

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Planning and Environment Committee will be held on:

Date: Tuesday 3 August 2021
Time: 1:30 pm (or at the conclusion of the previous meeting)
Venue: Edinburgh Room, Municipal Chambers, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Planning and Environment Committee

PUBLIC AGENDA

MEMBERSHIP

Chairperson	Cr David Benson-Pope	
Deputy Chairperson	Cr Sophie Barker	Cr Steve Walker
Members	Cr Rachel Elder	Cr Christine Garey
	Cr Doug Hall	Mayor Aaron Hawkins
	Cr Carmen Houlahan	Cr Marie Laufiso
	Cr Mike Lord	Cr Jim O'Malley
	Cr Jules Radich	Cr Chris Staynes
	Cr Lee Vandervis	Cr Andrew Whiley
Senior Officer	Robert West, General Manager Corporate and Quality	
Governance Support Officer	Lauren McDonald	

Lauren McDonald
Governance Support Officer

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Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

ITEM	TABLE OF CONTENTS	PAGE
1	Public Forum	4
2	Apologies	4
3	Confirmation of Agenda	4
4	Declaration of Interest	5
5	Confirmation of Minutes	17
5.1	Planning and Environment Committee meeting - 15 June 2021	17
PART A REPORTS (Committee has power to decide these matters)		
6	Actions from resolutions of Planning and Environment Committee meetings	26
7	Planning and Environment Committee Forward Work Programme	31
8	Planning and Environment Activity Report for the Quarter Ending 30 June 2021	37
9	DCC submission on the Natural and Built Environments Bill - exposure draft	51
10	Housing capacity assessment for Dunedin City	171
RESOLUTION TO EXCLUDE THE PUBLIC		233

1 PUBLIC FORUM

At the close of the agenda no requests for public forum had been received.

2 APOLOGIES

At the close of the agenda no apologies had been received.

3 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

RECOMMENDATIONS

That the Committee:

- a) **Notes/Amends** if necessary the Elected Members' Interest Register attached as Attachment A; and
- b) **Confirms/Amends** the proposed management plan for Elected Members' Interests.

Attachments

	Title	Page
↓A	Councillor Register of Interest as at 27 July 2021	7

Planning and Environment Committee Register of Interest - Current as at 29 July 2020				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Mayor Aaron Hawkins	Trustee	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.
	Trustee	St Paul's Cathedral Foundation	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Young Elected Members' Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Thank You Payroll	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	ICLEI Oceania Regional Executive	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Otago Theatre Trust (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Otago Polytech's Research Centre of Excellence	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	LGNZ National Council	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Alexander McMillan Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Cosy Homes Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	LGNZ Policy Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Sophie Barker	Employee	Otago Peninsula Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Director	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ocho Newco Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Property Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Beneficiary	Sans Peur Trust (Larnach Castle)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Trustee	Dunedin Midwinter Carnival	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.

Cr Sophie Barker cont	Member	Dunedin Gas Works Museum Trust (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
Cr David Benson-Pope	Owner	Residential Property Ownership in Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee and Beneficiary	Blind Investment Trusts	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Yellow-eyed Penguin Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund Trust (Council appointment)	Duty to Trust may conflict with duties of Council Office	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Regional Transport Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Rachel Elder	Commissioner (Community Representative)	District Licensing Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Greater South Dunedin Action Group	Decisions may be considered on the future of South Dunedin.	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Host Parent	Otago Girls High School	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Advisor/Support Capacity	Kaffelagic	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tracks and Trails Interest Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Southern Urban Dunedin Community Response Group	Decisions about emergency response recovery may be conflicted	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Craigieburn Reserve Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Café Logic Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Christine Garey	Trustee	Garey Family Trust - Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Creative Dunedin Partnership (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Symphony Orchestra Foundation Board of Trustees (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Theomin Gallery Management Committee (Olveston) (Council appointment)	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.

Cr Christine Garey cont	Chair	Grants Subcommittee (Council Appointment)	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	External family member is a Principal Security Consultant Local Government New Zealand Zone 6 Committee (Council Appointment)	Major supplier to DCC No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises. Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Doug Hall	Director/Owner	Hall Brothers Transport Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Crane Hire	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Wood Recyclers Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Concrete Crushing Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Anzide Properties Ltd - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	The Woodshed 2014 Limited	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Owner	Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Farmlands	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ravensdown Fertiliser	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	PGG Wrightson	Currently no likely conflict	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Silver Fern Farms	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Valley View Development Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Geekfix Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Hall Family Trust, Invercargill	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Milburn Processing Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	Fire Brigade Restoration Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Financial Donor	Dunedin North Community Patrol	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	North Dunedin Blokes Shed	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Loan of a four wheel drive truck free of charge to the group for cartage of gravel	Mountainbiking Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Partner	Highland Helicopters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Supplier	Southweight Truck and Weights for testing Weighbridges Otago & Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Doug Hall cont	Member	Craigieburn Reserve Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Carmen Houlahan	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property - North Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Part Owner	Adobe Group Ltd, Wanaka	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Property Investors Association	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Company Owner/Sole Director	Shelf Company - RU There	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council appointment)	Possible grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Shareholder	Startup Business	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Taieri Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Marie Laufiso	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Community Building Trust - Trust Owner of Property 111 Moray Place	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Mental Health Trust	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in confidential, to leave the room.
	Trustee	Brockville Community Support Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Dunedin Manufacturing Holdings Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	National Secretary	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch Treasurer	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch delegate to Arai Te Uru Marae Council	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party of Aotearoa New Zealand	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Age Concern (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Marie Laufiso cont	Member	Dunedin Abrahamic Interfaith Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Refugee Steering Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Settlers Association (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Fair Trading Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Deputy Chair	Grants Subcommittee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Well Being Advisory Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Committee Member	Dunedin Multi-Ethnic Council	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Mike Lord	Trustee	ML Lord Family Trust - Owner of Residential Properties - Dunedin	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Rural Support Trust	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Federated Farmers Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Fonterra	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Federated Farmers	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Mosgiel Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel RSA	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Federated Farmers Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Otago Rural Support Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cone Trust (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Jim O'Malley	Owner	Biocentrix Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Association Football Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Ocho Newco Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Jim O'Malley cont	Member	Ice Sports Dunedin Incorporated (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waikouaiti Coast Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Jules Radich	Shareholder	Izon Science Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Taurikura Drive Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Golden Block Developments Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Terrace Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Southern Properties (2007) Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Centre Holdings Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	IBMS Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Raft Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Otago Business Coaching Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Effectivise Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Athol Street Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Allandale Trustee Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Aberdeen St No2 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Jules Radich cont	Member	Dunedin Public Art Gallery Society (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Road Safety Action Plan	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment - alternate)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Saddle Hill Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Chris Staynes	Chairman	Cargill Enterprises	Contractor and service provider to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Director	Wine Freedom	Supplier to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Patron	Otago Model Engineering Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Balmacewen Lions Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Southland Manufacturers Association Trust	Possible co-funder of ED project. Duties to the Trust may conflict with duties of Council	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Deputy Chair	Cancer Society of Otago/Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Past President	Patearoa Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	President	Balmacewen Lions	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	CJ and CA Staynes Family Trust - Property Owner - Dunedin and Patearoa	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	George Street Wines Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Saddle Hill Investment Trust Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Association of Amateur Radio and Transmitters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Trustee	Theomin Gallery Trust (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chairman	Grow Dunedin Partnership (Council appointment)	Duties may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin Shanghai Association (Sister City Society) (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Social Well Being Advisory Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Lee Vandervis	Director	Lee Vandervis, Antonie Alm-Lequeux and Cook Allan Gibson Trustee Company Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Bunchy Properties Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Cr Lee Vandervis cont	Owner	Vandervision Audio and Lighting - Hire, Sales and Service Business	May contract and provide service to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	District Licensing Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Dunedin Heritage Fund Trust (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
Steve Walker	Chairperson	Dunedin Wildlife Hospital Trust	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Chairperson	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.
	Member	Orokonui Ecosanctuary	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Port Chalmers Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep New Zealand Beautiful	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Society of Beer Advocates	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Port Chalmers Historical Society	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Sea Lion Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Edinburgh Sister City Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Ao Turoa Partnership (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment - alternate)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	West Harbour Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Andrew Whiley	Owner/Operator	Whiley Golf Inc and New Zealand Golf Travel Ltd	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Director/Shareholder 22 May 2017	Estate of Grace Limited	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Japek (Family Trust) - Property Ownership - Dunedin	Duties to Trust may conflict with duties of Council Office.	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.

Cr Andrew Whiley cont	Member	Otago Golf Club	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin South Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	New Zealand Professional Golfers Assn	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairman	Volunteering Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Otaru Sister City Society (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Grow Dunedin Partnership (Council appointment - alternate)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	NZ Masters Games Trust Board (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Puketai Residential Centre Liaison Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Peninsula Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

CONFIRMATION OF MINUTES

PLANNING AND ENVIRONMENT COMMITTEE MEETING - 15 JUNE 2021

RECOMMENDATIONS

That the Committee:

- a) **Confirms** the public part of the minutes of the Planning and Environment Committee meeting held on 15 June 2021 as a correct record.

Attachments

	Title	Page
A 	Minutes of Planning and Environment Committee meeting held on 15 June 2021	18

Planning and Environment Committee

MINUTES

Minutes of an ordinary meeting of the Planning and Environment Committee held in the Edinburgh Room, Municipal Chambers, The Octagon, Dunedin on Tuesday 15 June 2021, commencing at 2:05pm

PRESENT

Chairperson	Cr David Benson-Pope	
Deputy Chairperson	Cr Sophie Barker	Cr Steve Walker
Members	Cr Rachel Elder	Cr Christine Garey
	Cr Doug Hall	Mayor Aaron Hawkins
	Cr Carmen Houlahan	Cr Marie Laufiso
	Cr Mike Lord	Cr Jim O'Malley
	Cr Jules Radich	Cr Chris Staynes
	Cr Lee Vandervis	Cr Andrew Whiley

IN ATTENDANCE

Simon Drew, General Manager Infrastructure & Development; Simon Pickford, General Manager Community Services; Robert West, Acting General Manager City Services, Paul Freeland, Senior Planner – City Development; Paul Henderson, Acting Group Manager Customer and Regulatory Services; Clare Sullivan, Manager Civic; Jeanette Wikaira, Manahautū (General Manager Māori Partnerships and Policy); Jeanine Benson, Group Manager Transport; Simone Handwerk, Transport Planning Team Leader; Alan Worthington, Resource Consents Manager; Richard Ewans, Biodiversity Advisor – City Development.

Governance Support Officer Lauren McDonald

1 PUBLIC FORUM

Mr Dudley Benson sought Council support for creation of a Rainbow pedestrian crossing at the Lower Stuart Street and Moray Place intersection, as a sign of support for the queer Dunedin community and commented on the design and consultation process. He advised the artwork would reflect the colours of the communities within the queer community. He encouraged Council to undertake a trial period for the painting of the rainbow pedestrian crossing.

Mr Benson responded to questions from elected members.

2 APOLOGIES

Moved (Chairperson David Benson-Pope/Cr Mike Lord):

That the Committee:

Accepts the apology received from Cr Garey.

Motion carried.

3 CONFIRMATION OF AGENDA

Moved (Cr David Benson-Pope/Cr Steve Walker):

That the Committee:

Confirms the agenda without addition or alteration

Motion carried.

4 DECLARATIONS OF INTEREST

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Moved (Cr David Benson-Pope/Cr Steve Walker):

That the Committee:

- a) **Notes** the Elected Members' Interest Register
- b) **Confirms** the proposed management plan for Elected Members' Interests.

Motion carried

5 CONFIRMATION OF MINUTES

5.1 PLANNING AND ENVIRONMENT COMMITTEE MEETING - 16 FEBRUARY 2021

Moved (Cr David Benson-Pope/Cr Chris Staynes):

That the Committee:

Confirms the public part of the minutes of the Planning and Environment Committee meeting held on 16 February 2021 as a correct record.

Motion carried

PART A REPORTS**6 ACTIONS FROM RESOLUTIONS OF PLANNING AND ENVIRONMENT COMMITTEE MEETINGS**

The Civic report outlined progress on the implementing of resolutions of Planning and Environment Committee meetings, since the start of the 2019-2022 triennium.

Moved (Cr David Benson-Pope/Cr Steve Walker):

That the Committee:

Notes the Open and Completed Actions from resolutions of Planning and Environment Committee meetings to 15 June 2021.

Motion carried

7 PLANNING AND ENVIRONMENT COMMITTEE FORWARD WORK PROGRAMME

A report from Civic provided an update of the Planning and Environment Committee forward work programme for the 2020-2021 to show areas of activity, progress and expected timeframes for decision making across a range of areas of work.

Moved (Cr David Benson-Pope/Cr Steve Walker):

That the Committee:

Notes the Planning and Environment Committee forward work programme as at 15 June 2021.

Motion carried

8 PLANNING AND ENVIRONMENT ACTIVITY REPORT FOR THE QUARTER ENDING 31 MARCH 2021

The Community and Planning and Customer and Regulatory Services report provided an update on activities including; city development, resource consents, building services, alcohol licensing, environmental health, animal control and parking enforcement for the three months ending 31 March 2021.

Simon Drew, General Manager Infrastructure & Development; Paul Henderson, Acting Group Manager Customer and Regulatory Services; Paul Freeland, Senior Planner – City Development spoke to the report and responded to questions.

Moved (Cr David Benson-Pope/Cr Steve Walker):

That the Committee:

Notes the Planning and Environment Activity Report for the quarter ending 31 March 2021.

Motion carried (PLA/2021/007)

9 A VEGETATION MAP FOR DUNEDIN CITY

The City Development report confirmed the completion of the project to create a vegetation map for Dunedin City, which compliments and enhances the data sets from regional and national agencies in identifying priority areas for ecological restoration and protection, and the monitoring of indigenous ecosystems in the city.

Simon Drew, General Manager Infrastructure & Development and Richard Ewans, Biodiversity Advisor – City Development spoke to the item and responded to questions.

Cr Mike Lord left the meeting at 2:52pm returned at 2:55pm.

Cr Carmen Houlahan left the meeting at 2:52pm and returned at 2:56pm.

Moved (Chairperson David Benson-Pope/Deputy Chairperson Sophie Barker):

That the Committee:

Notes the completion of the Vegetation Map for Dunedin City project.

Motion carried (PLA/2021/008)

10 DCC SUBMISSION ON THE PUBLIC TRANSPORT OPERATING MODEL REVIEW DISCUSSION PAPER

A report from Transport sought Committee approval for the Dunedin City Council (DCC) submission to the Ministry of Transport's Public Transport Operating Model (PTOM) review discussion paper.

Simon Drew, General Manager Infrastructure & Development; Jeanine Benson, Group Manager Transport and Simone Handwerk, Transport Planning Team Leader spoke to the report and responded to questions.

Moved (Cr David Benson-Pope/Cr Chris Staynes):

That the Committee:

Approves the DCC submission to the Ministry of Transport on the Public Transport Operating Model (PTOM) review discussion paper.

Division

The Committee voted by division.

For: Crs Sophie Barker, Rachel Elder, Doug Hall, Mayor Aaron Hawkins, Marie Laufiso, Mike Lord, Jim O'Malley, Chris Staynes, Steve Walker and David Benson-Pope (10).

Against: Crs Carmen Houlahan, Jules Radich, Lee Vandervis and Andrew Whiley (4).

Abstained: Nil

The division was declared CARRIED by 10 votes to 4

Motion carried (PLA/2021/009)

11 DCC SUBMISSION ON MINISTRY OF TRANSPORT HĪKINA KOKUPARA DISCUSSION DOCUMENT

A report from Transport and Corporate Policy sought approval for a Dunedin City Council (DCC) submission to the Ministry of Transport's Hīkina te Kohupara – Kia mauri ora ai te iwi: Transport Emissions: Pathways to Net Zero by 2050 discussion document (Hīkina te Kohupara)

Simon Drew, General Manager Infrastructure & Development; Jeanine Benson, Group Manager Transport and Simone Handwerk, Transport Planning Team Leader spoke to the report and responded to questions.

Moved (Mayor Aaron Hawkins/Cr Steve Walker):

That the Committee:

- a) **Approves** the DCC submission to the Ministry of Transport's Hīkina te Kohupara discussion document.

Moved that the Planning and Environment Committee (Mayor Aaron Hawkins/Cr Jim O'Malley):

Adjourns the meeting.

Motion carried

The meeting adjourned at 3:18 pm and reconvened at 3:31 pm.

Following discussion the following amendments to the DCC submission to the Ministry of Transport's Hīkina te Kohupara – Kia mauri ora ai te iwi: Transport Emissions: Pathways to Net Zero by 2050 discussion document (Hīkina te Kohupara) were moved:

Moved (Cr Jules Radich/Cr Andrew Whiley):

That the Committee:

Deletes paragraph 7 (partnership with central government) and
Deletes the last sentence of paragraph 8 (preferred pathways) of the
DCC submission to the Ministry of Transport's Hīkina te Kohupara discussion
document.

Division

The Committee voted by division.

For: Crs Carmen Houlahan, Jules Radich and Lee Vandervis (3).
Against: Crs Sophie Barker, Rachel Elder, Doug Hall, Mayor Aaron Hawkins,
Marie Laufiso, Mike Lord, Jim O'Malley, Chris Staynes, Steve Walker,
Andrew Whiley and David Benson-Pope (11).
Abstained: Nil

The division was declared LOST by 11 votes to 3

Motion Lost

Moved (Cr Carmen Houlahan/Cr Jules Radich):

That the DCC strongly encourages the Government to consider funding low carbon rail services to cities that do not currently have metro rail services.

Division

The Committee voted by division.

For: Crs Sophie Barker, Rachel Elder, Doug Hall, Mayor Aaron Hawkins, Carmen Houlahan, Marie Laufiso, Mike Lord, Jim O'Malley, Jules Radich, Chris Staynes, Andrew Whiley and David Benson-Pope (12).

Against: Crs Lee Vandervis and Steve Walker (2).

Abstained: Nil

The division was declared CARRIED by 12 votes to 2

Motion carried (PLA/2021/010)

Voting on amendments to resolution b) were taken separately:

Moved (Cr Andrew Whiley/Cr Steve Walker):

That the Committee:

- i) **Delegates** authority to the Chief Executive to finalise the submission including comments regarding Paragraph 12 - freight strategy, added emphasis on regional freight, i.e. Otago/Southland freight movements to Port Otago.

Motion carried

Moved (Mayor Aaron Hawkins/Cr Steve Walker):

That the Committee:

- ii) **Delegates** authority to the Chief Executive to finalise the submission including comments regarding Paragraph 3 – strengthening references to supporting active transport mode shift.

Motion carried with Cr Lee Vandervis recording his vote against

Moved (Mayor Aaron Hawkins/Cr Steve Walker):

That the Committee:

- iii) **Delegates** authority to the Chief Executive to finalise the submission including comments regarding a new paragraph – That Council supports inter regional travel to include reference to cycle trails.

Motion carried with Cr Lee Vandervis recording his vote against

Moved (Mayor Aaron Hawkins/Deputy Chairperson Steve Walker):

That the Committee:

- iv) **Delegates** authority to the Chief Executive to finalise the submission including comments regarding an addition to paragraph 13 - The DCC strongly encourages the Government to consider funding low carbon rail services to cities that do not currently have metro rail services.

Motion carried with Cr Lee Vandervis recording his vote against

The substantive motion was then put.

Moved (Mayor Aaron Hawkins/Cr Steve Walker):

That the Committee:

- a) **Approves** the DCC submission to the Ministry of Transport's Hīkina te Kohupara discussion document.
- b) **Delegates** authority to the Chief Executive to finalise the submission including comments regarding:
 - i) Paragraph 12 - freight strategy, added emphasis on regional freight, i.e. Otago/Southland freight movements to Port Otago.
 - ii) Paragraph 3 – strengthening references to supporting active transport mode shift.
 - iii) New paragraph – That Council supports inter regional travel to include reference to cycle trails.
 - iv) Add to paragraph 13 - The DCC strongly encourages the Government to consider funding low carbon rail services to cities that do not currently have metro rail services.

Division

The Committee voted by division.

For: Crs Sophie Barker, Rachel Elder, Doug Hall, Mayor Aaron Hawkins, Carmen Houlahan, Marie Laufiso, Jim O'Malley, Chris Staynes, Steve Walker and David Benson-Pope (10).
Against: Crs Mike Lord, Jules Radich, Lee Vandervis and Andrew Whiley (4).
Abstained: Nil

The division was declared CARRIED by 10 votes to 4

Motion carried (PLA/2021/011)

12 ITEMS FOR CONSIDERATION BY THE CHAIR

That staff discuss the proposal with the submitter for the proposed Rainbow pedestrian crossing at the intersection of Lower Stuart Street and Moray Place and other stakeholders, and report to a Committee meeting as soon as possible.

The meeting concluded at 4:28 pm.

.....
CHAIRPERSON

PART A REPORTS

ACTIONS FROM RESOLUTIONS OF PLANNING AND ENVIRONMENT COMMITTEE MEETINGS

Department: Civic

EXECUTIVE SUMMARY

- 1 The purpose of this report is to detail the open and completed actions from resolutions of Planning and Environment Committee meetings from the start of the triennium in October 2019 (Attachment A and B).
- 2 As this report is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Open and Completed Actions from resolutions of Planning and Environment Committee meetings to 3 August 2021.

DISCUSSION

- 3 This report will be provided an update on resolutions that have been actions and completed since the last Planning and Environment Committee meeting.

NEXT STEPS

- 4 An updated actions report will be provided at all Planning and Environment Committee meetings.

Signatories

Author:	Lauren McDonald - Governance Support Officer
Authoriser:	Clare Sullivan - Manager Governance

Attachments

	Title	Page
↓A	Open Actions - August 2021	27
↓B	P&E Completed Actions - August 2021	28

PUBLIC OPEN ACTIONS - PLANNING AND ENVIRONMENT COMMITTEE RESOLUTIONS 2019-2022 (June 2021 update)						
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Due Date	Status
11/2/2020	(PLA/2020/004)	Planning and Environment Non-Financial Activity Report for the Two Quarters Ending 31				
		Growth Planning and Variation 2	Community engagement on future housing (survey)	Community and Planning	Feb-21	Report provided to the 27 January P&E and Council 10YP 31 May 2021 meeting.
		Biodiversity	Completion of high resolution DCC Vegetation Map (with provision of baseline information on the city's indigenous biodiversity extent and range of ecosystems)	Policy	Jan-20	Completed. The vegetation map report to P&E 15 June 2021 meeting. Report to 22 September 2020 Committee meeting. Notification revised to 3 February 2021.
		South Dunedin Project	Initiate widespread community engagement on South Dunedin Future	City Development	01/07/2021	Housing capacity assessment of the NPS-UD to be completed by July 2021. The first round of engagement completed in May 2021. Feb 21 - Second phase of engagement to commence July 2021, with a focus on developing a community vision and laying the foundations for the first South Dunedin climate change adaption plan.
04/08/2020	(PLA/2020/020)	National Policy Statement on Urban Development	Deadlines to the implementing the NPS-Urban Design: Housing capacity assessment	City Development	Jul-21	NPS-UD 2020 report noted. Next steps and timeframes noted for the housing capacity assessment of the NPS-UD to be completed by July 2021
	(PLA/2020/019)	Planning and Environment Activity Report for the two Quarters Ending 30 June 2020	A community hui on Te Ao Tūroa (rescheduled due to COVID-19 lockdown).	Community and Planning	Dec-20	Te Ao Tūroa Partnership met on 9 November 2020 to discuss the refocus of the partnership and ensuring the priorities are in alignment with the Council's zero carbon goals
22/09/2020	(PLA/2020/025)	Review of the Truby King Recreation Reserve Management Plan 1998	Public consultation process as required by section 41(6) of the Reserves Act 1977. Hearings Committee to hear public submissions and make recommendations to the March Planning and Environment Committee	Parks and Reserves	01-Feb-21	Hearing to take place March 2021. Recommendation report to be tabled at the August 2021 P&E meeting.
	(PLA/2020/026)	Planning and Environment Committee - Forward Work Programme	Regular updating of the P&E work programme to the committee, including appeals on the 2GP, variation 2 for housing growth	Civic	Sep-20	ongoing
	(PLA/2020/027)	Action from Resolutions of Planning and Environment Committee meetings	Regular reporting of open and completed actions from public P&E Committee meetings.	Civic	Sep-20	ongoing
17/11/2020	(PLA/2020/038)	Review of George Street Upgrade Project	Detailed business case and developed design with a one-way design with the flexibility to go to two-way shared street design for the Dunedin Retail Precinct George Street upgrade.	City Development	Jun-21	Project update will be provided to the June 2021 meeting
31/05/2021	(CNL/2021/112)	Council 10YP 2021-31 Deliberations 31/5/21 - Shaping Future Dunedin Transport Programme	Staff to develop and work plan for implementing the recommendations in the MR Cagney Dunedin Parking Roadmap. Report to P&E 3 August 2021.	Transport	Aug-21	Workplan to be reported to the August 2021 meeting

COMPLETED PUBLIC ACTIONS - PLANNING AND ENVIRONMENT COMMITTEE RESOLUTIONS 2019-2022 (update August 2021)							
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Due Date	Status	Date Completed
11/02/2020	(PLA/2020/004)	Planning and Environment Non-Financial Activity Report for the Two Quarters Ending 31 December 2019 -	Notes the Planning and Environment Activity Report for the six months ending 31 December 2019.			The report was noted	11-Feb-20
		Second Generation Dunedin City District Plan (2GP)	Report on progress on 2GP appeals and variation 2 on growth for housing	Community and Planning	Mar-20	Update report to Planning and Environment Committee for 22 September 2020 meeting on the reason for delay in public notification until Feb 2021.	22-Sep-20
		Growth Planning and Variation 2	Community Engagement on future housing (survey)	Community and Planning		Report provided to the 27 January P&E and Council 10YP 31 May 2021 meeting.	31-May-21
		Te Ao Turoa (biodiversity project)	DCC Native Planting Guide	Policy	Mar-20	The native planting guide (as part of the Te Ao Turoa: The Natural World Dunedin Environment Strategy) is available from the DCC website.	15-Apr-20
	(PLA/2020/005)	Draft Waste Minimisation and Management Plan 2020 and Draft Waste Assessment 2018	Approves the Draft Waste Minimisation and Management Plan 2020 and Draft Waste Assessment 2018 for inclusion in the Annual Plan 2020-21 process	Waste and Environmental Solutions		Council adopted the Waste Minimisation 2020 and the Waste Assessment 2018 at the 23 June 2020 meeting	23-Jun-20
			Decides if any further amendments should be made before the Draft Waste Minimisation and Management Plan 2020 and Draft Waste Assessment 2018 are presented in the Annual Plan 2020-21 process	Waste and Environmental Solutions	May-20	Council approved the adoption of the Waste Minimisation and Management Plan 2020, including amendments, and the Waste Assessment 2018. It also noted the summary of consultation submission on the WMMP and the WA.	25-May-20
			Special consultative procedure will be prepared for inclusion in the Annual Plan 2020-21, to be approved by Council on 24 February 2020	Waste and Environmental Solutions	Feb-20		
	(PLA/2020/004)	Biodiversity	Completion of high resolution DCC Vegetation Map (with provision of baseline information on the city's indigenous biodiversity extent and range of ecosystems)	Policy	Jan-20	The vegetation map report to P&E 15 June 2021 meeting.	15-Jun-21
	(PLA/2020/006)	Submission on Urban Development Bill	Approves the draft Dunedin City Council submission to the Environment Select Committee on the Urban Development Bill. With the addition of the Regenerative Development	City Planning	Feb-20	DCC submission sent to the Environment Select Committee for consideration on 12 February 2020	12-Feb-20
	(PLA/2020/010)	Footpath courtesy zone evaluation	Due to issues related to Covid-19 lockdown meant that these four reports were considered by the Planning and Environment Committee under its general delegation. The actions will be reported through to the Infrastructure and Services Committee (ISCOM) as the specific delegation sits with the ISCOM.				
14/5/2020	(PLA/2020/012)	DCC Submission - Accessible Streets					
	(PLA/2020/013)	Notice of Motion - Dunedin Rail					
	(PLA/2020/015)	Safer CBD Streets - COVID-19 response					
04/08/2020	(PLA/2020/019)	Planning and Environment Activity Report for the two Quarters Ending 30 June 2020	Notes the Planning and Environment Activity Report for the six months ending 30 June 2020.		Jul-20	The report was noted	04-Aug-20
			Holding the annual Dunedin Heritage awards, rescheduled from August 2020			Awards were held on 20 October 2020	17-Nov-20
			A community hui on Te Ao Tūroa (rescheduled due to COVID-19 lockdown).		Dec-20	Te Ao Turoa Partnership met on 9 November 2020 to discuss the refocus of the partnership and ensuring the priorities are in alignment with the Council's zero carbon goals	01-Dec-20

COMPLETED PUBLIC ACTIONS - PLANNING AND ENVIRONMENT COMMITTEE RESOLUTIONS 2019-2022 (update August 2021)							
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Due Date	Status	Date Completed
04/08/2020	(PLA/2020/020)	National Policy Statement on Urban Development	a) Notes the National Policy Statement on Urban Development 2020 dated July 2020. b) Notes the next steps and timeframes for meeting requirements under the National Policy Statement on Urban Development (NPS-UD).	Community and Planning	23-Jul-20	NPD-UD gazetted on 23 July 2020. Next steps noted with deadline for the housing capacity assessment of the NPS-UD to be completed by July 2021	04-Aug-20
	(PLA/2020/019)	Planning and Environment Activity Report for the two Quarters Ending 30 June 2020	Progressing the Carbon Zero 2030 Rapid Review of DCC activities.	Policy	23-Sep-20	Update on the DCC's Zero Carbon 2030 work programme was provided to Council on 14 December 2020. Climate 2030 Rapid Review and DCC emissions reduction opportunities report presented to Council 27 January 2021. Findings of the report were noted.	27-Jan-21
	(PLA/2020/020)	National Policy Statement on Urban Development	Deadlines to the implementing the NPS-Urban Design: Housing capacity assessment	City Development	01-Jul-21	Workplan reported to the 3 August 2021 meeting	03-Aug-21
22/09/2020	(PLA/2020/023)	Update on Variation 2 to the 2GP	Notes that the notification date of Variation 2 to the 2GP will be 3 February 2021.	Community and Planning	03-Feb-21	Consultation period closed 8 December 2020. The report was noted	22-Sep-20
	(PLA/2020/024)	Animal Services Annual Report to the Department of Internal Affairs	Notes the Animal Services annual report to the Department of Internal Affairs for the period 1 July 2019 to 30 June 2020.	Customer and Regulatory Services	Sep-20	The report was noted	22-Sep-20
	(PLA/2020/025)	Review of the Truby King Recreation Reserve Management Plan 1998	Approves the Statement of Proposal, draft reserve management plan and public submission form and the commencement of public consultation.	Parks and Recreation	Sep-20	Approval was granted	22-Sep-20
17/11/2020	(PLA/2020/034)	Planning and Environment Activity Report for the two Quarters Ending 30 September 2020	Notes the Planning and Environment Activity Report for the three months ending 30 September 2020	City Development	Nov-20	The report was noted	17-Nov-20
	(PLA/2020/035)	Workplan for Reserve Management Plan reviews 2019-2027	Notes the reserve management plan review forward workplan.	Parks and Recreation	Nov-20	The report was noted	17-Nov-20
	(PLA/2020/036)	St Clair - St Kilda Coastal Plan mid-engagement update	Notes the St Clair – St Kilda Coastal Plan mid-engagement update.	3 Waters	Nov-20	The report was noted	17-Nov-20
	(PLA/2020/037)	Review of George Street Upgrade Project	Notes the findings of the independent review by Kobus Mentz of the Dunedin Retail Precinct (George Street upgrade) project. Revokes the Planning and Environment Committee resolution (PLA/2019/025) from 11 June 2019 which endorsed the preliminary design for the George Street – Central City Plan project.	Community and Planning	Nov-20	The report was noted The resolution of 11 June 2019 was revoked.	17-Nov-20

COMPLETED PUBLIC ACTIONS - PLANNING AND ENVIRONMENT COMMITTEE RESOLUTIONS 2019-2022 (update August 2021)							
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Due Date	Status	Date Completed
11/02/2020	(PLA/2020/004)	South Dunedin Future (as part of the Non Financial Activity Report)	Initiate widespread community engagement on South Dunedin Future	City Development	Jul-21	Report to Council 24 August on DCC/ORC partnership for South Dunedin Future	24-Aug-21
31/05/2021	(CNL/2021/112)	Council 10YP 2021-31 Deliberations 31/5/21 - Shaping Future Dunedin Transport Programme	Staff to develop a work plan for implementing the recommendations in the MR Cagney Dunedin Parking Roadmap. Report to P&E 3 August 2021.	Transport	Aug-21	Report to 3 August 2021 meeting	03-Aug-21
15/06/2021	(PLA/2021/009)	DCC Submission on the Public Transport Operating Model Review Discussion Paper	Approves the DCC submission to the Ministry of Transport on the Public Transport Operating Model (PTOM) review discussion paper.	Transport	Jun-21	Submission made by June deadline	17-Jun-21
		DCC Submission on Ministry of Transport Hikina Kokupara Discussion Document	Approves the DCC submission to the Ministry of Transport's Hikina te Kohupara discussion document.	Transport	Jun-21	Submission made by June deadline	18-Jun-21
			Delegates authority to the Chief Executive to finalise the submission with additional comments	Transport	Jul-21	Submission made by June deadline	19-Jun-21

PLANNING AND ENVIRONMENT COMMITTEE FORWARD WORK PROGRAMME

Department: Corporate Policy

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide a regular update of the Planning and Environment Committee forward work programme for the 2020-2021 to show areas of activity, progress and expected timeframes for decision making across a range of areas of work. (Attachment A).
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Planning and Environment Committee forward work programme as shown in Attachment A.

