the Council has only advanced one public plan change (at Whenuapai) to give effect to the land release strategy identified. This was subsequently withdrawn. The Council has therefore resoundingly failed to advance public plan changes to release land in accordance with its own policies under the AUP and FULSS. It has relied on the private sector to do this.

7.6 Private plan changes approved have almost all been within the areas identified in the FULSS as targeted for growth and zoned FUZ by the Council through the AUP. They have typically only been inconsistent with the FULSS in terms of timing.

7.7 Any private plan change must be the subject of a rigorous Schedule 1 process under the Resource Management Act 1991 ("RMA") in which the appropriateness of the proposed zoning and the ability of the land to be serviced is thoroughly tested. Decisions on private plan changes are made by experienced Independent Commissioners appointed by the Council. Therefore, all private plan changes that have been approved have been demonstrated to give effect to the relevant statutory and planning documents and to achieve the purpose of the RMA.

Making the RUB a regional rule

7.8 The Urban Growth provisions of the RPS and the question of whether the RUB should be a regional or district rule were robustly and comprehensively debated at the AUP hearings.

7.9 The IHP considered in detail the extent to which the AUP should lock in land supply and infrastructure decisions, concluding that such a step would not be consistent with the sustainable management purpose of the RMA. It said:[44]

> *"While the desire of the Council to achieve planning certainty about growth over the next 30 years is understandable, the Panel does not consider that it promotes the purpose of sustainable management to lock in land supply and infrastructure decisions over such a long period when the environment and the needs of people are constantly changing. Resource management planning needs to be responsive to the dynamic processes of urban growth. While providing certainty can promote efficiency by reducing future process requirements, overly or unnecessarily rigid application of rules can be a hurdle or barrier to efficiency by creating additional costs."*
>
> *[emphasis added]*

7.10 The IHP heard extensive economic evidence that excessively strict controls in respect of urban growth would likely have the effect of driving up prices, suppressing development and severely adversely affecting housing affordability. The IHP said:[45]

> *"The Panel considers that methods aimed at sustainably providing for housing in an efficient manner should be designed to discourage undesirable behaviours, such as land banking, and encourage desirable outcomes, such as creating alternative and competitive development opportunities to meet the needs of people. A Rural Urban Boundary that is permanent for the next 30 years, subject only to the*

44 *Report to Auckland Council Overview of recommendations on the proposed Auckland Unitary Plan* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 67.

45 *Report to Auckland Council Overview of recommendations on the proposed Auckland Unitary Plan* (Auckland Unitary Plan Independent Hearings Panel, July 2016) at 67.

> *unilateral power of the Council (or a Minister) to move it, would not provide sufficient planning flexibility to adapt to changing circumstances.*
>
> *For these reasons the Panel recommends that the Rural Urban Boundary should remain as a method in the Unitary Plan but should be moved from the regional policy statement to the district plan. While the policy for its location should remain in the regional policy statement to maintain its strategic direction over a longer term, the location of the boundary itself should be able to be changed by a plan change at the district plan level, which can be the subject of an application by any person."*

7.11 The proposal in the Draft FDS essentially represents another attempt to lock in the RUB, notwithstanding the incontrovertible findings of the IHP that such changes to the planning framework would have significant adverse effects on housing affordability and would be inconsistent with the scheme of the RMA.

7.12 No evidence has been provided to suggest that the IHP's concerns about severe adverse effects on housing affordability would not eventuate if the Draft FDS is approved. This is a major concern for FRL.

7.13 FRL strongly opposes the attempt by the Council to revisit an issue that has been comprehensively considered by the IHP and clearly resolved, following robust assessment.

8. PROPOSED REZONING OF FUZ LAND

8.1 FRL is deeply concerned that the proposal to either remove from the FUZ or "place under investigation" areas of land that are currently zoned FUZ in the AUP. The extent of the FUZ was identified by the IHP on the AUP following a comprehensive Schedule 1 process which considered all of the issues identified in the Draft FDS as reasons for review. Insufficient information has been provided to justify departure from the outcomes of that process.

8.2 Very substantial investment decisions have been made across Auckland based on the Council's decision making in this regard. In many cases, developers have advanced development proposals for their land which have now been thrown into jeopardy by the Draft FDS.

8.3 This potentially has major implications for the economic wellbeing of the development sector and all industries (civil engineers, earthworks companies, house builders, tradespeople, etc) who rely on the development sector for their business. Despite its potentially disastrous effect, the Draft FDS includes no discussion of these issues.

Natural hazards

8.4 It appears that the primary reason for proposing to remove land from the FUZ is because of concern about natural hazards, including in particular, flooding. This appears to be a reaction to recent weather events, which on closer interrogation is not justified.

8.5 Structure planning for development in greenfield locations includes comprehensive consideration of flood hazards and development is governed by Chapter E36 of the AUP which tightly controls development in flood plains.

8.6 It is clear that these provisions are working well as newer master planned communities, developed at scale in greenfield locations performed exceptionally well over the recent weather events. It was the inner city areas of Auckland, where intensification without commensurate infrastructure upgrades were permitted to occur, (which the Draft FDS proposes to intensify) which suffered.

8.7 Accordingly, there is no basis for the removal of all flood plains from the FUZ. Rather, the appropriate use of land that is subject to flood risk should be considered on a case by case basis following detailed analysis of risk that is appropriately undertaken at the structure planning and plan change stage.

Implications for Riverhead

8.8 As a member of the RLG, which is the proponent of the Riverhead South plan change, FRL has a particular interest in the approach taken to FUZ land at Riverhead. Part of the area has been identified for removal from the FUZ, with the remainder as an area "under investigation".

8.9 This land has been the subject of a detailed structure planning exercise to inform the Riverhead South Plan Change.[46] Independent consultants have comprehensively assessed the appropriateness of the land for residential development and prepared a development scheme which responds to the constraints and opportunities offered by the site.

8.10 The part of the land identified for removal from the FUZ in the Draft FDS is an area that is within the 1% annual exceedance probability (1% AEP) flood plain. As part of the structure planning exercise, detailed and updated flood modelling has been undertaken in consultation with Healthy Waters. That modelling is significantly more accurate and refined than the data previously held by the Council and has shown that the extent of the floodplain is in fact smaller than previously understood. This exercise demonstrates that it is inappropriate for the Draft FDS to seek to "lock in" decisions about the removal of land from the FUZ in the absence of complete information and detailed expert assessments.

8.11 In terms of the matters identified as reasons for placing the remainder of the land "under investigation", the Draft FDS asserts that it is appropriate to consider removing the land from the FUZ for reasons including an alleged absence of transport infrastructure to support the development, the absence of a RTN and "*the Potential for higher VKT and CO2 emissions than other FUAs due to Riverhead being relatively distant from high quality existing or planned public transport, a wide range of jobs, education and other services compared to other FUAs*."[47]

8.12 In terms of transport infrastructure, the assessment (and associated infrastructure triggers) appears to have grouped Riverhead with Kumeu and Huapai. In fact, not all of the upgrades required to service Kumeu and Huapai are required to service Riverhead: they are unrelated. Specifically, it is reasonable to tie development within Riverhead to the Brigham to Waimauku SH16 upgrade, but Riverhead should not be tied to the delivery of the Alternative State Highway (Kumeu Bypass) corridor or North-west Rapid Transit extension to Huapai. These provide transport improvements to the Kumeu-Huapai area, not Riverhead.

8.13 The Integrated Transport Assessment completed to support the Riverhead Plan Change demonstrates that the short to medium term transport network can cater for the anticipated long term demands enabled by the Plan Change. The Plan Change aligns with the upgrades proposed as part of the North West long term transport network upgrades planned by the Supporting Growth Alliance, such that the effects of the network for traffic, public transport and local connectivity for all modes are catered for and provided within existing funded projects or by the developers. The extent to which there is any dispute about that is a matter for the Schedule 1 process.

46 The Planning, Environment and Parks Committee's decision to reject the plan change for processing under clause 25 of Schedule 1 has been appealed to the Environment Court.

47 *Auckland Future Development Strategy 2023-2053 - Consultation Draft* (Auckland Council, June 2023) at 34.

8.14 In terms of vehicle transport emissions, the Draft FDS appears to have been informed by transport and land-use modelling to determine the travel patterns for 554 locations across Auckland to identify the travel impacts of each growth scenario.

8.15 This analysis captured only the current snapshot (as at 2022), when many FUZ locations were not well-developed and had relatively poor balances between homes and jobs. However, structure planning for such areas, including Riverhead, has aimed to make them self-sustaining by providing a balanced provision of residential *and* business land to enable communities to "live work and play" in one location. The modelling therefore grossly overstates the likely travel impacts of FUZ areas, and indeed preventing further business development in such areas is likely to have the opposite of the desired effect, because existing residents will continue to need to travel for work and other activities.

8.16 RLG has been working collaboratively with the Council's Plans and Places team and various Council CCOs over the past two years on the proposals for the Riverhead FUZ land. RLG formally lodged the Riverhead Plan Change in July 2022 and RLG has continued to work alongside the Council as the Council has processed the Plan Change. Given this, it is disappointing that at no point over the past 12 months has the Council spoken with RLG regarding the Draft FDS proposal for the FUZ land at Riverhead. In preparing the Draft FDS, the Council appears to have no regard for the detailed specialist investigations undertaken which have been provided to them by RLG.

9. CONSULTATION PROCESS

9.1 The Draft FDS is an extremely important document which will have major implications for Auckland's future growth and wellbeing. The consultation process adopted by the Council has not reflected that importance, and FRL is concerned that when making decisions on the Draft FDS, the Council will not be properly informed of the issues.

Timing

9.2 Section 83 of the Local Government Act 2002 ("LGA 02") requires that when using the special consultative procedure, a local authority must invite views on the proposal "for a period of not less than one month." The consultation period originally provided on the Draft FDS, of one month exactly, represented the bare minimum in terms of the legislative requirements.

9.3 The extension of an additional month was obviously welcomed, but even so, is insufficient to enable a comprehensive response to be provided, particularly because there has previously been no consultation between the Council and developers in the preparation of the Draft FDS, resulting in a significant divergence in terms of understanding of the issue.

No reasonable opportunity to present views

9.4 Importantly, the Council has not provided a reasonable opportunity for submitters to present their views in a manner that is appropriate to the preferences and needs of the submitter, as required by section 82(1)(d) of the LGA 02.

9.5 The Have Your Say events are wholly inadequate to provide submitters with a reasonable opportunity to present their views in accordance with section 83(1)(d) of the LGA 02, having regard to the extensive and complex issues requiring consideration. It is impossible to convey these issues by way of a public "drop in" event.

9.6 A hearing should have been scheduled to enable submitters to properly set out their concerns.

9.7 FRL took up the opportunity to present to the Planning Environment and Parks Committee on 21 July. Despite the large number of major developers and other interested parties in attendance, FRL was disappointed to see that only six Councillors

were present at the meeting. The meeting was an important opportunity for the Committee to understand direct from developers the key issues which have been ignored or misrepresented in the Draft FDS. It is unfortunate that so many Councillors elected not to attend.

Views to be received with an open mind

9.8 FRL has received advice that the Council may be aiming to adopt the FDS in September 2023. If correct, this timeframe leaves no scope for proper consideration of submissions and the undertaking of any necessary further analysis. It also suggests that the Council is not approaching this process with an open mind, but is instead committed to approving the Draft FDS notwithstanding the major flaws identified by submitters.

10. CONCLUSION AND REQUESTS

10.1 Having regard to the above, FRL requests that the Council pauses the current programme on the Draft FDS and initiates meaningful consultation with the community, including the residential development sector, as required by Clause 3.13 of the NPS-UD.

10.2 Future work on a revised FDS should be underpinned by the following principles:

(a) Sufficient land must be released at the appropriate time to cater for growth, continuing the combination of urban consolidation, greenfield development, and the expansion of satellite townships;

(b) Land should be released at the time needed to meet the community's needs, taking into account the long timeframes to work through the Council's regulatory processes to deliver occupiable homes;

(c) Opportunities for and staging of growth needs to be considered on an area by area basis, rather than applying blanket rules across the region;

(d) The private sector should be enabled to deliver quality urban growth;

(e) Growth needs to be serviced by adequate infrastructure, which can be supplied through a broad range of options including innovative methods and participation by the private sector (investment and development);

(f) Stormwater and flood plain management are important factors and need to be considered in the release of land, but there are various methods to manage such issues; and

(g) There should be sufficient flexibility to enable departure from the future development strategy in site specific circumstances, to be responsive to new information, site specific analysis and market need. As such, the RPS does not need to be amended to preclude private plan changes which are inconsistent with the future development strategy and the RUB does not need to be a regional rule.

DATED at Auckland this 31 day of July 2023

Yours sincerely

[redacted]

ATTACHMENT A

ANALYSIS OF THE AUCKLAND COUNCIL DRAFT FUTURE DEVELOPMENT STRATEGY 2023: IMPACT ON THE PROVISION OF LAND FOR RESIDENTIAL REPORT TO FLETCHER LIVING

28 JULY 2023

TATTICO LIMITED

#8136

tattico

Analysis of the Auckland Council Draft Future Development Strategy 2023

Impact on the Provision of Land for Residential

Report to Fletcher Living

28 July 2023

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1 EXECUTIVE SUMMARY

1.1 This report has been prepared in support of a submission by Fletcher Residential Limited (Fletcher) on the Auckland Council Draft Future Development Strategy (Draft FDS).

1.2 This report focuses on the impact of the Draft FDS on the future supply of residential land to enable Auckland to meet its social and economic development needs. This analysis focuses on future urban zoned land and the requirement for a planned continuous supply of 'development ready' residential land.

1.3 The conclusions of this analysis are that:

(a) The Draft FDS fails to take adequate account of the diverse needs for residential land. Providing sufficient development ready land is essential to provide for housing to meet the social and accommodation needs of the Auckland community.

(b) The Draft FDS does not provide the area of land required in suitable locations and at the right timing for release of land.

(c) While the Draft FDS acknowledges the need for housing land in future urban areas, the reality is the Draft FDS significantly slows down the release of residential land in these areas. This constrains the supply of housing and diminishes the ability to meet the social needs of the community. It puts at risk housing affordability.

(d) The Draft FDS inappropriately relies solely on urban consolidation to provide all new residential land through until 2030. There is a need for greenfield residential land to provide housing in the north, northwest, east and south.

(e) The Draft FDS promotes a set of "principles for growth and change" with a heavy environmental focus and disproportionately less weight given to growth capacity for housing.

(f) This understating of the importance of residential development runs contrary to section 5 of the Resource Management Act 1991 (RMA) which, in association with the rest of Part 2 of the RMA, requires that decisions making under the RMA achieves a balance between cultural, environmental, social and economic outcomes essential to a sustainable community.

(g) Reinforcing this is the National Policy Statement on Urban Development (NPS-UD) which requires Council to provide a minimum of 30 years' growth for residential land, and to complete a robust "Housing and Business Development Capacity Assessment" (HBA).

(h) The Draft FDS cuts across the long established and well tested growth strategy, which was extensively securitized and developed through extensive work by the Council and engagement with the community and stakeholders.

(i) Since 2011, the Council have been promoting a balanced growth strategy for Auckland, targeting housing and employment land supply through both urban consolidation and targeted greenfield expansion. This has been consistently reinforced through the Auckland Plan, Auckland Unitary Plan, Future Urban Land Supply Strategy (FULSS) and various structure plans.

(j) The Draft FDS is wrongly based on a premise that it is more cost effective to develop brownfields than greenfield. The efficiencies of medium and large scale greenfield development give a more cost-effective way to deliver housing than an equivalent yield in a brownfields situation. This relates to the cost of retrofitting at scale an existing urban area.

(k) The current Draft FDS appears to be a reaction to constraints on natural hazards and infrastructure funding.

(l) It is accepted that the Council has financial constraints which are negatively impacting infrastructure provision. However, the solution is not to restrict greenfield development for a decade, as the FDS is proposing to do in certain areas. If the problem is funding infrastructure; then the solution is to find innovative ways to fund infrastructure.

(m) Harnessing the talent, skills and resources of the private sector to solve infrastructure problems on an area-by-area basis will support sustainable growth and can be achieved via the route of private plan changes. The blanket approach in the Draft FDS of treating every greenfield area the same, by revoking the pathway for private plan changes, will not yield the desired outcomes that council is trying to achieve and will instead hinder economic and employment growth in the region. There will be different solutions for different areas and each should be assessed on their merits.

(n) It seems Council is working from a premise that only the Council can fund infrastructure, rather than looking at mechanisms to assist in the sustainable funding and delivery of infrastructure.

(o) The only way to solve infrastructure is through partnership with the development community. A more agile rather than restrictive strategy is called for.

(p) If the FDS is pursued in its current form, then it will trigger the unintended consequences of:

- Further constraining housing land supply.
- Significantly and negatively impacting residential affordability through land supply constraint.
- Having a demonstrable negative impact on the social and economic development of Auckland and the development sector.

1.4 The conclusion of this analysis is that the final FDS needs to provide a significantly increased focus on and provision for housing including affordable housing. To this end, this report recommends:

(a) the Council pause the current programme on the FDS;

(b) there be meaningful consultation with the community including the residential and development sector;

(c) some key principles be agreed including:

(i) sufficient residential land must be released at the appropriate time to cater for growth;

(ii) this will continue the combination of urban consolidation, greenfield development, and the expansion of satellite townships;

(iii) growth, including residential land, needs to be serviced by adequate infrastructure;

(iv) that infrastructure can be supplied through a broad range of options including innovative methods and participation by the private sector (investment and development);

(v) stormwater and flood plain management are important factors and need to be considered in the release of land, but recognising different appropriate methods to manage such land;

(vi) apply those principles on an area-by-area basis to identify the release of land;

(d) ensure there is sufficient continuous release of residential (and employment) land to cater for growth;

(e) this land be released at the time needed to meet the community's needs, taking into account the long timeframes to work through the Council and regulatory processes to deliver occupiable homes.

(f) enable the private sector to deliver the range and quality of urban growth that is good for the community and which the NPS:UD and RPS aspire to;

(g) retain changes to the RUB as a district control matter.

