

Wellington City Council Submission: *Better Urban Planning*

Introduction

1. Wellington City Council's (the Council) submission is in response to the NZ Productivity Commission's (the Commissions) draft report entitled *Better Urban Planning* released in August 2016.
2. This submission should be read in conjunction with the previous submission on the issues paper as well as the Council's submissions to the Using Land for Housing inquiry and the Council's submission on the Resource Legislation Amendment Bill 2015¹.
3. Wellington City Council continues to support inquiry into the planning system and welcomes the draft report's recognition of the importance of high-performing cities to both their residents and the national economy. Cities are the drivers of growth and this makes getting the urban planning system right vital, not just to the success of individual cities, but also to the success of the country's economy. All growth is local, and is the result of individual decisions being taken in specific places – creating the best conditions for this growth is one of the primary functions of local and central government. The Council generally supports the overall direction of the report and many of the recommendations.
4. If a new or improved planning system was to be established Wellington City Council seeks that it is built on the following core principles for better urban planning:
 - Better Urban Planning is people focused;
 - Better Urban Planning facilitates and supports community and economic growth;
 - Better Urban Planning enables resilient places and communities including actively responding to Climate Change;
 - Better Urban Planning integrates the social, cultural, environmental, transport and land use needs of current and future communities;
 - Better Urban Planning is efficient and provides clarity to make informed investment and lifestyle choices while also being adaptable to changing needs and conditions;
 - Better Urban Planning delivers quality urban environments through design.
5. We commend the commission for challenging both local and central government to do more to promote better urban planning. Wellington's character reflects its capital city status, and the

¹ <http://www.productivity.govt.nz/sites/default/files/sub-urban-planning-34-wellington-city-council-91Kb.pdf>
<http://www.productivity.govt.nz/sites/default/files/sub-using-land-for-housing-21-wellington-city-council-590Kb.pdf>
https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/51SCLGE_EVI_00DBHOH_BILL67856_1_A497269/wellington-city-council

public service is the city's main employer. But just as importantly, and as recognised in the report, government decisions directly affect Wellington's transport, housing, business, health and education services, and much more. We are keen to work with Government and the Wellington Regional Council directly to achieve our shared ambitions and the Council's vision for the city. Many of our goals are the same, and a more joined up, coordinated approach to achieving them will be beneficial to all Wellingtonians and New Zealand as a whole.

6. The Council considers that the current urban planning framework could be greatly improved to deliver the outcomes sought at a National and local government level. Deficiency of the current system is primarily due to its externalities based approach which results in decisions on common urban planning issues being made on a case-by-case basis at the expense of taking a long term strategic or cumulative impact view. This fragmented approach to development acts against well planned, efficient and integrated approaches to the provision of land-use and infrastructure. The Council continues to be frustrated by the limitations of the current planning framework and hopes that many of the findings and recommendations of the draft report will result in tangible change to the existing framework.
7. Further, Wellington City Council is supportive of a system that focuses more attention on the desired outcomes, including the desired character and form of areas than on the process of administering the system. This concept has been well articulated in Australia's National Urban Policy Framework as shown following:



8. Whilst the Council is committed to growing the city in a targeted and sustainable way, through this submission it is seeking to ensure that any future planning system provides the tools it needs to deliver better urban planning.

Better Urban Planning – The Wellington Context and Approach

9. Wellington's CBD is particularly productive. In 2015, Wellington's CBD had a GDP per employee of \$132,437, and a growth rate of 2%. Wellington City itself had a GDP per employee of \$117,523, and 1.5% growth rate, compared to a GDP per employee of \$95,998 and a growth rate of 1.3% nationally. Supporting this productivity with the most appropriate tools is beneficial to both the local and national economy.
10. Evidence from PWC's recent 'Cities of Opportunity' report reinforces the link between infrastructure and well-being². The report says that a city's transport, technology, health, education, security and housing infrastructure must be planned, engineered and maintained to work for urban success.
11. The Council has sought to address the failings in the current urban planning policy framework by proactively planning for the future of the city using collaborative processes with other agencies, stakeholders, and the community.
12. The culmination of this work has been the establishment of the Wellington Urban Growth Plan (WUGP), which incorporates and integrates Council's Urban Development and Transport strategies (2006). The WUGP aligns future growth areas with the provision of urban infrastructure, including transport. This provides a blueprint for development over the next 30 years and provides investment certainty to Government (HNZC, NZTA, Ministry of Education), network utility providers (Wellington Electricity, telecommunication companies), developers and the broader community. The document aims to coordinate as much as possible all the various strands which make up a vibrant urban environment.
13. A clear shortcoming of the current system is that strategic planning frameworks such as the WUGP and place based planning frameworks have no regulatory effect and have little weight placed on them by the Environment Court when considering plan changes and resource consent applications. Unlike the policy environment under the Local Government Act, planning policy under the RMA is always at risk and uncertain. A future planning system will need to address the current failings and provide local government with the tools to undertake better urban planning.
14. A future planning system should assist the Council in taking advantage of the major redevelopment opportunities that exist in Wellington which include Te Aro flat and identified suburban growth areas (Churton Park, Johnsonville, Newlands, and Kilbirnie town centres, and Adelaide Road). As land in these areas is characterised by fragmented or multiple ownership and a variety of land uses, development visions are hard to realise due to their complex nature and the limited mechanisms available to address redevelopment opportunities.