NEXT STEPS

- 3 The forward work programme is a regular agenda item which shows areas of activity, progress and expected timeframes for decision making across a range of areas of work.
- 4 As an update report, purple highlights show changes to timeframes. New items added to the schedule are highlighted in yellow. Items that have been completed or updated are shown as bold.
- 5 Months where no Committee meetings are scheduled are highlighted as grey. At this stage, the 2022 meeting dates have not been confirmed, but will be when the 2022 meeting schedule is adopted later this year.

Signatories

Author:	Sharon Bodeker - Corporate Planner
Authoriser:	Jeanette Wikaira - Manahautū (General Manager Māori Partnerships and Policy)

Attachments

Title	Page
A Forward Work Programme - August 2021	33

Key	
New item	
Changes to timeframes	
Completed; progress to date update	Bold
No meeting month	

Planning and Environment Committee Forward Work Programme 2021/2022 - August 2021															
Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			July	03-Aug	21-Sep	Oct	03-Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Planning and Environment Non-Financial Activity Report	To update the Committee on the activities of the departments reporting to Planning and Environment	Noting the Non-Financial Activity Report Progress to date: An activity report for the period ending 30 June 2021 will be presented to the August meeting.		Notes			Notes			Notes			Notes		
Animal Services	Section 10A of the Dog Control Act 1996 requires territorial authorities to publicly report each year on: - The administration of their dog control policy and their dog control practices (section 10A (1)); and - A variety of dog control related statistics (section 10A (2)).	Noting the Animal Services Annual Report to the Department of Internal Affairs. Progress to date: The Animal Services Annual Report will be presented to the September committee meeting.			Notes										
Central City Plan - George Street Upgrade	Development of a detailed design and business case of the George Street redesign solution (as part of the Central City Plan)	Consider and make decisions on the project as necessary. Progress to data: A report will be presented to the August 2021 meeting to consider and decide on the membership of a Project Delivery Control Group and its Terms of Reference. A Detailed Business Case will be presented to the September meeting for approval, along with a draft retail quarter revitalisation plan.	Ongoing work	Decide	Decide	Consultation on retail quarter revitalisation plan				Decide	Construction				
						Detailed design									
Dunedin Heritage Fund	To update the Committee on the activities of the Dunedin Heritage Fund, and the allocation of heritage grant funding.	Notes the annual Dunedin Heritage Fund report. Progress to date: An annual report on the activities of the Dunedin Heritage Fund will be presented to the September 2021 committee meeting, previously scheduled for August.			Notes										

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			July	03-Aug	21-Sep	Oct	03-Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
National Policy Statement on Urban Development 2020 (NPS-UD)	The NPS-UD, released in July 2020, replaced the National Policy Statement on Urban Development Capacity. It requires councils to consider the impacts of their planning frameworks on the development market.	Consider and make decisions on the implementation of the NPS-UD as required. Progress to date: A housing capacity assessment has been undertaken, and its conclusions will be presented to the August committee meeting.		Notes	Ongoing work and reporting as required.										
Shaping Future Dunedin Transport Project	Develop a work plan for implementing the recommendations in the MR Cagney Dunedin Parking Roadmap	Approve the workplan Progress to date: Work is underway on the development of a workplan, and it will be presented to the August committee meeting.		Approve											
Waterfront Bridge	Progress further opportunities around partnership with mana whenua. Undertake broader engagement with key stakeholders and other interested groups. Update the project management plan, that clearly articulates cultural values, updated scope, objectives and outcomes.	Consider the work plan and update report. Progress to date: An update report will be presented to the November committee meeting.	Ongoing work				Update report								
Archives	Staff will continue to work with ARANZ and other stakeholders to accommodate the city archives.	Consider progress reports; make decisions as necessary. Progress to date: Progress is being made in identifying storage capacity that can be modified in line with ARANZ requirements.	Ongoing work	Update report		Work as required									
District Licensing Committee	An Annual Report is required to be completed and sent to the Department of Internal Affairs	Note the District Licensing Committee's Annual report on its activities. Progress to date: The Annual Report is planned to be presented to the November Committee meeting.					Notes								
Submissions to central government and other external parties.	Provide feedback on proposals from central government and other external parties.	Consider and decide on draft submission on central government and other external parties proposals. Progress to date: 2 submissions were presented to the committee for consideration during the 2020/21 year. One submission is being presented to the August 21 meeting for consideration.		Submission	As and when required										

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			July	03-Aug	21-Sep	Oct	03-Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Reserve Management Plans															
St Clair - St Kilda Coastal Management Plan	Adoption of management plans for reserves is required under section 41(6) of the Reserves Act 1977	Approve a Statement of Proposal and consultation process for the St Clair - St Kilda Coastal Management Plan. Progress to date: A draft management plan was presented to the November 2020 committee meeting.	Ongoing development			Further consultation	Adoption								
Truby King Reserve Management Plan	Adoption of management plan for reserves is required under section 41(6) of the Reserves Act 1977	Approve a Statement of Proposal and consultation process for the Truby King Reserve Management Plan, and adopt the final Plan. Progress to date: Submissions closed on the draft plan in December 2020. A hearing was held in April 21, and a further hearing was held on 29 July 21. A report to adopt the Plan will be presented to the September 21 committee meeting.	Hearings		Adoption										
Reserves Management Plan - General Policies	Adoption of management plan for reserves is required under section 41(6) of the Reserves Act 1977	Approve a Statement of Proposal and consultation process for the Reserves Management Plan, and adopt the final Plan. Progress to date: The review of the general policies is ongoing.	Ongoing development												
Signal Hill Reserve Management Plan	Adoption of management plan for reserves is required under section 41(6) of the Reserves Act 1977	Approve a Statement of Proposal and consultation process for the Reserves Management Plan, and adopt the final Plan. Progress to date: A review of the plan is in progress.	Ongoing development												
Bylaws Work Programme															
Traffic and Parking Restrictions	Restrictions are made under the Traffic and Parking Bylaw. Move towards consistency and simplicity in the system.	Consider and recommend proposed changes to traffic and parking restrictions to Council for adoption. Progress to date: Proposed changes to the traffic and parking restrictions will be presented to the September Committee meeting.			Consider	As and when required									

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes											
			July	03-Aug	21-Sep	Oct	03-Nov	Dec	Jan	Feb	Mar	Apr	May	June
Speed Limits Bylaw 2004	Bylaw prepared under the Land Transport Act. Review of speed limits undertaken as required.	Consider and recommend proposed changes to the Speed Limits Bylaw to Council for adoption. Progress to date: Proposed changes to the Speed Limits Bylaw will be presented to the Committee as required.			As and when required									

Work from last schedule:		
Area of Work	Reason for Work	
Vegetation Map for Dunedin City	Create a vegetation map for Dunedin City	Completed. The Vegetation Map for Dunedin was completed and presented to the June 2021 committee meeting.

PLANNING AND ENVIRONMENT ACTIVITY REPORT FOR THE QUARTER ENDING 30 JUNE 2021

Department: Customer and Regulatory Services and City Development

EXECUTIVE SUMMARY

- 1 This report updates the Committee on activities including city development, resource consents, building services, alcohol licensing, environmental health, animal control and parking enforcement for the three months ending 30 June 2021.
- 2 Some highlights for the quarter covered by this report include:
 - The volume of building consent applications and building inspections undertaken in 2021 is at a seven year high
 - Completion of the second tranche of mediation on the Second Generation Dunedin City District Plan (2GP) appeals, resulting in a number of consent bundles being prepared and lodged with the Court
 - Initial background work on the Future Development Strategy (FDS).
 - Work on submitting to the Otago Regional Council (ORC) on the proposed Regional Policy Statement which will progress through the new freshwater planning process.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Planning and Environment Activity Report for the quarter ending 30 June 2021.

BACKGROUND

Activities

- 3 The City Development and Resource Consents activities works with other agencies to set the direction for managing Dunedin's built and natural environment and is responsible for promoting the sustainable management of the natural and physical resources through its administration of the functions of the Council under the Resource Management Act 1991 (RMA).

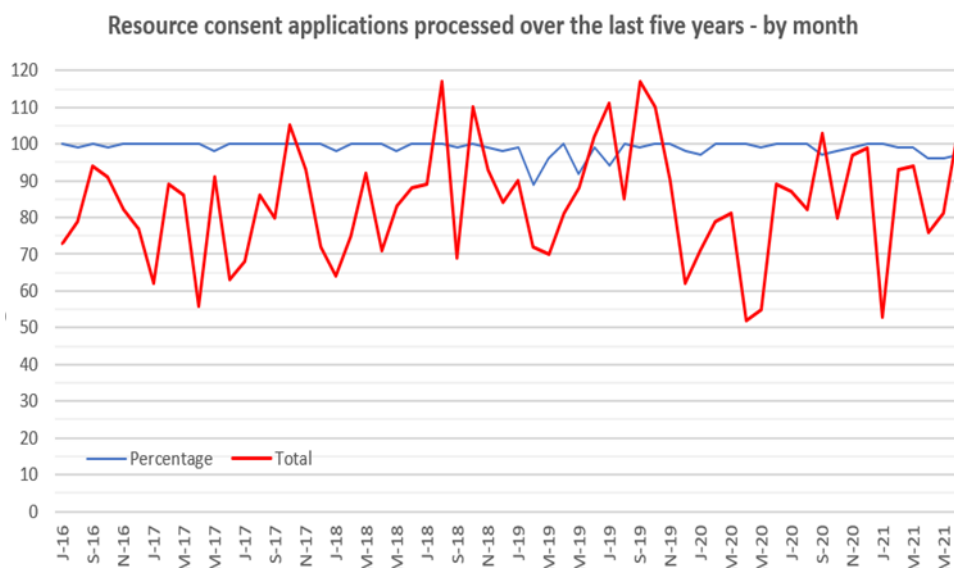
- 4 Regulatory Services contributes directly to the Safe and Healthy City outcome (part of the Social Wellbeing Strategy) which enhances personal safety in relation to building services, animal services, health licensing, the sale and supply of alcohol and parking enforcement.

DISCUSSION

Resource Consents

- 5 Table 1 shows resource consent processing over the last five years. The red line shows the number of applications granted each month. The number granted in the 20/21 years was five percent above the average of the preceding four years (1049 compared to 997). The monthly fluctuation is normal. The blue line shows the percentage meeting the statutory deadline and ranges from 89% to 100%. 'Consents Processed' is considered a good yardstick measure of all the other activity in the team.
- 6 A one-off point to note for this quarter is the high number of applications received. The new development contribution policy, which started from 1 July, generated a significant number of applications with a total of 275 received in June. The long-term monthly average is 88 and the previous highest months were 175 in June 2014 and 165 in June 2008.
- 7 A preliminary count of subdivision applications indicates the potential for at least 787 new houses or apartments. When these are built is up to the owners. Applications also included new apartment developments, particularly in the inner suburbs. This has been stimulated by changes to District Plan.
- 8 From January to June 2021, 194 HAIL (Hazardous Activities and Industries List) applications were received; this compares to 91 for the same period in 2020. The increase in applications for HAIL searches corresponds with the increase in resource consent applications. Application numbers for the six months to June 2021 exceeded the annual average of 153.
- 9 The quarter ending 30 June continued a busy period for RMA complaints. The total was 21% above the average for the equivalent average for the three months of the 2012 to 2022 period (46 compared with 38). The financial year total of 221 received was 31% above the average of 168 for the 2012 to 2020 period.
- 10 More detailed information on resource consents and other work undertaken by the Resource Consents team can be accessed here: <http://www.dunedin.govt.nz/services/planning>.

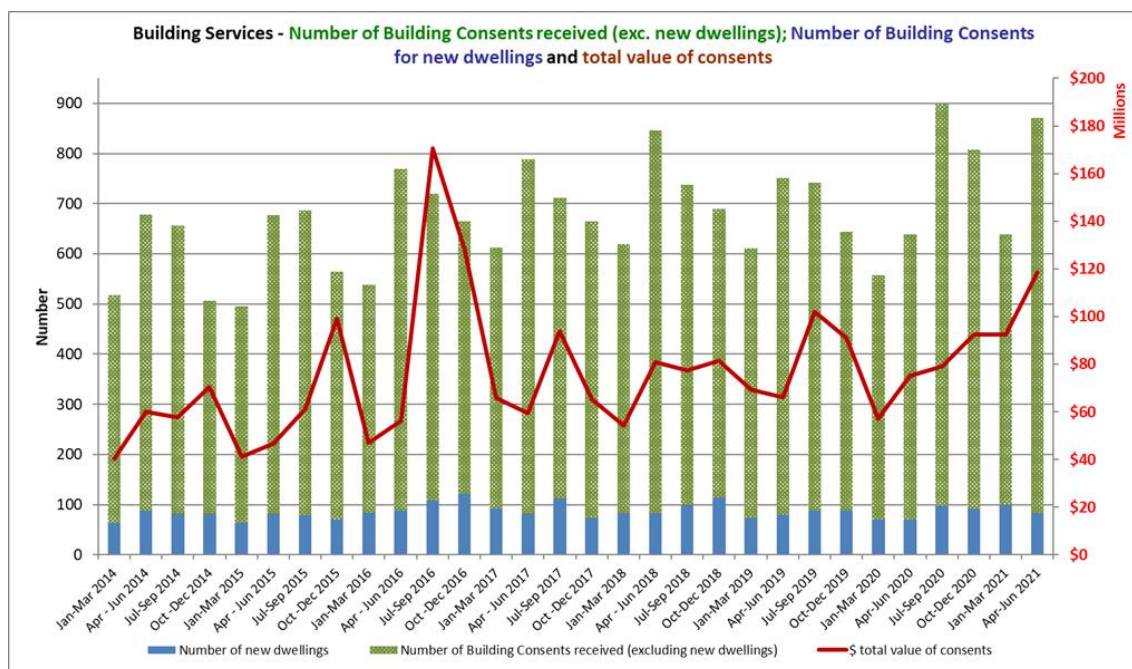
Table 1



Building Services

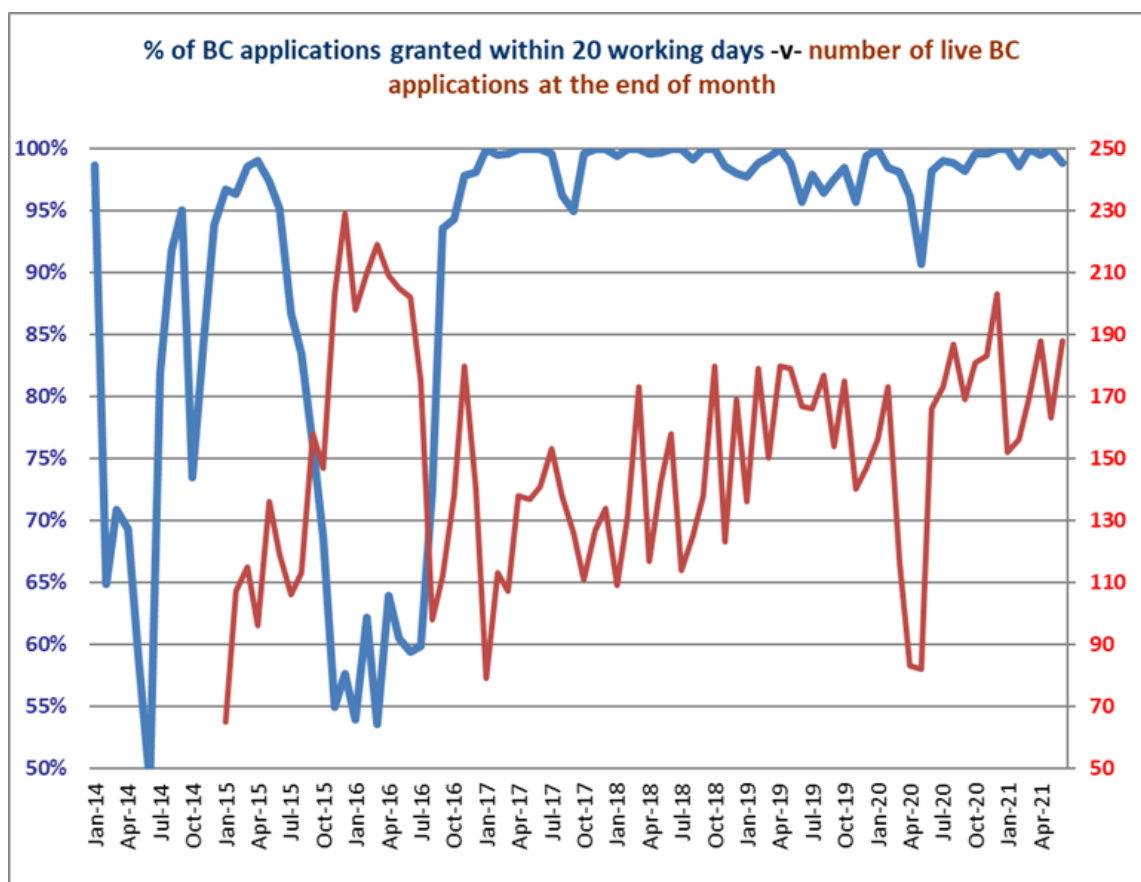
- 11 For the six month period to 30 June both building consent applications received (1,509) and the number of site inspections undertaken (5,550) are at a seven-year high.
- 12 The value of consents for the quarter was \$118.4 m. This figure includes the \$45 million consent for the Te Rangi Hiroa student accommodation. Building consent application numbers for new dwellings for the quarter was 83.

Table 2



- 13 Despite the high volumes, 99.5% of consents were being processed within the 20 working days for the quarter, as shown in Table 3. Inspection bookings timeframes have been high during the period although are now back within the target of <five working days. The average time to process a consent during the quarter was circa 12 working days.

Table 3

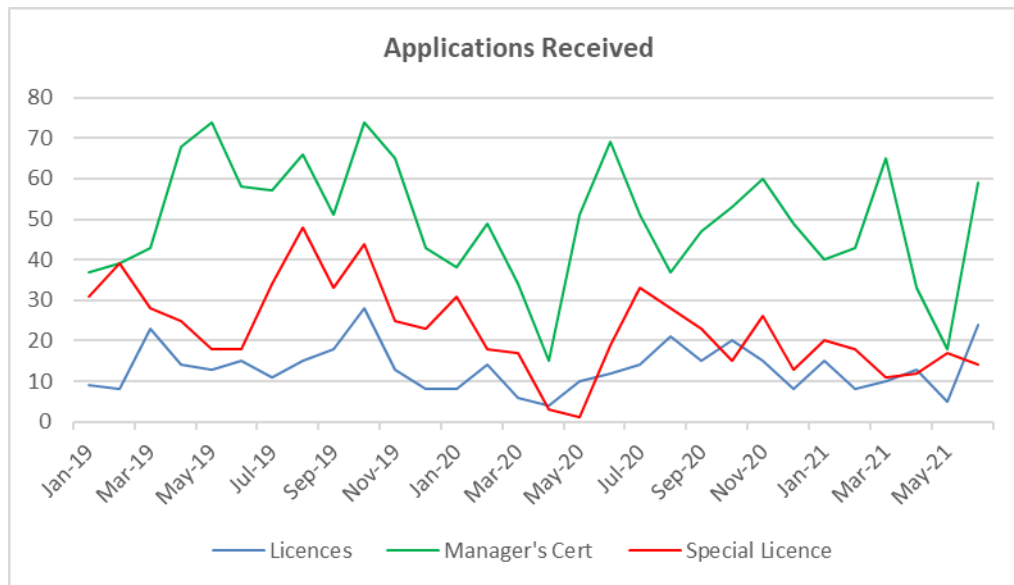


- 14 For Code Compliance Certificate requests, 99.3% were processed within 20 working days in the quarter.

Alcohol Licensing

- 15 The District Licensing Committee (DLC) met twice during the quarter to consider a new general manager's application and the renewal of the Vault 21 on-licence.
- 16 One new licence was granted for a remote off-licence operator. A remote licensee takes orders remotely and arranges for alcohol to be delivered. The increase in licence applications received is due to the triennial club licence renewal cycle and is shown in Table 4.

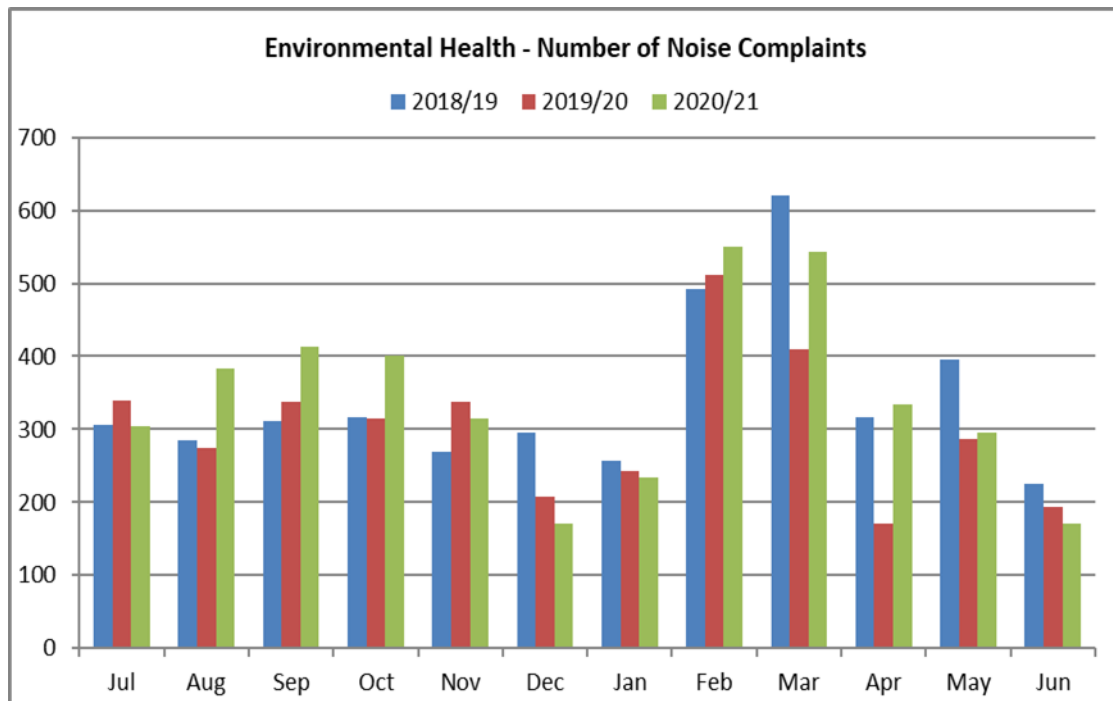
Table 4



Environmental Health

- 17 Overall food safety in Dunedin food premises remains at a high standard, with the percentage of 'A' Grade food premises reaching 93% for this quarter.
- 18 The number of noise complaints has decreased this quarter, consistent with that of previous years around the time when students have gone home for their mid-year break. There were 799 complaints received this quarter, compared to 1,327 complaints in the last quarter.

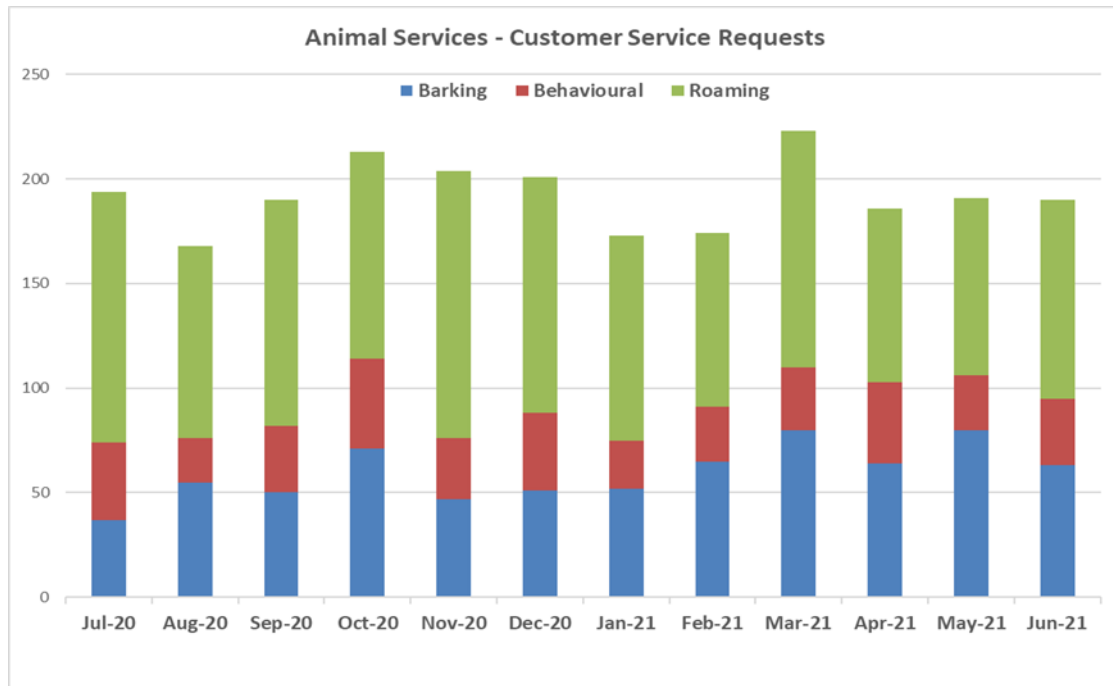
Table 5



Animal Services

- 19 There was a small decrease in requests for service over the last quarter (567 requests) compared to 570 requests in the previous quarter. This compares to 490 requests for the same period in 2020.

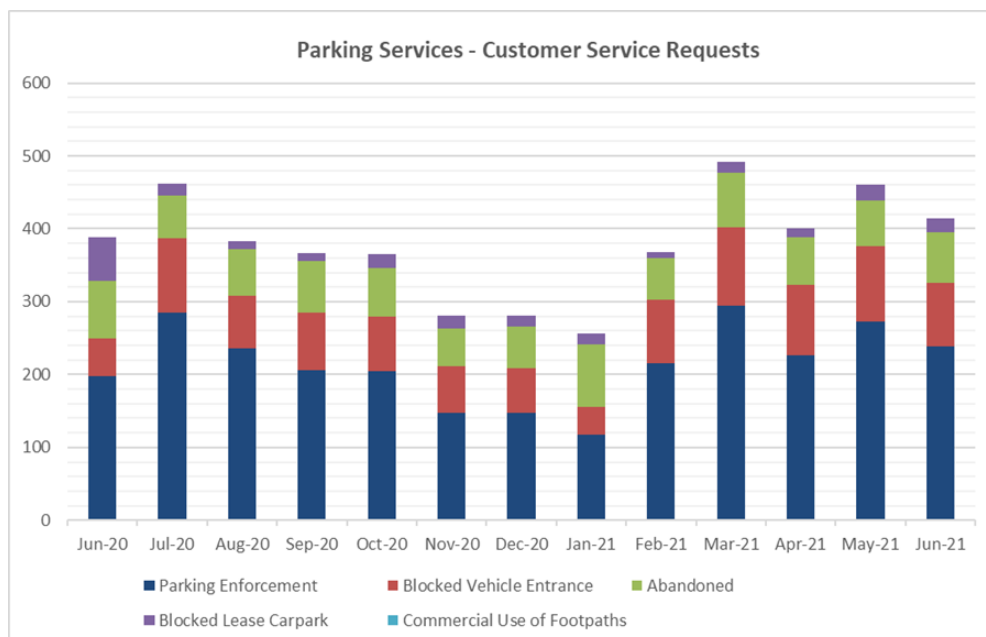
Table 6



Parking Services Enforcement

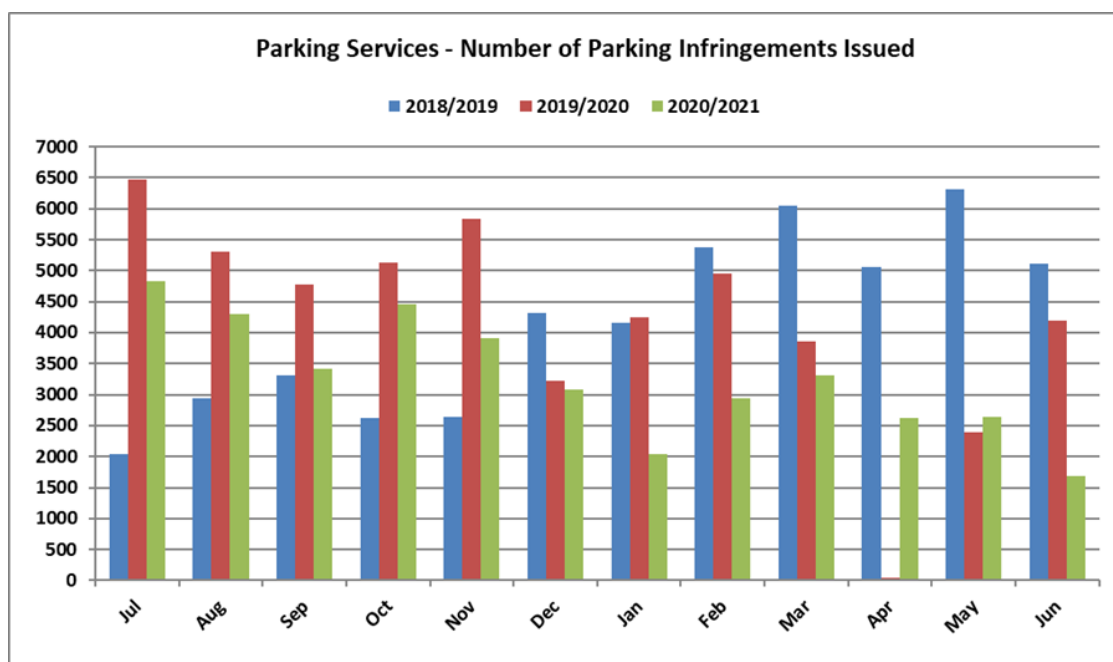
- 20 There was an increase in the number of requests for service over the last quarter (1,275 requests) compared to 684 requests for the same (Covid-19 affected) period in 2020.

Table 7



- 21 There was an increase in parking infringement numbers over the last quarter (6,951 infringements) compared to the same period in 2020 (6,620 infringements).

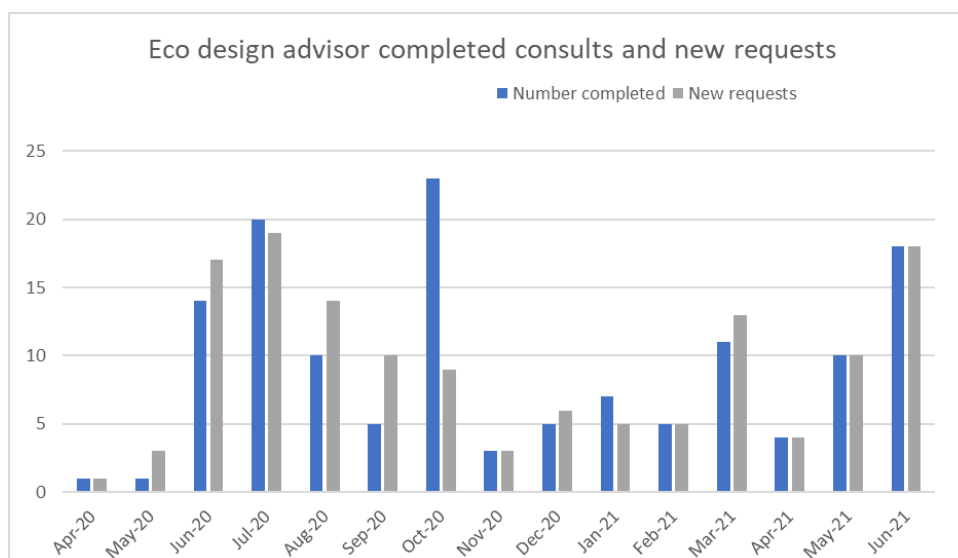
Table 8



Eco-Design Advisor

- 22 The Eco-Design Advisor is supporting Kia Haumarū te Kaika (KHTK) with home visits and advice. KHTK is a new, joint programme with the Southern District Health Board, Habitat for Humanity and Aukaha that aims to reduce hospital admissions by improving the health of homes.
- 23 A key finding from a recent low carbon retrofit housing workshop was the need for collaboration at national and community levels as well as with homeowners and community groups to achieve results.
- 24 The number of Eco-Design Advisor consultations and new requests is shown in Table 9.

Table 9



Major Initiatives

- 25 This section provides updates on the current status of the major initiatives and is not confined to the quarter ending June 2021.

Second Generation Dunedin City District Plan (2GP) – Appeals

- 26 Mediation for the second group of the 2GP appeals was completed in April 2021. Topics in this round of mediation included hazard facilities, service stations, reverse sensitivity, mana whenua, commercial, campus, residential strategic, network utilities, management of rail, mining, biodiversity and coastal character.
- 27 Staff are working on preparing consent documentation on the other topics that have been mediated. When consent memoranda are signed by the Environment Court, they are issued to the Council as a consent order and the resulting changes are then incorporated into the 2GP.
- 28 A number of consent memo bundles were lodged with the Court following the second group of mediation and consent orders have been issued for some of these bundles. There are still some consent memoranda with the Court in progress. Staff continue to prepare consent documentation for other topic bundles for lodgement with the Court.
- 29 Preparation is also underway for the third tranche of mediation which is proposed to cover a number of site-specific rezoning appeals. This mediation will also traverse stormwater management issues generally. The outcome of the mediation will feed into mediation of other appeals and Variation 2.

