

**BEFORE THE ENVIRONMENT COURT  
AT AUCKLAND**

**ENV-2016-AKL-**

**IN THE MATTER** of the Local Government Act (Auckland Transitional Provisions Act 2010 and the Resource Management Act 1991  
**AND**  
**IN THE MATTER** of an appeal under section 156(1) of the Local Government (Auckland Transitional Provisions) Act 2010  
**AND**  
**IN THE MATTER** of Proposed Auckland Unitary Plan Hearing Topics 013 Urban growth  
**BETWEEN** **SFH Consultants Limited**  
**Appellant**  
**AND** **Auckland Council**  
**Respondent**

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**NOTICE OF APPEAL**

**Dated 15 September 2016**

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**Glaister Ennor**  
Barristers | Solicitors | Notary Public

DX CX 10236, Auckland/PO Box 63, Auckland 1140  
Telephone: +64 9 356 8243  
Facsimile: +64 9 356 8244  
Solicitor Acting: V J Toan  
Email: vicki.toan@glaister.co.nz

**To:** The Registrar  
Environment Court  
Auckland

- 1 The SFH Consultants Limited appeals against part of a decision of the Auckland Council on the Proposed Auckland Unitary Plan ("Proposed Plan").
- 2 The appellant has a right to appeal the Auckland Council's decision under section 156(1) of the Local Government (Auckland Transitional Provisions) Act 2010 because the Council rejected a recommendation of the Independent Hearings Panel ("IHP") in relation to a provision or matter the appellant addressed in its submission on the Proposed Plan. The Council decided on an alternative solution, which resulted in a provision being included or a matter being excluded from the Proposed Plan.
- 3 Further details of the reasons for this appeal are set out below.
- 4 The appellant is not a trade competitor for the purposes of section 308D of the Resource Management Act 1991.
- 5 The appellant received notice of the decision on 19 August 2016.
- 6 The decision was made by the Auckland Council.
- 7 The part of the decision appealed is the rejection of the enablement of commercial activities within centres and corridors in B2.5 Commercial and industrial growth.
- 8 The reasons for the appeal are as follows:
  - (a) There is insufficient centre-zoned land to provide for all of Auckland's future commercial land requirements;
  - (b) Out of centre commercial growth, including commercial growth along and around corridors such as the Wairau Valley, is appropriate in certain circumstances and should be provided for in the Proposed Plan;

- (c) Enabling and providing for commercial activity in non-centre zones where there is insufficient capacity in centres will ensure the timely and adequate provision of commercial land for commercial activities;
- (d) Enabling commercial development outside of centres and along corridors will achieve the statutory purpose of sustainable management; and
- (e) The Recommendations Version of B2.5 is supported by experts appearing before the Independent Hearings Panel.

9 The appellant seeks the following relief:

- (a) That the Decisions Version of B2.5 be replaced by the IHP's Recommendations Version; or
- (b) That the Decisions Version of B2.5 is otherwise amended to give effect to the appellant's submission; and
- (c) Any other consequential amendments required to satisfy the appellant's submission on the Proposed Plan.

10 The following documents are attached to this notice:

- (a) A copy of the relevant part of the decision;
- (b) Any other documents necessary for an adequate understanding of this appeal;
- (c) A list of the names and addresses of persons to be served with a copy of this notice; and
- (d) A copy of the appellant's submission on the PAUP.

**Dated** 15 September 2016

  
\_\_\_\_\_  
V J Toan  
Counsel for SFH Consultants Limited

**Address for Service:**

SFH Consultants Limited  
 C/- Glaister Ennor  
 DX CX 10236, Auckland  
 P O Box 63, Shortland Street, Auckland 1140

For: V J Toan

Telephone: + 64 9 356 8243  
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 Email: vicki.toan@glaister.co.nz

**Advice to recipients of copy of notice of appeal***How to become party to proceedings*

- 1 You may be a party to the appeal if you made a submission or a further submission on this matter of this appeal and you lodge a notice of your wish to be a party to the proceedings (in Form 33 of the Resource Management (Forms, Fees, and Procedure) Regulations 2003) with the Environment Court within 15 working days after the period for lodging a notice of appeal ends. You must also serve a copy of that notice on the Council and the appellant within the same 15 working day period, and serve copies on all other parties within 5 working days after that period ends. You may lodge your notice with the Environment by email at [unitaryplan.ecappeals@justice.govt.nz](mailto:unitaryplan.ecappeals@justice.govt.nz) and serve a copy on the Auckland council by email at [unitaryplan@aucklandcouncil.govt.nz](mailto:unitaryplan@aucklandcouncil.govt.nz).
- 2 Your right to be a party to the proceedings in the court may be limited by the trade competition provisions in section 274(1) and Part 11A of the Resource Management Act 1991.
- 3 You may apply to the Environment Court under section 281 of the Resource Management Act 1991 for a waiver of the above timing or service requirements (see Form 38 of the Resource Management (Forms, Fees, and Procedure) Regulations 2003).

*How to obtain copies of documents relating to appeal*

- 4 The copy of this notice served on you does not have attached a copy of the appellant's submission or the part of the decision appealed. These documents may be obtained on request from the appellant.

*Advice*

- 5 If you have any questions about this notice, contact the Environment Court in Auckland.

" A "



**Decisions of the Auckland Council on  
recommendations by the Auckland Unitary  
Plan Independent Hearings Panel on  
submissions and further submissions to the  
Proposed Auckland Unitary Plan**

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**Decisions Report**

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**19 August 2016**

- (a) **The deletion of policies which encourage land use and transport integration and in particular, the location of higher intensity activities where those activities are served by key public transport services and routes.**

| <b>Reasons</b>   |  |
|--|--|
| (i) The Panel's recommended policy framework does not adequately address land use and transport integration which is a key consideration in the management of growth and the efficient use of the transport network. |  |
| <b>Alternative solution</b>  | See Attachment A                           |
| <b>Section 32AA evaluation</b>   | See Attachment B (under 043-044 Transport) |

**15. Council decisions relating to Panel report entitled "Report to Auckland Council Hearing Topic 013 (Urban growth), July 2016"**

**Panel recommendations accepted:**

- 15.1 The Council has accepted all the recommendations of the Panel contained in the Panel report for Hearing Topic 013 (Urban growth), as they relate to the content of the PAUP, and also the associated recommendations as they appear in the plan and the maps except as listed below at paragraph 15.2.

**Panel recommendations rejected:**

- 15.2 The Council has rejected the Panel recommendations in relation to Hearing Topic 013 (Urban growth) as listed below, with accompanying reasons, alternative solutions and section 32AA evaluation (where necessary):

- (a) **The deletion of objectives and policies that seek to focus growth within the existing metropolitan area**

| <b>Reasons</b>  |
|---|
| (i) The lack of a specific objective and policy that indicates the primary location for growth is within the existing metropolitan area means there is little or no guidance for where future growth should be enabled and encouraged |

|   |                  |
|---|------------------|
| (ii) The Panel's recommendation does not have sufficient regard to the Auckland Plan's Development Strategy resulting in a misalignment with the Council's strategic directions.  |                  |
| (iii) Focusing intensification within the existing urban area delivers the benefits of a quality compact urban form, which include better public transport, proximity to amenity and services, efficient infrastructure servicing, environmental protection and a reduced carbon footprint. |                  |
| <b>Alternative solution</b>   | See Attachment A |

(b) **Amendments to the policy that guides the location of the Rural Urban Boundary**

| <b>Reasons</b>   |                  |
|--|------------------|
| (i) To support the Rural Urban Boundary at the District Plan level the policy framework needs to be sufficiently clear and certain of the outcomes to enable inappropriate proposals to be turned down                     |                  |
| (ii) The recommended policy does not include either providing a quality compact urban form or the importance of land use and transport integration   |                  |
| (iii) Reliance on the structure plan guidelines in Appendix 1 to achieve these outcomes is inadequate because the guideline is not a policy  |                  |
| (iv) The Panel's recommended policy does not reflect the Panel's position in its report that the policy applies to requests to amend the Rural Urban Boundary and must follow the structure plan guidelines in Appendix 1. |                  |
| <b>Alternative solution</b>  | See Attachment A |