² http://www.pwc.co.nz/publications/local-government/cities-of-opportunity-nz-supplement/?utm_campaign=LocalGovernmentPublications&utm_source=campaignmonitor&utm_medium=email&utm_content=CitiesOfOpportunityNZSuppliment2016

15. The draft report recognises that the positive effects of urban agglomeration are not automatic and are the result of a large number of individual decisions, including decisions made by councils and central government. As a result, cities are complex systems, whose shape depends on what has come before. The challenges and opportunities each city faces are unique and, we argue, will require bespoke tools, flexibilities and solutions to address. The set of planning tools Wellington needs to grow are different to the needs of Auckland, Christchurch and Queenstown, and city councils are in the best place to identify these needs.
16. A “one-size-fits-all” approach to future urban planning policy will invariably produce outcomes that are sub-optimal to address the unique situations of individual places – they will be an average for all, or will be based on the needs of one place and shoe-horned into others. This is not to say that there isn’t a role for national policy frameworks – there is – but there is also a strong case for flexibility in specific circumstances where a case can be made that it would improve outcomes, increase efficiency and ultimately generate new growth.

Wellington City Council’s Proposed Urban Development Authority

17. The Council has undertaken detailed research including a business case which indicate that, in Wellington City at least, there are actions beyond effective planning regulation and infrastructure provision that the Council can take to improve the delivery, quality and affordability of new development. Wellington City has a constrained supply of new development land due to its geography and dense pattern of development in high demand areas.
18. Against this backdrop the Council proposes to establish an Urban Development Authority (UDA) to assemble land and partner with the private sector and Government to increase housing supply, deliver demonstration projects and affect urban renewal in strategic brownfield locations. Effective regulation and infrastructure provision are also important to this but bringing together the land and providing civic leadership will be critical to providing certainty, attracting private sector development partners, and ultimately delivering more and better development in the City.
19. The Government has already been involved in forming UDAs such as the Tamaki Regeneration Company, and, drawing from the findings of the Commission’s earlier report *Using Land for Housing*, is considering the merits of using them on a larger scale. To this end the Council wants to take the opportunity, through this submission to emphasise that achieving a more responsive and effective urban planning system will involve using a range of tools which go beyond traditional planning regulation and infrastructure provision, and that strategic and selective public intervention in the property market, such as that typically undertaken by UDAs, should be one of those tools.
20. The Council is clear that done well this intervention will result in positive urban planning outcomes. It is also aware that use of such a delivery model poses risks such as putting public finances at risk and potentially unhealthy interference in the property development market. With this in mind the Council has adopted eight key principles to inform the design of its proposed UDA:

- development activities are consistent with the WUGP;
 - has clear terms of reference and is accountable to the Council;
 - is an enabler and not a competitor in the market;
 - operates commercially and at arm's length from the Council;
 - becomes self-funding;
 - is agile and can scale its activities up and down at pace;
 - has an independent, non-political board;
 - operates within risk parameters set by the Council.
21. The Council's view is that a UDA that works to these principles can play an effective role in the Wellington property market and realise better urban planning outcomes. The Council's own research and experience from overseas jurisdictions, particularly the United Kingdom, Australia and continental Europe, demonstrates that a comprehensive and effective urban planning system includes a role for UDAs.
22. Building on the role that UDAs could play in realising a better urban planning framework, the Council notes that there are statutory powers that could be made available to make them more effective. These could include:
- Giving greater clarity to and expanding the use of powers of compulsory acquisition.
 - Making available special planning powers such as streamlined up-zoning and consenting powers.
 - Allowing UDAs to capture uplift in the value of land resulting from streamlined up-zoning and consenting.
 - Targeted taxation mechanisms (such as tax increment financing) that could be applied to project areas as an alternative means of capturing project costs and funding expensive infrastructure items.
23. The Council already functions effectively as a social housing provider and would be well placed to expand its functions to urban development more generally as it has established expertise in many areas of the land development process.

Response to Questions and Recommendations

24. We have grouped questions and recommendation by report chapter. Where appropriate we have grouped the responses to questions and recommendations together.

Regulating the Built Environment

- Q7.1 Would it be worth moving to common consultation and decision-making processes and principles for decisions on land use rules, transport and infrastructure provision? How could such processes and principles be designed to reflect both:**
- **the interest of the general public in participating in decisions about local authority expenditure and revenue; and**
 - **the particular interest of property owners and other parties affected by changes to land use controls?**
- R7.3 A future planning system should allow for more responsive rezoning, in which land use controls can be set in anticipation of predetermined and objective triggers and activated once those triggers are reached.**

WCC Response:

25. We agree that any future planning system should allow for decisions on key aspects of urban planning to be combined. The Council's own experience is that aligning its strategic planning initiatives with infrastructure investment can be difficult primarily because of the contrasting mandates and consultation requirements involved through the various interrelated but differing pieces of legislation, namely the Resource Management Act, Local Government Act, Land Transport Management Act. Aligning decisions on the key components of urban planning will give investors and developers the confidence to invest more readily.
26. We consider this approach preferable to a price based zoning mechanism. Such a mechanism could be unpredictable, undermine strategic planning and do little to ensure that necessary infrastructure is provided by setting out a future planning framework well in advance of development occurring and therefore not being responsive to changing circumstances. The issue of responsive rezoning can be overcome by a proactive planning approach adopted by local authorities. The National Policy Statement on Urban Development Capacity also seeks to address some this issue by requiring councils to proactively monitor development capacity and respond accordingly.

Q7.3 Would the features proposed for the built environment in a future planning system (e.g., clearer legislative purposes, narrower appeal rights, greater oversight of land use regulation) be sufficient to discourage poor use of regulatory discretion?