2GP - Growth Planning and Variation 2

- 30 Under the National Policy Statement on Urban Development (NPS-UD), Dunedin is required to develop a Future Development Strategy (FDS). The purpose of an FDS is to promote long-term strategic planning by setting out how Council intends to achieve well-functioning urban environments and provide sufficient development capacity over the next 30 years. The FDS is a joint responsibility with the ORC.
- 31 The FDS is to spatially identify the broad locations in which development capacity will be provided over the long term and the infrastructure required to service that capacity. The NPS-UD also requires councils to develop an implementation plan for their FDS and to update the implementation plan annually. The FDS will update or replace the current Dunedin City Spatial Plan.
- 32 Initial background work on the FDS is currently underway, including developing a project plan. A report on the FDS is expected to go to Council or the Planning and Environment Committee later in 2021.
- 33 Early work on the FDS has also been used to identify proposals that were included in a variation to the 2GP to achieve some 'quick wins' that will add additional housing capacity to meet medium term growth projections (Variation 2 – Additional Housing Capacity).
- 34 Most Dunedin residents live in areas which would be affected by one or more of these proposed changes. A paper seeking to notify Variation 2 to the 2GP was presented to Council on 29 January 2021. Variation 2 to the 2GP was publicly notified on 3 February 2021; the initial submission period closed on 4 March 2021 with 305 submissions received. The further submission phase has now ended, and staff are processing further submissions and preparing

for the first phases of the Variation 2 hearing (tentatively proposed for 13 – 24 September and 25 October – 4 November 2021).

Dunedin Heritage Fund

- 35 The Dunedin Heritage Fund Committee met in May 2021 for the final funding round of the 2020/21 year, allocating \$291,000 in heritage grants. The total Dunedin City Council (DCC) grant of \$680,000 has been successfully allocated across the four funding rounds this year, leveraging an anticipated \$4,425,375 investment into Dunedin. The heritage projects supported in the fourth round will leverage an estimated investment of almost \$1.5 million in heritage work across the city.
- 36 These projects support adaptive re-use, restoration, conservation repairs and upgrades to both commercial and residential heritage buildings, and support some of the city's challenging, long-term heritage sites such as the Priory and Cargill's Castle. The Fund was also able to support the Middlemarch Museum's long-term community project to protect the unique Platypus Submarine mining relic.
- 37 Funding from the fourth funding round (2020/21 FY) included the following projects:

Address	Name	Grant Amount	Support for
60 Wallace Street	Residential villa	\$10,000	Roof repairs (slate)
247 Ravensbourne Road	Ravensbourne Post Office (former)	\$15,000	External repainting including roof
70 Stuart Street	A&T Burts Ltd (former)	\$40,000	Building redevelopment and earthquake strengthening
5 Aberafon Street Middlemarch	Middlemarch Museum	\$40,000	New shelter to preserve remnants of Platypus submarine
8 Moray Place	Savoy Haynes Building	\$15,000	Restoration and painting of plaster ceilings and walls in reception room
301 Moray Place	Stephen Inks Building (former)	\$20,000	Fire safety and accessibility improvements (Stage 2)
4 Alva Street	Alva Court	\$5,000	Painting exterior building, repairs and painting of wooden joinery
63 Wallace Street	Residential villa	\$10,000	Repair and restoration of building (foundations and walls)
470 Moray Place	McVickar's Building (former)	\$50,000	Structural design for seismic strengthening and future redevelopment
31 Smith Street	St Dominic's Priory	\$60,000	South elevation emergency stained glass window repair, masonry restoration
11D Cliffs Road	Cargill's Castle (ruins)	\$19,000	Completion of strengthening and stabilization designs for implementation
164 Maitland Street	Residential villa	\$4,000	Retrofit double glazing to front window bays (two storeys)
399 Highgate	Columba College (Bishopscourt)	\$3,000	Slate and corrugate roof repairs

Heritage

- 38 Work is underway on identifying and assessing additions to the Heritage Schedule to be considered for Variation 3. The reinstatement of the Dunedin Causeway into the Wall Street Mall has been completed successfully, and staff are also looking at safeguarding the future of various city heritage buildings, including 231 Stuart Street, the Railway Station and the Town Hall. Preparations continue for the LGNZ Heritage Planners Forum which is being held in Dunedin in October and the 2022 Heritage Awards.

Biodiversity

- 39 Background work has started on biodiversity components of Variation 3 including additions to the schedule of Areas of Significant Biodiversity Value (ASBV). Consultants recently completed an updated inventory of ASBVs on public land (administered by DCC or Department of Conservation) and those protected by QEII Covenants. Staff have begun a review of Urban Biodiversity Mapped Area (UBMA) boundaries and rules. An update of the 2GP Protected Indigenous Species lists is also anticipated to include changes to the national threat classifications which are updated periodically by the Department of Conservation.

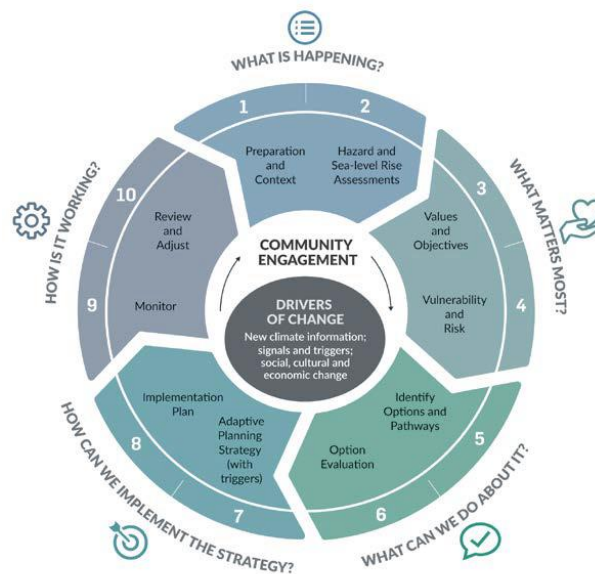
Te Ao Tūroa

- 40 The fourth year of Te Ao Tūroa Grants saw a total of \$30,000 awarded to two applicants. This will support their community projects: one on enhancing the habitat corridor linking Orokonui Ecosanctuary and wider Dunedin for indigenous biodiversity, and the other creating awareness and understanding of marine biodiversity and connection between our actions on land and the coastal environment.
- 41 This year's recipient of Environment Envoy commission 'The Lime Burners' project attracted around 450 people over 10 days at the Gasworks Museum, reaching out beyond usual art viewers or participants. Through workshops and demonstrations, a group of nine artists led by Tim Barlow engaged the community in the reduction of CO2 emissions in the artmaking and building industries by showcasing experimental artistic and masonry techniques focused on lime materials as low carbon alternatives.
- 42 Promotion of the DCC Native Planting Guide and web map, accompanied by tree giveaways, was held during the Wild Dunedin Festival in April. This helped inform small scale native planting projects in Dunedin City and drew around 800 people to the joint 'Rewild at the Botanic' event with the Department of Conservation and City Sanctuary.

South Dunedin Future Project

- 43 The South Dunedin Future community engagement continues to build relationships and awareness of the challenges and opportunities for South Dunedin. Between April and June, staff attended a further ten meetings with community groups in the wider South Dunedin area. DCC and ORC staff have now met with a total of 65 community groups and other stakeholders since the start of last year, as well as contributing to many other events and media stories over that time.
- 44 Work is progressing between DCC and ORC regarding integration and programme planning. A joint DCC/ORC procurement has been initiated for expert advisory and planning support in relation to applying dynamic adaptive policy pathways (DAPP) planning methodology, including discussions of inclusion of the Harbourside area.

- 45 Recruitment for the newly established South Dunedin Future Programme Manager role has been conducted in partnership with ORC, with an appointment to start within the next quarterly reporting period.
- 46 Senior Officers met with Ministry for the Environment Climate Change Adaptation Legislation and National Adaptation Plan teams to discuss progression of legislation and planning at the central level, and to highlight collaborative adaptation working at the local level.
- 47 Planning for a joint Academic Reference Forum in collaboration with the University of Otago's Centre for Sustainability has been underway, scheduled for August.
- 48 Research has been undertaken on methods used by communities to build resilience for climate adaptation. Research focused on interventions that could be used in South Dunedin, and these will be discussed with South Dunedin communities as part of longer-term planning around climate change adaptation.
- 49 Once the new Programme Manager is in place, the focus of engagement planning will move into 'what matters most' to the community. This is in accordance with the DAPP planning methodology, which is outlined in the Ministry for the Environment's coastal hazards and climate change guidance for local government (below).



Carbon Zero 2030

- 50 Three potential partners have considered the draft Zero Carbon 2030 Alliance Memorandum of Understanding and agreed to join: the Otago Regional Council, the University of Otago and Otago Polytechnic. The Council's Manahautū will lead discussions with Rūnaka in relation to the Alliance.
- 51 A contract has been agreed for a new emissions data management system and implementation planning is underway.
- 52 A new Senior Policy Analyst, Zero Carbon and Principal Policy Advisor, Sustainability began work in May.

Capital Projects

City to Waterfront Bridge

- 53 The scope of the project is being reviewed with mana whenua and other stakeholders to ensure that the bridge meets broader aspirations for the city and mana whenua cultural values. Staff will report back to the Planning and Environment Committee in November 2021 with recommendations as to the scope and timing of the bridge connection.

Other place-based and amenity improvement projects

- 54 Urban designers organised the installation of a parklet on Great King Street opposite the Dental School, outside the Hunter Centre. This was coordinated with the re-establishment of parking and road markings within this block following the completion of two significant University of Otago building projects and in consultation with the University and adjoining building users.
- 55 Other locations are being investigated for the remaining parklets, which are currently in storage. These parklets were to be deployed as part of a planned Innovating Streets project on Union Street East. Following the decision not to progress that project, staff agreed to identify suitable locations in the wider tertiary precinct area or near the Saint Clair commercial centre.
- 56 Some street furniture items used during the Octagon Experience have now been permanently installed: bench seats along Portsmouth Drive and planter boxes used by Enviro-schools. Additional locations are being investigated to ensure the re-use of stored street furniture items.
- 57 Detailed design for Te Rauone Reserve has commenced now that Port Otago has provided a work schedule for installing the groynes. Work is likely to be limited to the southern end of the reserve and include an expanded natural play area and other amenities.
- 58 City Development is working with Transport to refresh the centres prioritisation work programme. The initial stages of this work will involve a collaborative reassessment of the city's commercial centres (other than the CBD) to ensure we have accurate and up to date information to direct spending and prioritisation of work. This work will look more closely at the place-based attributes of these centres and assess traffic safety requirements.
- 59 Concepts to redevelop existing pocket parks on Gordon Road are currently being developed with community consultation due to being soon.

OPTIONS

- 60 As this is an update report, there are no options.

NEXT STEPS

- 61 Key areas of focus for the next quarter include:
- Completing consent documentation for 2GP appeals that have been mediated and filing it with the Court, and preparation for the third tranche of mediation
 - Variation 2 to the 2GP hearings stage
 - Variation 3 to the 2GP preparation

- Developing a project plan for the Future Development Strategy and setting up governance and team structure arrangements
- Next stage of South Dunedin Future engagement.

1 Signatories

Author:	Paul Henderson - Acting Group Manager Customer and Regulatory Services Anna Johnson - City Development Manager
Authoriser:	Simon Drew - General Manager Infrastructure and Development Simon Pickford - General Manager Community Services

Attachments

There are no attachments for this report.

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This report promotes the environmental and social well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Planning and Environment portfolio of activities support the outcomes of a number of strategies.

Māori Impact Statement

Kāti Huirapa Runaka ki Puketeraki and Otakou Runaka are involved in a number of major initiatives. Aukaha is also working alongside the Council on the Waterfront Bridge project. The Council's Manahautū is leading this work.

Sustainability

As this is an update report there are no specific implications for sustainability.

10YP/Annual Plan / Financial Strategy /Infrastructure Strategy

As this is an update report, there are no implications for the 10YP, although some measures are level of service performance measures that are annually reported as part of the 10YP.

Financial considerations

The updates reported are within existing operating and capital budgets.

Significance

This report is low in terms of significance under the Significance and Engagement Policy.

Engagement – external

As this is an update report, no external engagement has been undertaken.

Engagement - internal

As this is an update report, no internal engagement has been undertaken. Input into the Major Initiatives and Project Updates sections has been provided by teams within the Regulatory Services and Community and Planning Groups.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no specific implications for Community Boards, although aspects of the report may be of interest to them.

DCC SUBMISSION ON THE NATURAL AND BUILT ENVIRONMENTS BILL - EXPOSURE DRAFT

Department: City Development and Executive Leadership Team

EXECUTIVE SUMMARY

- 1 On 29 June 2021, the Government released its first exposure draft of the Natural and Built Environments Act (NBA). The release follows the Government's February 2021 announcement to reform New Zealand's resource management system by repealing the Resource Management Act 1991 (RMA).
- 2 The NBA will replace the RMA and is a significant undertaking that will fundamentally change the way in which local government delivers resource management functions in Aotearoa.
- 3 The purpose of this report is to seek approval for a Dunedin City Council (DCC) submission on the NBA exposure draft (Attachment A). There have been layers of contribution to the DCC submission. It has been informed by the work of Taituarā (formerly SOLGM) and the work of staff across the Otago/Southland Councils.
- 4 The DCC submission reinforces similar points progressed by Taituarā in their draft submission (Attachment B) and the Otago/Southland Councils joint submission (Attachment C). The DCC's submission aims to provide a DCC focus on the issues that are of concern to the Dunedin community.

RECOMMENDATIONS

That the Committee:

- a) **Approves** the DCC submission, with any amendments, to the Ministry for the Environment on the Natural and Built Environments Bill exposure draft
- b) **Authorises** the Mayor or his delegate to speak to the DCC submission at the Select Committee
- c) **Supports** the Otago/Southland Councils joint submission to the Ministry for the Environment on the Natural and Built Environments Bill exposure draft.

BACKGROUND

- 5 In February 2021, the Government announced it would reform the Resource Management system, based on the comprehensive review and recommendations of the Resource Management Review Panel ('the Randerson Report'). It is proposed to repeal the RMA and introduce three new Acts:

- Natural and Built Environments Act, to protect and restore the environment while better enabling development, as the primary replacement for the RMA
 - Strategic Planning Act, to help coordinate and integrate decisions made under relevant legislation, through requiring the development of long-term regional spatial strategies; and
 - Climate Adaptation Act, to address complex issues associated with managed retreat.
- 6 The objectives of the reform are to:
- a) protect and restore the environment and its capacity to provide for the wellbeing of present and future generations
 - b) better enable development within natural environmental limits
 - c) give proper recognition to the principles of Te Tiriti of Waitangi and provide greater recognition of te ao Māori including mātauranga Māori
 - d) better prepare for adapting to climate change and risks from natural hazards, and better mitigate emissions contributing to climate change
 - e) improve system efficiency and effectiveness and reduce complexity while retaining appropriate local democratic input.
- 7 The proposed NBA is the primary piece of legislation in the reform package and is being progressed initially through an exposure draft (Attachment D). An exposure draft refers to legislation that has not yet formally been introduced into Parliament.
- 8 The Government released the exposure draft of the NBA on 29 June for consultation. It has been referred by Parliament to a select committee inquiry process. This process is intended to test and improve the contents of the Bill before it goes into the formal Parliamentary process.
- 9 The exposure draft does not cover the full Bill but provides an early look at key aspects of this legislation including:
- the purpose of the NBA (including Te Tiriti o Waitangi clause) and related provisions
 - the role of the National Planning Framework (NPF)
 - high level roles and responsibilities for the preparation of Natural and Built Environments plans.
- 10 The Select Committee will report its findings to Parliament and any changes will be made before the full Bill is formally introduced. Other components of the full Bill that were not developed in time for the exposure draft will be decided by Cabinet before being included in the full Bill. A standard legislative and select committee process will follow.
- 11 It is proposed that the NBA and the Strategic Planning Act will be formally introduced in early 2022.
- 12 Submissions on the exposure draft of the NBA close on 4 August 2021.

DISCUSSION

- 13 Staff have prepared a DCC specific submission on the NBA exposure draft. The DCC submission supports the goals of the reforms but highlights a number of concerns, which question whether those goals will be achieved. Some of the key matters of concern are:
- a) loss of local influence over plan making (and place outcomes)
 - b) lack of engagement with local government in designing the new system
 - c) the risk of failure due to the scale of the change
 - d) the proposed change to regional scale plans produced by regional planning committees which would sit outside of existing local authority agencies, which does not align with the current roles and responsibilities of local authorities
 - e) the risk to current progress in updating plans to provide for more housing and to improved environmental outcomes, especially for water, if the planning sector is diverted to focus on transition and because new plans will need to be developed within a new untested system
 - f) the cost to local communities particularly for Dunedin (as well as other parts of Otago including Queenstown and the Otago Regional Council) who have recently made significant investment in new plans
 - g) that the cost of change will largely be carried by local government, despite its participation in the new system being significantly reduced
 - h) the NBA exposure draft lacks content related to the quality of the built environment and risks poor housing and community outcomes being promoted.
- 14 The DCC submission was informed by staff participation in discussions held between regional planning managers, and the content of the draft Taituarā submission.
- 15 The Taituarā draft submission is 73 pages long and includes detailed points on the content of the exposure draft, which are broadly supported by DCC staff. The Taituarā submission is in draft and is subject to sign off by their Board.
- 16 The DCC submission was also informed by staff participation in the preparation of an Otago/Southland Councils joint submission. The joint submission broadly aligns with the DCC submission and provides more detail on technical matters relating to the exposure draft.

OPTIONS

- 17 While there is always the option not to submit the DCC submission on the NBA exposure draft, staff can identify no reason not to. On this basis, there are no recommended options.
- 18 Staff advice is that the NBA exposure draft is too important not to make a submission and recommend that DCC approves the DCC submission, with any amendments.
- 19 The DCC submission provides an opportunity to highlight areas of concern with the NBA exposure draft. To complete this submission, staff have been engaged with the sector at as many

levels as possible, in order to provide the DCC the best opportunity and ability to influence outcomes for our communities.

- 20 Likewise, staff advice is that the DCC supports the Otago/Southland Councils joint submission to the NBA exposure draft consultation as is, with no amendments.
- 21 The Otago/Southland Council's joint submission is an opportunity to highlight areas of concern with the NBA exposure draft as a region and provides the opportunity to highlight areas of similar concern. The Otago/Southland submission contains nothing inconsistent with the DCC's submission.

NEXT STEPS

- 17 Staff will send the DCC's submission on the Natural and Built Environments Bill exposure draft, to the Ministry for the Environment by 4 August 2021.
- 18 Staff will inform the ORC of the DCC's support for the Otago/Southland Councils joint submission on the Natural and Built Environments Bill exposure draft.

Signatories

Author:	Anna Johnson - City Development Manager Jeanette Wikaira - Manahautū (General Manager Māori Partnerships and Policy)
Authoriser:	Simon Drew - General Manager Infrastructure and Development Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
↗A	Draft DCC submission on the NBA exposure draft	56
↗B	Draft Taituara submission on exposure draft of the NBA	69
↗C	Otago/Southland Councils joint submission	142
↗D	Natural and Built Environments Bill - exposure draft	151

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This decision promotes the environmental wellbeing of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The development of the NBA will support the DCC's strategic goals across the Strategic Framework.

Māori Impact Statement

The development of the NBA includes Māori specific considerations. Given the timeframe constraints for submission feedback, staff have been unable to consult with mana whenua and mataawaka on the impacts that may result from a decision to approve the DCC submission.

Sustainability

The DCC submission supports sustainability goals in relation to resource management.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no known impacts.

Financial considerations

There are no known financial implications.

Significance

This decision is considered to be of low significance when assessed against the Significance and Engagement Policy.

Engagement – external

There was no external engagement on this report.

Engagement - internal

Staff from 3 Waters, City Development and Corporate Policy teams had input into the draft submission.

Risks: Legal / Health and Safety etc.

There are no known risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no known implications for Community Boards.



4 August 2021

Ministry for the Environment - Manatū Mō Te Taiao
PO Box 10362
Wellington 6143
New Zealand

Tēnā koutou,

SUBMISSION ON THE NATURAL AND BUILT ENVIRONMENTS BILL EXPOSURE DRAFT

1. The Dunedin City Council (DCC) thanks the Environment Select Committee (Select Committee) for the opportunity to submit on the exposure draft of the Natural and Built Environments Act (NBA).

Introduction

2. The DCC acknowledges that replacing the Resource Management Act 1991 (RMA) is a significant undertaking. It has a keen interest in the RMA reform as it will fundamentally change the way in which local government delivers resource management functions in Aotearoa.
3. The DCC acknowledges that there is still a significant amount of work to be done on the design of the new legislative system, including to draft the balance of the NBA and to draft the Strategic Planning Act (SPA) and Climate Change Adaptation Act (CAA). There is also a considerable amount of work to be done to put in place necessary arrangements to enable an effective transition from the current system to the new one.
4. While the exposure draft provides some helpful indications as to the Government's intended direction of travel, the DCC notes it also creates many uncertainties. While we appreciate that the exposure draft was not intended to contain all the detail to be included in the final Bill, the outcome is a situation where the exposure draft raises a number of questions for the DCC and this is reflected in the submission.

Engagement with local government on the resource management reform programme

5. The DCC notes the critical role that local government plays in the management of the natural and built environments in Aotearoa.
6. Although the Government's reform of the resource management system is proposing fundamental change to the role that local government plays, the DCC notes that local government will continue to play a critical role in the delivery of the new system. For example, while plan making will be moved to a regional planning committee with a regional secretariat under the NBA, the DCC envisages that it will still be expected to invest in the implementation of natural and built environment plans.
7. For this reason, the DCC believes it is vital that the Government engages closely with local government on its reform programme. Local government must be engaged not only in the

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 [DunedinCityCouncil](https://www.facebook.com/DunedinCityCouncil)  [@DnCityCouncil](https://twitter.com/DnCityCouncil)

design of the NBA, SPA and CAA but also on what arrangements and support will be needed for effective transition to and implementation of the new system. Given the significant scope of the reform programme, and the time that the transition will take, close engagement with local government will be required for some time.

8. To date, the DCC is not satisfied that the Government's engagement with local government is proportionate to the significance of the resource management reform programme, or the implications that it will have for the sector. The DCC acknowledges that the Minister for the Environment (Minister) has signalled to Mayors, Chairs and Chief Executives a desire to engage with local government in a more substantive and enduring way. The DCC wishes to emphasise the critical importance of this engagement. The DCC recommends the Government work closely with Taituarā and Local Government New Zealand (LGNZ) to find an effective mechanism for genuinely and meaningfully partnering with the sector on the reform programme. If such engagement is to be effective and enduring, it will need to be adequately resourced by the Government.
9. The DCC is concerned about the pace and timing of the resource management system reform. The DCC notes that the timeframe for making a submission on the exposure draft has been challenging. The resource management system touches on many aspects of local government's business, which means time is needed to coordinate input from a range of different departments. Staff also need time to work through submission content and sign-off processes with elected members. The tight timeframe for submitting on the exposure draft makes engagement in a meaningful way challenging for local government.
10. Ensuring appropriate local input into place-making decisions is of critical importance to both local government and mana whenua. But it appears that there is a fundamental disconnect between this view and the views of the Government as reflected in the exposure draft. That's despite the Prime Minister recently saying in a speech to the LGNZ Conference, "We want to support councils to envisage a role that is not about pipes and plants but is about place-making, place-building and wellbeing." Slowing down the reform process would allow the Government to properly partner with local government and mana whenua to design a system that not only better aligns with the needs of its key implementation partners, but also reflects all parties' desire for strong community involvement in place-making and place-building.
11. While the DCC understands that part of the rationale behind an exposure draft process is to allow for early feedback from interested parties, the DCC notes that much of the underpinning detail will be set via the National Planning Framework (NPF). Without more detail on the contents of the NPF, or the process for developing it, it is difficult for the DCC to provide more meaningful input at this stage.

Overarching comments on NBA and reform process more broadly

12. The DCC broadly agrees with and supports the Government's five objectives for the reform of the resource management system, being:
 - 1) Protect and restore the environment and its capacity to provide for the wellbeing of present and future generations.
 - 2) Better enable development within natural environmental limits.
 - 3) Give proper recognition to the principles of Te Tiriti o Waitangi and provide greater recognition of te ao Māori and mātauranga Māori.

- 4) Better prepare for adapting to climate change and risks from natural hazards, and better mitigate emissions contributing to climate change.
 - 5) Improve system efficiency and effectiveness, and reduce complexity while retaining appropriate local democratic input.
13. The DCC also supports the Government's commitment to giving Māori a greater and more strategic role in the new system. Māori need to be closely engaged in the design of, transition to, and implementation of the new system.
14. However, despite these areas of support, the DCC is concerned with the reform process and some aspects of the reform. Key areas of concern are as follows:
- The reform of the resource management system needs to align with other reforms impacting the local government system, including Three Waters Reform and the Review into the Future for Local Government. The DCC is concerned that the reform programmes do not currently appear to be well integrated.
 - The proposals around the creation of regional NBA plans and establishment of regional planning committees have the potential to undermine the ability of local communities to influence and make decisions about the place they live. Clarity is required as to what roles and functions constituent local authorities will continue to play in the new resource management system.
 - The local government and resource management sectors are already facing significant capacity issues and will struggle to deliver on a new system while continuing to progress essential short-term planning work.
 - The purpose of the NBA as currently drafted is unclear and there is likely to be a number of costly, lengthy and time-consuming arguments to test these new provisions and work through the conflicts between the competing, un-prioritised considerations listed in Clause 8. This is at odds with the Government's objective of a resource management system that is more efficient, effective and less complex. A clearer hierarchy of priorities (as in the NPS-FM) would assist.
 - The quality of the built environment, including the quality of housing and good urban design, is missing from the drafting and should be included as a key environmental outcome. Built environment outcomes, including those outlined in the Government Policy Statement on Housing and Urban Development are key contributors to social wellbeing and health outcomes for our communities.

The importance of local democratic input

15. The DCC is concerned that the proposals around the creation of regional NBA plans and establishment of regional planning committees have the potential to significantly undermine the ability of local communities to influence and make decisions about the place they live.
16. While the DCC acknowledges there are many details yet to be worked through, the DCC is concerned about ensuring there will be genuine and meaningful opportunities for public input in a larger system and larger plan making process. Usually participation is higher when the policy or plan being developed and consulted on is easier to engage with. This is influenced by how easily people can understand the policy or plan and how it might affect them or the things they

have an interest in. The DCC considers that larger plans are more likely to reduce the number and breadth of people who will actively engage in the process.

17. Further exacerbating the loss of local input into plan making is the proposal to significantly reduce input by democratically elected local representatives. This is reflected in both the proposed membership of the planning committees that will be responsible for making NBA plans, and the proposed shift to greater use of national direction which has very low levels of engagement and elected-representative democratic input.
18. The DCC is concerned about the risk of losing local control of and democratic input into resource management planning. The DCC would like to see this more openly communicated if the Government's view is that it is a necessary cost to achieving better system efficiency. The DCC submits this cost should be offset by a greater emphasis on evidence-based decision-making including stronger requirements for social impact assessment of policy decisions and urban form options and close attention to how to offset the cost of change.

Transition to and implementation of the new resource management system

19. The success of the new resource management system, and whether it achieves the Government's reform programme objectives, will depend in large part on how well the transition to and implementation of the new system is planned for, managed and resourced. The DCC submits local government needs to be closely engaged with on transition and implementation arrangements. This should include consideration of what resourcing from central government will be needed to support transition and implementation.
20. The introduction of new legislation, particularly with a purpose clause, will mean that the suite of case law developed under the RMA will be lost. The DCC anticipates that there will be a number of costly, lengthy and time-consuming arguments to test the new provisions of the NBA and how its hierarchy of supporting provisions is to be applied where there are conflicts. It seems inevitable that such legislation will involve, and come at significant cost, to local government.
21. As part of resourcing the implementation of the new system, the DCC suggests central government consider setting aside funding now to support local government with early litigation, particularly by participating in hearings to test the meaning of the legislation as an interested party. The DCC also suggests that as a Treaty partner, the Crown should fund participation by mana whenua in the new system.
22. The DCC notes the shift from managing adverse effects to complying with environmental limits and promoting outcomes for the benefit of the environment will require a change in planning culture. There will need to be significant investment in building local government's capability, including through training and guidance to work within the new system. The DCC believes that central government resourcing to support such capability building will be essential. It should work closely with Taituarā and LGNZ who are well connected to the local government sector to deliver capability building and support.
23. The DCC further notes there will also be a need to educate users of the resource management system (such as consent and designation applicants) of the changes to the system. Local government will likely play a significant role in this, given its proximity to communities who are the primary users of the resource management system. Central government should provide

support and resourcing to local government to assist with this important part of the transition to and implementation of the new system.

Local government's capacity within the resource management system

24. While the DCC acknowledges that some of the current resourcing challenges may be helped through the creation of more efficient and joined up processes and structures, the DCC submits the work involved in transitioning to the new system – coupled with existing work pressures, for example in relation to implementing the new National Policy Statement for Freshwater Management (NPS-FM) and National Policy Statement on Urban Development (NPS-UD) requirements and working through second generation plans – will place considerable strain on an already stretched workforce.
25. DCC staff are concerned that the momentum that is building through implementation of the NPS-UD, which will help alleviate issues around housing capacity, may be lost through disruptive changes, particularly given current capacity constraints within local government and the planning and engineering sectors more broadly. Sufficient time should be provided to implement and measure the effectiveness of these new initiatives.
26. The proposal to completely overhaul the resource management system at this time carries a high risk of failure due to the sheer scale of change and the lack of alignment between new proposed delivery mechanisms and existing institutions and governance arrangements. The DCC suggests that a staged approach to the reform programme would better deliver on the Government's objectives for the reform programme and reduce risks associated with the current proposal.

Existing plan provisions

27. The DCC requests greater clarity around whether there will be the ability to carry across any provisions that have been developed through existing plan making processes, and indeed whether these provisions can be brought across without re-opening them for debate. The DCC recently completed its second generation district plan and is in the final stages of working through remaining appeals. This has been a significant investment for the DCC as well as all parties that have been involved in the process.
28. While in principle the DCC appreciates that developing NBA plans is a good opportunity to rationalise and consolidate existing planning provisions, the DCC urges the Government to maintain sight of the significant amount of time and money that has been spent by local government (and its communities) over the years on plan making and review processes, and the considerable amount of public, other local authority and Environment Court input into these processes. Especially for medium and high growth cities such as Dunedin, it would be disappointing to lose the recent significant investment and progress that has been made to reach agreement on important issues (including ways of adding capacity for housing) through lengthy and expensive mediation or Court processes by reopening these matters.
29. The DCC views the 2GP as a good foundation Plan for the city for the next 10-15 years, and it sees its priority for planning is the development of the Future Development Strategy and any focused plan changes necessary to respond to the population growth and increased investment in the city. The need to prepare for a system overhaul is likely to be a distraction that could threaten momentum and progress on providing housing and business land capacity and implementation of national direction around water quality and biodiversity.

Recommendations

The DCC recommends that:

1. The reform of the resource management system needs to align with other reforms impacting local government systems, such as the Three Waters Reform and the Review into the Future of Local Government.
2. The Government ensures adequate local democratic input into plan making processes under the new legislation.
3. The Government closely engages with local government on transition and implementation arrangements of the new system, including considerations of the resourcing needed to support this and the resourcing required for participation by mana whenua in the system.
4. The Government ensures capacity within the resource management system to transition to the new system as this will place considerable strain on an already stretched workforce.
5. The Government provides local government with greater clarity on whether there will be the ability to carry across any provisions that have been developed through existing plan making processes.

Clause 5: Purpose

30. The DCC prefers the wording of clause 5 (purpose) in the Randerson report as it provides a more balanced purpose with a greater focus on outcomes (including for the built environment). The DCC prefers the principle of wellbeing at a higher level in the purpose and not tied to the concept of 'use' of the environment.
31. The DCC is concerned that the current drafting of the purpose clause creates a number of uncertainties. From the parliamentary paper, it appears the intent is that the purpose of the NBA is to enable land use and development only if environmental limits are complied with. Staff are not convinced that clause 5 clearly articulates this as the purpose of the NBA.
32. As an example, it is unclear from the reference to "protecting and enhancing the natural environment" in clause 5(1)(a) whether the intent is that development only proceed if environmental limits are met. Further, use of the word "and" to connect environmental limits, environmental outcomes, and managing adverse effects in clause 5(2) creates some confusion as to whether any of those supporting provisions are prioritised over others (i.e. whether an activity that promotes development focused outcomes can proceed if it doesn't comply with environmental limits).
33. The DCC suggests that clause 5 be amended to more explicitly provide that people and communities can use the environment only if doing so complies with environmental limits, if this is indeed the intent.
34. The DCC understands that inclusion of clause 5(2)(c) is in part intended to ensure that any adverse effects not covered by environmental limits or outcomes are avoided, remedied or mitigated. However, we have some concerns that the requirement to avoid, remedy or mitigate *all* adverse effects (on top of meeting environmental limits and promoting outcomes for the

benefit of the environment) has the potential to undermine the Government's objective of a resource management system that is more efficient, effective and less complex. The DCC sees real potential for repeated, lengthy and costly arguments about whether an activity will deliver outcomes for the benefit of the environment, or an adverse effect that needs to be managed.

Recommendations

The DCC recommends that:

1. Clause 5 be reviewed to include specific reference to the built environment, a greater focus on outcomes that the Government seeks to achieve with respect to development and elevating the principle of wellbeing to a higher level in the purpose.
2. Further work is completed to refine clause 5 to ensure that the Government's intended purposes are explicitly clear. This should include clarifying whether the Government's intent is that development should only proceed if environmental limits are met.
3. Further work is completed to refine the concept of Te Oranga o te Taiao with mana whenua and local government. This should include clarifying the relationship between Te Oranga o te Taiao and the concept of ecological integrity.
4. The matters referred to in clause 5(2) be consolidated and prioritised.
5. The Government commits to setting aside funding to participate in early litigation that tests the meaning of the new legislation.

Clause 6: Te Tiriti o Waitangi

The DCC supports the Government's commitment to giving proper recognition to the principles of Te Tiriti o Waitangi and providing greater recognition of te ao Māori including mātauranga Māori in the new system. The DCC supports the introduction of the concept of Te Oranga o te Taiao in clause 5(1)(a). The DCC notes that it is important that government officials continue to work with mana whenua to refine this integral concept.

