

Phone: 04 472 6435  
Foodstuffs (N.Z.) Limited  
Level 8, 45 Johnston Street  
P O Box 5401, Lambton Quay  
Wellington 6145  
[www.foodstuffs.co.nz](http://www.foodstuffs.co.nz)

3 October 2016

Better Urban Planning Inquiry  
New Zealand Productivity Commission  
P O Box 8036  
The Terrace  
WELLINGTON 6143

## **Better Urban Planning – Submission on Draft Report**

This submission is made by Foodstuffs (NZ) Ltd on behalf of the Foodstuffs group of companies. Foodstuffs are involved in grocery wholesaling and retailing. Co-operative members operate supermarkets, grocery stores, and wholesale food businesses under the trading names New World, PAK'nSAVE, Four Square, Raeward Fresh, Gilmours, and Trents.

### Introduction

Foodstuffs wishes to congratulate the Productivity Commission on the quality of its report. We believe that the Commission has accurately identified the major shortcomings with the current regulatory framework for urban planning and proposed a new framework which will deliver substantive improvements to the urban planning regime.

By way of general comments, we support the suggestion of separate legislative frameworks for the management of the built and natural environments, a more permissive approach to development activity (subject to safeguards), broader land-use zones which allow a wider range of permitted activities, and a requirement for stronger evidence to support land-use restrictions. We also support the proposal for central government to give greater guidance to councils on its priorities through national policy statements, and specifically a new Government Policy Statement for environmental priorities.

Foodstuffs views on specific questions and recommendations are outlined below.

### 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?

Yes, we agree. A common approach across councils would provide greater clarity and certainty around process and the principles adopted, and provide for greater consistency and fairness in approach and outcomes. Processes and principles could be set centrally through the mechanism of National Policy Statements. It would then be the responsibility of councils to apply these processes and principles to local circumstances and context.

### Q7.2 Should all Plan Changes have to the permanent Independent Hearing Panel for Review?

Foodstuffs cautiously supports the establishment of an Independent Hearing Panel to consider and review new Plans, Plan variations, and private Plan changes. While this will result in more consistency in outcomes across the country, and should result in better quality outcomes overall, the success of this proposal will hinge on the quality of the Panel.

We assume that the Minister will appoint Panel members. Criteria for eligibility should be set in regulation and appointees must have relevant professional skill-sets such as backgrounds in urban planning, economics, resource management, and the judiciary.

We would recommend that the Panel is chaired by a legally qualified person. The Panel will be dealing with large and complex issues. Its recommendations, if accepted by a council, will be final. Recommendations will need to be legally sound. Foodstuffs has a strong preference that the Panel is chaired by a judge with practical experience of planning law, ideally an Environment Court judge or a retired judge of that Court.

[Q7.4 Would allowing the Environment Court to award a higher proportion of costs for successful appeals against unreasonable resource consent conditions be sufficient to encourage good behaviour?](#)

We agree the Environment Court should be able to set a higher proportion of costs for successful appeals.

[Q.7.5 Should councils be required to pay for some or all costs associated with visual amenity objectives?](#)

We accept that communities require good amenity and there is some obligation on developers to meet *minimum* standards to maintain amenity values, however, urban design considerations involve a lot of subjectivity and the current regulatory settings give council officials far too much discretion to impose their personal views, sometimes in the context of highly aspirational goals. The result can be unrealistic and/or impractical conditions being imposed on developments, longer lead-times for developments to get off the ground (as proposals are debated), and higher development costs (in part due to design requirements and in part due to time delays).

We would support the development of a National Policy Statement for Urban Design which sets out the principles which must be adopted in setting urban design. Where councils wish to impose design features for "enhanced public amenity" there is an argument they should contribute to the higher cost involved.

[R7.1 Responding to Growth Pressures](#)

We agree that future urban planning legislation must clearly prioritise an adequate response to growth pressures by providing greater flexibility around land-use, facilitating better alignment between land-use and infrastructure planning, and removing unnecessary barriers to development activity. The recent and unprecedented increase in property values, particularly in Auckland, stems from there being insufficient development capacity to meet an unexpected surge in demand. If New Zealand is to meet its economic and social objectives, Government must provide a planning framework that is much more responsive and adaptive to changing circumstances. The Government's expectations in this regard must be more clearly articulated. The concept of a National Statement on Urban Planning is a good first step, but more substantive change to the planning framework is necessary.

