



Future Proof
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Future Proof Submission on
Improving our Resource Management System:
Discussion Document

March 2013

To:

Ministry for the Environment
Resource Management Reform
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Submission:

This is a submission by the Future Proof Implementation Committee on **'Improving our Resource Management System'** discussion document. The content of the submission follows overleaf.

Signed:

A handwritten signature in black ink that reads "Ken Tremaine". The signature is written in a cursive style and is placed on a light yellow rectangular background.

Ken Tremaine
Future Proof Implementation Advisor

1. Summary of Main Submission Points

A detailed response to the proposals put forward in the Discussion Document is provided in section 4 of this submission. In short, Future Proof's submission makes the following key points in response to the proposals put forward:

- Future Proof agrees with a number of the issues identified in the Discussion Document.
- Future Proof is of the view that while a number of the proposals outlined in the Discussion Document will help to resolve some of these issues there are others that are problematic.
- We are concerned that the Discussion Document is not well aligned with earlier work, in particular the Building Competitive Cities Discussion Document (2010). Future Proof is concerned that the approach is ad hoc when we need to be able to consider all of the proposals in a comprehensive manner.
- The general concept of combining sections 6 and 7 of the RMA 1991 is supported as is the renaming of the new section to 'principles' which will guide decision-makers. The wording of section 6(k) the effective functioning of the built environment including the availability of land for urban expansion, use and development is not supported. Including a blanket principle which directs local authorities to 'make land available for urban expansion' could force councils into a position where they are having to service and therefore fund development that is out of sequence or in locations which are not optimal.
- The proposal to provide Central Government with more powers to direct plan changes is not supported. The proposal would allow the government to directly amend an operative plan or direct a plan change without any local consultation or rights of appeal.
- Future Proof supports the concept of a national plan template and a standardised set of terms and definitions as long as local government is closely involved in the development of the template. While Future Proof would like to see plans simplified and amalgamated the 'single plan' approach outlined in the Discussion Document is not supported. This seems to be a technical exercise which draws together regional and district provisions with no regard as to how these fit together.
- Future Proof supports the concept of encouraging a more positive, future-focused approach to planning. However, we have some concerns about the proposal to require councils to ensure there is adequate land supply. While making adequate provision for residential land is

supported, it is not clear how this would be implemented or what the details behind this proposal are. There would be obvious difficulties if the 10-year supply of zoned/serviced land was required well in advance of it being needed, as this would have significant financial implications. Further work needs to be undertaken on the proposals relating to land supply. These should not be viewed in isolation and need to be considered through an integrated planning lens which includes considering the way the RMA, LGA and the LTMA all interact.

- Proposals to enable the preparation of single resource management plans via a joint process with narrowed appeals to the Environment Court and empowering faster resolution of Environment Court proceedings are supported.
- The proposed package to address housing affordability set out in the Discussion Document and summarised in section 3.7 is overly simplistic and has the potential to create significant issues for local government, its communities and the management of growth. Making sure there is an adequate supply of housing is part of the housing affordability solution, however the proposals in the Discussion Document are about opening up more land on the periphery for urban development. This approach ignores the operating environment of local government operating environment and the realities of managing growth in the New Zealand planning context.

2. Introduction

This is a submission by the Future Proof Implementation Committee (“FPIC”), the governance group responsible for implementation of the Future Proof Growth Strategy. The FPIC includes representatives from the Future Proof sub-regional councils of Environment Waikato, Hamilton City Council, Waipa and Waikato Districts as well as tangata whenua.

The Future Proof Strategy is a 50-year vision and implementation plan which was adopted by the Strategy partners on 30 June 2009. Future Proof is currently in the implementation phase. Future Proof takes a strategic, integrated approach to long term planning and growth management.

The Future Proof Implementation Committee would like to commend the Government on the Improving our Resource Management System Discussion Document (“Discussion Document”).

This submission on the Discussion Document mainly centres on the proposals relating to greater national consistency and guidance, fewer resource management plans and addressing housing affordability as these are of most interest to Future Proof Strategy implementation. Future Proof is happy to work with the Ministry for the Environment on some or all of the matters raised in this submission.