The DCC support's the Government's commitment to giving mana whenua a greater and more strategic role in the new resource management system. The DCC also supports the new approach of 'giving effect' to the principles of Te Tiriti o Waitangi, in place of the requirement under the RMA to take those principles into account.

The DCC notes that greater involvement in the resource management system for mana whenua is likely to raise expectations and bring focus on other areas of the DCC's partnership arrangements with mana whenua. Section 4 of the Local Government Act 2002 (LGA) clearly acknowledges that responsibility for Treaty obligations lies with the Crown. A requirement to 'give effect to' the principles of Te Tiriti under the NBA (and greater expectations around local government's partnership with mana whenua more generally) will necessarily lead to some re-consideration of section 4 of the LGA, and the future relationship between mana whenua and local government. The DCC acknowledges that these are matters being considered by the Future for Local Government Review.

The DCC acknowledges that the shift from 'taking into account' under the RMA to 'giving effect' under the NBA will require a significant change in local government culture and broader ways of working for

local government. To ensure that the DCC is able to meet the 'give effect to' expectation, central government will need to support and resource the transition to this new approach, including by providing guidance and training to local government. Without clear guidance, the difficulty local government has had with the current RMA section 8 requirement will continue.

The DCC notes that it remains to be seen how well the new resource management system will 'give effect' to the principles of Te Tiriti. co-designing with mana whenua is one very real way in which the Government can give effect to the principles of Te Tiriti. Resourcing to support mana whenua to engage meaningfully in the new system will be critical. This resourcing should come from the Crown, as the Treaty partner. Local government will also need support (including resourcing) to build its capability and capacity to partner with mana whenua effectively and meaningfully.

The DCC notes that it is not yet clear what the Government's position is on the Review Panel's recommendation around the establishment of a body to oversee and advise on whether there is effective and efficient compliance with clause 6, and other clauses that relate to providing a greater and more strategic role for mana whenua in the system. The DCC would support the establishment of an oversight and monitoring mechanism in principle, particularly to ensure the clause 6 requirement is being satisfied, and to provide direction on where improvements are needed within the system.

The DCC notes that Māori definitions used throughout the NBA should be clearly defined and applied consistently across the legislation including the SPA and CAA. Consistency with Māori terms used in the LGA should also be resolved. Clarity around the use, meaning and application of te reo terms and concepts will help to address the ambiguity that exists in the current system.

Recommendations

The DCC recommends that:

1. The Government continues to refine the concept of Te Oranga o te Taiao with mana whenua and local government.
2. The Government continues to refine clause 6 in partnership with mana whenua and with input from local government.
3. The Select Committee recommends that guidance on how to 'give effect' to the principles of Te Tiriti is developed in partnership with mana whenua and local government, and that this be included in the provisions of the NBA itself.
4. Mana whenua participation in the new system is funded by Government, as the Treaty partner.
5. Resourcing is allocated by Government to support local government to 'give effect' to the principles of Te Tiriti, including via training/capability building initiatives.
6. The Government continues to give thought to the future role for mana whenua in the local government system, including via the Future for Local Government Review, and that such work includes specific consideration of the new requirement in clause 6 of the NBA.

7. Options for developing a body to oversee effective and efficient compliance with clause 6 continues to be explored. This should happen in partnership with mana whenua and with input from local government.
8. Consistent definitions for te reo Māori terminology and concepts are adopted across the suite of new resource management legislation, and other related legislation (including the LGA).

Clause 7: Environmental limits

35. The DCC notes that it is unclear how environmental limits will be set, what they will look like in a practical sense, and what their relationship to outcomes will be. It seems that limits would often need to be set at a systems level for many aspects of the natural environment, and it is unclear how this will be applied to considering effects of individual activities or developing plan rules. It is important to engage further on this concept to ensure it is workable.

Recommendations

The DCC recommends that:

1. Further work is undertaken to clarify how environmental limits will be set, what they will look like practically, and the relationship between environmental limits and outcomes.
2. Local government is closely engaged on the development of the process for setting environmental limits to ensure that the limits will be workable and take account of local variation.

Clause 8: Environmental outcomes

36. The DCC submits that Section 8(k) should include content relating to the quality of the built environment, including housing, that can be used to ensure good urban design principles (as outcomes) are included in NBA plans.
37. Appropriate built environment outcomes might include design for sunlight (especially in colder parts of New Zealand), privacy, interaction with the public, and other matters. Without the inclusion of these design elements, there is a risk that areas where the objective is to entice more people to live will become unattractive to a larger segment of the population.
38. The DCC asserts built environment outcomes are of critical importance to councils and their communities, as important contributors to social wellbeing and health outcomes. Their inclusion would help to ensure consistency with other work programmes the Government has underway in respect of quality housing, including the draft Government Policy Statement on Housing and Urban Development.

Recommendations

The DCC recommends that:

1. Section 8(k) include content relating to the quality of the built environment and housing, including urban design principles, so that these elements are provided for in NBA plans. This will help ensure the outcomes of the proposed Government Policy Statement on Housing and Urban Development are achieved.

Clauses 8 – 18: National planning framework

39. The rapid pace of work, pressure on MfE staff, and inadequate engagement with local government and other people experienced in plan development and implementation creates risks in the drafting and development of the national planning framework content.
40. The DCC recommends the Government consider creating more in-depth processes for experts and key stakeholders, including local government experts (at a minimum), to submit on this content and for that feedback to be considered by a suitably qualified panel of experts.

Recommendations

The DCC recommends that:

1. Further thought be given to establishing a panel of experts, commission or board of inquiry to oversee the development and maintenance of the NPF.

Clauses 19 – 22: Natural and built environments plans

41. The DCC agrees in principle that a single, regional natural and built environment plan could be easier for regular users of plans (especially resource management consultants that work across the country). However, it is not yet clear whether navigating those plans will be any less complex, particularly as it is not clear what will be included within NBA plans.
42. With this uncertainty, the DCC is concerned whether a regional-scale approach will adequately address local concerns and needs at an appropriate level of granular detail. The DCC recognises the requirement for NBA plans has the potential to diminish the role and voice of local communities in plan making, although the extent to which this proves to be the case will depend in large part on decisions yet to be made around the contents of NBA plans and arrangements for developing them.
43. The DCC submits the complexity of developing new NBA plans that will take account of multiple (and potentially competing) regional interests should not be under-estimated. In Otago, there is significant variation between places for example Queenstown, Clutha and Dunedin. These differences are wide-ranging, covering a breadth of factors including (but not limited to) socio-economic conditions; urban vs rural communities; different land uses; variation in population sizes and high growth versus no growth communities.
44. The DCC would suggest that keeping metropolitan-area focused plans – for example a Plan for Dunedin would make more sense than a combined plan for all of Otago. If regional-scale plans are still favoured after consideration of the matters raised through the select committee process, the DCC broadly supports aligning regional council boundaries for the purpose of the new NBA plans with any regional or other boundary changes that may occur through the review of the Future For Local Government. Overall, it is critical that the two reviews align to avoid any further costs associated mis-aligned changes.

Recommendations

The DCC recommends that:

1. That NBA plans are kept to the metropolitan area level e.g. a plan for Dunedin versus a combined plan for Otago.
2. The Government continues to work with local government to clarify the contents and design of NBA plans. This should include determining the extent to which existing planning provisions can be rolled across into new NBA plans.

Clauses 23 – 25: Planning committees

Clause 23: Planning committee

45. The DCC notes the proposal to establish regional planning committees will fundamentally change the way in which resource management planning is delivered in Aotearoa. The DCC observes there will be a significant shift of roles and responsibilities from the regional and territorial authorities that currently draft district and regional plans and regional policy statements, to new Planning Committees supported by secretariats that will draft the new plans for each region.
46. The DCC is concerned that this major shift has the potential to significantly reduce opportunity for local input into decision-making and for the public to engage in plan making processes, particularly given that planning committees are unlikely to be accountable to constituent local authorities. The DCC anticipates some political and community opposition to councils being responsible for implementing plans that they have had very limited involvement in developing.
47. The DCC recommends that the Government continues to work with local government to clarify what role each constituent local authority will continue to play (or not) in the new system with respect to providing policy making, technical advice, public engagement and plan making.
48. The DCC suggests that thought is given to whether sub-regional committee structures may help to ensure appropriate local input, although the DCC acknowledges that this may add a further layer of complexity into an already complex system. The DCC wishes to be involved in such discussions.

Recommendations

The DCC recommends that:

1. The Government continues to work closely with local government on clarifying roles and resolving which resource management functions continue to sit with constituent local authorities.

Schedule 3: Planning committees

Clause 5: Planning committee secretariat

49. It is not yet clear what the Government's thinking is around the organisational and management structure of planning committee secretariats. It is unclear who would employ secretariat staff. Key questions include whether a separate organisation would be created or if it would be housed within a regional council. The latter option could create conflicts with achieving representation across local authorities. It may also be impractical to house staff centrally with existing staff spread throughout the region and potentially unwilling to relocate.
50. The DCC suggests the Government considers placing regional planning committees and secretariats in an independent location (not at regional councils) and/or physically retaining existing staff (i.e. seconded to the secretariat) within their constituent organisations.
51. The DCC notes that one important point that doesn't yet appear to have been addressed is what role mana whenua representatives will play within the secretariats themselves.

Clause 6: Local authorities must fund secretariat

52. If the intention is that local government funds the secretariats, the DCC notes there is still a considerable amount of detail to be worked out, including the proportion of funding that each local authority provides; whether funding would be provided by all local authorities in a region or only those represented on a planning committee (if the final decision is that not all local authorities are represented); the frequency with which funding would be provided; and what the funding would cover and how to guarantee that sufficient funding would be allocated through Long Term Plans (LTPs) and what that means for local community input into LTPs.
53. The DCC suggests that central government funding of planning committee secretariats may be appropriate and asks that the Government gives this further consideration.

Recommendations

The DCC recommends that:

1. The Government considers placing regional planning committees and secretariats in an independent location and/or physically retaining existing staff within their constituent organisations.
2. The Government address the role of mana whenua representatives within the planning committees and secretariats.
3. The Government considers funding the planning committee secretariats. Funding arrangements should be worked out in partnership with local government.

Concluding remarks

54. Thank you for the opportunity to submit on the Natural and Built Environments Act exposure draft.
55. If the Ministry for the Environment would like to clarify any of the issues raised in the submission, please do not hesitate to get in touch.

56. The DCC looks forward to working with the Government, partner agencies, mana whenua, businesses and communities on this important transition.
57. The DCC wishes to speak to this submission.

Yours faithfully,

Aaron Hawkins
Mayor of Dunedin

DRAFT

What is Taituarā?

Taituarā (formerly the NZ Society of Local Government Managers) is an incorporated society of approximately 900 members¹ drawn from local government Chief Executives, senior managers, and council staff with significant policy or operational responsibilities. We are an apolitical organisation that can provide a wealth of knowledge about the local government sector, and in particular knowledge of the technical, practical and managerial implications of legislation and policy.

Our vision is:

Professional local government management, leading staff and enabling communities to shape their future.

Our primary role is to help local authorities perform their roles and responsibilities as effectively and efficiently as possible. We have an interest in all aspects of the management of local authorities from the provision of advice to elected members, to the planning and delivery of services, and other important support activities such as election management and the collection of rates.

This submission has been developed with input from many local government Chief Executives, senior managers, and council staff from across Aotearoa. We acknowledge the input of our Resource Management Reform Reference Group (RMRG). We encourage the Government and Environment Select Committee to continue to engage with our RMRG on the implications of reforming the resource management system for local government, and in particular the sector's workforce.

The members of the Taituarā RMRG are:

- Aileen Lawrie, Chief Executive, Ōpotiki District Council (Chair)
- Hamish Lampp, Group Manager Regulatory and Planning, Whanganui District Council
- Simon Mutohori, Group Manager Planning and Regulatory Services, Wairoa District Council
- Lucy Hicks, Policy and Planning Manager, Environment Southland
- Anna Johnson, City Development Manager, Dunedin City Council
- Charlotte Almond, Policy and Strategy Manager, Horizons Regional Council
- Simon Banks, Project Leader – Urban Planning, Tauranga City Council
- Rachel Rophia, Team Leader – Māori Relationships, Far North District Council
- Marianna Brook, Senior Advisor, Otago Mayoral Forum
- Pauline Hill, Senior Policy Advisor/Kaitohutohu Matua, Te Hunga Whiriwhiri, Greater Wellington Regional Council
- Blair Dickie, Principal Strategic Advisor, Waikato Regional Council

¹ As at 20 July 2021

Introduction

Taituarā thanks the Environment Select Committee (Select Committee) for the opportunity to submit on the exposure draft of the Natural and Built Environments Act (NBA).

We wish to appear in support of this submission.

Replacing the Resource Management Act 1991 (RMA) is a significant undertaking and will fundamentally change the way in which local government delivers resource management functions in Aotearoa.

We acknowledge that there is still a significant amount of work to be done on the design of the new legislative system, including drafting the balance of the NBA and to draft the Spatial Planning Act (SPA) and Climate Change Adaptation Act (CAA). There is also a considerable amount of work to be done to put in place necessary arrangements to enable an effective transition from the current system to the new one.

While the exposure draft provides some helpful indications as to the Government's intended direction of travel, it also creates many uncertainties. While we appreciate it was never intended that the exposure draft would contain all the detail that will be included in the final Bill, the outcome is a situation where local government (and others) have far more questions than answers. Our submission reflects this.

As well as setting out some general comments on the reform of the resource management system, this submission sets out:

- our views on the exposure draft, and the implications of what is currently proposed for local government;
- matters that we consider must be addressed in the complete Bill;
- preliminary views on the support and types of resourcing that local government will need to effectively transition to and implement the new resource management system (acknowledging that the full extent of the support and resourcing needed will become clearer as further work on legislative design is progressed); and
- further suggestions for ways to create a more efficient and less complex resource management system, as provided for in the Select Committee's Terms of Reference.

Engagement with local government on the resource management reform programme

Local government plays a critical role in the management of the natural and built environments in Aotearoa. Indeed, without local government much of the RMA could not be implemented.

Although the Government's reform of the resource management system will fundamentally change the role that local government plays, it will remain critical to the delivery of the new system. For example, while territorial authorities are likely to lose much of their current responsibility for plan making, we envisage that they will still be expected to invest in implementing regional plans.

That's why it is vital that the Government engages closely with local government on its reform programme. Local government must be engaged not only in the design of the NBA, SPA and CAA and the National Planning Framework (NPF), but also on what arrangements and support will be needed for effective transition to and implementation of the new system. Given the significant scope of the reform programme and the time the transition will take, close engagement with local government will have to continue for some time.

To date, Taituarā is concerned that the Government's engagement with local government hasn't been proportionate to the significance of the resource management reform programme, or the implications that it will have for the sector. While we acknowledge that the Minister for the Environment (Minister) has signaled to Mayors, Chairs and Chief Executives a desire to engage with local government in a more substantive and enduring way, we cannot emphasise the importance of this enough. The Government should continue to work closely with Taituarā and Local Government New Zealand (LGNZ) to find an effective mechanism for genuinely and meaningfully partnering with the sector on the reform programme. If such engagement is to be effective and enduring, it will need to be adequately resourced by the Government.

We are concerned at the rapid pace with which the reform of the resource management system is progressing. Indeed, the timeframe for making submissions on the exposure draft has been difficult for councils. The tight timeframe for submitting calls into question the Government's commitment to engaging in a genuine and meaningful way with local government.

Ensuring appropriate local input into place-making decisions is of critical importance to both local government and mana whenua. But it appears that there is a disconnect between this view and the views of the Government as reflected in the exposure draft. That's despite the Prime Minister recently saying in a speech to the LGNZ Conference, "*We want to support councils to envisage a role that is not about pipes and plants but is about place-making, place-building and wellbeing.*"² Slowing down the reform process would allow the Government to properly partner with local government and mana whenua to design a system that not only better aligns with the needs of its key implementation partners, but also reflects all parties' desire for strong community involvement in place-making and place-building.

Part of the rationale behind putting out an exposure draft of the NBA was to receive early feedback from interested parties that could inform the development of the balance of the Bill. But the exposure draft (and indeed the NBA itself) is largely hollow legislation in that so much of the detail underpinning it will be set via the NPF. Without a considerable amount of detail on the contents of the NPF, or the process for developing it, a lot of local government's input at this stage is speculative.

² <https://www.beehive.govt.nz/speech/speech-lgnz-conference-0>

Summary

The key points of our submission are:

1. The Government must engage closely with local government on the reform programme, including design of legislation and the arrangements for transitioning to and implementing the new system to ensure the most efficient and effective output and delivery. This will enable the Government to leverage local expertise and knowledge, including knowledge local government staff have of processes established under other statutory and regulatory documents that could be relevant to the design and implementation of the NBA.
2. We support the Government's commitment to giving mana whenua a greater and more strategic role in the new system. This will require working closely with mana whenua in the design of, transition to and implementation of the new system.
3. As the Treaty partner, the Crown should fund participation by mana whenua in the new system. This should include funding to support mana whenua to participate in legislative design and implementation work programmes.
4. Place-making is of critical importance to local government and its communities. This must be reflected in the design of the new system, and in particular opportunities for input into plan making by local authorities and the public.
5. The proposal to completely overhaul the resource management system carries a high risk of failure due to the sheer scale of change and the disconnect between new proposed delivery mechanisms and existing tools, institutions and governance arrangements. We suggest that a staged approach to the reform programme would better deliver on the Government's objectives for the reform programme and reduce risks associated with the current proposal.
6. We are concerned that the local government and resource management sectors are already facing significant capacity issues and will struggle to deliver on a new system while continuing to progress essential short-term planning work.
7. The success of the new resource management system will depend in large part on how well the transition to and implementation of the new system is planned for, managed and resourced. Central government needs to dedicate considerably more focus and resource to transition and implementation arrangements.
8. The reform of the resource management system needs to align with other reforms impacting the local government sector, including Three Waters Reform and the Review into the Future for Local Government. We are concerned that the reform programmes are not well-integrated. A set of principles to guide all of the reform programmes, developed in partnership with local government, would help.

9. The purpose of the NBA as currently drafted does not adequately prioritise the built environment. The emphasis appears squarely on environmental protection, despite the stated objective of a system that is more enabling of development. This must be addressed.
10. The purpose clause as currently drafted is unclear and is likely to create a number of conflicts between the competing, unprioritised considerations it sets out. The NBA appears to continue the RMA's approach of setting out long "shopping lists" of matters that need to be considered. This is at odds with the Government's objective of a resource management system that is more efficient, effective and less complex. A clearer hierarchy of priorities (as in the NPS-FM) would assist.
11. The requirement to meet environmental limits could have unintended consequences, particularly for development. The NBA needs to better address whether trade-offs are permissible in the new system, and if so how they should be managed.
12. The NBA in and of itself is largely hollow legislation. Much of the detail that underpins the NBA remains to be set via the NPF. Local government should be closely engaged in the development of the NPF to ensure it is workable.
13. There is a considerable amount of detail to be worked out with respect to plan making processes, planning committees and their secretariats. These details must be worked out in partnership with local government and mana whenua.
14. A key issue to resolve is what roles and functions constituent local authorities will continue to play in the new system. This must be done in partnership with local government.
15. The Government should look closely at other plan making processes in its design of the new NBA process, including Auckland Council's Unitary Plan process, the process adopted for Christchurch City Council's Replacement District Plan and the new Freshwater Planning Process that all regional councils are currently working on.

Overarching comments

Before turning our attention to the specific contents of the exposure draft, we make some overarching comments on the resource management reform programme and the NBA.

Alignment of the NBA with the Government's objectives for the reform of the resource management system

We broadly agree with and support the Government's five objectives for the reform of the resource management system, being:

1. Protect and restore the environment and its capacity to provide for the wellbeing of present and future generations.
2. Better enable development within natural environmental limits.
3. Give proper recognition to the principles of Te Tiriti o Waitangi and provide greater recognition of te ao Māori and mātauranga Māori.
4. Better prepare for adapting to climate change and risks from natural hazards, and better mitigate emissions contributing to climate change.
5. Improve system efficiency and effectiveness, and reduce complexity while retaining appropriate local democratic input.

Notwithstanding our broad support for these objectives, we have some reservations as to whether a complete overhaul of the resource management system will achieve these objectives. While certain changes are necessary (such as providing a more strategic role for mana whenua in the resource management system, shifting to an outcome (as opposed to effects) based system, requiring councils to undertake strategic planning and providing stronger national direction around how to adapt to and mitigate the impacts of climate change), a staged and slower approach to reform may help to better achieve the Government's reform objectives, and in particular objective five. We provide some suggestions for staging the reform process in further detail below.

Much of this submission discusses whether the provisions of the exposure draft will or will not satisfy these objectives. However, how well the NBA meets these objectives will depend in large part on:

- the drafting of the balance of the NBA;
- how the NBA integrates with the SPA and CAA;
- the development of the proposed NPF; and
- the arrangements for transition to and implementation of the new system (including how it happens and what resources are dedicated to it).

We note that a full Regulatory Impact Statement by Treasury for the NBA exposure draft is not yet available. Given the far-reaching extent and financial and resource implications that the reform will have on all sectors throughout Aotearoa, the proposed changes will result in significant transaction costs. A comprehensive and critical analysis of the impact versus benefit of these changes needs to be completed and made available as soon as possible.

The importance of local democratic input

We are concerned that the proposals around the creation of regional natural and built environments plans (NBA plans) and establishment of regional planning committees have the potential to significantly curtail opportunities for local input into plan making. While we acknowledge there are significant details yet to be worked through, we have concerns at an apparent lack of genuine and meaningful opportunities for public input in a larger system and larger plan making process.

What a community looks and feels like is highly localised, and something that should be determined by local people. Creating new regional plan making functions and regionalised rules has the potential to undermine the ability of local communities to influence and make decisions about the place they live. Communities across the country – and indeed within regions – are varied and diverse. This variation and diversity is why we have local government. However, the shift to more consolidated regional processes and decision-making is at odds with this.

Usually participation increases when the policy or plan being developed and consulted on is easier to engage with. This is influenced by how easily people can understand the policy or plan and how it might affect them or the things they have an interest in. How accessible policy or planning documents are will also influence people's willingness to participate. The larger and more difficult to read a document is, the less likely a community is to engage with it. Councils know from experience that people tend to get concerned when something happens next door, or in their neighbourhood, but typically have little understanding that the rules dictating these things need to be influenced at the district planning level.

It seems inevitable that the shift to 14 regional NBA plans will result in planning documents that are by default large and complex. By necessity, these documents will need to include a considerable amount of detail if they are to deliver outcomes for both environmental protection and land use and development within the many, varied districts that make up a region.

Further exacerbating the loss of local input into plan making is the proposal to significantly reduce input by democratically elected local representatives. This is so in respect of both the proposed membership of the planning committees that will be responsible for making NBA plans, and the proposed shift to greater use of national direction.

The proposed planning committee structure will make individual local authorities (and particularly territorial authorities) less relevant in place-making decisions for their communities. While the mechanisms for public input into regional plan making are still to be determined, we have reservations around the likelihood of communities engaging with regional-scale processes and bodies. These are likely to be perceived as operating at arms-length from local circumstances and issues, and unrepresentative of the communities they are making decisions on behalf of.

Just as important as input into plan making by individual local authorities is input by the communities that they represent. Local authorities and their democratically elected

governors are well connected to their communities, and particularly the many and varied community-based groups that contribute to the development of a place. We are concerned that limiting local authority involvement in plan making may, consequently, limit the input of community-based groups, who may feel less connected to regional level processes (particularly if they don't feel connected to the local government representatives sitting on planning committees) and concerned at their ability to influence highly localised, place-based decisions through a more regional system. This makes consideration of the role that constituent local authorities continue to play in the new system critically important.

While we can see value in greater use of national direction, the development of national direction typically has low levels of public engagement and input from democratically elected local representatives. These concerns must be addressed in the further work to be done around setting the process for developing the NPF.

The Government seems to view a significant reduction in local democratic input into resource management planning as a necessary cost to achieving better system efficiency. If this is the Government's position it should be more openly acknowledged so that communities are able to debate it.

Transition to and implementation of the new resource management system

The success of the new resource management system is critically dependent on how well the transition to and implementation of the new system is planned for, managed and resourced. Local government needs to be closely engaged with on transition and implementation arrangements. This should include consideration of what resourcing from central government will be needed to support transition and implementation.

It is unfortunate that transition and implementation challenges and risks have not been considered in the exposure draft, and don't yet seem to have received a considerable amount of attention from the Government. Transition and implementation are both the biggest challenge and risk to the success of the reform programme. The lack of focus on transition and implementation is what stifled the 1991 reform of the resource management system.

A number of local government's concerns around transition to and implementation of the new system are noted throughout this submission. Key concerns relate to:

- how the reforms will change local government's roles and responsibilities and impact on a sector that is already under significant strain and facing capacity issues;
- support for the change in planning culture – particularly the proposed shift to a system that promotes outcomes for the benefit of the environment (as opposed to managing adverse effects) and that gives a greater and more strategic role to mana whenua;
- timing and sequencing of the component parts of the reform programme (the NBA, NPF, SPA and CAA) and the transition; and

- implications for existing plans and plan changes at various stages of development. Work needs to be done to identify what planning provisions can be carried over into the new system and not “lost in transition”.

The resource management system underpins many areas for councils, including growth and development, infrastructure planning and funding, natural hazards management and responding to climate change. Councils will need time and support to integrate the reforms right across their business. This will not be a quick, easy or cheap undertaking.

The resource management sector is currently under significant strain and facing capacity issues, including sourcing and retaining appropriately skilled people. We are concerned that the complete overhaul of the resource management system presents very real risks to keeping and maintaining talent and institutional knowledge, particularly if there is inadequate consideration of how existing employment arrangements will be affected. We make further comment on this issue in connection with our feedback on planning committee secretariats below.

One of the key aspects of transition is working through the time at which the NPF takes effect, relative to the time at which regional spatial strategies and NBA plans are required to be developed. Having high level direction in place will be critical to the success of implementing new regional spatial strategies and NBA plans.

All these risks and challenges must be kept “front of mind” when the Government designs the arrangements for transition and implementation. They justify the importance of central government working closely with local government on this part of the reform programme. They also justify adequate national funding being made available to support the transition, particularly given the considerable public benefit that there is in getting the new planning system right. We encourage the Government to develop its implementation programme with reference to the Eight Principles of Effective Implementation that Taituarā has developed (contained in **Appendix 1**).

A staged approach to reforming the resource management system

We believe that a staged approach to reforming the resource management system would better achieve the objective of an efficient and effective system.

The proposal to completely overhaul the resource management system carries a high risk of failure due to:

- the sheer scale of change;
- the disconnect between the new proposed delivery mechanisms and existing institutions, tools and governance arrangements; and
- whether a sector already facing significant capacity issues will be able to deliver on a new system while still progressing essential short-term planning work (including finalising second generation plans, progressing plan changes and giving effect to the

new direction in the NPS-UD and NPS-FM as well as the National Planning Standards).

The likely scenario is that transitioning to an entirely new system will make things significantly worse before they get better.

A staged approach would deliver the Government's objectives in a way that significantly reduces the risks associated with the current proposal, while delivering improvements progressively.

We suggest that the reform programme could be broken into the following stages.

Stage 1

- Implement the SPA. The lack of strategic spatial planning has been one of the major issues with the current system, both in terms of a lack of integrated planning and delivery on housing and environmental outcomes.
 - Given this is likely to be the most transformative element of the reform programme, allowing time for well-designed and implemented legislation will help to ensure that it is indeed transformative.
 - Embedding the SPA would also help identify issues with regional ways of working that could be ironed out prior to the introduction of the NBA. (We note that the Government is currently involved in a number of regional planning exercises, including in Wellington/Horowhenua, Tauranga and Queenstown, that it could draw learnings from to feed into the wider reform programme).
- Allow councils to continue to progress work on second generation plans and giving effect to the NPS-FM and NPS-UD. Although freshwater plans would not be as large as NBA plans, learnings from the new Freshwater Planning Process could helpfully inform new NBA processes.
- Councils could also be encouraged to start thinking about how they work together in a regional way on certain, confined subject matters, to help test and iron out some of the issues associated with a regional way of working (prior to it being mandated).
- Integrate and upgrade national direction to provide a holistic framework to help direct activity under the RMA in the interim. This could include direction on environmental outcomes through an integrated framework of objectives and policies that are clearly drafted and could be adopted into plans and/or direct future plan changes, and environmental limits through appropriate national environmental strategies.
- Make interim changes to the RMA to start to embed some of the key focus and process change aspects that are proposed. These might include:
 - Changes to ensure plans focus on promoting outcomes and not just managing effects. This would allow these changes to be incorporated into many second generation plans that are still in progress.
 - Greater requirements around plan rules directing notification.

- Changes to plan making processes (which should include looking at the Auckland Unitary Plan, Christchurch Replacement District Plan and NPS-FM freshwater planning models).
- Potential interim changes to sections 5, 6 and 7 to address the most significant and critical areas of change, which could include introduction of Te Oranga o te Taiao and spatial strategies to allow experience and case law to develop around these concepts before further changes are introduced.
- Changes to Treaty obligations and other changes to improve mana whenua participation.
- As part of Stage 1, work could be undertaken to test the new, proposed NBA plan making system with a region that doesn't require considerable changes to governance or local authority roles (i.e. a unitary authority) through an area-specific piece of new legislation. This would allow any problems to be addressed through revised legislation before it is rolled out more completely.

Stage 2

- This would occur following, and be informed by, the completion of the Review into the Future for Local Government and be timed after most second generation plans are completed and bedded in.
- This would include transfer to the NBA and single regional plans, including any associated changes to governance or local authority roles.

Implementation of the CAA and changes to compliance, monitoring and enforcement could potentially occur at either stage. However, the bottom-line is that it is important to prioritise changes within the capacity of the sector to deliver them so that they are successfully delivered, rather than creating new and additional failures in the system.

Early signals on how to deal with existing plan making processes

One of local government's key concerns around transition is at what point they should stop undertaking work on existing plans (reviews and plan changes). As things stand, the Minister and the Parliamentary paper have emphasised the need for councils to continue to fulfil their obligations under the RMA. Clarity is needed around when councils should stop investing significant amounts of time and money on RMA processes that may result in planning provisions that aren't brought into the new system. This should include clarifying which, if any, existing planning provisions will be able to be carried across into the new system.

This is important not just for local government, but also for those who hold consents under the existing system. Clarity is needed around how the activities those consent holders are undertaking will be impacted by the changes, including any requirements to comply with new national direction that gets issued or any changes to existing use rights that may result.

Integration of the resource management reform programme with other legislation and work programmes

The resource management reform programme must align closely with:

- other legislation that sets out local government's roles and functions including, but not limited to, the Local Government Act 2002, the Land Transport Management Act 2003, the Climate Change Response Act 2002 and Treaty settlement legislation etc;
- other reform programmes that are impacting local government, including the Three Waters Reform Programme and Future for Local Government Review; and
- other central government work programmes that will impact on local government, including but not limited to the suite of National Policy Statements including the NPS-FM and NPS-UD, GPS-Housing and Urban Development, Infrastructure Strategy, the National Adaptation Plan and the Emissions Reduction Plan (to name but a few).

It is also important that the NBA integrates with the SPA and CAA. It remains to be seen how well the three pieces of legislation will integrate, and ultimately contribute to the achievement of the Government's reform objectives.

Throughout this submission we identify areas where the exposure draft may not align with other legislation and reform programmes.

Recommendations

We recommend:

1. That the Government prioritises working with Taituarā, LGNZ and the local government sector on the resource management reform programme in a way that is proportionate to the significant implications reform will have on local government.
2. That the Government significantly increases its focus on arrangements for transition to and implementation of the new system (including a specific assessment of the resourcing that will be needed to support this), and that local government is closely engaged in this work.
3. That the Select Committee directs officials to consider whether a staged approach to implementing a new resource management system would better support the achievement of the Government's reform objectives.
4. That the Government provides local government with clear, early signals on how it should be dealing with existing plan making processes (including reviews and plan changes) and what existing planning provisions will be able to be rolled over into the new system.

Clause 3: Definitions

We acknowledge that the exposure draft does not contain the full list of definitions that will be included in the final Bill. We understand that a number of existing definitions in the RMA will be imported into the NBA, to retain established case law around meanings. We support this approach.

There are a number of issues with the definitions that have been included. This may be a result of the pace with which officials have had to develop the exposure draft. The importance of well-drafted definitions should not be underestimated. As such, we encourage the Government to ensure that it takes time to get the detail right in the final Bill.

This should include working with local government to test the meaning of definitions, and to understand some of the policy issues that can sit behind them. For example, further work should be done with local government and mana whenua to explore how to determine whether the new concept of Te Oranga o te Taiao is being upheld. How, for example, will councils determine whether the intrinsic relationship between iwi and hapū and te Taiao is being upheld?

We observe that:

- There is no definition of 'built environment'. For legislation that is intended to deal with both the natural and built environments we suggest this is a major oversight. While the definition of 'urban form' might provide some steer around the meaning of 'built environment', this definition does seem limited (i.e. the built environment comprises more than urban areas). We recommend that a definition of the 'built environment' is developed.
- The new concept of Te Oranga o te Taiao has not been incorporated into the clause 3 list of definitions. For the sake of completeness, we recommend that it is. We support the Parliamentary paper signal that officials intend to do further work with mana whenua to test and refine the concept of Te Oranga o te Taiao. The Government should also engage with local government on how the concept will work in practice.
- Related to this is the lack of any definition of 'mana whenua', despite repeated reference to this term throughout the exposure draft. Definitions for 'iwi' and 'hapū' are also currently missing. For the sake of completeness and clarity, we recommend such definitions are included.
- The concept of 'ecological integrity' is vague. It remains to be seen how this concept will work in practice. We are also unsure how this concept aligns (or not) with the concept of Te Oranga o te Taiao. (See our feedback on clause 5 below for more detail).
- The exposure draft uses the term 'urban form', which differs from the definitions for 'urban environment' and 'well-functioning urban environment' in the NPS-UD and 'urban development' in the Urban Development Act 2020. Work needs to be done to ensure consistency across legislation and national direction.
- The exposure draft does not currently contain a definition for 'infrastructure'. This definition must be developed in partnership with local government.

