



22 April 2024

HUD2024-003973

s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email of 5 March 2024 requesting the following information under the Official Information Act 1982 (the Act):

*Copies of all emails, briefings and documents that discuss the work of economist Tim Helm, since 1 January 2023 to the present day.
For clarity, this includes both internal documents and anything sent from the agency.*

On 20 March 2024 we advised you that we would be extending this request to 22 April 2024 as your request required us to undertake external consultation with a number of agencies.

We have found 13 emails and 2 documents within scope of your request and have released these to you with this response. Where only part of an email or document is considered in scope of your request, we have provided an excerpt of the relevant information. Additionally, some information has been withheld under the following sections of the Act:

| Section of Act | Reason to withhold |
|----------------|--|
| 9(2)(a) | To protect the <u>privacy</u> of natural persons. |
| 9(2)(f)(iv) | To maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. |
| 9(2)(g)(i) | To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or employees of the Ministry. |
| 9(2)(h) | To maintain legal professional privilege. |

The documents are detailed in the attached document schedule.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the decision to withhold information under section 9 of the Act is not outweighed by other considerations that render it desirable to make the information available in the public interest.

You have the right to seek an investigation and review of my response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website at: www.ombudsman.parliament.nz.

As part of our ongoing commitment to openness and transparency, the Ministry proactively releases information and documents that may be of interest to the public. As such, this response, with your personal details removed, may be published on our website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'F. McCarthy', written in a cursive style.

Fiona McCarthy
Manager, Urban Development Enablement
Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

Annex 1: Document schedule

| Documents released – HUD2024-003973 | | | |
|--|-------------|---|-----------------------------------|
| | Date | Document | Section of the Act applied |
| 1 | 13/02/2024 | Housing Technical Working Group Minutes, 3 February 2024 | 9(2)(h) Out of scope |
| 2 | 14/02/2024 | Email: RE: Wellington’s Fisher-Fisher-Price zoning war | 9(2)(a) 9(2)(g)(i) |
| 3 | 04/12/2023 | Email:FW:Bad housing economics never dies, it only accumulates more ignored “limitations” | n/a |
| 4 | 15/11/2023 | Email:FW:Methodology for greenfield feasibility case studies | 9(2)(a) 9(2)(f)(iv) |
| 5 | 06/06/2023 | Office request | n/a |
| 6 | 15/06/2023 | Email:FW:by 5pm:Evidence of upzoning and construction | 9(2)(a) |
| 7 | 03/05/2023 | DCs - managing uncertainty of future land prices | 9(2)(f)(iv) |
| 8 | 22/03/2023 | Email: Economic reports on developer contributions | n/a |
| 9 | 22/03/2023 | Email:Commentary on land value uplift | 9(2)(a) |
| 10 | 22/03/2023 | Email:RE:Developer contributions - Auckland | 9(2)(a) 9(2)(g)(i) |
| 11 | 27/02/2023 | Email:FW: Evidence given by Waka Kotahi this afternoon | 9(2)(a) |
| 12 | 27/02/2023 | Email:Evidence in welly hearing | n/a |
| 13 | 09/02/2023 | Email: RE: Article on Drury DCs | 9(2)(a) |
| 14 | 01/02/2023 | Wellington Hearing 1 Prep Note | n/a |
| 15 | 08/02/2024 | HUD 2024-0696 - The independent hearings panel’s recommendations | Out of Scope |

Housing Technical Working Group Minutes, 13 February 2024

Date: Tuesday 13 February 2024

Location: Microsoft Teams (Online) & The Treasury Wellington office

Present Members:

The New Zealand Treasury: Dominick Stephens (Chair), Chris Parker, Connor Gavin, Matt Galt, Talosaga Talosaga

Reserve Bank of New Zealand (RBNZ): Chris McDonald, Enzo Cassino, Andrew Coleman, Ashley Farquharson, Matthew Brunton

Ministry for Housing and Urban Development (MHUD): Nam Ngo, Mariona Roige Valiente

Stats NZ: Frances Krsinich

Notetaker: Andrew Coleman, RBNZ

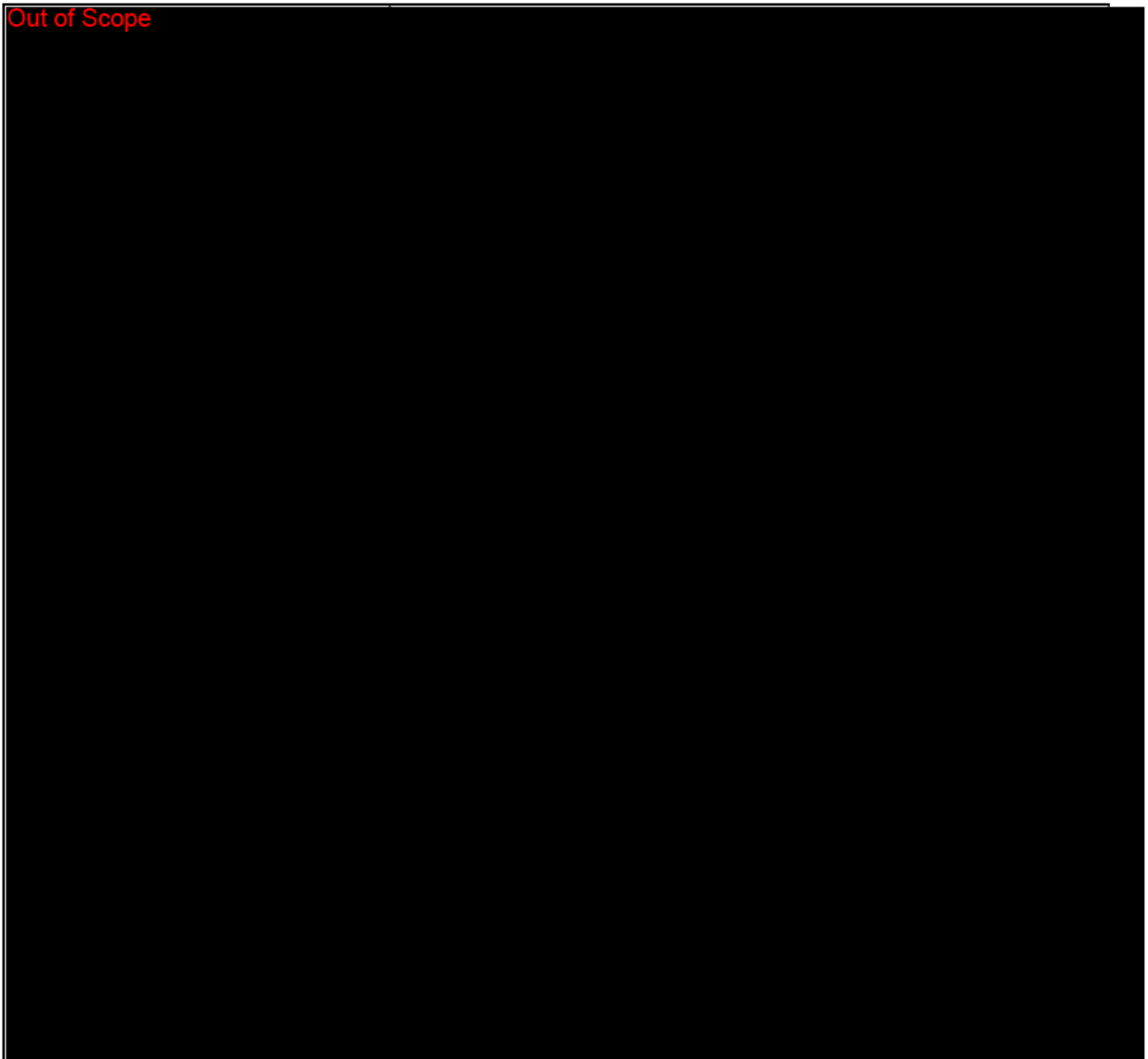
| Topic | Context |
|--|--|
| <p>1. Administration</p> <ul style="list-style-type: none">• Agenda check• Previous minutes• Forward agenda | <p>s 9(2)(h), Out of Scope</p> <p>[REDACTED]</p> <p>There was a call for items for future meetings; Chris Parker suggested a discussion of the Wellington Fisher-Price zoning war. The Chair suggested this be discussed at the end of the meeting (see item 4 below).</p> |
| <p>Out of Scope</p> | |

Out of Scope



Out of Scope





| | |
|--|--|
| <p>4. Other Business</p> <ul style="list-style-type: none">Developments in the Wellington Council. | <p>(i) Chris recounted recent discussions at the Wellington Independent Hearings Panel of the district plan. He noted that the position taken by the panel that land restrictions don't affect the rate of building because there is plenty of development capacity is likely to be misrepresenting the role of land restrictions on prices, and wondered whether it would be appropriate for the HTWG to make a statement on the issue, or to invite a statement by experts such as Graeme Guthrie, Cameron Murray or Tim Helm.</p> <p>(ii) The issue was discussed. D Stephens compared and contrasted the rate of house building and restrictions on land supply, arguing the latter was likely to affect prices more than quantities.</p> <p>(iii) Dominick, as Chair, suggested that this issue lay outside the role of the HTWG. It was suggested additional material be circulated about the issue,</p> |
|--|--|

| | |
|--------------|---|
| | however. C Parker said he would circulate material. |
| Out of Scope | |

From: [Nick McNabb](#)
To: [Mariona Roige Valiente](#); [Alex Gunn](#); [Elisha Hawkins](#)
Subject: RE: Wellington's Fisher-Price zoning war
Date: Wednesday, 14 February 2024 11:35:20 am
Attachments: [image001.png](#)
[image003.png](#)
[image005.png](#)
[image007.jpg](#)
[image002.png](#)
[image004.png](#)
[image006.png](#)
[image008.jpg](#)

Kia ora Mariona

While I take a brief breath from budget work, my short answer would be yes, HUD should be more involved in leading thought here. s 9(2)(g)(i)

[Redacted]

[Redacted]

- [Redacted]

- [Redacted]

[Redacted]

s 9(2)(g)(i)
[Redacted]

s 9(2)(g)(i)

Nick

Nick McNabb ([he/him](#))

Chief Advisor | System Insights and Strategy
Intelligence and System Direction

Nick.McNabb@hud.govt.nz | Phone: +64 4 832 2450 | Mobile: s 9(2)(a)
www.hud.govt.nz | Level 9, 7 Waterloo Quay, Pipitea, Wellington

From: Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>
Sent: Tuesday, February 13, 2024 10:05 PM
To: Alex Gunn <Alex.Gunn@hud.govt.nz>; Nick McNabb <Nick.McNabb@hud.govt.nz>; Eleisha Hawkins <Eleisha.Hawkins@hud.govt.nz>
Subject: Fwd: Wellington's Fisher-Price zoning war

Hello Today in the HTWG Chris raised this issue and suggested whether we had, as a group, something to say publicly about this.

There was some discussion and finally Dom said that if anyone should do this, it should be HUD. I guess this feeds into the whole narrative that the system now seems to think HUD should lead in this area, but, is HUD able and ready to do this?

From: Chris Parker TSY <Chris.Parker@treasury.govt.nz>
Sent: Tuesday, February 13, 2024 5:14:39 PM
To: Dominick Stephens TSY <Dominick.Stephens@treasury.govt.nz>; Matthew.Brunton@rbnz.govt.nz <Matthew.Brunton@rbnz.govt.nz>; 'Chris McDonald' <Chris.McDonald@rbnz.govt.nz>; Ashley.Farquharson@rbnz.govt.nz <Ashley.Farquharson@rbnz.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>; Nick McNabb <Nick.McNabb@hud.govt.nz>; ^RBNZ: Enzo Cassino <enzo.cassino@rbnz.govt.nz>; Frances Krsinich (Guest) <Frances.Krsinich@stats.govt.nz>; Andrew.Coleman@rbnz.govt.nz <Andrew.Coleman@rbnz.govt.nz>; Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Tyler.Smith@rbnz.govt.nz <Tyler.Smith@rbnz.govt.nz>; Nam Ngo <Nam.Ngo@hud.govt.nz>; John.Knowles <John.Knowles@rbnz.govt.nz>; alan.bentley@rbnz.govt.nz <alan.bentley@rbnz.govt.nz>; Matthew Galt TSY <Matthew.Galt@treasury.govt.nz>; Ben Ching TSY <Ben.Ching@treasury.govt.nz>; Jean Le Roux TSY <Jean.LeRoux@treasury.govt.nz>; Geraldine Treacher <Geraldine.Treacher@treasury.govt.nz>; Connor Gavin TSY <Connor.Gavin@treasury.govt.nz>;

Talosaga Talosaga TSY (Guest) <talosaga.talosaga@treasury.govt.nz>; Robert Murray <Robert.Murray@hud.govt.nz>; Glen Thomson - Treasury <Glen.Thomson@treasury.govt.nz>; Graeme Cokayne <Graeme.Cokayne@rbnz.govt.nz>
Subject: FW: Wellington's Fisher-Price zoning war

Kia ora HTWG, here's an email from Cameron Murray that I just spoke to, re Wellington's Independent Hearings Panel of the district plan. Cam is the person I arranged to speak to us in December.

Perhaps the HTWG might review these arguments, engage the key people (eg Graeme Guthrie, Cameron Murray, Tim Helm), and take a position?

(I don't find Cameron's papers on the 'market absorption rate' of sufficient quality to be useful; Graeme was similarly doubtful.)

Āku mihi
Chris

s 9(2)(a)

Forwarded this email? [Subscribe here](#) for more



[Wellington's Fisher-Price zoning war](#)

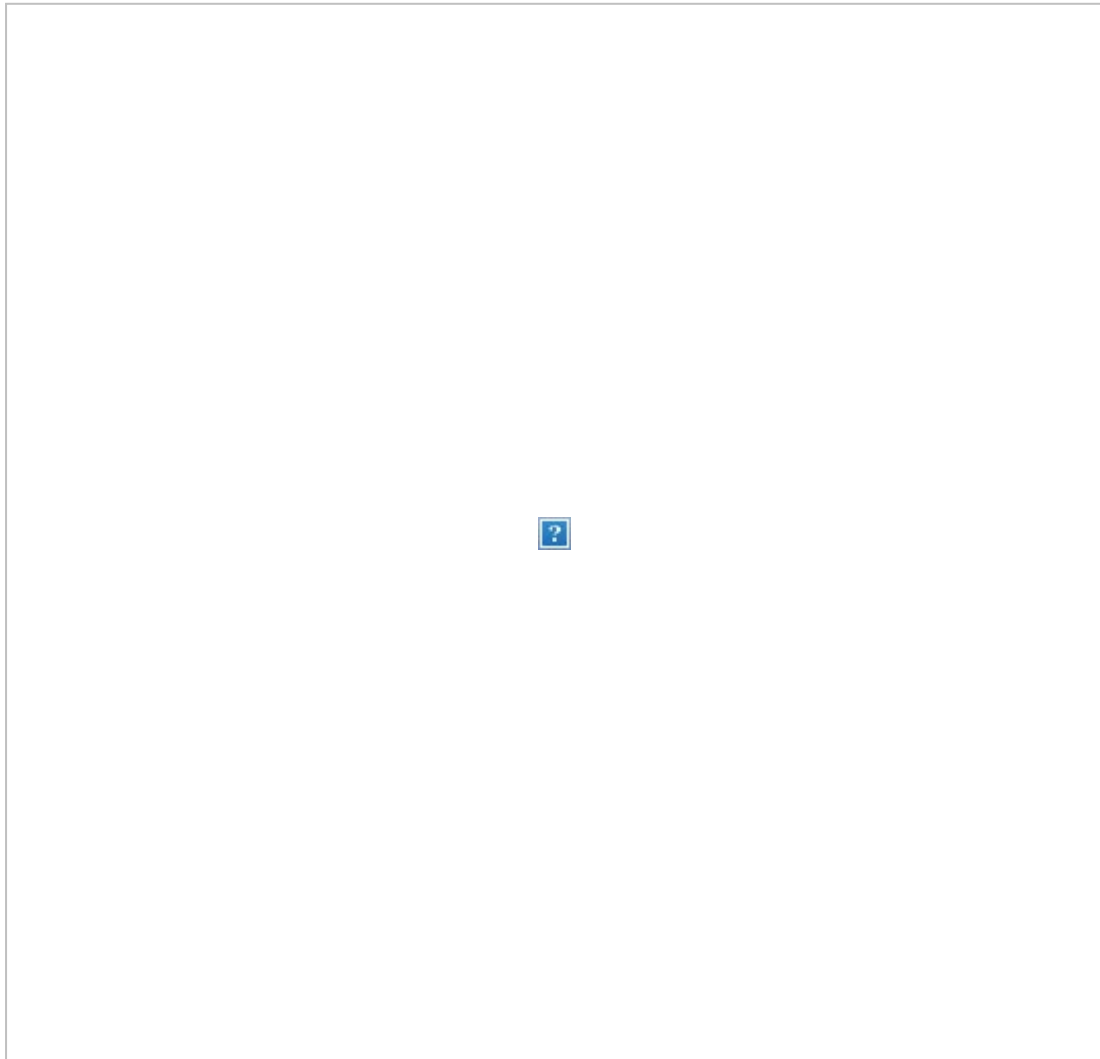
A public sector town forgets that private housing supply incentives matter



[READ IN APP](#) 

A couple of quick notes.

1. *FET paid subscribers/members now have access to the [Charts page](#).*
2. *I am speaking at UBC in Vancouver on 12th Feb, 7pm. The topic: "Is local democracy in the way of affordable housing?" Tickets are [sold out](#). Use this [live stream link](#) (1pm Tues 13th in Bris, 2pm Syd/Mel).*



Wellington is in a war of words over zoning.

New Zealand's capital city is in the process of changing zoning rules, and the first reports from a review panel have driven local YIMBYs to [hysteria](#).

One outlet even declared a "[War for Wellington](#)", the kind of tiny tantrum one sometimes sees in a town where policy debate can feel like a life-or-death struggle.

Developers in Wellington currently build on only a tiny fraction of land that can legally and profitably be developed. At issue is whether further upzoning will increase that rate of supply, and so make housing cheaper.

In a city surviving on public dollars, it's easy to forget that the private sector won't necessarily come to heel when politicians proclaim the need for more housing.

But Wellington's [Independent Hearing Panel](#) were cognisant of this. They appeared persuaded that since private investment was not currently constrained by development capacity, adding capacity would likely not increase housing supply or reduce prices. On that basis, their recommendations revolved around traditional planning concerns — amenity, environment, transport capacity, etc — cueing meltdowns and toy-tossing from local YIMBYs, as well as [dark warnings](#) that central government economists might need to take the wheel.

The local story is that since we all know restrictive zoning is why Wellington housing is expensive, the (independent) panel should have "read the room" and played along.

But that fundamental claim is difficult to reconcile with certain facts:

1. Zoning for more housing is not the same as supplying more housing. So it's not simply "ECON 101" that looser zoning causes lower prices. Rather, it depends on whether there's existing spare capacity, and whether flooding the market with more would change the return to building new housing relative to [landbanking](#).
2. It's not clear that widespread upzoning boosted supply in Auckland. There was a building boom after 2016, and rents fell, but the key study attributing this to the reforms relied on the unjustifiable assumption that the growth rate of new supply would otherwise have fallen to half that prevailing beforehand (as we explained [here](#) and [here](#)).
3. Wellington developers are already flooded with choice. They develop about

1,000 dwellings each year from 35,000 dwellings worth of feasible capacity available. That capacity is set to broadly [quadruple](#). Construction is [slumping](#) right now due to falling demand, suggesting capacity limits aren't binding.