[R7.2 Information about land price should drive land release, servicing, and rezoning decisions](#)

An effective urban planning system should deliver the right amount of development in the right location at the right time. Market-based mechanisms are generally effective at providing investors with the relevant information on which to make rational investment decisions. Foodstuffs therefore supports greater use of market-based mechanisms, such as land price increases, housing affordability indices, etc as triggers for the release of development capacity. Properly calibrated, such mechanisms could simplify and speed up decision-making processes, while improving the efficiency of resource allocation, and reducing the propensity for decision-making to be captured by vested interests.

[R7.4. Notification requirements should focus on those directly affected](#)

Foodstuffs agrees that notification and associated appeal rights should be more narrowly focused on those directly affected by a proposed development. Public notification should be based on specified criteria, set out in legislation, so there is a consistent approach across councils.

[R7.5 Appeal rights on Plans should be limited to those directly affected by plan provisions or rules](#)

In principle we agree that appeal rights should also be focused on those directly affected, however the definition of "directly affected" will need to be sufficiently wide to catch potential developers as well as existing interests e.g. if a plan change envisages future development activity not currently allowed.

#### R7.6 More flexible consultation requirements

Foodstuffs supports more flexible consultation requirements, allowing limited notification to affected parties where a plan change is specific to a particular site. This will reduce cost, facilitate more timely decision-making, and increase national productivity.

#### R7.10 Central Government intervention

While we accept central government intervention in local planning may be necessary in limited circumstances, such as when a council is failing to fulfil its statutory responsibilities or give effect to national policies statements, intervention powers must be used sparingly and only as a last resort. A Minister who intervened often and at will would defeat the intent to have a devolved decision-making model which allows local communities to be self-managing via democratically elected councils.

We agree central government should play an active role in monitoring the performance of local government.

#### R8.1 A Government Statement on Environmental Sustainability

Foodstuffs supports the concept of a Government Policy (GPS) Statement on environmental sustainability. A GPS should set out the Government's priorities in unambiguous terms, and will galvanise local community efforts towards the achievement of national priorities in addition to local ones. A GPS would also provide much needed direction on where councils should focus their environmental efforts and reorient activity towards the achievement of genuine environmental goals. Measures of environmental health could be expected to improve over time as a consequence.

#### R9.1 Mandatory Spatial Plan

The concept of requiring spatial plans as mandatory element of the planning hierarchy is sound. A requirement to develop a spatial plan that brings together the plans for land use, infrastructural services, community facilities, protection of high value ecological sites, and natural hazard management, will force a change to the silo mentality that currently prevails.

#### R10.1 New Funding Mechanisms

Foodstuffs agrees that council funding mechanisms need to be broadened to allow greater scope for user-charges for resource use, where these can be justified (benefit clearly identified). In general terms, greater use of user-charges would encourage more efficient use of resources and reduce wasteful use. However, safeguards will be necessary to ensure user-charges reflect actual resource use, underlying cost, and investment needs, and are not misused as a revenue-generation tool (tax) to defray unrelated expenses.

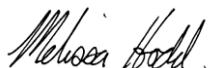
While targeted rates may play a role in helping to fund investment in local infrastructure, safeguards will be necessary to ensure charges are properly targeted and reflect the actual cost of new infrastructure. We would not support the use of targeted rates to reintroduce, by another means, a general tax on development to fund investment in unrelated infrastructure.

#### R12.1 Building of technical, analytical, and scientific skills within councils

Foodstuffs is generally supportive of the recommendation that local government develop greater in-house competency in the professional skill sets that are relevant to its spheres of operation. Currently the various actors (plan submitters, resource consent applicants, and those opposing consents) employ their own technical consultants to support council decisions, resulting in duplication of effort, increased cost to decision-making, often conflicting evidence, and increased development cost.

Yours sincerely

Melissa Hodd



Executive Manager  
**Foodstuffs (NZ) Ltd**