- There is no definition of 'protected customary rights' (referred to in clause 8(i)). For the sake of clarity and completeness, we recommend this is defined.
- The definition of 'cultural heritage' does not include any reference to 'cultural landscapes', despite both terms being referenced in clause 8(h). This inconsistency should be addressed.
- Although the term 'mitigate' is defined, the terms 'avoid' and 'remedy' (referred to in clause 5(2)(c)) are not. These terms should be defined for the sake of completeness.
- Broadly we support the inclusion of the 'precautionary approach'. However, such an approach may be somewhat at odds with an Act that is intended to be 'development-friendly'. It will be interesting to see how the concept applies in practice, and in particular whether applying a precautionary approach (particularly when setting environmental limits) undermines the objective of enabling land use and development. Further work should be done to refine the concept, including clarifying what constitutes "serious or irreversible harm to the environment." It remains to be seen how the requirement to take a precautionary approach will impact local government's ability to take other approaches, such as a dynamic adaptive approach.
- The definition of 'natural hazard' has been brought across from the RMA. We expect that the same definition of 'natural hazard' will be adopted in the SPA and CAA. The reform of the resource management system provides an opportunity to address the current inconsistency in definition of 'natural hazard' across the RMA, the Building Act 2004 and the Local Government Official Information and Meetings Act 1987 (LGOIMA). We recommend that the definition adopted in the new suite of resource management legislation is incorporated into any other Acts in which 'natural hazard' is a defined term.
- Minerals are explicitly excluded from the sustainability provisions of the RMA (section 5(2)(a) refers). The corresponding provision in the NBA is clause 5(1)(b), which requires the environment to be used in a way that supports the well-being of present generations without compromising the well-being of future generations. The definition of 'environment' in clause 3 includes the 'natural environment'. The clause 3 definition of 'natural environment' includes minerals. On the face of it, minerals are within the scope of the new clause 5(1)(b). However, given that this isn't the case in the corresponding RMA provision we raise the question of whether the shift to encompassing minerals in clause 5(1)(b) of the NBA was intended or not. This should be clarified.

It is important that the definitions used in the NBA itself are consistent with definitions used in the NPF (and other legislation). In particular we recommend that officials undertake further work to address any inconsistencies between the definitions listed in clause 3 of the exposure draft and those contained in any existing national direction that may be rolled over into the new NPF.

Recommendations

We recommend:

1. That the Government continues to engage with local government and mana whenua on the development of definitions to be included in the NBA. This should include ensuring consistency across the NBA, SPA, CAA, other related pieces of legislation and the NPF.
2. That a definition for 'built environment' be included in the full NBA Bill. This should be tested ahead of time with local government and should be broader than the current definition of 'urban form'.
3. That officials discuss with local government how the concept of Te Oranga o te Taiao will work in practice.
4. That the Select Committee directs officials to further refine the concept of 'ecological integrity' so that its meaning is clear, including by considering how the concept aligns with Te Oranga o te Taiao.
5. That definitions for 'mana whenua', 'iwi', 'hapū' and 'protected customary rights' be developed in partnership with mana whenua and included in the full NBA Bill.
6. That reference to 'cultural landscapes' be included in the definition of 'cultural heritage' to ensure consistency with clause 8(h).
7. That definitions for the terms 'avoid' and 'remedy' be included in the full NBA Bill.
8. That the Select Committee directs officials to begin work to ensure that the definition of 'natural hazard' in other pieces of legislation is consistent with the definition adopted for the suite of resource management legislation, including the Building Act and LGOIMA.

Clause 5: Purpose of the Act

Taituarā supports the NBA continuing the integrated approach to environmental management and land use planning, as reflected in clause 5 of the exposure draft. Local government is already well-accustomed to such an approach.

At face value, the purpose clause appears to be consistent with objectives 1 and 3 of the resource management reform programme. However, there is no explicit reference to the built environment in clause 5. This strikes us as a stark omission, particularly given the Government's intent that the new system be more enabling of development (Objective 2).

We are also concerned that the current drafting of clause 5 is unlikely to satisfy the Government's objective of a system that is more efficient and less complex (Objective 5).

Lack of focus on the built environment

One of the stated aims of the reform is better enabling development (within natural environmental limits). We are concerned that the current drafting of clause 5 fails to give sufficient recognition to the built environment and doesn't clearly promote enabling development.

Although clause 5(1)(b) does refer to enabling "people and communities to use the environment" the focus appears to be more on resource use than developing the built environment. We recommend amending clause 5(1) to explicitly recognise the importance of enabling urban development within the built environment.

While we appreciate that the SPA is likely to deal with matters relating to urban form and the built environment, we don't envisage that this will be at the level that considers matters such as good urban design principles, quality housing and livable communities. These matters are of critical importance to councils and their communities and should be addressed through the NBA. The wording of clause 5 should be updated to more strongly reflect this (along with amendments to clause 8 that we discuss in further detail below).

Although we are concerned that the purpose of the NBA is not sufficiently clear (see below) it appears that the Government's intent is that development should only proceed if environmental limits are complied with. This creates some risk that the Government won't achieve its objective of a more enabling system. A requirement to strictly adhere to environmental limits has the potential to create a more restrictive system than the one we already have.

We make further comments on the potential for conflicts between environmental limits and outcomes in connection with our feedback on clauses 7 and 8 below.

Clarity of the purpose clause

We are concerned that the current drafting of the purpose clause creates several uncertainties and leaves up for debate what the purpose of the NBA actually is.

From the Parliamentary paper it appears the intent is that the purpose of the NBA is to enable land use and development only if environmental limits are complied with. Currently clause 5 is not explicitly clear that the purpose of the NBA is to enable development to proceed *only if* environmental limits are complied with.

For example, it isn't entirely clear from the reference to "protecting and enhancing the natural environment" in clause 5(1)(a) whether the intent is that development only proceed if environmental limits are met. Further, use of the word "and" to connect environmental limits and objectives and managing adverse effects in clause 5(2) creates some confusion as to

whether any of those supporting provisions are prioritised over others (i.e. can an activity that promotes development focused outcomes proceed if it doesn't comply with environmental limits?) We suggest that clause 5(1) be amended to more explicitly provide that people and communities can use the environment only if doing so complies with environmental limits, if this is indeed the intent. That would also require amendment to clause 5(2) to make it clear that complying with environmental limits is to be prioritised over promoting outcomes for the benefit of the environment and managing adverse effects.

Recent amendments to the NPS-FM provide helpful clarity around the matters that need to be prioritised in order to manage freshwater and give effect to Te Mana o te Wai. Clause 1.3(5) of the NPS-FM clearly sets out the hierarchy of obligations that Te Mana o te Wai prioritises, being:

1. First, the health and wellbeing of water bodies and freshwater ecosystems.
2. Second, the health needs of people (such as drinking water).
3. Third, the ability of people and communities to provide for their social, economic and cultural wellbeing, now and in the future.

While we acknowledge that these recent amendments to the NPS-FM haven't yet been tested via the courts or widely in the community, they are a useful example of the kind of clarity and clear statement of hierarchy that is needed and could be achieved in the NBA. Such a hierarchy is consistent with the international concept of strong sustainability, which at its core recognises that the economy is a creation of society and societies must exist within environmental limits. Given the Government's recent work to develop this hierarchy of considerations, we are surprised a similar, clear approach to prioritising matters for consideration doesn't appear in the exposure draft.

Te Oranga o te Taiao

We support the Government's commitment to giving proper recognition to the principles of Te Tiriti o Waitangi and providing greater recognition of te ao Māori including mātauranga Māori in the new system. We support the introduction of the concept of Te Oranga o te Taiao in clause 5(1)(a).

As noted above, we think it is important that central government officials continue to work with mana whenua to refine this concept; ensure that it is appropriately reflected in the balance of the drafting of the Bill; and work through what it will mean in practice. How the concept will apply in practice should also be worked through with local government, given that local government will have significant responsibilities to give effect to this concept (and broader responsibilities to support mana whenua to play a greater and more strategic role in the new system). Local government will need to be very clear as to what the concept means and how it should be upheld.

The current drafting doesn't appear to identify a sufficiently strong link between the concept of Te Oranga o te Taiao and environmental limits. For example, there is no reference to the concept of Te Oranga o te Taiao in clause 7(1), which sets out the purpose of environmental

limits, or in the definition of 'ecological integrity' in clause 3. The definition of Te Oranga o te Taiao set out in clause 5(3) includes reference to "the health of the natural environment", which at face value appears different to the concept of 'ecological integrity'. To ensure stronger links between clauses 5 and 7, we recommend that the relationship between Te Oranga o te Taiao and environmental limits be clarified. This may require some revision of the concept of ecological integrity. This should be worked through in partnership with mana whenua.

It is unclear from the current drafting whether Te Mana o te Wai will apply to Part 2 of the NBA. This should also be clarified.

Supporting provisions – environmental limits, outcomes and managing adverse effects

In principle we agree that introducing environmental limits has the potential to improve outcomes for the natural environment. However, whether these environmental limits are effective remains to be seen (we make further comments about this in connection with clause 7 below).

We also broadly support the intent behind shifting from managing adverse effects to promoting outcomes for the benefit of the environment. We agree with the Resource Management Review Panel's (Review Panel) conclusion that the focus of the RMA on managing adverse effects has resulted in insufficient focus on protecting the environment and promoting development. The effects-based approach has meant that there has been insufficient focus on the positive outcomes that can be derived from planning for resource use and development. Clearer and more specific goals around the outcomes the system seeks to achieve in managing the natural environment and providing for urban and infrastructure development will better help to encourage the change that is needed.

Despite our support for an integrated approach to environmental protection and land use and development, we have some concerns about the unprioritised nature of the outcomes set out in clause 8 and how conflicts between these outcomes (and environmental limits) will be addressed. For example, inevitably some housing options will involve potential losses in urban biodiversity, historic heritage and/or other values from built character. The clause 8(j) requirement to remove greenhouse gas emissions from the atmosphere has the potential to come into conflict with clause 8(m)(iii) requirements relating to protecting highly productive land in rural areas from inappropriate subdivision, use and development.

Given the potential for such conflicts, our view is that the system needs to focus more explicitly on managing trade-offs. Incorporating a requirement to balance trade-offs into clause 5(2) would help to ensure that plans provide guidance around how to manage trade-offs (with input from communities). This would help to ensure that proposals that may not be within environmental limits (depending on how these are formulated) but may be critical to social wellbeing and other outcomes can still be considered and proceed.

We understand that inclusion of clause 5(2)(c) is intended to ensure that any adverse effects not covered by environmental limits or outcomes are avoided, remedied or mitigated.

However, we have some concerns that the requirement to avoid, remedy or mitigate adverse effects (on top of meeting environmental limits and promoting outcomes for the benefit of the environment) has the potential to undermine the Government's objective of a resource management system that is more efficient, effective and less complex. We see real potential for repeated, lengthy and costly arguments about whether an activity will deliver outcomes for the benefit of the environment, or an adverse effect that needs to be managed.

We also agree with the view expressed by Buddle Findlay in a legal opinion commissioned by LGNZ³ that the approach of managing all effects (irrespective of their scale or significance) is likely to be continued complexity, and a focus on the minutiae of all effects, ultimately reducing them to 'zero'.

Use of the word 'and' to connect the matters set out in clause 5(2) creates some uncertainty as to whether any of the matters (environmental limits, environmental outcomes and managing adverse effects) has priority over another. Indeed, use of the word 'and' suggests that each of the matters are of equal weighting/importance. This will inevitably lead to conflicts. If the intent is that complying with environmental limits is of primary importance, the drafting of clause 5(2) should be amended to reflect this.

The NPS-FM sets out a National Objectives Framework (NOF) that regional councils must work through with communities and tangata whenua. The NOF requires regional councils to:

1. identify freshwater management units (FMUs) in the region;
2. identify values for each FMU;
3. set environmental outcomes for each value and include those as objectives in a regional plan;
4. set baseline states across each attribute for each value, and set target states to support the achievement of the environmental outcome; and
5. set limits as rules to achieve the outcomes.

If the Government supports the key elements of the NOF process, and in particular the consultation/engagement requirements and stepped process to develop limits, we consider that a similar approach could be rolled into the NBA. Arguably this process would provide more meaningful opportunities for public input into plan making, as opposed to requiring plans to reconcile conflicting limits and outcomes set at the national level. While we acknowledge that this new process is still being worked through and tested, we are surprised that it does not appear that the process is informing the development of the NBA, or that the Government plans to draw on learnings from working through this new process.

In summary, we raise some doubt as to whether the setting of long lists of matters that need to be considered and reconciled with no weighting will deliver a system that is more efficient.

³ <https://www.lgnz.co.nz/assets/Publications/RMA-reforms-A-new-dawn-or-continued-uncertainty.pdf> (See Para 12(c)).

Transition and implementation – practical implications

The introduction of a new purpose clause means that the suite of case law developed under the RMA in relation to its purpose and supporting provisions will largely be lost. We anticipate that there will be a number of costly and time-consuming arguments to test the meaning of the Part 2 provisions of the NBA, and how the hierarchy of supporting provisions in clause 5(2) applies where there are conflicts. It seems inevitable that such litigation will come at significant cost, to local government.

As part of its resourcing of the implementation of the new system, central government should consider setting aside funding to support local government with early litigation, particularly by participating in hearings to test the meaning of the legislation as an interested party.

The shift from managing adverse effects to complying with environmental limits and promoting outcomes for the benefit of the environment will require a change in planning culture. There will need to be significant investment in building local government's capability, including via training and guidance. Central government resourcing to support such capability building will be essential. Training and guidance has been done poorly by central government in the past, so it should work closely with Taituarā, LGNZ and the New Zealand Planning Institute to deliver appropriate capability building and support.

There will also be a need to educate users of the resource management system (such as consent and designation applicants) of the changes to the system. Local government will likely play a significant role in this, given its proximity to communities who are the primary users of the resource management system. Central government should provide support and resourcing to local government to assist with this important part of the transition to and implementation of the new system.

Recommendations

We recommend:

1. That the Select Committee directs officials to revise clause 5 to include specific reference to the built environment, and outcomes that the Government seeks to achieve with respect to development.
2. That further work is done to refine clause 5 to ensure that the Government's intended purposes are explicitly clear. This should include clarifying whether the Government's intent is that development should only proceed if environmental limits are met.
3. That officials undertake further work to refine the concept of Te Oranga o te Taiao with mana whenua and local government. This should include clarifying the relationship between Te Oranga o te Taiao and the concept of ecological integrity.

4. That the Select Committee recommends that the matters referred to in clause 5(2) be consolidated and prioritised.
5. That the Government commits to setting aside funding to participate in early litigation that tests the meaning of the new legislation (the purpose clause and its supporting provisions and other Part 2 provisions) as an interested party.
6. That the Government works with local government to identify the resourcing and support that will be needed to support the sector to transition to and implement a new resource management system.

Clause 6: Te Tiriti o Waitangi

We support the Government's commitment to giving mana whenua a greater and more strategic role in the new resource management system. We also support the new approach of 'giving effect' to the principles of Te Tiriti o Waitangi, in place of the requirement under the RMA to take those principles into account. We accept the findings of the Review Panel that the RMA has fallen short of fully adhering to the principles of Te Tiriti. The requirement to 'take into account' the principles of Te Tiriti has been wholly inadequate, in that it has allowed those principles to be balanced out against other matters set out in Part 2 of the RMA, and treated as a secondary consideration vis-a-vis other pressures.

Greater involvement in the resource management system for mana whenua is likely to raise expectations and bring focus on other areas of local government's partnership arrangements with mana whenua. Section 4 of the Local Government Act 2002 (LGA) clearly acknowledges that responsibility for Treaty obligations lies with the Crown. A requirement to 'give effect to' the principles of Te Tiriti under the NBA (and greater expectations around local government's partnership with mana whenua more generally) will necessarily lead to some re-consideration of section 4 of the LGA, and the future relationship between mana whenua and local government. We acknowledge that these are matters being considered by the Future for Local Government Review.

The shift from 'taking into account' under the RMA to 'giving effect' under the NBA will require a significant change in planning culture and broader ways of working for local government. Although elevating the threshold from 'take into account' to 'give effect to' is welcomed, local government has at times struggled with the RMA requirement to 'take into account' the principles of the Treaty (as noted above). To ensure that the higher threshold of 'give effect to' is met, central government will need to support and resource the transition to this new approach, including by providing guidance and training to local government. Without clear guidance, the difficulty local government has had with the current RMA section 8 requirement will continue.

We therefore support the Review Panel's recommendation that direction should be provided on how to give effect to the principles of Te Tiriti. We anticipate a significant amount of litigation risk for local government (and other parties) in connection with clause 6, so

guidance would help to put in place some clear parameters around the meaning of 'give effect to'.

Such guidance must be developed in partnership with mana whenua and with input from local government. This will help to ensure that the guidance is clear and workable, but also sufficiently takes account of local variation. Any guidance must acknowledge the time that it takes to ensure meaningful participation by mana whenua in decision-making processes. It must also reflect the varied approaches to partnering with mana whenua that exist – one size does not fit all. This is reinforced by the myriad of obligations and arrangements already in play, including via Treaty settlement arrangements.

The Review Panel recommended that this guidance be set out as national direction. The Minister has expressed a preference for including the direction in the NBA itself (14 December 2020 Cabinet paper refers).⁴ Noting that no such guidance has yet been developed, we support including the guidance in the NBA as the Minister prefers. This will give it greater legal status and protection, by making it less amenable to change.

While such guidance will help to alleviate litigation risk, it will not eliminate it. Therefore central government should consider setting aside funding to join any early litigation to test the meaning of clause 6 as an interested party.

We also recommend that the principles of Te Tiriti are reflected in the drafting of the NBA, so that they are generally understood and not up for debate. The principles of Te Tiriti are not fixed. Instead the best expression of the principles of Te Tiriti is generally considered to be from the courts. Without principles being identified and codified we are concerned that persons exercising powers and performing duties and functions under the NBA will not be clear on the obligations they are required to meet. We can also foresee repeated and lengthy arguments around what the principles are and mean if they are not codified.

Identifying the principles of Te Tiriti to codify in the NBA must be done in partnership with mana whenua.

It remains to be seen how well the new resource management system will 'give effect' to the principles of Te Tiriti. This will depend not only on the drafting of the balance of the NBA, but also on the detailed design of arrangements for planning committees and plan making. Co-designing with mana whenua is one very real way in which the Government can give effect to the principles of Te Tiriti. Resourcing to support mana whenua to engage meaningfully in the new system will be critical. This resourcing should come from the Crown, as the Treaty partner. Local government will also need support (including resourcing) to build its capability and capacity to partner with mana whenua effectively and meaningfully. Given the already significant responsibilities local government has for funding the implementation of the Crown's Treaty settlement obligations, central government funding to support local government to build its capability and capacity to partner with mana whenua would be appropriate.

⁴ https://environment.govt.nz/assets/Publications/Cabinet-papers-briefings-and-minutes/cabinet-paper-reforming-the-resource-management-system_1.pdf (Refer para 86).

It's not yet clear what the Government's position is on the Review Panel's recommendation around the establishment of a body to oversee and advise on whether there is effective and efficient compliance with clause 6, and other clauses that relate to providing a greater and more strategic role for mana whenua in the system. We would support the establishment of some sort of oversight and monitoring mechanism in principle, particularly to ensure the clause 6 requirement is being satisfied, and to provide direction on where improvements are needed within the system.

For the sake of completeness, we note that one matter to resolve is the definitions that get used throughout the NBA for 'iwi', 'hapū', and 'mana whenua'. These terms should be clearly defined and applied consistently across the legislation (including the SPA and CAA). Consistency with the terms used in the LGA would also be helpful. Clarity around the use, meaning and application of te reo terms will help to address the ambiguity that exists in the current system.

Recommendations

We recommend:

1. That the Government continues to refine clause 6 in partnership with mana whenua and with input from local government.
2. That the Select Committee recommends that guidance on how to 'give effect' to the principles of Te Tiriti be developed in partnership with mana whenua and local government, and that this be included in the provisions of the NBA itself.
3. That the principles of Te Tiriti be codified in the NBA to ensure consistency and certainty. These principles should be agreed to in partnership with mana whenua.
4. That the Government funds mana whenua participation in the new system, as the Treaty partner.
5. That the Government allocates resourcing to support local government to 'give effect' to the principles of Te Tiriti, including via training/capability building initiatives and setting aside funding to participate in early litigation as to the meaning of clause 6 as an interested party.
6. That the Government continues to give thought to the future role for mana whenua in the local government system, including via the Future for Local Government Review, and that such work includes specific consideration of the new NBA requirements relating to Te Tiriti and the role of mana whenua in the planning system.
7. That the Government continues to explore options for developing a body to oversee effective and efficient compliance with clause 6 (and other relevant

provisions). This should happen in partnership with mana whenua and with input from local government.

8. That the Government adopts consistent definitions for 'iwi', 'hapū', and 'mana whenua' across the suite of new resource management legislation, and other related legislation (including the LGA).

Clause 7: Environmental limits

Regional councils are currently working through setting limits for water under the NPS-FM and are at different stages in the process. These limits, which relate to quality and quantity, are essentially locally derived limits, based on regional values and outcomes, that give effect to national limits. We recommend that the Government undertakes further work with local government and mana whenua to determine what can be learnt from the NPS-FM NOF/limit setting process and/or rolled over into the setting of environmental limits in the NPF or NBA plans.

We note that there is some concern within the sector as to how much of the significant work that has already been done or is underway with respect to setting freshwater limits will be able to be transferred into the new system.

Notwithstanding this suggestion, we make the following comments on what is currently proposed in clause 7 of the exposure draft.

Clause 7(1): The purpose of environmental limits

As noted above, we broadly agree that environmental limits have the potential to improve outcomes for the natural environment and human health. We reiterate our comments made in connection with clause 5 that it is not clear how environmental limits will contribute to enabling the concept of Te Oranga o te Taiao to be upheld (or not).

Ultimately how effective and workable environmental limits will be remains to be seen. The "devil will be in the detail" of the limits that are yet to be developed. It seems that environmental limits will often need to be set at a systems/cumulative level (for example, no loss of significant areas of indigenous biodiversity; no reduction of the extent of wetlands etc). Because of this, it's not clear how environmental limits will relate to effects assessments and control of activities (i.e. setting standards for individual activities to meet) and making rules via NBA plans that operate within those limits. Further work will need to be done to ensure that environmental limits will work across the parts of the resource management system that they will feed into.

Although it appears that the Government's intent is that development only proceed if environmental limits are complied with (as set out in clause 7(6)), our comments on clause 5 above note our concerns at the potential for conflicts between environmental limits and development outcomes. It is difficult to see how the two relate to one another. We can

foresee circumstances where failure to comply with an environmental limit may have unintended, negative consequences, particularly for development. For example, the recent High Court decision on the East/West Link in Auckland⁵ demonstrates the potential for the requirement to satisfy environmental limits relating to biodiversity, habitats and ecosystems (clause 7(4)(b)) to come into conflict with outcomes relating to well-functioning urban areas, housing supply and ongoing provision of infrastructure services (clauses 8(k), (l) and (o) respectively). Development focused outcomes will likely be hampered by the focus on strict adherence to environmental limits.

To avoid unintended consequences – particularly with respect to enabling land use and development – and failure to satisfy objective 2 of the reform programme, the Government should consider whether there are circumstances in which there can be exceptions to compliance with environmental limits (for example, could there be some exceptions to complying with biodiversity limits in areas where there is a need for significant housing development to meet growth pressures), or whether in some cases setting targets as opposed to hardline limits may be more enabling. This also goes to our earlier point around the need for the system to better address how trade-offs should be managed.

The potential for unintended consequences should also be considered in the setting of the environmental limits themselves. While any limits set should satisfy the purposes set out in clause 7(1)(a) and (b), consideration should be given to setting limits at such a level that land use and development would not unintentionally be locked out completely.

Importantly, the NPF should include guidance not only on how to resolve conflicts between the outcomes set out in clause 8, but also guidance on how to resolve any conflicts between environmental limits and outcomes, including where trade-offs may be appropriate.

Finally, further work also needs to be done to resolve the issue of what happens in circumstances where environmental limits are not met to start with. This issue is playing out up and down the country regarding the limit setting process for freshwater. Work also needs to be done to resolve how the shift to a requirement to comply with environmental limits may impact on existing use rights.

Clause 7(2): The process for setting environmental limits

In principle we agree that setting environmental limits at the national level makes sense in the interests of consistency and certainty. However, the NBA does give the Minister a significant amount of power to set environmental limits, which will ultimately be the 'linchpin' of the NBA.

Noting that the NPF is still to be developed, it is important that this sets out a clear process that must be followed by the Minister to set environmental limits. This will enable a level of

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https://www.brookfields.co.nz/images//PDF/Royal_Forest_and_Bird_Protection_Society_of_New_Zealand_In_c_v_New_Zealand_Transport_Agency_2021_NZHC_390.pdf

scrutiny of and accountability for the setting of limits by the Minister. Limits should not be able to be readily changed at the whim of politics. Instead, the process for changing limits should be robust, including requirements that any changes are contextual, evidence-based and reflect the need for adaptive management approaches (particularly in the context of the changing climate).

We also agree that planning committees should have the ability to set environmental limits themselves (as set out in clause 7(2)(b)). This recognises that some limits may be more appropriate at the regional level, and indeed at the local level. The process for a planning committee setting an environmental limit in an NBA plan (yet to be developed) must be clear and workable. To ensure this, it should be developed in partnership with local government and should draw on the NPS-FM process being used by regional councils to set freshwater limits. For the sake of completeness, we do note that giving planning committees the ability to set limits via NBA plans has the potential to result in the “can being kicked down the road”. If a matter is of such importance, it should arguably be addressed via the NPF (with appropriate local or regional variation where necessary).

The Parliamentary paper references the need to draw on a range of sources to set environmental limits, including science and mātauranga Māori. We agree, and further suggest that limits should be set with input from local government as the implementer of national direction. This will help to ensure that environmental limits are workable, and flexible enough to provide different and appropriate levels of environmental protection for different circumstances and locations. This will be critical to the success of the limits. These requirements should be reflected in the process for setting environmental limits.

The requirements set out in the NPS-UD set ambitious outcomes for cities to deliver on for catering to growth. These requirements also need to be considered when developing environmental limits. Any contradictions between environmental limits and the Government’s ambitions for growth may create complexity and confusion in the planning and development process. This should be avoided insofar as possible.

We have some concerns around whether there is sufficient up-to-date data and science available to support the setting of environmental limits that will be workable (and subsequently to undertake effects assessments and monitor compliance with environmental limits). Further investment in science and data to support the setting of evidence-based limits and monitoring of compliance with them will be critical to the successful implementation of a resource management system that is predicated on environmental limits.

Clauses 7(3), (4) and (5): Form of environmental limits and matters for which they must be set

Broadly we agree with the list of matters for which environmental limits can be set. However, the environment doesn’t necessarily always lend itself to the setting of firm limits – particularly in the context of the dynamic, changing environment.

We consider that there are a number of measurable things that could form the basis of environmental limits including biodiversity, trees, wilding trees, loss of landscape and

forestry conversion. Presumably such limits could be prescribed under clause 7(5). Aesthetics and amenity don't appear to feature in the environmental limits as contemplated by the exposure draft, but this should be clarified.

Further clarity is needed around what is meant by 'harm' in clause 7(3)(b). At the moment this is unclear and will likely make the setting of limits difficult and contentious. We are also concerned that clause 7(3) doesn't currently recognise the challenge in setting environmental limits that will work in the dynamic natural environment that we expect in the future, as a result of climate change. For example, how will limits relating to water quality and quantity be set in such a way that takes account of changes that may result to the natural environment because of climate change?

Not only can we foresee conflicts between environmental limits and the outcomes set out in clause 8 of the exposure draft, we can also foresee conflicts between environmental limits themselves. For example, a legal opinion commissioned by LGNZ from Buddle Findlay suggests that a breach of a water limit may be required to achieve an indigenous biodiversity limit; or to remove a wastewater discharge from water (to avoid the breach of a limit relating to water) a limit relating to quality of soil may be breached.⁶

Therefore, we encourage the Government to address a number of unresolved matters in the balance of the drafting of the NBA and the NPF, including:

- how the limits set out in clause 7(4) integrate with one another;
- what should happen where there are conflicts between limits set out in clause 7(4), and any limits created under clause 7(5); and
- whether there are any priority limits.

We reiterate our earlier comments around the need for the NPF to set out guidance or a framework for resolving conflicts and managing trade-offs between clause 7 environmental limits and clause 8 outcomes.

Finally, it isn't clear whether clause 7(6) will catch the flood defence and drainage activities provided by regional councils. There are a number of water quality issues associated with flood drainage. How this issue will be resolved should be worked through with local government.

The relationship between environmental limits and the SPA

Further work needs to be done to address the relationship between environmental limits and the SPA. It isn't clear, for example, how the setting of limits under the NBA will interact with delineating areas (e.g. for protection) in regional spatial strategies. Clarity is needed around whether or not environmental limits will inform the development of regional spatial strategies, and if so, what the arrangements are in terms of timing for the setting of environmental limits via the NPF or NBA plans relative to the time at which regional spatial strategies get developed.

⁶ <https://www.lgnz.co.nz/assets/Publications/RMA-reforms-A-new-dawn-or-continued-uncertainty.pdf> (Refer para 18).

If the intent is that regional spatial strategies are to be based on environmental limits, we are of the view that the NPF needs to be in place before work on those strategies begins. Otherwise there is a risk that the first generation strategies that get developed will be ineffective and ultimately amount to a waste of time and resource if numerous changes need to be made subsequently.

A matter for clarification in the full NBA Bill

One matter that doesn't appear to have been addressed in the exposure draft or Parliamentary paper is what will happen with the provisions contained in section 12 of the RMA that relate to restrictions on use of the coastal marine area. These provisions impact a range of commercial users and intersect with the Marine and Coastal Area (Takutai Moana) Act 2011. The Government should continue to engage with local government and mana whenua on how these provisions will be incorporated into the new NBA.

Recommendations

We recommend that:

1. The Select Committee directs officials to undertake further work to address the relationship between environmental limits and the concept of Te Oranga o te Taiao.
2. Local government is closely engaged on the development of the process for setting environmental limits (both by the Minister via the NPF and by planning committees), to ensure that the limits will be workable and take account of local variation.
3. A clear process for resolving conflicts between environmental limits be developed. This should include consideration of whether any environmental limits are prioritised.
4. Further work is undertaken to clarify the relationship between environmental limits and outcomes and how any conflicts/trade-offs are managed.
5. The Government undertakes a stock take to identify the data sets that it will need to invest in to enable effective monitoring of compliance with environmental limits. These data sets should be made available to planning committees.
- 6.

Clause 8: Environmental outcomes

We broadly support the shift in approach to promoting outcomes for the benefit of the environment. While some national consistency around outcomes may be desirable, we do raise the question of whether a local approach to setting outcomes based on local values (like that set out in the NPS-FM NOF) may be more appropriate. This would better reflect the need for local place-based planning decisions to reflect the needs and values of the communities affected by them, and the variation that exists across New Zealand's cities and districts. We encourage the Government to do further work with local government and mana whenua around the best approach to setting and promoting outcomes for the benefit of the natural and built environments.

The comments that follow relate to what is currently included in clause 8.

Although the list of 16 outcomes set out in clause 8 includes a mix of outcomes for both environmental protection and allowing development, we do note that the balance appears heavily in favour of environmental protection. This seems at odds with the Government's intention to deliver a system that is more enabling of development.

Sections 6 and 7 of the RMA have been criticised for being a long, unprioritised "shopping list" of matters to consider. Clause 8 as currently drafted looks much the same (particularly when coupled with the clause 7 environmental limits). Spelling out a raft of unprioritised outcomes does not necessarily make them compatible or deliverable. Conflicts between outcomes seem inevitable. We agree with the Parliamentary Commissioner for the Environment that, *"if primary legislation can provide no guidance on the priority to be accorded to the many outcomes, officials, politicians – and ultimately the courts, will be left weighing [them]."*⁷

For certainty, and to avoid ongoing litigation, clause 8 needs to clearly state whether there is to be any hierarchy as between the outcomes listed in it or not. This should include considering the wording used in connection with each outcome. For example, directive wording used in the clause 8 outcomes includes "preserve", "protect", "restore", "improve", which contrasts with weaker wording, such as, "enable", "sustained", "contribute" and "support". Are these different words intended to create any hierarchy as between outcomes or not? This needs to be clarified.

The requirement to take into consideration so many outcomes is at odds with the Government's objective of a system that is more efficient and less complex. We can foresee repeated and lengthy arguments as to whether NBA plans adequately address each of the clause 8 matters. Further, the requirement to consider so many matters ultimately reduces them all to zero, which undermines the objective of a system that is more effective.

Clause 13(1) notes that national direction is required on only 9 of the outcomes listed in clause 8. There is an argument that if a matter is important enough to warrant inclusion in clause 8 it should be addressed in national direction. We question whether the requirement

⁷ <https://rmla.org.nz/wp-content/uploads/2020/10/PCE-Salmon-Lecture-RMA-Reform-Coming-full-circle.pdf> (See page 11).

for national direction on only 9 outcomes does sub-consciously indicate which of the clause 8 outcomes the Government deems the most important.