(c) **The enablement of commercial activities within centres and corridors**

| <b>Reasons</b>   |                  |
|--|------------------|
| <p>(i) The 'centres-plus' commercial growth strategy has been removed. The strategy is considered to be an appropriate method to achieve land use, transport and infrastructure integration in centres, and provides a release valve that enables commercial activities in out-of-centre areas where this is appropriate.</p>  |                  |
| <p>(ii) The District Plan provisions have some objectives and policies that recognise the importance of centres but there is no vertical alignment to any objective or policies in the Regional Policy Statement provisions.</p>   |                  |
| <p>(iii) The absence of a Regional Policy Statement objective and related policies greatly weakens the ability to assess the effects of dispersed commercial activity (for example, land use and transport integration, effects on centres and community social and economic wellbeing).</p>   |                  |
| <p>(iv) The Panel has not provided reasons why the centres-plus strategy has been deleted.</p>   |                  |
| <p>(v) The centres-plus commercial strategy reflects the PAUP mediation, where the commercial and industrial growth provisions were agreed to by all parties present, except for one. The parties agreeing to the mediated position included the 'Key Retail Group' which has been heavily involved in the centres-plus strategy formation since the notification of Change 6 to the legacy Regional Policy Statement in 2005.</p> |                  |
| <b>Alternative solution</b>  | See Attachment A |





**Decisions of the Auckland Council on  
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**Attachment A**

The alternative solutions prepared by the Council for any rejected recommendations (which includes: text, diagram and map alternative solutions).

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**19 August 2016**

Topic 013  
B2.5 Commercial and  
industrial growth

## B2. Tāhuhu whakaruruhau ā-taone - Urban growth and form

*Tāhuhu ...*

....

### B2.5. Commercial and industrial growth

#### B2.5.1. Objectives

...

- (2) Commercial growth and activities are focussed ~~enabled~~ within a hierarchy of centres and identified growth corridors that supports a compact urban form.
- (3) Industrial ...

#### B2.5.2. Policies

- (1) Encourage commercial growth and development in the city centre, metropolitan and town centres, and enable retail activities on identified growth corridors, to provide the primary focus for Auckland's commercial growth.  
~~Enable commercial growth and development in the city centre and in metropolitan and town centres and along corridors.~~
- (2) Support the function, role and amenity of centres by encouraging commercial and residential activities, and ensuring development to locates within centres in a manner that contributes to all of the following:
  - (a) an attractive and efficient urban environment with a distinctive sense of place and quality public places;
  - (b) a diverse range of activities, with the greatest mix and concentration of activities in the city centre;
  - (c) a distribution of centres that provide for the needs of people and communities;
  - (d) employment and commercial opportunities;
  - (e) a character and form that supports the role of centres as focal points for communities and compact mixed-use environments;
  - (f) the efficient use of land, buildings and infrastructure; ~~and~~
  - (g) high-quality street environments including pedestrian and cycle networks and facilities; and

- (h) development does not compromise the ability for mixed use developments, or commercial activities to locate and expand within centres.
- (3) Enable the expansion of metropolitan and town centres having regard to whether it will do all of the following:
- (a) improve access to a range of facilities, goods and services in a convenient and efficient manner;
  - (b) maintain or enhance a compact mixed-use environment in the centre;
  - (c) retain or enhance the existing centre's function, role and amenity;
  - (d) support the existing network of centres and achieve a sustainable distribution of centres that is supported by sufficient population growth;
  - (e) manage adverse effects on the function, role and amenity of the city centre, and other metropolitan and town centres, beyond those effects ordinarily associated with trade effects on trade competitors;
  - ~~(d)~~ (f) avoid, remedy or mitigate the effects of commercial activity on adjoining land uses;
  - ~~(e)~~ (g) support medium to high intensity residential development; and
  - (f) (h) support a safe and efficient transport system which is integrated with the centre.
- (4) Enable new metropolitan, town and local centres following a structure planning process and plan change process in accordance with Appendix 1 Structure plan guidelines, having regard to all of the following:
- (a) the proximity of the new centre to existing or planned medium to high intensity residential development;
  - (b) the existing network of centres and whether there will be sufficient population growth to achieve a sustainable distribution of centres;
  - (c) whether the new centre will avoid or minimise adverse effects on the function, role and amenity of the city centre, metropolitan and town centres, beyond those effects ordinarily associated with trade effects on trade competitors;
  - ~~(e)~~ (d) the form and role of the proposed centre;
  - ~~(d)~~ (e) any significant adverse effects on existing and planned infrastructure; and
  - (f) a safe and efficient transport system which is integrated with the centre; and

- (e) (g) any significant adverse effects on the environment or on natural and physical resources that have been scheduled in the Unitary Plan in relation to natural heritage, Mana Whenua, natural resources, coastal environment, historic heritage or special character.
- (5) Enable retail activities, where appropriate, on identified growth corridors in business zones, having regard to all of the following:
- (a) adverse effects on the function, role and amenity of the city centre, metropolitan and town centres, beyond those effects ordinarily associated with trade effects on trade competitors;
- (b) adverse effects on the quality compact urban form including the existing and planned location of activities, facilities, infrastructure and public investment;
- (c) effects on community social and economic wellbeing and accessibility;
- (d) the efficient use and integration of land and infrastructure;
- (e) effects on the safe and efficient operation of the transport network;
- (f) effects of the development on the efficient use of any industrial land, in particular opportunities for land extensive industrial activities and heavy industry;
- (g) avoiding conflicts between incompatible activities; and
- (h) the effects on residential activity.
- (6) Enable commercial activities, where appropriate, in business zones in locations other than the city centre, metropolitan and town centres and identified growth corridors (in particular, in neighbourhood and local centres and on those major transport corridors not identified as identified growth corridors), having regard to all of the following:
- (a) the matters listed in Policy B2.5.2(5)5(a) to Policy B2.5.2(5)(h) above;
- (b) the extent to which activities would compromise the achievement of policies B2.5.2(1) and B.2.5.2(2): and
- (c) the extent to which activities would compromise the hierarchy of locations identified in policies B2.5.2(1) to B.2.5.2(5).
- (5) (7) Enable the supply of land for industrial activities, in particular for land extensive industrial activities and for heavy industry in areas where the character, scale and intensity of the effects from those activities can be appropriately managed.

- ~~(6)~~ (8) Enable the supply of industrial land which is relatively flat, has efficient access to freight routes, rail or freight hubs, ports and airports, and can be efficiently served by infrastructure.
- ~~(7)~~ (9) Enable the efficient use of industrial land for industrial activities and avoid incompatible activities by all of the following:
  - (a) limiting the scale and type of non-industrial activities on land zoned for light industry;
  - (b) preventing non-industrial activities (other than accessory activities) from establishing on land zoned for heavy industry; and
  - (c) promoting co-location of industrial activities to manage adverse effects and to benefit from agglomeration.
- ~~(8)~~ (10) Manage reverse sensitivity effects on the efficient operation, use and development of existing industrial activities, including by preventing inappropriate sensitive activities locating or intensifying in or adjacent to heavy industrial zones.

**B.2.6. Rural and coastal towns and villages**

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**Decisions of the Auckland Council on  
recommendations by the Auckland Unitary  
Plan Independent Hearings Panel on  
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**Attachment D**

A list of the Panel's Recommendations that have  
been rejected by the Council.