The panel's conclusions broadly aligned with my consulting colleague [Tim Helm's evidence](#) to the hearings. His statement included a concise summary of the economics of new housing supply. (It also discussed empirical studies and the local context).

I've presented that material below to help readers understand why worries about zoning and affordability are so often misplaced.



Submitter Evidence T Helm For Newtown Re...

215KB · PDF file

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The economics of new housing supply

- The economics of new housing development — the science of what, why, when and how much housing development occurs — is a relatively new field. These questions have been historically underexamined. Past lines of enquiry focused on the determinants of land prices (classical rent theory) and the long-run determinants of urban form (urban economics), but not on the conduct of developers and its consequences for housing supply.
- The following sections step through core concepts from this field relevant to the question: how do zoning rules affect housing affordability?

The rate of new supply is the key policy outcome

- Housing affordability is a matter of housing costs (e.g. rent) against income. Housing costs are determined by demand — which depends on population, incomes, and preferences — against the supply of dwellings available.
- The housing stock only grows via the 'flow' of new housing. Therefore if zoning makes housing less affordable, it must do so by reducing the rate of supply of new housing. If relaxing zoning rules ('upzoning') improves

affordability, it must do so by increasing the rate of new supply.

- This rate is the key metric for assessing the impact of policy on affordability.

New supply, zoned density, urban density and feasibility are distinct concepts

- Zoned density (or intensity) refers to the number of dwellings allowed on a site. Density is distinct from new supply, because although developers typically build to the maximum zoned density, they typically do not build on every site available to develop. Thus supply can change without any change in density limits, and density limits can change without changing supply. Zoned density and new supply are not synonymous.
- Site density and urban density are also different. Urban density relates to the geographic concentration of people. High site density a long way from population centres can result in low urban density. Equally, high urban density can be achieved with relatively low site densities (when more sites are fully developed). Urban density is the proper goal for productivity, environmental impact, and efficient infrastructure use. Site density is a better predictor of disamenity impacts, e.g. tree loss, run-off and overshadowing.
- Development feasibility refers to the profitability of converting land from lower-value to higher-value use (e.g. farmland to housing). Development feasibility can change without changing the rate of supply, because although development must be feasible to take place, most sites feasible to develop are not developed in any given period. Policies that increase feasibility will not necessarily increase supply.
- Distinguishing these concepts is important. Claims about upzoning and affordability are often based on the unexamined premise that zoning for density is identical to providing new housing. This ignores the critical role of the private sector, which develops most housing.

Housing development is a timing choice

- For the private sector, there exists an equilibrium rate of new supply that is privately most profitable. This equilibrium is in the flow of new housing, not the stock. The equilibrium does not involve developing all projects profitable

to develop.

- The reason feasible projects are not developed is that property development is fundamentally about asset reallocation — converting land and cash to housing. Because this is irreversible, and because under-developed land and cash assets earn returns, development is at heart a timing choice (a choice of when to build).
- From models of timing choices under uncertainty economists study the drivers of the rate of development.¹

Development happens at a market absorption rate

- The market rate of new supply is called the ‘absorption rate’. Economists explain this as the rate which balances the profitability of development and the profitability of speculation (landbanking).²
- Even when it is profitable to build, it can be more profitable not to build, because development-ready land rises in value through time, and over-supplying housing means selling at a discount. The absorption rate is determined by the balance of these considerations.
- The absorption rate is primarily a function of growth in demand (e.g. population). It acts to stabilise price growth: when demand grows and rents rise, market supply responds to limit that rise. Similarly, in a declining market, developers will pull back and supply less new housing, limiting the amount by which rents fall: developers will not voluntarily ‘flood the market’ with housing.
- There are no alternative theories of new housing supply that can explain the fact of profitable development opportunities not being taken up other than the idea of a built-in market ‘speed limit’ for the supply of new housing.

Land-use regulations do not constrain the absorption rate

- Paradoxically, zoning rules can bind on each and every housing development, reducing the profits of each and every developer, without binding

(constraining) the market rate of new housing supply. This is because most feasible development opportunities are rationally left undeveloped as strategic investments, in what is described as speculation or landbanking.

- This means that zoning rules just shape where housing goes and what it looks like—not how much is built.
- For example, if total demand growth is for six dwellings per year, zoning rules determine whether a city sees the development of:
 - (a) Six buildings with single dwellings under low-density zoning;
 - (b) Two buildings of three dwellings each under medium-density zoning; or
 - (c) One building of six dwellings, with other sites held vacant, under high-density zoning.
- How much housing is built is a market decision. The public decision to allow more housing is necessary but not sufficient for the private decision to build it.
- Economic models find the absorption rate to be generally unaffected by zoning rules. The only effect is a counterintuitive one: looser zoning on a site makes development *less* likely. This is because delaying development is more profitable when developers can benefit not only from rising prices but also from step-changes in the optimal built density (e.g. six stories instead of three). Restrictive zoning, by contrast, discourages developers from speculating on the possibility of a higher-density development becoming profitable later. The upshot is that upzoning a site to encourage its development might achieve the opposite.³

Zoned capacity has no influence on new housing supply

- There is no grounding in theory (or evidence) for the idea that the stock of zoned sites determines the rate of new supply, or that without extensive zoned capacity (e.g. 30 years) supply will slow and house prices will rise.
- Price pressure reflects changes in population and income relative to changes in housing stock. Nothing suggests that additions to the housing stock depend on the stock of zoned land. Rather, new supply depends primarily on the rate of

growth in demand.

- Subject to there being enough zoned capacity to meet market demand for new housing, increasing zoned capacity is like pushing on a string.
- In particular, it is important to note that the share of zoned capacity developed over a period (the ‘realisation rate’) is an outcome of the absorption rate (new dwellings per period) — not the other way around. The realisation rate is an effect, not a cause.
- Arguments that “only X% of zoned capacity is developed, therefore to increase development we must increase zoned capacity” are flawed. There are no credible theories that the rate of new supply (dwellings per period) responds to zoned capacity. The realisation rate (proportion of zoned capacity used for new housing in a period) is a summary statistic, not a fixed parameter that is independent of zoned capacity. It is not an economic variable with any causal influence.

Development costs and development rights affect land values, not house prices

- Taxes that increase development costs, and regulations that reduce development profit by restricting site density, are not passed forward into higher house prices, but back into lower land values. This is one of the oldest findings in the economics of land.⁴ It is formalised in professional development feasibility and land valuation practices.
- If developers could increase their sale prices in response to higher costs without losing sales, they would clearly do so regardless of the specific costs they face.
- Rents and prices reflect the market’s willingness-to-pay for housing, not the costs of construction or the price paid for land. Housing is not priced on a ‘cost-plus’ approach, since the major component, land, has no underlying cost of production. The price it sells for is a residual, determined by buyers’ willingness to pay for housing, less development costs.
- Equivalently, zoning changes that grant new development rights are capitalised into higher land values. Landowners do not receive a financial

benefit from restrictive zoning — rather, additional land use rights provide option value to develop, causing houses to appreciate in value. The more development-ready the land, the higher the uplift (windfall gain) from upzoning, as was observed in Auckland following the 2016 upzoning.⁵

More housing makes for a larger city, and trickles down slowly to the bottom

- More supply with unchanged demand does lower prices. But this is not the whole picture of how housing policy interventions work. More supply and lower prices also induce two adaptive responses on the demand side:
 - (a) Faster in-migration
 - (b) Increased consumption of housing by all consumers, not just low-income households.

Migration and spatial equilibrium

- A key principle in urban economics is ‘spatial equilibrium’, summarised in the phrase “migration equalises quality of life”. The elements of quality of life that drive migration include wages, rents, travel times, crowding disamenity, and location-specific features (e.g. natural features, climate).
- In-migration bids up rents and bids down wages by way of competition. It also increases congestion and crowding. These changes erode quality of life differences between locations over time, re-establishing equilibrium.
- When a construction boom pushes rents lower, this induces in-migration, which restores rents to levels comparable to elsewhere. Thus lower rents are only ever a temporary outcome. The long-run outcome is that more supply creates a larger (not cheaper) city. If it remains cheaper, it is because another element of quality of life has changed, e.g. congestion or amenity.
- The recent experience of Christchurch, where cheaper housing prompted fast population growth and quickly-rising housing costs, illustrates this point.

Housing consumption

- Demand for housing is ‘elastic’ — as the price falls, people consume more and

better housing by renting or buying more floor space or land area and by bidding up preferred locations. As a stylised empirical fact, the share of household budgets dedicated to housing is fixed.⁶

- Faster market supply therefore does not mean more housing will be provided for those in greatest need. Markets allocate resources — e.g. land and construction resources — according to purchasing power, not need. More market housing will ‘filter’ or ‘trickle down’ to improve affordability for low-income households only slowly and indirectly.
- The upshot of migration and consumption responses is that supply-side policy interventions to lower housing costs can only ever have temporary and limited effect. The primary levers for affordability for those on low incomes are income support and non-market housing, not market supply.

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1

The ‘absorption rate’ framing and findings discussed below are from Murray (2021). Other timing choices models of housing development include Lange and Teulings (2021) and Guthrie (2022). See Murray (2021), A housing supply absorption rate equation, *Journal of Real Estate Finance and Economics*; Lange and Teulings (2021), The option value of vacant land: Don’t build when demand for housing is booming, Tinbergen Institute Discussion Paper; Guthrie (2022), Land Hoarding and Urban Development, *Journal of Real Estate Finance and Economics*.

2

The ‘absorption rate’ framing and findings discussed below are from Murray (2021). Other timing choices models of housing development include Lange and Teulings (2021) and Guthrie (2022). See Murray (2021), A housing supply absorption rate equation, *Journal of Real Estate Finance and Economics*; Lange and Teulings (2021), The option value of vacant land: Don’t build when demand for housing is booming, Tinbergen Institute Discussion Paper; Guthrie (2022), Land Hoarding and Urban Development, *Journal of Real Estate Finance and Economics*.

3

Murray (2021), A housing supply absorption rate equation, *Journal of Real Estate Finance*

and Economics; Titman (1985), Urban land prices under uncertainty, American Economic Review.

4

In his 1817 work *Principles of Political Economy and Taxation* classical economist David Ricardo expressed this by saying that “[the price of] corn is not high because a rent is paid, but rent is paid because the price of] corn is high”. Ricardo’s theory of rent remains central to the economic understanding of land.

5

Greenaway-McGrevy (2018), Rezoning to allow more intensive development brought windfall profits for some property owners, not so much for others, [Interest.co.nz](https://www.interest.co.nz), 19 April.

6

Murray (2022). Why is the rent-to-income-ratio flat?, Fresh Economic Thinking, 3 October.

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From: [Chris Parker TSY](#)
To: [Jan Esquilant TSY](#); [Matthew.Brunton@rbnz.govt.nz](#); "Chris McDonald"; [Ashley.Farquharson@rbnz.govt.nz](#); [Alex Gunn](#); [Nick McNabb](#); [^RBNZ: Enzo Cassino](#); [Frances Krsinich \(Guest\)](#); [Andrew.Coleman@rbnz.govt.nz](#); [Mariona Roige Valiente](#); [Tyler.Smith@rbnz.govt.nz](#); [Nam Ngo](#); [John.Knowles@rbnz.govt.nz](#); [alan.bentley@rbnz.govt.nz](#); [Matthew Galt TSY](#); [+TSY 3.31 Pātiki -54 -MS Teams \(EXT\)](#); [Ben Ching TSY](#); [Jean Le Roux TSY](#); [Dominick Stephens TSY](#); [Geraldine Treacher](#); [Connor Gavin TSY](#); [Talosaga Talosaga TSY \(Guest\)](#); [Robert Murray](#); [^IRD: Matt Benge](#); [Cormac Lynch TSY \(Guest\)](#)
Subject: FW: Bad housing economics never dies, it only accumulates more ignored "limitations"
Date: Monday, 4 December 2023 5:01:18 pm

Kia ora HTWG,

FYI, ahead of Wednesday's hui with Cameron Murray, below is his new post that covers a few areas of particular interest to the HTWG.

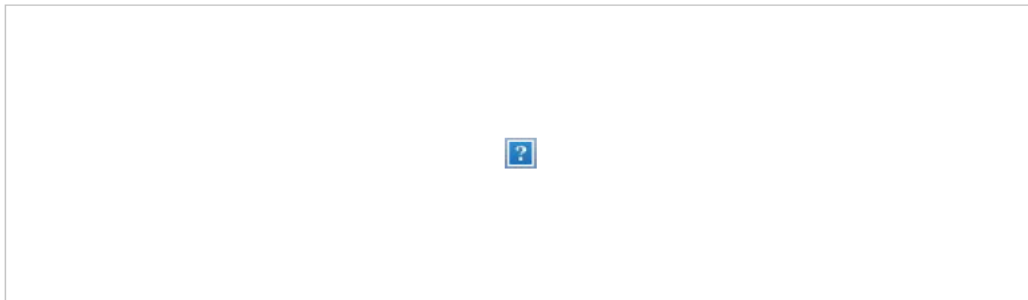
One is a critique of Dr Ryan Greenaway-McGrevy's and Peter Philips' estimate of the impact of the AUP. I think he and Tim Helm (who will also be there Wed) raise some reasonable doubt about the impact of the AUP, and more work is required to estimate the AUP's impacts. (I think they could've done so more charitably than they did though.)

The other is a critique of the intensive-extensive margin of Glaeser and Gyourko's, which the HTWG might one day get to after we've written up our results of the PCR and urban-rural price differential.

Bring your burning questions to hit up Cameron on Wednesday!

Āku mihi
Chris

Forwarded this email? [Subscribe here](#) for more



[Bad housing economics never dies, it only accumulates more ignored "limitations"](#)

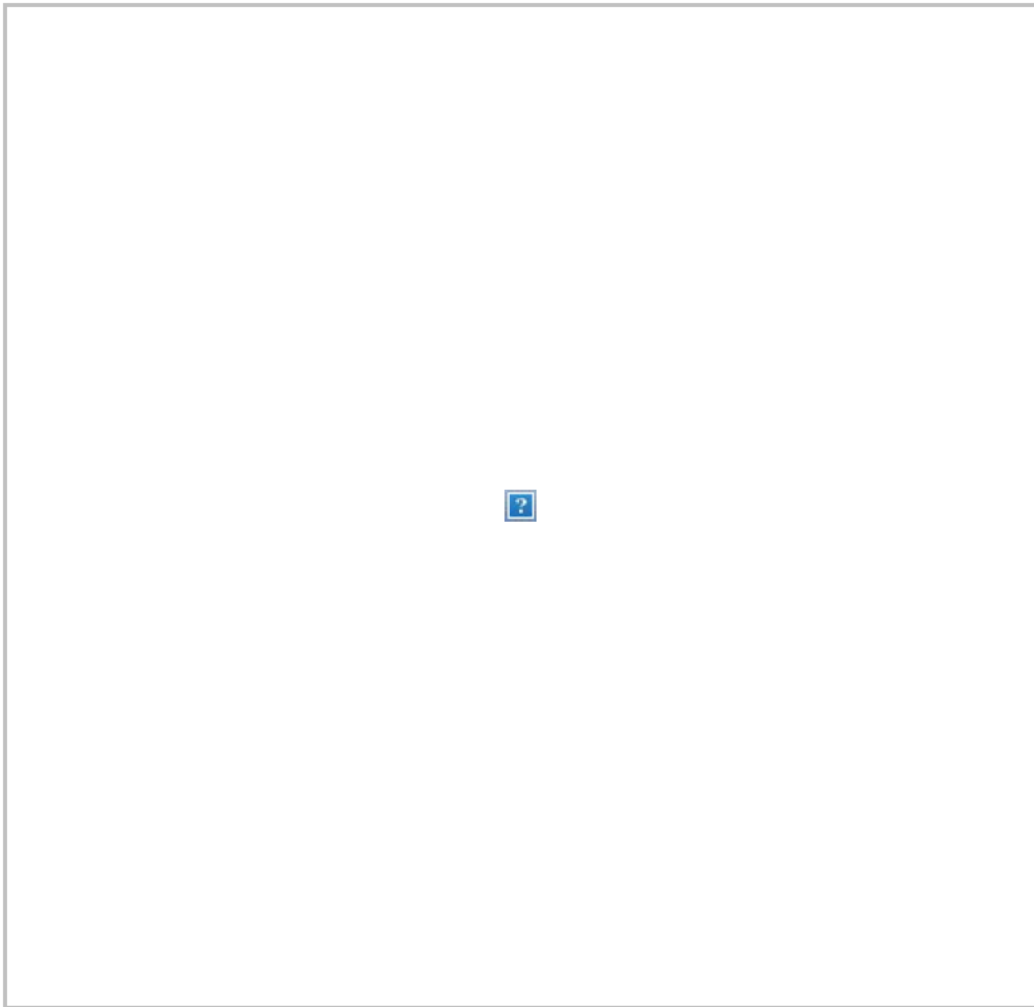
When a method takes on a life of its own it becomes hard to kill

[CAMERON MURRAY](#)

DEC 3



[READ IN APP](#) 



My colleague Tim Helm and I have [recently explained \(twice over\)](#) why a popular method used to assess the effect on total new housing dwelling development in Auckland due to upzoning is unsuitable for the task.

It hasn't stopped the method from being defended. Nor has it stopped those who want to believe the result from carrying on as if there are no problems with the method that undermine its main claim.

And I am confident nothing will change.

I have been through it all before. A paper comes out with implausibly large effects from planning and zoning based on a method that makes little sense, yet because of the desire to believe the result it gets widely accepted, replicated, and integrated into the lore of the discipline.

All criticism is ignored.

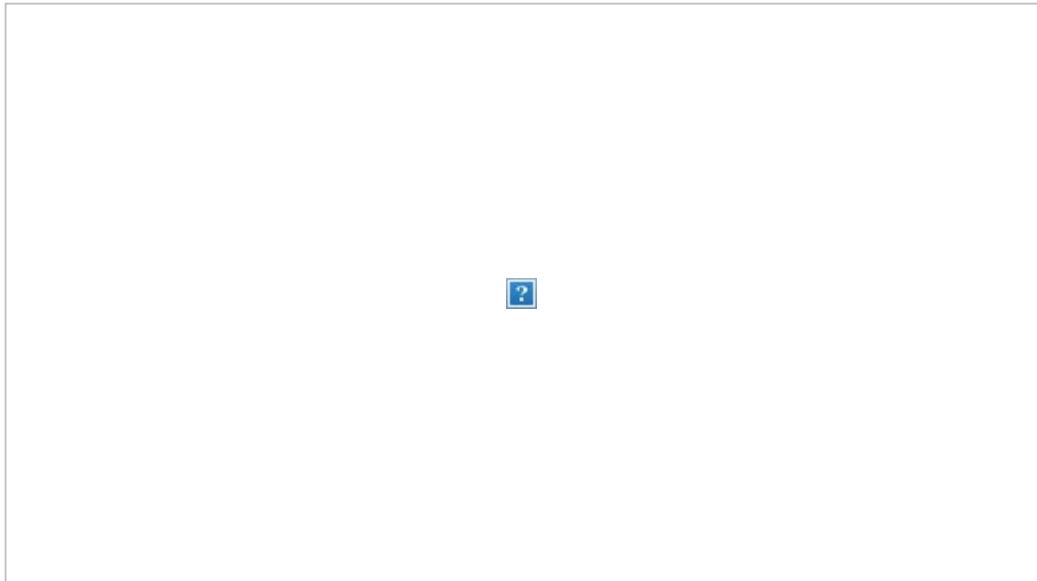
The last time was back in 2018 when I discovered Harvard economist Ed Glaeser's [zoning tax method](#) for estimating the effect of zoning regulation on home prices.