2 FLETCHER SPECIFIC INTEREST

2.1 Fletcher Residential has dedicated 'land development', 'residential' and 'apartment' teams targeted with procuring and developing residential land and housing within the Auckland region.

2.2 Through its various development teams (land development, residential, apartments), Fletcher has an extensive knowledge of the Auckland market, the demand for housing and the type of living environments which Aucklanders aspire to live in. This includes both brownfield and greenfield projects.

2.3 The reality is that different people pursue different lifestyles. If the Council's aspiration is to meet the social needs of the community, then the Future Development Strategy needs to enable a broad range of housing typologies and living environments that helps people meet their needs.

2.4 This has certainly been a driver for the Fletcher programme. Fletcher has been very active in both detached dwellings, terrace house and apartment products.

2.5 It has delivered these products in a geographic spread across Auckland with extensive use and activity in the brownfields area, e.g. Three Kings, , Tamaki, Waiata Shores, Stonefields, Hobsonville Point; and in greenfield locations, e.g. Whenuapai, Drury, Red Beach.

2.6 Fletcher has in its delivery of housing programmes aligned with the Council's growth strategies. Fletcher has delivered housing to target the balance of brownfields, greenfield and provincial centre development and in a broad range of typologies ranging from downtown apartments through suburban apartments, brownfields terrace house department, brownfields detached homes and greenfield terrace and detached dwelling typologies.

2.7 Fletcher has also worked hard to deliver a broad range of product from social housing for Kainga Ora, market affordable housing, to full market housing. These have been in a range of different typologies. Fletcher has worked with different partners in this delivery including Kainga Ora, iwi authorities, partnering with the Council in the Eke Panuku land holdings, through to its own initiatives.

2.8 The Draft FDS has a significant impact on the ability of Fletcher to deliver development ready land and to construct the housing essential to the Auckland wellbeing.

2.9 This submission is intended to target across all the Auckland region and the identified greenfield development areas currently zoned Future Urban.

3 RESIDENTIAL LAND

3.1 The Draft FDS sets out a set of four spatial outcomes, namely:

- *Tāmaki Makaurau is viewed as an interconnected living system;*
- *development achieves high quality living environments;*
- *disparities in our communities and investments are addressed;*
- *development results in resilient built systems, natural environment and communities.*

3.2 The spatial outcomes themselves are laudable objectives and can and should be supported.

3.3 There is a critical omission in that, given the NPS-UD and other statutory requirements, one of the core spatial outcomes should be to provide for the growth of Auckland to meet the economic and community needs and to provide this in a manner which provides a range of lifestyle choices and affordable housing product.

3.4 The Draft FDS then goes on to identify the four key challenges faced by the Council, and from that develops a set of "principles for a quality compact approach to growth and change".

3.5 These principles are:

- *supporting greenhouse gas emission reduction;*
- *adapt to impact of climate change;*
- *make efficient and equitable infrastructure investment;*
- *protect and restore the natural environment;*
- *enable sufficient capacity for growth in the right place at the right time.*

3.6 In terms of these principles:

(a) The principles are based on an assumption of creating a quality compact approach to growth and change. This seems to be predicated on a significant over reliance on urban intensification and a substantial reduction in what has been a long-established balance strategy where urban consolidation and brownfield development has been a key component but supplemented and supported by greenfield development.

(b) There has been limited engagement with the development community over such a fundamental change and the economic and social consequences of this, including the impact on housing affordability. For reasons set out later in this report, there will inevitably be significant unintended consequences if this significant policy change is adopted.

(c) Enabling sufficient capacity of growth in the right place at the right time is created as the fifth and last principle. While principles are not necessarily listed in a hierarchical sense, it must be remembered that the NPS-UD sets a National Policy requirement for tier 1 councils (Auckland) to:

> *"(i) achieve a well-functioning urban environment in existing and future urban areas; and*
>
> *(ii) … provide at least sufficient development capacity … in the short term, medium term, and long term (up to 30 years) for:*
>
> *housing in existing and new urban areas in both standalone dwellings and attached dwellings and business land from different business sectors*." (clause 3.13 of the NPS-UD)

(d) The NPS-UD is promoting the requirement for a generous supply of housing so as to not constrain supply and therefore distort housing affordability and to provide choice for future residents. The FDS seems to lean towards a more constrained "sufficiency only" provision.

3.7 In the contextual background information, the FDS reports assert that the series of private plan changes have undermined the Council's ability to provide for an integrated development. This in the context where, as commonly agreed, the Council does have significant infrastructure budget constraints and is needing to target and prioritise spend areas.

3.8 This report elaborates further later in this report but in this context it should be recognised that:

(i) All new greenfield development funds at least the infrastructure provision within the new subdivision and area.

(ii) All new development is assessed through the resource consent process to ensure that infrastructure needs are met. Through a variety of mechanisms including development contributions and infrastructure funding agreements or other consenting requirements, infrastructure provision is provided.

(iii) The plan changes referred to have almost invariably been within the areas identified in the FULSS as targeted for growth and zoned Future Urban by the Council through the AUP.

(iv) For various reasons stated as the impact on the Council's budgets from a variety of activities including Covid and storm damage, the Council has not advanced public plan changes to release land in accordance with its own policies under the AUP and FULSS. It has relied on the private sector to do this.

(v) If the constraint is infrastructure, then the solution is to find innovative ways to work with the private sector to resolve the constraint and enable development.

3.9 The economic analysis commissioned by Fletcher would suggest that the requirement for additional greenfield land is understated, and the lack of engagement over the HBA as required under the NPS-UD, has not enabled the Draft FDS to appropriately address this. This is set out in the economic analysis by *Insight Economics*.

3.10 The Draft FDS assumes that the cost of brownfield land versus greenfield land is cheaper due to efficiencies. Fletcher with extensive experience in both brownfield and greenfield development has a different experience.

(a) At scale, the cost of developing on brownfield sites is actually much more than a greenfield site. In land development costs these are typically two to three times the cost due to the complexities of retrofitting an built up area.

(b) The Fletcher experience is that typically brownfield is more expensive because the costs of replacing old pipes and upgrading utilities, remediating contamination, higher civil and retaining costs, limitations on access, legal and title implications including fragmented land ownership, add significantly to cost.

(c) Assembling large tract of brownfield land is problematic due to existing subdivision and land ownership patters. Brownfields blocks tend to be smaller. Intensification at scale is slow, expensive, and not practicable in many places of Auckland. Where there are moderate sized blocks of residential zoned land, most of these are already committed for permanent uses such as schools (mostly zoned residential in the AUP) , retirement villages, etc. They are not realistically available for redevelopment.

(d) Greenfield offers a more efficient provision of infrastructure. That infrastructure is paid for by the development whereas in brownfield that can more fall to the Council

(e) It is recognised that greenfield can impact broader regional infrastructure costs. Obviously these need to be factored in That is why a case-by -case analysis between the Council and stakeholders of the greenfield block is warranted. This will enable management of infrastructure while providing for growth.

(f) Brownfield development does work for small infill type development and on the few large land holding blocks That will continue to contribute to Auckland's growth, but is not the full solution for providing for growth and affordable housing.

3.11 The Draft FDS associated reports identify opportunities for more efficient use of residential land. This is demonstrated in a number of urban renewal and regeneration project across the region. This analysis is fully supportive of the continuation of the planning strategies to support urban consolidation. The issue is the move away from the "balanced strategy" to an over dependence on brownfields development. The economic analysis commissioned by Fletcher demonstrates that urban consolidation needs to be supplemented with the steady release of greenfield land for development.

4 INSUFFICIENT SUPPLY OF RESIDENTIAL LAND

4.1 The Draft FDS promotes a significant urban consolidation model through until at least 2030 with no greenfield expansion.

4.2 The key areas identified for growth are shown on the diagram below. This is essentially:

- Westgate / Whenuapai;
- City centre;
- Mt Roskill
- Tamaki;
- Mangere;
- Drury.

4.3 Regeneration or even urban renewal projects in all of these areas is supported. The FDS correctly identifies the importance of brownfields development and the urban consolidation model. This has been a key plank of Auckland's growth widely supported by the industry from its inception in the Auckland Plan (and in fact through growth strategies prior to amalgamation) and reinforced through the Auckland Unitary Plan. The issue for the FDS is the degree to which, particularly for the next decade, it relies almost exclusively on the urban consolidation / brownfields development, and effectively seeks to stop any further greenfield development until at least the 2030 decade.

4.4 It should be noted that Fletcher, through its various entities, has been and is active in all six of the brownfields growth areas identified within the FDS.

4.5 Fletcher is in a major land development role in Whenuapai, Three Kings (adjacent Mt Roskill) and Drury. It is a significant residential developer in Tāmaki and Mangere. It is active in a number of projects in the Isthmus area and aspires to be active in the opportunity for urban renewal and urban regeneration projects around what will be the new station nodes when the CRL is operational.

4.6 There are various infill opportunities across the region. However the FDS should:

- Provide for a minimum of 30 years growth as required by the NPS:UD
- Be driven off a robust HBA and at all times provides more than sufficient residential land capacity, so as not to distort market prices;

- Create opportunities across the region, not just focused in a few locations;
- Enable high-quality sites that meet the housing needs.

The current FDS does not set out a strategy to achieve this. Too much development is constrained by 'timing' issues which effectively equate to infrastructure financing issues.

4.7 The Council has produced five structure plans since the FULSS was prepared.

- of these, one (Silverdale West) is solely focused on providing industrial employment land;
- The remaining four provide for residential with some level of business land;
- Apart from 3 small blocks of FUZ zoned land targeted for release in 2025+ under the new FDS timing, no other FUZ zoned land is targeted for release until 2030 at the earliest. In fact:
    - 6 blocks in 2030+
    - 17 blocks in 2035+
    - 7 blocks in 2040+
    - 3 blocks in 2045+
    - 7 blocks in 2050+
    - 10 blocks recommended for further investigation
    - 5 blocks recommended for full or partial removal
- of the other four structure plans providing for residential activity;
    - the Warkworth Structure Plan is deferred from 2018/2022 to 2040+;
    - the Drury Structure Plan is deferred from 2018/2028 to 2035+ although a large block of industrial land has been recently rezoned.;
    - the Pukekohe Structure Plan is deferred from 2018/2023 to 2035+ and 2040+;
    - the Whenuapai Structure Plan is targeted in part for the next 10 years and in part 11-30 years (FUZ zoned land) .

4.8 In each case, the reason for deferral related to matters of infrastructure (including transport) or stormwater management. None are deferred because of an assertion of a surplus of land or changed requirements for housing.

5 FDS PRINCIPLES FOR GROWTH AND CHANGE

5.1 The Draft FDS sets out the key principles which have led to the strategy.

5.2 Section 2.5 "*Principles for growth and change*" identifies the "*universal ways of accommodating growth, applicable Tāmaki Makaurau-wide, no matter what scale or spatial environment is considered".* These principles are:

- *Support greenhouse gas emission reduction*
- *Adapt to impacts of climate change*
- *Make efficient and equitable infrastructure investments*
- *Protect and restore the natural environment*
- *Enable sufficient capacity for growth in the right place at the right time*

5.3 While the Council constraints on infrastructure are recognised, the key principle for growth related infrastructure should be to invest in the provision of infrastructure to meet the social and economic needs of Auckland. It is about infrastructure being an enabler of housing, community and economic development; rather than constraining growth due to infrastructure. There needs to be a balance. What that balance is needs to be worked through. However, the key principles of the FDS should start from the premise of infrastructure as an enabler of growth.

Council's approach to reviewing future urban areas

5.4 The Council's approach to reviewing future urban areas is set out Appendix 7 to the Draft FDS. The scope of the review covered all Future Urban areas that had not been live zoned as of 2023, with the intention being to evaluate the appropriateness of areas for future growth. Consideration was given to new strategic and policy direction, new and updated data, changes to enabled development capacity.

5.5 The following key criteria were used:

- Exposure to natural hazards
- Modelled contributions to increased CO_2 emissions/vehicle kilometres travelled (VKT)
- Infrastructure timing and delays

5.6 *"Other factors"* considered were:

- High-level, indicative bulk infrastructure costs
- Committed council infrastructure
- Urban form and future business land provision
- Potential to provide key locations for future managed retreat of nearby vulnerable existing urban areas
- Presence of known sites of significance to mana whenua, Māori freehold land, commercial and cultural redress, and cultural and statutory acknowledgement areas
- Loss of highly productive land
- Impacts on the natural environment, including indigenous biodiversity and water quality.

5.7 The assessment criteria do not take into consideration factors such as the need for residential land in the area, or the existing investment in the area as an enabler of growth. Much of this investment has followed the clearly signalled growth strategy for Auckland.

5.8 Adequacy of supply of residential land is considered an "*other factor*". This does not reflect the priority the NPS:UD requires Council to give to 30 years minimum of residential growth opportunity.

5.9 The timing of when many future urban areas will be able to enable growth has changed due to updated information on deliverability of key infrastructure to support that growth.

5.10 There is an underlying theme in the Draft FDS of constraining and slowing down *Future Urban* land release, and the economic and social benefits this brings, because of infrastructure constraints. While it is accepted the FDS must be tempered by the current financial position the Council is in, for reasons set out below, if the issue is *how infrastructure is funded* so as to be an enabler of growth rather than a constraint on growth, then the FDS should be open to different and innovative ways of addressing the issue. This rather than the presumption of an unresolvable budget problem leading to a necessity to defer land release and constrain development.

6 REQUIREMENTS FOR A PLANNED SUPPLY OF LAND TO MANAGE GROWTH

6.1 The National Policy Statement on Urban Development (NPSUD) sets a legislative requirement to have a planned 30-year growth for Auckland. This is for both residential growth and business development.

6.2 The NPSUD requires tier 1, 2 and 3 local authorities (Auckland being tier 1) to "*at all times provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term and long term.*"

6.3 The strategy is targeted at both "*existing and future urban areas*" and sets a requirement to provide growth for at least 30 years.

6.4 In a recent Environment Court decision (*Middle Hill Limited v Auckland Council* 2022), the Court stated:

> *"The NPS-UD has the broad objective of ensuring that New Zealand's towns and cities are well functioning urban environments that meet the changing needs of New Zealand's diverse communities. Its emphasis is to direct local authorities to enable greater land supply and ensure that planning is responsive to changes in demand while seeking to ensure that new development capacity enabled by council is of a form and in locations that meet the diverse needs of communities and encourage well-functioning, liveable, urban environments. It also requires councils to remove overly restrictive rules that affect urban development outcomes in New Zealand's cities."*

6.5 The Auckland Plan, Auckland Unitary Plan and Future Urban Land Supply Strategy are set out to create a balanced strategy that will achieve this requirement.

6.6 The Draft FDS significantly slows down the release of residential land in the medium and long term through deferring the live zoning of Future Urban zoned land. This will only lead to a shortage of land supply which in turn will escalate land price.

6.7 The Auckland Transitional Act required the development of the Auckland Plan. This in turn set a 30-year horizon to, among other things, manage growth. This promoted a combination of existing development areas plus greenfield expansion.

6.8 The first iteration of this work was the Auckland Unitary Plan (AUP) which provided for a level of appropriate development, both live zoned and zoned for future urban development.

6.9 This was then complemented by the FULSS of 2017 which informed the direction and location of growth, particularly for the future urban areas identified within the AUP.

6.10 The key issue with the FULSS has been the implementation of this strategy.

6.11 The long-established development scenario set effectively in 2011 has been:

- a 'spatial plan' that provides a 30-year strategy for the development of Auckland and its communities that integrates social, economic, environmental and cultural objectives (the Auckland Plan) - completed;
- identification of a resource management strategy which among other things identified areas of future urban zoned land (the AUP) - completed;
- identification of key growth areas to be live zoned over time (the FULSS) – completed.
- development of a structure plan for key growth areas – 5 structure plans have been completed, with no other ones currently proposed;
- implementation of the necessary plan changes to give effect to these developments - only one public plan change advanced, even that was withdrawn by Council. 18 private plan changes advanced.

6.12 What this shows is that:

(i) Since 2011, there has been a long-established strategic policy direction on the growth for Auckland based on urban consolidation and some greenfield expansion.

(ii) This has been embraced by the community including the development community.

(iii) Very substantial investment decisions have been made based on this Council commitment.

(iv) The implementation of this strategy has solely relied on the private sector through the development community to rezone FUZ land through private plan changes.

(v) Council has failed to deliver a single private plan change.

(vi) This has delivered additional growth for Auckland.

(vii) To the best of Fletcher's knowledge, none of these developed private plan change areas experienced any issues with extreme flooding events or geotechnical problems. The system worked and is working.

(viii) The private sector community has funded the necessary infrastructure to service these areas. It is recognised that the Council does face future funding constraints, this is addressed below.

6.13 With some changes, the FULSS could simply be updated for the next Long Term Plan (LTP), rather than pushing through an FDS based on incomplete information. The FDS is such a critical development tool and has a huge implication on:

- land supply,
- housing affordability
- social development
- economic development,

It is essential that any review of the FDS is a fully researched, worked through and tested strategy prior to adoption.

7 LAND SUPPLY AND HOUSING AFFORDABILITY

7.1 The key lesson of the 2000s and mid-2010s is that constraining land supply raises land value expectations in the current owners. This in turn raises the price developers need to pay for the land, which, when passed on to the end resident, significantly raises house cost. Under supply of land distorts normal market operations.

7.2 It is not the developer who is making the significant value uplift. Developer margins have been reasonably constant. It is the distortion in the market that raises hope value amongst existing rural and urban landowners, because there is a critical land supply shortage. A healthy over zoning is an important method to ensure these distortions do not occur.

7.3 The *Insight Economics* report commissioned by Fletchers addresses the impact of the the Draft FDS on residential housing supply, affordability and consumer choice. That work is not repeated in this report but is relevant to the conclusions of this planning analysis. In particular the report identifies:

(a) The importance of the balanced strategy providing for both brownfield and greenfield.
(b) The issues with an over reliance on brownfields to solve all Auckland's growth.
(c) The availability of brownfield land being not necessarily bin the right locations.
(d) the connection between land supply and housing affordability.
(e) The view that the Draft FDS significantly overstates the infill housing opportunity for growth in terms of realistic availability.
(f) The importance of offering housing choice in terms of location and typologies to residents

7.4 One of the key unintended consequences of the FDS is that it will significantly constrain land supply, which will have a further negative impact on housing affordability.