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**19 August 2016**

## Attachment D – Panel’s recommendations rejected by the Council

| Hearing Topic Number   | Rejected Recommendation  |
|--|--|
| Hearing topic 006 and 035<br>Air quality                                   | Deletion of the Auckland Ambient Air Quality Standards   |
| Hearing topic 010/029/030/079<br>Special character and pre 1944            | The deletion of the objective that provides for management of heritage values in the Regional Policy Statement   |
| Hearing topic 011<br>Rural environment                                     | The deletion of objectives and policies for rural subdivision that: <ul style="list-style-type: none"> <li>(i) Prevent inappropriate subdivision</li> <li>(ii) Promote the significant enhancement of indigenous biodiversity</li> <li>(iii) Facilitate transfer of titles only into the Countryside living zone.</li> </ul> |
| Hearing topic 012<br>Infrastructure, energy and transport                  | The deletion of policies which encourage land use and transport integration and in particular, the location of higher intensity activities where those activities are served by key public transport services and routes.  |
| Hearing topic 013<br>Urban growth  | The deletion of objectives and policies that seek to focus growth within the existing metropolitan area  |
|  | Amendments to the policy that guides the location of the Rural Urban Boundary  |
|  | The enablement of commercial activities within centres and corridors   |
| Hearing topic 022<br>Natural hazards and flooding and 026 – General others | Replacing the 1 per cent annual exceedance probability (AEP) flood hazard with the 2 per cent annual exceedance probability (AEP) flood hazard in urban areas  |
|  | No controls for buildings within floodplains to prevent the exacerbation of flood hazards  |
|  | No controls to manage a change of use to more vulnerable activities in existing buildings within floodplains   |
|  | Amending the definition of coastal storm inundation 1 per cent annual exceedance probability plus 1 metre of sea level rise to not include reference to maps   |
|  | No consent requirements for new buildings in the activity table for the coastal storm inundation 1 per   |



resources, coastal environment, historic heritage and special character;  
and

(d) where there is a suburban area with an existing neighbourhood character.

(5) Avoid intensification in areas:

(a) where there are natural and physical resources that have been scheduled in the Unitary Plan in relation to natural heritage, Mana Whenua, natural resources, coastal environment, historic heritage or special character; or

(b) that are subject to significant natural hazard risks;

where such intensification is inconsistent with the protection of the scheduled natural or physical resources or with the avoidance or mitigation of the natural hazard risks.

(6) Ensure development is adequately serviced by existing infrastructure or is provided with infrastructure prior to or at the same time as residential intensification.

(7) Manage adverse reverse sensitivity effects from urban intensification on land with existing incompatible activities.

*Residential neighbourhood and character*

(8) Recognise and provide for existing and planned neighbourhood character through the use of place-based planning tools.

(9) Manage built form, design and development to achieve an attractive, healthy and safe environment that is in keeping with the descriptions set out in placed-based plan provisions.

(10) Require non-residential activities to be of a scale and form that are in keeping with the existing and planned built character of the area.

*Affordable housing*

(11) Enable a sufficient supply and diverse range of dwelling types and sizes that meet the housing needs of people and communities, including:

(a) households on low to moderate incomes; and

(b) people with special housing requirements.

**B2.5. Commercial and industrial growth**

**B2.5.1. Objectives**

(1) Employment and commercial and industrial opportunities meet current and future demands.

(2) Commercial growth and activities are enabled within a hierarchy of centres and corridors that supports a compact urban form.

## B2 Urban growth

- (3) Industrial growth and activities are enabled in a manner that does all of the following:
  - (a) promotes economic development;
  - (b) promotes the efficient use of buildings, land and infrastructure in industrial zones;
  - (c) manages conflicts between incompatible activities;
  - (d) recognises the particular locational requirements of some industries; and
  - (e) enables the development and use of Mana Whenua's resources for their economic well-being.

### **B2.5.2. Policies**

- (1) Enable commercial growth and development in the city centre and in metropolitan and town centres and along corridors.
- (2) Support the role and amenity of centres by encouraging commercial and residential activities and development to locate within centres in a manner that contributes to all of the following:
  - (a) an attractive and efficient urban environment with a distinctive sense of place and quality public places;
  - (b) a diverse range of activities, with the greatest mix and concentration of activities in the city centre;
  - (c) a distribution of centres that provide for the needs of people and communities;
  - (d) employment and commercial opportunities;
  - (e) a character and form that supports the role of centres as focal points for communities and compact mixed-use environments;
  - (f) the efficient use of land, buildings and infrastructure; and
  - (g) high-quality street environments including pedestrian and cycle networks and facilities.
- (3) Enable the expansion of metropolitan and town centres having regard to whether it will do all of the following:
  - (a) improve access to a range of facilities, goods and services in a convenient and efficient manner;
  - (b) maintain or enhance a compact mixed-use environment in the centre;
  - (c) retain or enhance the existing centre's role and amenity;

## B2 Urban growth

- (d) avoid, remedy or mitigate the effects of commercial activity on adjoining land uses;
  - (e) support medium to high intensity residential development; and
  - (f) support a safe and efficient transport system which is integrated with the centre.
- (4) Enable new metropolitan, town and local centres following a structure planning process and plan change process in accordance with Appendix 1 Structure plan guidelines, having regard to all of the following:
- (a) the proximity of the new centre to existing or planned medium to high intensity residential development;
  - (b) the existing network of centres and whether there will be sufficient population growth to achieve a sustainable distribution of centres;
  - (c) the form and role of the proposed centre;
  - (d) any significant adverse effects on existing and planned infrastructure; and
  - (e) any significant adverse effects on the environment or on natural and physical resources that have been scheduled in the Unitary Plan in relation to natural heritage, Mana Whenua, natural resources, coastal environment, historic heritage or special character.
- (5) Enable the supply of land for industrial activities, in particular for land-extensive industrial activities and for heavy industry in areas where the character, scale and intensity of the effects from those activities can be appropriately managed.
- (6) Enable the supply of industrial land which is relatively flat, has efficient access to freight routes, rail or freight hubs, ports and airports, and can be efficiently served by infrastructure.
- (7) Enable the efficient use of industrial land for industrial activities and avoid incompatible activities by all of the following:
- (a) limiting the scale and type of non-industrial activities on land zoned for light industry;
  - (b) preventing non-industrial activities (other than accessory activities) from establishing on land zoned for heavy industry; and
  - (c) promoting co-location of industrial activities to manage adverse effects and to benefit from agglomeration.
- (8) Manage reverse sensitivity effects on the efficient operation, use and development of existing industrial activities, including by preventing inappropriate sensitive activities locating or intensifying in or adjacent to heavy industrial zones.

**“C”**

**List of names and addresses of persons to be served with a copy of this notice**

Waivers and directions have been made in respect of the usual requirements for service of this notice (see *Re Auckland Council* [2016] NZEnvC 153). In accordance with those waivers and directions, a copy of this notice is being served on the Auckland Council today by email at [unitaryplan@aucklandcouncil.govt.nz](mailto:unitaryplan@aucklandcouncil.govt.nz).

" D "

# 2554

### Proposed Auckland Unitary Plan Submission Form

Sections 123 and 125, Local Government (Auckland Transitional Provisions) Act 2010  
Clause 6 of First Schedule, Resource Management Act 1991  
FORM 2



Correspondence to :  
Attn: Unitary Plan Submission Team  
Auckland Council  
Freepost Authority 237170  
Private Bag 92300  
Auckland 1142

|                                  |
|----------------------------------|
| For office use only              |
| Submission No:                   |
| Receipt Date:<br><br>25 FEB 2014 |

#### Submitter details

Full Name of Submitter or Agent (if applicable)

Mr/Mrs/Miss/Ms(Full Name) Graham Rice

Organisation Name (if submission is on behalf of Organisation)

Wai Rau Valley Property Owners Collective

Address for service of the Submitter

(Graham Rice) Brand Property Limited  
PO Box 300712, Albany, Auckland, 0752

Email:

graham@brandproperty.co.nz

I live in the following Local Board area (if known)

Contact Person: (Name and designation if applicable)

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

#### Scope of submission

This is a submission to: Proposed Auckland Unitary Plan

The specific provisions that my submission relates to are:  
Please identify the specific parts of the Proposed Plan

Provision(s) Light Industry Zone

Or  
Property Address Wairau Valley

Or  
Map \_\_\_\_\_

Or  
Other (specify) Please see attachment.