The Future Proof Strategy

The Future Proof Sub-Region

The ‘sub-region’ refers to the administrative areas of the territorial authorities of Hamilton City Council, Waipa District Council, and Waikato District Council, and is an area of rapid population and development growth. The Waikato region is the 4th largest in New Zealand. The Waikato region is part of the ‘golden triangle’ that is Auckland, Waikato and the Bay of Plenty. The golden triangle is expected to contain 53% of the nation’s population by 2031 and account for over half of New Zealand’s total economic activity.

The Future Proof sub-region is the growth hub of the Waikato region. It is projected that the Future Proof sub-region will contain 96% of the entire Waikato region’s population growth out to 2026.

Development of the Future Proof Strategy began as a result of:

- Community concerns about the lack of collaboration and leadership in the management of growth across territorial boundaries in the sub-region.
- Land Transport New Zealand (now, the NZTA) concerns about the lack of integrated land use and transport planning in this area.
- An awareness of the need to inform the Waikato Regional Policy Statement and the Waikato Regional Land Transport Strategy documents.
- An increasing recognition of the region's role in the "golden triangle" that is Auckland, Waikato and the Bay of Plenty regions.

The Strategy seeks to provide a consistent knowledge base and vision for its partner councils and other agencies in order to plan for, and sustainably manage growth in an integrated manner. Specifically the Strategy provides a framework for co-operatively managing growth and setting goals for future implementation. This allows the costs and resources required to fund and manage infrastructure such as transport, wastewater, stormwater, recreation and cultural facilities to be identified and provided for.

Strategy Features

The key features of the Future Proof Strategy are:

- A focus on providing well designed, sustainable and affordable housing and lifestyle choices;
- Increased densities in new residential development and more intensive redevelopment of some existing urban areas to reduce the need for car dependency;
- Hamilton City being a vibrant and lively place where people want to live, work and play;
- Thriving business centers in the sub-region's towns providing local housing and employment options along with a range of social and recreational activities;
- Development directed away from hazard areas;
- Green spaces (i.e. wildlife habitats, public open space and farmland) between settlements;
- Planning focused on resilience of communities and infrastructure while moving towards highly energy efficient devices and low carbon emissions;
- Protection of future infrastructure corridors, energy generation sites and mineral deposits;

- Protection of versatile and productive farmland by directing rural-residential and residential development and business land closer to towns and villages. This will also assist in reducing reverse sensitivity issues;
- Identification, planned maintenance and enhancement of biodiversity areas, clusters and corridors;
- Integrated transport and land-use planning;
- The values, principles, aspirations, role, responsibility and place of tāngata whenua in the sub-region;
- Development of key transport corridors; and
- Recognition of and support for protection of strategic nationally and regionally important service and businesses.

3. The Improving our Resource Management System Discussion Document

Future Proof agrees with a number of the issues identified in the Discussion Document. In particular, we agree that the planning system can be too complex and that the Resource Management Act 1991 (“RMA 1991”) as it currently stands does not promote proactive and integrated planning approaches.

Future Proof is of the view that while a number of the proposals outlined in the Discussion Document will help to resolve some of these issues there are others that are problematic. Of concern to Future Proof is that the Discussion Document is not well aligned with earlier work, in particular the Building Competitive Cities Discussion Document (2010). It is not clear how the proposals in this Discussion Document interact with the initiatives contained in the Building Competitive Cities document. In particular, the National Policy Statement on the urban environment and requirements for spatial planning which were outlined in the Building Competitive Cities work. Future Proof is concerned that the approach is ad hoc when we need to be able to consider all of the proposals in a comprehensive manner. The issues are too important to be addressed in isolation. Future Proof would like to see a comprehensive discussion document released on all of the reform proposals as well as meaningful engagement with all stakeholders, particularly local government.

4. Response to Proposals

Proposal 1: Greater National Consistency and Guidance

Changes to the Principles Contained in Sections 6 and 7 of the RMA

The general concept of combining sections 6 and 7 of the RMA 1991 is supported as is the renaming of the new section to 'principles' which will guide decision-makers.

The wording of section 6(k) *the effective functioning of the built environment including the availability of land for urban expansion, use and development* is not supported.