Although it is envisaged that the NPF and NBA plans will help to resolve conflicts between outcomes, regardless of any such guidance it is inevitable that there will be lengthy, costly and time-consuming arguments about how to resolve conflicts between outcomes. Not all conflicts will be able to be anticipated and resolved in advance. In and of itself, guidance on how to resolve conflicts between outcomes will not eliminate litigation.

In principle we accept that the NPF should contain guidance around how the Minister will resolve conflicts between outcomes. However, we do note that the resolution of conflicts between outcomes is open to change with the appointment of each new Minister if clear direction is not provided in the NBA itself. This has the potential to create an uncertain and changing framework.

If resolving conflicts between outcomes is left to planning committees to address via NBA plans, a clear and workable process set out in the NPF for managing trade-offs will be helpful (and should be developed and road-tested with local government). However, where conflicts are left to planning committees to resolve, costly and time-consuming litigation seems inevitable. Without the level of detail that is still to come via the NPF it is difficult to provide any useful comment on whether the NPF will actually help to resolve conflicts as between outcomes.

We support the introductory text to clause 8, which specifies that the environmental outcomes listed must only be promoted by the NPF and NBA plans. This implies that when making decisions on consents or designations, the consent authority need not refer back to clause 8 or try to balance and reconcile competing outcomes. We support such an approach and expand on this point further below in our feedback on ideas for improving system efficiency and reducing complexity. Notwithstanding our support for the introductory text, the meaning of the terms 'to assist' and 'promote' used in the drafting of clause 8 is unclear.

Although not specified in the exposure draft, we assume that the requirements to promote outcomes for the benefit of the environment will also be applied to regional spatial strategies under the SPA. This must be clarified in the drafting of the balance of the Bill.

Although we are strongly of the view that clause 8 as currently drafted needs rationalising, we make some specific comments on the outcomes it lists below.

Clause 8(d): Outcome relating to biodiversity

Clause 8(d) currently makes reference to indigenous vegetation and habitats of indigenous fauna. Biodiversity should also be promoted outside areas of significant indigenous vegetation and habitats of indigenous fauna. We recommend amending clause 8(d) to provide for the protection, restoration or improvement of all significant areas of vegetation, habitats and fauna.

Clause 8(d) refers to 'restoration', which ultimately may not be compatible with the dynamic natural environment. In other words it creates an unrealistic expectation that restoration is possible.

Clauses 8(f) – (i): Outcomes relating to cultural matters

Clauses 8(f) – (i) set out a range of outcomes relating to cultural matters including:

- Clause 8(f) - The relationship of iwi and hapū, and their tikanga and traditions, with their ancestral lands, water, sites, wāhi tapu, and other taonga.
- Clause 8(g) - The mana and mauri of the natural environment.
- Clause 8(h) - Cultural heritage, including cultural landscapes.
- Clause 8(i) - Protected customary rights.

We note that clause 13 doesn't currently include any requirement for the NPF to include direction on any of these cultural matters. Providing direction on these matters strikes us as one way in which the Government could helpfully provide local government with guidance on how to give effect to the principles of Te Tiriti o Waitangi, as required by clause 6.

Clause 8(f) refers to 'restored' in relation to the "relationship of iwi and hapū, and their tikanga and traditions, with their ancestral lands, water, sites, wāhi tapu, and other taonga..." However, it isn't clear what the threshold for 'restored' is. This is likely to create a level of ambiguity, as 'restored' is likely to mean something different to mana whenua than it does to local government or others. This ambiguity must be addressed.

Clause 8(g) refers to the 'mana' of the natural environment. We suggest that this outcome should be refined with mana whenua, as we understand that representatives of the Freshwater Iwi Leaders Group and Te Wai Māori Trust raised issues with the use of the term 'mana' in connection with the environment during discussions around the Review Panel's proposed concept of Te Mana o te Taiao. This goes to the broader issue of needing to be clear on the meaning of te reo terms that are used throughout the NBA, and working out meanings in partnership with mana whenua.

With reference to clause 8(h), what is meant by 'sustained through active management' and how this is proportionate is vague and should be clarified.

Clauses 8(j) and (p): Outcomes relating to climate change mitigation and adaptation

We welcome the inclusion of outcomes relating to climate change mitigation (clause 8(j)) and climate change adaptation (clause 8(p)). We note that clause 8(p) also relates to reducing the risks from and building resilience to natural hazards more broadly. Local government has been calling for clearer mandate to address climate change for some time now.

While clause 8(j) provides a useful overall goal, it is arguably too non-specific and difficult at this stage to understand what the expectations will be around how it is given effect to in NBA plans. This should be addressed via the NPF.

We are not confident that the current clause 8 will adequately address natural hazards and climate change adaptation. Reducing the risks from, and building the resilience of the environment to natural hazards and the effects of climate change is one of many unprioritised outcomes. Our concern is that this makes natural hazards and the effects of climate change simply one in a range of other factors that planners need to juggle. Although we acknowledge the unprioritised nature of the clause 8 list of outcomes, we are concerned that natural hazards and climate change being “tapped on” at the end of the list unconsciously sets it in its place. Without stronger reference to and direction around natural hazards and the effects of climate change we are concerned that the objective of better preparing for adapting to climate change and risks from natural hazards is unlikely to be achieved.

Notwithstanding these comments, clause 8(p)(ii) should be amended to include reference to the resilience of communities (in addition to the environment). To help avoid development in areas exposed to significant natural hazard risk, it could also be useful to make explicit reference to the built environment.

Although managed retreat and climate change adaptation will be dealt with in greater detail in the CAA, we note that local government will need considerable additional funding support from central government (particularly to support managed retreats) if the outcome in clause 8(p) is to be satisfied.

We welcome the requirements set out in clauses 13(e) and (i) that the NPF must set out national direction on both greenhouse gas emissions and natural hazards and climate change. Such direction must closely link with work the Government is doing to develop an Emissions Reduction Plan and National Adaptation Plan. To assist local government to promote clause 8(j), the Government should also invest in consistent tools and frameworks that local government can use to measure, assess and monitor the emissions associated with activities.

Clause 8(k): Urban areas

The concept of ‘well-functioning’ needs to be defined. This should be backed up with greater detail in the NPF on housing quality, urban design principles and amenity values including design for sunlight (especially in colder parts of New Zealand), privacy, interaction with the public and other matters. Current evidence of housing, particularly that developed in high-growth areas, demonstrates the risk of poor-quality neighbourhood and housing outcomes. Ensuring good urban form and urban design outcomes must be a key part of the NBA, given this is a priority for local government and its communities. This will help to ensure consistency with other work programmes the Government has underway in respect of quality housing, including the GPS Housing and Urban Development.

Amenity values

Despite it being one source of ongoing conflict, we are concerned that the Government appears to have dismissed amenity values entirely. Amenity is important for ensuring good urban form, livable communities and homes that are fit for the future – considerations that we don't think the NBA sufficiently provides for as currently drafted.

Dismissing many aspects of amenity as merely a 'subjective' consideration fails to recognise that many aspects of amenity are shared, are empirically linked to wellbeing outcomes and form part of cultural and social values. Intensification of housing can, for example, lead to an increase in anti-social behaviour. These potential costs of intensification should be proactively considered and mitigated through strong adherence to best practice urban design principles and good spatial planning. Replacing the concept of amenity with new concepts must not diminish focus on the issues amenity entails. Otherwise, there is a risk that the objective of enticing people to live in certain areas will not be met – people won't want to live in areas unattractive to large segments of the population. Failure to consider aspects relating to amenity may result in poorly considered inner city development causing "flight" to suburbs or areas outside of city limits.

We are also concerned that some elements of amenity are arguably more objective, including shading, recession planes and setbacks from boundaries. Care should be taken not to throw out amenity altogether.

Clause 8(l): Housing supply

Reference to providing choice to consumers in clause 8(l)(i) has the potential to conflict with other outcomes. The outcome of providing consumer choice may support an argument for rezoning rural land to enable housing development to occur, but this could conflict with other outcomes relating to maintenance of rural productivity, landscape values and loss of opportunities for medium or high-density housing in urban areas.

To manage issues related to demand for lifestyle blocks and large lot residential activity we also support the inclusion of reference to "efficient use of land" in the list of matters under clause 8(l). This would help to achieve better outcomes for quality medium-density housing and avoidance of urban sprawl.

Given the Government's objectives around quality, affordable housing that delivers positive wellbeing outcomes for communities (including their health), we also suggest that this should be better reflected in the drafting of clause 8(l).

Other matters relating to the built environment

Notwithstanding our concern around the long list of matters to be considered under clause 8, we believe the Government should look at ways to strengthen the outcomes relating to the built environment. It should re-consider some of the matters that were set out in the Review Panel's report, including:

- enhancement of features and characteristics that contribute to the quality of the built environment;
- sustainable use and development of the natural and built environment in urban areas including the capacity to respond to growth and change;
- availability of development capacity for housing and business purposes to meet expected demand; and
- strategic integration of infrastructure with land use.

Including such matters would better reflect the intent that the NBA covers both the natural and built environments and would help to ensure consistency with other work programmes the Government has underway in respect of quality housing, including the GPS Housing and Urban Development.

Clause 8(m): Outcomes in relation to rural areas

Reference to reverse sensitivity should be included in clause 8(m). It is not just the protection of productive rural land but the activities around that land that need consideration.

Clause 8(o): Outcome relating to the provision of infrastructure services

We note a small drafting error in clause 8(o)(ii), namely that renewable energy is not generated. The clause should instead refer to allocating access to resources that contain energy (and can be converted into electricity).

Monitoring the clause 8 outcomes

Greater investment in science and data will help to ensure evidence-based monitoring of each outcome and inform any policy changes that are needed to better promote the outcomes.

Recommendations

We recommend:

1. That the Select Committee directs officials to undertake further work to consolidate and prioritise the outcomes set out in clause 8.
2. That amenity values and other outcomes relating to the built environment be better reflected in clause 8.
3. That officials address the inconsistencies and/or drafting issues referred to above.

Clauses 9 – 17: National Planning FrameworkClauses 9 and 10: Establishment and purpose of the NPF

We support the Government's proposal to introduce consolidated national direction in the form of an NPF. We also support the Government's plans to resolve conflicts between existing and new forms of national direction via the NPF. However, as already noted, it is difficult to provide meaningful feedback on the NPF without seeing more detail.

The Government intends to increase its use of mandatory national direction. This will help to provide consistency and certainty on matters of national significance, and where consistent national approaches are desirable. This will in turn help to reduce the costs associated with repeated and lengthy plan development processes, which often re-litigate matters relating to environmental bottom lines and resolving conflicts between competing priority areas up and down the country.

We understand the form of the NPF is still to be decided. Broadly, we support the various signals that have been provided by both the Review Panel and the Government around creation of a single document and exploring options for an online tool or portal. Ultimately, the NPF needs to be accessible and an integrated, easy to navigate tool. Regardless of form, great care needs to be taken in its drafting to reduce legal arguments around its interpretation. We strongly encourage broad engagement with local government and experienced resource management practitioners on how to achieve this clarity.

We agree with the intent of clause 10(c) that there may be some matters for which consistency is desirable in some, but not all, parts of New Zealand (such as biodiversity, responding to growth pressures and cultural matters). Related to this, we make further comments below about the importance of the Minister and central government officials working closely with local government on the development of the NPF.

How successful the NPF will be, and how much it will help to achieve certainty and national consistency, remains to be seen. For example, it remains to be seen whether the NPF will adequately address the issue of how to resolve conflicts between the lengthy list of unprioritised, and potentially competing, outcomes set out in clause 8 (although in principle we agree that such guidance should be included).

Clause 9(2)(a): Developing the NPF

Clause 9(2)(a) states that the NPF must be prepared and maintained by the Minister in the manner set out in Schedule 1. Given Schedule 1 is yet to be drafted, the process for developing and amending the NPF is not clear. The NBA gives the Minister significant power to set the direction of travel of the system via the NPF, which potentially further undermines the objective of local democratic input into the resource management system. Indeed, without the NPF the NBA is largely hollow legislation. This makes scrutiny of and accountability for the preparation and maintenance of the NPF critically important.

It will be important to ensure that there are not constant changes to the NPF that necessitate ongoing costly and time-consuming changes to NBA plans (and regional spatial strategies). While the NPF must be flexible enough to be updated to reflect changing circumstances and conditions, legislation should provide some parameters around the circumstances in which it can be changed. This would avoid national direction changing frequently with political cycles and provide certainty in environmental protection.

Local government involvement in the development of the NPF

It is not clear whether local government will play a role in developing the NPF. There needs to be proper engagement with, and input from, local government on both the creation of new national direction and the evaluation and alignment of existing national direction. This is critical given local government's role in giving effect to national direction.

Working with local government on the development of the NPF will help the Minister to:

- ensure that the NPF will be workable;
- understand conflicts between national direction, for example the likely conflict between urban development and freshwater limits;
- identify new national direction that should be prioritised for development on the basis that it will most assist with preparing NBA plans (and regional spatial strategies);
- identify which national direction will work well across Aotearoa, and where national direction may not be preferable or preferable for only some parts of New Zealand (as per clause 10(c)). For example, it strikes us that national direction on reducing the risks from natural hazards would be helpful across the country, but that national direction on biodiversity or some cultural matters may not work well for all local communities, given significant local variation; and
- resolve the relationship between national standards and any regional (local) standards contained in NBA plans.

We therefore recommend that a specific requirement that the Minister consults with local government on the development of the first NPF (and any subsequent amendments made to it) be included in Schedule 1.

MfE's capacity to develop the NPF

We also have concerns around the Ministry's capacity to develop the first NPF, including reviewing and aligning existing national direction and developing a significant amount of new national direction. Developing the NPF is a significant piece of work that should begin in earnest now. But given the significant amount of work still to be done on designing the balance of the NBA, and the SPA and CAA, it is unclear whether MfE has the capacity.

Consideration should be given to whether there should be more in-depth involvement of experts and key stakeholders in the development of the NPF (including local government, as outlined above). Consideration should also be given to whether a suitably qualified panel of experts, commission or board of inquiry could be appointed to oversee the development and maintenance of the NPF.

Timing and sequencing

Questions around timing and sequencing must be addressed. Local government needs clarity around when work on the NPF is going to begin and when it is anticipated it will take effect. Local government needs to know the Government's intentions around whether the NPF will be in place before work commences on developing NBA plans (and regional spatial strategies), or whether the expectation is that these will be developed concurrently with the development of the NPF.

Depending on timing and sequencing, local government also needs clarity around whether existing plans will need updating to reflect the NPF, and particularly any new national direction, or not. Early signals on existing national direction that the Minister intends to change, and how this should be dealt with while the transition to the new system is underway, would be useful.

Clause 11: NPF to be made as regulations

We support the NPF being made as regulations (clause 11). Making the NPF as regulations provides some scope for scrutiny, including via review by the Regulations Review Committee and the ability for Parliament to disallow such an instrument where certain criteria apply. This seems particularly important given the significant amount of power the Minister has to set national direction.

Making the NPF as regulations will also allow for necessary updates to be made with relative ease and speed. However, we reiterate our comments above about the need for the process for amending the NPF, and circumstances in which this can happen, to be clearly set out in Schedule 1 of the NBA.

Clause 12: Environmental limits

In addition to our earlier comments on environmental limits, we make the following points:

- Use of the word 'if' in clause 12(1)(b) appears to give the Minister discretion to determine whether or not environmental limits can be set through NBA plans. As already indicated, we think it is appropriate for planning committees to have the ability to set regional (or local) environmental limits.
- We are concerned at the potential for the setting of qualitative limits, as per clause 12(2)(a). Qualitative limits and their definitions are likely to create considerably more uncertainty, leading to costly arguments. They also have the potential to be vague and therefore more difficult to demonstrate compliance with than quantitative limits.
- We agree that limits should be able to be set at different levels for different circumstances and locations (clause 12(2)(b)). This should help with ensuring environmental limits are set in such a way that they don't unintentionally undermine the ability to use and develop land, or the promotion of the outcomes set out in

clause 8. The Government should explore in further detail whether the setting of targets may be more appropriate in some circumstances.

- Clause 12 should address how environmental limits are to be dealt with in existing plans (or not) while the transition to new NBA plans is underway.

Clause 13: Topics that the NPF must include

We broadly agree with the topics listed in clause 13 but reiterate our earlier comments around the lack of any national direction on cultural matters, and whether the matters for which national direction must be provided indicate (subconsciously or not) the outcomes that the Government considers most important.

When developing the NPF, the Government needs to assess the consistency of national direction (new and existing) with other Government work programmes and initiatives that will impact on local government, communities, and resource management functions. For example, national direction should reflect the Government's work on things such as the Emissions Reduction Plan, National Adaptation Plan, Infrastructure Strategy and GPS Housing and Urban Development. It would also be useful to ensure alignment with the Building Code, especially in regard to the management of natural hazards and minimum standards to achieve to enable built development to proceed.

Clause 13(3) should be amended to include the need for provisions in the NPF that address how to resolve conflicts among the environmental limits set out in clause 7, and how to manage trade-offs between environmental limits and outcomes.

Clause 15: Implementation of the NPF

We broadly agree with the matters set out in clause 15. To help with satisfying these requirements, developing the new NPF in such a way that parts of it can be easily inserted into NBA plans (particularly where the NPF changes) would be useful.

Directive provisions of the NPF should not ever have to be given effect to through plan changes using a public plan change process. This would likely lead to different provisions in different plans, and therefore creating the potential for litigation. This is one thing the NPF is seeking to avoid or limit.

Monitoring of implementation of the NPF

On implementation more broadly, how well the NPF is given effect to will depend in large part on the plans that get created under clause 19, and in turn how these are given effect to. To assess this, there will need to be investment in an effective monitoring system, including investment in data and science to enable evidence-based assessment of compliance with the NPF's provisions.

Clause 16: Application of the precautionary approach

We broadly support the codification of the precautionary principle and agree that taking a precautionary approach to the setting of environmental limits does make sense. However, this should be balanced against the point we've raised earlier around the need to ensure that environmental limits are not set so stringently that the unintended consequence of development being precluded results. Application of the precautionary principle further reinforces the need for environmental limits to be set at different levels for different circumstances and locations as per clause 12(2)(b).

Recommendations

We recommend that:

1. Schedule 1 of the Bill include a specific requirement that local government be consulted with on the development of the NPF, and subsequent amendments made to it.
2. Further thought be given to establishing a panel of experts, commission or board of inquiry to oversee the development and maintenance of the NPF.
3. The Government provide early signals on the timing of the implementation of the NPF, and how this will align with requirements to produce NBA plans and regional spatial strategies. This should include any signals around changes to national direction that will necessitate changes to existing planning provisions.
4. The Government revisits the proposal that environmental limits can be set qualitatively.
5. New and existing national direction closely aligns with other Government work programmes, including the Emissions Reduction Plan and National Adaptation Plan.

Clause 18: Implementation principles

Broadly we agree with the intent of the implementation principles set out in clause 18. However, we have some concerns around vague drafting. We also believe that the principles fail to adequately reflect the need for a carefully managed transition to the new system, and a system that is more efficient and less complex.

Our main concern is with the unprioritised nature of the principles, and the inconsistent use of terminology throughout clause 18. For example, clause 18 refers to 'promote', 'recognise

and provide for', 'ensure' and 'have particular regard to'. Further work needs to be done to consider the meanings of these different terms and clarify whether any hierarchy is intended.

Clause 18(b)

We recommend that the drafting of this principle is worked out in partnership with mana whenua. In practice, we can foresee issues with application of the principle across regional NBA plans, by regional planning committees, given that the matters listed (and in particular mātauranga Māori) will vary significantly and will be enhanced by the different iwi and hapū within a region.

Further work on the meaning of this implementation principle should be considered in conjunction with further work to refine Te Oranga o te Taiao.

Clause 18(c)

The current drafting of this principle is somewhat vague. While in principle we support the intent of public participation that is "important to good governance" and "proportionate to the significance of the matters at issue", what these concepts mean in practice is unclear. There will be many and varied interpretations of what they mean. We suggest that once the processes for plan making, including opportunities for the public to have input into and/or appeal decisions are clarified, that this principle should be updated to accurately reflect the opportunities for public participation that the system will provide.

We also recommend that this principle (or a separate principle) addresses the issue of ensuring that there are appropriate opportunities for communities to participate in plan making processes. There are some concerns that the current system is difficult for lay people to navigate, and often favours the views of experts over and above community voices. This should be addressed in the new system.

Clauses 18(d) and (e)

We are supportive of the inclusion of principles that address te ao Māori. Whether they are given effect to will depend in large part on the governance arrangements that get worked out for planning committees, what mechanisms there are for partnering with mana whenua, and how mana whenua are resourced to meaningfully participate in and shape the new system.

Mana whenua representation on planning committees will require discussions with iwi leaders to identify effective co-governance solutions should there be more mana whenua representatives in a region than the number of seats available. Appropriate mechanisms will be needed to support mana whenua to have input into the new system beyond planning committee representation (particularly in respect of plan making processes).

We have some concerns with the inclusion of clause 18(e). The current drafting suggests that iwi and hapū are responsible for protecting and sustaining the health and wellbeing of te Taiao and makes no reference to the role that other decision-makers must play in partnership with mana whenua. The current drafting creates a risk that local authorities may offload their responsibilities, which we don't envisage is the intended outcome.

Principles relating to timely and efficient processes and transition from the current system to the new system

Currently there is no implementation principle that goes to the Government's fifth objective for the reform of the resource management system around efficiency, effectiveness and reduced complexity. We strongly recommend that the Government includes a principle addressing the need for timely, efficient and proportionate processes that is akin to section 18A of the RMA.

There is also nothing in the implementation principles to reflect the very real need that there will be for a period of transition away from the existing system to the new system. The transition will take time, will need to be carefully planned and adequately resourced. This includes work to address how the reform of the resource management system integrates across other local government roles, functions and planning documents, including long-term plans. Work will also need to be done to consider how existing consents and designations, and consent and designation applications, get dealt with in terms of timing and transition to the new system. Such a principle should be reflected in clause 18.

Recommendations

We recommend:

1. That the Government works in partnership with mana whenua to further refine implementation principles that address the role of mana whenua in the new system.
2. That clause 18(c) be amended to accurately reflect the arrangements that get decided upon for public participation in plan making processes. We also recommend that this clause specifically addresses the need for appropriate opportunities for public input into plan making processes.
3. That additional principles relating to timely, efficient and proportionate processes; and the transition to the new resource management system are inserted into clause 18.

Local government's capacity within the resource management system

Our comments that follow on the requirement for NBA plans and the shift to regional planning committees are premised with comments on local government's current capacity in the resource management space. These comments should be read in conjunction with our following comments on clauses 19 – 25 and Schedule 3.

The shift in approach to planning that the Government is proposing is significant and will require a considerable amount of time and resource to implement. Local government is already experiencing significant difficulty attracting and retaining the capacity and expertise it needs to carry out its existing resource management functions. Many councils are experiencing ongoing recruitment churn, which has significant time and financial implications. This issue is particularly acute for rural and provincial councils. We understand that MfE and the private sector are facing similar capacity issues.

We accept that some of the current resourcing challenges may be helped through the creation of more efficient and joined up processes and structures. However, the work involved in transitioning to the new system (coupled with existing work pressures, for example in relation to implementing the new NPS-FM and NPS-UD requirements and working through second generation plans) will place considerable strain on an already stretched workforce.

The Government's determination to shift to the new system demonstrates it doesn't understand the extent of local government's current capacity and capability challenge. We are also concerned that the disruptive change that will result from a complete overhaul of the existing system will undermine the progressive momentum that is building through implementation of the NPS-UD and NPS-FM and won't allow sufficient time to properly implement and measure the effectiveness of these new initiatives.

Exacerbating local government's capacity and capability challenge is the number of employees leaving the sector to take up the multiple new roles that are being created within central government agencies to service the Government's ambitious reform programmes. Typically the pay and employment conditions that central government agencies are able to offer far exceed those that local government can offer. This adds to the challenge for local government of retaining existing talent. It will also ultimately hurt the resource management sector as a whole, as local government is the main training ground for developing skills in successful plan making. In local government, planners gain experience in all stages of plan making from engaging with communities on issues and opportunities through to engaging in Environment Court hearings on plan content. Local government is going to need to be able to access and retain quality staff in order to deliver the new system central government wants.

All these factors are going to ultimately impact on the quality of and length of time that the transition to the new system takes.

Clauses 19 – 21: Requirement for natural and built environments plans

The proposal to shift from over 100 planning documents to “about 14”⁸ regional NBA plans is not an insignificant undertaking. While we agree in principle that a single, regional plan could be easier for regular users of plans (especially resource management consultants that work across the country), it isn’t yet clear whether navigating those plans will be any less complex, particularly as we aren’t yet entirely clear what the contents of NBA plans will be and look like (see below for further comment). The need for local flavour (as well as addressing regional matters) in NBA plans means the plans may be necessarily large, and therefore difficult to navigate.

The complexity of developing new NBA plans that will take account of multiple (and potentially competing) regional interests should not be under-estimated. There is significant local variation within regions themselves – think only of the differences between areas like Christchurch and Timaru; Queenstown, Clutha and Dunedin; Tauranga and Ōpotiki; Wellington and South Wairarapa, and their communities. These differences are wide-ranging, covering a breadth of factors including (but not limited to) socio-economic conditions; urban vs rural communities; different land uses; variation in population sizes; high growth vs stagnant communities; and varying levels of political power and influence, to name but a few.

We are concerned that the requirement for NBA plans has the potential to diminish the role and voice of local communities in plan making (although acknowledge that the extent to which this proves to be the case depends in large part on decisions yet to be made). Smaller territorial authorities are concerned that their views may be outweighed in the new process and planning committee structure by those of larger, metropolitan territorial authorities. Tier 1 local authorities are concerned that they may be outnumbered on planning committees by smaller, rurally focused territorial authorities and regional councils, and worry that this may lead to a greater focus on wider regional issues and less focus on critical urban growth management. We have some doubts as to whether a regional approach will adequately address local concerns and needs at an appropriate level of granular detail.

How effective a plan is in delivering outcomes for local communities will depend in large part on how well it is implemented. There is likely to be some opposition by local government and its communities to funding the implementation of NBA plans that they have very little input into the development of, and that don’t adequately address local views. This risk needs to be addressed through the arrangements for planning committee membership and opportunities for constituent local authorities and communities to have input into plan making processes.

We are concerned that the Government is striving to create a new system that is more efficient yet doesn’t appear to have done much to look back on other planning models that could be learned from and adapted. We strongly encourage the Government to work closely with Auckland Council and Christchurch City Council to understand the plan making

⁸ https://www.parliament.nz/resource/en-NZ/PAP_111932/566adf88416a4cac23b7f5fe7c2aa5f89e61b742
(Refer para 45).

processes that were adopted for their Unitary Plan and Replacement District Plan respectively. We understand that both local authorities are willing to share insights into how these processes worked, including what worked well and what didn't.

It also strikes us that the new Freshwater Planning Process could first be tested to inform the development of a new NBA process. Although this process isn't yet well-tested, we understand that the Otago Regional Council will soon go through it. Learnings from Otago Regional Council's experience should inform the development of the new NBA process.

If regional 'mega' plans are still favoured after consideration of the matters raised through the Select Committee process, there are several practical issues related to regional boundaries that will need to be worked through carefully. Simply adopting regional council boundaries may not be as simple an option as it seems. For example, arrangements for Taupō District Council will need to be worked through, given that the district is split between four different regions (Waikato, Bay of Plenty, Hawke's Bay and Manawatu-Wanganui). Although most of the district's land area sits within the Waikato Region, the people of the Taupō District associate with various communities of interest and regional groupings (particularly depending on context). Further work will need to be done with Taupō District Council to come up with a solution that doesn't end up being more complex than the current plan making process.

We note that the Parliamentary paper refers to the creation of "about 14 plans" (at para 45). This suggests that the Government is perhaps doing further work on what the arrangements are for unitary authorities in the new system. Any decision to treat unitary authorities as something other than regional units, and to put in place bespoke arrangements, must be made in partnership with them.

We understand that several Tier 1 authorities will be raising via their submissions the issue of whether a one-size-fits-all approach of one NBA plan and regional spatial plan per region is appropriate. Tier 1 local authorities are concerned that the shift to a focus on regional issues will result in less focus on urban growth management, leading to further issues in terms of providing adequate housing and resolving growth issues.

We understand that Tier 1 authorities will be encouraging the Government to consider allowing planning to happen at inter-regional, sub-regional and local levels. We understand Tier 1 authorities are of the view that planning should be able to happen at a Tier 1 level (with separate regional level planning for non-Tier 1 local authorities) so they're able to resolve significant urban growth challenges, without these challenges being diluted by a focus on wider, regional issues. We understand these councils are suggesting that consistency between NBA plans for Tier 1 urban environments (such as Tauranga and Hamilton) could be achieved through collaboration and strict implementation of national planning standards via the NPF.

As part of its work to consider the appropriate scale/regional boundaries for the NBA plan making process, the Government should also consider whether existing bodies working on regional spatial planning (such as that in the Wellington/Horowhenua region) could be appropriate bodies to oversee the development of an NBA plan.

We encourage the Government to continue to work with local government to address the complex issues and options that exist, and to ensure planning is able to occur at the appropriate scale.

It's not yet entirely clear to us how work on the reform of the resource management system is integrating with work on the reform of three waters services. Work should be done to consider how any regional boundaries used for NBA plan making and the multi-regional boundaries adopted for the proposed new Three Waters Services Entities will integrate. This work should acknowledge that the most effective approach to environmental management is catchment based.

Transition – prototype and model plans

The transition to the new model of 14 regional NBA plans (or thereabouts) will need to be carefully planned and resourced. We understand that a key part of the Government's transition programme is developing a prototype NBA plan, followed by working with one or two regions to develop a model plan. We can see some value in developing prototype and model plans. However, the existence of a prototype plan isn't necessarily going to help regional communities resolve localised conflicts that will inevitably arise as plans are developed, or help planning committees to develop relationships that will be critical to the success of plan making processes. The Government should also be careful to avoid creating expectations that NBA plans can be developed using a 'copy and paste' approach.

We encourage the Government to assess the extent to which the existing National Planning Standards could help here, and whether creating prototype and model plans may ultimately be an exercise in duplication. In any event, the National Planning Standards will need to be updated to reflect the new plan making requirements.

On the creation of model plans, our view is that a clear set of criteria for selecting which regions will be involved in this process needs to be developed. Regions where existing relationships between local government agencies and mana whenua are strong should be prioritised for the development of model plans. Regions where significant investment and progress towards having effective planning frameworks has already been made should be avoided. The Government needs to be cognisant of the considerable amount of work local government has underway (business as usual work and responding to the Government's various reform programmes) when selecting regions to work with.

The Government must work with local government and mana whenua representatives to set a realistic timeframe for creating a model plan, which should take account not only of the already significant workload local government and mana whenua have, but also the additional time that will be needed to come to grips with and work through an entirely new plan making process, including establishing necessary relationships and secretariat arrangements.

The Government will need to provide considerable support to those regions that it works with – including technical and financial support, and people on the ground to guide plan

making processes, help manage workloads and provide clarity on areas of uncertainty, as people come to grips with the new legislation.

In addition to making model plans available, the Government should provide guidance on the plan making process that each region works through. This should detail the process adopted, steps taken, issues encountered and resourcing involved in the development of the plan. Any variations between the processes that the model plan regions take should also be referenced. This will help to provide local government and mana whenua with practical insights into what is needed to give effect to the requirement to produce an NBA plan. To avoid the model plans being viewed as something that can be 'copied and pasted' we consider that guidance of this kind should be viewed as more of a priority.

Transition – timing

Clause 19 of the exposure draft states that "There must at all times be a natural and built environments plan (a **plan**) for each region." However, what is not yet clear is the point in time at which regions will be expected to have an NBA plan in place. This needs to be clarified. Related to this is a need to clarify the point at which councils should not be undertaking any further reviews of their existing planning documents or accepting any requests for private plan changes.

The Government should not lose sight of the significant work that many local authorities have undertaken on second generation plans and policy statements that are still relatively new. Thought needs to be given to how the provisions of these plans are or aren't rolled into new NBA plans, or whether there is scope to delay transfer to the new system in those regions where there are still relatively new planning provisions.

Schedule 2: Process for making NBA plans

We note that there is still a considerable amount of detail to be worked through in respect of the process that must be followed for making an NBA plan. It remains to be seen whether the planning committee approach will result in more agile and efficient plan making. Given the varied and potentially competing interests and views that planning committee members will represent and must reconcile, we envisage that plan making by planning committees will be complex and time consuming. This will be particularly so if relationships between members of planning committees are not strong.

By way of initial feedback on the plan making process, we note:

- While a consistent approach to plan making will help to achieve certainty and consistency, the approach needs to be flexible enough to take account of local variation and circumstances. In particular, the plan making process must recognise that different regions will be at different stages of maturity in terms of the relationships that exist between constituent local authorities and that local government has with mana whenua. The process also needs to reflect the different

ways in which mana whenua groups operate with each other and councils across the country.

- The process should clarify the sequence of plan making, including when an NBA plan gets made relative to the timing of a regional spatial strategy being made and the NPF coming into force. Reasonable timeframes for preparing NBA plans also need to be set.
- Thought needs to be given to how to retain current system efficiencies that result from being able to progress different plan changes in parallel but managing them in different stages.
- There are several matters relating to submissions and appeals that need to be resolved.

Timeframes for preparing NBA plans

Consideration needs to be given to realistic end-to-end preparation time for NBA plans. Local government's experience is that full plan reviews typically take around 6 – 9 years. This contrasts with more efficient and streamlined topic or area specific 'rolling review' plan changes, which can typically be delivered in a shorter 1 – 3-year timeframe. In determining a realistic end-to-end timeframe for preparing a NBA plan, the time delays that will result from consolidating plan making functions into a single committee and secretariat and getting those new structures up and running will need to be factored in. It is not going to be quick or easy for new organisational structures and ways of working to be established and bed in.