8 UNDERSTANDING THE TIMEFRAMES TO GET LAND DEVELOPMENT READY

8.1 In identifying the timing for land to be development ready, the Council needs to take a realistic understanding of the timeframes involved. Even on optimistic timeframes, it is a five-year process between commencement of the work to create the housing opportunity. Often this can extend out to closer to eight – ten years.

8.2 The process typically includes:

(a) Development consultation and adoption of a structure plan – One year. The five structure plans the Council have done each took on average 2 years .

(b) Taking this structure plan, preparing, notifying, processing, hearing and determining a plan change – two years. The Council plan change on Whenuapai, which was ultimately withdrawn, took 4 years 8 months. The private plan change on Drury took 2 years.

(c) Preparing, lodging and obtaining the necessary resource consents and engineering plan approval – one year.

(d) The physical land development works involving procurement, establishment, bulk earthworks, infrastructure, subdivision and titling; is typically an 18-month process, even for a relatively confined stage. That does then achieve development ready sites.

(e) The actual design, construction and completion of housing can be a further 18-month to 2 year process.

8.3 These are realistic, if slightly optimistic, timeframes. Very few projects would hit good timeframes at every stage.

8.4 The key point is that if the Council is to achieve the 'development ready' timeframes it seeks, then the commencement of structure planning work and other aspects needs to start a minimum of five years prior and more likely eight years. This signals two issues:

(i) The importance of creating resource up front to get the enabling provisions in place.

(ii) The infrastructure cost when services are actually required will come at occupation of the residential land. There is an inherent extended timeframe, i.e. a commitment to a certain area now does not equate to when the infrastructure rolls out. The operational demand for infrastructure is at least five years later. Obviously planning, consenting and construction needs to be timed accordingly. But housing and infrastructure can advance concurrently.

(iii) Furthermore, because development is staged, there is a scaling up of demand for infrastructure even once the first portions of the development are occupied.

9 SUPPORT FOR THE CONCEPT OF A FUTURE DEVELOPMENT STRATEGY (FDS)

9.1 This analysis supports the concept of having a Future Development Strategy; but does not support the published draft approach.

9.2 Having a blueprint for how Auckland will grow and where and how growth will be managed is an essential informant of the market. Done right, it will direct the market to locate industry in the locations that work best from an economic, social and environmental perspective.

9.3 The 2017 Future Urban Land Supply Strategy (FULSS) has worked reasonably well in informing and directing the location of growth, albeit that the strategy has not been responsive enough to the keep up with the pace of growth.

9.4 An update of the FULSS through the FDS is a sound objective and is supported. Six years on, the FULSS does need an update. However, this needs to be a planned, considered, comprehensive upgrade; rather than a rushed reaction to a series of events.

9.5 It is accepted that there are financial infrastructure constraints facing Auckland, and therefore the direction and pace of growth needs to be clearly signalled by the Council to assist in the logical and sequential development of appropriate parts of the urban area of Auckland.

9.6 The FDS is the right thing to do; but the strategy embodied within the Draft FDS is not.

10 A BETTER WAY TO SOLVE INFRASTRUCTURE

10.1 The FDS effectively identifies the significant budget constraints the Council is facing and their inability to solve infrastructure. The reaction to this is to offer up only one technique which is to slow down or stop growth until the Council's financial position catches up and infrastructure can be funded. Only then does the Draft FDS contemplate the release of land for growth.

10.2 The critical issue in this Draft FDS is that the need for employment land and housing land does not cease until the Council's financial position rectifies itself.

10.3 If the problem is the provision of infrastructure, then the FDS should focus on the problem and find alternative ways of working with the private sector to solve infrastructure.

10.4 Managing the pace of growth is but one tool available. It is a tool that distorts the market and undermines housing affordability, as proven over the last decade. There are other examples where private sector funding have delivered necessary infrastructure to facilitate growth.

10.5 Infrastructure is fundamentally a cost to the government (and its related agencies), the Council (and its Council Controlled Organisations), the private development sector, and the private investment sector.

10.6 Rather than constrain the entire Auckland greenfield and satellite township land release programme, a better solution is to analyse on an 'area-by-area' basis and find innovative ways of funding the infrastructure to enable the release of some or all of that land.

10.7 The Council needs to explore options including:

(i) private sector funding of key infrastructure to enable at least early stages of growth;

(ii) the option of partnership arrangements between private and public sector to fund infrastructure over time;

(iii) infrastructure funding agreements and the opportunity to up front pay development contributions and build in mechanisms to fund that work as others benefit from the early infrastructure investment;

(iv) Exploring how it can utilise the tools in the Infrastructure Funding and Financing Act 2020.

The Draft FDS seems to assume none of these are applicable or workable. Equal energy should be put into identifying innovative proposals that could work on targeted growth areas.

11 RIVERHEAD CASE STUDY

11.1 Fletcher is a member of the Riverhead Landowners Group ("RLG"), which is the proponent of the Riverhead South plan change, Fletcher has a particular interest in the approach taken to FUZ land at Riverhead. Part of the area has been identified for removal from the FUZ in the Draft FDS, with the remainder as an area "under investigation".

11.2 This land has been the subject of detailed structure planning exercise to inform the Riverhead South plan change. Independent consultants have comprehensively assessed the appropriateness of the land for residential development and prepared a development scheme which responds to the constraints and opportunities offered by the site.

11.3 The part of the land identified for removal from the FUZ in the Draft FDS is an area that is within the 1% annual exceedance probability (1% AEP) flood plain. A comprehensive Stormwater Management Plan is included as part of the Structure Plan and Plan Change. As part of the structure planning exercise, detailed flood modelling has been undertaken in consultation with Healthy Waters. That modelling is significantly more accurate and refined than the data previously held by the Council and has shown that the extent of the floodplain is in fact smaller than previously understood. This exercise demonstrates that it is inappropriate for the Draft FDS to seek to "lock in" decisions about the removal of land from the FUZ in the absence of complete information.

11.4 In terms of the matters identified as reasons for placing the remainder of the land "under investigation", the Draft FDS asserts that it is appropriate to consider removing the land from the FUZ for reasons including an alleged absence of transport infrastructure to support the development, the absence of a rapid transit network and "the Potential for higher VKT and CO2 emissions than other FUAs due to Riverhead being relatively distant from high quality existing or planned public transport, a wide range of jobs, education and other services compared to other FUAs."[1]

11.5 In terms of transport infrastructure, the assessment (and associated infrastructure triggers) appears to have grouped Riverhead with Kumeu and Huapai. In fact, not all of the upgrades required to service Kumeu and Huapai are required to service Riverhead: they are unrelated. Specifically, it is reasonable

1 Draft FDS, Appendix page 34.

to tie development within Riverhead to the Brigham to Waimauku SH16 upgrade, but Riverhead should not be tied to the delivery of the Alternative State Highway (Kumeu Bypass) corridor or North-west Rapid Transit extension to Huapai. These provide transport improvements to the Kumeu-Huapai area, not Riverhead. This is addressed in the report of *FLOW*

11.6 The Integrated Transport Assessment completed to support the Riverhead Plan Change demonstrates that the short to medium term transport network can cater for the anticipated long term demands enabled by the Plan Change. The Plan Change aligns with the upgrades proposed as part of the North West long term transport network upgrades planned by the Supporting Growth Alliance, such that the effects of the network for traffic, public transport and local connectivity for all modes are catered for and provided within existing funded projects or by the developers. Moreover, Riverhead and the Kumeu areas are located nearby the existing main trunk north rail line, with the opportunity to extend commuter rail from Swanson through to Kumeu to assist the existing communities and manage the transport network. The extent to which there is any dispute about that is a matter for the Schedule 1 process.

11.7 In terms of vehicle transport emissions, the Draft FDS appears to have been informed by transport and land-use modelling to determine the travel patterns for 554 locations across Auckland to identify the travel impacts of each growth scenario.

11.8 This analysis captured only the current snapshot (as at 2022), when many FUZ locations were not well-developed and had relatively poor balances between homes and jobs. However, structure planning for such areas, including Riverhead, has aimed to make them self-sustaining by providing a balanced provision of residential and business land to enable communities to "live work and play" in one location. The modelling therefore grossly overstates the likely travel impacts of FUZ areas, and indeed preventing further business development in such areas is likely to have the opposite of the desired effect, because existing residents will continue to need to travel for work and other activities.

12 NATURAL HAZARDS ARE ALREADY ADEQUATELY CONTROLLED

12.1 The FDS states that delaying development of some Future Urban zoned land is in part a response to the significant weather events and flooding and stormwater issues following the January and February storm events in Auckland.

12.2 There is no debate that land developed for residential needs to either avoid or successfully mitigate the effects of natural hazards including flooding and land stability. However, the solution is not to remove future urban zoning completely where there is "possible" hazard risk. The solution is to ensure that before a development proceeds, it has been robustly tested for vulnerability to natural hazards, and can demonstrate that any identified natural hazard risks can be avoided, remedied or mitigated.

12.3 In this regard, the RMA, RPS and Auckland-wide provisions in the AUP including the approach of 'Future Urban' zoning (which requires a plan change before an area can be development) and assessment criteria that apply to any subdivision or development consent, already give the Council full ability to prevent development occurring in high risk natural hazard areas where risk cannot be successfully avoided or mitigated.

12.4 There is no urgency to hurry through this Draft FDS for reasons of natural hazards. The existing legislative regime and AUP provisions provide all the safeguards needed.

12.5 The existing controls are working well. The vast majority of issues that occurred in the January/February weather events occurred in areas that had been developed a substantial time ago and in existing urban and suburban areas. It is understood those areas developed under the current AUP controls were relatively unimpacted by the storm events.

12.6 In terms of flood management, there are multiple engineering solutions that work well and have proved successful on land that can be flood prone if not managed. As long as new development is accompanied by appropriately designed and tested engineering solutions paid for by the developer, then it is not necessary, nor is it appropriate, to constrain development based on a perception of a flood risk or geotechnical risk. The right approach is to ensure the natural hazard risk is successfully managed or removed through robust engineering design and investment.

13 PLAN CHANGE 78

13.1 The Draft FDS seems to rely heavily on Plan Change 78 to provide for growth in the short term. Plan Change 78 in turn relies heavily on the Resource Management Amendment Act 2022. However the Council has recently deferred the timing on plan change 78 by one year.

13.2 It is inappropriate and unwise to rely on a plan change which is still yet to have its hearing stage.

13.3 There must also be uncertainty as to the future of the plan change given the divergent political views at national level over the degree of compulsion and how best to manage growth.

13.4 It is poor public policy practise to place so much reliance on managing such a critical factor as Auckland's growth on an untested plan change.

14 CHANGES TO THE RURAL URBAN BOUNDARY (RUB) SHOULD REMAIN A DISTRICT PLAN LEVEL CONTROL (AS OPPOSED TO A REGIONAL CONTROL AS PROPOSED WITHIN THE FDS)

14.1 The suggestion that the RUB should be a regional rule and therefore only able to be modified effectively by the Council through a public plan change, is demonstrably a retrograde step.

14.2 This approach was tested through the Auckland Unitary Plan process. That process found that a plan change to the RUB should remain a district matter and that it was inconsistent with the RMA to do otherwise:[2]

"While the desire of the Council to achieve planning certainty about growth over the next 30 years is understandable, the Panel does not consider that it promotes the purpose of sustainable management to lock in land supply and infrastructure decisions over such a long period when the environment and the needs of people are constantly changing. Resource management planning needs to be responsive to the dynamic processes of urban growth. While providing certainty can promote efficiency by reducing future process requirements, overly or unnecessarily rigid application of rules can be a hurdle or barrier to efficiency by creating additional costs.

The Panel considers that methods aimed at sustainably providing for housing in an efficient manner should be designed to discourage undesirable behaviours, such as land banking, and encourage desirable outcomes, such as creating alternative and competitive development opportunities to meet the needs of people. A Rural Urban Boundary that is permanent for the next 30 years, subject only to the unilateral power of the Council (or a Minister) to move it, would not provide sufficient planning flexibility to adapt to changing circumstances. "

"For these reasons the Panel recommends that the Rural Urban Boundary should remain as a method in the Unitary Plan but should be moved from the regional policy statement to the district plan. While the policy for its location should remain in the regional policy statement to maintain its strategic direction over a longer term, the location of the boundary itself should be able to be changed by a plan change at the district plan level, which can be the subject of an application by any person."

14.3 The reasons why the Council's suggestion of a regional rule was rejected in 2016, are equally valid today. No modification is justified. As noted by the Panel in its Recommendation Report to the Council on the Auckland Unitary Plan.

[2] Report to Auckland Council, Overview of recommendations on the proposed Auckland Unitary Plan, 22 July 206, page 67.

14.4 The community has effectively relied on the private sector to implement the plan changes necessary to give effect to the FULSS and associated structure plans. The only public plan change that the Council promoted giving effect to the FULSS was Whenuapai. Even then, the Council ended up withdrawing that plan change. No public plan changes have been promoted that would give effect to the current growth strategy. Every greenfield development has relied on a private sector initiative and a private plan change.

14.5 Being able to deliver these critical plan changes to provide for growth, is essential. Since 2017, the Council has relied on the private sector to do this. In a time where the Council is signalling severe financial constraints, a more effective and practical approach is to work collaboratively with the private sector to facilitate a blend of public and private plan changes to implement the Council's growth strategy.

14.6 The issues that were addressed by the AUP IHP regarding the risks of under-supply of residential land remain and the Draft FDS does not address these. There is a major risk that the Draft FDS will have a very significant negative impact on urban land pricing and consequently, housing affordability.

15 RECOMMENDATIONS

15.1 It is suggested the Fletcher submission seek the following next steps from the Council:

(a) the Council pause the current programme on the FDS;

(b) there be meaningful consultation with the community including the residential development sector;

(c) some key principles be agreed including:

(i) sufficient land must be released at the appropriate time to cater for growth;

(ii) this will continue the combination of urban consolidation, greenfield development, and the expansion of satellite townships;

(iii) growth needs to be serviced by adequate infrastructure;

(iv) that infrastructure can be supplied through a broad range of options including innovative methods and participation by the private sector (investment and development);

(v) stormwater and flood plain management are important factors and need to be considered in the release of land, but recognising different appropriate methods to manage such land;

(vi) apply those principles on an area-by-area basis to identify the release of land;

(d) ensure there is sufficient continuous release of housing land to cater for growth;

(e) this land be released at the time needed to meet the community's needs, taking into account the long timeframes to work through the Council and regulatory processes to deliver occupiable homes.

(f) enable the private sector to deliver the range and quality of urban growth that is good for the community and which the NPSUD and RPS aspire to;

(g) retain changes to the RUB as a district control matter;

(h) it is recognised the Council may want to record that the live zoning is dependent on an infrastructure funding agreement between landowners and the Council over key infrastructure funding;

(i) the plan can record that as part of any rezoning, appropriate management of flood plain and overland flow will be required to ensure development sites are not within flood plains.

ATTACHMENT B

ECONOMIC REVIEW OF AUCKLAND COUNCIL'S DRAFT FUTURE DEVELOPMENT STRATEGY (FDS)

27 JULY 2023

INSIGHT ECONOMICS

INSIGHT | ECONOMICS

#8136



Final Report: 27 July 2023

Economic Review of Auckland Council's Draft Future Development Strategy (FDS)

Prepared for: **Fulton Hogan Land Development & Fletcher Building**

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1. Executive Summary

Scope & Purpose of Report

This report peer reviews Auckland Council's (**AC**'s) *Draft Future Urban Development Strategy* (**FDS**) from an economics perspective, particularly the underlying assessment of options in its *Growth Scenarios Evidence Report* (**GSER**). It focuses on the rationale for, and likely effects of, proposed major reductions in Future Urban Zone (**FUZ**) land due to alleged greenhouse gas (**GHG**) impacts.

Background

The Auckland Plan 2050's development strategy is the region's current blueprint for growth, which reflects the culmination of many years' close collaboration by all stakeholders. The FDS, however, signals a wholesale departure from this. Given the tremendous time and effort taken to forge the current approach, the evidential threshold for any proposed new strategic direction – like the FDS – is necessarily high. In our view, though, the research and analysis underpinning the FDS is materially deficient and well short of that standard. This report explains our position by describing several serious issues with the multicriteria analysis (**MCA**) of growth options underpinning the FDS.

Key Findings – Scenario Definition

The first step in an MCA is to define the options for assessment. Typically, there are three or four options, one of which is the status quo, so that any proposed changes can be readily assessed. The FDS' scenario definitions, however, are unorthodox and puzzling. First, they include an unrealistic, utopian scenario – based on a totally different set of transport and infrastructure assumptions – that forms a fictional benchmark against which the other scenarios are unduly assessed. In addition, another scenario reflects a highly dispersed urban form that also makes no sense. Consequently, two of the four scenarios are implausible and become unnecessary distractions. Moreover, no scenarios represent the status quo, which dramatically reduces the overall utility of the analysis.

Key Findings – Evaluation Criteria

The criteria used to assess options are also problematic because:

- They ignore common ground and focus only on option differences. This distorts the scale of reported option differences, while omitting key criteria because they were deemed as areas of common ground. Conversely, by including all criteria in the assessment, a full picture of option similarities *and* differences could have emerged to enable better-informed decisions.

- The criteria fixate on travel impacts despite future travel mostly being "baked in" due to the current population and existing urban form. In addition, the MCA's focus on car-based travel grossly overstates its role in GHG emissions, while ignoring the current, rapid shift towards lower emissions vehicles. At the same time, the analysis of FUZ GHG emissions is flawed because it reflects only the current situation, not each FUZ area's future state, where they are designed to operate in a largely self-sustaining manner (as per their structure plans).

- Finally, the criteria overlook the likely adverse effects of intensification, while largely ignoring key criteria in the NPS-UD, such as the need to promote competition in markets, while boosting housing choice and improving affordability.