#### Submission

My submission is: (Please indicate whether you support or oppose the specific provisions or wish to have them amended and the reasons for your views)

I support the specific provisions identified above

I oppose the specific provisions identified above

I wish to have the provisions identified above amended Yes  No

The reasons for my views are:  
Please see attached Submission

(continue on a separate sheet if necessary)

# 2554

I seek the following decision from Auckland Council:

- Accept the Proposed Plan
- Accept the Proposed Plan with amendments as outlined below
- Decline the Proposed Plan
- If the Proposed Plan is not declined, then amend it as outlined below.

Please see attached.

I wish to be heard in support of my submission

If others make a similar submission, I will consider presenting a joint case with them at a hearing

Telephone 09 443 8601 0274 997 499

Please note that your contact details and phone number will be publicly available under the Resource Management Act 1991, as any further submission supporting or opposing this submission is required to be forwarded to you as well as the council.

D. Brown (on behalf of SFH Consultants)

24.02.2014

Signature of Submitter

Date

(or person authorised to sign on behalf of submitter. A signature is not required if you make your submission by electronic means)

**Notes to person making submission:**

If you make your submission by electronic means, the email address from which you send the submission will be treated as an address for service.

If you are a person who could gain an advantage in trade competition through the submission, your right to make a submission may be limited by clause 6 (4) of Schedule 1 of the Resource Management Act 1991.

I could  could not  gain an advantage in trade competition through this submission

If you could gain an advantage in trade competition through this submission please complete the following:

I am  am not  directly affected by an effect of the subject matter of this submission that:

- (a) adversely affects the environment; and
- (b) does not relate to trade competition or the effects of trade competition



# SFH CONSULTANTS LTD

#255

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Email [daniel@sfnconsultants.co.nz](mailto:daniel@sfnconsultants.co.nz)

20 February 2014

Chief Executive Officer  
Private Bag  
Auckland

Dear Sir / Madam

**Ref : Unitary Plan Submission**

On behalf of our client, Wairau Valley Property Owners Collective, we submit their attached submission on the Unitary Plan for the Wairau Valley area as defined within attachment A of this submission.

After extensive research of the Proposed Auckland Unitary Provisions, the Collective submits that the Light Industry zone is not the most appropriate zoning for the Wairau Valley as it is a total contradiction of the existing nature and character of the Wairau Valley. It is the Collective's submission that the area is rezoned General Business, and a Wairau Valley precinct is included over the area. The Wairau Valley Precinct will alter the activity status of office that exceeds 500m<sup>2</sup> gfa from a discretionary activity to restricted discretionary.

The combination of the General Business zone and the Wairau Valley precinct more closely reflects the existing nature and character of the Wairau Valley environs.

Accordingly, it is requested that the area as defined within this submission is rezoned General Business, with the Wairau Valley Precinct applied. The collective would like a Unitary Planner to contact the writer in order to discuss.

The submitter would like to be heard at the hearing.

Yours faithfully  
**SFH Consultants Ltd**

Daniel L. Shaw

CC Graham Rice, Wairau Valley Property Owners Collective

● PROJECT  
RESOURCE  
MANAGEMENT

● TOWN  
PLANNING

● CONSULTATION

● SOCIAL  
RESEARCH

#2554



## **SFH CONSULTANTS LTD**

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### **Auckland Council Unitary Plan Submission**

**For** : Wairau Valley  
**By** : Wairau Valley Property Owners  
Collective  
**Dated** : Feb 2014

4/21





## 1.0 Submitter

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Wairau Valley Property Owners Collective  
C/- Graham Rice  
Brand Property Limited  
P.O Box 300712,  
Albany,  
Auckland, 0752

## 2.0 Property Address

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Wairau Property Owners Collective is the area as defined within attachment A of this submission

Wairau Valley  
Auckland, 0627

## 3.0 Scope of Submission

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### 3.1 Background

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The Wairau Valley is that area as defined within attachment A. This submission relates to the area that is generally within the Legacy Business 9-10 zones, with a small amount of Residential 7 zone included.

The Business 9 and 10 zones currently provide for a wide range of activities, a moderate level of visual and environmental amenity, subject to various controls (high traffic generation, bulk and location, buffer strip) that seek to ensure adverse effects are avoided, mitigated or remedied. These zones are permissive and effects based. This has enabled the Wairau Valley to evolve from an area with an industrial focus, to one that supports the wide range of activities as envisaged by the Legacy District Plan.

Some current activities operating in the Wairau Valley include;

- Childcare
- Churches
- Commercial Services
- Drive-through Activities
- Entertainment Facilities
- Garden Centres
- Healthcare



- Industry
- Marine Vehicle Sales (and related activities e.g. dive stores, wet suit repair)
- Motor Vehicle sales (and related activities e.g. tyre shops, auto electricians, Repco, Supercheap auto)
- Office
- Retail (Bulk Retail, Convenience Retail, Trade Sales, Specialty Retail)
- Supermarkets
- Service Stations
- Warehousing and Storage

As can be seen from a look at the list above or even better by a visit to the area, the Wairau Valley is a thriving environment that provides a range of employment, goods and services to the local catchment.

### **3.2 Issue**

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The Collective is extremely concerned with the impact of re-zoning the Wairau Valley to Light Industry. By contrast to the existing permissive, effects based zoning, the Light Industry zone as proposed within the PAUP is very restricted and prescriptive. It will undermine many of the existing activities within the Wairau Valley and will have a major impact upon the property owners. These include; difficulty obtaining tenants, purpose built commercial buildings, loss of property value, loss of employment and a reduction in the amenity of the entire valley.

Furthermore, the Light Industry zone is contrary to the Local Board Plan, and stated intent. The Local Board Plan states the following;

1. The Wairau Valley is an important area for employment
2. The Wairau Valley should remain a Business Centre, but not develop into a Town Centre
3. It has the potential to provide a variety of job opportunities and contribute to regional economic growth
4. The Wairau Valley has good access to public transport, main roads, and the State Highway Network
5. There is a need to build on Economic and employment opportunities.



The Light Industry zoning will not only reduce the potential for employment, but will also limit the potential for the Wairau Valley to contribute to regional growth. Thus, the Light Industry zone will not help to build upon the economic or employment opportunities. The General Business zone better reflects the existing environment, and the stated intent of the Local Board.

**3.3 Proposed Auckland Unitary Plan**

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The Wairau Valley’s current proposed zoning under the PAUP is Light Industry zone. The zone intent is to provide for Light Industrial activities that do not generate objectionable odour, dust or noise emissions. The description states that due to the industrial nature of the activities, sensitive activities such as residential, office, or retail activities that are not specifically related to an industrial activity on site are not appropriate. The activity schedule for the Light Industry zone reflects this very narrow and restrictive approach to the zone and is very much at odds with the existing environment.

Enclosed within attachment E is a simplified activity schedule that illustrates the difference in activity status, of a range of activities, between the Light Industry, General Business, and the current existing zones. Within the existing Auckland Council District Plan – Northshore Section there is no business activity schedule. Instead activities are assessed on an effects based basis against controls such as; trip generation, car parking, buffer strip, bulk and location controls (height, HIRB, yards, landscaping) etc... This is in contrast to the Proposed Auckland Unitary Plan zoning which has an activity schedule and is specifically centred focused.

When compared to the list of current activities lawfully operating within the Wairau Valley as discussed within section 3.1 of this submission, the majority of uses will no longer be able to operate.

In contrast to the Light Industry zone, the General Business zone comes close to reflecting the existing character of the Wairau Valley Area. It allows for the range of light industrial activities,



while also providing for a wider range of general activities.

While the Collective believes that the General Business zone better reflects the Wairau Valley, the objectives and policies are too restrictive in terms of allowing businesses in the General Business zone only when they have no adverse effects on the vitality or viability of centres. There is too much emphasis on coercing businesses into the various centres, when there is not enough vacant land or development potential within those centres to accommodate this growth.

