

UNDER the Resource Mangement Act 1991 ("RMA")
IN THE MATTER of Waikato District Council's ("WDC") Proposed Waikato District Plan 2018 (Stage 1) Chapters 4, 17 and 18 ("Business Zone" and "Business Town Centre Zone").

**SUMMARY STATEMENT OF PHILIP MARK OSBORNE ON BEHALF OF
KĀINGA ORA (FORMERLY HOUSING NEW ZEALAND CORPORATION,
268 / FS382)**

17 February 2020

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1. Introduction

- 1.1 My full name is Philip Osborne
- 1.2 I have the qualifications and experience set out in paragraphs 1.2 and 1.3 of my evidence in chief (“**EIC**”), dated 24 January 2019.
- 1.3 I repeat the confirmation given in paragraph 1.5 of my EIC that I have read, and agree to comply with, the Code of Conduct for Expert Witnesses.
- 1.4 This statement provides a summary of my EIC.

2. Summary of Evidence

- 2.1 From an economic perspective I support the overall strategic direction and objectives, pertaining to activity within town centres outlined in the Proposed Waikato District Plan (“**PWDP**”) including:
 - The consolidation of activities;
 - The focus of commercial activity with Town Centres and;
 - The scale of activity within these centres supports their viability.
- 2.2 From an economic viewpoint zoning is a crucial tool in directing growth and development to achieve greater degrees of efficiency and certainty in terms of public and private investment. The level of flexibility and capacity indicated by zoning also impacts upon housing fundamentals such as choice and affordability.
- 2.3 The economic benefits of focusing this activity into centres includes:
 - Improved infrastructure efficiencies;
 - Agglomeration benefits;
 - Improved competitiveness leading to greater employment opportunities;
 - Improved amenity, diversity and choice;
 - Improved public good benefits (and lower marginal costs);

- Land efficiencies; and
- Greater retention of activity within the District.

- 2.4 The Waikato District has seen varied growth by sector over the past 18 years. This has led to and continues to allow for increased opportunities for the District in secondary and tertiary sectors. A key competitive aspect for the District to achieve this growth is the ability for its existing and future centres to efficiently accommodate growth and provide increased certainty for investment.
- 2.5 Over the past 18 years the growth of commercial activity within centres has not kept pace with the out-of-centre growth experienced in the District. While allowing for sector growth in locationally specific businesses such as agricultural support, centres have grown at a rate less than a third of that enjoyed by the rest of the District. As such the significance of these centres within the District has fallen by 30%¹. This lack of growth further reduces their ability to compete for the District's growth and investment and impacts upon the District's ability to retain commercial growth within its borders.
- 2.6 While it is clear the objectives of the PWDP are not currently being met the PWDP seeks to implement two key changes to the operative environment. Firstly, the separation of roles between the Business Zones and Business Town Centre Zones, and secondly the protection of centre amenity. It is important to note that it would appear no economic assessment has been undertaken regarding the potential impacts of these changes on either the centres or the economy as a whole. The S32 provides little understanding regarding the relative changes and their potential effects. A key concern with implementing these changes (solely) is that they are likely to reduce the flexibility of development within centres. This in turn has the potential to decrease the competitiveness of the centres as business locations, leading to a further fall in proportionate investment in centres and resulting in the market moving further away from the stated objectives.

¹ While the main centre, Huntly, has fallen nominally in activity over this period.

2.7 In fact, the economic assessment included as an appendix to the S32 report², regarding business capacity, illustrates a huge excess of vacant business land capacity likely to compete strongly for in-centre activity.

2.8 Kāinga Ora's submission seeks to amend provisions within the Business Centre Zone to increase flexibility with respect to the provision of mixed use activities, and facilitate increased levels of development within centres. The submission seeks not only to provide directly for commercial activities but to provide for activities that would support the growth and sustainability of commercial businesses within centres, providing an increased competitive advantage for these locations.

3. Conclusion

3.1 It is my economic opinion Kāinga Ora's submission has the potential to better achieve the objectives of the PWDP by encouraging resource efficiency, improving the utilisation of infrastructure, providing diversity of housing choice and advancing the Waikato's community's overall wellbeing by:

- The provision of greater residential diversity within the Waikato housing market;
- Providing for increased certainty for investment regarding the long-term urban form outcome;
- Providing greater confidence and certainty within the market regarding the effectiveness of the consolidated form direction;

Supporting the development and operation of commercial activities within Town Centres.

Philip Osborne

17 February 2020

² Appendix 16.12 – Business Development Capacity Assessment 2017, ME Consulting, 16 July 2018.