Key Findings – Option Scoring & Weighting

We also hold grave concerns about the MCA's approach to scoring/weighting because:

- It relies intrinsically on a model whose inputs, throughputs, and outputs appear unreliable. In addition, many criteria are scored primarily by an unnamed panel of Council and CCO experts, without any real input from other key stakeholders, particularly FUZ landowners.

- 10 of the 29 criteria are assessed via very narrow and specific measures that belie the broader scope of the overarching criteria and distort likely option merits and effects.

- In addition, the scores for many criteria defy the reported outputs of the model and/or differ significantly from the preceding commentary and analysis.

- The decision not to weight criteria directly elevates the importance of some factors while systematically downplaying others. This is because, absent weights, the more criteria per theme, the greater the weight afforded it, and vice versa. And, in the MCA, one theme – travel impacts and accessibility – had 10 criteria, while other themes had only two.

Key Findings – Consideration of Capacity Sufficiency

The MCA pays little attention to the sufficiency of business and residential capacity and instead relies mainly on the theoretical, plan-enabled capacity of PC78. This seems inappropriate because:

- PC78 is on hold and, if it is later withdrawn or revised substantially, there will be major implications for capacity sufficiency, but this is not acknowledged in the FDS. Moreover, plan-enabled capacity has no real-world meaning, so relying on it here is unsound.

- PC78's capacity uplifts are inversely proportional to the density already enabled by the AUP, so it significantly boosts capacity in peripheral locations while having little impact in and around centres, where higher density is already permitted by the AUP. Thus, while PC78 enables unprecedented levels of plan-enabled capacity, much of it is poorly located.

- Capacity serviceability is not properly assessed, with the MCA merely assuming that all plan-enabled capacity is technically feasible to service. That may not be the case for (say) replacing water or wastewater trunk mains in densely populated existing urban areas, where the resulting cost and disruption may render it untenable.

- Similarly, feasibility and uptake assume a continuation of the past. However, financial feasibility has changed profoundly, and many of the best intensification opportunities have already been taken up (with remaining thus ones being more marginal overall). Consequently, the assumption that the past will simply continue is not well-founded.

- Finally, the assessment pays almost no attention to business land needs and instead simply notes that at least 1,000 hectares of business land will likely be needed in the FUZ. That aside, it largely remains silent on this critical piece of the capacity puzzle.

Key Findings – Impacts on Choice & Competition

The MCA also fails to adequately consider impacts on key NPS-UD directives, such as promoting competition in markets, and ensuring greater housing choice and improved affordability. Instead, the evaluation zooms in to fixate on other factors that supposedly contribute to "well-functioning urban environments" (**WFUE**). While that is AC's prerogative, the FDS seems to place undue weight on these other elements of WFUE while losing sight of economic factors.

The potential downzoning of large swathes of FUZ land is a particular concern because it will erode competition. Indeed, without a strong and ongoing supply of new urban land in strategically chosen locations (like the FUZ), the competitive operation of the region's urban land market will be compromised. At the same time, this FDS does not reflect the community's preferences. According to a survey conducted for PC78, "infrastructure that can cope" matters the most to Aucklanders when planning for more housing. This will be even more important now after the devastating effects of the anniversary weekend floods and Cyclone Gabrielle. Together, these events revealed major vulnerabilities in the region's three waters network and highlighted the risk of excessive intensification (i.e. creating too much impervious surface area in concentrated locations).

Key Findings – Deriving the FDS from the MCA

Lastly, the methodology used to translate the MCA into the FDS' preferred scenario is unclear. Rather than selecting the best-performing option from the MCA, as is usually done, the FDS instead creates a new, hybrid option that lacks any meaningful detail or explanation. In doing so, we consider the FDS to have erred because:

- More than half of all MCA scores (56%) were negative. According to the GSER, these negative scores "indicate the need for a specific policy intervention in addition to, or even instead of, land use or transport interventions alone." However, the FDS does not explain how it reflects or responds to the need for additional interventions to achieve its objectives.

- The FDS has not properly considered Infrastructure implications and instead deems intensification better due to allegedly lower public costs. We disagree. First, most growth-related infrastructure is funded directly by developers, and does not draw on public funds. Second, as already noted, the cost of (eventually) upgrading infrastructure networks in some existing areas could be prohibitively expensive and/or cause unacceptable disruption. Third, the "modelled" differences in infrastructure cost are much less than the MCA scores, commentary, and conclusions suggest. Accordingly, it is difficult to have any faith that the FDS has properly considered infrastructure implications when deriving its preferred scenario.

- Finally. The FDS' desire to spatially align new jobs with new homes implicitly assumes that existing urban areas work best because they let new homes reside near existing employment areas. However, this overlooks the fact that many existing employment areas are nearly fully built-out. Accordingly, new business land will still also be required in the FUZ to keep pace with residential growth and ensure appropriate balances between homes and jobs. Again, however, the FDS' proposal to slash the FUZ does not seem to reflect this.

Overall, we strongly reject the MCA underlying the FDS and urge a complete rethink.

2. Introduction

2.1 Purpose of Report

This report peer reviews Auckland Council's (**AC**'s) *Draft Future Urban Development Strategy* (**FDS**) from an economics perspective, particularly the assessment of options in its *Growth Scenarios Evidence Report* (**GSER**).[1] For brevity, this report addresses only the most substantive issues arising, with a specific focus on the rationale for, and potential effects of, the proposed downzoning of large tracts of Future Urban Zone (**FUZ**) land due to alleged greenhouse gas (**GHG**) emissions impacts.

2.2 Background

Auckland is New Zealand's largest region by far, accounting for a third of its population, and a similar (or higher) share of total economic activity. While population growth slowed temporarily due to the pandemic's effect on migration, strong and sustained growth is still forecast well into the future.

In fact, the latest projections indicate the need for at least another 200,000 homes over the next 30 years, which is more than the current sizes of Hamilton, Tauranga, Dunedin, Queenstown, and Invercargill combined. Solid employment growth is also expected. So, there is still a challenge to ensure that enough homes of the right types and sizes are provided in the right places at the right time to keep pace with demand well into the long term.

The need to plan for strong and sustained population and economic growth is nothing new, though, with the region's current growth blueprint embedded in The Auckland Plan 2050's development strategy. It reflects the culmination of several years' concerted and collaborative effort by AC, local developers, and other key stakeholders (such as central Government and infrastructure providers).

The FDS, however, signals a wholesale departure from the current evidence-based approach to accommodating growth, including the proposed deletion of entire FUZ areas in flood-prone locations, with large chunks of FUZ areas elsewhere placed in limbo pending further investigation.

Given the overwhelming time and resource expended to agree the current approach, as per the Auckland Plan 2050, any proposal to depart from that – like the FDS – must be supported by comprehensive and exhaustive research and analysis that clearly spells out the case for change and proves that the FDS is a superior way forward.

In our opinion, however, the research and analysis underpinning the FDS – particularly its evaluation of different growth scenarios – is materially deficient and falls well short of the evidential threshold that one would rightfully expect given the circumstances.

2.3 Key Issues Addressed & Report Structure

This report focusses on the following aspects of the FDS's growth options assessment, which follow the key steps in the underlying multicriteria assessment (**MCA**):

[1] Available here https://akhaveyoursay.aucklandcouncil.govt.nz/85613/widgets/408922/documents/261986

1. **Option Definition**: The process of identifying and evaluating scenarios is unorthodox and potentially misleading. It incorporates a "utopian" hypothetical option that becomes a fictional benchmark against which the other scenarios are unfairly assessed (**section 3**).

2. **Criteria Identification**: The criteria are not well formulated, and place far too much emphasis on vehicle kilometres travelled (**VKT**) despite the widely-known limited ability for land use controls to materially affect GHG emissions (**section 4**).

3. **Option Scoring & Weighting:** The scoring and weighting of growth options in the MCA appears to skew the assessment towards those that match the FDS' new growth narrative (**section 5**).

4. **Consideration of capacity sufficiency:** The analysis errantly relies on plan enabled capacity, rather than feasible or likely realisable, when assessing the need for - and merits of – the FUZ (**section 6**).

5. **Impacts on Competition, Choice & Affordability**: The analysis pays little attention to impacts on key NPS-UD issues, such as land market competition, plus housing choice and affordability, despite the FDS being a key vehicle for helping achieve such objectives (**section 7**).

6. **Derivation of Preferred Strategic Direction**: Finally, the methodology used to translate the options analysis into the FDS' preferred/composite scenario is unclear and raises many unanswered questions (**section 8**).

3. Scenario Definition

3.1 Introduction

The first step in an MCA is to define the options for assessment. Typically, there are three to four options, with one being the status quo, so that any proposed changes can be readily compared to the current course of action. However, the FDS' approach to option definition is unorthodox and the resulting set of options raises many issues, as set out below.

3.2 Inclusion of Implausible/Extreme Scenarios

The process used to derive the four options and their associated characteristics is slightly unclear, but it has a major bearing on the overall direction and likely findings of the analysis. Of particular concern is the inclusion of an unrealistic benchmark scenario (Scenario A) that assumes different development patterns, home and job locations, and travel habits to the other three scenarios, but which are often masked or not properly acknowledged, causing the other three scenarios to be unfairly assessed.

For example, the executive summary of the GSER simply notes that "four growth options were developed, representing different spatial options for land use, accommodating a consistent quantum of Auckland's growth and change in dwellings and jobs over the next 30 years."[2] Similarly, on page 5, the report goes on to further state that: "four alternative growth scenarios were developed, each representing a different urban form."[3] Clearly, these descriptions imply that the four scenarios are equally plausible but differ (mainly) in their associated urban forms. However, that is not the case.

The fundamental differences between Scenario A and the other three becomes clearer throughout the rest of the document, with numerous obscured soundbites adding important context. For example, the following comment is buried amongst the detail on page 8:

> *"The evaluation found little difference between the scenarios in terms of model outputs relating to travel behaviour, except for Scenario A which…deliberately [included] significant shifts in land use patterns and transport assumptions."*[4]

Digging deeper, I discovered that even the process for deriving Scenario A differed from the others. Specifically, page 12 of the GSER acknowledges that the first three scenarios were derived via workshops held with subject matter experts. Scenario A, conversely, was derived during the development of the Transport Emissions Reduction Pathway (**TERP**) by a smaller subject matter expert group to "reflect a spatial distribution world where climate mitigation and adaptation interventions and land use planning were prioritised over other goals and objectives for the region."[5]

[2] GSER, page 4
[3] GSER, page 5
[4] GSER, page 8
[5] GSER, page 13

This hypothetical fourth scenario (derived by a smaller number of experts outside the workshops held specifically for that purpose) makes many unrealistic assumptions that render it a poor benchmark for evaluating other scenarios.

For example:

- Scenario A Incorporates fundamentally different, unsubstantiated transport assumptions that defy any like-for-like comparison with the other scenarios, including that:[6]
    - People with office jobs work from home 1 day per week (which is about triple the rate assumed for the other three scenarios); and
    - Public transport fares are $2 per trip forever (regardless of trip length/mode); and
    - The uptake of active travel modes is much greater than in the other scenarios.
- Plus, Scenario A assumes much higher levels of job and housing growth "to enable the model to make more decisions on uptake of development capacity including providing a significantly more mixed-use environment to support more dispersed employment locations".[7] Consequently, scenario A assumes much closer spatial matches between the locations of new jobs and new homes than the other scenarios, which directly bolsters its modelled travel benefits.[8]
- Scenario A assumes that relatively high-density development will occur throughout the region, even in remote rural areas, with 80% of future dwellings in rural nodes expected to be "attached" versus only 20% currently.[9]
- In addition, it features a superior public transport network with greater network reach and higher service frequency.
- Finally, Scenario A omnipotently withdraws capacity outside areas for intensification "as a way to influence the model to respond according with the scenario narrative."[10]

Because of these key differences in foundational assumptions, Scenario A is neither plausible nor realistic, so including it is inappropriate as it sets an unfair benchmark against which other scenarios are assessed. Interestingly, even the report itself appears to acknowledge the limited inferential value of this scenario, with the following admission made on page 28:

[6] GSER, page 19

[7] GSER, page 13

[8] This can be seen on page 15, where the assumed locations of new jobs and homes is almost perfectly spatially aligned in Scenario A compared to the other scenarios.

[9] GSER, page 20

[10] GSER, page 13

Figure 1: Excerpt from Page 28 of the GSER

> Overall, Scenario A performed the best across most criteria. Scenario A was specifically developed with significant shifts in land use planning and transport assumptions to better reflect the expectations of the TERP[8], to test whether modelled travel behaviour, mode share and especially transport greenhouse gas emissions would change compared with other scenarios. As such, the fact that Scenario A performed better provides some important lessons but does not necessarily provide the solution for spatial planning. However, these differences also makes it challenging to compare outputs on a like-for-like basis with the other scenarios, particularly when trying to identify the land use, transport, model input or other reason for these differences. The findings from the evaluation of Scenario A and the other three scenarios inform the spatial component of the Future Development Strategy.

In our view, the inclusion of Scenario A has significantly clouded the overall assessment of options and appears to reveal the degree to which some participants have "pushed the envelope" towards an ideologically preferred outcome. Despite all that, Scenario A still did not achieve the ambitious emissions reductions sought via the TERP[11] which, in our view, highlights the risk and futility of focussing too strongly on GHG emissions in developing the FDS.

In a similar vein, scenario D makes little sense because it reflects a highly dispersed urban form that also veers from the current agreed approach and thus is not credible. For context, scenario D sees only 52% of new homes being built inside existing urban areas, with 48% in the FUZ and rural areas. This too is a wholesale departure from the agreed "70/40" split underpinning the current strategy and therefore also has no plausible, real-world basis.

Coupled with the fanciful nature of Scenario A, the unusual spatial definition of Scenario D means that two of the four options are non-starters for determining the best way to accommodate growth in homes and jobs over time.

3.3 Absence of Status Quo Option

Not only is the assessment compromised by the inclusion of two unrealistic scenarios (A & D), which needlessly consume analytical resources while bloating FDS reporting, but there is also no scenario representing the status quo. This is unusual, because the default course of action for virtually any option assessment is to simply "do nothing" and carry on as-is. Absent such an option in the assessment, it is impossible to compare the potential impacts of proposed new directions to the current, evidence-based future development trajectory.

For the record, we note that Scenario C is the closest match to the status quo, but it also includes a series of undocumented adjustments that obscure any efforts to reconcile the proposed new strategic direction with the current agreed one.

[11] See page 31 of the GSER.

4. Evaluation Criteria

4.1 Introduction & List of Criteria

This section addresses several critical issues related to the criteria selected to evaluate options. For ease of reference, the table below lists the 29 criteria in the growth options MCA, which we have grouped according to the key themes emerging.

Table 1: Criteria in Growth Options MCA (grouped by perceived key themes)

Travel Impacts/Accessibility (11 criteria)
Degree to which essential social infrastructure/employment is accessible by multiple modes in high dep. areas
Extent to which education is accessible by different modes (public transport + active modes)
Extent to which employment opportunities are aligned with areas of population growth
Extent to which household living costs can be reduced by increased proximity to employment opportunities
Extent to which key areas of economic activity are accessible by different modes (public transport + active modes)
Extent to which population is exposed to harmful air emissions
Extent to which rural production areas are accessible
Extent to which scenarios promote mixed use communities to reduce travel distances and safety risks
Extent to which scenarios provide improved, inclusive, & equitable access to social infrastructure & public spaces
Extent to which travel times are reliable
The extent to which scenarios impact carbon emissions
Environment (4 criteria)
Extent to which development promotes the restoration/connectivity of indigenous biodiversity
Extent to which development provides opportunities to improve the health of natural wetlands (brownfields)
Extent to which development provides opportunities to improve the health of natural wetlands (greenfields)
Extent to which options reduce the ability to swim safely and collect shellfish
Land & Housing Markets (4 criteria)
Extent to which growth creates greater housing choice to meet projected demand
Extent to which physical constraints increase the cost of development
Extent to which suitable land is available for Group 1 (land extensive) industries
Extent to which the market is likely to respond to the proposed land use pattern
Social/Culture/Heritage (2 criteria)
Extent to which scenarios are likely to result in improved levels of access to quality open space
Extent to which scenarios retain qualities of historic heritage places and values
Economy (2 criteria)
Extent to which opportunities for the agglomeration of similar/dependent industries are provided
The degree to which urban development consumes highly productive soils
Infrastructure (2 criteria)
Extent to which scenarios support current committed infrastructure
The extent to which scenarios result in measurable public monetary costs or losses over time from infrastructure
Māori (2 criteria)
Extent of Māori land within growth areas
Extent to which scenarios impact on Māori cultural landscapes
Natural hazards/Climate adaptation (2 criteria)
The extent of new urban development areas in 100-year floodplains (brownfields)
The extent of new urban development areas in 100-year floodplains (greenfields)

We now discuss several substantive concerns arising from the breadth and depth of these criteria.

4.2 Circularity Between Options & Criteria

The criteria used to assess FDS options reflect the collective input of many stakeholders, particularly the expert group convened to evaluate options. While that is fine, the overall process for deriving the assessment criteria is unclear and has resulted in a troublesome circularity between the scenarios and the criteria evaluating them. For example, page 8 of the GSER states:

> *"While the scores provide a useful indicator of the relativities between the scenarios, there was a strong inter-relationship between the scenarios and the criteria they are measured against. Therefore, the findings drawn from the results of the evaluation are thematic."*

This circularity between options and scores, and the resulting thematic nature of the results, is unusual and highly misleading. The criteria should be derived independently from the options to avoid potential bias, especially when the scores derived in the MCA depend on experts exercising their professional judgement in insolation (evidently) at remote, independent evaluation sessions.

4.3 Decision to Ignore Common Ground

Another issue with the evaluation criteria is the unusual decision to ignore common ground and focus only on option differences. Specifically, page 21 of the GSER lists various evaluation themes (i.e. criteria), which were initially deemed important, but then many are disregarded entirely or considered only fleetingly because the evaluators decided to look only at points of difference. In the words of the report:[12]

> *"Having considered the range of criteria identified, it was then determined that only criteria that would differentiate the scenarios should be taken through into the evaluation process."*

While option differences may be of greater analytical interest than commonalities, omitting criteria where options perform similarly systematically distorts the scale of reported option differences. Conversely, by including all criteria in the assessment, even those where options are expected to perform equally, readers can gain a full picture of option similarities *and* differences.

