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Steven Bailey
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New Zealand Productivity Commission
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Dear Mr Bailey

Thank you for the opportunity to make a submission on the Better Urban Planning inquiry's issues paper.

Environment Canterbury appreciates this chance to contribute to improving New Zealand's urban planning system. We support the Productivity Commission's work to identify the most appropriate system for allocating land use to support social, economic, environmental and cultural outcomes.

Environment Canterbury's submission focuses on key issues identified through the questions posed with regard to better urban planning in New Zealand. Environment Canterbury also endorses another joint submission prepared by the Greater Christchurch Urban Development Strategy (UDS) Partnership.

We look forward to the Productivity Commission's draft report with recommendations in July 2016, in order to provide further comment.

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Yours sincerely

Hon Prof Peter Skelton CNZM
Commissioner

Encl: Environment Canterbury's submission

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Environment Canterbury submission: Better urban planning inquiry

Introduction

1. Environment Canterbury welcomes the opportunity to make a submission on the Productivity Commission's (the Commission) inquiry *Better Urban Planning.*

2. Environment Canterbury is the regional council for the largest geographical region in New Zealand. Canterbury has an estimated 586,500 residents (as at 30 June 2015), or 13% of the national population, making it the second most populous region in New Zealand after the Auckland region. Environment Canterbury's role is to manage the region's land, water and air, in order to facilitate sustainable development in the Canterbury region. It works in partnership with Te Rūnanga o Ngai Tahu, the ten territorial authorities and their communities in the region.

3. Environment Canterbury's primary governing legislation is the Local Government Act 2002, the Resource Management Act 1991, and the Environment Canterbury (Temporary Commissioners and Improved Water Management) Act 2010 as amended in 2013. Other governing legislation includes the Land Transport Management Act 2013.

Submission summary

4. This submission does not specifically answer the 39 questions posed by the Commission in the issues paper. It addresses the key themes addressed through these different questions which are: land use and planning, alternative approaches to urban planning discussed by the Commission, and specific issues relating to integrated planning outlined in the issues paper.

5. Key points addressed in our submission are:

    - fundamentally, the planning system is designed to deal with the impact of one person's activities/resource use on others. The impact may be immediate (e.g. the impact on a neighbour's amenities) or long term/strategic (e.g. the need to coordinate public transport or physical infrastructure in response to urban growth)
    - an important principle underpinning improved planning and delivery of better outcomes for the community is to work through collaborative and long term strategic planning where existing relationships are continued and strengthened
    - involvement of local government is critical in helping shape any future changes to planning frameworks
    - regional narratives are complex and there are significant differences between regions, meaning that an approach that works in one place may not work in another due to their respective challenges and drivers of success.

Canterbury – background and context

6. Canterbury region includes a variety of urban centres with a range of different challenges and implications:

   - large urban centre – Greater Christchurch (Christchurch City, Waimakariri and Selwyn Districts)
   - mid-scale urban centres (district-level centres)
   - smaller rural centres.

7. Greater Christchurch has been experiencing significant growth.

   - The Greater Christchurch Urban Development Strategy (UDS) was finalised in 2007 to manage urban development across Greater Christchurch. The partners in the UDS are Environment Canterbury, Christchurch City Council, Waimakariri District Council and Selwyn District Council. However, development patterns across Greater Christchurch have been significantly affected by the 2010-2011 earthquakes and subsequent recovery processes.
   - Following the 2010-11 earthquakes the UDS partners, with Te Rūnanga o Ngāi Tahu and the Canterbury Earthquake Recovery Authority (CERA), have worked together to respond to changing urban development pressures. The Land Use Recovery Plan (LURP) was also developed which directed changes to the Canterbury Regional Policy Statement (CRPS) and district plans of Christchurch City Council, Waimakariri District Council and Selwyn District Council.

8. Canterbury's mid-scale and smaller centres are facing issues similar to other smaller centres in New Zealand which include:

   - **demographic challenges** – ageing populations and low or no population growth
   - **funding challenges** – these demographic challenges are impacting council funding derived from rates
   - **infrastructure challenges** – constrained budgets influence the ability of councils to maintain and renew existing infrastructure (including community facilities).

9. Due to the diversity of the Canterbury region there are two key approaches that underpin Environment Canterbury's work with our partners:

   - **collaboration and constructive partnerships** with other councils, Ngāi Tahu, government agencies, businesses and communities
   - **integrated strategies** to support social, economic, and environmental dimensions of development.