Input from constituent local authorities into plan making

It remains unclear whether constituent local authorities will continue to have a policy making or technical role in respect of NBA plan making. What direct input will each constituent local authority have into the NBA plan for their region prior to its referral to an independent hearings panel (IHP)? At this stage, the exposure draft only sets out the types of support that it is envisaged a secretariat will provide to the planning committee.

To ensure that NBA plans adequately reflect and provide for matters of importance to constituent cities and districts, we favour an arrangement that allows for councils to continue to provide some policy and technical input into plan making. This will help to ensure that the deep technical planning expertise and community knowledge that local government has developed under the current system, and which is critical to effective resource management planning, is not lost. This specialised expertise sits across both regional and city and district councils.

It is also unclear whether constituent local authorities will retain any responsibility for consulting with their communities on matters to inform the development of NBA plans by planning committees. While we see some merit in constituent local authorities undertaking engagement with their own communities on behalf of planning committees (particularly given proximity to those communities and pre-existing relationships), we have concerns around some local authorities being reluctant to lead community engagement if for example

they aren't represented on their region's planning committee or disagree with matters on which the planning committee is seeking feedback. These comments should be read in conjunction with our feedback on clause 23(2), which sets out a planning committee's functions.

Without clarity on working arrangements and plan making processes it is also unclear what governance support the local government representatives of planning committees will need from their constituent local authorities. While we expect there will be a role for a local authority to play in supporting their planning committee representative throughout the plan making process, the detail still needs to be worked through.

The question of whether a planning committee can direct a constituent local authority to undertake work on its behalf to support the plan making process also needs to be resolved. If the planning committee can do this, some parameters around the types of work planning committees can request be undertaken, and guidance around reasonableness of timeframes for expecting work to be completed or meeting reasonable costs for undertaking work, would be helpful. Without such guidance we can foresee potential for unwieldy ways of working and unexpected and unmanageable pressures being added to constituent local authorities' existing workloads.

What roles constituent local authorities continue to play (or not) with respect to plan making need to be worked out in detail in partnership with local government. These decisions will have significant implications for existing employment arrangements (including the potential for significant changes to existing roles, and possible redeployments, secondments or redundancies) and councils' operational budgets.

Public input

The work to clarify roles and responsibilities in respect of public consultation as between planning committees and constituent local authorities should also address the scope of any engagement that happens with the public ahead of NBA plans being notified and referred to an IHP. The scope of matters that can be considered by an IHP should also be clarified, noting that presumably matters already provided for in the NPF and regional spatial strategies will likely be out of scope.

Having opportunities for genuine and meaningful engagement with communities will be particularly important if certain districts and mana whenua groups are not represented on planning committees, given the need for NBA plans to reflect and meet the needs of the communities they're intended for. We accept that this should be balanced against the need for plan making processes that are efficient and not overly complex.

We reiterate our earlier comments around the need for appropriate opportunities for public participation and the need to ensure that public views are not unreasonably outweighed by the views of technical experts.

Independent Hearings Panels

Clause 23(2)(b) indicates an intention that an IHP hears submissions on an NBA plan once it has been notified and makes recommendations that the planning committee must then approve or reject. While there is no further detail around the role an IHP will play, given the multiple, competing interests likely to be represented in a planning committee's membership, we see merit in the proposal to refer draft plans to an IHP. (Although this is unlikely to alleviate the potential for conflicts in making decisions on the IHP's recommendations at the planning committee level).

Further work will need to be done to clarify how the IHPs are resourced and supported, including how they are supported by secretariats and constituent local authorities (or not).

Again, we encourage the Government to look closely at Auckland Council's and Christchurch City Council's experience with their IHP processes.

It is not clear whether a constituent local authority can submit on an NBA plan once it has been referred to an IHP, and whether the option of submitting is open to all constituent local authorities, or only those not represented on a planning committee (if the final decision around membership is that not all local authorities are represented). Given that some local authorities may not be represented on their region's planning committee, and the likely removal of a large degree of localised control over plan making processes, we tend to be of the view that councils should be able to make submissions to the IHP. However, this has the potential to create conflicts of interest. For example, local government representatives that sit on planning committees may choose to reject recommendations made by the IHP if these don't align with the views raised in their council's submission. How does this get managed?

Work will also need to be done to clarify decision-making arrangements in respect of adopting or rejecting IHP recommendations. For example, how many members of a planning committee need to accept a recommendation of the IHP for it to be adopted? Thought also needs to be given to how to address the issue of planning committees making decisions on the recommendations of the IHP without hearing all the evidence. We can foresee challenges, particularly on New Zealand Bill of Rights Act 1990 grounds.

The Review Panel recommended that MfE carry out an audit of an NBA plan prior to its notification and referral to an IHP. The Review Panel's view was that this would not be to exercise approval powers over the plan, but to provide an opportunity for system stewardship (essentially an audit of the plan's alignment with the requirements set out in the NBA and NPF). This recommendation hasn't been reflected in the exposure draft.

Noting the significant amount of drafting still to be done, we recommend that the Government rejects this recommendation. Adding in a requirement for an audit will slow down the plan making process, which is inconsistent with the objective of a system that is more efficient and less complex. We struggle to see what value an audit will add, when presumably the matters the Review Panel envisaged would be considered by an MfE audit could be considered by an IHP (and indeed should be). We also have concerns about the capacity that MfE has to undertake audits in a timely manner, and whether MfE officials

would have sufficient understanding of local circumstances in order to be able to provide useful feedback on draft NBA plans. Central government representation on planning committees is a more efficient mechanism through which the Government can help to ensure alignment of plans with NBA requirements.

Appeals

One of the issues still to be resolved is the extent to which decisions on NBA plans can be challenged. Local government has, for a number of years now, been calling for the removal or restriction of de novo Environment Court appeals (i.e. merit-based appeals) on the basis that this would help to speed up the plan making process and that policy decisions (particularly those relating to place) should sit with communities (and the people that represent them). We recommend that the new system allows appeals only on points of law, and that merit-based appeals are removed in their entirety. There is precedent for this having happened in connection with the Auckland Unitary Plan and Christchurch's Replacement District Plan. The new Freshwater Planning Process arrangements in respect of appeals should also be looked at (discussed in further detail below).

Where challenges are brought against NBA plans, who the defendant is will need to be clarified (i.e. what role will constituent local authorities have to play in defending appeals lodged against planning committee decisions?) This will in large part depend on the type of committee that gets adopted (for example, a joint committee of all local authorities in the region or a committee of the regional council with prescribed membership, duties, powers and obligations).

Related to this point is the need to clarify whether a constituent local authority can appeal a decision made by a planning committee or not.

Recommendations

We recommend that:

1. The Government undertakes a stock take of existing capacity gaps in the resource management sector, particularly for local government.
2. Final decisions around the scale of/boundaries for NBA plan making are made in partnership with local government.
3. The Government undertakes further work to identify how NBA plan making boundaries and three waters service entity boundaries will integrate.
4. The Government continues to work with local government to clarify the contents and design of NBA plans. This should include determining the extent to which existing planning provisions can be rolled across into new NBA plans.

5. The Government engages directly with Auckland Council and Christchurch City Council representatives to ensure that insights on their Unitary Plan and Replacement District Plan making processes (respectively) inform the development of the new NBA processes.
6. The Government considers first testing the Freshwater Planning Process to inform the development of new NBA planning processes.
7. Officials develop, in consultation with local government, a clear set of criteria for identifying which regions would be selected to develop model plans.
8. The Government provides early signals around timing and transition requirements to local government. Local government needs early signals as to when it should cease undertaking further reviews of existing planning documents.
9. Officials work closely with local government representatives around the decisions yet to be made on what roles and functions related to plan making continue to sit with constituent local authorities.
10. The Government limits rights of appeal to the Environment Court by removing merit-based appeals.

Clause 22: Contents of plans

While clause 22 provides a useful steer on what will need to be included in an NBA plan, there is still a considerable amount of legislative design and detail to work through.

Local government is not yet clear whether NBA plans will essentially consolidate existing district plans (i.e. district plans being brought together to form individual district chapters in the plan) or whether there will be a fundamental re-write and condensation of existing district planning provisions (the metaphorical starting with a blank canvas). Given that NBA plans will ultimately impact on individual property rights it is difficult to see how they could dispense with a district plan-style process of setting out 'grid by grid' levels of detail for each district. While bringing existing district plans into a single NBA plan is likely the most simplistic approach and would allow individual districts to retain a level of control over planning decisions, this will not necessarily result in plans that are any less complex, shorter, or easier to navigate than what we have currently.

Our sense is that if NBA plans are to properly address both regional and local matters they will, by necessity, be large plans. The larger the plan the longer each part of the plan making process will take, and the less likely communities will be to engage in it.

Clause 22 appears to codify the approach set out in *King Salmon* that national direction gives effect to the purpose of the NBA, and that national direction is in turn given effect to through NBA plans. We support codifying that approach.

Relationship between NBA plans and regional spatial strategies

We note from the drafting of clause 22(1)(d) that the relationship between NBA plans and regional spatial strategies is still to be clarified. We consider that a requirement that NBA plans 'be consistent with' or 'give effect' to regional spatial strategies (or similar legal weighting) is appropriate. Regional spatial strategies should be treated as the higher order planning document (given they are likely to identify areas suitable for development and that should be protected from development), and the contents of them should not be able to be re-litigated by the planning committees working on NBA plans.

Once the relationship between NBA plans and regional spatial strategies is clarified, the Government should give thought to whether a Future Development Strategy, as required under the NPS-UD is necessary. In the interests of achieving system efficiency and reduced complexity, we consider that Future Development Strategy provisions could largely be subsumed within regional spatial strategies.

Clause 22(1)(e): Matters of significance to regions and districts

We are pleased that clause 22(e) appears to give regions and districts the ability to promote outcomes in addition to those provided for in clause 8 (provided their NBA plan promotes the outcomes listed in clause 8). One of the key concerns that local government has voiced around the shift to regional plan making is whether there would be sufficient recognition of the local variation that exists across the districts that make up regions – particularly larger regions, and even smaller ones. However, we note that regions and districts adding their own outcomes into NBA plans has the potential to create even more conflicts between outcomes.

As already indicated, we question whether the setting of outcomes based on local values (and then environmental limits) could be left to communities themselves, as per the requirements of the NPS-FM NOF.

How well matters of significance to individual districts are reflected in NBA plans will depend on a number of factors, including how much detail is included in a plan, what the membership of planning committees looks like, the role that constituent local authorities play in NBA plan making (including technical, policy and public engagement roles) and the opportunities that there are for public input into plan making. This all points to a need to resolve what the process for identifying matters significant to each district is.

Clause 22(2) requirements

Currently clause 22(2) specifies that an NBA plan *may* set objectives, rules, processes, policies or methods, and identify any land or type of land in a region for which a stated use, development or protection is a priority. To provide certainty, reduce the scope for argument around contents of plans and to reduce inconsistency across the country (and indeed potentially regions, if the design of NBA plans is such that there is a chapter for each district in a region) we recommend that clause 22(2) is amended to provide that an NBA plan *must*

include the specified matters. This would be consistent with sections 62, 67 and 75 of the RMA.

If use of the word *may* was in part intended to allow a reduction in the amount of content that a NBA plan includes, we suggest the better approach would be for the Government to work with local government and mana whenua to rationalise the list of things that must be included in a NBA plan.

We assume that the intent is that NBA plans will include resource allocation plans. We recommend that this is clarified in the final drafting of the Bill.

Existing plan provisions

As noted above, one of the key matters for central government to resolve with local government is how much detail can be brought across from existing planning documents to new NBA plans. Local government needs clarity around whether there will be any ability to carry across provisions that have been developed through existing plan making processes, and indeed whether these provisions can be brought across without re-opening them up for debate. Or, is the intention that planning committees start with a 'blank canvas'?

While in principle developing NBA plans presents a good opportunity to rationalise and consolidate existing planning provisions, the Government should not lose sight of the significant amount of time and money that has been spent by local government (and its communities) over the years on plan making and review processes, and the considerable amount of public, other local authority and Environment Court input that there has been into these processes. Especially for medium and high growth cities, it would be disappointing to lose the recent investment and progress that has been made to reach agreement on important issues (including ways of adding capacity for housing) through lengthy and expensive mediation or court processes by reopening these matters.

Iwi management plans

The Parliamentary paper sets out an expectation that iwi management plans will be used in the preparation of NBA plans. This is not yet clear from the drafting of clause 22.

We recommend that the complete NBA Bill makes the requirement to use iwi management plans in preparing NBA plans explicit. The Bill should be clear around the legal weight as between NBA plans and iwi management plans.

It would be useful to have an understanding of how many iwi management plans have been lodged with councils and any new resourcing that will be required to address any gaps.

The full Bill should also clarify the relationship between NBA plans and the various pieces of Treaty settlement claims legislation. It should also clarify what will happen in respect of any existing Mana Whakahono a Rohe arrangements.

Alignment with other local government plans

We note that the creation of new NBA plans is likely to necessitate changes to a number of existing local government planning documents, including but not limited to long-term plans,

land transport management plans, infrastructure strategies, biodiversity strategies etc. This part of the transition to the new system will involve a significant amount of time, resource and expense for constituent local authorities.

We note that there may be some political opposition to the level of investment that individual local authorities will need to make to give effect to NBA plans, given their lesser role in plan making. This will be particularly so for any councils not represented on planning committees (if that is the decision that gets made).

Recommendations

We recommend that:

1. The Government involves local government in decisions on the contents of NBA plans. This should include decisions as to how existing planning provisions get dealt with in the new system.

Clauses 23 – 25: Planning committees

The proposal to establish regional planning committees will fundamentally change the way in which resource management planning is delivered in Aotearoa. Although the Review Panel was at pains to emphasise that it was not making recommendations about the need for reorganisation of local government, at face value the shift to regional planning committees (coupled with the proposed creation of four multi-region Three Waters Services Entities) foreshadows a fundamental reorganisation of local government. We acknowledge that such matters are being considered by the Future for Local Government Review.

Our major concern is that the shift to a regional planning committee model has the potential to significantly reduce opportunity for local input into decision-making, particularly given that planning committees are unlikely to be accountable to constituent local authorities. We are concerned that the interests of constituent districts may not be adequately represented on planning committees (if at all) and that the opportunities for the public to engage in plan making processes may reduce significantly – either in reality or as consequence of the shift to larger bureaucracies and larger plans. As noted above, concerns around inadequate opportunities to have input into plan making are shared by small, rural territorial authorities and large, Tier 1 authorities. Although the processes for plan making (including public input) are still to be worked through, we have some reservations about how likely communities are to engage with a regional decision-making body as opposed to their constituent local authority. In addition to our concerns around communities' willingness to engage with large and complex planning documents, there is a risk that communities will lack confidence in a regional body's ability to adequately understand or properly consider their specific local concerns and circumstances. The Government should keep this in mind when working

through what role constituent local authorities will play in supporting planning committees with policy making and public engagement to inform the development of plans.

Thought could also be given to whether sub-regional committee structures (or indeed planning at scales other than region-wide) may help to ensure appropriate local input, although we acknowledge that this may add a further layer of complexity into an already complex system. Local government should be involved in such discussions.

Clause 23(2): Planning committee functions

Clause 23(2) gives planning committees significant functions, including making and maintaining NBA plans; approving or rejecting recommendations made by an IHP following its consideration of submissions on NBA plans; and the setting of environmental limits for a region. Such a degree of responsibility should be coupled with accountability to the communities that are affected by these decisions. Taituarā is therefore firmly of the view that the local government representatives on planning committees must be elected members. We will return to this in our feedback on Schedule 3 below.

While clause 23(2) refers to planning committees “making” NBA plans, we doubt that the role of planning committee members will be to write NBA plan provisions. Indeed, based on the drafting of clause 5(2)(c) in Schedule 3, it seems more likely that this function will sit with the secretariats that support planning committees. The drafting of clause 23(2) should be clarified to more clearly define the role of planning committee members as being to “make decisions” on NBA plans.

Clause 23(2) specifies that planning committees are responsible for “maintaining” plans. However, it’s not entirely clear what this means. For example, it’s not yet clear whether planning committees will be responsible for implementing plans, by making decisions on consent or designation applications, managing plan changes (including private plan change requests) and carrying out compliance, monitoring and enforcement functions (CME), or whether some or all of these functions will remain with constituent local authorities.

The local government sector can foresee that some of these functions may shift to regional bodies, particularly CME functions (to ensure that regional plans are being given complied with). The Government must work with local government to determine where the functions that make up the resource management system will sit.

We support retaining the status quo as much as possible. For example, depending on the final design of NBA plans it would likely make sense for a constituent territorial authority to maintain responsibility for overseeing a plan change process that relates only to their district. However, we acknowledge that there is likely to be some political tension around local authorities (particularly territorial authorities) implementing plans over which they have little control in the making of.

Ultimately, given the long “shopping list” of things that the NBA will require the new plans to address, the task of planning committees needs to be clearly defined and prioritised. Otherwise, we can foresee problems for planning committees around reconciling the range of different angles that members will raise.

Further comments on the membership and support of a planning committee are provided below. Given the significant amount of detail that remains to be worked out, our overarching comment is that the Government must partner with local government on this work. These decisions will have significant implications for local government and will likely result in fundamental changes to the way local government works.

Clause 24: Considerations relevant to planning committee decisions

Broadly we agree with the requirements set out in clause 24 that planning committees must comply with when making decisions.

We make the following specific comments:

- There is no reference in clause 24(2) to the need for planning committees to have regard to IHP recommendations. This seems to be an oversight, given clause 23(2)(b) says that one of a planning committee's functions is to approve or reject recommendations made by an IHP after it considers submissions on an NBA plan.
- Given the potential for public input into plan making processes to be diminished, we recommend that clause 24(2)(b) is amended to provide that planning committees may consider social impact assessments to help inform their decisions. This would help to ensure that planning committees have proper regard to the impacts that their decisions will have on people and communities.
- With respect to clause 24(2)(d), we recommend that a framework is developed (and contained in the NPF) to support planning committees to determine whether conflicts should be resolved by NBA plans or on a case-by-case basis via consents and designations.
- We support planning committees being required to apply the precautionary approach under clause 24(3). This seems particularly important in circumstances where plan making decisions may be underpinned by less evidence obtained directly from affected parties/communities. This reinforces the need for planning committee decisions to be evidence-based, which could be more explicitly required by clause 24.
- As already noted, we support the codification of the decision in *King Salmon* – namely, that the NPF gives effect to the purpose of the NBA, and that NBA plans must in turn give effect to the NPF. The presumption must be that plans give effect to the NBA so that consent decisions can be made without having to have recourse back to Part 2 of the NBA when considering applications. For the avoidance of doubt, we recommend that clause 24(4) be amended to explicitly provide that the NPF furthers the purpose of the Act.
- The NBA doesn't yet appear to include anything around penalties for failure to include national direction in NBA plans. There have, for example, been issues around the New Zealand Coastal Policy Statement being translated into district planning rules. Penalties for failure to incorporate national direction into NBA plans may help to avoid similar issues being repeated.

Clause 25: Power to set environmental limits for region

We reiterate earlier comments around the need for the process that a planning committee must follow to adopt an environmental limit for their region to be clearly set out in the NPF. This process should be developed in partnership with local government and mana whenua to ensure that it is workable.

Recommendations

We recommend that:

1. Clause 23(2) be amended to clarify that the role of planning committees is to make decisions on NBA plans (i.e. not make NBA plans).
2. Clause 24(2) be amended to specifically provide that planning committees must have regard to the recommendations of the IHP when making decisions on an NBA plan.
3. Officials engage closely with local government on resolving which resource management functions continue to sit with constituent local authorities.

Schedule 3: Planning committees

There is considerable detail around the membership of planning committees and how they will be supported that still needs to be worked out. This detail must be worked out in partnership with local government and mana whenua. This should build on other work such as the implementation of the fast-track Freshwater Planning Process.

Clause (1)(c): Membership of planning committees – local government representation

Local government representatives – the role of elected members and officers

Taituarā is firmly of the view that the local government representatives on planning committees must be elected members. Elected members are accountable to the communities that elect them, and so should be responsible for making decisions about use and development of the environment that are likely to involve weighing competing interests and making values-based judgements. The role of an elected member is to make policy decisions based on professional advice.

We are not convinced that it is appropriate for local government officers, who are ultimately unaccountable to their communities, to be responsible for making such decisions. Putting officers on planning committees would fundamentally undermine their role to provide technical and professional advice. Having staff responsible for making decisions that will significantly impinge on private property rights is unlikely to satisfy a local authority's duty to be a good employer, particularly given the potential for significant criticism from elected members and communities if a planning committee makes a decision that is unpopular.

Council staff are well-accustomed to providing elected members with evidence-based policy and technical advice upon which to base decisions. Equally, elected members are accustomed to making decisions based on advice council staff (and members of the public) provide them with. The new system should continue this approach. This will require working through what mechanisms there are for supporting the local government representatives that are appointed to planning committees – both via the planning committee secretariat and via constituent local authorities.

We accept that the local government election cycle will create ongoing changes to the membership of planning committees. However, with good structures in place to ensure that the members of planning committees are well supported, we think that the potential for change in membership of planning committees shouldn't be overly problematic. Indeed, councils themselves manage to deal with significant work programmes despite elected member turnover. Consideration will need to be given to what transition arrangements can be put in place for situations where members of planning committees need to change following local government elections.

Notwithstanding our view that elected members are the most appropriate representatives to be appointed to planning committees, there are a number of considerations that will need to be worked through, including:

- How to address power imbalances across local government representatives. For example, how do you manage the likelihood that the views of local government representatives from more populated, large urban areas with significant rating bases and political capital will have more sway than the views of representatives from smaller, less-populated districts? Equally relevant is the concern of Tier 1 authorities that a focus on region-wide issues may dilute focus on the need to address urban development and growth issues in their area. Ensuring equitable opportunities for constituent local authorities to contribute to decision-making will be important.
- How does a local authority decide who its representative on the planning committee will be? What is the process for nominating and/or appointing that person?
- How much time a planning committee member's role is likely to take up isn't yet clear. We can envisage that the role will take up a significant amount of time. This may be unpalatable to some elected members who may prefer to have broader input into the wide range of issues and opportunities facing their communities. This needs to be clarified.
- The issue of whether planning committee members are paid, who pays them and how much they get paid needs to be resolved. For example, would a local government representative continue to receive a salary from their constituent local authority? This may raise issues if planning committee members are receiving different levels of remuneration for their work.
- Thought should be given to whether planning committee members are able to delegate their role to another elected member.
- There may be a need to address elected members' gaps in skills and knowledge as they relate to resource management issues. The Government shouldn't assume that

all elected members will have the base knowledge and understanding needed to undertake the role. The Making Good Decisions Programme will need to be updated to reflect the new system.

- When territorial authority elected members swear their oath when they take office, they swear to act in the best interests of the district they represent. This will likely be at odds with the requirement for those members of planning committees who are representatives of territorial authorities to act in the best interests of the region their district is part of.
- How to manage existing tensions between local authorities needs to be addressed. Under the current resource management system there is a history of local authorities appealing one another's plans.

These issues should be worked through local government.

We recommend that the Government explores with local government whether something like a technical advisory committee could be set up to support and provide advice or make recommendations to the planning committee, or whether it would be sufficient to provide such advice via the planning committee's secretariat. As noted above, we also recommend that the Government continues to work with local government to clarify what role each constituent local authority will continue to play (or not) in the new system with respect to providing policy advice, technical advice, public engagement and plan making.

Number of local government representatives

The current drafting of clause 1(1)(c)(i) of Schedule 3 suggests that planning committees may comprise one representative from each local authority within or partly within a region. However, the Parliamentary paper suggests that in larger regions there may not be a representative from every constituent local authority. This appears to be driven by a view that the larger the planning committee, the more difficult it may be for it to make decisions effectively and efficiently.

We have some sympathy for these concerns (particularly given objective number 5 of the reform programme). The idea that a larger bureaucracy making a significantly larger plan will be more efficient or effective does run counter to plan making experience. The larger the group involved in any project, the more time that needs to be spent on coordination and resolving disputes across that group. This will be an even greater concern in those regions where there are not strong pre-existing relationships between the members that will be appointed to a planning committee.

Notwithstanding these comments (and our earlier comments regarding the need to resolve the issue of the scale at which planning is undertaken), size in and of itself may not be the biggest issue. There are examples of large decision-making bodies working effectively and ultimately making decisions. Auckland Council, for example, has been able to make a vast number of significant decisions (including in respect of its Unitary Plan) with a governing body of 21 members.

What perhaps is more important is ensuring that each constituent local authority (and ultimately its community) has some means of appropriately contributing to the development of an NBA plan, and in particular the parts of the plan that will impact significantly on their locality and communities. Ensuring appropriate local democratic input into plan making is not only consistent with the Government's objectives, but consistent with the basis upon which local government operates in Aotearoa.

We acknowledge that there may be mechanisms other than direct representation on planning committees that could be adopted to provide local authorities and their communities with meaningful opportunities to contribute to NBA plan development. Indeed, we acknowledge that one representative from each constituent local authority is unlikely to be the most effective means through which the many and varied circumstances and views of a constituent district and its communities can be addressed. That's why it's critical that in designing the makeup, membership and roles of functions of planning committees the Government shouldn't lose sight of the need to also develop mechanisms for effective and meaningful public input into plan making processes.

How effectively a constituent local government representative is able to contribute to the work of its regional planning committee will depend in large part on both the content of NBA plans, and what roles and functions constituent local authorities continue to perform. If, for example, NBA plans end up being largely a consolidation of existing district plans, and constituent local authorities continue to have responsibility for their component parts, it may be that councils are comfortable with decisions that have more of a regional focus or application being made by a smaller group of local government representatives. All this needs to be worked through in detail with local government.

There is likely to be a need for some variation in terms of size of planning committees across the country. For example, in regions like Northland, Taranaki or the West Coast (each comprising one regional council and three territorial authorities) it would seem entirely practicable and plausible for all three territorial authorities and the regional council to be represented on their regional planning committee. In larger regions like Waikato (one regional council and eleven territorial authorities) and Canterbury (one regional council and ten territorial authorities) working out the number of local government representatives is going to be more complex. A larger planning committee will likely be needed in larger regions.

While at this stage we do not have any particular view on the appropriate size of planning committees, or number of local government representatives that should be appointed, we urge the Government to continue working on this with local government, along with arrangements for input into plan making processes by constituent local authorities and their communities. The Government should keep in mind the need for variation in size of planning committees across regions depending on their size.

Given the significant variation that exists across regions, it seems unlikely to us that a one size fits all approach to the membership, makeup and size of planning committees will be

workable. It strikes us that attempting to come up with a consistent approach that will work across the country may be a futile exercise for the Government to embark on.

Instead, we suggest that region-by-region conversations with local government and mana whenua representatives could be a more effective means of exploring and agreeing on arrangements that will work for each region. There is nothing to preclude different arrangements for each region being reflected in the balance of the drafting of the Bill. Indeed this may ultimately be a more effective approach (particularly for achieving local government's buy-in) than seeking to find a single solution that is unlikely to work for all.

We also recommend that the Government builds into Schedule 3 a provision that allows for a review of planning committees at a given point in time after their establishment. Such a review should include consideration of their size and scale at which they are operating, and how this is or isn't satisfying the Government's objectives of an efficient and less complex resource management system that provides for appropriate local democratic input. Such a review would also allow the Government (and local government) to re-consider whether planning committee arrangements need to change if any changes to the organisation of local government do occur off the back of the Future for Local Government Review.

Clause 3: Membership of planning committees – mana whenua representatives

We envisage that similar issues to those noted above will need to be worked through with mana whenua. Giving effect to Te Tiriti requires central government, local government and mana whenua representatives to come together to identify appropriate membership models for planning committees.

Experience shows that mana whenua considers equal membership on local government committees to be optimal to ensure equity of voice. We strongly encourage the Government to ensure that it avoids a situation whereby the number of local and central government representatives on a planning committee significantly outweighs the number of mana whenua representatives.

One of the key issues we encourage the Government to give greater consideration to is not just the number of mana whenua representatives, but a broader understanding of how mana whenua are approaching work on a regional basis. We understand, for example, that mana whenua partners in Wellington have prioritised taking more of a focus on working in their own catchments and have shifted away from working as a regional collective. We are concerned that the Crown's proposed shift to a more centralised system may be at odds with the views of iwi and hapū. Slowing down the reform process to allow for more genuine and meaningful engagement with mana whenua will help to better understand their current thinking and approaches and ensure that there is less disconnect between their views and the changes the Government is proposing.

A further issue that needs to be resolved is how entities created under Treaty settlements will be represented. Mana whenua must be involved in these discussions.

Clause 2: Membership of planning committees – Minister of Conservation's representative

In principle we are comfortable with the proposal for central government participation in planning committees. However, if central government is to play a more active role in regional planning (including through the committees responsible for preparing regional spatial strategies) work needs to be done to improve working relationships between central and local government.

One way to help ensure a constructive working relationship is by ensuring that the Government's representative on each planning committee has a good understanding of the region they will be supporting, and the varied local circumstances of the cities and districts that make up the region. The Government's representative will also need to have a good understanding of the provisions of the NBA.

For this reason, we are not convinced that a representative of the Minister of Conservation is the most appropriate person to represent the Government on planning committees. Input from the Minister and Department of Conservation into resource management planning is largely historic and a legacy element. Given the breadth of issues that planning committees will need to consider, including concerns relating to infrastructure and housing development and climate change, we suggest that a representative of another central government agency may be more appropriate. We envisage that the Minister and Department of Conservation will continue to have input into the NPF, and so suggest that a representative with a broader purview of central government work programmes would be more appropriate.

Central government funding towards the NBA plan making process would also help with building strong relationships. We make further comments on this below.

The scope of the central government representative's input into plan making should also be resolved. While we can see value in central government having involvement in some regional decision-making, it will be important to ensure that this isn't at the expense of local communities being able to influence and make the decisions that will directly affect them.

Finally, we raise the issue of whether in time there will need to be representation from the new Three Waters Services Entities on the planning committees. This may help to ensure that there is alignment between resource management and water service delivery functions.

Links with joint committees working on regional spatial strategies

We understand that the Government is exploring options for setting up joint committees to deliver regional spatial strategies, as recommended by the Review Panel. Acknowledging the considerable amount of work that is still to be done, we have a number of questions as to the relationship between the NBA planning committees and the spatial planning committees, including:

- Will the members of both committees be the same, or will there be some difference in membership? (We anticipate that there will be some differences, particularly given the likelihood that a broader range of central government agencies will seek to be involved in spatial planning).
- Will both committees be supported by the same secretariat, or will a different secretariat be established for each committee? How will funding arrangements be the same or differ if each committee is supported by a different secretariat? How will mana whenua be involved in any secretariat arrangements?
- What, if any, mechanisms will be put in place to enable the two committees to engage with one another on matters of mutual interest (if separate committees are established)?
- Notwithstanding that the relationship between NBA plans and regional spatial strategies is still to be resolved, who will provide oversight in respect of whether NBA plans are consistent with/giving effect to (or whatever legal weighting is adopted) regional spatial strategies?

Clause 4: Appointment of planning committee chairperson

It is difficult to form a view on either who the appropriate chairperson of a planning committee would be, or what process should be adopted to appoint one, when there is still a lack of clarity around the final membership of planning committees, and the committees' roles and functions. It is also difficult to form a view without knowing precisely what role the chairperson will play.

These details should be worked through with local government and mana whenua.

Clause 5: Planning committee secretariat

Clause 5(2) sets out the various functions that a planning secretariat will perform. These functions appear to extend beyond simply supporting the coordination and delivery of meetings, and include providing policy advice, commissioning expert advice, and drafting planning provisions. It seems likely that the roles of the secretariats will be wide-ranging and extensive.

Based on the current drafting of clause 5(2) it isn't clear whether secretariats can develop technical advice in-house, or whether they will play any role in engaging with communities on the development of the plan. It is also unclear what role the secretariats will play with respect to partnering with mana whenua. These points should be clarified.

Indeed, one critical point that doesn't yet appear to have been addressed is what role mana whenua representatives will play within the secretariats themselves. We anticipate that mana whenua will expect to be part of the planning committee secretariats regardless of what form or structure they ultimately take. Central government resourcing of this should be a key part of the Government's implementation programme.

It's not yet clear what the Government's thinking is around the organisational and management structure of these secretariats. Would a separate organisation be created, or would the secretariat be housed within a regional council? It's also not clear who would employ secretariat staff. Would staff currently employed by constituent local authorities be seconded or redeployed to the secretariat, or would they be employed by an entirely new employer? Would staff need to be housed centrally, or could they be spread throughout the region in their constituent local authorities? What happens if staff are unwilling to relocate?

Regardless of the organisational structure that gets chosen, work will need to be done to address management and technical leadership arrangements and to ensure that secretariats have appropriate capability and capacity. For example, if a secretariat was to sit within a regional council, additional capability and capacity for policy matters that regional councils don't typically work on will be needed. If secretariats sit within regional councils, we can foresee issues around achieving appropriate representation of territorial authority interests.

A key issue is working out what the new arrangements will mean for existing local government officers' employment contexts. Work needs to be done to clarify what changes there will be to existing roles, whether people may be redeployed into new roles and what, if any, roles may be made redundant. If the intent is that secretariats are made up of staff seconded from constituent local authorities, work will need to be done to clarify secondment arrangements. This will need to include addressing remuneration and employment conditions. We can foresee issues if these are inconsistent across staff that get seconded from constituent local authorities.

Work will also need to be done to clarify the employment arrangements for any mana whenua representatives that are appointed to secretariats.

Other operational matters that will need to be worked through include establishing good policy development and evaluation processes, corporate arrangements and processes, working out where secretariats are located and whether and how they travel throughout regions, and addressing health and safety matters (among other things). There will also be work to clarify and build relationships as between joint committees, constituent local authorities, the IHP and the regional spatial planning committee (if the membership of this committee is different).