At the same time, focussing only on differences has meant that several key criteria are not covered in any meaningful detail (presumably because they were deemed by evaluators as areas of common ground), including: [13]

- Development feasibility;
- Housing affordability; and
- Ensuring there is enough land for business.

In our view, the GSER unhelpfully focusses on a carefully curated set of criteria that are designed to amplify option differences while simultaneously masking a high degree of common ground. Overall, this is an unhelpful and misleading way to frame the analysis.

[12] GSER, page 22

[13] See the list of initial criteria themes in Box 3 on page 22 of the GSER.

4.4 Undue Fixation on Travel Impacts & Accessibility

Transport has always been an important consideration to help determine where and when to enable growth in the population and the economy over time, particularly access to public transport and potential for active travel. That said, the FDS appears to place excess weight on travel accessibility and its impacts, particularly since the MCA has no criteria weightings.[14] Absent such weights, the more criteria there are per theme, the greater the weight that theme carries in the assessment.

As per the table above, transport impacts and accessibility – as we have categorised them – account for 11 of 29 criteria (or 38%), compared to only two criteria for natural hazards and climate change adaptation/mitigation (7%). This means that transport and accessibility effects receive more than five times the weight of climate change adaptation and mitigation effects in the growth options assessment (i.e 38% vs 7%). While transport impacts and accessibility *are* important, the FDS's fixation on them is a concern for the reasons set out below.

4.4.1 Future Travel & Emissions are Mostly Baked-In

Auckland's future spatial form, and thus its future transport emissions, are already largely baked-in due to its existing population and economic activity, with growth therefore having only marginal effects overall. This is a key finding of the FDS, which states the below in its executive summary:[15]

> *"Most of Auckland's future spatial form already exists and growth has limited influence."*

Later, on the same page, it elaborates that:[16]

> *"Key destinations for household trips, such as employment areas and education facilities, are well established, so changing the location of future dwellings (e.g. adding more origins) does not materially affect existing travel patterns other than reinforcing them by adding more trips."*

Indeed, with 1.7 million existing residents, the region's spatial form is mostly "baked-in" with growth representing only small changes. Consequently, focussing on marginal changes in $C0_2$ emissions between growth options, while placing little weight on other important factors, seems inappropriate and ultimately unhelpful.

4.4.2 Cars Account for Only a Small Share of Total CO_2 Emissions Anyway

Not only will the FDS have trivial impacts on the region's future emissions profile, but light passenger vehicles (i.e. cars) also account for only a modest fraction of national CO_2 emissions anyway. This is illustrated in the table below from the latest Greenhouse Gas Inventory (published in 2023).[17] It shows that cars produce only 8% of total (gross) CO_2 emissions, and hence that policies aimed at curbing GHG emissions from cars will have limited impacts on meeting national emissions targets.

[14] GSER, page 21
[15] GSER, page 8
[16] GSER, page 8
[17] https://www.mfe.govt.nz/climate-change/state-of-our-atmosphere-and-climate/new-zealands-greenhouse-gas-inventory

Table 2: Shares of Gross $C0_2$ Emissions by Group in 2021

Emitter Groups	$C0_2$ Emissions Shares
Agriculture	49%
Manufacturing	8%
Energy Producing Industries	7%
Industrial Processes	6%
Other Productive Sectors	6%
Road Transport - Cars	8%
Road Transport - LCVs	3%
Road Transport - HCVs	5%
Other Transport	2%
Waste/Tokelau	4%
Fugitive Fuel Emissions	1%
Total	**100%**

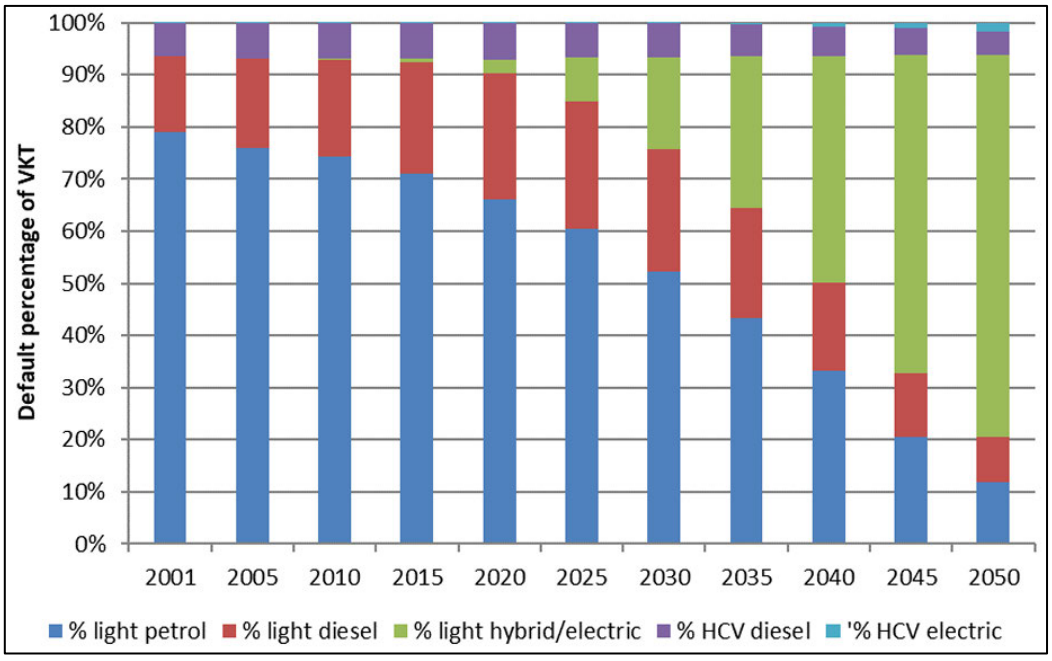
4.4.3 Car CO_2 Emissions Are Falling Rapidly Already

Not only do cars account for a slim share of national CO_2 emissions, but the average CO_2 emissions of cars is already falling due to rapid shifts towards electric, hybrid, and other low-emissions vehicles. This is illustrated in the chart below, which shows the projected composition of future VKT according in the Vehicle Emissions Prediction Model (**VEPM**), developed jointly by Waka Kotahi (**WK**) and AC.

In the graph below, the:[18]

- Blue segments represent the share of total VKT by petrol-powered cars, and
- Green segments represent the share of total VKT by hybrid and fully electric vehicles.

Figure 2: Historic & Projected Shares of VKT by Vehicle Type and Motive Power



[18] https://www.nzta.govt.nz/assets/Highways-Information-Portal/Technical-disciplines/Air-quality/Planning-and-assessment/Vehicle-emissions-prediction-model/VEPM-6.3-technical-report-2022.pdf

Figure 2 above shows that petrol-powered cars accounted for nearly 80% of total VKT in 2001, but will reach about 60% by 2025. By 2050, petrol cars will account for just over 10% of total VKT, with hybrid and electric cars accounting for more than 70%. Given this rapid background trend, it follows that trying to reduce Co2 emissions via the spatial location of new jobs and homes will have very little impact overall and thus is not an appropriate primary focus for the FDS.

Interestingly, the relative importance of fleet electrification, and the limited scope to affect change via land use controls, was clearly acknowledged in the Auckland Climate Plan (**ACP**), which the FDS seeks to give effect to. For example, the ACP notes the following emissions reduction potential by policy initiative (on page 51):

- Remote working and reduced trip lengths –10% emissions reduction.
- Shifts to PT, walking and cycling – 14% emissions reduction.
- Switching to low-emissions vehicles – 55% emissions reduction.

Given that the FDS will have only minor impacts on the first two categories, its overall potential to accelerate ongoing CO_2 emissions reductions is limited and must be recognised as such.

4.4.4 FUZ GHG Analysis is Flawed & Misleading

According to the FDS, large areas of FUZ are pending further investigation due to natural hazards and the potential for higher-than-desired GHG emissions. We agree that development should be managed in flood-prone areas, or those at undue risk of natural hazards. However, we fundamentally disagree with potentially downzoning large swathes of FUZ due to estimated GHG impacts, because the underlying modelling is stacked against the FUZ. We elaborate below.

To estimate the future GHG emissions of different growth nodes, including the FUZ, various transport and land-use models were run iteratively to determine origin-destination matrices showing the travel patterns for 554 zone (i.e. locations) across Auckland. Mapping those fine-grained model zones to AUP zones, the travel impacts of each growth scenario could be readily estimated.

While the overall modelling approach is fine, the analysis captured only the current snapshot (as at 2022), when many FUZ locations were not well-developed and had relatively poor balances between homes and jobs. In short, by failing to reflect the self-sustaining future state of each FUZ area due to a balanced provision of residential *and* business land (as per their structure plans), the modelling grossly overstates the likely travel impacts of FUZ areas. This major limitation of the VKT and GHG assessment is documented on page 82 of the Future Urban Areas Evidence Report, as per the screenshot below.[19]

[19] Future Urban Areas Evidence Report, page 82.

Figure 3: Caveat of the Future Urban Areas Evidence Report Transport and GHG Assessment

- Presented data is a snapshot in time – some locations may be quite early in their development cycles and (modelled) travel behaviour may change as a result of further development (eg a FUA develops with stage 1 mostly residential, stage 2 mostly employment, but at the time of assessment, only Stage 1 residential development is underway, with PT services expected later, leading to long Car commutes (high VKT and low population) for early residents)

To understand the implication of this, consider the plight of Milldale and the FUZ surrounding it. Not only is Milldale one of New Zealand's largest residential subdivisions, but it is also adjacent to Silverdale West, where about 600 hectares of light industrial land will eventually be live-zoned. However, because the travel analysis reflected only the situation in 2022 when the Silverdale West business node was yet to commence, the travel impacts of Milldale and surrounding FUZ areas were systematically overstated. Conversely, if the model had been rolled forward to include the future employment area nearby, plus the various commercial areas yet to be fully developed within Milldale, its modelled impacts would differ vastly. The same applies in other FUZ areas where residential growth has preceded job growth, or vice versa.

Interestingly, despite this inherent bias against the FUZ, the modelling still showed that people living in the FUZ would generate near-identical rates of CO_2 to those in the existing urban area. In fact, the modelled car CO_2 per household for the FUZ was *lower* than for the existing urban area. See Table 3 below.[20]

Table 3: Outputs of Travel Model for CKT and CO2 by Household Origin

Origin	VKT/Car/Household	Car CO_2/household
Existing urban	48.60	3.31
FUZ	50.59	3.30
Rural	69.74	4.51
Out of Region	51.94	3.40
Total Auckland	**50.39**	**3.40**

4.4.5 Failure to Consider Other Options to Reduce CO_2 Emissions

Reducing CO_2 emissions is a task shared by all levels of Government, each with its own set of levers. For example, Central Government can introduce emissions standards for vehicles entering the fleet, or it can raise petrol taxes, to name but a few. Local Government, on the hand, has a smaller set of tools to play with, so the focus appears to have settled on the use of land use controls to reduce average travel distances.

We agree that shorter trips and greater use of public transport and active modes are important policy targets for Local Government. However, they are not the only tools available, with others being important additions. For example, the ACP identifies the following other ways to help improve Auckland's future GHG emissions profile (some of which may require central Government support):

[20] Future Urban Areas Evidence Report, page 91.

- Reduce private vehicle travel and encourage lower emissions travel options by introducing pricing and parking measures[21]; and

- Implement policies and regulations that facilitate faster uptake of lower emissions vehicles.[22]

And, according to recent policy research, travel demand management (**TDM**) measures like road pricing and parking charges are more effective at reducing VKT than land use controls or mode shifts to public transport (**PT**).[23]

4.5 Intensification Amenity Effects

Unlike its strong focus on transport, the FDS appears to pay little – if any – attention to the potential adverse effects of intensification even though they will vary by scenario. These effects have been widely canvassed in recent policy work, both here and overseas, including a cost benefit analysis completed by Sense Partners and PWC for the MDRS.[24] It identified the following common adverse amenity effects of intensification, none of which appear to be adequately considered in the FDS, particularly for scenario A that relies on widespread intensification.

- Loss of views;
- Shading and loss of sunlight;
- Noise pollution; and
- Light pollution.

Note: while the NPS-UD & MDRS accept that such effects will occur and implore Councils to enable intensification anyway, they are still relevant to the comparison of options (from an economic perspective) but are notably absent from the assessment.

4.6 Impacts on Housing Sufficiency, Choice & Affordability

Finally, we note that the FDS provides very limited coverage on key NPS-UD objectives, such as land market competition, capacity sufficiency, housing choice, and affordability. Given the significance of these concerns, they are addressed separately in sections 6 and 7 below.

[21] ACP pages 82 and 142

[22] ACP page 144

[23] See, for example, the findings of this report: https://www.transport.govt.nz/assets/Uploads/Discussion/DiscussiondocumentHikinateKohuparaKiamaurioraaiteiwiTransportEmissionsPathwaystoNetZeroby2050.pdf

[24] https://environment.govt.nz/assets/publications/Cost-benefit-analysis-of-proposed-MDRS-Jan-22.pdf

5. Option Scoring & Weighting

5.1 Introduction

Once growth options/scenarios and evaluation criteria are identified, the next step in an MCA is to score options against criteria, before weighting the scores to derive an overall ranking of options. In this section we discuss several issues related to the scoring and weighing of criteria.

5.2 Reliability of Model Inputs & Outputs

According to the GSER, the scores derived for each criterion reflect the outputs of an iterative modelling exercise combined with expert judgement. While we agree that a wide range of complementary quantitative and qualitative data should be used to score options wherever possible, we have some concerns about the reliability of the model's inputs and outputs.

First, some of the model's inputs are out-of-date. For example, the modelling assumes the need to accommodate an extra 408,000 dwellings and 380,000 jobs over the next 30 years, compared to only about half that amount in the FDS itself. By modelling much higher levels of growth than are now anticipated, the analysis overstates the travel (and GHG emissions) impacts of each option.

Other inputs of concern include the unreferenced and unsubstantiated assumptions that:

- A city centre cordon and road pricing are in effect from 2031 and 2041, respectively[25]
- Infrastructure required for all options is technically feasible[26]

While the latter is likely for the FUZ where infrastructure requirements have been closely studied, the same cannot be said for the infrastructure required to support widespread intensification under PC78 (whose newfound capacity is integral to the FDS's proposed new direction).

Second, the reliability of the model's processes, and hence outputs, is also a concern. For example, page 12 of the GSER admits that the model crashes and breaks if there is insufficient capacity, which raises concerns about its robustness and reliability. Further, page 18 of the GSER admits that the model has limitations around capturing behaviour change even though that is critical to realising the alleged benefits of certain scenarios. Even worse, page 24 states that:

> *"To direct 'take up' to specific locations sometimes required plan-enabled capacity to be reduced or capped to limit take up and force the model to develop in accordance with the scenario narrative."*

This is a startling confession. Interfering with the model's operation and forcing it to take actions that suit a scenario narrative directly invalidates its outputs and casts serious doubt over the objectivity of the overall modelling process itself.

[25] GSER, page 17

[26] GSER, page 18

5.3 Reliance on Expert Judgement

We are also concerned that expert judgement has played such a major role in scoring the scenarios. For example, the following matters were primarily evaluated by the subject matter experts:[27]

- Natural hazards
- Carbon emissions
- Housing choice
- Biodiversity
- Health of water bodies
- Water quality
- Highly productive soils
- Natural and built heritage
- Access to social infrastructure
- Air quality
- Māori and cultural landscapes
- Costs of development
- Infrastructure
- Market feasibility

These considerations are broad and far reaching, so it is essential that an appropriate mix of experts is used to assess them. However, the number of experts engaged, their qualifications, experience, and areas of expertise are not divulged, which raises concerns that a sufficiently deep and broad mix of expertise has been brought to bear. This is compounded by a comment on page 25 of the GSER which identifies the expert group as comprising only members of the (unnamed) project team plus subject matter experts from Council departments and CCOs.

In our view, the absence of any expert input from other key stakeholders, such as FUZ landowners, dramatically reduces the credibility and reliability of scores derived via expert judgement.

5.4 Many Criteria are Assessed by Narrow/Misleading Measures

There are also several specific scoring issues that appear to hamper the assessment's reliability and directly reinforce scenarios that fit a particular narrative.

The first specific scoring issue is that many criteria in the MCA are assessed against measures that appear unduly narrow, incomplete, or misleading. These include:

- **Access to open space** is measured by the number of households and people within a walkable catchment of an open space that is at least 3000m^2.[28] Not only is this size threshold arbitrary, but the criterion itself does not consider the quality of the experience, nor the likelihood of congestion occurring at existing parks in scenarios with high intensification.

[27] GSER, page 25

[28] GSER, page 36

- The **extent to which population is exposed to harmful air emissions** from transport focusses on the *generation* of emissions, not the population's *exposure* to them.[29] This is highly misleading given the criterion's title, and it obscures the likely health impacts of scenarios that rely on high levels of intensification (such as Scenario A). Instead, this criterion assigns scenario A the highest score possible.

- **Access to social infrastructure** was defined to include access to hospitals via active modes or PT.[30] We consider this unhelpful because hospitals are visited only seldomly. And, when they are accessed, it is usually in a hurry via a car or ambulance. Accordingly, the accessibility of hospitals via PT and active modes is a crude and very narrow way to measure each option's access to social infrastructure.

- Similarly, **access to social infrastructure and employment in high deprivation areas** is partly based on accessibility to tertiary education via active modes or PT.[31] Again, however, very few regional residents are enrolled in tertiary education, so this is an unduly narrow way to measure the overarching criterion. Not only that, but many people are now regularly accessing tertiary education online.

