



October 3 2016

Productivity Commission
via online submission:

Better Urban Planning Report

Business Central represents business interests throughout central New Zealand from Taranaki across to Gisborne and down to Nelson. Business Central is one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ. In Wellington, our organisation operates the Wellington Chamber of Commerce, accredited to the New Zealand Chamber of Commerce network. Our organisation also delivers ExportNZ to Wellington and the Hawke's Bay.

Business Central supports BusinessNZ's submission to the Productivity Commission and wholly endorses BusinessNZ's comments.

We agree with most of the report's findings and recommendations, especially the point (7.1) highlighted by BusinessNZ - "The [current] planning system shows considerable evidence of unnecessary, excessive and poorly-targeted land use regulations."

From the perspective of Business Central, we are particularly supportive of BusinessNZ's statements regarding future funding mechanisms. The report has raised significant issues regarding future local government funding, including the potential for targeted rates etc. We note that the report contains questions about the viability of alternative local authority funding systems (local taxes amongst others) as a way of improving infrastructure to accommodate growth.

While the search for new funding tools should be seen as positive, there is a distinct danger of new funding mechanisms being used to source additional revenue without any clear understanding of the proper role of local government.

We continually see an undue burden placed on business, because local government tends to see business as an easier rating target than the residential rating base. As such, councils should receive better guidance on the use of available funding tools to ensure greater consistency across the country underpinned by an economically principled approach to funding their various activities, and consider the impacts on economic growth while still looking for improvements on urban planning.

Therefore, as analysed by BusinessNZ, Business Central supports the Productivity Commission's standpoint on urban planning, but urges the Commission to consider carefully the recommendations around funding mechanisms. Accordingly, Business Central supports the recommendations of BusinessNZ.

Yours sincerely,

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

John Milford, CE, Business Central