It seems somewhat odd to single out the availability of land for urban expansion as a key principle of national importance. It is also misleading that the justification for this new principle is the Productivity Commission's findings in its report on housing affordability that housing supply needs to be provided across a range of locations and that section 3.7 talks about providing adequate land supply for 10 years of growth in demand. These justifications do not translate into a principle which revolves solely around making land available for urban expansion.

The wording of this principle should either exclude the reference to urban expansion or it should be amended to only include reference to ensuring there is adequate housing supply. The presumption that housing supply can only be met by way of urban expansion is not appropriate. There needs to be a balance struck between using existing urban land (including intensification) and greenfields development. The approach proposed in section 6(k) skews in favour of peripheral greenfields development. Most growth strategies and spatial plans throughout New Zealand, including the Future Proof Strategy, strike a balance between greenfields and intensification in order to provide housing choice as well as efficient and effective infrastructure servicing. Section 6(k) puts local government in a very difficult position.

Including a blanket principle which directs local authorities to 'make land available for urban expansion' could force councils into a position where they are having to service and therefore fund development that is out of sequence or in locations which are not optimal. This will have the effect of increasing the cost of providing and maintaining infrastructure for councils with a resultant rise in rates at a time

where rates increases are very unpopular with the community and there is pressure on local government from central government to reduce rates

There are sometimes very good reasons why land can't be opened up for urban expansion, these include:

- Ensuring infrastructure investment by councils and other parties is not compromised by growth occurring in areas where it was not expected.
- Having a degree of certainty in order to make infrastructure investment decisions.
- Protecting the productive and economic capacity of rural land.
- Protecting the natural environment, including sensitive areas such as coastlines and river edges.
- Promoting urban sustainability, particularly with regards to transport. A more compact urban form can encourage shorter travel distances and greater use of public transport.
- Minimising reverse sensitivity issues.

Future Proof is concerned that the ideas which lie behind the inclusion of section 6(k) have not been well thought through.

The removal of the existing section 7(c) on the maintenance and enhancement of amenity values is not supported. This section has been of significant value to Councils and the community. The quality of the urban environment should be an important consideration in resource consent decision making. If this important matter is left to Section 5 there is a risk that it will be lost.

The new section 7 on Methods is not supported. This would more appropriately form part of national guidance or a policy statement from the Government rather than a section in the Act.

Clarifying and Extending Central Government Powers to Direct Plan Changes

The proposal to provide Central Government with more powers to direct plan changes is not supported. The proposal would allow the government to directly amend an operative plan or direct a plan change without any local consultation or rights of appeal.

There should be an express limit on this power to situations where such a plan change is required to resolve a nationally-important issue and there should still be consultation. Local issues should be

resolved by the local council in consultation with their community. If this is not done then this is likely to result in a significant erosion of local decision making.

Proposal 2: Fewer Resource Management Plans

A single resource management plan using a national template that would include standard terms and conditions

Future Proof supports the concept of a national plan template and a standardised set of terms and definitions as long as local government is closely involved in the development of the template. This idea is not new. It mirrors the 3rd and 4th Schedules (Model Scheme Statements and Model Code of Ordinances) to the Town and Country Planning Act 1953 (1960 Regulations). Proponents of the national template idea need to inform themselves as to why the concept of the 3rd and 4th Schedules were abandoned, ie a community's wish to determine their own outcomes at either regional or local level.

While Future Proof would like to see plans simplified and amalgamated the 'single plan' approach outlined in the Discussion Document is not supported. This seems to be a technical exercise which draws together regional and district provisions with no regard as to how these fit together. Future Proof is also concerned that the regional nature of regional policy statements and regional plans would be lost if these were split up on a district by district basis.

This appears to be a complicated exercise for minimal gain. It will be a very time consuming task for local authorities and there will be inevitable conflicts between existing policies and rules and the new national template. Reconciling the various approaches in order to have a meaningful 'single plan' document will be a significant challenge. There are other complications with this approach, therefore Future Proof would like to see further work undertaken in this area.

An obligation to plan positively for future needs, eg land supply

Future Proof supports the concept of encouraging a more positive, future-focused approach to planning. This in large part already exists in many parts of the country through the use of growth management strategies or spatial plans such as Future Proof, which are then implemented through regional policy statements and district plans.