- The **extent of Māori land within growth areas** was crudely inferred via GIS estimates of proximity to Marae and other similar landmarks, without any input from Mana Whenua, despite the assessment recognising that:[32]

  > *"Only Mana Whenua can determine what impact the scenarios would have on Māori land and what types of Māori land are of greatest priority…[but the assessment] does not represent the views of Mana Whenua."*

- **Accessibility to key economic activity** was measured in reference to only the city centre, airport, metropolitan centres, and town centres. While those undoubtedly are areas of key economic activity, they are not the only ones. Others that could/should have been included are the large swathes of business/mixed-use/light industrial zones that span the region:[33]

- **Access to education** was measured by access to tertiary education by PT and active modes.[34] However, as already noted, only a small share of the region's population is engaged in such study and many are now studying online. Moreover, students enrolled in tertiary education are likely to self-select living locations that are relatively close to their place of study, so this specific measure is of limited value for differentiating options.

[29] GSER, page 37.
[30] GSER, page 40.
[31] GSER, page 41.
[32] GSER, page 43.
[33] GSER, page 45.
[34] GSER, page 47.

- **Household living costs** are measured by the extent to which living costs can be reduced by increased proximity to employment opportunities. However, according to the Household Economic Survey (**HES**), transport costs are only about 10% of weekly household spending. Coupled with the fact that travel to work accounts for only 20% of weekly travel, this criterion effectively focuses on an issue that represents only about 2% of weekly spending.

- **Costs of development** were measured only by the extent to which physical constraints (like contour or instability) may affect them.[35] This is an incredibly narrow view of development costs and, amongst other things, overlooks the effects of lower land market competition on section prices. At the same time, it penalises development in newer areas where land is yet to be shaped and readied for buildings, while glorifying intensification, despite noting that:

  > *"At the evaluation workshop, the relativity between scenarios was agreed because Scenario D takes development into more marginal land. However, it is also acknowledged that within existing urban areas there may be additional development costs that are not addressed by the evaluation."*

- **The extent to which the market is likely to respond to the development pattern** conflates areas with high land value as areas that are attractive to the market, even though the opposite is often the case.[36] i.e. the market often prefers lower cost options.

5.5 Cardinal Nature of Model Outputs Not Reflected in Scores

The next specific scoring issue is that the cardinal nature of the modelling outputs is not reflected in the MCA scores. For example, an option may have scored only slightly better than another on a particular criterion according to the modelling, but the MCA scores imply that it performed two or three times better overall. This issue affects at least four of the MCA's 29 criteria, including:

- The extent to which scenarios impact carbon emissions (page 32);

- Mixed use communities (page 40);

- Accessibility to key economic activity (page 45); and

- Infrastructure costs (page 55).

5.6 Scoring Does Not Reflect Preceding Discussion

Finally, we note that the scoring for several criteria do not reflect the preceding discussion in the GSER. This issue affects at least six of the MCA's 29 criteria, including:

- The degree to which urban development consumes highly productive (page p35);

- Housing choice (page 39);

[35] GSER, page 56.

[36] GSER, page 57.

- Access to social infrastructure by high deprivation areas (page 42);
- Access to education (page 47);
- Household living costs (page 50); and
- Costs of development (page 56).

5.7 Decision Not to Weight Criteria

As noted earlier, the expert evaluators made the unexplained decision not to weight the criteria when assessing options. This is highly unusual, and it directly elevates the importance of some factors while systematically downplaying others. That's because, absent weights, the more criteria per theme, the greater the weight afforded that theme in the evaluation, and vice versa.

For example, suppose that one theme is measured by 10 criteria, while another theme is measured by only two criteria. If weights are not applied, the first theme carries five times as much weight in the overall MCA than the other. Usually, this is addressed by applying weights that mitigate differences in criteria breadth and depth, but that is not the case here.

The following table puts the issue in context by showing the share of the MCA's 29 criteria that fall into (our suggested) evaluation themes, and the implied weighting on each overall. Clearly, the absence of weights causes some themes to be given excess weight at the expense of others, which lacks explanation and almost invariably distorts the assessment of options.

Table 4: Number of Criteria and Implied Weighting by Evaluation Theme

Evaluation Themes	**Number of Criteria**	**Implied Weight**
Travel Impacts/Accessibility	11	38%
Environment	4	14%
Land & Housing Markets	4	14%
Social/Culture/Heritage	2	7%
Economy	2	7%
Infrastructure	2	7%
Māori	2	7%
Natural hazards/Climate adaptation	2	7%
Total	**29**	**100%**

6. Consideration of Capacity Sufficiency

6.1 Introduction

The NPS-UD requires Auckland, like all high growth areas, to provide at least sufficient housing and business capacity to meet demand (at all times) right through to the long term, including providing a range of options to meet varying needs, preferences, and budgets. The NPS-UD also specifies different types of capacity that must be assessed, which vary according to whether they are:

- Plan-enabled;
- Serviced (or serviceable) with infrastructure;
- Feasible for development; and
- Likely to be realised over each NPS-UD timeframe.

These different measures of capacity are critical to understanding whether planning decisions, such as future development strategies, enable enough capacity to meet likely future demand. Unfortunately, however, the FDS remains relatively silent on these matters and appears to pay little attention to capacity sufficiency. We elaborate briefly below.

6.2 Reliance on PC78 Plan-Enabled Capacity

Section 3.3 of the FDS addresses development capacity, albeit only at a high level. It refers to plan-enabled capacity for an additional 2.35 million additional dwellings, much of which stems from recent theoretical capacity uplifts ushered in by PC78. For ease of reference, the table below shows the broad location of this plan-enabled capacity relative to the distribution of existing dwellings.

Table 5: Location of Plan-Enabled Capacity Relative to Existing Spatial Form

Existing urban	% of Existing Dwellings	% of Plan-Enabled Capacity
Central City	5.0%	3.5%
Inner Suburbs	3.4%	1.5%
Eastern Brownfield	10.9%	10.9%
Isthmus Brownfield	26.9%	26.0%
Northern Brownfield	16.4%	16.2%
Southern Brownfield	13.2%	16.2%
Western Brownfield	6.7%	6.6%
Greenfield		
Northern-western Greenfield	10.9%	9.1%
Southern Greenfield	1.5%	3.0%
Rural		
Northern Towns	1.6%	2.4%
Rural	1.0%	0.7%
Southern Towns	2.6%	3.8%
Auckland Totals	**100.0%**	**100.0%**

An important observation from this table is that PC78 has boosted capacity in relatively remote existing urban locations, such as southern Brownfield where job accessibility is poor, but produced very little capacity in areas that are favoured by the growth options assessment. For example, the city centre accounts for 5% of existing dwellings, but only 3.5% of plan-enabled capacity. Similarly, the inner suburbs account for 3.4% of existing dwellings, but only 1.5% of plan-enabled capacity. On

the other side of the ledger, northern and southern rural towns account for a notably higher share of plan-enabled capacity than their corresponding shares of existing dwellings.

Thus, while PC78 may enable unprecedented levels of plan-enabled capacity, it does not necessarily help meet the region's goal of a compact urban form. In fact, because the capacity uplifts caused by PC78 are inversely proportional to the density already enabled by the AUP, it significantly boosts capacity in peripheral locations, but has relatively little impact in and around centres where higher density is already permitted.

This is reflected in the excerpt below, which shows the location of plan-enabled capacity relative to the city centre.[37] Given these insights, it is important not to get waylaid by the very large (aggregate) plan-enabled associated with PC78 and instead drill-down to consider whether that supposed theoretical capacity helps achieve the desired compact urban form. Potentially not.

Figure 4: Location of PC78 Plan-Enabled Capacity Relative to City Centre

5.2.4 Enabled Capacity by Distance from the CBD

The plan-enabled capacity in each travel distance band from the city centre is shown in Table 5-1, and compared with existing dwelling numbers. The plan-enabled capacity increases with distance outward from the city centre. Under the current AUP, there is plan -enabled capacity for close to 231,000 dwellings within 6km of the centre. The NPSUD/MDRS provisions without QMs would enable some 371,000 dwellings. With all QMs in place, the plan-enabled capacity would be some 276,000 dwellings. This is about 3.8 times the current 79,000 dwellings there.

Table 5-1 : Plan-Enabled by Distance from CBD

Distance from CBD (km)	Existing Dwellings	MDRS/ NPSUD No QMs	MDRS/ NPSUD (with all QMs)
0-2	28,800	96,500	90,000
2-3	13,500	67,900	40,000
3-4	10,500	57,700	36,100
4-5	10,900	61,400	44,600
5-6	15,200	87,500	65,000
0-6	79,000	371,000	276,000
6-10	87,000	478,900	414,600
10-12	45,100	304,900	281,200
12-15	66,700	411,100	370,300
0-15	278,000	1,566,000	1,342,000

Source: Housing Enablement Model 2022

Another issue is that PC78 is now effectively on hold, so it seems inappropriate to continue relying on its potential theoretical capacity. If PC78 is later withdrawn or revised substantially, there may be major implications for capacity sufficiency, but this is not properly acknowledged in the FDS. Moreover, plan-enabled capacity is a purely theoretical metric that has no real-world meaning, so relying on it here is, in our view, imprudent.

[37] PC78 Economy Matters section 32 report, page 99.

6.3 Assessing Serviceability, Feasibility & Realisability

Another concern is that FDS does not explicitly consider the infrastructure serviceability of growth associated with each scenario. Instead, it simply assumes that any infrastructure required to service growth will be technically feasible.[38] That will not always be the case, though.

Take, for example, the upgrading or replacement of a water or wastewater trunk main through a densely developed part of the existing urban area. The disruption associated with such an upgrade may render it technically (and/or practicably) infeasible, and this is more likely for growth scenarios that rely heavily on intensification. Again, however, this is not addressed in the FDS.

Similarly, the FDS and its accompanying evidence reports does not appear to properly consider financial feasibility. Instead, it invokes the following logic, presumably as a reason not to bother.[39]

Figure 5: Future Urban Areas Evidence Report Comments on Residential Capacity

1.3.5 Residential development capacity

The statutory requirement to apply MDRS to Auckland's residential zones has changed the development landscape by substantially increasing residential development capacity.

The draft FDS meets the statutory requirement under the NPS-UD to ensure there is at least sufficient housing and business development capacity to meet demand over the next 30 years. (Auckland Council, 2023d). Therefore, the draft FDS does not focus on identifying significant additional plan enabled development capacity. The focus is rather on the quality aspects of accommodating growth; where and how development take-up occurs.

This sentiment is echoed in the FDS itself, which states that plan-enabled capacity is several times the level of expected demand[40], which evidently provides some latitude. Then, it claims that "much of this enabled capacity is or will be commercially feasible" but that not all needs servicing now.

We consider it inappropriate to merely assert that a high proportion of plan-enabled capacity will be feasible without doing the work to prove it. Indeed, development feasibility has changed dramatically over the last few years due to the compounding effects of lower house prices, higher construction costs, and significantly higher interest rates. Together, these changes conspire against feasibility and may result in a shortfall, particularly over the longer term.

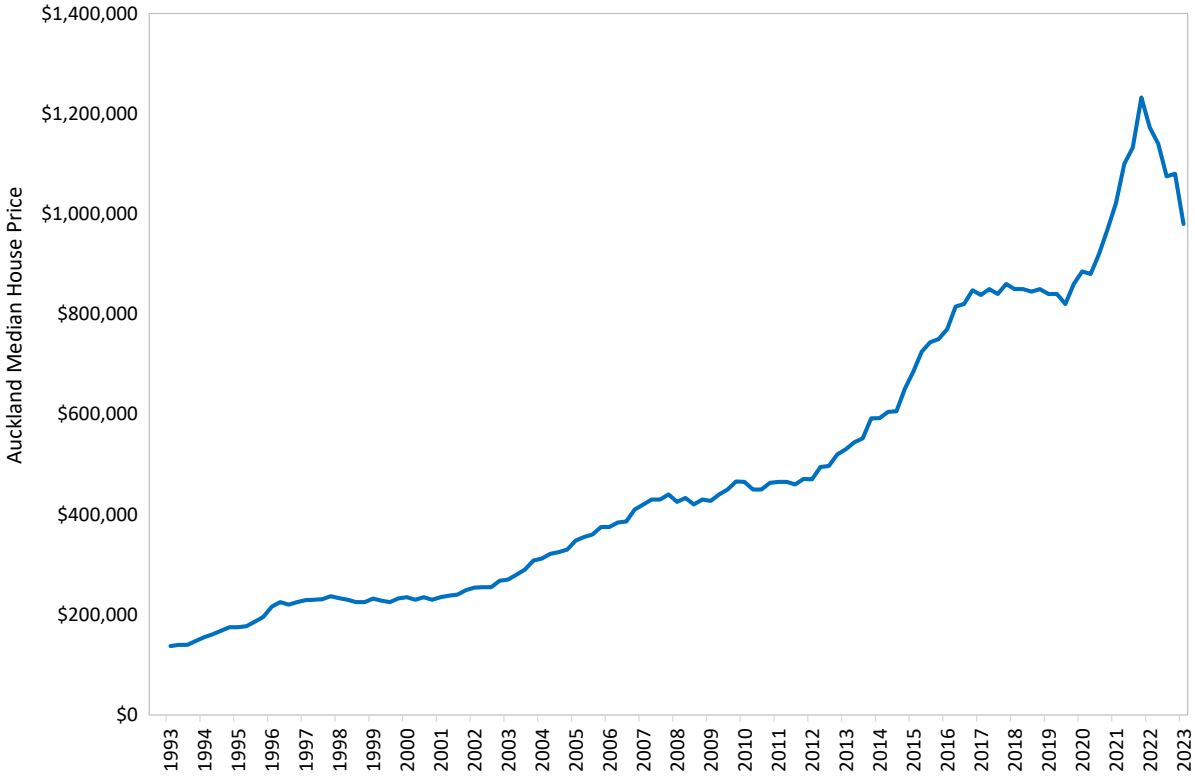
For context, the chart below shows how Auckland's median house price has tracked over time. While it has climbed steadily since the early 1990s, the region's median dwelling price has fallen precipitously from about mid-2021 onwards (when the FDS' modelling appears to have been done). In fact, the median price has fallen from $1.23 million in mid-2021 to only $980,000 in early 2023, a drop of more than $250,000 (or 20%) in less than two years. Coupled with the near-30% increase in residential construction costs over the same period, it should be clear that development feasibility has changed fundamentally and hence that relying on previous feasibility analyses is inappropriate.

[38] GSER, page 18.

[39] Future Urban Areas Evidence Report, page 14.

[40] FDS, page 29

Figure 6: Auckland Median Dwelling Price (from NPS-UD dashboard)



Not only does the financial feasibility of development appear to mostly be overlooked by the FDS and the GSER but, when it is considered, it is via an unorthodox approach that is unlike anything we've ever seen before. Specifically, the GSER summarises its approach to estimating development attractiveness and feasibility as follows:[41]

> *"The attractiveness of a [MSM transport] zone is determined through the land use model based on various aspects. Firstly, it looks at the permissible development (capacity together with the projected household and employment growth) to determine how much additional development is required to accommodate growth.* ***It then looks at the "rent values" in each to determine which zones are profitable to develop*** *(from developer's point of view higher rent means more profit). Baseline rent values are from the Council's rating database."* [emphasis added]

In terms of likely realisable capacity, the FDS appears to rely on historic uptake to determine that sufficient realisable capacity exists. Specifically, it states:[42]

> *"Take-up has been high in almost all areas where intensification has been enabled by the AUP, including in relatively low land-value locations. Ongoing take-up of these opportunities is reasonably expected wherever they are provided."*

We agree that take-up will continue, but not necessarily like it has before. First, financial feasibility has changed substantially. Second, many of the best intensification opportunities have already been

[41] GSER, page 24
[42] FDS, page 30

taken up, with remaining ones likely to be more marginal. Third, the capacity unlocked by PC78 is not like the capacity unlocked by the AUP, so this statement is a false equivalence.

6.4 Consideration of Business Land Needs

Finally, we note that the FDS appears to pay scant attention to ensuring that sufficient business land is provided in the right places at the right time to keep pace with demand. Instead, the FDS simply asserts that:[43]

> *"There is likely to be at least sufficient plan-enabled business capacity on an aggregate, region-wide basis."*

However, this is immediately qualified in the next paragraph as follows:[44]

> *"Shortfalls in some sub-regions, or for specific business sectors, particularly for land extensive sectors could occur in the short to medium term. Over the medium to long-term, these are planned to be addressed by the provision of additional business-zoned land, including through the provisions of new centres in new development areas."*

We agree that there will be shortfalls in business capacity over the short- to medium-term for certain parts of Auckland and/or specific business sectors. This is reflected in the current, historically low vacancy rates prevailing in many of the region's business property markets.

For example, a Colliers research report for the first quarter of 2023 noted that the region's industrial property market had reached a historically low level of vacancy, with the vacancy rate for prime industrial properties falling to only 0.5%.[45] In some southern industrial areas, such as Manukau/Wiri and East Tamaki, there were virtually no vacancies as at the time of their survey. This is a concern, because a lack of vacant premises stifles opportunity and may even cause some businesses to be displaced to other regions, such as the large new business area in Pokeno.

Other recent research reports draw similar conclusions. For example, Bayleys[46] recently noted that "historic low levels of vacancies, combined with strong demand from occupiers, is often resulting in spaces being leased well in advance of actual lease expiry dates or physical vacancies." This is highly unusual and reveals the extent of current industrial land shortages.

The Bayleys report goes on to state that "persistent shortages of industrial land have led to substantial growth in prices. Would-be owner occupiers are increasingly having to extend their search perimeters [sic] out to the fringe of the region or even into other regions." Other research by CBRE[47] and JLL[48] also report incredibly low vacancy rates for many business property markets, which confirms an acute need to provide additional business land now.

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[43] FDS, page 31

[44] ibid

[45] Colliers, Auckland Industrial Snapshot for Q1 2023, page 1.

[46] Bayleys, Industrial Market Update, Auckland Q1 2023

[47] CBRE, Auckland Property Market Overview, Q1 2023

[48] JLL, Market Snapshots Q1 2023.

Despite this backdrop of a dearth of available business land, the FDS appears to take a rather cavalier attitude to planning for growth in business activity. It cites fanciful estimates of vacant and vacant potential capacity within existing business areas[49] and appears to presume that this can meet short to medium term needs.