R7.4 A future planning system should focus urban notification requirements (and any associated appeal rights) on those directly affected, or highly likely to be directly affected, by a proposed development. This would better align the planning system with the fundamental purpose of managing negative externalities.

WCC Response:

27. We agree that regulatory discretion in urban planning is being applied inconsistently across the sector. Possible reasons for this may be a lack of national guidance and the fragmented sharing of best practice between the planning authorities to respond to differences in resourcing and capacity across the sector.
28. We understand the Commissions' concern regarding "poor use of regulatory discretion", in particular the areas of urban design and visual amenity. The Council however strongly believes the quality of the urban environment and good design generally contributes to the way people relate to and feel about the spaces around them, while at the same time being proven to improve the economic prosperity of an area. It is also important, without biasing the status quo, to acknowledge that changing urban environments have an impact on character and heritage areas, and on how easy it is to use and enjoy public spaces. The application of key urban design principles to new buildings and spaces are therefore a key method of improving the quality of urban environment and having regard to those spaces that require some protection.
29. Furthermore, given a District Plan sets a broad overall framework for growth, urban design guides provide flexibility to ensure this growth occurs in the right way. Urban design remains a fundamental part of the resource consent process to ensure both elected officials and ratepayers have confidence in the way urban environments adapt to change.
30. Whilst existing levels of regulatory discretion are sighted by the Commission as a reason innovation is discouraged, conversely the level of discretion can also be used to promote and allow for innovative urban planning solutions where the right culture and appetite for acceptable risk is present. The Council is aware for instance of a number of occasions where development proposals have resulted in increased yield after having gone through a urban design assessment, resulting in win-win outcomes. This trade-off between flexibility and certainty needs to be carefully considered when designing any new planning framework.
31. The Council would further encourage the Commission to look at best practice models internationally where the design process and quality design outcomes is integral to the planning process and creating liveable environments. The use of a type of design review process is a common and effective tool, which can be used to provide progressive certainty to developers, fast-track applications that have been through the design review process and create urban environments that respond to the growing social, cultural, economic and

environmental needs of a city. Many Australian states are now using a form of design review, often based on the CABE model from the UK.

Q7.4 Would allowing or requiring the Environment Court to award a higher proportion of costs for successful appeals against unreasonable resource consent conditions be sufficient to encourage better behaviour by councils? What would be the disadvantages of this approach?

32. The Council is concerned that the outlined approach would lead to further arguing and costs being incurred in the court setting. The proposal offered is presumptive and focused on the current regime. Whilst any future planning system needs to provide avenues to appeal or object to conditions, a preferable approach is to focus on streamlining the plan making and consents regime through good guidance and practice.
33. Whilst conditions of consent reflect the level of discretion available to decision-makers, they must meet well established legal tests before they are applied. That is, conditions can only be applied to matters relevant to managing the potential adverse environmental effects of a proposal and meeting the sustainable management principles of the RMA. This approach would similarly apply if a better urban planning piece of legislation was implemented.
34. In the Wellington context, established practice seeks to avoid disputes over conditions by working with the applicant prior to the issuing of a resource consent. Good practice initiatives such as this could be rolled out nationwide by a centre for planning excellence (referred to in R9.2) to increase the capability of the industry. A centre of excellence could also influence outcomes at the local level by assisting councils to move more rules into the restricted discretionary bracket and away from the full discretionary and non-complying bracket. We understand this practice to be currently limited.

Q7.5 Would it be worthwhile requiring councils to pay for some, or all, costs associated with their visual amenity objectives for private property owners? Should councils only rely on financial tools for visual amenity objectives, or should they be combined with regulatory powers?

WCC Response:

35. While the Council understands the question raised, it is the view of Council that quality urban environments and design is essential to what makes a liveable and enjoyable place to live, work and play, as described in previous responses.
36. More specifically, the positive effects that accrue to a developer and/or homeowner from realising positive visual amenity objectives and/or urban design requirements have been proven to result in higher sale or re-sale prices for instance, and have equally been proven to reduce crime in neighbourhoods³. As such it is the Council's view that the integration of design and visual amenity within the planning system is essential.

³ [Paved with gold: The real value of street design | Design Council](#)

R7.1 Future urban planning legislation should clearly prioritise responding to growth pressures, providing land use flexibility, and supporting the ability of residents to easily move through their city.

R7.2 Information about land price should be a central policy and monitoring tool in any future planning system, and should drive decisions on the release, servicing and rezoning of development capacity.

WCC Response:

37. Council agrees that future urban planning legislation should clearly prioritise responding to growth pressures, providing land use flexibility, and supporting the ability of residents to easily move through their city through an integrated transport, land-use and infrastructure approach.

38. In regards to land pricing, the Council does not consider a price based zoning mechanism is appropriate as it would undermine a coordinated and planned approach towards urban planning. That said it could be one of a number of formal indicators that would trigger councils to reconsider the appropriateness of existing zoning as is being proposed through the National Policy Statement on Urban Development Capacity. Information about land price is an important indicator; however for the reasons outlined previously the Council does not consider that it should be a central monitoring and policy tool, but rather one of many including perhaps capital value and other economic indicators. Putting too much credence on land price as a decision-making factor will lead to unsustainable planning outcomes. In a Wellington context where land is constrained, reliance on a land price will lead to artificial outcomes in a greenfield context for instance where the Council's housing strategy is multi-pronged with a significant focus on infill, intensification and central area apartment development.