The Collective have engaged Urbecon to prepare an Economic in support of this submission. This report provides detailed comments around;

**1. Best practise for retail land-use planning**

*“The provisions of the PAUP makes negligible provision for the expansion of existing centres (no additional land is provided on the North Shore) and has retail as a non-complying rather than discretionary activity in all non town centre zones, with the only exception being the General Business zone.*

*The fundamental tension between directing retail to town centres in order to improve agglomeration economies, and maintaining an efficient, competitive an innovative retail sector, appears to have swung in favour of the former in the PAUP. It is submitted that this is an unnecessary and is not consistent with best practice” (Urbecon 2014, pg8).*

**2. S32 Cost benefit Analysis for the retail and office markets**

*“The costs and benefits presented in the s32 report are not sufficiently comprehensive or researched to support the conclusion that directing all future retail and office activity into existing town centres will maximise social welfare” (Urbecon 2014, pg11).*

**3. Future retail land and space needs and growth capacity**



*“Based on the future retail land needs assessed by Auckland Council, the evidence indicates that the PAUP business land provisions are insufficient. In respect of the application of the General Business zone to the WRC, it provides an opportunity to increase the potential capacity to accommodate future retail, office and other commercial development” (Urbecon 2014, pg13).*

**4. Wairau Road Centre Role and Function**

*“The evidence shows that the WRC has a mix of activities and a role and function that is fundamentally inconsistent to the objectives sought by proposed Light Industry zone. It appears that the primary basis for the proposed Light Industrial zone is to restrict certain activities for another set of reasons, as described in this report, rather than to revert the WRC back to a light industrial centre. It is submitted that this approach is not consistent with best practice and would not maximise economic welfare” (Urbecon 2014, pg14).*

**3.4 Proposal**

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In order to bridge this gap between the existing environment, and the Proposed Auckland Unitary Plan provisions, it is the Collective’s submission that the General Business zone be applied to the Wairau Valley area as defined within this submission.

Furthermore, the collective seeks to have the Wairau Valley Precinct included within the PAUP. This Precinct is a result of the restrictive attitude toward offices in excess of 500m<sup>2</sup> gfa within the General Business zone. The precinct will alter the activity status of offices exceeding 500m<sup>2</sup> per site from a fully discretionary activity to a restricted discretionary activity.

The General Business zone and Wairau Valley Precinct as proposed within this submission more closely reflects the existing environment of the Wairau valley, whereas the Light Industry zone fails to recognise the existing environment.



The General Business zone and Wairau Valley Precinct as proposed in this submission recognises the potential economic and employment growth the Wairau Valley can provide, whereas the Light Industry zone will limit or even reduce economic and employment growth for the area.

The General Business zone and Wairau valley Precinct as proposed in this submission will ensure the PAUP is in line with the Local Board Plan, which was developed through a formal consultative process.

#### **4.0 Request**

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The Submitter requests the opportunity to discuss this submission and following this discussion the Area as defined within this submission is re-zoned General Business zone and the Wairau Valley Precinct applied.

#### **5.0 Hearing**

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The Property Owners Collective and its representatives seek to be heard during the hearings process.

#### **6.0 Correspondence**

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Please direct all correspondence to the following;

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And

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# 2554



Attachment A : Re-zoned Area

Wairau Valley



The area, as defined above, comprises the area that is subject to this submission prepared by the Wairau Valley Property Owners Collective to be rezoned General Business and to which the Wairau Valley Precinct will be applied.



#2554



**Attachment B : Urbecon Economic Impact Assessment**

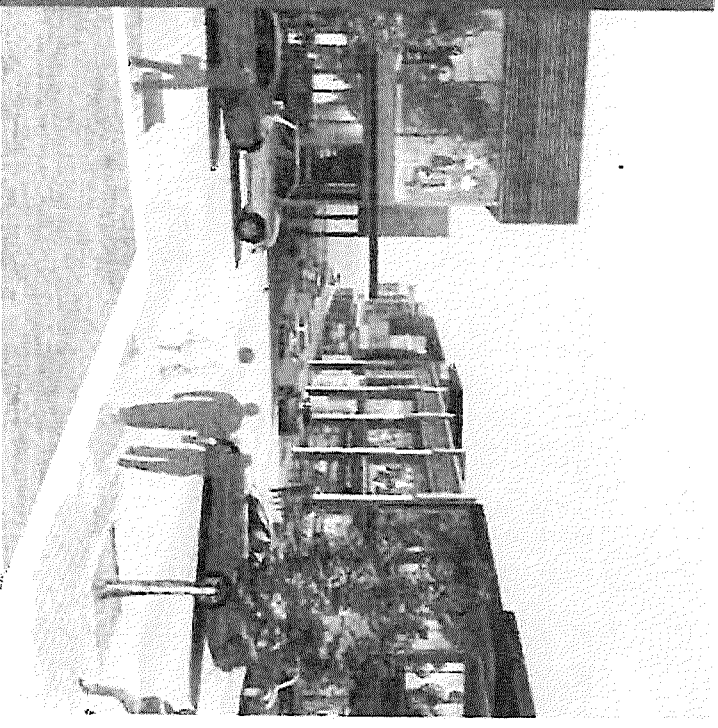
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#2854

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economics planning property

Cost-Benefit Analysis for  
Application of the General  
Business Zone to the Wairau  
Road Commercial Centre

Client: Wairau Road Owners Collective  
Date: 17.02.2014 | Version: 50652.5.02



**Version:** 02

**Date:** 17.02.2014

**Author:** Adam Thompson

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Adam Thompson is an urban economist and property market analyst that advises on the use, development and planning of property and cities across New Zealand.

Adam has assisted with the preparation of Land Use Strategies, Plan Changes and Economic Impact Assessments for thirty central and local government authorities.

For the private sector Adam has provided property market research and development strategies for some of New Zealand's largest and most innovative retail, residential and mixed use developments, many valued in excess of \$500m.

Adam regularly appears as an expert witness at both Local Government and Environment Court hearings.

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# Cost-Benefit Analysis for Application of the General Business Zone to the Wairau Road Commercial Centre

## 1. SUMMARY OF SUBMISSION

The submission is lodged on behalf of the Wairau Road Centre (WRC) Property Owners Collective.

It is submitted that:

1. The Light Industry zone proposed for the WRC under the Proposed Auckland Unitary Plan (PAUP) would not maximise the community's social and economic welfare.
2. Alternatively, the General Business zone would, if applied to the WRC, maximise the community's social and economic welfare.

The PAUP proposes the Light Industry zone to the WRC on the basis of the findings of the s32 Cost-Benefit Analysis. The s32 concludes that:

1. Social and economic welfare is maximised when retail and office activity is focused in town centres<sup>1</sup>.
2. Social and economic welfare is diminished when retail and office activity is located outside town centres, unless it can be demonstrated that there is insufficient land in town centres.
3. There is sufficient land within town centres to accommodate growth in market demand for retail and office space and the retail and office markets presently function as an efficient and competitive market.

The s32 adopts a method for retail land-use that is consistent with the UK's Planning Policy Statement 6 (PPS6). This document also concludes that retail should be located in town centres unless it can be demonstrated that there is insufficient land available.

It is submitted that the method outlined by the s32 report and PPS6 is able to maximise social and economic welfare. This is because it supports both 'agglomeration economies' and an 'efficient and competitive land market'.

It is submitted that the s32 report has two major flaws. These are:

1. It does not provide evidence that there will be sufficient land available in town centres to accommodate future demand growth.

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<sup>1</sup> The term 'town centre' is used in this report to define the CBD, Metropolitan, Town, Neighbourhood and Local centre zones

2. It does not make sufficient provision for retail and office activity to locate outside of town centres for those localised instances where it can be demonstrated there is insufficient land available in town centres.