10. The leadership provided by the Canterbury Mayoral Forum, supported by the Chief Executives Forum, Policy Forum and Planning Managers Group, brings together the 11 councils in Canterbury to share experience, align strategy on key priorities, and maximise opportunities for the region. The Mayoral Forum launched the Canterbury

Regional Economic Development Strategy [1] in August 2015 with a vision of 'a region making the most of its natural advantages to build strong, innovative, economy with resilient, connected communities and a better quality of life for all.' Several of the priority work programmes under the CREDS focus on fostering sustainable urban communities across the region. These include:

- integrated regional transport planning and infrastructure investment
- digital connectivity – extension and uptake of fast broadband
- value-added production/secondary economies
- newcomer/migrant settlement – skilled workers, cohesive communities

Key themes of submission

Land use and planning

11. Environment Canterbury would like to highlight that existing planning systems have made a significant difference to urban planning and environments. Benefits include:
    - well shaped communities
    - zoning of new land in appropriate locations
    - improvements in urban water quality
    - reduction in flood risk and other hazards
    - improved building design.

12. The Local Government Act requires councils to undertake consultation with communities in accordance with the principles set out in Section 82. Environment Canterbury's experience of collaborative planning with stakeholders through the Canterbury Water Management Strategy has allowed us to build up a valuable resource of information, ideas and community priorities as the basis for planning. This has been useful in reducing excessive consultation as well as in ameliorating friction, reflecting differing values and priorities, between groups and individuals.

13. The existing arrangements provide everyone with an opportunity to be involved in developing the planning framework. However, there is need to increase awareness about the opportunities to be actively involved.

14. Environment Canterbury would be concerned if the Productivity Commission assumes that our region's current planning instruments are not meeting the demand for development-ready land. The regional initiatives in Canterbury (UDS, LURP, and CREDS) take a broad integrative approach to ensure all necessary dimensions are considered. Chapter 6 inserted in the CRPS through the LURP is specific as to where new urban residential and business greenfield development can take place. Regional

[1] http://ecan.govt.nz/about-us/your-region/Pages/mayoral-forum.aspx

and district plans have been amended to give effect to the CRPS and now provide adequate opportunities to develop land for business and housing.

15. The Resource Legislation Amendment Bill and the National Policy Statement – Urban Development have potential to make significant improvement to the current legislation. These initiatives should be given a chance to effect change before determining the need for more fundamental legislative reforms.

16. New approaches have developed in Greater Christchurch in order to support earthquake recovery which highlight the benefits of central-local government collaboration which links local, regional and national objectives for better planning outcomes.

17. Any supporting guidance from the Government should include practical processes for collaborative and strategic long term planning, including community engagement and multi variable analysis. In order to avoid wasteful litigation, some urban planning matters may benefit from greater guidance from the Government such as definitions, modelling methodologies, thresholds and standards. However, this needs to be balanced with flexibility to enable policies to be tailored to specific circumstances and to reflect local priorities.

18. The Local Government Act 2002 now requires all councils to include Infrastructure Strategies for 30 years as part of their Long Term Plans. This provides clarity about how councils intend to fund infrastructure (build new or maintain/renew existing). Integrating infrastructure provision and sequencing with land development is critical. However, separating infrastructure planning from funding arrangements could be problematic. There is opportunity to provide additional tools to assist councils in more integrative planning.

19. Regions across New Zealand are diverse and the regional narrative can be complex due to differences in their particular challenges and drivers for success. An approach that works in one place may not work in another. Any future planning system should acknowledge varying needs for urban development across the different scales of the urban centres in each region or area. It will be critical to include district centres and smaller rural centres in planning processes for a wider strategic vision.

20. Planning and regulatory frameworks are part of wider processes and contexts where alignment and improvements are needed and involvement of local government is critical.

21. While statutory processes are important to manage urban planning, non-statutory processes are also required to encourage sustainable development. For example, the Canterbury region is developing a regional approach to the management of the risk from natural hazards to deliver better planning which is a non-statutory approach.

22. The UDS partnership is also a collaborative initiative that has endured over ten years. The Strategy outlines a 35 year growth management and implementation plan for

Greater Christchurch which considers issues relating to land-use, transport and infrastructure facilities.

23. The Canterbury Regional Economic Development Strategy has integrated regional transport planning and infrastructure investment as a key work programme. It aims to integrate transport planning across different modes (air, rail, shipping and road) to enable efficient movement of people and freight and improve social connectedness and wellbeing.

Obligations under the Treaty of Waitangi

24. Local authorities have responsibilities under the Resource Management Act, Local Government Act, Building Act and Heritage New Zealand Act 2014 to take into account principles of the Treaty of Waitangi. Councils also have responsibilities under the specific settlement claims in their region (e.g. Ngāi Tahu Claims Settlement Act 1998 for Canterbury).