R7.6 Consultation requirements under a future planning system should:

- **give councils flexibility to select the most appropriate tool for the issue at hand;**
- **allow councils to notify only affected parties of Plan changes that are specific to a particular site;**
- **encourage and enable participation by people affected, or likely to be affected, by a decision; and**
- **encourage the use of tools that ensure the full spectrum of interests is understood in council decision-making processes, and that allow the public to understand the trade-offs involved in decisions.**

WCC Response:

Better Engagement Tools:

39. Overall, any future planning system should include principles of good engagement at the core of the system. In general this should occur at the plan-making end of the process where the

policies and vision for the city and particular areas can be well articulated, communicated and understood, resulting in very little engagement required at the assessment end of the process as to avoid strategic urban planning issues being considered on a consent by consent basis. Whilst any future planning system will need to have minimum engagement requirements, it is important that this is defined at a principle level so that councils have flexibility in identifying and utilising a range of tools depending on the complexity of the urban planning issue it is addressing. This also allows the use of emerging and proven technologies that better communicate and engage with the community e.g. 3D virtual models, web and social media avenues. Options ranging from formal submissions processes to interactive and real-time online metrics need to be available. The Council's most recent Long-Term Plan consultation process is an example of an innovative consultation solution that was well received through the use of the web as a delivery tool, and making the often significant information supplied through these processes accessible in an easily digestible and interactive format.

40. The current engagement requirements under Schedule 1 of the RMA are out of step with emerging consultation trends and the ways that people want to engage in government processes. As a result councils are failing to maximise the opportunity to engage with the very communities affected by urban change. Whilst councils can and still do undertake non-statutory consultation exercises outside of the existing legislative requirements, they may choose not to given the prohibitive costs and time involved and the fact a formalised process is still required once a plan change is notified for example. The Council is open to amending the existing process so that it maintains its robustness but keeps pace with emerging social media trends and encourages more real time active engagement in planning processes.

Flexible Tools for Plan Making:

41. Any new planning system needs to provide councils with a range of plan making options that can be tailored to different scenarios. Council further recommends that the Commission and Government consider engagement more broadly across a number of pieces of legislation including the Local Government Act, the Land Transport Management Act and the Resource Management Act and any new Urban Planning legislation, to more fully define engagement principles and planning tools across them in order to ensure integration of the process for more effective place based planning.

Affected Parties:

42. Any future planning system should provide councils with a range of plan making methods and consenting pathways that provide a sliding scale of complexity to match the complexity of the plan making exercise or consent at hand. Any future planning model should also consider setting less restrictive bulk and location thresholds rather than trying to more tightly define who is or isn't affected.
43. The Council urges caution about focusing on rigidly defining who is and isn't affected by proposed plan provisions or rules in legislation. The history of RMA reform shows that such an approach may be technically unworkable and may not achieve the outcome sought, which is to

allow a higher level of development as of right without certain regulatory permissions being required.

44. We note the report highlights that New Zealand's planning system is already heavily approvals orientated with only a marginal proportion of all resource consents being notified and an even smaller margin being declined. Public or limited notification is already the exception in the processing of a resource consent applications. The Council believes that it is important that any future planning system ensures that parties that are directly affected by a proposal have a chance to participate in a consent process, while noting that the plan and policy making would have already undergone significant public participation during its development. This is why the principle of strong and clear engagement at the plan setting stage, as well as a system that delivers quality design outcomes is important in considering a new urban planning system.

Q7.2 Should all Plan changes have to go before the permanent Independent Hearings Panel for review, or should councils have the ability to choose?

R7.7 A permanent Independent Hearings Panel should be established to consider and review new Plans, Plan variations and private Plan changes across the country. As with the Auckland and Christchurch IHPs:

- **councils should retain the rights to accept or reject recommendations from the permanent Independent Hearings Panel; and**
- **once a council accepts a recommendation from the permanent Independent Hearings Panel, appeal rights should be limited to points of law.**

WCC Response:

45. The Council endorses further flexibility and speed within the plan making process and welcomes a non-compulsory Independent Hearings Panel. There are clear benefits from such processes on large scale plan review processes in terms of the overall speed at which a plan review can be completed.
46. However, the use of IHPs should not be mandatory given the significant variability in the scale and significance of plan changes, as well as the bearing on the national urban planning interest. Drawing on the Auckland and Christchurch IHP processes it would be important to understand if the costs outweigh benefits. Costs of the process may well be higher than those of the current system given its formality. Non-financial cost may include the perception of the process being exclusionary.
47. A benefit of the IHP process is that elected members retain a key democratic role of either accepting or rejecting a panel's recommendations. Any IHP process should be augmented by greater national direction from central government in order to achieve consistency of approach to urban planning issues across the nation.

R7.8 A future planning system should enable councils to provide targeted infrastructure or services investment (e.g., the expansion of green spaces or upgrades to existing

community facilities) for areas facing significant change, to help offset any amenity losses.

WCC Response:

48. The Council agrees with this recommendation and notes its own work on improving inner city amenity and infrastructure to encourage and enable investment and growth. It is also important to consider how the future beneficiaries of this targeted infrastructure and services investment can contribute to this up-front investment.

R7.9 Central government should develop processes to more clearly signal the national interest in planning, and have protocols to work through the implications of these national interests with local authorities. It should also monitor the overall performance of the planning system in meeting national goals (i.e., flexibility, sufficient development capacity and accessibility).