Here's how that went down.

1. Ross Kendall and Peter Tulip used the method in a Reserve Bank of Australia [discussion paper](#) in 2018. It attracted a great deal of media attention (and my attention), as you might expect with results like this:

"We estimate that zoning restrictions raised the average price of detached houses, relative to supply costs, by 69 per cent in Melbourne, 42 per cent in Brisbane and 54 per cent in Perth."

2. Given the size of the results, the method was of great interest. I [replicated the method on my blog](#) using pre-planning colonial Queensland land sales data from the 1850s. If this method established the price effect from zoning, then how could it be true that in pre-zoning Queensland, with a population of 15,000, the method also finds a large price effect?
3. I was part of a video trying to bring the discussion back to reality.



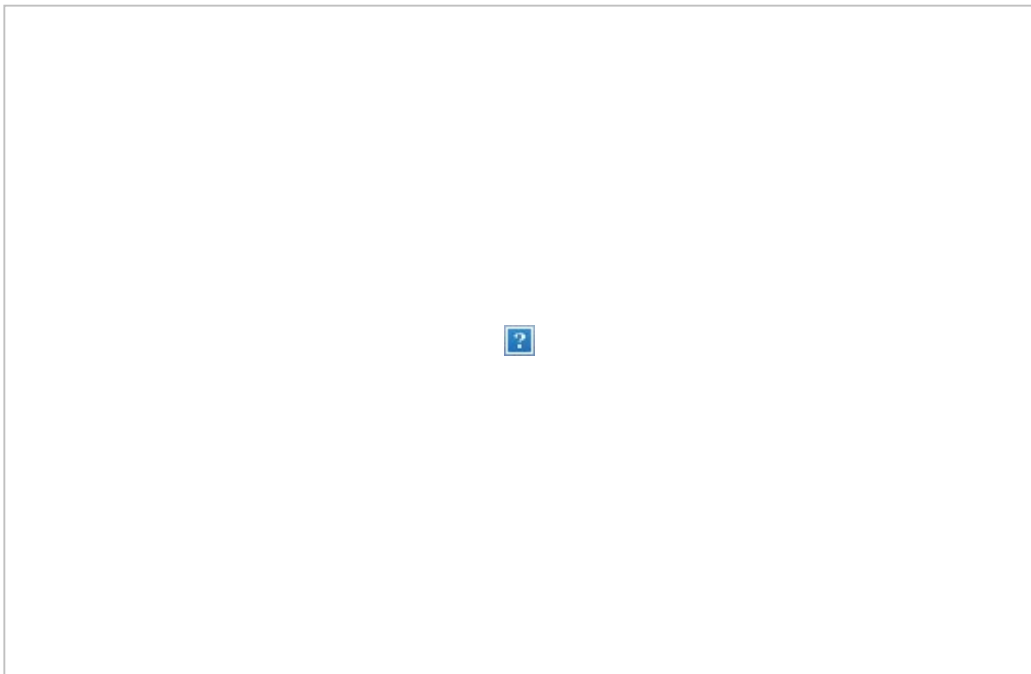
4. I wrote a very detailed academic piece about the method, which is [now published in the journal Environment and Planning A](#). Interestingly, one of the reviewers wrote the following to me in their comments:
"The main point of this paper is both correct and important: the popular hedonic price method of calculating a "regulatory tax" initiated by Glaeser and Gyourko (2003) (henceforth G&G) has little or no scientific merit, and should not be used.

...So the G&G method is ripe for criticism. The early critiques by Somerville (2005) and O'Flaherty (2003) were massively ignored, and their authors probably didn't notice because they thought that the G&G method was too ditzy to go anywhere. But as Murray points out, the method has become popular and its results have become influential. So Murray's critique is timely."
5. I wrote [a short summary for journalists and interested laymen](#) about how ridiculous

the method is. In the process of writing this piece, I discovered that this whole debate already happened in the early 1990s in [this 1991 paper](#) and [this 1993 paper](#).

6. I [defended my arguments](#) about why the method makes no sense on Bryan Caplan's [Bet On It](#) substack. Peter Tulip [quickly defended it](#).
7. I've repeatedly explained all of this on Twitter for five years.

Now, people just keep using it anyway, [list](#) some "Limitations on Methodology", and carry on regardless, as the image below shows.



Source: https://www.cdhowe.org/sites/default/files/2023-05/For%20release%20E-Brief_341.pdf

I think I can try one more time to explain the method and why it makes no sense.

Imagine you are a car maker, producing a variety of car models, such as hatchbacks, sedans, vans, utes, and more. An economist looks at the stock of cars on the road and thinks something like the following.

“You know, all the extra steel, alloys, plastic, and rubber used to make bigger cars could have instead be used to make more smaller cars. If the marginal price of an extra kilogram of car material is lower than the average price per kilogram of a car, then car-makers are not optimising their use of materials to get the highest price-per-kilogram return. There must be a regulatory barrier. We can compare the average price per kilogram of a car to the marginal price per kilogram and the size of this gap will indicate the degree that regulations are inhibiting car supply.”

As a car maker, you would think these economists were insane. Why should cars be priced at the same *dollars per kilogram* regardless of size? However, if there were regulations that were costly for you, it might make sense to go along with them and use this research to help justify policy changes that would suit your bottom line.

But deep down, if people kept using this method of weighing cars and comparing their weights to the prices and simply added “limitations on methodology” to their analysis you’d still think they were mad.

Alas, this is where we are at with zoning and housing analysis. The desire to believe is strong. And there is now another case emerging.

Another case of bad housing research

An influential 2019 paper [by Hsieh and Moretti](#) entitled *Housing Constraints and Spatial Misallocation*, which has been cited over 800 times, is [riddled with errors](#). The claim in that paper is that the rate of economic growth in the United States was 36% lower for nearly half a century because of land use regulations and that GDP would be 3.7% higher without these regulations.

In 2021, [Bryan Caplan noted](#) some anomalous numbers in key tables. Bryan wondered how such a large effect on the growth rate over such a long period could have such a small effect on the GDP level after fifty years or so. The authors conceded that there were errors in their tables and that the true effect should be that GDP would be 14% higher without land use regulation, not 3.7%. An error that makes the result even more shocking!

But now, a [complete replication by Brian Greaney using the code and data](#) from the authors has found numerous coding errors. Even assuming their data and method make sense (which is a very important but different question), correcting these errors took the result—which had jumped from 3.7% to 14%—back down to 0.2%. Not only that but simply working through their model assumptions correctly reverses the underlying basis for the claim that removing land-use regulation would increase output. Greaney summarises that “their model predicts that the land-use deregulation experiment they propose would *decrease* output.” Debate continues, and [it’s not looking good for Hsieh and Moretti](#).

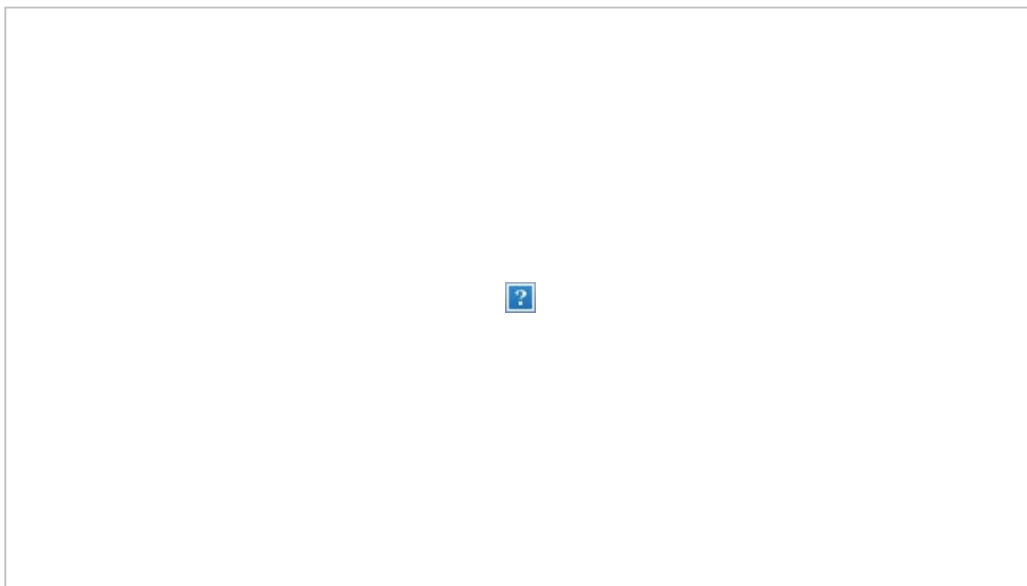
But will this stop the desire to believe? No. The [game now is to pick different papers to cite](#) instead to support the claim of huge growth effects from land use regulation!

Bad housing economics never dies.

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From: [Mike Hurley](#)
To: [DL - SDI - Urban Development Enablement](#)
Subject: FW: Methodology for greenfield feasibility case studies
Date: Wednesday, 15 November 2023 12:23:56 pm
Attachments: [Economic incidence vPUBLISH.pdf](#)
[image003.png](#)
[image004.png](#)
[image006.png](#)
[image010.png](#)
[image012.jpg](#)
[image001.png](#)
[image002.png](#)
[image005.png](#)
[image009.png](#)
[image011.jpg](#)
[image014.png](#)
[image015.png](#)
[image016.png](#)

Interesting paper on the effects of DCs

6

From: Mike Hurley
Sent: Tuesday, November 14, 2023 1:14 PM
To: David Shamy <David.Shamy@hud.govt.nz>; Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>; Jason Haskell <Jason.Haskell@hud.govt.nz>; Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>; Nam Ngo <Nam.Ngo@hud.govt.nz>
Cc: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>; Laura Hemingway <Laura.Hemingway@hud.govt.nz>
Subject: RE: Methodology for greenfield feasibility case studies

I think this is the one Daniel was trying to share

From: David Shamy <David.Shamy@hud.govt.nz>
Sent: Tuesday, November 14, 2023 1:09 PM
To: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>; Jason Haskell <Jason.Haskell@hud.govt.nz>; Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>; Nam Ngo <Nam.Ngo@hud.govt.nz>
Cc: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>; Mike Hurley <Mike.Hurley@hud.govt.nz>; Laura Hemingway <Laura.Hemingway@hud.govt.nz>
Subject: RE: Methodology for greenfield feasibility case studies

This link didn't work for me Daniel...

David Shamy (he/him)
Principal Policy Advisor | Planning and Infrastructure
Intelligence and Systems Direction
David.Shamy@hud.govt.nz | Phone: +64 9 953 6424
www.hud.govt.nz | Level 6, 45 Queen Street, Auckland



From: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>
Sent: Tuesday, November 14, 2023 12:14 PM
To: Jason Haskell <Jason.Haskell@hud.govt.nz>; Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>; Nam Ngo <Nam.Ngo@hud.govt.nz>
Cc: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>; David Shamy <David.Shamy@hud.govt.nz>; Mike Hurley <Mike.Hurley@hud.govt.nz>; Laura Hemingway <Laura.Hemingway@hud.govt.nz>
Subject: RE: Methodology for greenfield feasibility case studies

Kia ora koutou.

This paper may be useful for tomorrow's meeting on a methodology for greenfield feasibility case studies.

[c137db4d45a41add6a60eb1ac13f1f3d_R4_Economic_incidence_of_developer_contributions_-_Final_-_10_June_2022.pdf \(amazonaws.com\)](https://s3.amazonaws.com/137db4d45a41add6a60eb1ac13f1f3d/R4_Economic_incidence_of_developer_contributions_-_Final_-_10_June_2022.pdf)

Pages 15-18 do a case study on the impact of increased case studies for Drury. They find that the additional cost of DCs will result in lower land prices, development in Drury would still be feasible, but the change in DCs may affect the timing of development at Drury. s 9(2)(f)(iv)

[Redacted]

Daniel

-----Original Appointment-----

From: Jason Haskell <Jason.Haskell@hud.govt.nz>
Sent: Friday, November 10, 2023 3:43 PM
To: Jason Haskell; Jason Haskell; Mariona Roige Valiente; Alex Gunn; Nam Ngo; Daniel Lawrey
Cc: Fiona McCarthy; David Shamy; Mike Hurley; Laura Hemingway
Subject: Methodology for greenfield feasibility case studies
When: Wednesday, 15 November 2023 1:00 pm-1:45 pm (UTC+12:00) Auckland, Wellington.
Where: Microsoft Teams Meeting; MEET WLG 7.01 (20) VC WB

s 9(2)(f)(iv)

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From: Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>

Sent: Friday, November 10, 2023 8:10 AM

To: Jason Haskell <Jason.Haskell@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>; Nam Ngo <Nam.Ngo@hud.govt.nz>; Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>

Cc: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>

Subject: RE: Greenfield feasibility case studies

Hi all,

Thanks for these timings, it's very helpful. Yes, let's do a session next week to think through these case studies. Wednesday or Thursday afternoon would work for me and I'm in Wellington so we could even do a real whiteboard session.

Mariona Roigé Valiente ([she/her](#))

Principal Advisor | System Intelligence Team

System Insights and Strategy

Mariona.RoigeValiente@hud.govt.nz | Phone: +64 4 830 6965 | Mobile **s 9(2)(a)**

www.hud.govt.nz | Level 9, 7 Waterloo Quay, Pipitea, Wellington

From: Jason Haskell <Jason.Haskell@hud.govt.nz>
Sent: Thursday, November 9, 2023 12:41 PM
To: Alex Gunn <Alex.Gunn@hud.govt.nz>; Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Nam Ngo <Nam.Ngo@hud.govt.nz>; Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>
Cc: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>
Subject: Greenfield feasibility case studies

s 9(2)(f)(iv)



Ngā mihi,

Jason Haskell ([he/him](#))
Policy Advisor | Urban Development Enablement
Policy and Legislation Design
jason.haskell@hud.govt.nz | Phone: 04-830-6911
www.hud.govt.nz | Level 8, 7 Waterloo Quay, Wellington, New Zealand

Office Request 6/06/23

The request:

Advisors would like HUD's thoughts on this tweet

(<https://twitter.com/DrCameronMurray/status/1665243271633965059>) and article

(<https://www.fresheconomicthinking.com/p/the-auckland-myth-there-is-no-evidence>) around upzoning in Auckland ahead of the 9pm meeting tonight.

If you are able to send this through by 5pm (ideally) that would be much appreciated.

Summary of the article referenced in the tweet and surrounding context

The original research - <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/Economic-Policy-Centre--EPC-/006WP%20-%204.pdf>

The original research by Ryan Greenaway-McGrevy and Phillips (GMP) showed that the Auckland Unitary Plan (AUP) caused housing supply to increase.

To demonstrate this, they looked at the trend for consenting in areas that had been upzoned and not upzoned. In order to demonstrate the effect of the AUP, the researchers needed to remove the impacts of the Special Housing Areas (SHAs) which had already been rezoned for more intensive developments, and where consenting numbers had already risen.

The article mentioned above - [The Auckland myth: There is no evidence that upzoning increased housing construction \(fresheconomicthinking.com\)](https://www.fresheconomicthinking.com/p/the-auckland-myth-there-is-no-evidence-that-upzoning-increased-housing-construction)

Dr Murray and Dr Tim Helm have published a rebuttal of the research by GMP. One of their arguments is that the SHA numbers shouldn't have been removed as they were still valid consents. When included the AUP doesn't make the impact that is shown in the GMP research. Their other two concerns are the analysis to create the counterfactual non-upzoned data, and the relation between consents and completions.

Dr Murray in the article and on twitter makes reference to the cyclical nature of construction and makes comparisons to data about Sydney.

The extension to the original research - <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/Economic-Policy-Centre--EPC-/WP015.pdf>

In response to Dr Murray and Dr Helm's queries, Ryan Greenaway-McGrevy published an extension to the original paper, dealing with many of their concerns. The extension to the original research was published before the article above (the article references this exchange, however focuses on critique of the original article). The extension article concludes that the original paper's findings hold and are robust: "the empirical evidence continues to support the zoning reform having substantial impact on housing permits issued in Auckland".

Other research/responses about upzoning

In response to Dr Murray's article, Matt Maltman has published a blog which analyses the criticism by Dr Murray and Dr Helm, and the extension paper by Greenaway-McGrevy. He concludes that the extension paper deals well with the criticisms. Maltman also comments on Dr Murray and Dr Helm picking two pieces of evidence from the same online magazine as evidence of Auckland's views on upzoning policies. [A response to Murray and Helm on Auckland's upzoning. — One Final Effort](#)

Ryan Greenaway-McGrevy has also published another report, the findings of which "suggested that large-scale zoning reforms in Auckland enhanced affordability of family-sized housing when evaluated by rents." [WP016.pdf \(auckland.ac.nz\)](#)

Internationally, Kate Barker provides a review paper on the effects of [Planning policy, planning practice, and housing supply](#). "Evidence on the relationship between house prices and housing supply, and on house-builders' landbanks, suggests that planning constraints are a key factor behind the long-term upward trend in house prices (though over shorter periods other factors, such as long-term real interest rates, will be more important)." Looking at international examples is useful in this case as they did their reforms a long time ago so the effects can be better quantified in hindsight. These effects of constraints on land supply also broadly align with the findings of the Treasury, HUD and RBNZ Housing Technical Working Group's paper: <https://www.treasury.govt.nz/publications/information-release/assessment-housing-system-insights-hamilton-waikato-area>.

Other relevant information

Consents are an indication of intent to develop within the next two years. The delay between consenting and completion also means that consents shouldn't be automatically interpreted as completed dwellings. For a better view of completed dwellings, we can look at CCCs issued by Auckland Council which shows the significant number of dwellings completed over the past few years, despite the challenges faced by the sector.

| Year Ending | Number of CCCs issued |
|-------------|-----------------------|
| Mar-16 | 6022 |
| Mar-17 | 7479 |
| Mar-18 | 8782 |
| Mar-19 | 9429 |
| Mar-20 | 11318 |
| Mar-21 | 12768 |
| Mar-22 | 13130 |
| Mar-23 | 14421 |

HUD thoughts

- HUD supports good faith engagement to produce robust research.
- HUD notes that there is substantial disagreement to Dr Murray's original tweet, from other economists.
- HUD notes that Ryan Greenaway-McGrevy's extension article deals with a large portion of Dr Murray and Dr Helm's criticism.

- HUD agrees with Ryan Greenaway-McGrevy's characterisation of the SHAs as early-access implementation of the AUP upzoning, rather than as a separate land-use initiative 'replaced' by the AUP, as Murray and Helm contend. The SHA policy application in Auckland was designed specifically for this purpose. This supports the original decision by GMP to exclude these consents from the initial study parameters.
- The effects of upzoning on supply provision and affordability are inherently complex, thus difficult to quantify and will vary depending upon judgements made by the researcher.

