



Dubious claims made for reform proposals

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Spare us the claims that the latest round of RMA reforms will substantially reduce housing costs and make housing more affordable

I cannot believe the rhetoric that somehow the RMA is to blame for all our housing woes. It is simply not true - decent, affordable housing is a product of demand and supply.

Currently we have substantial demand for housing, especially in Auckland, driven by high net migration and significant internal population growth – especially amongst particular demographics.

Financial and cultural bias towards property likewise drives investment into the housing market rather than more productive enterprise. Expectations of bigger houses, matched by changing cultural needs of new migrant populations, also impacts on demand.

Supply is impacted by land availability, the risk appetite of developers and housing companies, profitability, building costs, infrastructure costs, financial conditions, regulatory practices and – significantly – government policy.

From decades of working at the coal face of housing provision in Auckland, I would argue that each of these factors

has a bearing on the supply of housing. Critically too little confidence in forward land supply will impact on developers making the long-term commitment required to produce residential sections for houses. Limited supply of land will attract the land bankers, confident that they will make big capital gains – something very evident in Auckland today.

Regulatory practices, including both the written rules and the actual practices of councils, will highly impact on housing developers' appetite for risk. Too many hurdles to leap over, too much time taken to process consents certainly reduces developer appetites. Significantly, developers look at the leadership and culture of regulatory authorities as to whether development is 'worth the candle.'

Competition curtailed

Previously in Auckland, developers were offered a choice of council areas to operate in – too hard in one, work in another. While not necessarily arguing against the "Super City", this element of 'competition' no longer exists in the region.

But the biggest issue in my view, especially at the lowest end of the housing market, is that Minister Smith's government has no real appetite to support lower income people into housing ownership. Traditionally Labour has built state houses while National has supported individuals to purchase lower cost housing through mortgages and other financial support.

The current government policy is to support the development of social housing through NGOs, a policy I support. But its backing for the policy is limited and slow. It will be many years before this sector has any real impact on housing supply.

So the apparent remedy from central government for an unaffordable housing market is to change the RMA. I would strongly suggest the government looks at more effective remedies, including national policy statements on land supply, if it really wants to effect change.

Ensuring that the practices of councils are fully audited by central government agencies

would also help, including reviews of the many urban design requirements which have remarkably appeared of late. Many of these, in my opinion, have substantially driven up cost. Support for a better infrastructure investment framework would be especially helpful. Stronger disincentives for land banking, driven by the 'hands off' capital gains, would likewise assist.

The list goes on. Changing the RMA to a more economic focus, won't change much of anything. Changes to incentives, land development and house construction, audit and review of regulatory practice and cost, creating the conditions for the right culture and leadership, and critically supporting the building of houses for lower income people will, in my opinion, make the key difference.

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sure. However the experience is that, while they are definitely quick, they are also resource heavy and bring a range of new process challenges.

National planning templates would also appear a good idea to get some consistency and efficiency across the country, but will take time to bed in. The government will need to think carefully about adding more process burdens to communities.

Process fatigue has set in for those going through major planning processes in the Auckland and Canterbury regions. The major corporates and government entities are hanging in there, but the smaller players have been almost completely shut out.

The elephant in the room is public participation. Relatively open participation has been a basic tenet of the RMA since its inception and is the root of

many of the RMA's delays in the planning and consenting of medium to large-scale projects. While it is easy to suggest that participation rights should be restricted, many people will be concerned about closing down the voice of legitimate public interest.

Ultimately, the RMA can and should be continually improved, as resource management issues of importance evolve. However, the reforms should respect the

RMA's various functions and will only be able to take us so far as housing affordability is not just about regulation.

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