Not only do we categorically reject the FDS' estimates of additional business capacity residing within existing areas, but we also consider its assessment of the need for additional business land to be internally inconsistent. On one hand, it notes that at least 1,000 hectares of business land will be needed in new urban areas, but on the other it appears to delay the rezoning/enablement of them. For example, it seems that the rezoning of the Silverdale West business area has been pushed back despite being a critical part of the blueprint for that area.

In our view, the FDS's approach to business land is reckless. Not only will it starve the market of much needed boosts in supply to rectify existing shortfalls and keep pace with projected growth in demand, but it will also push up land prices and thereby undermine affordability for businesses looking to establish, expand, or relocate within the region.

[49] For example, it estimates unrealistic levels of plan enabled capacity above ground floor in areas where ground floor locations are not only preferred, but often essential for access and other reasons.

7. Impacts on Choice & Competition

7.1 Introduction

Just as the FDS provides only very limited commentary on capacity sufficiency, so too does it pay surprisingly little attention to other NPS-UD objectives, such as land market supply, competition, plus future housing choice and affordability. We briefly touch on these issues below.

7.2 Importance of Fostering & Maintaining Competition

A key plank of the NPS-UD is to foster and maintain competition in both land and development markets. For example, Objective 2 of the NPS-UD seeks that:

> *"Planning decisions improve housing affordability by supporting competitive land and development markets."*

This is given effect to via Policy 1 of the NPS-UD. It requires planning decisions to contribute to well-functioning urban environments, which (amongst other things):

> *"Support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets."*

At a more prescriptive level, the NPS-UD requires Tier 1 territorial authorities like AC to complete a housing and business capacity assessment (**HBA**) triennially to inform its Long-Term Plan (**LTP**), with clause 3.23 specifically requiring that:

> *"Every HBA include analysis of how the relevant local authority's planning decisions and provision of infrastructure affects the affordability and competitiveness of the local housing market."*

Notwithstanding this unambiguous policy direction, though, the FDS provides no analysis of likely effects on competition. This seems to reflect AC's apparent perspective that:

- The introduction of the concept of "well-functioning urban environment" (**WFUE**) has shifted the focus of the NPS from an economically driven policy (like its predecessor, the NPS-UDC) to one that incorporates a range of non-economic factors; and

- Although WFUE has mandatory elements, Councils can add to them. AC has added numerous non-mandatory elements to its definition of WFUE and formulated a set of assessment criteria that seem to weigh these more heavily than some of the mandatory criteria; and

- The words "limit as much as possible adverse impacts on" in Policy 1(a)(d) imply that it is anticipated that planning for other aspects of well-functioning urban environments will generate some adverse impacts on competitive land markets, which are therefore acceptable in NPS-UD terms, which helps justify its decision to curtail FUZ opportunities.

While AC is correct that it can include non-mandatory factors in its definition of WFUE, this should not be at the expense of other core purposes of the NPS-UD. To be frank, it appears that the FDS has placed undue weight on these new elements of WFUE while losing sight of economic factors (such as supporting housing affordability and enduring competitive land markets). These remain key focuses of the NPS-UD, but the FDS does not adequately capture that.

In particular, the potential downzoning of large swathes of the FUZ is a significant concern in terms of fostering and maintaining competition. Without a strong and ongoing supply of new urban land in strategically chosen locations (as per the current development strategy), the competitive operation of the region's urban land market will be compromised. Economic theory explains the potential risks of this loss competition as follows:

- **Preventing Market Power and Monopoly**: Competition prevents the concentration of market power and the emergence of monopolistic practices in land markets. If a single entity or a small group of firms dominates the market, they can exert control over prices, limit choices, and stifle competition. Competition avoids this prospect by enabling multiple buyers and sellers to interact within local land markets.

- **Consumer Choice and Affordability**: Competition enhances consumer choice and promotes affordability in land markets. When there are many developers and landowners competing for buyers or tenants, consumers have a wider range of options to choose from. This competition exerts downward pressure on prices, making land and housing more affordable for a broader segment of the population. Moreover, competition encourages developers to differentiate their offerings by providing better amenities, quality construction, and innovative designs.

- **Price Discovery**: Competition enables price discovery. When multiple buyers and sellers actively engage in a market, they compete to buy or sell on the best possible terms, thereby enabling "discovery" of the current market price (where supply and demand meet). This ensures that market prices better reflect the true value of land based on its size, location, potential uses, and other valued attributes (rather than the profit-seeking behaviour typical of monopolies).

- **Efficiency and Productivity**: Competition fosters efficiency and productivity in land markets. In competitive environments, developers and landowners strive to maximise returns by using land resources optimally. This fosters innovative land uses, such as mixed-use development, and adaptive reuse of existing structures. Competition drives developers to find creative solutions to meet the changing needs of residents, leading to improved productivity and efficient land utilisation.

- **Investment and Development**: Competition also attracts investment and spurs development in nearby areas. When developers and investors perceive a viable market, they are more likely to invest in land and undertake development projects. The prospect of earning profits

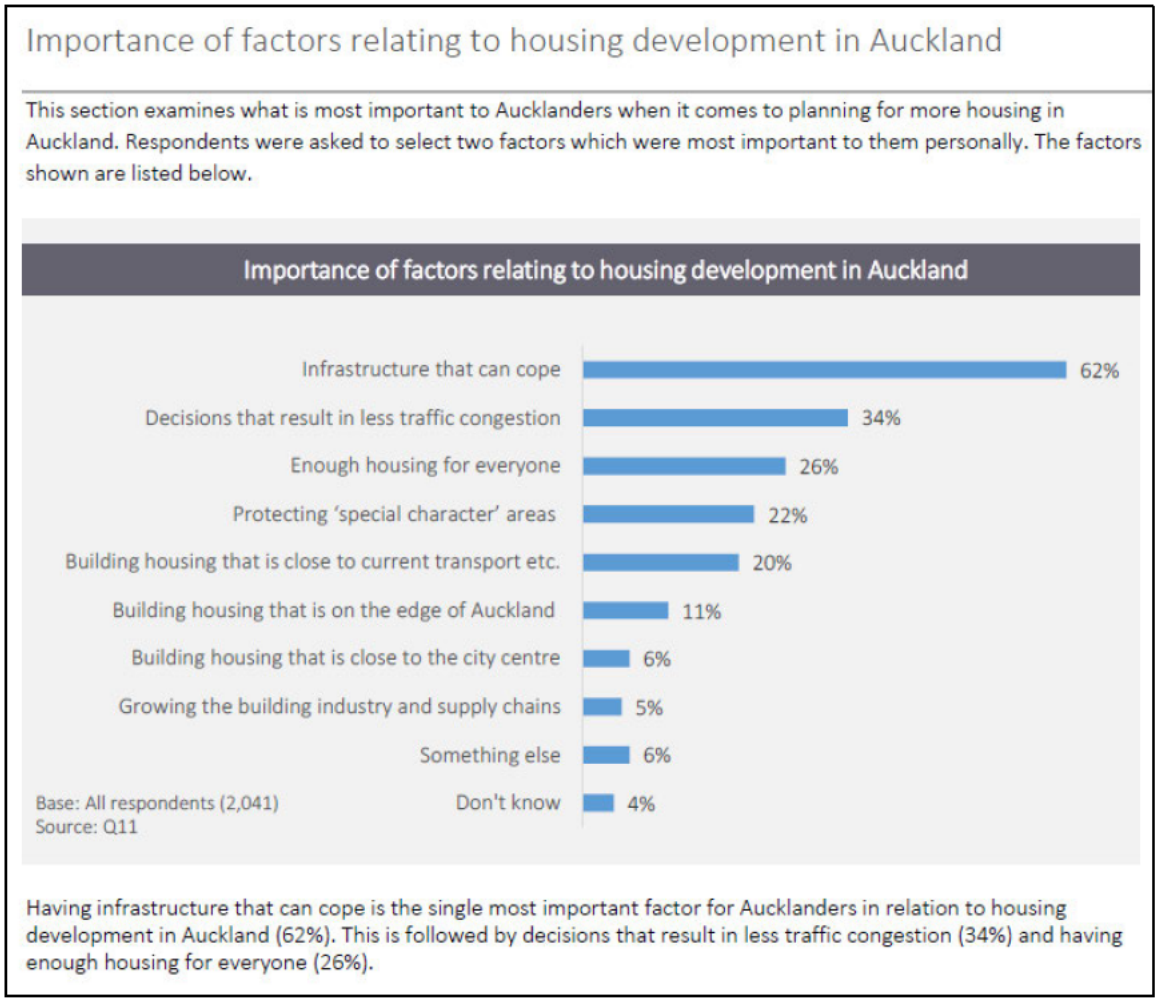
motivates developers to take risks and initiate new projects. Increased investment and development activities contribute to economic growth and job creation.

Overall, we are concerned about the FDS's potential impacts on competition. The large volumes of theoretical capacity unlocked via PC78 are not complete substitutes for competition in regional land markets. And, absent the latter, land prices will rise, flowing directly into new dwelling prices.

7.3 Providing Housing Choice & Reflecting Community Values

Finally, we note that it is critically important that the FDS promotes housing choice and reflects what's important to residents and businesses. In our view, the FDS is far too concerned with its futile pursuit of curbing GHG emissions, which does not reflect the community's preferences. See, for example, the chart below which shows the importance of various factors to the Auckland community in relation to planning for more housing.[50]

Figure 7: Importance of Various Factors Relating to Planning for More Housing in Auckland



As we can see above, "infrastructure that can cope" mattered the most to Aucklanders when surveyed (in 2021/2022) about the things that matter most in terms of planning for more housing.

[50] IPI Overall Evaluation Section 32 report, page 284

We expect that infrastructure adequacy will be an even greater concern now following the devastating effects of the anniversary weekend floods coupled with Cyclone Gabrielle. Together, these events revealed massive vulnerabilities in the three waters network and highlighted the risk of excessive intensification (i.e. creating too much impervious surface area in concentrated locations).

In our view, the FDS does not properly reflect the factors that matter most to Aucklanders in terms of new housing opportunities. This is exacerbated by a seeming over-reliance on capacity unlocked by PC78, most of which reflects intensification, and almost all of which[51] is only for one housing typology (attached). This limited range of choice is unlikely to best meet the needs of Aucklanders over time, so it is critical that the FUZ is maintained as much as possible to provide housing choice and boost competition in the region's urban land market(s).

[51] According to PC78 documentation, 96% of plan-enabled residential capacity is for terraces or apartments.

8. Deriving the FDS from the MCA

8.1 Introduction

Finally, the methodology used to translate the options analysis into the FDS' preferred scenario (i.e. its composite scenario) is unclear. Rather than selecting the best-performing option from the MCA, the FDS creates a new, hybrid option from the results that lacks any meaningful detail. This, in turn, obscures the details of the implied new strategic direction, and its rationale. This is a concern, and not just for transparency reasons, as briefly explained below.

8.2 Impacts of Negative Scores

The MCA adopted a seven-point scoring scale, ranging from -3 to 3, with negative scores reflecting bad outcomes, and positive scores good outcomes. While that's fine, the GSER makes the following critical acknowledgement about the implications of negative scores in its assessment, which is not captured in the overall narrative of the report:[52]

> *"In most cases, a negative score indicates the need for a specific policy intervention in addition to, or even instead of, land use or transport interventions alone."*

The table below shows the MCA scores, with red text indicating negative ones. Clearly, there are a lot of negative scores.

Table 6: MCA Scores (Red Values = Negative)

Criteria Themes	MCA Criteria (paraphrased)	A	B	C	D
Natural hazards & climate change	The extent of development areas in 100-year floodplains (greenfields)	-1	-1	-2	-3
	The extent of development areas in 100-year floodplains (brownfields)	-1	-3	-2	-2
Travel & Access	The extent to which scenarios impact carbon emissions	-1	-2	-2	-3
Environment	Scope to improve the health of natural wetlands (greenfields)	1	1	2	2
	Scope to improve the health of natural wetlands (brownfields)	-1	-1	-2	-2
	Impacts on ability to swim safely and collect shellfish	-1	-1	-2	-3
	Promotion of the restoration/connectivity of indigenous biodiversity	-1	-1	-1	-2
Economy	The degree to which urban development consumes highly productive soils	-1	-1	-2	-3
Social, Cultural, and Heritage	Retention of the qualities of historic heritage places and values	-2	-1	-1	0
	Likely result on levels of access to quality open space	2	1	1	-1
Travel & Access	Extent to which population is exposed to harmful air emissions	3	2	1	1
Land & Housing	Extent to which growth creates greater housing choice to meet demand	1	1	1	0
Travel & Access	Promoting mixed use communities to reduce travel distances & safety risks	2	1	1	-1
	Providing inclusive/equitable access to social infrastructure & public spaces	1	1	-1	-2
	Accessibility of social infrastructure & employment in highly deprived areas	-2	-3	-3	-3
Māori	Extent of Māori land within growth areas	1	1	1	2
	Extent to which scenarios impact on Māori cultural landscapes	-2	-1	-1	-3
Travel & Access	Accessibility of key areas of economic activity by PT + active modes	3	3	2	1
	Education is accessible by different modes (PT + Active)	3	2	1	2

[52] GSER, page 7.

Criteria Themes	MCA Criteria (paraphrased)	A	B	C	D
	Employment opportunities are aligned with areas of population growth	3	2	2	1
	Household living cost reductions from proximity to employment areas	3	2	1	1
	Rural production areas are accessible	-1	-2	-2	-2
	Travel times are reliable	-1	-2	-2	-2
Economy	Opportunities for agglomeration of similar/dependent industries	3	1	1	-1
Land & Housing	Suitable land is available for Group 1 (land extensive) industries	-2	-3	-2	-2
Infrastructure	Scenarios support current committed infrastructure	1	2	3	-2
	The scenarios result in measurable public monetary costs or losses	2	1	-1	-3
Land & Housing	Physical constraints increase the cost of development	-1	-2	-2	-3
	The market is likely to respond to the proposed land use pattern	1	1	-1	-2

In truth, more than half (56%) of all MCA scores are negative. Even the utopian scenario A scored negatively on 14 of the 29 criteria (48%). Table 7 summarises the situation by (our suggested) criteria theme. The widespread dominance of negative scores highlights the FDS' limited ability to affect meaningful change according to its own reporting.

Table 7: Share of Negative, Positive, and Neutral Scores by Theme

Criteria Themes	Negative Scores	Neutral Scores	Positive Scores
Travel impacts/accessibility	43%	0%	57%
Environment	75%	0%	25%
Land & Housing Markets	63%	6%	31%
Social, Cultural, and Heritage	50%	13%	38%
Economy	63%	0%	38%
Infrastructure	38%	0%	63%
Māori	50%	0%	50%
Natural hazards & climate adaptation	100%	0%	0%
All Themes	**56%**	**2%**	**42%**

8.3 Consideration of Infrastructure Implications

Infrastructure is a major technical and financial challenge for all Councils, especially in growing areas like Auckland. However, the GSER has only two criteria on infrastructure, which belies its vital importance in helping redefine the region's growth strategy. The scores for those two infrastructure criteria are reproduced below.

Table 8: Scenario Scores for Infrastructure Criteria

Criteria Themes	MCA Criteria (some paraphrased)	A	B	C	D
Infrastructure	Extent to which scenarios support current committed infrastructure	1	2	3	-2
	The extent to which scenarios result in measurable public monetary costs or losses over time	2	1	-1	-3

Table 8 shows that Scenario C, which is the closest match to the status quo, rightfully scored best on the first criterion because it most closely aligns with the agreed development trajectory and hence current growth-related infrastructure programme. But, Scenario C performed poorly on the second

criterion (the extent to which it could result in measurable public monetary costs or losses). Overall, the GSER concludes that:[53]

> *"More intensive compact urban forms perform better in terms of the least monetary cost of infrastructure over time, as they result in more efficient use of existing services and new infrastructure. More expansive urban forms require the greatest amount of new infrastructure with the highest costs."*

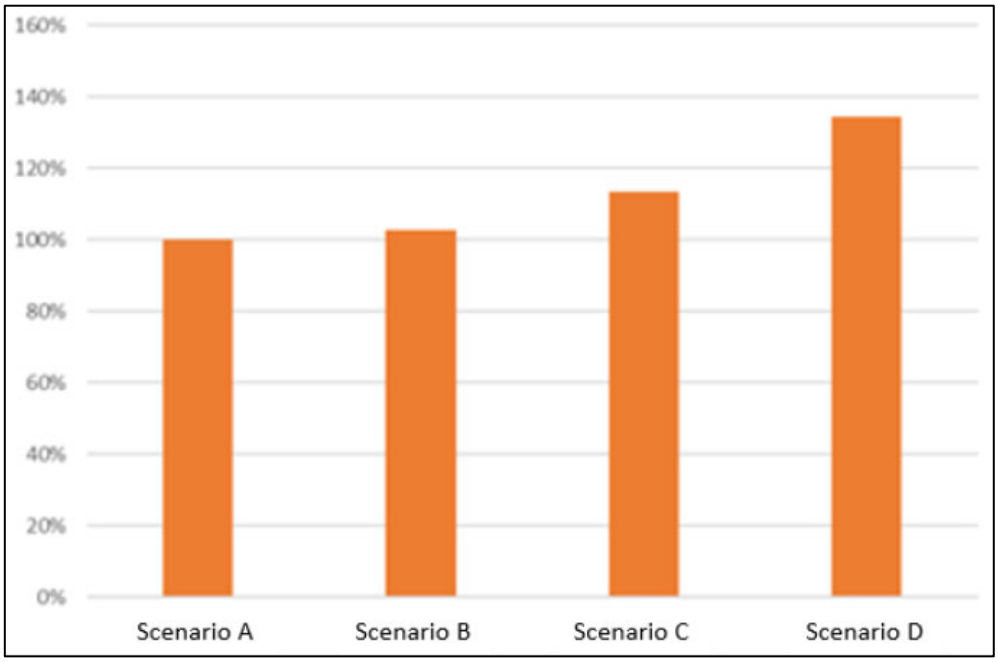
We challenge this conclusion on several grounds. First, the process used to quantify the infrastructure costs of each option are not explained. According to the GSER, infrastructure criteria were evaluated via subject matter expert input, which seems wholly inadequate given the cost and importance of infrastructure implications arising from the FDS.