From: [David Hermans](#)
To: [Daniel Lawrey](#)
Subject: FW: By 5pm: Evidence of upzoning and construction
Date: Thursday, 15 June 2023 5:15:12 pm
Attachments: [Office Request 060623.docx](#)
[image001.png](#)
[image003.png](#)
[image005.png](#)
[image007.png](#)
[image008.png](#)
[image009.png](#)

Advice that went over attached

From: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>
Sent: Tuesday, June 6, 2023 4:39 PM
To: Wynn McLaughlin (Guest) <Wynn.McLaughlin@parliament.govt.nz>
Cc: Brad Ward <Brad.Ward@hud.govt.nz>; Ministerial Services <Ministerial_Services@hud.govt.nz>; Laura Miller <Laura.Miller@hud.govt.nz>; David Hermans <David.Hermans@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>; Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Richard Deakin <Richard.Deakin@hud.govt.nz>; Nicole Rennie <Nicole.Rennie@hud.govt.nz>
Subject: RE: By 5pm: Evidence of upzoning and construction

Kia ora Wynn,

Please see attached.

Working to finalise the other info request now too.

Fiona

Fiona McCarthy *(she/her)*

Manager Urban Development Enablement | Policy and Legislation Design
Solutions Design and Implementation

Fiona.McCarthy@hud.govt.nz | Phone: +64 4 832 2594 | Mobile: s 9(2)(a)
www.hud.govt.nz | Level 8, 7 Waterloo Quay, Pipitea, Wellington

From: Wynn McLaughlin <Wynn.McLaughlin@parliament.govt.nz>
Sent: Tuesday, June 6, 2023 1:29 PM
To: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>
Cc: Brad Ward <Brad.Ward@hud.govt.nz>; Ministerial Services <Ministerial_Services@hud.govt.nz>; Laura Miller <Laura.Miller@hud.govt.nz>
Subject: By 5pm: Evidence of upzoning and construction
Importance: High

Hello,

Advisors would like HUD's thoughts on this tweet (<https://twitter.com/DrCameronMurray/status/1665243271633965059>) and article (<https://www.fresheconomicthinking.com/p/the-auckland-myth-there-is-no-evidence>) around upzoning in Auckland ahead of the 9pm meeting tonight.

If you are able to send this through by 5pm (ideally) that would be much appreciated.

Thanks,
Wynn

Wynn McLaughlin (he/him)

Private Secretary (Housing)

Wynn.McLaughlin@parliament.govt.nz | s 9(2)(a)

Office of Hon Dr Megan Woods

Minister of Housing | Minister for Infrastructure | Minister of Energy & Resources | Minister for Building and Construction | Associate Minister of Finance

Private Bag 18041 | Parliament Buildings | Wellington 6160 | New Zealand

Office Phone: +64 4 817 8705 Email: m.woods@ministers.govt.nz

From: [Daniel Lawrey](#)
To: [Keith Miller \(Guest\)](#)
Cc: [Laura Hemingway](#)
Subject: DCs - managing uncertainty of future land prices
Date: Wednesday, 3 May 2023 3:35:18 pm

Hi Keith,

At this morning's IFFS Project meeting, you mentioned you were thinking about how councils best manage uncertainty in future land prices when seeking to recover costs of growth infrastructure.

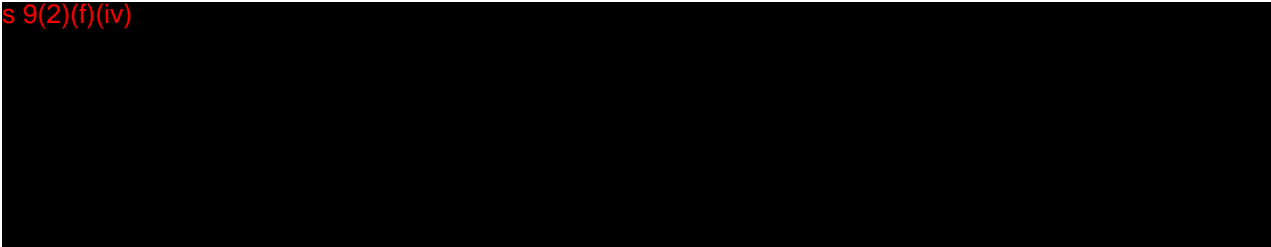
In case it's useful, I recall that one of Tim Helm's papers for Auckland Council's Drury DCs had some analysis on whether precision of DCs/cost recovery matters. This included the following comment.

Any remaining differences should be seen in the context of matching charges paid to impacts caused not being the only goal of DCs. Implicit also is a beneficiary pays principle – and in that context the differences in DCs paid by different developers pale in comparison to the significant private benefit that all parties gain from infrastructure provision and complementary zoning changes. Concern for precision in mirroring the infrastructure costs a development causes in the development contribution it pays somewhat misses the wood for the trees.

DC price signals may encourage more efficient development choices, particularly between greenfields and brownfields development, so moving closer to full cost recovery by including post[1]2031 capex may have merit beyond making the system fairer. However there is little cause for concern that DCs which reflect cost differences across locations, development types and time only imperfectly will hold back development activity or impose economic costs. DC policy is primarily a question of distribution – who bears costs – and only secondarily a matter of economic incentives. Broadly cost-reflective charges that better internalise the significantly higher public costs of greenfield development will improve incentives, but precision is not necessary.

(From page 27 of [R5 Equity of options for funding long-term infrastructure investment.pdf \(697 KB\) \(pdf\)](#))

s 9(2)(f)(iv)



Daniel

From: Daniel Lawrey
Sent: Wednesday, 22 March 2023 3:39 pm
To: Keith Miller <keith.miller@dia.govt.nz>; Phoebe Brown <phoebe.brown@dia.govt.nz>; Chris

Parker TSY <Chris.parker@treasury.govt.nz>; Caitlin Daugherty-Kelly TSY <caitlin.daugherty-kelly@treasury.govt.nz>; Laura Hemingway <Laura.Hemingway@hud.govt.nz>; Rory Leonard <r.leonard@transport.govt.nz>

Cc: Lucy Groenhart <Lucy.Groenhart@mfe.govt.nz>

Subject: Economic reports on developer contributions

Kia ora koutou,

Tim Helm (a consulting economist) recently got in touch with HUD to draw our attention to a couple of reports he co-authored to support Auckland Council's development contributions proposals for Drury. The reports cover: (i) the economic incidence of development contributions, and (ii) equity of options for funding infrastructure. Both reports were part of the publicly available suite of documents to support the Drury DCs proposals, so you may have seen them already.

[R4 Economic incidence of developer contributions.pdf \(1.33 MB\) \(pdf\)](#)

[R5 Equity of options for funding long-term infrastructure investment.pdf \(697 KB\) \(pdf\)](#)

I highly recommend taking a look at these reports to inform our overall thinking about infrastructure funding and financing. Some of the connections with our project include:

- Workstream G – how DCs are used, how precise cost-recovery should be, and alternatives to DCs.
- Workstream A – the reports can help us identify a better understanding of the role of cost recovery, and by implication the role of central government funding.
- Workstream B – the roles of exacerbator-pays vs beneficiary-pays, and the causal nexus between zoning/infrastructure and land value uplift.

Daniel

From: [Daniel Lawrey](#)
To: [Keith Miller \(Guest\)](#); [Phoebe Brown \(Guest\)](#); [Chris Parker TSY \(Guest\)](#); [Caitlin Daugherty-Kelly TSY\(Guest\)](#); [Laura Hemingway](#); [Rory Leonard \(Guest\)](#)
Cc: [Lucy Groenhart](#)
Subject: Economic reports on developer contributions
Date: Wednesday, 22 March 2023 3:39:27 pm

Kia ora koutou,

Tim Helm (a consulting economist) recently got in touch with HUD to draw our attention to a couple of reports he co-authored to support Auckland Council's development contributions proposals for Drury. The reports cover: (i) the economic incidence of development contributions, and (ii) equity of options for funding infrastructure. Both reports were part of the publicly available suite of documents to support the Drury DCs proposals, so you may have seen them already.

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[R5 Equity of options for funding long-term infrastructure investment.pdf \(697 KB\) \(pdf\)](#)

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- Workstream A – the reports can help us identify a better understanding of the role of cost recovery, and by implication the role of central government funding.
- Workstream B – the roles of exacerbator-pays vs beneficiary-pays, and the causal nexus between zoning/infrastructure and land value uplift.

Daniel

From: [Daniel Lawrey](#)
To: [Ben Richards](#)
Subject: Commentary on land value uplift
Date: Wednesday, 22 March 2023 2:09:35 pm

Hi Ben,

FYI – I've just been reviewing a couple of reports on development contributions in Drury. One of the reports had some useful commentary on the extent to which zoning changes vs infrastructure trigger land value uplift. I thought you may be interested in the LVUM work progresses in this direction. There aren't major revelations, but still some useful commentary.

The relevant commentary is on page 8 of [R5 Equity of options for funding long-term infrastructure investment.pdf \(697 KB\) \(pdf\)](#). E.g. "Markets anticipate rezoning and infrastructure provision, reflecting their value in land prices before formal approval or delivery. Such price effects are referred to as 'anticipatory effects', 'announcement effects' or a 'speculative run-up'. The extent to which anticipated future value is reflected in the price of traded property assets reflects the level of certainty buyers perceive in the planning system, the credibility of infrastructure policy announcements, and the likelihood of complementary uses being developed."

Daniel

From: Tim Helms [s 9\(2\)\(a\)](#)
Sent: Wednesday, February 8, 2023 11:06 am
To: Alex Gunn <Alex.Gunn@hud.govt.nz>
Subject: Developer contributions - Auckland

G'day Alex,

Hopefully you remember me from our coffee catch-up a year or so back.

I just spotted a piece on developer contributions [in Newsroom](#) that reminded me that I had intended last year to pass on to you some work of mine with Cameron Murray, a consulting colleague and housing economics academic based in Australia.

I don't recall developer contributions being within your remit, but figured that you may have colleagues in HUD who look at these issues and might be interested in our work.

Cameron and I prepared a couple of reports for Auckland Council on moving developer contributions to a full cost recovery basis for the Drury development area. Drury is shaping up to be something of a test case for councils recovering growth infrastructure costs from beneficiary landowners.

Our reports are housed here as part of a consultation on the Drury proposal:
<https://akhaveyoursay.aucklandcouncil.govt.nz/dc-policy2022-drury>

Our specific reports are the following:

[R4 Economic incidence of developer contributions.pdf \(1.33 MB\) \(pdf\)](#)

[R5 Equity of options for funding long-term infrastructure investment.pdf \(697 KB\) \(pdf\)](#)

We are pretty pleased with this work, which we consider has clarified thinking on the appropriate role of DCs in funding infrastructure and put forward some new and clearer explanations of how DCs relate to housing supply and affordability. The next large-scale central government review of DC policy will, I think, find these reports to be important contributions to understanding. Any work in progress on infrastructure value capture will likely find the same.

If you or colleagues are ever interested in commissioning work on topics of this kind, don't hesitate to get in touch. The two of us have been looking for any excuse to get our teeth into NZ's urban development indicators and development capacity measurement guidelines, in particular, both of which are in my opinion built on some rather shaky theory.

All the best!

Tim

--

Tim Helm Economic Consulting

s 9(2)(a)

From: [Daniel Lawrey](#)
To: [Nick McNabb](#); [Alex Gunn](#)
Cc: [Mariona Roige Valiente](#); [Laura Hemingway](#)
Subject: RE: Developer contributions - Auckland
Date: Wednesday, 22 March 2023 1:59:48 pm

Thanks Nick. Appreciate your thoughts on this.

From: Nick McNabb <Nick.McNabb@hud.govt.nz>
Sent: Wednesday, March 22, 2023 12:42 PM
To: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>
Cc: Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Laura Hemingway <Laura.Hemingway@hud.govt.nz>
Subject: RE: Developer contributions - Auckland

Kia ora Daniel

The statement is highly caveated. It is made in the context of a market where the volume of feasible development capacity significantly exceeds construction sector capacity. So adding more zoned serviced land is unlikely to see more building if the sector is at capacity.

They also go on to say that varying stock of zoned and serviced land “may change the sequence, or ordering, of sites developed. Until the stock of feasible sites shrinks to near zero, and therefore constrains the absorption rate in that region, zoning is of little consequence to the rate of new supply.” Where and what is really important and assuming any new housing unit is the same as another one elsewhere misses the significant efficiency gains that can come from increasing zoned and serviced capacity where people most want to live.

It would also appear to take a static view of things. In a static sense, more zoned and serviced land changes what is developed and where. Over time however this can change the structure of the construction industry with increased delivery of high/medium density housing that may generate more housing units for a given level of resource. Work by Ryan Greenaway McCreavy suggested that the additional supply enabled by the AUP was genuinely additional and not just displacement of development that would have occurred elsewhere. But this was also starting from a position where zoned and serviced capacity that was feasible was very low. The AUP has enabled a change in the structure of the construction sector in Auckland we would otherwise not have seen.

Nick

From: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>
Sent: Wednesday, March 22, 2023 12:25 PM
To: Nick McNabb <Nick.McNabb@hud.govt.nz>; Alex Gunn <Alex.Gunn@hud.govt.nz>

Cc: Mariona Roige Valiente <Mariona.RoigeValiente@hud.govt.nz>; Laura Hemingway <Laura.Hemingway@hud.govt.nz>
Subject: RE: Developer contributions - Auckland

Hi Alex and Nick,

Thanks for connecting me up with Tim's work. Through the UGA Infrastructure Funding and Financing System Project we are working with DIA on legislation and practice regarding DCs, and these papers are really helpful for that work. A number of problems with DCs have been identified, including inability to adequately cost-recover, creating incentives to predetermine infrastructure upgrades rather than adapting as development patterns evolve, and avoidance where consents are granted before DC policies are up-to-date. Alternative have also been proposed by Te Waihanga [s 9\(2\)\(g\)\(i\)](#).

I am planning on going back to Tim, saying we are working with DIA on DCs, thanking him for these reports, and that we will keep him in mind as we progress this work.

Before I go back to Tim though, I'm **keen to get your views** on statements in the paper that **"varying the stock of zoned or feasible sites will have little to no effect on new housing supply"**. This is explained on page 9 of [R4 Economic incidence of developer contributions.pdf \(1.33 MB\) \(pdf\)](#), where the paper talks about the "absorption rate" dictating the flow of housing supply rather than stock of zoned and feasible sites. **Do you have any thoughts on this that you could share via email or a quick chat?** I'm keen to get my head around this as it affects our thinking about the role of infrastructure funding supporting increased development capacity, and links with Future Development Strategies/Regional Spatial Strategies.

Thanks,
Daniel

From: Nick McNabb <Nick.McNabb@hud.govt.nz>
Sent: Monday, March 20, 2023 4:56 PM
To: Alex Gunn <Alex.Gunn@hud.govt.nz>; Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>
Subject: RE: Developer contributions - Auckland

Thanks Alex

This sounds interesting. I will have a look later in the week. Generally I would agree that higher DCs mean lower land costs initially. What is different is how this impacts development and any second order impacts which will be related to the reasons why DCs were raised. The second order impacts may be quite different.

- Where markets are well functioning then a rise in DCs will cause land values to fall, potentially below the level that made conversion to urban use profitable. In that case supply will be constrained until house prices rise it is now profitable to develop land. So the initial fall in land prices will be reversed.

- A parallel to this in regional centre is that a rise in DCs will increase the costs of development and at the margins worsen development economics. This was the case made by developers in Rotorua when it reintroduced DCs. However rising construction costs and falling prices swamped that effect. However the reintroduction of DCs was a condition of IAF funding which will make significant investment in stormwater infrastructure and provide greater gains to developers compared to the previous constraints and need for onsite solutions. The benefit of infrastructure investment is likely to lift profitability and land prices by more than the DCs
- Where land markets are constrained then a rise in DCs will reduce land prices. Where land owners are acting as monopolists then this may have no impact on the level of development and supply and prices are unchanged. If the increase in DCs over time increases the supply of zoned and serviced land this may improve competition in land markets and increase the supply of housing and house and land prices would be lower.

Thanks for the opportunity to geek out a bit. Felt good

Nick

From: Alex Gunn <Alex.Gunn@hud.govt.nz>
Sent: Monday, March 20, 2023 2:01 PM
To: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>; Nick McNabb <Nick.McNabb@hud.govt.nz>
Subject: FW: Developer contributions - Auckland

Kia ora

See below from an urban economist Bidy put me in touch with a while back. I've only scanned across the Exec Summaries so don't know how useful or not they may be - not sure Nick will agree with the conclusion that higher DCs = lower land costs – but feel free to get in touch directly with Tim or via me if there's anything you want to follow up.

Cheers

Alex Gunn

Manager, System Intelligence

Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

s 9(2)(a)

From: Tim Helm s 9(2)(a)
Sent: Wednesday, February 8, 2023 11:06 am
To: Alex Gunn <Alex.Gunn@hud.govt.nz>
Subject: Developer contributions - Auckland

G'day Alex,

Hopefully you remember me from our coffee catch-up a year or so back.

I just spotted a piece on developer contributions [in Newsroom](#) that reminded me that I had intended last year to pass on to you some work of mine with Cameron Murray, a consulting colleague and housing economics academic based in Australia.

I don't recall developer contributions being within your remit, but figured that you may have colleagues in HUD who look at these issues and might be interested in our work.

Cameron and I prepared a couple of reports for Auckland Council on moving developer contributions to a full cost recovery basis for the Drury development area. Drury is shaping up to be something of a test case for councils recovering growth infrastructure costs from beneficiary landowners.

Our reports are housed here as part of a consultation on the Drury proposal:

<https://akhaveyoursay.aucklandcouncil.govt.nz/dc-policy2022-drury>

Our specific reports are the following:

[R4 Economic incidence of developer contributions.pdf \(1.33 MB\) \(pdf\)](#)

[R5 Equity of options for funding long-term infrastructure investment.pdf \(697 KB\) \(pdf\)](#)

We are pretty pleased with this work, which we consider has clarified thinking on the appropriate role of DCs in funding infrastructure and put forward some new and clearer explanations of how DCs relate to housing supply and affordability. The next large-scale central government review of DC policy will, I think, find these reports to be important contributions to understanding. Any work in progress on infrastructure value capture will likely find the same.

If you or colleagues are ever interested in commissioning work on topics of this kind, don't hesitate to get in touch. The two of us have been looking for any excuse to get our teeth into NZ's urban development indicators and development capacity measurement guidelines, in particular, both of which are in my opinion built on some rather shaky theory.

In addition, don't hesitate to get in touch if you hear of HUD looking to expand its employed workforce. I've been tossing around various ideas for how and where to work in 2023. Although I'm very much keen to remain within the housing/transport/taxation space, the actual vehicle within which I do that is of lesser importance to the content of the work.

All the best!

