



## **Submission**

Of the

**New Zealand Retailers Association**

To the

**Department of Internal Affairs**

In respect of the

**Sustainable Urban Development**

November 2008

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## **Introduction**

These submissions are presented by the New Zealand Retailers Association.

## **Background**

The Association is the largest trade association representing the retail industry in New Zealand.

Our membership includes the major supermarkets and general merchandise chain stores, specialised chains, traditional department stores and thousands of owner operators spread throughout the country.

Our membership also includes a range of specialised trade groups representing retailers, suppliers and distributors in the plumbing, metal fastener, pet, jewellery, equestrian, bicycle sporting goods industries.

Viewed nationally retail sales total some \$65b per annum.

The industry also employs approximately 325,000 people (17% of the workforce) in some 49,000 shops throughout the country.

## **Summary of Submission**

The Association has only recently become aware of this discussion document and in the time available has simply not been able to adequately fully consult our members on the implications of some of the policy proposals. We also note that the document was issued with endorsement from Ministers of the former Government. We therefore have questions about the status of the document as far as the incoming Government is concerned and recommend this be clarified before further work is done on policy development arising from submissions.

However, notwithstanding these general observations, we wish to make a brief submission recommending that some of the policy proposals in the document not proceed as we view with considerable concern some of the suggested interventions that are outlined.

Our specific concerns relate to:

- the proposed establishment of urban development organisations;
- the creation of compulsory land acquisition powers
- the creation of 'value uplift levies'.

## **Specific Submissions**

### **a) Urban Development Organisations**

We have major reservations about the necessity to establish urban development organisations (council controlled organisations, crown entities or joint development companies) that would have the responsibility for implementing sustainable urban development in accordance with a community developed master development plan.

It is our opinion that the administrative structures that already operate within existing territorial authorities and local bodies, as well as regional Government agencies, would have the ability to undertake the task of sustainable urban development in consultation with interested parties in the private sector.

Consequently as a matter of principle we consider the establishment of new administrative structures as unnecessary and inappropriate.

### **b) Compulsory Land Acquisition Powers**

We similarly have major reservations about the necessity for compulsory land acquisition powers.

We note that the paper discusses the concept of strategic sites which could, if able to be acquired, “unlock an area full potential” and that a supermarket is included as an example because of its physical size.

We feel that all major proposals relating to land acquisition for sustainable urban development should be publicly advertised as a matter of normal process and parties should have the opportunity to make submissions on specific proposals.

We consider the proposal for compulsory land acquisition for sustainable urban development abrogates this principle and needs a much greater degree of thought prior to any policy decision being made to endorse the concept.

### **c) Value Uplift Levies**

We note that in addition to existing development levies it is proposed that possible additional funding mechanisms for sustainable development on public or council owned land includes value uplift levies on adjacent private properties and/or using the provisions of the Affordable Housing Act to fund affordable housing developments.

We have further reservations about these proposals on the basis that such proposals could introduce yet further costs upon commercial land owners who may not be supportive of a particular proposal for urban renewal and recommend this option not proceed.

### **Cost/Benefit Analysis**

We are concerned that the discussion document is devoid of any cost/benefit analysis of the various policy options and recommend to the Department that an independent assessment from an agency such as the NZ Institute of Economic Research should be commissioned prior to any decisions being taken on the policy proposals by the incoming Government

### **Affordable Housing**

We are aware that the Affordable Housing Act was passed in the latter days of the former Parliament and consider that Act has some interrelationship with the proposals outlined in the discussion document for urban sustainable development.

We have not in the time available had an opportunity to consider this issue in any great detail but recommend such an analysis be undertaken by the Department as part of its consideration of submissions on the current discussion document re urban renewal.

**Conclusion**

We recommend that the Department clarify the position of this document with the Incoming Government before proceeding with further analysis of the policy proposals and submissions arising from it and advise interested parties accordingly.

Given the outcome of that approach it may be appropriate to ask interested parties to comment further on the issue.

New Zealand Retailers Association  
November 2008