WCC Response:

49. The Council agrees with this recommendation given the current institutional and legislative approaches to urban planning are not fit-for-purpose.
50. Any future planning system needs to be underpinned by a strong forward programme of national direction and guidance, and to provide for system monitoring through platforms such as the National Monitoring System. Wellington City Council is also committed to the Smart Cities – Smart Nation project that means greater access to new technologies and data will improve planning and decision making at a local, regional and national level
51. The Council also encourages the establishment of standardised planning indicators and tools so the debate around the urban change can be measured consistently at a national level. This in turn should also mean more consistency of response to similar issues at a national level. It would be important that these processes and protocols are established collaboratively. Wellington City Council would welcome the opportunity to be part of this exercise.

R7.10 In a future planning system, central government should have the power to:

- **override local plans in a limited set of circumstances,**
- **co-ordinate or require common land use approaches to specific issues, and**
- **direct council infrastructure units or CCOs to increase their supply, where the differential between the price of developable and undevelopable land exceeds a pre-determined threshold.**

WCC Response:

52. The Council is cautious about centralised powers. A preferable approach is to establish a constructive, two-way relationship with central government that facilitates open and honest conversations about expectations at the beginning of the plan making process. Engaging at the front end of the plan making process has the following benefits:
1. Ensures that central government direction permeates and influences local government statutory planning, and local government understands the issues and challenges faced at a national level;
 2. Fosters trusted relationships between planning practitioners from local and central government;
 3. Results in best practice being shared across government; and
 4. Results in better central government understanding of the issues and challenges faced by local government and at the community level.

Urban Planning and the Natural Environment

- R8.1 A future planning system should include a Government Policy Statement (GPS) on environmental sustainability. The GPS should:**
- set out a long-term vision and direction for environmental sustainability;
 - establish quantifiable and measureable goals against which progress would be monitored and reported on; and
 - establish principles to help decision makers prioritise environmental issues when faced with conflicting priorities or scarce resources.
- Q8.1 What should be the process for developing a Government Policy Statement (GPS) on Environmental Sustainability? What challenges would developing a GPS present? How could these challenges be overcome?**

WCC Response:

53. The Council supports further examination of Recommendation 8.1. A GPS as proposed could provide a clear national framework for environmental management. It would also increase central government direction on environmental policy matters, especially at an urban level, which is welcomed by the Council given the general absence of national direction under the RMA. However, as outlined further below, the Council also holds some concerns over the proposal that would need to be addressed before the Council was comfortable supporting such a move.
54. The Commission's report rightly identifies that the development of a GPS on environmental sustainability would be challenging given the range of stakeholders with an interest in the contents of a GPS. The principal difficulty in preparing the GPS would be balancing the wide range of competing interests inherent in such a document.
55. Moreover, the fact that a GPS would be subject to regular review (nominally suggested as 5 years by the Commission) raises the possibility that short-term political concerns would impact on the longer-term environmental issues that a GPS is designed to address. This requires a

process to be designed for the development of the GPS that is cognisant of political cycles to build a stronger sense of certainty into the GPS.

56. By way of example, under the Land Transport Management Act, the Government issues a GPS every 3 years to reflect current policy and funding priorities. This shows that over time priorities change. On the one hand, the ability through a GPS to signal gradual change is advantageous, however it is not clear what level of certainty this provides to private and public sector investors particularly when investment decisions could be long term.
57. The Council agrees with the suggestion that a GPS must be informed by a range of professional and scientific expertise. Given the size of the task, dealing with a wide range of subject areas risks that the quality of outcomes is affected. One possible alternative approach to that of a panel of experts would be to form a range of Technical Advisory Groups ["TAG"] on relevant topic matters to inform the content of the GPS. These groups could address issues such as biodiversity, water quality, natural hazards, air quality and climate change adaptation individually.
58. As an adjunct, a collaborative approach involving experts and targeted stakeholder group representatives, including from the broader community could be employed. This however runs the risk of becoming overly cumbersome unless appropriately structured and managed but is more likely to result in a higher degree of consensus on completion.
59. Putting the process to one side, the Council would expect that a GPS includes an appropriate engagement, consultation and submission component. Certainly, the local government sector would be a key partner in the development of the GPS given the central role local government would play in its implementation and monitoring. Any model would need to be underpinned by a rigorous evidence based approach.
60. From the draft document the proposed GPS on environmental sustainability appears to focus on the natural environment. It is less clear whether the same GPS would deal with issues of urban development. For instance, the GPS is mooted to replace existing National Policy Statements and Environmental Standards. However with a natural environment focus, it is unclear whether the GPS would subsume existing and currently proposed national direction on urban matters such as telecommunications, urban development capacity, waste minimisation and energy management.

Q8.2 Would a greater emphasis on adaptive management assist in managing cumulative environmental effects in urban areas? What are the obstacles to using adaptive management? How could adaptive management work in practice?

WCC Response:

61. The Council agrees that cumulative effects are difficult to deal with, whether in terms of the natural or built environment. Greater application of adaptive management in the urban environment could be beneficial, for instance in the area of managing stormwater discharges to natural waterbodies.
62. The Council agrees that adaptive management should not, and cannot, replace the current 'predict and control' approach entirely. Rather it should be a complementary tool. Adaptive management can be employed as a "ratchet" tool, used where an action to meet a standard is set, but where new information indicates a problem is worse or a standard is unlikely to be met. Adaptive management could then trigger a requirement to respond to the new information or problem. It should be used as a sinking lid tool to manage negative environmental outcomes.
63. The Council sees the main obstacle to such an approach being the ongoing monitoring framework that will need to be implemented and the associated costs it brings. There is also the risk that based on the level of sunk investment, changes to approved development to address issues of cumulative effects may simply be impractical or uneconomic.
64. The Council also recognises the importance to plan for and respond to climate change and other shocks and stresses. Wellington is currently developing and implementing strategies to ensure that our community, environment and built infrastructure can respond and adapt to these pressures.