Tim

--

s 9(2)(a)

[Redacted signature block]

From: [Rebecca Maplesden](#)
To: [Paul Kos](#)
Subject: FW: Evidence given by Waka Kotahi this afternoon
Date: Monday, 27 February 2023 5:39:02 pm
Attachments: [Wellington Hearing 1 Prep Notes.docx](#)
[image003.png](#)
[image009.png](#)
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[image007.png](#)
[image008.png](#)
[image011.png](#)
[image012.png](#)
[image018.png](#)

From: Nicole Rennie <Nicole.Rennie@hud.govt.nz>
Sent: Monday, 27 February 2023 5:18 pm
To: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>; Aidan Cameron <aidan@bankside.co.nz>;
ben.wauchop@mpi.govt.nz
Cc: Emma Petersen <Emma.Petersen@hud.govt.nz>; Rebecca Maplesden
<Rebecca.Maplesden@hud.govt.nz>; Laura Sutherland <Laura.Sutherland@hud.govt.nz>
Subject: RE: Evidence given by Waka Kotahi this afternoon

Kia ora koutou,

See attached the document we have been preparing today – it summarises key evidence and also contains transcripts of what was heard in front of the hearing. Hopefully it is of use.

Ngā mihi,
Nicole

Nicole Rennie ([she/her](#))
Senior Policy Advisor | Urban Development Enablement
Solutions Design and Implementation
nicole.ennie@hud.govt.nz | Phone: +64 4 832 255]

From: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>
Sent: Monday, February 27, 2023 12:03 PM
To: Nicole Rennie <Nicole.Rennie@hud.govt.nz>; Aidan Cameron s 9(2)(a)
ben.wauchop@mpi.govt.nz
Cc: Emma Petersen <Emma.Petersen@hud.govt.nz>; Rebecca Maplesden
<Rebecca.Maplesden@hud.govt.nz>; Laura Sutherland <Laura.Sutherland@hud.govt.nz>
Subject: RE: Evidence given by Waka Kotahi this afternoon

I reached out to Waka Kotahi this morning expressing my surprise and they said:

Hi Fiona,

It was an interesting hearing and we were somewhat ambushed by the WCC position the day before and the lack of appearance by GWRC to explain the RLTP.

I'll explain more in the catch up tomorrow if you'll be there?

I'm catching up with Evan from Waka Kotahi, and managers from MFE (standing meeting) tomorrow at 11:30 so should have more to report back when we meet before the hearing.

Fiona

Fiona McCarthy ([she/her](#))

Manager Urban Development Enablement | Policy and Legislation Design
Solutions Design and Implementation

Fiona.McCarthy@hud.govt.nz | Phone: +64 4 832 2594 | Mobile: s 9(2)(a)
www.hud.govt.nz | Level 8, 7 Waterloo Quay, Pipitea, Wellington

From: Nicole Rennie <Nicole.Rennie@hud.govt.nz>

Sent: Monday, 27 February 2023 11:49 am

To: Aidan Cameron s 9(2)(a) Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>;
ben.wauchop@mpi.govt.nz

Cc: Emma Petersen <Emma.Petersen@hud.govt.nz>; Rebecca Maplesden
<Rebecca.Maplesden@hud.govt.nz>; Laura Sutherland <Laura.Sutherland@hud.govt.nz>

Subject: RE: Evidence given by Waka Kotahi this afternoon

Kia ora Aidan,

I just received a link from Jazz in response to my request on Friday, Day 1 and 2 are here: https://www.youtube.com/playlist?list=PLC-bDIXns7JOGk-d7wKez_L2UrdwD-rvU. The other two days will not be up for another 24 hours. We will take notes off these today and share them with the group.

We have been reviewing the supplementary planning evidence given by Wharton from WWC, as well as the evidence of Wignall and Helm (engaged by Wellington Charitable Trust), and Mr Cribbens from Waka Kotahi (both written and his oral submission on Friday afternoon). We are now preparing some arguments and lines to respond to this evidence – will send this around before COP. Very happy to discuss this over the phone earlier if you would like.

Ngā mihi,
Nicole

Nicole Rennie ([she/her](#))

Senior Policy Advisor | Urban Development Enablement
Solutions Design and Implementation
nicole.ennie@hud.govt.nz | Phone: +64 4 832 2554

From: Aidan Cameron s 9(2)(a)
Sent: Monday, February 27, 2023 11:41 AM
To: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>; ben.wauchop@mpi.govt.nz
Cc: Emma Petersen <Emma.Petersen@hud.govt.nz>; Nicole Rennie <Nicole.Rennie@hud.govt.nz>; Rebecca Maplesden <Rebecca.Maplesden@hud.govt.nz>
Subject: Re: Evidence given by Waka Kotahi this afternoon

Hi Fiona

That is a pretty extraordinary u-turn from Waka Kotahi, and is disappointing to have that evidence coming from a Crown witness (especially when it is contrary to their written brief).

I've just had a quick look and it does not look like the recordings are uploaded as yet.

Nicole, given you are more frequently in touch with Jazz, would you mind dropping her an email and asking for a link to the recording, if and when it is available?

Ngā mihi / Regards

AIDAN CAMERON

s 9(2)(a)

From: Fiona McCarthy <Fiona.McCarthy@hud.govt.nz>
Date: Friday, 24 February 2023 at 4:53 PM
To: Aidan Cameron s 9(2)(a) ben.wauchop@mpi.govt.nz
<Ben.Wauchop@mpi.govt.nz>
Cc: Emma Petersen <Emma.Petersen@hud.govt.nz>, Nicole Rennie <Nicole.Rennie@hud.govt.nz>, Rebecca Maplesden <Rebecca.Maplesden@hud.govt.nz>
Subject: WCC: Evidence given by Waka Kotahi this afternoon

Hi all,

Just a heads up that Waka Kotahi gave evidence today to the IHP for Wellington and **argued that the Johnsonville trainline is neither existing, nor planned rapid transit**. This is contrary to what was in their written evidence.

It is highly likely that we will be asked both about our views on the current frequency; and whether there are planned improvements to the line. We'd still argue it is existing RT – happy to discuss it anyone has questions on this.

If you have time before our appearance on Tuesday I recommend that you watch the Waka Kotahi session – the link is here <https://wellington.govt.nz/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/hearings-information/hearings-topics-and-schedule/hearings-stream-1> and Alastair Cribbens for Waka Kotahi starts at 5:06.

- The crux of his argument as to it not being existing RT was due to the fact that it only ran every 30 minutes off peak compared to 15 minutes at peak times – his position was that off peak frequencies would need to improve to say that the line was existing RT. (e.g. the frequency limb of the RT definition). There was a question about whether the criterion in the definition need to all be satisfied or not (they're written as 'and').
 - Others have commented on this – the panel referred to Mr Andrew Wharton for the Council, and Mr Timothy Helm for Wellington's Character Charitable Trust
 - The panel also noted that the One Network Framework had downgraded the line from PT1 to PT4. (This appears to be a Waka Kotahi document)
- Mr Cribbens for Waka Kotahi started by saying that it could be viewed as planned RT as the RLTP and RPTP, and letter from GWRC say that improvements will be made to it ([hearing-stream-1-appendix-e-greater-wellington-regional-council-letter-johnsonville-rail-line.pdf](#)) – but as the panel described counter points then said that his view was this it could not be seen as planned RT.
 - The panel said that they'd heard from Mr Wharton for the council that there were no material improvements planned.
 - From Helm they heard that the 2021 GWRC RLTP contains no plans to change the frequency, speed, reliability or capacity of the line; and that the 2022 GWRC Wellington Rail Programme Business Case also contained no concrete plans to improve the line.
 - (I note that when refer to the RLTP that's as to what it says about the line being existing RT – we're not tying it to whether there are planned improvements).

Some key points from Mr Wharton's evidence:

- Whether Jville line is RT is a complex question and there's no clear answer
- He pushes back on the One Network Framework.
- Wharton has a section in his evidence on frequency – while agreeing with Helm that 10 mins would be ideal – it's not needed to classify a rapid transit service generally.

Helm's argument about frequency:

- The line is not:
 - frequent enough because it does not go at "turn up and go" transit, which is, as he say, 10 minute frequency (he refers to transport policy literature, Auckland Transport's Rapid Transit Baselines, and Let's Get Wellington Moving
 - Not time competitive with vehicle travel
 - Does not have capacity to support growth
- Therefore he argues the current form is not rapid transit.
- No plans to improve frequency, speed or capacity

We can talk more on Mon – and we'll keep working through our counter arguments ahead of Tuesday – but just wanted to make sure you're both aware of this.



Fiona

Fiona McCarthy ([she/her](#))

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From: [Nicole Rennie](#)
To: [Ben Wauchop](#)
Subject: Evidence in welly hearing
Date: Monday, 27 February 2023 3:50:00 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.jpg](#)
[image008.jpg](#)

Hey Ben,

As discussed, some links to:

- Wharton's supplementary evidence: <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/files/hearing-streams/01/rebuttal/statement-of-supplementary-planning-evidence-of-andrew-wharton-on-behalf-of-wellington-city-council.pdf>
- Helm's evidence: <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/files/hearing-streams/01/submitter-evidence/submitter-evidence--tim-helm-for-wellingtons-character-charitable-trust--submitter-id-233--fs82.pdf>

Summaries copied here – these will be in the main doc as well – which I'll send through around 5:

Wharton 42A key points

- Para 149 “The RLTP identifies three rapid transit services that are within Wellington City: the Johnsonville rail line, the Kāpiti rail line (in Tawa Valley), and the Hutt/Melling rail line (to Petone offramp). The future mass rapid transit service proposed by LGWM will also form part of this rapid transit network once the routes and stops are confirmed.”
 - The Wellington Regional Land Transport Plan 2021 – created by Greater Wellington Regional Council.
 - From GWRC website: The Regional Land Transport Plan (RLTP) sets the direction for the Wellington Region's transport network for the next 10–30 years. The RLTP describes our long-term vision, identifies regional priorities and sets out the transport projects we intend to invest in over the next six years.
 - The RLTP is a collaboration between all councils in the Wellington Region, Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and KiwiRail, overseen by the Regional Transport Committee on behalf of the Greater Wellington Regional Council (Greater Wellington).
- Para 150: “Because the NPS-UD states that the RLTP is used to identify planned services and stops (refer to the definitions above), which are inherently less certain, in my opinion the RLTP identification of existing rapid transit services should also be given considerable weight when classifying rapid transit for district plan purposes. This identification also helps regional alignment across Wellington's district plans”
- Para 163: “Based on this assessment, in my opinion: whether the Johnsonville Line is classified as rapid transit or not, will not affect housing affordability or competitive land and development markets in the City, at least based on the current construction costs and prices for high density housing.”
- Para 174: “In my opinion, if one of these descriptors happens to not apply to a portion of the service, this is not a necessarily a “fatal flaw” that rules out the whole service as being defined as rapid transit, because:
 - (a) The rapid transit service definition describes the public transport service as a whole, not segmented parts.
 - (b) The descriptors are not part of the definition of the rapid transit service, not individual

rapid transit stops. The rapid transit stop definition is only whether and where someone can access the overall service.

- (c) These are descriptive words in the NPS-UD definition without any measurements. Ministers kept the definition intentionally broad to allow councils to decide how to interpret it for their cities.”

Wharton supplementary planning evidence

- Whether Jville line is RT is a complex question and there’s no clear answer
- Not helped by WCC deciding it is rapid transit in the Spatial Plan.
 - WCC website: “The Spatial Plan feeds into other policy decisions and helps to shape the District Plan review.”
 - “It will also help the Council prioritise investment for things like transport, new community facilities and infrastructure upgrades.”
 - “The Spatial Plan is a growth strategy outlining the ‘where’ and ‘how’ we will grow.”
 - “A District Plan is the ‘rulebook’ for land development that turns the strategy into action and aims to implement the goals and directions outlined in the Spatial Plan.”
 - Johnsonville is identified in the Spatial plan as one of the four main growth areas, meaning it’s a focus for major infrastructure investment of the next 10 years.
 - The rest of the areas along the line are priority areas for the next 10-20 years – with focus on three waters and transport initially.
 - Can confirm is classified as rapid transit in the spatial plan, and the walkable catchments being upzoned is mentioned many times.
- Makes the connection to the Regional Land Transport Plan (RLTP) – and still considers this should be given considerable weight.
- Discounts the One Network Framework
 - “The One Network Framework is a tool to help establish transport network function, performance measures, operating gaps and potential interventions for each road and street type.” Waka Kotahi website
- Frequent – Wharton does not seem convinced with other arguments and comparisons to the other lines.
- Quick: Walk and wait times should not be considered, as Helm says they should.
- “As shown in Figure 12 of Stream 1 s42A Report, for nearly all journeys, taking public transport is slower than driving. If 10 minutes were added to the calculation, this would remove most train services that are already accepted rapid transit services.” Para 23
- High capacity – best measure is sitting and standing capacity. Appendix C of the 42A states this as 1968 people. This is lower than 6 cars on Hutt/Kapiti. (para 24)
- Work is required to increase enable 6 cars – not planned. Upgrades not needed to improve capacity because patronage is still lower than other lines. Appendix C of the 42A has more detail.
- Wharton: I agree 10 minute minimum is ideal. Disagree this is needed to classify as rapid transit generally. Hutt and Kapiti line do not.
- Para 27 “The Hutt and Kapiti Lines are generally accepted as existing rapid transit services, but they have frequencies of every 20 minutes off-peak (recently improved in July 2018 from one every 30 minutes off-peak), and less frequent on weekends. During peak hours, because of express trains, the Kapiti Line stations have a service frequency of one every 20 minutes – less frequent than the Johnsonville Line’s peak frequency at 15 minutes. While the Wellington Rail Programme Business Case plans to increase the Hutt and Kapiti Line frequencies, this doesn’t affect the current comparison. The Auckland Southern Line also has 20 minute services from 9:17 am to 3:17 pm weekdays, and is currently viewed as rapid transit.”
- The bus from JVL to WLG is not because of the lines “severe limitations” as Wignall says, it is integrated with the line, and also supports those living in the western suburbs to jvl centre.
- Capacity for future demand – paras 30-31

Conclusion remains unchanged – viewed as a whole, it is rapid transit.

Helm evidence

- Para 24: “The GWRC Regional Land Transport Plan (RLTP) describes JVL as rapid transit. However on my reading of the RLTP this is based on a misunderstanding of the Waka Kotahi/NZTA One Network Framework (ONF), discussed below. No other justification is provided in the RLTP. The RLTP contains no assessment of the line against NPS-UD criteria.”
- Para 40: “In my view, all criteria should be met for a service to qualify as rapid transit. Any significant failure against one criteria will reduce patronage regardless of performance against the others.”

Frequency

- Considers two benchmarks – ‘turn up and go’ and the Auckland Transport rapid transit frequency criteria.
- Para 46: “A 10 minute frequency is the benchmark most often cited in the transport policy literature for turn up and go, and has some empirical support as a threshold for behaviour change.”
- Same measure used by Auckland Transport in its rapid transit baseline “rapid transit services... operate at frequencies that enable users to ‘turn up and go’ at most times of day, seven days a week” and that “a true ‘turn up and go’ frequency would be a minimum of every 10 minutes”
- Para 52: “Auckland Transport used a threshold of 15 minute frequency between 7:00am-7:00pm, 7 days a week for its rapid transit assessment, while noting that a true turn up and go frequency is 10 minutes.”
- Para 54: “JVL has 15 minute frequency at peak times, 30 minutes off-peak and at weekends, and 60 minutes early and late at night. 55. This clearly falls short of the 10 minute standard for ‘turn up and go’ services. It also fails to meet the Auckland Transport criteria, as the 15 minute frequency is not sustained between 7:00am and 7:00pm”
- “JVL falls short of 15 minute frequencies by 100% in the off-peak, so with Auckland Transport’s criteria met JVL would have offpeak patronage about twice current levels.”
- Para 57: JVL’s relative infrequency has a material impact on its attractiveness to travellers, on patronage, and therefore on its potential to support future population growth.

Quick

- Para 58 “The only appropriate way to assess the adequacy of service speed is relative to alternative transport options, taking into account patterns of transport demand (i.e. trip origins, destinations, and timing).”
- Para 60: “Auckland Transport’s definition of a rapid transit service as offering “time competitive travel with private vehicles, particularly at peak times” is appropriate in my view”
- Quotes conclusions from Collingbourne analysis, the board outcomes are not disputed in the 42A
 - “JVL is time-competitive for a narrow subset of trips: trips at peak time for commuters travelling between the closest few stations on the line (Crofton Downs, Ngaio and Awarua Street) and destinations near Wellington station;
 - “For other JVL line stations, all trips outside peak, and all destinations other than those near Wellington station, car and sometimes bus travel is faster.”`
- Wants to include walk and wait time.
- Para 68 “To summarise: the subset of trips from the JVL catchment where the JVL service is time-competitive is small — perhaps 5-10% of all trips — and even where it is most competitive commuters are at present twice as likely to choose alternatives, indicating that the JVL service is not adequately quick to offset the other disadvantages of rail travel and attract high mode share.”
- Para 69: “Though there are no clear benchmarks, this does not suggest the JVL service is ‘quick’, other than for a relative minority of travellers.”

Reliable and Capacity

- No strong view on reliable.
- No clear standards of rapid transit capacity.
- Para 76: “In my view, whether JVL should be deemed high-capacity for NPS-UD purposes depends on the task expected of it, namely whether capacity at peak times can accommodate additional demand resulting from population growth and changing travel patterns.”
- Para 78: “WCC uses the indicative PT1 bi-directional people movement threshold of >3,000 per day from an early discussion document version of the ONF as a benchmark for high capacity” thinks this measure is flawed.
- On whether the JVL line has capacity to support future demand: does very detailed analysis – a lot of assumptions.
- Para 105: In summary, projected population growth in the context of capacity constrained local roads and mode shift means:
 - (a) JVL’s peak service capacity is expected to be exceeded within 5-10 years, with material declines in service quality; and
 - (b) JVL is expected to be over-run (i.e. peak hour patronage exceeded) within 20 years; and
 - across this 5–20 year period, local roads will also become significantly more congested.

Planned improvements

- Para 113 “The 2021 GWRC RLTP contains no plans to change the frequency, speed, reliability

or capacity of the line. 114. The 2022 GWRC Wellington Rail Programme Business Case also has no concrete plans to improve the line”

Outcomes

- Para 121 “Overall, I expect that upzoning around JVL will reduce citywide housing density, reduce active and public transport mode share, increase car dependency, worsen the performance of the transport network, and not improve housing affordability across Wellington as a whole.”
- Para 122 “Further upzoning of the JVL catchment beyond the MDRS zoning will not lead to more housing development in Wellington and will therefore not affect citywide housing supply or housing affordability. 123. This is because zoning influences where new housing goes, and what it looks like, but not how much is built in aggregate – except under highly restrictive zoning conditions that do not currently apply in Wellington.”
- Para 127” Although the economics of housing development and new housing supply is a relatively new field, a growing body of theory and evidence supports the view that the rate of new supply is determined by the relative profitability of land-banking (speculation) versus developing.⁴⁶ That is, commercial incentives set the speed limit on new supply whenever regulatory limits are non-binding, as in Wellington. Zoning only alters built form and the sequence of sites brought to market. Economists have no other coherent theory of new supply.”
- Para 130: “This is an important point for the Panel in considering whether rapid transit classification supports the NPS-UD objectives. A key question is not whether more housing is better than less, but whether more housing along the JVL line is better than more housing elsewhere”
- Para 131:” More housing around the JVL line at the expense of elsewhere appears counterproductive to the goals of a compact city with lower private vehicle use.
- 132. Census data shows around 60% of work trips from the JVL catchment are by car and 40% by walking, cycling or public transport (Appendix A, Table 1 and Chart 1). For the rest of Wellington, the ratios are reversed. All suburbs in the JVL catchment have higher car travel mode share than Wellington as a whole (Appendix A, Table 1 and Chart 2).
- 133. I see no reason why new residents would use the JVL service more than existing residents, except insofar as all future residents may switch away from increasingly-congested roads. Displacing housing to the JVL catchment via NPS-UD upzoning will therefore worsen overall car dependence.
- Proceeds to disagree with Wharton on a number of points, including the benefits of intensification in JVL.