Future Proof has some concerns about the proposal to require councils to ensure there is adequate land supply to provide for at least 10 years of projected growth in demand for residential land. While making adequate provision for residential land is supported, it is not clear how this would be implemented or what the details behind this proposal are. There would be obvious difficulties if the 10-year supply of zoned/serviced land was required well in advance of it being needed, as this would have significant financial implications for both Councils and developers. Given the cyclic nature of economic development in New Zealand, a number of developers in the past have ended up in receivership because of the level of investment in infrastructure, eg transport and three waters pipe network investment, in a situation where there is no market confidence to buy and build on the available land. For example, Grasshopper Farms Ltd, the Lakes Tauranga, which collapsed in March 2011 owing the Bank of Scotland in the vicinity of \$100 million.

Future Proof is concerned about the lack of detail provided relating to this proposal and also the lack of evidence to support this being a significant issue that requires an amendment to the RMA 1991. Most councils through strategic planning have well in excess of 10 years land supply.

Further work needs to be undertaken on the proposals relating to land supply. These should not be viewed in isolation and need to be considered through an integrated planning lens which includes considering the way the RMA, LGA and the LTMA all interact.

Spatial planning should be given further consideration as outlined in the 'Building Competitive Cities' document. Spatial planning is a useful mechanism for integrating land use and infrastructure decisions, and the Future Proof Strategy is an example of a high-level spatial plan which has been successful in providing integrated planning outcomes in the Waikato/Waipā/Hamilton area.

Future Proof submits that the proposed change to require a 10 year land supply should not be made in the RMA 1991 at this time, but should be considered alongside future work on achieving better alignment between the RMA, LGA and LTMA. This future work should also consider integration with any proposed national policy statement on urban development so that complex questions regarding land supply, affordability, efficient transportation systems, compact urban form and good quality urban design can also be considered.

Enable preparation of single resource management plans via a joint process with the narrowed appeals to the Environment Court

Proposals to enable the preparation of single resource management plans via a joint process with narrowed appeals to the Environment Court and empowering faster resolution of Environment Court proceedings are supported.

Addressing Housing Affordability

Housing affordability is a complex issue. Contributory factors include the availability of land supply for new residential development, growth in wages compared to the increase in house prices, availability of credit, impact of growth in buy-to-let investors, and issues around low housing densities through large section developments.

The proposed package to address housing affordability set out in the Discussion Document and summarised in section 3.7 is overly simplistic and has the potential to create significant issues for local government, its communities and the management of growth. Making sure there is an adequate supply of housing is part of the housing affordability solution, however the proposals in the Discussion Document are about opening up more land on the periphery for urban development. This approach ignores the operating environment of local government operating environment and the realities of managing growth in the New Zealand planning context.

The issue of land supply is largely dictated by servicing, and later on a developer's willingness to bring the land to market.

Future Proof submitted on the Productivity Commission's Housing Affordability Inquiry in 2012. One of our main concerns was that the claim that the prevailing principles and practice of urban planning has had a negative influence on housing affordability in faster growing cities was not backed by evidence. This finding seems to have had a significant impact on the RMA 1991 reform process. The implication of the finding is that if more land is released housing will become affordable. That is overly simplistic and could potentially lead to more problems than it will solve.

If more land for residential development on the urban periphery is zoned in an attempt to reduce house prices, councils will incur significant capital costs in servicing this land with water, wastewater and stormwater networks, roads, reserves and community infrastructure. This capital expenditure and its related financing costs would then have to be recovered through increased development contributions. If there is no corresponding reduction in land prices the zoning of more land for development may actually lead to a further deterioration in housing affordability.

The proposed approaches which are focused on opening up more land on the urban edge have the potential to undermine existing growth strategies such as Future Proof which have strong community support. Strategies like Future Proof seek to manage growth through policies such as identifying growth areas and allocating and staging development. This enables local authorities to focus on the efficient delivery of their services as who they provide for and to what extent is more clearly set out. The Future Proof Strategy is about taking an efficient and integrated approach to growth management. This involves planning for long-term land use needs, infrastructure requirements and funding. A statutory requirement through the RMA 1991 to make land available for urban expansion would undermine this approach and create uncertainty.