It is submitted that the PAUP makes insufficient land available for retail and office activity which will lead to an inefficient and uncompetitive land market. This will have a significant adverse impact on social and economic welfare, which include:

1. A shortage of land resulting in higher rents, higher business operation costs and ultimately higher prices of goods for consumers.
2. Higher business operation costs are a disincentive for new business start-ups and inhibits competition.
3. Increased prices for goods places a disproportionate impact on low income households as it represents a higher proportion of this sectors total income.

It is submitted the Light Industry zone proposed for the WRC does not have the objective of reverting the centre to a Light Industry centre, as implied, because such an objective is impossible to achieve given the existing activity mix. Rather, the apparent objective of applying the Light Industry zone for the WRC is to prohibit any additional retail and office activity in order to redirect it to town centres.

The s32 does not provide evidence that confirms that there is sufficient commercial land available in town centres to meet future demand growth. It is submitted that there is evidence of insufficient commercial land in town centres to meet future demand growth.

The application of the General Business zone to the WRC would enable additional retail and office space to be added to the total market, and would support an efficient and competitive commercial land market in the North Shore.

A secondary matter to consider is whether economic welfare would be diminished from the potential loss of land for industrial activity in the North Shore that may occur as a result of the proposed General Business zone being applied to the WRC. This is ultimately a matter of determining whether having additional retail and office firms or additional industrial firms would maximise economic welfare.

The primary cost to consider in this instance is transportation. Retail and office firms generate greater demand for vehicle kilometers travelled (VKT) than industrial firms, and therefore benefit the community when in central and accessible locations. This creates a natural process of ongoing displacement in which industrial firms are, over time, displaced from the most central and accessible locations by retail and office firms. The displacement of lower VKT generating activities with higher VKT generating activities would therefore maximise economic welfare.

## 2. BEST PRACTISE FOR RETAIL LAND-USE PLANNING

Retail land-use planning is contentious because a retailer's success is in large part derived from the stores location and this can conflict with land-use planning objectives, such as town centre revitalisation. It is therefore helpful to establish principles of 'best practice'. The most comprehensive theory on retail land-use planning is the UK's Planning Policy Statement 6 (PPS6) and its predecessor Planning Policy Guidance 6 (PPG6). The following provides a synopsis of both with particular focus on the revisions that were considered necessary to the initial document.

### PPG6 1996-2005

PPG6 stated that the Government's objectives were:

- To sustain and enhance the vitality and viability of town centres.
- To focus development, especially retail development, in locations where the proximity of businesses facilitates competition – which benefits all consumers and maximises the use of transport methods other than the car.
- To maintain an efficient, competitive and innovative retail sector.
- To ensure the availability of a wide range of shops, employment, services and facilities.
- To which people have easy access by a choice of transport.

A common criticism of PPG6 was that the third objective tended to be overlooked and the policy focused more on meeting the other three objectives which broadly focus on enhancing town centres.

### PPS6 2005

The Office of the Deputy Prime Minister (ODPM) issued PPS6 in 2005 to replace PPG6. The major themes remained unchanged, however the objectives have been redrafted to include a number of changes that are discussed below.

### PPS6 Objectives

The Government's key objectives for town centres are to promote their vitality and viability by:

- planning for the growth and development of existing centres
- promoting and enhancing existing centres – by focusing developments in such centres, and encouraging a wide range of services in a good environment, accessible to all.

PPS6 then states that in meeting key objectives, there are other government objectives that need to be taken into account, as follows:

- enhancing consumer choice by making provision for a range of shopping, leisure and local services, which allow genuine choice to meet the needs of the entire community, and particularly socially excluded groups
- supporting efficient, competitive and innovative retail, leisure, tourism and other sectors, with improving productivity
- improving accessibility – ensuring that an existing or new development is, or will be, accessible and well served by a choice of transport.

PPS6 also states that the planning system's role is not to restrict competition, preserve existing commercial interests or to prevent innovation.

The following excerpts from PPS6 demonstrate the recommended policy approach.

Wherever possible, growth should be accommodated by more efficient use of land and buildings within centres. Local planning authorities should aim to increase the density of development, where appropriate. Opportunities within existing centres should be identified for sites suitable for development or redevelopment or where conversions and changes of use will be encouraged for specific buildings or areas. **Local planning authorities should also seek to ensure that the number and size of sites identified for development or redevelopment are sufficient to meet the scale and type of need identified.** (2.4)

Where growth cannot be accommodated in identified existing centres, local planning authorities **should plan for the extension of the primary shopping area** if there is need for the additional retail provision or, where appropriate, plan for the extension of the town centre to accommodate other main town centre uses. (2.5)

In areas of significant growth or where deficiencies are identified in the existing network of centres, new centres may be designated through the plan-making process, with priority given to deprived areas. (2.7)

In preparing revisions to their regional spatial strategy, the regional planning body should, in broad terms, assess the overall need for additional floorspace over the regional strategy period, especially for comparison retail, leisure and office development, and for a five year period within it, and, having regard to capacity and accessibility to centres, identify where the identified needs would best be met. (2.13)

These excerpts highlight the importance of ensuring that there is sufficient potential to accommodate future demand growth.

### The UK Retail Market

The UK retail market is very different to the Auckland retail market. It is estimated that in the UK 2500 small stores close every year due to competition from large format stores and 12% or one in eight stores is vacant. Consequently many town centres are in economic decline. By contrast, the Auckland retail market has experienced strong growth in both



small and large stores and presently has a vacancy of only 3%. This is the lowest vacancy rate of any property sector (office sector vacancy in Auckland is 6% and industrial sector vacancy in Auckland is 10%) and **indicates that Auckland has a shortage of retail space**. The restriction on new retail space in the UK is a result of the high vacancy rate and associated economic decline of some centres. Such restrictions on new retail space are not relevant in Auckland as no centres are in economic decline. In fact, Auckland has seen an increase in average retail rents over the past decade, with average rents increasing by 25% in real terms over this period and vacancy rates remaining low.

The UK has seen a decline in the number of small stores as a result of large format retail. This is not the case in Auckland, with the implication being that restrictions on new retail development is not required.

### Summary

PPS6 maintains the town-centre focus of PPG6. It does appear however to have responded to criticism that PPG6 was adversely affecting retail productivity by inhibiting development of efficient store formats, particularly large format stores. As such, PPS6 aimed to make the development of large format stores possible, within a general framework which still favours town centres. PPS6 also places importance on improving strategic plans to ensure sites are available for future development.

The ongoing development of PPS6 highlights the fundamental tension between directing retail into town centres and maintaining an efficient, competitive and innovative retail sector. The provisions of the PAUP makes negligible provision for the expansion of existing centres (no additional land is provided on the North Shore) and has retail as a non-complying rather than discretionary activity in all non 'town centre' zones, with the only exception being the General Business zone.

The fundamental tension between directing retail to town centres in order to improve agglomeration economies, and maintaining an efficient, competitive and innovative retail sector, appears to have swung in favour of the former in the PAUP. It is submitted that this is an unnecessary and is not consistent with best practice.

### 3. S32 COST-BENEFIT ANALYSIS FOR THE RETAIL & OFFICE MARKETS

The PAUP permits retail and office development only in the town centre zones and to a limited extent in the General Business zone (as a discretionary activity). The s32 report concludes that this 'centres based' regulatory framework maximises social and economic welfare, whereas the main alternative, which is to permit retail firms to establish on other land, such as Light Industry, does not.