25. Environment Canterbury has built relationships and worked collaboratively with Te Rūnanga o Ngāi Tahu and the Papatipu Rūnanga through the Canterbury Water Management Strategy and our Tuia work programme. Any new planning systems should strengthen these existing relationships and lead to better outcomes for all partners.

26. Urban planning systems and processes need to include specific provisions for local iwi to engage in decisions about freshwater management, stormwater, coastal management, and any new greenfield developments. The ability to identify areas of cultural and heritage significance, including via silent file systems, is important to avoid complications further along in a development process. The future planning systems also need to incorporate consideration of and alignment with the cultural values of iwi. These considerations include mahinga kai, wāhi tapu, wāhi taonga, cultural and historic landscapes and biodiversity values.

Alternative options

27. We welcome the different options discussed by the Commission in its issues paper. Our comments about these options are below:

    - Private lawsuits – these have the potential of increasing costs on applicants and councils, and could put increased pressure on courts. It is likely these could be long drawn out processes. They are also unlikely to be able to deal with "strategic externalities" i.e. the need for long-term co-ordination of infrastructure.
    - Covenants – Covenants are an appropriate tool to help implement policies and rules, but relying on privately made decisions about rules could lead to disjointed and inconsistent development across the region. Private engagement and consultation in forming these rules would be appropriate. Covenants can provide and assist where a developer has a vision for a particular development. However,

they can become inflexible due to shifting community values and any process to change a covenant can be complex.

- Tradeable development rights, tradeable permits – The current CRPS recognises use of biodiversity offsets. Both tools are useful to encourage wise land stewardship. It is important to understand and define the "catchments" within which permits or rights might be tradeable. For example, in regions like Canterbury water is usually not tradeable between catchments, because of their differing circumstances and impacts.
- Environmental offsets – Environment Canterbury notes that the Resource Legislation Amendment Bill currently before the Local Government and Environment Select Committee includes a specific provision for consent decisions to have regard to any measure proposed by an applicant intended to result in positive effects on the environment to offset adverse effects from an activity (clause 62 of the Bill). Environment Canterbury supports this amendment to the RMA.
- Use of economic tools (prices, fines & user charges) to reduce negative impact of actions – The Local Government (Rating) Act (LGRA) 2002 provides councils with powers to set, assess and collect rates to fund local government activities. The LGA and RMA provide tools for fines and charges. Currently regional councils cannot get any development contributions for assets built such as stop banks.
    - The Resource Legislation Amendment Bill currently before the Local Government and Environment Select Committee (clause 20 and 21) would enable central government to fix the fees and charges that councils can apply for specific consent processes, and would establish criteria that councils must have regard to when fixing administrative charges. These proposed new provisions would potentially have implications for councils' ability to utilise economic measures to incentivise desired developments. We invite the Commission to consider existing guidelines under the current legislations.

Specific issues

28. **Separation of urban and non-urban areas:** If any future planning system was framed to provide separate systems for urban and non-urban areas there would need to be clarity around how an area is classified as urban or non-urban area. Any development within an urban area will in many ways still impact non-urban areas and lead to issues of sustainability, e.g. impacts on water quality. There also needs to be consideration given to whether rural lifestyle is urban or rural.

29. **Industrial and commercial land:** The Resource Legislation Amendment Bill includes a proposed new function for regional councils to establish, implement and review objectives, policies and methods to ensure that there is sufficient development capacity in relation to residential and business land to meet the expected long-term demands of the region (clause 11 of the Bill). Environment Canterbury supports this amendment to the RMA.

30. **Natural hazards and risk:** A recent report by the Parliamentary Commissioner for the Environment on rising sea levels[2] has highlighted that councils and communities face the difficult task of planning for sea level rise particularly in low lying coastal areas. In addition to planning for sea level rise, district plans prepared by local authorities could provide potential locations for natural hazards and identify land where development can be avoided. There are currently no tools to recognise the choice made by the property owner.

31. **Technological changes:** Technological advancements through digitisation could enable online lodgement of applications and any submissions reducing physical paper trails and timeframes involved. The Resource Legislation Amendment Bill includes proposals for councils to provide information online and to allow electronic servicing of documents such as consent applications (clauses 114 and 142 of the Bill). Environment Canterbury supports these amendments to the Bill.

Conclusion

32. Environment Canterbury would like to thank the Commission for the opportunity to make a submission and contribute towards the Commission's considerations of options to improve New Zealand's urban planning. We look forward to the draft report due in July and its recommendations.

[2] http://www.pce.parliament.nz/our-work/news-insights/prepare-for-rising-seas-warns-environment-commissioner