Second, the cost of providing most growth-related infrastructure is recovered directly from developers via development contributions, private developer agreements, and developer self-provision. Accordingly, the reference to public monetary costs in the second criterion is misleading.

Third, the cost of (eventually) upgrading infrastructure networks in some existing urban areas could also be prohibitively expensive and/or cause unacceptable levels of disruption. This risk is particularly acute for the widespread, uncontrollable, and unpredictable growth enabled by PC78, which Scenarios A & B both rely heavily on, but the MCA scores wrongly signal otherwise.

Fourth, notwithstanding all the above, the "modelled" differences in infrastructure cost across options is much less than the scores, commentary, and conclusions suggest. This is shown in the screenshot below from page 55 of the GSER.

Figure 8: Relative Cost of Infrastructure to Service Expected Growth



[53] GSER, page 9.

To our eyes, it appears that Scenario C's infrastructure costs are only about 15% more than the far-fetched Scenario A. This is relatively immaterial in the scheme of things, with most projects having contingency buffers that far exceed the implied differential in option infrastructure costs.

Given that developers bear virtually all growth-related infrastructure costs, not ratepayers, we consider the FDS's analysis of infrastructure implications to be deficient and highly unreliable. This raises serious concerns about the validity of relying so heavily on intensification to meet the region's future business and residential needs.

8.4 Aligning New Jobs with New Homes

As already noted, the FDS places significant emphasis on travel impacts and accessibility, including the relative locations of new jobs and new homes. It assumes that more intensive development of existing urban areas is best because it lets new homes reside near existing employment areas. In forming this view, the FSDS seems to overlook the reality that many existing employment areas are almost fully built-out, with only limited scope for growth.

This again highlights the risk of relying just on plan-enabled capacity measures. While there may be enormous theoretical potential via the redevelopment of existing employment areas, this is seldom financially viable, particularly compared to residential, so it will not occur *en masse*.

In short, The FDS' presumption of significant job growth in existing urban areas is unlikely in some areas. Accordingly, new business land *will* be required in and around the FUZ to keep pace with residential growth and to address historic and existing home/job balances in the region's greenfield areas. This is also recognised in the executive summary of the GSER, which states that:[54]

> *"Providing business land opportunities in future urban areas provides opportunities to balance employment and housing."*

We agree wholeheartedly, and even the FDS notes the capability of FUZ business land to help improve employment access and bolster travel outcomes, but the proposal to undertake wholesale investigations of large parts of the FUZ (partly on travel grounds) directly contradicts it.

In our view, key decisions about the region's likely future urban form deserve a far more rigorous and reliable evaluation of options before any tweaks to the existing direction can be identified. Afterall, even the MCA itself observed the following about spatially aligning new jobs and homes: [55]

> *"Across all scenarios the model favours greenfield areas with the most job growth in [the FUZ] in Rodney and then Franklin."*

[54] GSER, page 9.

[55] GSER, page 48.

ATTACHMENT C

TRANSPORT FEEDBACK ON THE DRAFT FUTURE DEVELOPMENT STRATEGY

18 JULY 2023

FLOW TRANSPORTATION SPECIALISTS

flow
TRANSPORTATION SPECIALISTS

#8136

18 July 2023

Aidan Donnelly
General Manager, Development
Fletcher Living
Private Bag 99922
Newmarket
AUCKLAND 1149

Dear Aidan

TRANSPORT FEEDBACK ON THE AUCKLAND FUTURE DEVELOPMENT STRATEGY

Flow has been asked by Fletcher Living to provide comments on the Draft Auckland Future Development Strategy (Draft AFDS), which was recently released by Auckland Council. The Draft AFDS is proposed to replace the Future Urban Land Supply Strategy 2017 (FULSS) and the Auckland Plan 2050 Development Strategy 2018. If adopted, the AFDS will form the basis of Auckland's long term strategic planning framework.

The AFDS seeks to place some rigor on future development when considering the challenges currently faced by Council, which relates to financial challenges (funding), developing in flood prone areas, and ensuring that Government (both local and central) obtain a return on major infrastructure investments.

1 SUMMARY OF OUR ASSESSMENT

Our assessment discusses the transport concerns with the AFDS, as it relates to the following:

- The AFDS proposes to delay Future Urban Zoned land that is earmarked for employment (in particular light industry), as assessed through Structure Plans. In doing so, the AFDS will make it challenging for established/establishing residential catchments located about the fringe of Auckland to align with the outcomes sought by the Transport Emissions Reduction Pathway (TERP). This is because by delaying the outer employment areas, the AFDS
    - puts greater reliance on others (eg Auckland Transport and public transport providers) to establish and operate viable public transport networks that get people to work at the time and with the reliability that they need
    - reduces the ability to travel by cycle, scooter, and walking to access nearby employment
    - decreases the opportunities for those living in adjacent residential areas to drive shorter distances to work, therefore reducing vehicle-kilometres travelled
    - increases economic and social inequities, by making people more reliant on travelling by car if public transport cannot provide a viable alternative.

- Appendix 8 of the ADFS proposes to delay land development, aligning development when the strategic infrastructure required to service the "full build-out" of development area is "likely to be implemented". This outcome gives no certainty to when land can be developed. While the assessment of plan changes under the existing framework can be improved, development controls and developer funded upgrades that mitigate transport effects can suitably be captured in the current planning framework and reflects that development of large Plan Change areas and associated upgrades can be sequenced and occur over a number of years, if not decades.
- There is no certainty as to the timeframes of the Transport Triggers set out in Appendix 6 of the AFDS, with a number of concerns relating to the triggers suggested. These concerns along with some commentary are set out below.

2 DELAYING LAND EARMARKED FOR EMPLOYMENT

2.1 AFDS Proposal

The AFDS proposes to delay/push back the timing of Future Urban Zoned land that, through Structure Plans is earmarked for employment (light industry) development. The areas which have been delayed are located where residential growth is currently occurring at a fast rate, as allowed through approved resource consents. Large areas where employment land is proposed to be delayed are set out in Table 1.

Table 1: Revised timing of employment land

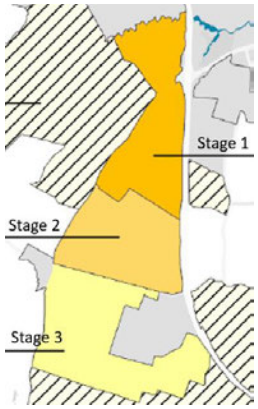
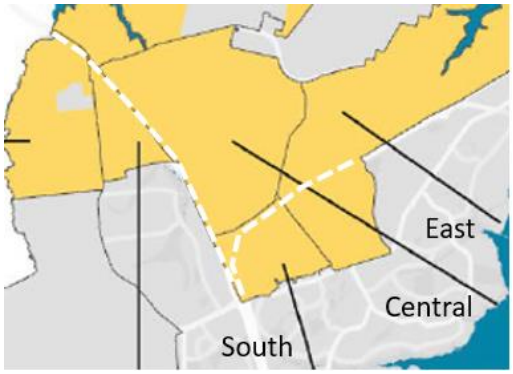
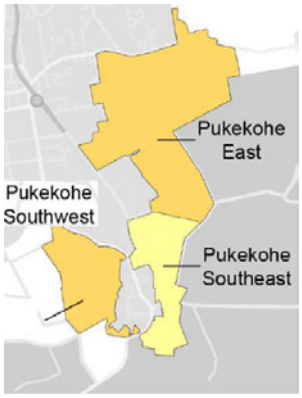
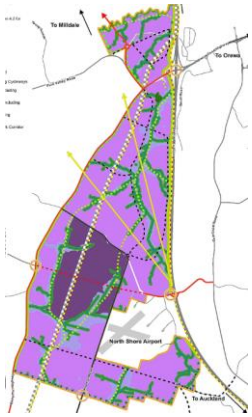
Area	Silverdale/North	Whenuapai/Northwest	Pukekohe/South
Location Map			
Structure Plan	Silverdale West Dairy Flat Industrial Area Structure Plan, April 2020	Whenuapai Structure Plan, September 2006	Pukekohe-Paerata Structure Plan 2019

Table 1: Revised timing of employment land

Area	Silverdale/North	Whenuapai/Northwest	Pukekohe/South
			
FULSS 2017 Timing	2018-2022	2018-2022 (East) 2028-2032 (Central)	2023-2027 (Pukekohe Southeast, Southwest)
AFDS Timing	2030+ (Stage 1) 2035+ (Stage 2) 2040+ (Stage 3)	2035+ 2050+ (Stg 2 North)	2035+ Pukekohe Southwest 2040+ Pukekohe Southeast
Proposed Jobs	9,000 Jobs (FULSS)	8,600 Jobs (WSP)	2,350 Jobs (PPSP)

2.2 Development of employment land

In recent history, the development of employment (light industry) land has taken 20+ years to be occupied, with recent examples including North Harbour Industrial Estate, Highbrook and The Landing at Auckland Airport. Each of these locations has relied on a suitable connection to the state highway network via an interchange, allowing the movement of road freight and vehicle-based employment related trips. Importantly, these areas have provided employment opportunities to the north, central and southern areas of Auckland. However, due to the lack of available light industrial land further afield, they are also employment hubs relied on by the wider population, with some having little or no support from suitable public transport.

The Auckland Transport Alignment Project (ATAP) report that underpins the transport investments included in the RLTP/AFDS highlights the *"significant unevenness to future employment accessibility and a growing polarisation of access to employment in the future. By 2046 more than a million people will be living in the western and southern parts of Auckland, nearly half the region's population. However these areas see relatively little improvement in their access to employment over time."*[1]

[1] https://www.transport.govt.nz/assets/Uploads/Report/ATAP-Evaluation-Report.pdf. Page 15

From a transport perspective, it is important to note that the traffic effects of a development area are not experienced from day one but are instead realised over time (20+ years). Recent development areas such as Drury South (Precinct I410) and Puhinui Precinct (I432) set out transport triggers and matters of discretion that need to be addressed to allow development to progress in an integrated manner, where effects are managed. While these frameworks can be improved, the intent of the provisions is to ensure integrated land use and transport network outcomes.

2.3 Travel behaviour

Residential growth enabled by the Metropolitan Urban Limit (MUL) and more recently, the Rural Urban Boundary (RUB) has increased population about Auckland's fringe. However, the development of employment land, and the provision of public transport networks, have not occurred at a similar pace, which in turn requires people to travel large distances to reach employment hubs.

We have assessed the travel behaviour of commuters about these outer areas (Whenuapai and Silverdale/Whangaparāoa) to better understand the destinations where people currently travel for work.

The 2018 Census commuting data (refer **Error! Reference source not found.**) shows that a large number of people commute to employment areas where light industrial activities are located, including

- North Harbour Industrial Estate
- Wairau Valley
- Penrose/Mt Wellington/Onehunga
- Henderson
- East Tamaki (Highbrook)
- Auckland Airport

The mode of travel for the majority of these trips will be by private car, as frequent and reliable public transport connectivity does not exist to all areas, noting also that many light industrial businesses include shift work which makes catching public transport less attractive due to off peak reliability and safety.

Figure 1: Commuter travel patterns (2018 Census)

North - Silverdale/Whangaparāoa	Northwest - Whenuapai/Hobsonville/Kumeu
	
Number of commuters to prominent light industrial employment areas – 3,800	Number of commuters to prominent light industrial employment areas – 2,300
Estimated annual private vehicle kilometers travelled (vkt) – 50 million	Estimated annual private vehicle kilometers travelled (vkt) – 20 million
Reduction in vkt if 15% work locally – 7 million vkt	Reduction in vkt if 15% work locally – 3 million vkt
Reduction in vkt if 30% work locally – 15 million vkt	Reduction in vkt if 30% work locally – 6 million vkt
Reduction in vkt if 45% work locally – 21 million vkt	Reduction in vkt if 45% work locally – 9 million vkt

Providing employment opportunities closer to the new residential areas established about Auckland's fringe (Whenuapai, Silverdale and Pukekohe) is a critical piece to achieving positive transport outcomes for the region, as it

- Reduces the reliance to travel across the region to access jobs, which are predominantly being accessed by private vehicle travel
- Locating employment opportunities about the residential growth areas will have a positive community effect, providing the ability to live, work and play about the same suburb, and substantially reduce vehicle kilometres travelled
- Allows more focussed public transport connections/routes to be established. Each area (Whenuapai, Silverdale and Pukekohe) has a nearby RTN station and therefore has the ability to extend or provide shorter and frequent local bus services between residential and employment areas as they develop

- Each area already has established connectivity to the state highway network, providing safe connectivity for road freight and vehicle-based employment related trips.

The AFDS ignores key accessibility challenges faced by Auckland growth areas as set out in the Auckland Transport Alignment Project Evaluation Report and does not contribute towards reducing vehicle kilometres travelled for those residential areas already established/establishing about the outer areas of the Region.

3 TRANSPORT TRIGGERS

The AFDS proposes to introduce infrastructure triggers at Appendix 6 that are required to be implemented prior to areas being development ready, with the proposed timings set out in Appendix 8.

The timing of areas being 'development ready' consider all infrastructure requirements. Our assessment has considered transport matters only, noting that other infrastructure (such as services) may be the primary purpose for the proposed delay. The number of transport triggers however is large and forms a significant obstacle in how land development can occur over time.

Transport projects listed for most part are those set out in the Regional Land Transport Plan (RLTP) which also tie back to the Auckland Transport Alignment Plan (ATAP). At Appendix 3 of the AFDS, it notes that two key transport documents are currently being finalised, being the Auckland Rapid Transit Plan (ARTP) and the Tāmaki Makaurau Integrated Transport Plan (TMTP). As such, projects and project timeframes are subject to change.

Issues with the AFDS transport triggers include

- It is proposed that Council will be stringently adhering to the infrastructure timeframes set out in the AFDS, however, the AFDS also allows timeframes to be reviewed. Using infrastructure upgrades such as Mill Road as an example, it is not reasonable to have development areas controlled by projects where funding may be redirected, be brought forward/pushed out or removed altogether, which can be based on decisions at a government political level, and therefore out of the control of Council
- The extent of several projects is significant, such as Mill Road, the North Shore Rapid Transit (extension to Milldale), North-west Rapid Transit and SH16-SH18 Connections. The AFDS does not give regard to how these upgrades may be staged, or how interim interventions put in place by the transport authorities may deliver or assist in delivering suitable short to medium term network improvements. For example,
    - a new Westgate bus station and improvements along SH16 for buses currently being implemented will improve public transport attractiveness and reliability for the North-west, such that the effect between the ultimate outcome (North-west Rapid Transit) and the interim outcome may be relatively minor (more resilient) when considering the timing of development
    - The recently completed Northern Corridor Improvements extends the Northern Busway to Albany and therefore assists with improving bus reliability for bus users to the North.

The provision of bus shoulder lanes in the future on SH1 to Silverdale, where limited interchange crossings exist would present a feasible, reliable and low cost alternative that benefits bus users, with improved frequencies for local service delivering a viable medium term solution. This approach is being applied to SH16, so would seem reasonable for SH1 North.

The above examples will help provide alternative travel options for the outer residential areas but may remain inadequate when providing attractive, efficient connectivity to key employment hubs located about the Auckland Region.

- Areas have been grouped (such as Riverhead with Kumeu and Huapai) and are therefore subject to wider area upgrades that do not necessarily impact on the safe and efficient accessibility of the area. That is, it is reasonable to tie development within Riverhead to the Brigham to Waimauku SH16 upgrade, but Riverhead should not be tied to the delivery of the Alternative State Highway (Kumeu Bypass) corridor or North-west Rapid Transit extension to Huapai which provides much needed transport improvements to the Kumeu-Huapai area, not Riverhead.
- The AFDS should not prohibit development where safe transport solutions can be addressed prior to the ultimate corridor upgrade being delivered.
- Corridor upgrades listed for areas do not only address transport (safety, active modes and capacity) but also include a significant amount of land and cost to improve stormwater improvements, for example, the Coatesville-Riverhead Highway upgrade. Long term connectivity opportunities exist for active modes when addressing corridor issues together, but cannot be achieved in isolation.
- As with current plan changes, safe, effective and efficient solutions are being delivered by private developers within the existing road reserve which address transport effects of private development. Therefore, it is unreasonable for the AFDS to tie the development of private land to transport upgrades, as private land requires third party land acquisition which only the regulatory authorities can acquire.

The logic of including strategic transport triggers to development areas which have a cost well in excess of what the Government (either locally or centrally) can progress is unreasonable. The assessment of Private Plan Changes could be improved, where development progressing prior to transport upgrades outlined in the RLTP need to demonstrate how the development will manage/control effects, such that the effects are mitigated.

The AFDS, while attempting to align the implementation of strategic transport infrastructure prior to development is not reasonable for the reasons outlined above. The current framework which includes placing land use and infrastructure upgrade triggers into planning provisions allows the opportunity for developers to progress (working with the road controlling authorities) transport upgrades which inevitably saves the roading authorities money.

4 CONCLUDING COMMENTS

An issue which exists with the delivery of transport networks, is having no easy mechanism to obtain targeted rates or contributions from land use development that can then contribute towards infrastructure that predominantly serves the area. Until a mechanism exists, the ongoing issue of ranking the region's transport priorities will always fall to where there is greater return on the investment.

Based on the current benefit framework, this is always going to direct investment where the greater demand/population exists and therefore starve investment the further out development is from the Isthmus.

The commuter travel patterns give two examples where a lot of traffic passes through Auckland. While efforts are being made to improve connectivity through active modes and public transport interventions, land use interventions also need to be part of the short to medium term solution. That is, ensuring employment opportunities exist where people live, ensuring schools (primary, secondary and tertiary), and community services such as libraries, medical centres, and hospitals exist so that cross city travel by private vehicle is minimised. We need a balanced approach to development, and land use plays a significant part of this. Rather than push certain growth areas out, we need to consider how balanced growth in areas helps achieve an efficient and feasible transport system, especially where there is currently an imbalance between residential, employment and community services in the outer areas of Auckland.

Should you wish to discuss any of the above further, please contact me on [redacted]

Yours sincerely

[redacted]