It is submitted that the 'centres based' regulatory framework that is proposed in the PAUP would not maximise social welfare (or social and economic wellbeing within the context of the RMA). The main reasons for this are:

1. The s32 is based on the incorrect assumption that all retail and office firms located outside town centres reduce the agglomeration economies of centres, thus, in all instances, reduces social and economic welfare. It is submitted that social welfare is optimised by locating retail in existing centres, however only if there is sufficient capacity for it to establish in centres without undue restriction on the competitive operation of the market. A significant issue arises when land for retail activity becomes scarce, resulting in artificially high rents, and ultimately consumers paying higher prices for retail products and services. The evidence confirms that there is a point where the increased costs of retail goods exceed the benefits of the agglomeration economies sought by the centre's based approach. This submission is consistent with the UK's retail policy, which adopts a 'sequential test', where retailers are able to locate outside existing centres if it can be demonstrated that there is insufficient capacity in the existing centres.
2. The s32 CBA is based on the incorrect assumption that retail prices will not rise as a consequence of restricted retail land supply. The main argument put forward is that Auckland has a competitive retail land market, and therefore additional retailers presently enter the market without constraint when there is sufficient surplus profit to do so. It is submitted that the opposite is true, that Auckland does not have a competitive retail land market, and that consequently any supply restrictions would increase the price of retail goods. **Evidence from this UK finds that the restriction on retail land supply has resulted in a 25% reduction in the total factor productivity of the retail market**, and that this represents a significant cost to the community, and in particular lower income sector of the community that spend a high proportion of their income on retail products.
3. The s32 CBA is based on the incorrect assumption that projected retail demand growth can be accommodated within existing centres, with a large proportion of this growth being catered for by increased turnover in existing retail stores. It is submitted that there is limited capacity for additional retail space, and that while it will lead to increased retail store turnovers, which produces some benefits, it will also have the costs of increased prices of retail goods, and will restrict new entrants to the market. As an example, the Warehouse initially started in a non-centre location (Wairau Road) and would be unlikely to have been able to start as a new business within the framework outlined in the PAUP, as rents would have been too high.
4. The s32 CBA is based on the incorrect assumption that retail centres are commercially vulnerable and subject to commercial failure through competitive impacts. The s32 CBA raises the potential cost of the commercial failure of a centre to the community, such as unutilised public infrastructure or a lack of local access to retail. It does not however present any example of failed commercial centres. The main concern may in fact be a change in the type of stores that operate in a centre subject to additional competition, particularly less profitable stores that target lower income households (e.g. the \$2 Store). This trend however

reflects the robustness of retail centres and their ability to cope with external shocks. For example, the recent construction of the new Silverdale town centre has added 25,000m<sup>2</sup> to the total Hibiscus Coast retail market, an increase of 40%. Consequently there has been no increase in store vacancies in any centre within the Hibiscus Coast. It is submitted that there is no evidence of the commercial failure of any town centre in the History of Auckland.

5. The s32 CBA is based on the incorrect assumption that retail firms are the main structural element in the City and that all other commercial and residential activities choose locations based on their proximity to retail firms. In fact the opposite is true. Of all sectors, retail is the most sensitive to location, and for this reason retailers seek locations that are central to their target catchment area. They therefore follow the market, not vice versa, and are not a formative element of a city. Land-use planners do not therefore have a particular need to regulate for the benefits of agglomeration, as this occurs naturally if sufficient land exists in centres. The role of retail land-use planning as laid out in PPS7 is to facilitate the development of town centres through proactive methods, rather than through the carte blanche restriction of specific activities in other locations.

These five assumptions provide the foundation for the 'centres based' policy that has guided the retail policy in the PAUP. It is submitted that these are incorrect assumptions and that consequently the policy derived from it is likely to diminish social and economic welfare, predominantly because the benefits derived by agglomeration economies are likely to be exceeded by the community paying higher prices for retail goods as a consequence of higher rents for retailers that must be passed on to consumers in the form of higher prices.

I submit that a more comprehensive list of cost and benefits is as follows:

#### **Benefits of PAUP 'Centres Based' Retail Policy**

Benefit of certainty – some retailers benefit from the plan-led development system and clear structural framework of policies in terms of site allocations. In other words, planning gives retailers a degree of certainty over areas in which they can and cannot invest.

Avoidance of incompatible land uses – an investor in a new shop can be reasonably confident that a concrete plant will not be given permission to locate next door.

Creation of a level playing field for developers – planning ensures that every developer contributes to the costs of new infrastructure (overcoming the free-rider problem) and that information about land uses is readily available (overcoming information asymmetries).

Efficient use of infrastructure – economies of scale can be derived for certain settlement patterns and more efficient use of infrastructure (e.g. by planning the distribution of facilities to share car parks).

Agglomeration economies – enabling clustering of retail stores and the spillover benefits.

Externalities – the identification and prevention or mitigation of negative externalities.

Public goods – the provision (subject to financing) of public goods such as roads and parks, and the improvement of local amenity.

Urban amenity – maintaining or enhancing the viability and vitality of urban areas and, in particular town centres as places to invest and as markets for business.

Protecting particular uses – such as sites for waste depots, which if displaced from urban sites would result in higher costs to business.

Land assembly – planning measures (compulsory purchase) can enable land to be assembled, decontaminated and released for beneficial use.

### **Costs of PAUP 'Centres Based' Retail Policy**

Administrative costs – these include payments made and time involved in making planning applications (and in carrying this forward into permission to develop), as well as the additional costs of planning agreements.

Land-use restrictions – the planning system rations land and its permitted uses, thereby increasing the cost of land and rents. Land-use restrictions can also lead to firms operating sub-standard premises or being unable to follow their preferred business model.

Land-use restrictions are more likely to affect larger retailers with greater land requirements. For them, it can be argued that planning induces a substantial cost in terms of reduced productivity.

Land-use restrictions lead to higher rents and higher prices of retail goods for consumers.

These costs are quite substantial for the economy in their effects on reducing economic vitality and productivity.

### **Summary**

The costs and benefits presented in the s32 report are not sufficiently comprehensive or researched to support the conclusion that directing all future retail and office activity into existing town centres will maximise social welfare.

## **4. FUTURE RETAIL LAND AND SPACE NEEDS & GROWTH CAPACITY**

The s32 report estimates that Auckland will require and 1,900,000m<sup>2</sup> of retail space by 2041. This equates to:

- 68,000m<sup>2</sup> of retail space per annum (equivalent to an additional Sylvia Park mall each year)
- Capacity to accommodate 1,360,000m<sup>2</sup> of retail space to maintain a ten year 'demand buffer' at 2023
- A need for 14 hectares of retail land per annum (based on a building to site coverage ratio of 1:2)

- A need for 280 hectares of vacant or vacant potential retail land to hold a ten year 'demand buffer' at 2023 (based on a building to site coverage ratio of 1:2)

On a pro rata population basis, for the North Shore, this equates to:

- 10,000m<sup>2</sup> of retail space per annum (equivalent to an additional Sylvia Park mall every 6-7 years)
- Capacity to accommodate 204,000m<sup>2</sup> of retail space to hold a ten year 'demand buffer' at 2023 (equivalent to three additional Sylvia Park malls)
- A need for 2 hectares of retail land per annum (based on a building to site coverage ratio of 1:2)
- A need for 40 hectares of vacant or vacant potential retail land to hold a ten year 'demand buffer' at 2023 (based on a building to site coverage ratio of 1:2)

The PAUP provides the following additional commercial land.

TABLE 1: ADDITIONAL BUSINESS LAND IN PAUP

| Activity Type            | Legacy Zones (July 2012)<br>Harmonised Zone | Hectares     | Draft Unitary Plan (March 2013)<br>Unitary Plan Zone | Hectares     | Change       |
|--------------------------|---|--------------|--|--------------|--------------|
| <b>Industrial</b>        | Heavy Industry                              | 1,554        | Heavy Industry                                       | 1,641        | 619          |
|                          | Service/Light Industry                      | 3,629        | Light Industry                                       | 4,161        |              |
| <b>Commercial Centre</b> | Business Park/Office Node                   | 128          | Business Park  | 108          | 5            |
|                          | City Centre                                 | 454          | City Centre  | 508          |              |
|                          | Metropolitan                                | 283          | Metropolitan   | 360          |              |
|                          | Town  | 269          | Town   | 414          |              |
|                          | Local                                       | 157          | Local  | 188          |              |
|                          | Neighbourhood*                              | 407          | Neighbourhood  | 125          |              |
| <b>Other Business</b>    | Mixed Use                                   | 453          | Mixed Use  | 873          | 420          |
|                          |   |              | General Business                                     | 209          | 209          |
| <b>Total</b>             |   | <b>7,334</b> |  | <b>8,586</b> | <b>1,253</b> |

Source: Auckland Council

The PAUP proposes an additional 5 hectares of Commercial Centre Zone land across Auckland, in which retail is a permitted activity. When balanced against the estimated demand of 14 hectares per annum, and the need to maintain a buffer of 140 hectares for a competitive / efficient market, this suggests that it is unlikely that the retail land market will be 'efficient and competitive'.