R8.2 Before attempting to use urban planning as a means of reducing GHG emissions in New Zealand, a more robust empirical research base should be developed reflecting New Zealand circumstances. Specifically, research should aim to improve the government's understanding of local factors that shape urban GHG emissions in New Zealand, and the extent to which urban planning can influence these factors.

WCC Response:

65. Wellington's generally dense and compact urban form enables a high uptake of walking, cycling and public transport. It is no coincidence that Wellington's GHG emissions are the lowest in Australasia on a per capita basis, also benefitting from good access to renewable energy sources.
66. The Council is of the view that integrated urban planning plays a key role in reducing GHG emissions (for instance from transport). An evidence base is therefore an important input in determining future planning directions, targets and measures.

R8.3 Central and local government should develop an agreed set of principles to govern the development of national regulations that have implications for the local government sector. This should be along the lines of the 'Partners in Regulation' protocol recommended in the Commission's report Towards Better Local Regulation (2013).

WCC Response:

67. The Council supports this recommendation as it seeks to create a level of consistency in how regulation is developed at a national scale. It notes however that there are alternatives and/or complementary tools to this approach in urban planning. For instance, the current work being undertaken by the Ministry for the Environment in developing a National Plan Template could be a vehicle to further refine the extent of planning regulations, depending on the eventual scope of this work. The Council cautions however that such an approach needs to strike an appropriate balance between creating a level of national consistency whilst still allowing for local customisation to respond to particular local issues.

R8.4 When regulating urban spillovers affecting the natural environment, a future planning system should provide government bodies access to the full suite of policy tools including market-based tools.

WCC Response:

68. The Council agrees with this recommendation and supports access to a full suite of tools to address such issues, including market based tools. Mechanisms such as market offer critical opportunities to inspire behaviour change without heavy-handed regulation.

Urban Planning and Infrastructure

R9.1 Spatial plans should be a standard and mandatory part of the planning hierarchy in a future system. Spatial plans should be tightly defined and focus on issues closely related to land use, in particular the provision of water and transport infrastructure and community facilities (e.g., green space, reserves, conservation areas, and libraries), protection of high value ecological sites, and natural hazard management.

Q9.1 Which components of the current planning system could spatial plans replace? Where would the greatest benefits lie in formalising spatial plans?

WCC Response:

69. Engagement between central and local government will be critical to the success of spatial plans. As schools, highways, hospitals, emergency services and the like are the remit of central government, both levels of government need to work together to deliver shared outcomes for urban areas to serve their communities effectively.
70. The Council agrees that there are benefits to be achieved through the formalisation of structure plans in the planning system and has supported the concept of spatial planning in previous submissions. Council also recognises the need for greater collaboration between central government and local authorities to deliver a much more integrated approach and spatial plan.
71. Council agrees that spatial plans should be tightly defined and sees their primary purpose as outlining a high-level future urban form, key physical infrastructure and social infrastructure

projects, and general development patterns that could be informed by structure plans where they are in place.

72. The Council agrees that an RLTP (Regional Land Transport Plan) could be incorporated into a spatial plan given the synergistic relationship between transport infrastructure and land use.

R9.2 As part of the transition to a future planning system, central government should establish a centre of excellence or resource that councils could draw on to conduct real options analysis in the development of land use plans.

WCC Response:

73. The Council supports this recommendation in principle. Such a centre could build on existing resources such as the Quality Planning website. It could also provide a resource to aid councils in developing and implementing planning tools beyond regulatory plans such as the range of market based tools outlined by the Commission.

R9.3 A future planning system should include institutions or formal processes through which councils and central government can work together to assess major programmes of urban infrastructure investment with wider spillover benefits.

WCC Response:

74. The Council welcomes this recommendation and highlights the current approach being taken through the Let's Get Wellington Moving joint initiative between NZTA, GRWC and WCC. The benefit of this example is that it is allowing the agencies to work together with the community to identify the city shaping potential and benefits of urban infrastructure. Central government funding and involvement is critical to the success of major infrastructure developments, which often act as catalyst projects for a city or district. Integration between local and central government is vital to the success of urban and the national economy. It will be important that any future planning system reflect a rounded view of the economy to ensure that infrastructure decisions are linked to wider central government and local government priorities and plans.
75. The Council is open to work with the Government on such an agreement or process.

Infrastructure: Funding & Procurement

- Q10.2** Would there be benefit in introducing a legislative expectation that councils should recover the capital and operating costs of new infrastructure from beneficiaries, except where this is impracticable?
- Q10.3** Would alternative funding systems for local authorities (such as local taxes) improve the ability to provide infrastructure to accommodate growth? Which funding systems are worth considering? Why?
- R10.2** Councils should use targeted rates to help fund investments in local infrastructure, wherever the benefits generated can be well defined.
- R10.3** A future planning system should enable councils to levy targeted rates on the basis of changes in land value, where this occurs as the result of public action (e.g., installation of new infrastructure, upzoning).

WCC Response:

76. At a general level Council supports exploration of new funding models because infrastructure delivery, upgrade and maintenance represents a significant proportion of Council's spending and can place upwards pressure on rates funding. New models of funding may help to ease these pressures and may also allow local authorities to "front load" the delivery of more infrastructure (hard and soft) and thereby give greater direction and confidence to the community and development market.
77. In the Wellington context there is significant potential to leverage off upcoming infrastructure investment and policy changes such as the 'Let's Get Wellington Moving' project currently underway. The diversion of non-essential vehicles from the inner city enables the consideration of increased development and the creation of much more attractive and welcoming environments, including a stronger connection to the waterfront and throughout the city.