Nicole Rennie ([she/her](#))

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From: [Keith Miller](#)
To: [Chris Parker TSY \(Guest\)](#); [Daniel Lawrey](#); [Phoebe Brown \(Guest\)](#); [Caitlin Daugherty-Kelly TSY \(Guest\)](#); [Rory Leonard \(Guest\)](#)
Cc: [Laura Hemingway](#); [Glen Thomson - Treasury](#); [Cormac Lynch TSY](#); [Anthony Powell TSY](#)
Subject: RE: Article on Drury DCs
Date: Thursday, 9 February 2023 2:28:45 pm

Agree with Chris,

The more likely scenario is continued lobbying from developers for reductions in charges. If they think they can win that fight politically they will withhold land from development while that fight plays out.

From a broader perspective, as we learned in our meeting with Auckland, the depth of work needed to support the charges in Drury is intense, so inequitable charging between different parts of Auckland is likely to continue. To what extent that is a problem in distorting market preferences and development choices is a question to consider.

Keith Miller | Principal Policy Analyst, Ue Te Hinātore – Local Government Branch
The Department of Internal Affairs Te Tari Taiwhenua

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From: Chris Parker TSY <Chris.Parker@treasury.govt.nz>
Sent: Thursday, 9 February 2023 9:39 am
To: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>; Keith Miller <Keith.Miller@dia.govt.nz>; Phoebe Brown <Phoebe.Brown@dia.govt.nz>; Caitlin Daugherty-Kelly TSY <Caitlin.Daugherty-Kelly@treasury.govt.nz>; Rory Leonard (Guest) <r.leonard@transport.govt.nz>
Cc: Laura Hemingway <Laura.Hemingway@hud.govt.nz>; Glen Thomson TSY <Glen.Thomson@treasury.govt.nz>; Cormac Lynch TSY <Cormac.Lynch@treasury.govt.nz>; Anthony Powell TSY <Anthony.Powell@treasury.govt.nz>
Subject: RE: Article on Drury DCs

(Adding Glen, Cormac, Ants)

Thanks Daniel.

So Greg Akehurst of Market Economics says in this article <https://www.newsroom.co.nz/how-should-developers-fund-council-infrastructure> that if land is already purchased then the infra cost can't come off it. Well, if they were to successfully pass it on then their development won't be in spatial equilibrium, which means households will be able to get much more benefit living anywhere else, so demand to live there would collapse. So prices would decrease, which contradicts the premise. So I think Greg's wrong and Tim and Cam are right, and it still does come off the land value.

Report author Greg Akehurst said the advice given to council was that the additional fees would lower the price developers can bid for raw land to develop.

Akehurst said the fact that almost all land to be developed for residential purposes in the area had already been purchased meant that land prices would not fall, and the effect of

significantly higher development charges would most likely cause prices to increase.

That's in reference to these two papers by Tim Helm and Cameron Murray:

This is the main page with all the papers, with the two main ones below: [Sharing the cost of Drury's growth – Contributions Policy 2022 variation A | AK Have Your Say \(aucklandcouncil.govt.nz\)](#)

- Economic incidence paper: [c137db4d45a41add6a60eb1ac13f1f3d_R4_Economic_incidence_of_developer_contributions_-_Final_-_10_June_2022.pdf \(amazonaws.com\)](#)
- Equity paper: [Documents | Sharing the cost of Drury's growth – Contributions Policy 2022 variation A | AK Have Your Say \(aucklandcouncil.govt.nz\)](#)

Cheers

Chris

From: Daniel Lawrey <Daniel.Lawrey@hud.govt.nz>

Sent: Thursday, 9 February 2023 9:06 am

To: ^DIA: Keith Miller <keith.miller@dia.govt.nz>; Phoebe Brown (Guest) <phoebe.brown@dia.govt.nz>; Caitlin Daugherty-Kelly TSY <Caitlin.Daugherty-Kelly@treasury.govt.nz>; Chris Parker TSY <Chris.Parker@treasury.govt.nz>; Rory Leonard (Guest) <r.leonard@transport.govt.nz>

Cc: Laura Hemingway <Laura.Hemingway@hud.govt.nz>

Subject: Article on Drury DCs

May be of interest - <https://www.newsroom.co.nz/how-should-developers-fund-council-infrastructure>

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Wellington Hearing Preparation – JVL Line

This document collates information on the argument as to whether the JVL should be classified as rapid transit or not.

1. One page of key notes
2. The key points of discussion, what has been said, and our response
3. Summaries of others' arguments

Submitters/submissions:

- Donald Wignall, Wellington's Character Charitable Trust Inc
- Andrew Wharton, Wellington City Council
- Tim Helm, Wellington's Character Charitable Trust Inc
- Michelle Grinlinton-Hancock, KiwiRail
- Alastair Cribbens, Waka Kotahi NZ Transport Agency

1. One page of key notes

The argument at the moment: there are no planned improvements to the JVL line. Does the line currently meet the definition of rapid transit? Is it frequent, quick, high capacity and reliable? Many are saying no.

Our argument: We do not dispute facts of the speed of the line, or how often it runs. However, we, like Wharton, think that when looked at in the regional context, the line meets the definition of rapid transit. Furthermore, the benefits that this classification will bring align with the objectives of the NPS-UD – well functioning urban environments. We stand by our submission and evidence.

Plenty of facts have been presented. We agree with the Chair, when talking to Mr Wharton, that this debate is all in the inferences one draws from the facts, rather than the facts themselves. We agree with Mr Wharton's assessment against the criteria:

- Regionally, frequent does not mean every ten minutes. Very few rail services would meet that definition in NZ, include the Hutt and Kapiti lines at peak times, with express trains taken into account.
- Quick is a relative term – as Wharton talked about at the hearing. In peak times, the line is quick. As Wharton judged, the first five stations out of eight were 'quick'.
- According to the data cited by Wharton from Metlink, it is generally reliable, and recent issues have been focused on short term improvements to get long term gain.
- There is general agreement that the train works well for current capacity. We agree with Wharton that forecasting population growth is very difficult. The RLTP is reviewed every three years, and so improvements to capacity could increase when required.

do we want to argue about meeting all four characteristics/judgement etc? – think that may not be worth our time/getting in to – Aidan's legal sub does cover some of this]

More importantly, are the benefits to the city of more intensification. As we talked about in our submission, these include social, economic, environmental benefits, as well as efficient use of infrastructure.

Note: some on the panel have already questioned about whether there is demand for apartment living in Khandallah – is it a popular neighbourhood because it is predominantly houses on large sections? Our answer (again like Wharton): people want to live in a nice neighbourhood with good services and an easy commute into Wellington (or other places) for work.]

(Other notes:

- The One Network Framework – we mentioned this is our submission but accept that this has been updated, as Wharton says. Don't mention it if you don't have to.
- Our sub and legal sub still stand up well.)

2. Key points of argument, what has been said, and our response

The basic argument:

- *Planned improvements are not to go ahead on JVL line*
- *Ergo, it must currently meet the definition of rapid transit*
- *Is it frequent?*
- *Is it quick?*
- *Is it high capacity?*
- *Is it reliable?*
- *Does it need to meet all four to be classified?*

Planned improvements are not to go ahead on JVL line

What others have said

- Wignall: No planned improvements to line (Regional Land Transport Plan or Wellington Rail Programme Business Case) to 2051
- Helm: Para 113 “The 2021 GWRC RLTP contains no plans to change the frequency, speed, reliability or capacity of the line. 114. The 2022 GWRC Wellington Rail Programme Business Case also has no concrete plans to improve the line”
- Wharton in hearing:
 - o Panel 170 – improvement to jvl line, to simla crescent station to enable 6 carriages, is it planned in the rltp, so relevant for our enquiry?
 - o Wharton – no. so the only improvements planned are the ones listed in 170, running and resilience. Based on convo with metlink staff, reflects like other lines suffer more from overcrowding, wroth more to invest in those lines first rather than jvl. Times when the line does get busy, relative to other lines, quieter.
 - o Panel – the hutt and Kapiti are being prioritised.
 - o Wharton: for service and capacity upgrades yes, but not full stop because a fair amount of money being spent on the line, from 2015. Consistent improvement it its stability.

What we say:

- Cannot provide much of an argument that work is planned, when it isn't currently.
- As we talk about in our evidence (para 21 Ben's evidence) – the only improvements to the JVL line at the moment are those already underway to improve running and resilience. Opportunities have been identified to increase the route's capacity if required.
- The RLTP is reviewed every three years. There is some agreement that the train functions well for the current capacity. When capacity increases, then it may be prioritised for increase capacity, not necessarily frequency (Wharton talked of Metlink advice is that it is better to increase capacity to 6 carriages every 15 minutes, than try and move to four carriages every 10 minutes).

Ergo, it must currently meet the definition of rapid transit

Is it frequent?

What others have said

- Wharton: " Secondly, the Johnsonville Line does have four services per hour (peak services), and other services not much less frequent than the Hutt and Kapiti Lines, as summarised below. Hutt and Kapiti express trains bypass many stations, so tend to reduce peak services to around four per hour for most stations. I note that the Wellington RLTP 2021 discusses increasing service frequency and capacity for the Hutt and Kapiti Rail Lines, but not for the Johnsonville Line. However, this does not affect the comparison with the existing agreed rapid transit services." Para 18, supplementary planning evidence.

From Wharton supplementary planning evidence

| Rail Line | Peak | Off-peak weekdays | Weekends |
|---------------------------------------|---|--|--|
| Hutt and Kapiti (Tawa stations) Lines | 3-6 per hour (express services affect this) | 3 per hour to ~7 pm, 2 per hour to ~9:45 pm, 1 per hour late night | 2 per hour 8/9 am - 8/9 pm 1 per hour other times |
| Johnsonville Line | 4 per hour | 2 per hour, 1 per hour after 9:30 pm | 2 per hour 8 am – 7:30 pm, 1 per hour other times |

- Wharton: I agree 10 minute minimum is ideal. Disagree this is needed to classify as rapid transit generally. Hutt and Kapiti line do not.
 - o Para 27 "The Hutt and Kapiti Lines are generally accepted as existing rapid transit services, but they have frequencies of every 20 minutes off-peak (recently improved in July 2018 from one every 30 minutes off-peak), and less frequent on weekends. During peak hours, because of express trains, the Kapiti Line stations have a service frequency of one every 20 minutes – less frequent than the Johnsonville Line's peak frequency at 15 minutes. While the Wellington Rail Programme Business Case plans to increase the Hutt and Kapiti Line frequencies, this doesn't affect the current comparison. The Auckland Southern Line also has 20 minute services from 9:17 am to 3:17 pm weekdays, and is currently viewed as rapid transit."

- Wignall para 35: Cites recent examples of contemporary rapid transit frequency expectations
 - o “In Wellington professional advice for the Let’s Get Wellington Moving programme includes: “The following characteristics are assumed for rapid transit, ... high frequency (at least 10 minutes all day, every day)””
 - o “In Auckland professional advice includes: “The current definition in the RPTP (for rapid transit) is at least every 15 minutes, between 7am and 7pm, 7 days a week....A true ‘turn up and go’ frequency would be a minimum of every 10 minutes”
- Helm: Considers two benchmarks – ‘turn up and go’ and the Auckland Transport rapid transit frequency criteria.
 - o Para 46: “A 10 minute frequency is the benchmark most often cited in the transport policy literature for turn up and go, and has some empirical support as a threshold for behaviour change.”
 - o Same measure used by Auckland Transport in its rapid transit baseline “rapid transit services... operate at frequencies that enable users to ‘turn up and go’ at most times of day, seven days a week” and that “a true ‘turn up and go’ frequency would be a minimum of every 10 minutes”
- Para 54: “JVL has 15 minute frequency at peak times, 30 minutes off-peak and at weekends, and 60 minutes early and late at night. This clearly falls short of the 10 minute standard for ‘turn up and go’ services. It also fails to meet the Auckland Transport criteria, as the 15 minute frequency is not sustained between 7:00am and 7:00pm”
- “JVL falls short of 15 minute frequencies by 100% in the off-peak, so with Auckland Transport’s criteria met JVL would have offpeak patronage about twice current levels.”
- Para 57: JVL’s relative infrequency has a material impact on its attractiveness to travellers, on patronage, and therefore on its potential to support future population growth.

Our lines of argument

- What Wharton says in his supplementary evidence, we agree with the general view that 10 minutes is ideal for rapid transit.
- However, disagree that transit must meet this mark to be rapid transit. As Wharton says, the Hutt and Kapiti lines do not meet this threshold for every station – given express trains. The JVL line can therefore perform better or on par with them in that regard at peak times.
- The Hutt and Kapiti lines only moved to a service every 20 minutes off peak in 2018.
- Wharton para 27 supp evidence - The Auckland Southern Line also has 20 minute services from 9:17 am to 3:17 pm weekdays, and is currently viewed as rapid transit.

Is it quick?

What others have said:

- Wharton supplementary planning evidence (paras 22 and 23) talks about ‘quick’
- He disagrees with Helm that walk and wait times should not be considered.
 - o “As shown in Figure 12 of Stream 1 s42A Report, for nearly all journeys, taking public transport is slower than driving. If 10 minutes were added to the calculation, this would remove most train services that are already accepted rapid transit services.” Para 23
- Wignall para 36: Compares JVL max operational speed 50km/h with up to 100km/h on Kāpiti and Hutt lines

- Not competitive with car and bus travel times – train 23-28 mins, bus 15-30 mins (but quicker than train for “vast majority of the day”), car 12 mins
- “For travel from outer stations, such as Johnsonville, train services are simply not competitive, and access to Wellington CBD and to a range of other destinations is much quicker and more attractive by bus (or car) than by rail.”
- Helm Para 58 “The only appropriate way to assess the adequacy of service speed is relative to alternative transport options, taking into account patterns of transport demand (i.e. trip origins, destinations, and timing).”
- Para 60: “Auckland Transport’s definition of a rapid transit service as offering “time competitive travel with private vehicles, particularly at peak times” is appropriate in my view.”
- Quotes conclusions from Collingbourne analysis, the board outcomes are not disputed in the 42A
 - “JVL is time-competitive for a narrow subset of trips: trips at peak time for commuters travelling between the closest few stations on the line (Crofton Downs, Ngaio and Awarua Street) and destinations near Wellington station;
 - “For other JVL line stations, all trips outside peak, and all destinations other than those near Wellington station, car and sometimes bus travel is faster.”
- Wants to include walk and wait time.
- Para 68 “To summarise: the subset of trips from the JVL catchment where the JVL service is time-competitive is small — perhaps 5-10% of all trips — and even where it is most competitive commuters are at present twice as likely to choose alternatives, indicating that the JVL service is not adequately quick to offset the other disadvantages of rail travel and attract high mode share.”
- Para 69: “Though there are no clear benchmarks, this does not suggest the JVL service is ‘quick’, other than for a relative minority of travellers.”
- Wharton at hearing:
 - Panel -quickness and reliability. Dr Helm and Wignall, a lot of factual info about jvl line, speed etc.can we assume you haven’t provided rebuttal, don’t disagree with factual issues, but disagree with their conclusion?
 - Wharton -generally true. Quick is compared to what, rather than speed. Cable car, its slow but a good short cut. Given the winding nature of the hills, in peak times useful shortcut. Don’t say they are wrong on average speed.
 - Panel – have inherently imprecise descriptors, that are relative. All depends on frame of reference. Its all the inferences you draw from those facts.

Our lines of argument

- We agree with Wharton, that quick is a relative term. His assessment that five out of the eight stations are ‘quick’ seems reasonable.
- Just because a car journey is quicker, does not mean it is cheaper/more efficient. Do these measurements take into account the time to find a park, and the cost of that?

Is it high capacity?

What others have said:

- Wharton SPE: High capacity – best measure is sitting and standing capacity. Appendix C of the 42A states this as 1968 people. This is lower than 6 cars on Hutt/Kapiti. (para 24)

- Work is required to increase enable 6 cars – not planned. Upgrades not needed to improve capacity because patronage is still lower than other lines. Appendix C of the 42A has more detail.
- Wignall para 38: One Network Framework definition of PT1 is at least 1000 people per day (bidirectional). Wignall takes issue with this as a threshold for rapid transit because e.g. one full bus per hour could meet this threshold. Bus services running in parallel with JVL indicate JVL's capacity limitations.
- Helm: No clear standards of rapid transit capacity.
- Para 76: "In my view, whether JVL should be deemed high-capacity for NPS-UD purposes depends on the task expected of it, namely whether capacity at peak times can accommodate additional demand resulting from population growth and changing travel patterns."
- Para 78: "WCC uses the indicative PT1 bi-directional people movement threshold of >3,000 per day from an early discussion document version of the ONF as a benchmark for high capacity" thinks this measure is flawed.
- On whether the JVL line has capacity to support future demand: does very detailed analysis – a lot of assumptions.
- Para 105: In summary, projected population growth in the context of capacity constrained local roads and mode shift means:
 - (a) JVL's peak service capacity is expected to be exceeded within 5-10 years, with material declines in service quality; and
 - (b) JVL is expected to be over-run (i.e. peak hour patronage exceeded) within 20 years; and
 - across this 5–20 year period, local roads will also become significantly more congested.
- Wharton hearing:
 - Panel – capacity assessment, that's a covid affected figure, average not peak figure, artificially low base.
 - Wharton – when it comes to forecasting population, it is very difficult. Short term trends can change dramatically. Tried to do, look at short term capacity, and how could change with more people, and more people riding train because closer to it. General agreement, currently the train functions well for capacity. If large number of people, when the investment to increase capacity would need to happen. RLTP reviewed every year. When evidence, once people move to denser environments, that could go on the radar to increase capacity. Better to increase size, than frequency. Reason why investment in other lines, they need it. Wait until you see the trend, then invest.
 - time skip] Panel – isn't it chicken and egg with rapid transport, looking at current system. Chicken and egg to build more development, then the line is rapid.
 - Wharton – fair point, why in evidence I do include capacity assessment. Comments in response to the concern by other submitters that capacity isn't planned for in the rltp, therefore you cannot consider it. That's fine, but also saying that we are getting increased growth. Gotta do both or neither. Look into the future about capacity increase and growth. Can only look at whats happening now, and growth that can happen.
 - Panel – rapid transit for peak and off peak. Only once every 30 off peak. Would you see that increase if rapid transit? Flexible hours, would that need address?
 - Wharton, certainly public transport planners prefer that and that's why looking to increase frequency (problem with drivers recently). With the jvl line, why not 15 or 20 mins off peak,

they just look at the number of people off peak at the moment. Chicken and egg. Makes it difficult of is it rapid transit. Looking at exact numbers, off peak/on peak, is quite a difficult angel if this is rapid or not, other lines also every half hour off peak until 2018.

Our lines of argument

- Our evidence mentions the opportunities identified in the 42A report for increasing capacity of the line. The RLTP is reviewed every three years, and therefore investment could be provided when required.

Is it reliable?