There is an additional 420 hectares of Mixed Use and 209 hectares of General Business in which retail is a discretionary activity. The majority of the land that these zones apply to are already intensively developed and have little remaining capacity. It is reasonable to conclude that the PAUP is unlikely to deliver a sufficient quantity of land for retail development.

The Capacity for Growth Study 2012 Results report that forms part of the s32 CBA has the objective of identifying whether there is capacity to accommodate future demand growth. The report does not provide an assessment of the potential to accommodate future land

needs of businesses<sup>2</sup> under the PAUP, and therefore falls short of providing a suitable basis for land-use planning decisions in relation to the required quantity and location of future business land. It is submitted that this is not a best practice approach to land-use strategy.

The main findings of the report are generally the same as the working report:

- 7,100 hectares of business land
- 720 vacant hectares of business land (10% expansion)
- 1,300 hectares of business land with unutilised potential for additional development

The PAUP aims to accommodate future business growth in existing centres through redevelopment and intensification. The foundation of this objective is the potential for the identified 1,300 hectares of existing brownfield property, identified as having unutilised potential, to be redeveloped.

The Capacity for Growth Study 2012 indicates that the North Shore has 814 hectares of business zone land, of which 108 hectares are vacant and a further 123 hectares have additional development potential. These estimates are optimistic and are likely to overstate the actual capacity. As an example, the Westfield Shopping Mall, The Westfield Glenfield Shopping Mall, the Albany Large Format Retail Centre, the Wairau Road Pak N Save, the Fairview Retirement Village and the BNZ office park on Constellation Drive are all identified as having unutilised capacity.

A closer examination of business land supply on the North Shore shows that there is significantly less potential than estimated in the s32 study. Our estimate is that the total land with unutilised capacity is closer to 50 hectares, significantly less than the estimated need of several hundred hectares.

Within the Takapuna/Wairau Road area, there is very little business land remaining that is suitable for redevelopment.

Based on the future retail land needs assessed by Auckland Council, the evidence indicates that the PAUP business land provisions are insufficient. In respect of the application of the General Business zone to the WRC, it provides an opportunity to increase the potential capacity to accommodate future retail, office and other commercial development.

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<sup>2</sup> *"The Capacity for Growth Study is a quantitative plan enabled assessment of capacity at a point in time. It measures whether each site has the potential for more development under a selected set of operative rules (specifically subdivision, and some bulk and location provisions) – essentially providing a 'census' or 'stock take' of the land and its potential capacity, across all of Auckland. **This study only identifies capacity and does not examine the likelihood or feasibility of its uptake.**" (Page 3)*

## 5. WAIRAU ROAD CENTRE ROLE & FUNCTION

The WRC is a mixed use centre that includes a diverse range of retail, commercial and industrial businesses. It is well known as a destination for a wide range of retail stores.

The WRC presently has in the order of 60,000m<sup>2</sup> of retail floorspace, which in combination with Link Drive (40,000m<sup>2</sup>) makes is the largest centre on the North Shore, particularly when the wide range of other commercial and industrial activities are accounted for. In fact, the Wairau Road centre contributes more than any other centre to the North Shore economy.

**Then evidence shows that the WRC has a mix of activities and a role and function that is fundamentally inconsistent to the objectives sought by proposed Light Industry zone.** It appears that the primary basis for the proposed Light Industrial zone is to restrict certain activities for another set of reasons, as described in this report, rather than to revert the WRC back to a light industrial centre. It is submitted that this approach is not consistent with best practice and would not maximise economic welfare.

#2554



**Attachment C : Wairau Valley Property  
Owners Collective – List of owners represented**

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#2554



**Attachment D : Activity Schedule**

### General Business Zone

This business zone provides for activities that may not be appropriate for, or unable to locate within centres. The activities include light industrial, limited office, large format retail and trade suppliers. These activities are appropriate only when they do not adversely affect the vitality and viability of centres. The zone helps provide for commercial growth and to manage the effects of large format retail.

Council does not think small retail activities are appropriate in the General Business zone because when combined with the large format retail it will result in an unplanned centre.

The zone is limited in extent, and appropriate in location close to centres, or along growth corridors, good transport access and exposure to customers. The design of development should contribute to an active street edge.

| Activity  | General Business            | Light Industrial                  | Existing Zoning <sup>1</sup> |
|---|-----------------------------|-----------------------------------|------------------------------|
| <b>Accommodation</b>  |                             |                                   |                              |
| Dwellings   | NC                          | NC                                |                              |
| Conversion of building or part of building to dwellings or accommodation or boarding houses | NC                          | NC                                |                              |
| Retirement Village  | NC                          | NC                                |                              |
| Supported Residential Care  | NC                          | NC                                |                              |
| Visitor Accommodation   | NC                          | NC                                |                              |
| Workers Accommodation – one per site  | NC                          | P                                 |                              |
| <b>Commerce</b>   |                             |                                   |                              |
| Commercial Services   | P                           | D                                 |                              |
| Drive Through Facilities  | P                           | RD                                |                              |
| Entertainment Facilities  | P                           | D                                 |                              |
| Food and Beverage   | P                           | P                                 |                              |
| Garden Centres  | RD                          | RD                                |                              |
| Marine Retail   | RD                          |                                   |                              |
| Motor Vehicle Sales   | RD                          | RD                                |                              |
| Office  | up to 500m <sup>2</sup> - P | Ancillary only, up to 30% gfa - P |                              |
| Office  | >500m <sup>2</sup> - D      | Not ancillary - NC                |                              |
| Retail  | up to 450m <sup>2</sup> - D | Ancillary only, up to 10% gfa - P |                              |
| Retail  | >450m <sup>2</sup> - RD     | Not ancillary - NC                |                              |

|   |  |   |  |
|---|--|---|--|
| Large Format Retail   |  | NC  |  |
| Service Stations  | D  | P   |  |
| Storage and Lock up   | P  | P   |  |
| Trade Suppliers   | RD   | RD  |  |
| <b>Community</b>  |  |   |  |
| Care Centres  | D  | D   |  |
| Community Facilities  | P  | D   |  |
| Education Facilities  | P  | Where ancillary to an industrial activity – P,<br>otherwise - D |  |
| Emergency Services  | D  | P   |  |
| Hospitals   | D  | D   |  |
| <b>Industry</b>   |  |   |  |
| Industrial Activities   | Various  | P   |  |
| Artisan Industries  | P  | P   |  |
| Industrial Laboratories   | P  | P   |  |
| Light Manufacturing and Servicing   | P  | P   |  |
| Repair and Maintenance Services   | P  | P   |  |
| Waste Management  | NC   | P   |  |
| Warehousing and Storage   | P  | P   |  |
| <b>Development</b>  |  |   |  |
| New Buildings   | RD – design controls                                   | P – no design controls  |  |
| Demolition of buildings   | P  | P   |  |
| Additions and Alterations   | Up to 10%, or 250m <sup>2</sup> – P,<br>Otherwise - RD | P   |  |
| <p><sup>1</sup> Within the existing Auckland Council District Plan – Northshore Legacy Plan there is no business activity schedule. Instead activities are assessed on an effects based basis against controls such as; trip generation, car parking, buffer strip, bulk and location controls (height, HIRB, yards, landscaping) etc... This is in contrast to the Proposed Auckland Unitary Plan zoning which has an activity schedule and is specifically centres focused.</p> |  |   |  |