- Q10.4** Would there be benefit in allowing councils to auction and sell a certain quantity of development rights above the standard controls set in a District Plan? How should such a system be designed?

WCC Response:

78. As indicated, the Council is fundamentally supportive of any tool being made available that provides local government with alternative funding options. The use of transferrable development rights and bonuses based on delivering greater community benefit such as public art, heritage restoration and adaptive reuse are well recognised internationally.
79. The Council is open to further exploration and discussion on this matter.

Q10.5 Should a requirement to consider public-private partnerships apply to all significant local government infrastructure projects, not just those seeking Crown funding?

WCC Response:

80. The Council agrees that Public Private Partnerships can play a useful role in delivering infrastructure outcomes and community benefit and agrees that such an approach should be considered as part of the scoping process of significant projects. As many local government projects will not be at a scale for the use of PPP's, with even some large scale local government not being suitable, their use should be discretionary based on the need and what will create greatest value for the community.

R10.1 A future planning system should allow councils to:

- **set volumetric charges for both drinking water and wastewater; and**
- **apply prices for the use of existing local roads where this would enable more efficient use of the road network.**

WCC Response:

81. The current system does not prevent a Council from using a volumetric charge for water and it is noted that the Rating Act specifically allows for water meter charges. Similarly the Local Government Act has provisions for trade wastes. Volumetric charging for domestic wastewater is not currently provided for in any legislation and the current practice of using water meters as a proxy for waste water is flawed. Any future planning system should consider the use of 'resource rental' charge for water abstracted in order to drive use to the highest and best use.
82. We agree that any new system should allow councils to apply pricing for existing local roads as it recognises that the efficient and effective movement of people and goods is essential to the economic growth of our cities. Whilst the use of such a pricing tool would need to be carefully considered in terms of its equity, the concept is welcomed for further exploration as it expands the methods of paying for growth enabling infrastructure.

R10.4 A future urban planning system should give councils the capability to use a wide range of innovative infrastructure delivery models, including public-private partnerships. Councils, either alone or through joint agencies, will need to develop the capabilities to operate such models successfully. Future arrangements could build on current regional shared-services initiatives that increase project scale and develop project commissioning expertise.

WCC Response:

83. The Council is supportive of this recommendation and any tools made available to local government to provide and fund infrastructure on a sustainable footing. The Council already has considerable experience in the utilisation of shared-service arrangements, which lends

itself well to such an approach. Council also notes that local government infrastructure generally has very long life cycles accompanied by strong community dependency and so any institutional arrangement for its provision and operation needs to allow for its eventual replacement or renewal.

Urban Planning and the Treaty of Waitangi

Q11.1 What policies and provisions in district plans are required to facilitate development of papakāinga?

WCC Response:

84. The current tangata whenua section of the Wellington City District Plan does not include any specific pāpākainga provisions. A current review, to be completed in 2017, will consider the possibility of new policies to reflect Treaty settlement provisions as well as a possible pāpākainga policy.
85. Whilst there are no specific provisions within the District Plan the Te Aro Pā Trust, with WCC, Te Tumu Paeroa and Te Puni Kōkiri, established the only papakāinga development on Māori land in Wellington City in May 2016. It is a contemporary kainga made up of three-bedroom units and four one-bedroom units for young families, kaumatua and professionals who are connected to the original Ngāti Ruanui and Taranaki iwi people of Te Aro.

Q11.2 How can processes involving both the Te Ture Whenua Act 1993 and the Resource Management Act 1991 be better streamlined?

WCC Response:

86. The Te Ture Whenua Māori Land Act 1993 defines ancestral land for papakāinga is owned by multiple owners for and on behalf of future owners/generations. An emerging issue is land returned through Treaty settlements to be administered by Māori owners which is excluded for papakāinga development. The problem is that returned land is designated as 'fee simple' land rather than 'Maori owned' land. The most likely process to address this would be by way of amending the Te Ture Whenua Maori Land Act 1993.
87. The Te Ture Whenua Māori Bill is currently before the Māori Affairs Select Committee. Proposed clauses 41 and 42 of the Bill will enable land administrators to lease certain whenua tapui for residential housing for up to 99 years to now establish papakāinga.

Q11.3 Do councils commonly use cultural impact assessments to identify the potential impact of developments on sites and resources of significance to Māori? How do councils set the thresholds for requiring a cultural impact assessment? Who sets the fees for a cultural impact assessment and on what basis? What are the barriers to cultural impact assessments being completed in good time and how can those barriers best be addressed?

WCC Response:

88. Cultural Impact Assessments (CIA) are only requested where development occurs in close proximity to sites of significance to iwi (defined in the District Plan) or where development relates to land or a body of water (as defined under S77 LGA).
89. Questions related to the fees for CIAs and any barriers to their implementation are better answered by the Māori planning practitioners (e.g Ngā Aho and Papa Pounamu) and iwi who engage often in planning processes.

Q11.4 What sort of guidance, if any, should central government provide to councils on implementing legislative requirements to recognise and protect Māori interests in planning? How should such guidance be provided?