What others have said:

- Wignall para 37: Reliability issues due to characteristics of the track. Prone to slip-related issues due to steep topography, rain/dew/frost cause low wheel adhesion (“slippery tracks”), among steepest lines in Australasia. Knock on effects for reliability when these effects are compounded. 5 minute timing allowance (liberal estimate of when train will arrive) encourages poor timekeeping and late running. “These issues are unique to the Johnsonville line, and negatively impact on its reliability.”
- Helm: no strong view on reliable.
- Wharton hearing: talked generally about metlink data, generally reliable. Some issues in the short term (across all lines) but in part because of upgrades to improve reliability in the future.

Our lines of argument

- According to the data cited by Wharton from Metlink, it is generally reliable, and recent issues have been focused on short term improvements to get long term gain.

Does it need to meet all four to be classified?

What others have said:

- Wharton 42A, Para 174: “In my opinion, if one of these descriptors happens to not apply to a portion of the service, this is not a necessarily a “fatal flaw” that rules out the whole service as being defined as rapid transit, because:
 - o (a) The rapid transit service definition describes the public transport service as a whole, not segmented parts.
 - o (b) The descriptors are not part of the definition of the rapid transit service, not individual rapid transit stops. The rapid transit stop definition is only whether and where someone can access the overall service.
 - o (c) These are descriptive words in the NPS-UD definition without any measurements. Ministers kept the definition intentionally broad to allow councils to decide how to interpret it for their cities.”
- Helm Para 40: “In my view, all criteria should be met for a service to qualify as rapid transit. Any significant failure against one criteria will reduce patronage regardless of performance against the others.”
- Wignall para 40: Limitations to frequency, capacity, travel time and reliability are interrelated. E.g., increasing train frequency would decrease reliability unless there were major infrastructure improvements to the line.

3. Summaries of others' arguments

Wharton 42A key points - <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/files/hearing-streams/01/hearing-stream-1-section-42a-report-part-1-plan-wide-matters-and-strategic-direction.pdf>

- Para 149 “The RLTP identifies three rapid transit services that are within Wellington City: the Johnsonville rail line, the Kāpiti rail line (in Tawa Valley), and the Hutt/Melling rail line (to Petone offramp). The future mass rapid transit service proposed by LGWM will also form part of this rapid transit network once the routes and stops are confirmed.”
 - o The Wellington Regional Land Transport Plan 2021 – created by Greater Wellington Regional Council.
 - o From GWRC website: The Regional Land Transport Plan (RLTP) sets the direction for the Wellington Region’s transport network for the next 10–30 years. The RLTP describes our long-term vision, identifies regional priorities and sets out the transport projects we intend to invest in over the next six years.
 - o The RLTP is a collaboration between all councils in the Wellington Region, Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and KiwiRail, overseen by the Regional Transport Committee on behalf of the Greater Wellington Regional Council (Greater Wellington).
- Para 150: “Because the NPS-UD states that the RLTP is used to identify planned services and stops (refer to the definitions above), which are inherently less certain, in my opinion the RLTP identification of existing rapid transit services should also be given considerable weight when classifying rapid transit for district plan purposes. This identification also helps regional alignment across Wellington’s district plans”
- Para 163: “Based on this assessment, in my opinion: whether the Johnsonville Line is classified as rapid transit or not, will not affect housing affordability or competitive land and development markets in the City, at least based on the current construction costs and prices for high density housing.”
- Para 174: “In my opinion, if one of these descriptors happens to not apply to a portion of the service, this is not a necessarily a “fatal flaw” that rules out the whole service as being defined as rapid transit, because:
 - o (a) The rapid transit service definition describes the public transport service as a whole, not segmented parts.
 - o (b) The descriptors are not part of the definition of the rapid transit service, not individual rapid transit stops. The rapid transit stop definition is only whether and where someone can access the overall service.
 - o (c) These are descriptive words in the NPS-UD definition without any measurements. Ministers kept the definition intentionally broad to allow councils to decide how to interpret it for their cities.”

Wharton supplementary planning evidence - <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/files/hearing-streams/01/rebuttal/statement-of-supplementary-planning-evidence-of-andrew-wharton-on-behalf-of-wellington-city-council.pdf>

- Whether Jville line is RT is a complex question and there’s no clear answer

- Not helped by WCC deciding it is rapid transit in the Spatial Plan.
 - o WCC website: “The Spatial Plan feeds into other policy decisions and helps to shape the District Plan review.”
 - o “It will also help the Council prioritise investment for things like transport, new community facilities and infrastructure upgrades.”
 - o “The Spatial Plan is a growth strategy outlining the ‘where’ and ‘how’ we will grow.”
 - o “A District Plan is the ‘rulebook’ for land development that turns the strategy into action and aims to implement the goals and directions outlined in the Spatial Plan.”
 - o Johnsonville is identified in the Spatial plan as one of the four main growth areas, meaning it’s a focus for major infrastructure investment of the next 10 years.
 - o The rest of the areas along the line are priority areas for the next 10-20 years – with focus on three waters and transport initially.
 - o Can confirm is classified as rapid transit in the spatial plan, and the walkable catchments being upzoned is mentioned many times.
- Makes the connection to the Regional Land Transport Plan (RLTP) – and still considers this should be given considerable weight.
- Discounts the One Network Framework
 - o “The One Network Framework is a tool to help establish transport network function, performance measures, operating gaps and potential interventions for each road and street type.” Waka Kotahi website
- Frequent – Wharton does not seem convinced with other arguments and comparisons to the other lines.
- Quick: Walk and wait times should not be considered, as Helm says they should.
- “As shown in Figure 12 of Stream 1 s42A Report, for nearly all journeys, taking public transport is slower than driving. If 10 minutes were added to the calculation, this would remove most train services that are already accepted rapid transit services.” Para 23
- High capacity – best measure is sitting and standing capacity. Appendix C of the 42A states this as 1968 people. This is lower than 6 cars on Hutt/Kapiti. (para 24)
- Work is required to increase enable 6 cars – not planned. Upgrades not needed to improve capacity because patronage is still lower than other lines. Appendix C of the 42A has more detail.
- Wharton: I agree 10 minute minimum is ideal. Disagree this is needed to classify as rapid transit generally. Hutt and Kapiti line do not.
- Para 27 “The Hutt and Kapiti Lines are generally accepted as existing rapid transit services, but they have frequencies of every 20 minutes off-peak (recently improved in July 2018 from one every 30 minutes off-peak), and less frequent on weekends. During peak hours, because of express trains, the Kapiti Line stations have a service frequency of one every 20 minutes – less frequent than the Johnsonville Line’s peak frequency at 15 minutes. While the Wellington Rail Programme Business Case plans to increase the Hutt and Kapiti Line frequencies, this doesn’t affect the current comparison. The Auckland Southern Line also has 20 minute services from 9:17 am to 3:17 pm weekdays, and is currently viewed as rapid transit.”
- The bus from JVL to WLG is not because of the lines “severe limitations” as Wignall says, it is integrated with the line, and also supports those living in the western suburbs to jvl centre.
- Capacity for future demand – paras 30-31
- Conclusion remains unchanged – viewed as a whole, it is rapid transit.

Wharton in hearing - Hearing Stream 1 - Day 1 - YouTube

- From 3:11:00, in his comment about meeting all four descriptors, not saying that the service can't meet one of those descriptors and still be classified, but that if a portion of the service may not fully meet one of them, the example is raroa to wlg station, may be able to get there faster by car and bus. Common not just for jvl, but also on the Kapiti line. Could be faster at certain times. Given the descriptive nature of the definition, that it would be a mistake to be absolutist. Given how applied to other lines, including in Auckland. Not making legal claims etc.
- Wignall and Helm made points about the ONF – the advice was updated in Nov. Removed the assumption that all rail corridors are rapid transit. New indicative standard is 4 or more services per hour. I have updated my commentary. Mixed views on whether this does or not. The ONF is not determinative as it relates to the district plan, tool used by Waka Kotahi and Councils to determine function. Guidance.
- My conclusion was that it should be classified at rapid transit. Not as clear as other lines. Plenty who are lining up on either sides.
- Start back up at 3:20:00 – panel: when will concrete plans emerge for LGWM – is it in our time scale?
- Wharton – in the decade, not within the timescale of this hearing. Detailed business case starting now.
- Panel: RLTP – identified JVL as rapid. Anything in that document, that they considered the NPSUD criteria before reaching that conclusion?
- W – yes, because in that definition the RLTP – almost identical to what is in the NPS-UD. Similar description.
- Panel – you accept that this is contestable, is there any indication that the RLTP got to grips with all the issues?
- W – key difference between RLTP and district plan is RLTP is principally focused on strategic land transport, integrated and prioritised. Being aware of how it relates to growth in reasons. Decisions about land use need to be dealt with through the RMA. Document does not purport to dictate that the district plans must be the same as the RLTP.
- Panel – given that answer – looking at para 150, identifying that is planned is within the rltp scope. The whole purpose is strategic transport planning. Is, given your answer, that caused me pause looking at 150, because of its role in what is planned, does it have a role in what rapid and what is not.
- W – understand others have different pov, but that link is a one way link. The RLTP isn't looking to the npsud necessarily in deciding where the rapid transit should go. But the NPSUD does do that, so there is a link back to what planned services and stops means. We are using the NPSUD for this district plan. The direct link between RLTP and planned services and stops. Useful for planned services. Therefore, an identification of existing rapid transit should be given a lot of weight as well.
- Panel – figure 3, these could be rapid transit when services increase in 2025 for hutt and Kapiti, no planned for jvl. Is that classification important?
- Wharton – in relation to figure 3, no, because for that particular document the growth plan it has identified jvl as rapid transit. Yes, frequency improvements are schedule.

- Panel – says it could be rapid transit, not that it is. (Bellinger’s submission). In WRGrowth framework. Just note that, and explore in your reply.
- Wharton – the frequency issue more broadly, raised in supp evidence. Generally its good when it is improved to 10-15 minutes, but recognising for many of existing rapid transit stops, eg tawa, currently once every 20 because of express trains. Because of that, Jvl performs well. This line isn’t looking to increase frequency, while the other lines are.
- Panel – your response it is valid?
- Wharton- all of this is guidance for other sources, none can officially call it one way or the other. But regional documents are important because jvl is viewed as part of the regional network, and how they are regarded and managed.
- Panel – para 159, internal transport within the jvl line, what evidence of people using the train service to access services between jvl and welly cbd.
- W – that data is difficult. Have wondered. There may be some from metlink. Survey questions tend to bias trips into welly central, most trips are into welly central, because tends to focus, bias. I would like to know, both in between and the other direction. It was peak services heading counterflow. Maybe metlink sees data there.
- Panel – what we see on the site visit isn’t evidence, on the 3:02 train to jvl, going from relatively sparse, rode the train to jvl from raroa, and then rose it back again. It’s a scenic route! (joking) Instead of staying on platform.
- Panel – have sub from greater welly, saying that in their opinion jvl is rapid. Also in submission. In large bundle for jvl community association, an email from gwrt manager, that in 2021, in his opinion, jvl isn’t rapid transport, but that welly city was pressuring it to increase its valuation. Not asking you to speak for greater welly, can you shed any light on whether greater welly has shifted views and why?
- Wharton: Chair, don’t think I can speak on behalf of greater welly, beyond whats in their letter. The official council position is that there is no overwhelming policy call to see jvl as rapid transit over the long term. Not sure I can comment.
- Panel – going to discussion about the level of demand for housing, 165 and following, is there an argument that these are entirely desirable suburbs because they consist of stand alone sections, and therefore that saying that there would be equally high demand for 6 story apartment blocks, without view of harbour, would equally be high?
- Wharton – (as someone who lives in khandallah), there had been many medium density developments slotted in recent times, about 3 storeys, of townhouses development. No views etc, very welly designed, and fit into the neighbourhood. For people wanting a different typology, the npsud is relatively clear is to provide a variety of tenure, and typologies, and for people who want to live in a nice neighbourhood with good services and an easy commute into wellington. Both resident and planning advice.
- Panel – equally the nps-ud is about meeting demand, and can you point me to (understand townhouse point, to the extent there is a deficit at the moment, its townhouses) point me to the demand for six storey development, not a townhouse. Is there demand for that? Can we jump from the current house prices to six storeys?
- Wharton, I will defer technical expertise about economic evidence of demand, my more general comment is difficult to judge the popularity of a bridge by how many people are swimming through the river. As to say, if there is not a lot of certain typology, difficult to know how many people

willing to live in a medium to high density., because it hasn't been an option. Plenty of environment court cases of people opposing this development on more constraining plan provision than this plan.

- Panel: is this build it and they will come?
- Wharton – it's that it is difficult to judge the popularity when it isn't even possible.
- Panel: your point is if you never build it you will never know
- Wharton: well, I think if you don't enable it, then it won't. Property land prices are high. Other parts of the city, high land prices have enabled more apartments eg. Mt Cook, the land values are also high, but the individual dwellings have lower overall prices because they are apartments.
- Panel – 160, only 89% of the high density opportunities would be enabled would be reliable. Did you think that was quite a lot? Where does that take you? Not a lot.
- Wharton – where we differ, between popularity and constructability. As planners, we do note where demand is, and where commercial feasibility is. We do have longer horizon than the commercial modelling. Is this plan is going to last for quite a while, then about setting us up for next 30 years. It is something we account for, acknowledge this is current data.
- Panel – now 3 by 3 in there, a whole lot of change, before adding this in. Did you think it was worth seeing how that settled in first, before this? 10 year timeframe?
- Wharton – it's worth skipping to end of my analysis, points out that if you don't agree that it is rapid, then not stay at 6 stories. Then turn to centres and priority areas for growth. Then 3-4 storeys. It's now that the nps-ud is in place, rapid transit and the objectives of how this should change. If the npsud wasn't in place, we would probably go back to the 3-4 storeys.
- Panel – 170 – interrelation with 3 waters, ensures that development occurs with capacity. 3 waters isn't a qualifying matter, how strong can those infrastructure provisions be if not QMs. Not preclude npsud development rights.
- Panel – saying before about areas you have noted have high land price, but because apartments, lower prices for accommodation. Is that because that is the choice of those who live in the apartments or because that's the only thing they can afford?
- Wharton – interesting question, LGWM is looking at demand for apartments. Based on surveys done, it is increasing over time. Still a preference for town house or stand alone generally. When you look at constrained preferences, then makes apartment living more attractive. Very intertwined. Price points for apartments are connected.
- Panel – was that a subset, or for a small range of people eg. yopro without kids?
- Wharton: wide range of people who want apartments.
- Panel – 168, you talk about high density around rapid transit will allow neighbourhoods to develop, this in turns meets diverse and changing needs of future generations. How do we know this?
- Wharton – accounting for hypotheticals in this para, and the chair characterisation of this route being large established homes, as communities change, there are smaller households. Single parent with children, most common unit with kids. Also multigenerational requirements. Recognising that if high density became popular in this area, having different housing options for different people is a good thing.
- Panel – mention demand for apartments, 10-20% range, would it be true its in the centre, rather than in suburbs?
- Wharton – from my knowledge, I think, and not pre-judge, in Auckland, Australia and USA, more tradition of having apartments in suburban areas close to transport, and is a common trend that

could happen here in the future. Definitely, the trend currently is in the inner city, to get the most profit. Living close to work, etc.

- Panel – figure 1, walking through it.
- Panel 170 – improvement to jvl line, to simla crescent station to enable 6 carriages, is it planned in the rltp, so relevant for our enquiry?
- Wharton – no. so the only improvements planned are the ones listed in 170, running and resilience. Based on convo with metlink staff, reflects like other lines suffer more from overcrowding, wroth more to invest in those lines first rather than jvl. Times when the line does get busy, relative to other lines, quieter.
- Panel – the hutt and Kapiti are being prioritised.
- Wharton: for service and capacity upgrades yes, but not full stop because a fair amount of money being spent on the line, from 2015. Consistent improvement in its stability.
- Panel – capacity assessment, that's a covid affected figure, average not peak figure, artificially low base.
- Wharton – when it comes to forecasting population, it is very difficult. Short term trends can change dramatically. Tried to do, look at short term capacity, and how could change with more people, and more people riding train because closer to it. General agreement, currently the train functions well for capacity. If large number of people, when the investment to increase capacity would need to happen. RLTP reviewed every year. When evidence, once people move to denser environments, that could go on the radar to increase capacity. Better to increase size, than frequency. Reason why investment in other lines, they need it. Wait until you see the trend, then invest.
- Panel – footnote quoting twyford about npsud, really puzzling, the nps, broadened high frequent bus transport, not on its own track. Did the minister not know what was in it?
- Wharton – not endorsing any particular minister. Included a couple of quotes to fill out that ministers kept this broad, so that councils can decide how it fits your city.
- Panel – isn't it chicken and egg with rapid transport, looking at current system. Chicken and egg to build more development, then the line is rapid.
- Wharton – fair point, why in evidence I do include capacity assessment. Comments in response to the concern by other submitters that capacity isn't planned for in the rltp, therefore you cannot consider it. That's fine, but also saying that we are getting increased growth. Gotta do both or neither. Look into the future about capacity increase and growth. Can only look at what's happening now, and growth that can happen.
- Panel – rapid transit for peak and off peak. Only once every 30 off peak. Would you see that increase if rapid transit? Flexible hours, would that need address?
- Wharton, certainly public transport planners prefer that and that's why looking to increase frequency (problem with drivers recently). With the jvl line, why not 15 or 20 mins off peak, they just look at the number of people off peak at the moment. Chicken and egg. Makes it difficult if it is rapid transit. Looking at exact numbers, off peak/on peak, is quite a difficult angle if this is rapid or not, other lines also every half hour off peak until 2018.
- Panel – isn't that the point though? Wouldn't it be wrong for this panel to not expect metlink to be nimble and adapt timetabled based on what is in front of them at the time.
- Wharton – recommendation to talk to greater welly when they present about that, metlink plan for off peak services on jvl line.

- Panel – quite a few changes desired, 15 to 10, another platform, 30 minutes isn't frequent enough, a lot of talk but no commitment to do any of those things yet. Theoretical assessment of whether rapid or not.
- Panel – asking greater welly, not favoured by their presence.
- Wharton – this is not a simple decision. Why I did include other evidence contrary to my point of view, consider all the options. You've got one line and a definition, with unspecified descriptors.
- Panel – you included it, what are your thoughts on appendix d?
- Wharton – evidence provided there, and in other evidence, facts and figures. Have clarified where they are off. This is an assessment. In its core, what is the panel judging this line on, and considering we are the first to look at this, lets make this consistent with how we treat other rapid transit lines, and lets treat it consistently with regionally other rapid transit.
- Panel -quickness and reliability. Dr Helm and Wignall, a lot of factual info about jvl line, speed etc.can we assume you haven't provided rebuttal, don't disagree with factual issues, but disagree with their conclusion?
- Wharton -generally true. Quick is compared to what, rather than speed. Cable car, its slow but a good short cut. Given the winding nature of the hills, in peak times useful shortcut. Don't say they are wrong on average speed.
- Panel – have inherently imprecise descriptors, that are relative. All depends on frame of reference. Its all the inferences you draw from those facts. On reliability, from my time commuting via car from karori, lots of mornings in the radio the jvl train being serviced by a bus. How treated that of issue of reliability. Do we have facts? How often is it replaced?
- Wharton – valid question. The theory is being a dedicated line, it is a reliable service, not affected by traffic. Probably true in comparison to other public transport options. Did record in para 184, the records from metlink about services cancellation. Not sure how many switched to buses. 2019/2020, recent there have been a number of instances that have reduced reliability. Maintenance, upgrades. Not just jvl line, the others as well. How much weight you give? Not much, because those are short term one off, that will result in better resilience in the long term.
- Panel – in description of quickness, quick for lower stations, not for the other three. Any evidence what proportion of users come from quick stations versus others?
- Wharton – I could find that for you.
- Panel – more of a punch line, how many boxes do you need to tick. If you look at this line overall, 5 are quick, three are not. Does this mean the overall line is quick or not in your view?
- Wharton – in my evidence, ive put it as quick. From those stations to welly station, the majority of travel, but others going the other way. Looking as overall service, because certain stations are slower, therefore not quick, then as pointed out by nick Whittington earlier, there are other rapid transit services with services than are slower than cars and buses. Whole service should be regarded as quick.
- Panel – suspend the fact you formed a view, is there a potentially middle position that where the train is available as a short cut, is there a viable view that this is rapid transit between rapid transit and box hill but not further.
- Wharton – we are breaking new ground here. It could be possible. Potentially yes? Interesting parallel with hutt line, and going into the wairapapa. Panel could look at the term service, and the service at any rapid transit stop. You could ignore transport the other way, eg. raroa students. But for most going into city, is rapid. Yes, could be a middle ground interpretation of definition.