WCC Response:

90. The challenge for local authorities is to establish robust mechanisms that fulfil, in a meaningful manner, the statutory obligations designed to protect Māori interests. On a national basis the capability of local authorities to fulfil statutory obligations to Māori/Treaty of Waitangi is inconsistent and ad-hoc, and this means that the active protection of Māori interests continues to be at risk. A central government centre for excellence (R9.2) accompanied with comprehensive guidance could help to address this issue.
91. In order to address such risks in the Wellington context the Council's Effectiveness for Māori Framework: He Waka Eke Noa was established in 2015. This framework is designed to provide key performance indicators and steps to assist the Council and its officers to meet its statutory obligations to Māori/Treaty of Waitangi across a range of Council functions.

11.5 In what way, if any, and through what sort of instrument, should legislative provisions for Māori participation in land-use planning decisions be strengthened?

WCC response:

92. This question is perhaps better answered by the Māori planning practitioners (e.g Ngā Aho and Papa Pounamu) and our iwi partners who engage often in planning processes.

Culture and Capability

R12.1 A future planning system should place greater emphasis on rigorous analysis of policy options and planning proposals. This will require councils to build their technical capability in areas such as environmental science and economics. It would also require strengthening soft skills – particularly those needed to engage effectively with iwi/Māori.

WCC Response:

93. The Council agrees with this recommendation. Any future planning system will need a strong evaluative framework that enhances the existing provisions under section 32 of the RMA. A more robust evaluative framework will need to promote improved technical standards across the industry. Wellington City Council works hard to ensure it remains at the forefront of planning practice through targeted recruitment, effective training and development and by investing in new technologies, such as our e-plan. These considerations require greater attention within the planning system.
94. Section 32 of the RMA was amended by the 2013 Resource Management Amendment Act. The amendments to the section were brought in to address concerns noted by the Productivity Commission. We suggest that the Ministry for the Environment undertake a comprehensive review of the effectiveness of the new section 32 provisions prior to consideration of any further legislative change in this area. This review could be used to inform the establishment of a new evaluation framework for a future planning system.
95. The Council remains committed to adopting best practice in engaging with iwi Maori as demonstrated by the He Waka Eke Noa (Effectiveness for Māori Framework, EFM) which was launched in 2015. The framework aims to create a pathway to enable the Council to strengthen Māori communities, create innovative ways to facilitate Māori participation in our decision making and empower our organisation's capacity to respond effectively to our Māori stakeholders and communities.

R12.2 Central government should improve its understanding of urban planning and knowledge of the local government sector more generally. An improved understanding will help promote more productive interactions between central and local government.

WCC Response:

96. The Council agrees with this recommendation, and would welcome the opportunity to enter into a long term and genuine partnership with our central government partners to improve urban planning practice. We are keen to work with the Government and Wellington Regional Council to achieve our shared ambitions and vision for the city.

A Future Planning Framework

Q13.1 What are the strengths and weaknesses of these two approaches to land use legislation?

WCC Response:

97. As a matter of principle, the Council is supportive of a planning system that is outcomes focused and that recognises the important role and interrelationship that urban environments play in achieving sustainable and prosperous communities in conjunction with the protection and management of natural environments. It is important therefore to ensure that a new planning system fully recognises and enables the role of appropriate urban development, which supports economic growth while at the same time protecting and even enhancing the natural environment for future generations to enjoy and benefit from.
98. As such the question of whether a single statute should be split into two parts, or whether the two separate laws would be of greater benefit is of lesser importance if the principle above is achieved. There is good evidence internationally that positive cultural, social, economic and environmental outcomes can be achieved through specific urban development legislation.

• What are the strengths and weaknesses in keeping a single resource management law, with clearly separated built and natural environment sections?

WCC Response:

99. The principal benefit of this approach is that it can ensure a greater amount of integration between the two components. The risk of pursuing two separate laws is that of ensuring there is an appropriate interface between the two. This however can be resolved through careful and considered drafting during its development.
100. In terms of weaknesses, such a law could be overly cumbersome in terms of size. Certainly one of the issues with the RMA is its growth over time through each of its many amendments. The ease of usability of the law could therefore be eroded in a single statute.

• What are the strengths and weaknesses in establishing two laws, which regulate the built and natural environment separately?

WCC Response:

101. Establishing two laws would provide a dedicated, fit for purpose framework relevant to the issues of each topic. This would address the long discussed issue of a lack of express recognition of the urban environment in the RMA.
102. The potential benefit of a single urban development law in particular would be the ability to better integrate matters of transport and infrastructure planning. There has long been a

disconnect, as identified by the Commission, between these matters given the separate pieces of legislation governing each topic.

103. The risks of this approach mirror those identified above, being the need to sufficiently integrate each statute to ensure appropriate coverage of the interface between the urban and the natural environments. The two cannot be arbitrarily split; therefore careful consideration would need to be given to how such an interface is codified. The Council cites the interface between the RMA and Building Act in dealing with earthquake prone buildings as an example of an overlap between two laws that has led to a lack of certainty in urban planning.

13.2 Which of these two options would better ensure effective monitoring and enforcement of environmental regulation?

- **Move environmental regulatory responsibilities to a national organisation (such as the Environmental Protection Authority).**
- **Increase external audit and oversight of regional council performance.**

WCC Response:

104. The Council agrees that effective monitoring and reporting is essential to inform policy responses, improve systems and processes, as well as being able to respond to developing trends. It is recognised that monitoring under the current RMA has not been as comprehensive or consistent as it could and should be.
105. The Council however cautions against the establishment of unnecessary layers of administration without being very clear on the objectives and outcomes being sought. The Commission would need to satisfy itself that the benefits of mandating a national organisation to undertake environmental monitoring and reporting outweigh the costs.