- Panel – reason it occurred to me, combined purposively approach. Why do we care if this is rapid, that’s the trigger for higher density. Density responds to quality rapid transit service. Those interactions, where case for higher density, better case for the lower stations than further up. Just floating kites here.
- Wharton – as an interpretation

Helm evidence - <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/files/hearing-streams/01/submitter-evidence/submitter-evidence--tim-helm-for-wellingtons-character-charitable-trust--submitter-id-233--fs82.pdf>

- Para 24: “The GWRC Regional Land Transport Plan (RLTP) describes JVL as rapid transit. However on my reading of the RLTP this is based on a misunderstanding of the Waka Kotahi/NZTA One Network Framework (ONF), discussed below. No other justification is provided in the RLTP. The RLTP contains no assessment of the line against NPS-UD criteria.”
- Para 40: “In my view, all criteria should be met for a service to qualify as rapid transit. Any significant failure against one criteria will reduce patronage regardless of performance against the others.”

Frequency

- Considers two benchmarks – ‘turn up and go’ and the Auckland Transport rapid transit frequency criteria.
- Para 46: “A 10 minute frequency is the benchmark most often cited in the transport policy literature for turn up and go, and has some empirical support as a threshold for behaviour change.”
- Same measure used by Auckland Transport in its rapid transit baseline “rapid transit services... operate at frequencies that enable users to ‘turn up and go’ at most times of day, seven days a week” and that “a true ‘turn up and go’ frequency would be a minimum of every 10 minutes”
- Para 52: “Auckland Transport used a threshold of 15 minute frequency between 7:00am-7:00pm, 7 days a week for its rapid transit assessment, while noting that a true turn up and go frequency is 10 minutes.”
- Para 54: “JVL has 15 minute frequency at peak times, 30 minutes off-peak and at weekends, and 60 minutes early and late at night. 55. This clearly falls short of the 10 minute standard for ‘turn up and go’ services. It also fails to meet the Auckland Transport criteria, as the 15 minute frequency is not sustained between 7:00am and 7:00pm”
- “JVL falls short of 15 minute frequencies by 100% in the off-peak, so with Auckland Transport’s criteria met JVL would have offpeak patronage about twice current levels.”
- Para 57: JVL’s relative infrequency has a material impact on its attractiveness to travellers, on patronage, and therefore on its potential to support future population growth.

Quick

- Para 58 “The only appropriate way to assess the adequacy of service speed is relative to alternative transport options, taking into account patterns of transport demand (i.e. trip origins, destinations, and timing).”

- Para 60: “Auckland Transport’s definition of a rapid transit service as offering “time competitive travel with private vehicles, particularly at peak times” is appropriate in my view”
- Quotes conclusions from Collingbourne analysis, the broad outcomes are not disputed in the 42A
 - o “JVL is time-competitive for a narrow subset of trips: trips at peak time for commuters travelling between the closest few stations on the line (Crofton Downs, Ngaio and Awarua Street) and destinations near Wellington station;
 - o “For other JVL line stations, all trips outside peak, and all destinations other than those near Wellington station, car and sometimes bus travel is faster.”
- Wants to include walk and wait time.
- Para 68 “To summarise: the subset of trips from the JVL catchment where the JVL service is time-competitive is small — perhaps 5-10% of all trips — and even where it is most competitive commuters are at present twice as likely to choose alternatives, indicating that the JVL service is not adequately quick to offset the other disadvantages of rail travel and attract high mode share.”
- Para 69: “Though there are no clear benchmarks, this does not suggest the JVL service is ‘quick’, other than for a relative minority of travellers.”

Reliable and Capacity

- No strong view on reliable.
- No clear standards of rapid transit capacity.
- Para 76: “In my view, whether JVL should be deemed high-capacity for NPS-UD purposes depends on the task expected of it, namely whether capacity at peak times can accommodate additional demand resulting from population growth and changing travel patterns.”
- Para 78: “WCC uses the indicative PT1 bi-directional people movement threshold of >3,000 per day from an early discussion document version of the ONF as a benchmark for high capacity” thinks this measure is flawed.
- On whether the JVL line has capacity to support future demand: does very detailed analysis – a lot of assumptions.
- Para 105: In summary, projected population growth in the context of capacity constrained local roads and mode shift means:
 - o (a) JVL’s peak service capacity is expected to be exceeded within 5-10 years, with material declines in service quality; and
 - o (b) JVL is expected to be over-run (i.e. peak hour patronage exceeded) within 20 years; and
 - o across this 5–20 year period, local roads will also become significantly more congested.

Planned improvements

- Para 113 “The 2021 GWRC RLTP contains no plans to change the frequency, speed, reliability or capacity of the line. 114. The 2022 GWRC Wellington Rail Programme Business Case also has no concrete plans to improve the line”

Outcomes

- Para 121 “Overall, I expect that upzoning around JVL will reduce citywide housing density, reduce active and public transport mode share, increase car dependency, worsen the performance of the transport network, and not improve housing affordability across Wellington as a whole.”

- Para 122 “Further upzoning of the JVL catchment beyond the MDRS zoning will not lead to more housing development in Wellington and will therefore not affect citywide housing supply or housing affordability. 123. This is because zoning influences where new housing goes, and what it looks like, but not how much is built in aggregate – except under highly restrictive zoning conditions that do not currently apply in Wellington.”
- Para 127” Although the economics of housing development and new housing supply is a relatively new field, a growing body of theory and evidence supports the view that the rate of new supply is determined by the relative profitability of land-banking (speculation) versus developing.⁴⁶ That is, commercial incentives set the speed limit on new supply whenever regulatory limits are non-binding, as in Wellington. Zoning only alters built form and the sequence of sites brought to market. Economists have no other coherent theory of new supply.”
- Para 130: “This is an important point for the Panel in considering whether rapid transit classification supports the NPS-UD objectives. A key question is not whether more housing is better than less, but whether more housing along the JVL line is better than more housing elsewhere”
- Para 131:” More housing around the JVL line at the expense of elsewhere appears counterproductive to the goals of a compact city with lower private vehicle use.
- 132. Census data shows around 60% of work trips from the JVL catchment are by car and 40% by walking, cycling or public transport (Appendix A, Table 1 and Chart 1). For the rest of Wellington, the ratios are reversed. All suburbs in the JVL catchment have higher car travel mode share than Wellington as a whole (Appendix A, Table 1 and Chart 2).
- 133. I see no reason why new residents would use the JVL service more than existing residents, except insofar as all future residents may switch away from increasingly-congested roads. Displacing housing to the JVL catchment via NPS-UD upzoning will therefore worsen overall car dependence.
- Proceeds to disagree with Wharton on a number of points, including the benefits of intensification in JVL.

Wignall evidence - <https://wellington.govt.nz/-/media/your-council/plans-policies-and-bylaws/district-plan/proposed-district-plan/files/hearing-streams/01/submitter-evidence/submitter-evidence--don-wignall-for-wellingtons-character-charitable-trust--submitter-id-233--fs82.pdf>

- JVL cannot be described as rapid transit due to limitations in frequency, travel time, reliability and capacity
 - o Frequency
 - 15 minute peak frequency, 30 minute off peak
 - Evidence referenced: LGWM advice assumption for rapid transit is at least every 10 minutes, all day every day, Auckland professional advice = at least every 15 mins, 7am-7pm 7 days/week, true “turn up and go” would be minimum every 10 minutes
 - Increasing frequency would decrease reliability of line without major infrastructure improvements
 - o Travel time
 - Max operational speed 50km/h, vs. up to 100 on Kāpiti and Hutt lines
 - Jville to Wellington = 23-28 mins
 - o Reliability
 - “Historic route”, passes through 7 tunnels, over 6 bridges

- Steep terrain = sensitive to slips
- Weather – low wheel adhesion (“slippery tracks”) in rain, dew, frost
- Steep – 1:36 grade among steepest in Australasia
- 5 minute timing allowance encourages poor timekeeping and late running
- Capacity
 - Restricted station capacity – 4/8 located on curves and 6 single platform only
 - 4 car trains only
 - Max seated capacity 1176/hour in peak direction – equivalent to bus services between Jville and Wellington
 - “Only example of buses being operated by Greater Wellington Regional Council in direct competition with an entire rail service” shows limitations of line
- Vs. other modes of transport
 - Bus: 8.8km in 15-30 mins, for “vast majority of the day” (source?) bus is faster than train
 - Car: 8.7km in 12 mins
 - JVL “very limited in attractiveness and convenience” vs. other modes
- Future improvements: Increasing capacity would require major capital improvements e.g. double tracking, new passing loops, more platforms etc. has not been adopted in investment programme to 2051 (RLTP or Wellington Rail Programme Business Case). Ergo planned frequency can be assumed to be same as existing frequency.

Wellington’s Character Charitable Trust oral submission (Day 2 3:14:30) - [Hearing Steam 1 - Day 2 - YouTube](#)

- Represented by Duncan Bellinger (lawyer)
- Teamed up with Onslow Community Residents’ Association and Julie Ward to make submission
- Laurence Collingbourne (president of Onslow Community Residents’ Assoc)
 - Gives a “general residents’ view”
 - Focusing on what will achieve the NPS-UD objectives
 - Issues with Wharton – used post-COVID demand in his calculations (presumably lower than pre-COVID), disagrees with Wharton’s definition of peak time (“decided it’s ok to turn up to work at 10am), used wrong version of ONF
 - Single track railway can never be rapid transit
 - Modelled how a passing lane at Simla Crescent would affect frequency – very little wiggle room, 1 min contingency in 1 direction, 0 in other
 - More than half the people who could travel on the line do not
 - Based on commuter waka data (census 2018)
 - Does not travel northwards (“where people who live in the north need to go”) – therefore is not a car replacement, can’t get everywhere you need to go
 - Additional high-rise density along the line will not create more affordable housing, will not alter prices, therefore why would anyone “trash our amenity”
 - Will increase carbon emissions
 - Too much densification reduces mode shift
 - Correct policy to apply is 3(d)

- Would making line rapid transit encourage people who don't currently take the train?
Laurence: probably not
- Julie Ward
 - 10 minute walkable catchment around Awarua St Station would mean a very tiring walk up 200 steps at the end of the work day
 - Any changes made should be in service to the objectives of the NPS-UD
 - Low patronage – aside from work in town, very few places along the line that people want to go (~12 people per service during work day)
 - Thinks that most people drive to town, population increase will just mean more people drive to town (= congestion)
 - Realisable density under NPS-UD probably very little more than MDRS. MDRS therefore sufficient
 - Density should be focused in areas where there is already demonstrated willingness to walk and take public transport
 - Has lived within a walkable catchment of line her whole time in Khandallah, but has never been a regular user
 - Prefers bus – more reliable, frequent and can get off closer to destination
 - Any more than 5 min walkable catchment is too far – steep, poorly lit
 - Stations are very poor amenity, most are just platforms – in a TOD the stations would be more substantial, have more amenity, be more like a town centre e.g. Newmarket
 - Comparison to Onehunga Line – different purposes, JVL has many more stops
 - What do you think area will look like in 30 years? Denser, but incremental development. Doesn't want elderly people living in shadows of new development. We can meet future challenges without intensifying our suburb
- Wignall
 - JVL is an outlier/different to other lines
 - Single track, low speed, poorly aligned, bridges, tunnels, curves
 - Self-evident that the rest of the rail network is rapid transit, but JVL is heritage line
 - Can only take 4 car trains
 - No planned improvements – why?
 - Previous investigations concluded it wasn't feasible. Very expensive
 - Need benefits to justify costs, but there are none
 - Tried a 6 car unit on the line once but caused a lot of operational problems
 - Would you use JVL characteristics as specifications for new rapid transit?
 - If designing new rapid transit, you would want something flexible, e.g. could increase the frequency if there was demand
 - No flexibility on JVL, and no plans to improve
 - You'd never build JVL today
 - Panel: RLTP is not set in stone, is reviewed every 3 years. Would be able to adapt if e.g. JVL was rapid transit. Wignall: I work at NZTA and no one's even talking about this so I would be very surprised
 - 5 minute contingency in journey time gives a lot of allowance for lateness
 - Not much can be done about slippery tracks to improve reliability
- Tim Helm

- Realisable development capacity currently about 3000 dwellings, under MDRS about 19000, rapid transit grounds will add about 1000 (to MDRS-enabled total).
- Assessment based on 4 criteria (reliability etc)
- Line cannot reasonably be called rapid transit, falls short of 3 out of 4 criteria – frequency speed and capacity
- No firm view on reliability
- Frequency
 - Most sensible benchmark for rapid transit = turn up and go. Minimum every 10 minutes. Behavioural change – point at which people stop looking at timetable
 - Linking rapid transit with turn up and go is “implicit in much of the policy thinking”
- Speed
 - Time-competitive with driving only for a small proportion of trips – 5-10%
 - Trips don’t end at Wellington station, people have to commute to destination from there
 - Train itself is slow
 - Quicker only at peak times
 - Bus is faster – this is why there’s spare capacity on trains
- Capacity
 - Rapid transit service should move more people than an ordinary lane of road traffic
 - JVL cannot do this – capacity is like arterial road e.g. Oriental Parade or Chaytor St
 - Forecast growth in patronage based on Council modelling – unless key roads out of area e.g. Ngauranga Gorge can handle 30% or more vehicles at peak times (in proportion with population growth), then growth in rail demand, as drivers avoid congestion by switching to train, will quickly exceed line capacity
- Consequences of rapid transit classification
 - Additional upzoning will not affect supply or affordability. Will just shift development to JVL catchment
 - These people who are living in JVL catchment, instead of wherever else they would otherwise live, are more likely to travel by car
 - No traffic impact assessment has been done – strikes him as an oversight

Kiwi rail evidence (before us in session) – Michelle Grinlinton Hancock

- KiwiRail supports the amendment which provides clarity over what is a rapid transit stop in Wellington city, noting the relief sought in submission points 408.19 and 408.20 which seek a rail corridor setback from all rail corridors (including the Johnsonville Line) as a qualifying matter

Other evidence of interest: Appendix D – review of JVL line designation by Lawrence Collingborne, Tony Randle and Julie Ward

Cribbens evidence (before panel)

| Walkable catchments | Rapid transit |
|--|---|
| <ul style="list-style-type: none"> - Time vs distance being used as a measure - Does support 1500m from city centre - Panel asking about topography, should that take into account (i.e. Hay street no one would walk it) - Panel: Average speed normal conducted by athletic males. - Use of the metric of time to establish starting point, relative to flat 800m. then make adjustments from there. - So many variable to measure and isolate, hard to compare metro systems. Significant range, tend to group about the 800ms. - You take the time and then factor in the distance. Slope, what you carry, attractiveness. Academic sometimes to be putting distances on it. - No study that says 'people will walk 5 minutes to station' only use distance, no one uses time. - Measurement from the edge of the centre city. - Panel: how replicable are studies overseas to the welly topography? | <ul style="list-style-type: none"> - Cribbens set out that he did not believe the Jville line was EXISTING RT due to the lower off peak frequency (this seems contrary to his written evidence) - He started by noting that the RLTP and RPTP, and the letter from GWRC which all talked about improvements <i>but it sounds like the panel have heard submissions and evidence from others disputing that the RLTP contains mention of improvements</i>]. - Panel: what does the RLTP actually say about improvements to the JVL line? <ul style="list-style-type: none"> o Cribbens noted it wasn't classed as PT1 now - Panel referred to Mr Wharton evidence (from the Council) – no material improvements planned in the RLTP, and nothing funded - Cribbens: I don't believe it is existing rapid transit – <u>due to off or inter-peak frequency only being 30 minutes, not 15</u> - Need to improve off peak frequencies, to meet the level of service to be classify and warrant intensification - RLTP – rely on letter from GWRC. - Preferred option does talk about off peak frequency improvements in 5-10 years. The PBC? (5:23) <i>Programme business case</i>] - Cribbens: It was not clear from the rltp and rtp, what the improvements to the rail network would be. - Reached out to council about how much rltp and rtp and the business case were referring to the jvl line. Difficult to land on a firm position. Borderline. I thought there was sufficient, and maybe there is not evidence, which could sway my opinion. |

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| | <ul style="list-style-type: none"> - Panel – have you carried out an assessment of whether you think it meets the criteria? (5:26) - I haven't carried out a detailed assessment, look to rltp etc and general understanding, it would meet MOST of those criteria, and improvements come to frequency to meet that. NOT EXPERT ON WELLY RAIL NETWORK. - Panel: you say meets most of the criteria to be RT. Wharton (from WCC) says the line doesn't need to meet all the characteristics to make judgement on whether it is RT. - Question from the panel about whether all criteria need to be satisfied (from a simple reading of the definition, yes) - Panel: no commitment to any planned improvements. And we've heard from others, that it should meet all of these things. <ul style="list-style-type: none"> o We have the letter from GWRC saying that improvements are planned "There are planned improvements to the infrastructure and services on the Johnsonville Rail Line, as outlined in the Regional Land Transport Plan and Regional Public Transport Plan" - One Network Framework – moved the Jville line from PT1 to PT4? Which is not MRT - My view is that the existing service does not meet the definition of mass rapid transit. - I was relying on the documents and the letter from council, saying it had improvements. - Reason not PT1 is the off peak frequency. - Aligned with my position existing service not rapid transit. - Not every 15 minutes during the day. - Panel: very important to hear clearly your position, - Dr Helm – for the Onslow something ECONOMIST - Digging down into the criteria in the nps-ud about what a rts it. - 5.3 evidence, debateable whether it is. Current position is that the existing levels of service is not rapid transit. |
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- Andrew: Was hoping panel would be able to get evidence of improvements to make it rpt.
- The existing service is not good enough. My view was that there was sufficient indication, sounds like I'm wrong about that. If not

Wharton said in his evidence there were no planned improvements

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Document out of scope, except the following paragraph:

“Across both sets of reports released to date, the IHP has made their view clear that “there is more than sufficient developable land available” across the plan change. This seems to have guided their decision making on a variety of issues”.