Allowing sufficient time to address these many matters and get secretariats up and running will be critical. Central government support with this, including resourcing, should be a key part of the Government's implementation programme.

Regardless of the arrangements that get decided upon, work must be done to clarify what roles and functions continue to sit with constituent local authorities.

Funding the secretariat

Clause 6 of Schedule 3 of the exposure draft suggests that the current intention is that local authorities fund planning committee secretariats.

We can foresee some challenges with this approach. Local authorities and their communities are likely to be reluctant to fund plan making processes that they have little control over, and plan making bodies that are unaccountable to them. This may make it difficult for local authorities to guarantee sufficient funding being allocated through their long-term plans. Some communities have already spent considerable amounts of money on plan making, which is typically an unpopular spend item, and may be reluctant to spend more. Careful thought needs to be given to how to deal with situations where communities don't support the level of funding that is needed from their constituent local authority to enable the secretariat to function.

If the intention is that local government funds the secretariats, there is still a considerable amount of detail to be worked out, including the proportion of funding that each local authority provides; whether funding would be provided by all local authorities in a region or only those represented on a planning committee (if the final decision is that not all local authorities are represented); the frequency with which funding would be provided; and what the funding would cover.

If after the Select Committee process is finished the view remains that local government should be responsible for funding secretariats, it does strike us that the most straightforward option would be for funding to come via regional councils. However, this would likely then lead to a conclusion that secretariat functions should sit within regional councils. Further work needs to be done to explore whether this is the most suitable option, and to identify what role each constituent territorial authority continues to play in plan making to ensure appropriate representation of individual districts and cities.

Regardless of the approach taken, local government will need early signals around the arrangements for funding secretariats so that necessary funding can be factored into long-term plans and discussed with communities.

These challenges ultimately justify further work being undertaken around what role central government should play in funding secretariats. Central government funding would help to allay some of the challenges we can foresee if local government is responsible for funding secretariats. It would help with getting planning committees and their secretariats up and running more efficiently. Central government funding would also help with establishing the relationships that will be necessary for an effective system from the outset, by alleviating some of local government's concerns around the tendency for central government to impose further requirements on councils without additional financial support.

There is considerable public benefit in getting the new planning system right. Central government funding would help to ensure that the new system delivers the objectives the Government is seeking, particularly if its view is that these objectives will be best achieved via regionalised plans, as opposed to a case-by-case consent approach.

Schedule 3 is currently silent on the issue of who funds planning committees (for example, who pays local government and mana whenua representatives to participate in planning committee governance arrangements?) This needs to be addressed in the balance of the Bill, along with further details around how secretariats get funded.

We are strongly of the view that mana whenua participation in planning committees and secretariats should be funded by the Crown as the Treaty partner. Central government funding will enable iwi and hapū to build their own capacity to actively participate in the new system.

Recommendations

We recommend that:

1. All decisions as to the membership and makeup of planning committees be worked through in partnership with local government and mana whenua. The Government should give thought to working through these issues on a region-by-region basis.
2. The Government reconsider the proposal that its representative on planning committees be a representative of the Minister of Conservation.
3. All decisions as to the set-up, organisational structure and working arrangements for planning committee secretariats be worked through in partnership with local government and mana whenua.
4. The Government considers funding the planning committee secretariats. Funding arrangements should be worked out in partnership with local government.
5. Central government funds mana whenua involvement in planning committees and secretariats as the Treaty partner.

System efficiencies

The Select Committee's Terms of Reference ask it to "*collate a list of ideas (including considering the examples in the parliamentary paper) for making the new system more efficient, more proportionate to the scale and/or risks associated with given activities, more affordable for the end user, and less complex, compared to the current system.*"

We make a number of specific recommendations throughout this submission that address this point and set out some further thoughts below.

As already noted, based on what's currently included in the exposure draft we're not convinced that the reform objective of improving system efficiency and effectiveness and reducing complexity will be met. Consistent issues with the current system relate to costly and time-consuming processes, and we are not sure that adding further layers of matters to consider will minimise these concerns in the new system. But judgements on how well this objective is met (or not) will be easier to make once the balance of the drafting of the Bill is

available, there is clarity on how it integrates with the SPA and CAA, there is more detail around the NPF and the arrangements for transition and implementation are clearer.

The NPF has the potential to significantly reduce complexity and support a more efficient and effective system, particularly by removing the scope for debate on issues that should be resolved at a national level. However, whether this proves to be the case remains to be seen. The devil will be in both the detail of the process for setting the NPF, and the direction that it contains.

Reform of the resource management system

If one of the Government's key objectives is efficiency, we are not convinced that a complete overhaul of the resource management system is the most efficient approach it could take. History tells us that the transition to and implementation of the RMA was complex, problematic and took a significant amount of time. As already noted, we have concerns about the existing workforce's capacity to deal with the significant amount of reform that is proposed.

If the Government wants a system that is more efficient, we are strongly of the view that it should re-visit its decision to undertake a complete overhaul of the system this Parliamentary term. Instead, taking a "bite-sized chunks" approach (as detailed earlier in the introductory section of this submission) could better achieve not only the objective of efficiency, but also a system that is more effective.

Integration of the component parts of the new resource management system

To reduce complexity and improve system efficiencies, the NBA and NPF must provide clear direction without requiring recourse to Part 2 of the NBA for every decision. This principle is partially included in the exposure draft in clause 24(4). Similarly, clause 25(2)(c) allows for the NPF to direct changes to an NBA plan without using a public plan change process (meaning it can be done without recourse to Part 2 of the NBA).

We suggest that this principle is expanded and applied to all levels of the system, including to regional spatial strategies, which we understand will sit between the NPF and NBA plans. Practically, this would mean that if an area is identified for urban development under a regional spatial strategy, then that can be included in an NBA plan without having to refer back to Part 2 of the NBA. This would allow a regional spatial strategy to direct an NBA plan to include and zone new growth areas without resorting to public plan change processes. This would help to achieve a more efficient and less complex system.

The role of the Environment Court

One of the key ways in which the system could be made more efficient, less complex and affordable for the end user is by clarifying the role of the Environment Court. Given the

significant role that the Environment Court plays in the current system we are somewhat surprised that there isn't any thinking on the role it plays reflected in the exposure draft or the Parliamentary paper.

As already noted, one of local government's key concerns is the policy making role that the Environment Court plays in the current system. Plan making (and place-making) decisions should be made by the communities that will be affected by them, not the Court. We suggest that appeals on planning decisions should be limited to challenges on points of law only. This would help to ensure that planning decisions don't get unreasonably held up by repeated, time-consuming and costly merits-based appeals, which ultimately undermine a planning system that is underpinned by democratic, local input.

The new Freshwater Planning Process limits rights of appeal, depending on whether a regional council accepts or rejects a recommendation of the freshwater hearings panel. If a recommendation is rejected, a merit-based appeal to the Environment Court is permitted. If recommendations are accepted, appeals are limited to appeals to the High Court on points of law. This process, and learnings from it, should be looked at in the development of the NBA.

Another issue appears to be the current variation in approaches taken by Environment Court Judges across the country. Currently Judges seem to have a significant amount of discretion to determine whether matters get referred to mediation or go to a hearing. Requiring greater consistency of approach across the country, and some clearer parameters around how processes will run would help to reduce the potential for the inefficiencies that result from the uncertain and variable way in which some matters are dealt with by the Court.

The consenting process

The Government appears to be of the view that loading the front end of the resource management process (i.e. developing good, comprehensive plans) has the potential to drive efficiencies at the consenting end of the process. The extent to which this proves to be the case remains to be seen. It will depend in large part on final decisions that the Government makes around the extent of the "shopping list" of matters that plan makers must consider and how plan making happens. The time that it will take to develop comprehensive plans that will support efficient consenting processes should not be underestimated, particularly if some of the issues around how to resolve tensions within regions and ensure an appropriate level of local input into plan making are not addressed.

However, whether the consenting process is efficient ultimately depends on the consenting mechanisms that get included in the full NBA Bill. Some options for making the consenting process more efficient include:

- Considering whether limited notified consent applications could be considered by some means other than a full hearing. For example, thought should be given to whether an informal mediation could be led by the consent application processing officer with the applicant and any objectors. The purpose of the mediation could be

to determine whether the applicant could make any concessions in light of concerns raised. If concessions were made, plans could be amended, with the consent officer making a final determination on the application based on feedback received. Such a process wouldn't require the calling of any evidence or any formalities.

- Exploring alternative notified consenting processes. This could include removing an applicant's and submitter's ability to request a hearing commissioner to determine notified applications (as currently provided for by section 100A of the RMA). This would free councils up to process notified applications by some means other than a formal hearing, reducing processing time and costs for all parties, with councils retaining the decision-making function rather than delegating it to a third party.
- Looking at options for the establishment of one national, centralised online consent application portal. This would do away with councils needing to record every application stage in MfE's monitoring spreadsheet, which is laborious and time-consuming.
- Developing a national set of template consent conditions that can be tailored locally. A 'go to' reference document of this kind would help councils to issue consents more efficiently.
- Exploring options for implementing a consistent, national approach to consenting fees. This would help to deliver consistency and reduce complexity. There is precedent for such a national approach in Victoria and the United Kingdom. These examples should be looked at.
- Exploring the option of developing a set of centrally prepared good design guidelines. Councils are preparing their own guidelines now in light of the NPS-UD, but we understand that there is a considerable amount of overlap in the principles councils are developing. One set of guidelines (with the ability to tailor them to local circumstances where appropriate) would be a more efficient approach.

All of these options (and others) should be explored in partnership with local government.

We understand from the Parliamentary paper that there is an intention that NBA plans make greater use of permitted and prohibited activities and reduce the number of discretionary activities. The Government needs to work through the range of activity statuses that are provided for in the NBA in much further detail with local government. We understand that currently there are different views within the sector as to the appropriate range of activity statuses.

Use of digital tools

We understand that as part of its work on transition and implementation the Government is giving thought to whether greater use of digital tools could help to improve system efficiencies and effectiveness and reduce complexity.

In principle we support greater use of digital tools. However, for greater use of digital tools to satisfy the objectives of efficiency, effectiveness and less complexity, the following factors will need to be kept front-of-mind:

- Any work that the Government does around developing a digital strategy/plan should be informed by an evidence-based understanding of the digital tools that local government is already using to deliver its resource management functions, and the issues with and gaps in these tools.
- Ensuring that there is integration across systems, including tools for e-planning, consenting, property systems and CME will be critical. For example, efficiencies could be driven by creating a digital tool that would enable parts of the NPF to be easily inserted into NBA plans.
- The Government should not lose sight of the cost implications for local government of changing to new systems, particularly where councils have already made significant investments into digital tools and SAS (software as a service) agreements.
- Arrangements for transitioning from existing tools and software to any new tools will need to be carefully planned. These should take into account any existing contractual arrangements that local government has around digital tools and SAS.
- Digital access and literacy will need to be addressed as part of any shift to greater use of digital tools. Capability and capacity building (including guidance and training) needs to be properly resourced by the Government to avoid creating inequities.
- Clear signals around any changes that will need to be made to existing digital tools/expectations around use of digital tools will need to be provided to local government early to assist with planning, budgeting, and making transition arrangements.

Central government funding of new digital tools and implementation of them will be critical. This will help to ensure widespread uptake and consistency across the country, which will be key to driving efficiencies.

Monitoring the shift to the new system

Mechanisms for measuring how effective the new NPF and new NBA plans are will be important. Strong monitoring will help to ensure that the Government is aware of and able to address any issues with the new system, particularly as they relate to efficiency and effectiveness.

Recommendations

We recommend:

1. That the Government considers whether a staged approach to reforming the resource management system may better deliver the outcomes it is seeking to achieve.

2. That appeal rights to the Environment Court be limited, and that clear parameters around how Environment Court processes will be run be included in the full NBA Bill.
3. That the Government continues to engage with local government on options for creating a more efficient resource consenting system, including working through an appropriate range of activity statuses to include in the NBA, and exploring alternative notified consenting processes.
4. That any shift to greater use of digital tools and platforms be resourced by central government to ensure consistency and uptake.

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Appendix 1: Eight Principles of Effective Implementation

1. **Start early** - officials should not start thinking about what to do about implementation the day after enactment of the legislation. While the roll-out of implementation support programmes necessarily follows enactment (which in turn follows development of policy advice), the design and development of the implementation programme should start earlier. Elements of this should be concurrent with policy and legislative processes. Indeed, it is difficult to see how a rigorous assessment of policy options can be undertaken without identifying the costs and practicalities of implementing them.
2. **Work with the stakeholders** - for any legislative initiative impacting on local government there will be a range of groups with a stake in successful implementation. This includes not only the national sector organisations such as Taituarā and LGNZ but also related professional organisations, and a variety of occupational institutes and associations. Engagement with these stakeholders can contribute a lot towards achieving effective implementation.
3. **A separate process** - Taituarā has been pleased to see the increasing willingness of central government to engage with local government during the policy development process. While engagement with local government on implementation is likely to involve many of the same stakeholders, it should be set up as a separate project.
4. **A single shared plan** - Taituarā and other sector stakeholders will often see it as part of their role to support the implementation of new legislation by local authorities (they may for instance have existing good practice guidance they will need to revise). If the actions of central government agencies and local government sector organisations are not coordinated, then there are risks that some work on some issues will be duplicated or may fall between the cracks. A single agreed common plan of action around the implementation process avoids these risks and is likely to lead to the most effective use of the available resources.
5. **Use existing tools and technology** - stakeholder organisations will generally have established and effective channels of communication with their constituents within local authorities. They may already have tools and guidance material that are widely known, recognised and used within local authorities. Government agencies should be encouraged to use these as much as possible, rather than establishing competing channels and tools.
6. **Clarity about audiences and needs** - there are a range of audiences, spanning elected local authority members, managers, and hands on practitioners in the specific affected areas of work. Their needs and the best means of addressing them are likely to differ. For instance, we would argue that the technology developed by our Legal Compliance Programme would often be the best available technology for meeting the needs of managers and practitioners, but it does not address the needs of elected members.
7. **Linkage to Select Committee process** - if work on developing guidance material as part of an implementation programme is started early enough there are opportunities for this to feed back in a positive way into the Select Committee process. This reflects our experience with development of legal compliance programme modules. The detailed work undertaken to identify the practical means of complying with legislation sometimes highlights technical shortcomings in the legislation that is being worked on – gaps and disconnects, inconsistencies and contradictions, and areas requiring clarification. If the effort is made to start this work early, there is the opportunity for these sorts of issues to be addressed prior to enactment.

8. **Life-cycle approach** - once legislation is enacted there is a necessary ongoing maintenance task for the administering department. New issues may arise, areas of uncertainty or contradiction may come to light, and provisions may be interpreted in unexpected ways by either practitioners or the Courts or both. The ability of a department to respond effectively and properly maintain the legislation depends on the strength of its systems for feedback from users. Engaging openly with stakeholders on implementation can assist this by establishing the foundation of relationships that support open information flows into the future.

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**COMMENTS INQUIRY ON THE NATURAL AND BUILT ENVIRONMENTS BILL: PARLIAMENTARY PAPER
OTAGO-SOUTHLAND COUNCILS' JOINT SUBMISSION**

This submission is from the ten councils of Otago and Southland regions:

- Central Otago District Council,
- Clutha District Council,
- Dunedin City Council,
- Environment Southland,
- Gore District Council,
- Invercargill City Council,
- Otago Regional Council,
- Queenstown Lakes District Council,
- Southland District Council, and
- Waitaki District Council.

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Introduction

Otago and Southland's councils thank the Environment Select Committee (Select Committee) for the opportunity to submit on the exposure draft of the Natural and Built Environments Act (NBA).

The signatories acknowledge that there is still a significant amount of work to be done on the design of the new legislative system, including drafting the balance of the NBA and the Spatial Planning Act (SPA) and the Climate Change Adaptation Act (CAA). There is also a considerable amount of work to be done to put in place necessary arrangements to enable an effective transition from the current system to the new one.

While we appreciate it was never intended that the exposure draft would contain all the detail that will be included in the final Bill, not being able to consider a comprehensive proposal, made up of the NBA, SPA and CAA, makes it challenging to comment on the draft NBA provisions.

In preparing this submission, signatories were supported by their planning teams, who provided technical input on the exposure draft and its possible implications.

This submission reflects the signatories' shared view on the proposal and may be supplemented by individual comments from each of the councils.

Overall position

Councils have put significant investment in implementing the current resource management system, and these investments are ongoing. Many councils in the Otago and Southland regions have recently completed a review of their plans or have started a review process. The implementation costs of a new system will be substantial, especially in view of the more recent plan reviews. Depending on the timing of change, it is also likely to be disruptive to current work programmes and forward progress towards supporting additional housing capacity and work to implement the Government's freshwater package. Such costs and delays will only be worthwhile if the new resource management system brings significant improvements to the current system, which at this stage is uncertain.

In our view, to be effective, the new system needs to provide:

1. Strong directions and priorities that usefully guide decision-making at every level;
2. The ability to provide for local conditions, including the local environment, and local communities' aspirations
3. A strong monitoring, assessment and review process; and
4. Clear and unambiguous legislation.

The NBA draft, as it stands, does not give us confidence that the reform will meet these expectations, and enhance the effectiveness and efficiency of the resource management system.

The strong focus on environmental bottom-lines ("environmental limits"), and the weak requirement to "promote" environmental outcomes implies that environmental degradation will be tolerated down to bottom lines. This is against the stated reform's objective to "protect and restore the environment (...)".

In addition, the lack of focus on the built environment is unlikely to result in enabling good-quality urban development, which is also one of the key purposes of the reform.

We also note that many questions remain on the planning committee model that is being proposed, how it is going to work, and whether it is the most appropriate model.

Treaty Clause

Before expanding further on our concerns with the exposure draft, we acknowledge the importance of a deep and significant partnership with mana whenua on resource management and offer our support in principle for the draft Treaty Clause, and the requirement to “give effect to”, rather than “take into account” te Tiriti o Waitangi.

We note that the practical implications of this change are still uncertain and wish to see some clarification on the matter. We agree with the Resource Management Panel that guidance on how to implement te Tiriti should be developed. We would like confirmation that such guidance will be provided in the full Bill.

A lack of clear directions and priorities

The NBA exposure draft does provide the purpose and direction that is needed for effective and efficient resource management; and to inform decision-making.

Purpose of the Act

As a foundation to the Act and to its implementation, the purpose section needs to be clear and unambiguous. As it is, the draft purpose of the Act falls short of these expectations and is likely to give rise to long and costly arguments and litigation, as planning processes will try to achieve a purpose many will interpret differently.

In particular:

- The definition of “Te Oranga o te Taiao” is ambiguous, and not limiting. “Incorporates” implies that there are components to the concept which are not listed in the definition. And as it is not a tikanga concept, it is likely to meet the same interpretation challenges as the concept of “Te Mana o te Wai” in the National Policy Statement for Freshwater Management (2020) (NPSFM);
- The term “uphold” is vague and lacks strength. Moreover, it is not appropriate to some of the elements of “Te Oranga o te Taiao” (“upholding the interconnectedness of all parts of the natural environment”);
- The health of the natural environment is also a concept open for interpretation;
- There is no priority or guidance over how conflicts between Te Oranga o te Taiao and the ability of people to support their needs should be managed.

Under section 5, environmental limits and environmental outcomes are the key two mechanisms by which the purpose of the Act is to be achieved. The direction to “comply with” environmental limits, and “promote” environmental outcomes seems to give precedence to environmental limits, relative to outcomes. For the Act to effectively change the focus of resource management from managing effects to achieving outcomes, there should be a higher emphasis on the environmental outcomes.

Environmental outcomes

Clause 8 (Environmental outcomes) should complement the purpose of Act and provide more detail over what needs to be achieved, and what resource management's priorities are. The current draft provides a long list of outcomes, between which conflict is inevitable. No clear priority between these outcomes is provided, unless it is implicit through their order; or through the list provided in section 13.

Although we acknowledge the intention of providing guidance on how conflicts will be resolved through the National Planning Framework and the Natural and Built Environments Plans (plans), a clear sense of priorities between outcomes within the NBA itself will make for a more efficient system, avoid lengthy and costly litigation on how conflicts should be resolved, and greatly assist decision-makers.

Given that, under draft section 13, the National Planning Framework is required to provide direction on only nine of the 17 environmental outcomes listed in section 8, the National Planning Framework is unlikely to provide appropriate direction to resolve key conflicts unless the Ministry for the Environment extends its scope to additional, discretionary, outcomes. In particular, guidance would be useful from government on how to enable urban development (section 8(k) and (l)) and protect highly productive land from inappropriate subdivision, use, and development (section 8(m)(iii)).

The National Planning Framework and plans could usefully provide guidance on how to resolve conflicts between outcomes if they were to translate the NBA's environmental outcomes into a set of mutually compatible outcomes adapted to the place they apply to. This would also better reflect the need for local place-based planning decisions to reflect the needs and values of the communities affected by them, and the variation that exists across New Zealand's regions, cities and districts.

Enabling management of local conditions and aspirations

We support the fact that national directions be required, rather than discretionary, on matters of national significance. We also support the setting of environmental limits at a central level. As demonstrated by the NPSFM, national bottom-lines set useful parameters to the engagement of local communities on objectives, policies and rules for their local environment.

Regions can have a large variation in climate, geophysical and ecosystem characteristics, and economic, social and cultural characteristics. The trade-offs, outcomes and limits prescribed in legislation can only be meaningful if they are adapted to the local environment and to local communities' aspirations.

The NBA exposure draft should provide adequately for the tailoring of provisions to local and regional communities and their environment:

- It should allow for plans to set environmental limits unless prescribed by the National Planning Framework (Section 7(2))
- It should explicitly provide for plans setting provisions, including environmental limits, which are more stringent than the National Planning Framework's provisions.

We note that Schedules 1 and 2 are currently placeholders, and that the exposure draft does not provide any indication of what community engagement will be expected as part of the preparation of both the National Planning Framework and plans. The growing importance given to national directions, and the regionalisation of plans, could curtail local communities' input in environmental

management if participation processes are not adequate. The processes set out in both Schedules 1 and 2 should ensure that there is adequate input from local and regional communities, on the decisions that affect them, and the places in which they live.

Monitoring, assessment, and review

We agree with the Resource Management Review Panel (Randerson Report) finding that under the current RMA the link between environmental monitoring and reporting and the assessment and review of plans has been weak. The evaluation and assessment framework for both plans and national directions should be strengthened. We note that the explanatory material released with the exposure draft recognises that the monitoring, assessment and review of the National Planning Framework have not been provided for in Parts 3 and 4 of the exposure draft, and that these matters will be part of the full Bill. We seek confirmation that the full Bill will set up a stronger monitoring and assessment framework that applies across the whole system.

As highlighted by the Resource Management Review Panel, the lack of clear goals and measurable outcomes has partially accounted for inadequate monitoring and oversight in the resource management system. Not requiring the National Planning Framework and plans to set clear and measurable environmental outcomes is likely to undermine future provisions on the monitoring, assessment and evaluation of plans and the National Planning Framework.

Setting a clear and unambiguous framework

It is difficult to understand from the exposure draft what the various planning instruments (National Planning Framework and plans) will look like, and how they will interact. The strength, format and level of specificity of the National Planning Framework's provisions are uncertain, especially when it comes to the "strategic goals", "vision", "direction" and "priorities" it must prescribe. Similarly, the level at which environmental limits will be set in the National Planning Framework is uncertain. Lastly, there is no clear provision on the relationship between national and regional rules. These are important matters, that need to be clarified to facilitate the implementation of the reform.

It is also important that the NBA integrates with the SPA and CAA. It remains to be seen how well the three pieces of legislation will integrate, and ultimately contribute to the achievement of the Government's reform objectives.

The language used in the Act should be clear and unambiguous. At present this is not achieved with terms such as "promote", "further", or "uphold" creating opportunities for misunderstanding and potential litigation. The relative weakness of these terms contribute to the Act not providing a strong sense of direction, and leaves many of its core concepts and provisions open for interpretation and challenge.

In addition, the draft deviates from the traditional RMA terminology, without providing a clear indication of what the change means (e.g. "marine environment" vs. "coastal environment"; or "matters" vs. "issues"). Using terms which have been reviewed and interpreted by Courts over the years provides the benefits of case-law and some certainty over how commonly used concepts are to be interpreted. The purpose of this change from status quo is not entirely clear, and creates uncertainty and ambiguity.

A lack of focus on the urban environment and urban form

One of the stated objectives for the reform of the Resource Management system is to better enable development. However, there is little emphasis on urban development and urban form. Even though it is mentioned in Part 2 of the exposure draft, it is unclear how urban development is to be provided for in plans. Presumably, it is expected that such direction will be provided by the National Planning Framework. However, given the reform's objectives, and the housing crisis New Zealand is experiencing, the exposure draft could have been expected to provide for development more explicitly.

It is our understanding that regional spatial strategies will be instrumental in directing urban growth and development where it is most appropriate. The NBA exposure draft does not, however, draw an explicit relationship between regional spatial strategies and plans, in providing for urban growth.

The only focus of the sections addressing urban development is about quantity of supply, and there is no mention of the quality of the built environment, including the quality of housing, the liveability of new housing/mixed use areas, or the importance of good urban design to people and community wellbeing. These matters are of critical importance to councils and their communities and this should be reflected as a key outcome to be achieved in the NBA.

We note that the NBA seems to put more emphasis on urban development than on rural development. It is unclear whether rural development is to be enabled to the same degree as urban development, or whether rural development will be subjected to a more restrictive framework. The importance of development in small rural towns should be recognised in the NBA.

Lastly, Section 7 requires environmental limits to be prescribed for matters which relate to the natural environment. Consideration should be given to whether environmental outcomes could also be set in relation to the built environment and its link to human health.

Planning committees

The proposal to move the responsibility for plan making from local authorities to planning committees raises many issues that need to be addressed before one can judge whether this model is appropriate or not. For example:

- The responsibility of "maintaining the plan" is not well defined and could be interpreted in different ways.
- The composition of the planning committee may raise issues with respect to its representativeness. Potentially, residents of rural, sparsely populated councils, will be "over-represented" relative to residents of larger cities and districts with high populations driven by the visitor economy.
- The draft NBA sections and explanatory material do not provide direction over how decisions will be made by the committee (consensus/majority).
- Similarly, there is no indication whether committee members are expected to have specific skills and competence, or if they will be appointed for their ability to bring in a local perspective to decision-making.
- The draft NBA does not clarify the organisational structure of the committee and its secretariat. Is it expected that secretariat officers will be made of employees seconded from councils? Or will

they be employed by the committee? Such questions result in uncertainty as to ongoing resourcing and skill requirements for local councils.

Lastly, we note that councils are expected to fund the secretariat. Beyond the likely challenges of designing a funding system that is equitable for all local authorities in the region, this removes councils' control over part of their budgets, as spendings will be authorised by a third party. This is likely to create practical challenges which need to be considered and addressed before this new model is confirmed.

In view of these challenges, and of the impact of this new model on local councils' resourcing and functioning, Otago/Southland councils would welcome an opportunity to engage with MfE on the planning committee model before the full bill is submitted to Parliament for first reading.

Transition

The resource management reform will have a significant impact on local councils, and clear implementation timeframes and transition provisions will be critical for councils to plan ahead, and resource their future activities. The implementation process and transition timeframes should be developed as soon as possible, in consultation with local councils, mana whenua, and all other parties which will have functions under the Act.

They should be designed to keep momentum on ongoing planning work seeking to bring about positive change; and to coordinate with the local government reform.

RELIEF SOUGHT

- 1) Develop direction on how to give effect to te Tiriti o Waitangi in the full Bill
- 2) Review Part 2 of the NBA to clarify the Act's purpose, and provide clear priorities and directions to guide decision-making
- 3) Consolidate and prioritise the outcomes set out in clause 8.
- 4) Require the National Planning Framework to address protection of highly productive land as an additional matter in section 13.
- 5) Require the National Planning Framework and plans to set clear priorities and measurable environmental outcomes for the matters and geographical areas they address.
- 6) Enable Planning Committees to:
 - a. Set environmental limits, even when not prescribed to do so through the National Planning Framework;
 - b. Set provisions, including environmental limits, that are more stringent than those in the National Planning Framework
- 7) Require appropriate community participation at both regional and local level in Schedules 1 and 2

- 8) Revise the draft, and clarify its terminology, to ensure that its provisions are clear and set out a clear planning architecture
- 9) Clarify how the NBA and other legislation will interact
- 10) Make more explicit provision on how plans will interact with regional spatial strategies for urban development
- 11) Recognise and provide for the importance of the quality of the built environment and the importance of quality housing and good urban design for people and community wellbeing; and consider setting environmental limits that relate to the built environment
- 12) Refine the planning committee model, in consultation with local councils, including those from Otago and Southland
- 13) Engage with local councils, including those from Otago-Southland, on the implementation of the new system, and on transition provisions
- 14) Design the implementation processes and timeframes to keep momentum on ongoing planning work seeking to bring about positive change; and to coordinate with the local government reform

Yours faithfully

Central Otago District Council

Clutha District Council

Dunedin City Council

Environment Southland

Gore District Council

Invercargill City Council

Otago Regional Council

Queenstown Lakes District Council

Southland District Council

Waitaki District Council

DRAFT FOR CONSULTATION

Natural and Built Environments Bill

Government Bill

Consultation draft

Hon David Parker

Natural and Built Environments Bill

Government Bill

Contents

		Page
1	Title	2
2	Commencement	2
	Part 1	
	Preliminary provisions	
3	Interpretation	2
4	How Act binds the Crown	6
	Part 2	
	Purpose and related provisions	
5	Purpose of this Act	6
6	Te Tiriti o Waitangi	7
7	Environmental limits	7
8	Environmental outcomes	7
	Part 3	
	National planning framework	
	<i>Requirement for national planning framework</i>	
9	National planning framework	9
10	Purpose of national planning framework	9
11	National planning framework to be made as regulations	9
	<i>Contents of national planning framework</i>	
12	Environmental limits	10
13	Topics that national planning framework must include	10
14	Strategic directions to be included	11
15	Implementation of national planning framework	11
16	Application of precautionary approach	11
	Consultation draft	1

cl 1	Natural and Built Environments Bill	
17	[Placeholders]	11
18	Implementation principles	12
	Part 4	
	Natural and built environments plans	
	<i>Requirement for natural and built environments plans</i>	
19	Natural and built environments plans	12
20	Purpose of plans	12
21	How plans are prepared, notified, and made	12
	<i>Contents of plans</i>	
22	Contents of plans	13
	<i>Planning committees</i>	
23	Planning committees	13
24	Considerations relevant to planning committee decisions	14
25	Power to set environmental limits for region	14
	Schedule 1	15
	Preparation of national planning framework	
	Schedule 2	16
	Preparation of natural and built environments plans	
	Schedule 3	17
	Planning committees	

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Natural and Built Environments Act **2021**.
- 2 Commencement**
This Act comes into force on X.

Part 1

Preliminary provisions

- 3 Interpretation**
In this Act, unless the context otherwise requires,—
abiotic means non-living parts of the environment
biotic means living parts of the environment
coastal water means seawater within the outer limits of the territorial sea and includes—
 (a) seawater with a substantial freshwater component; and

Natural and Built Environments Bill

Part 1 cl 3

- (b) seawater in estuaries, fiords, inlets, harbours, or embayments

cultural heritage—

- (a) means those aspects of the environment that contribute to an understanding and appreciation of New Zealand's history and cultures, deriving from any of the following qualities:

- (i) archaeological:
- (ii) architectural:
- (iii) cultural:
- (iv) historic:
- (v) scientific:
- (vi) technological; and

- (b) includes—

- (i) historic sites, structures, places, and areas; and
- (ii) archaeological sites; and
- (iii) sites of significance to Māori, including wāhi tapu; and
- (iv) surroundings associated with those sites

district, in relation to a territorial authority, means the district of the territorial authority as determined in accordance with the Local Government Act 2002

ecological integrity means the ability of an ecosystem to support and maintain—

- (a) its composition: the natural diversity of indigenous species, habitats, and communities that make up the ecosystem; and
- (b) its structure: the biotic and abiotic physical features of an ecosystem; and
- (c) its functions: the ecological and physical functions and processes of an ecosystem; and
- (d) its resilience to the adverse impacts of natural or human disturbances

ecosystem means a system of organisms interacting with their physical environment and with each other

environment means, as the context requires,—

- (a) the natural environment:
- (b) people and communities and the built environment that they create:
- (c) the social, economic, and cultural conditions that affect the matters stated in **paragraphs (a) and (b)** or that are affected by those matters

environmental limits means the limits required by **section 7** and set under **section 12 or 25**

environmental outcomes means the outcomes provided for in **section 8**

freshwater means all water except coastal water and geothermal water

geothermal water—

- (a) means water heated within the earth by natural phenomena to a temperature of 30 degrees Celsius or more; and
- (b) includes all steam, water, and water vapour, and every mixture of all or any of them that has been heated by natural phenomena

infrastructure [placeholder]

infrastructure services [placeholder]

lake means a body of freshwater that is entirely or nearly surrounded by land

land—

- (a) includes land covered by water and the airspace above land; and
- (b) includes the surface of water

mineral has the same meaning as in section 2(1) of the Crown Minerals Act 1991

Minister means the Minister of the Crown who, under any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of this Act

Minister of Conservation means the Minister who, under the authority of a warrant or with the authority of the Prime Minister, is responsible for the administration of the Conservation Act 1987

mitigate, in the phrase “avoid, remedy, or mitigate”, includes to offset or provide compensation if that is enabled—

- (a) by a provision in the national planning framework or in a plan; or
- (b) as a consent condition proposed by the applicant for the consent

national planning framework means the national planning framework made by Order in Council under **section 11**

natural environment means—

- (a) the resources of land, water, air, soil, minerals, energy, and all forms of plants, animals, and other living organisms (whether native to New Zealand or introduced) and their habitats; and
- (b) ecosystems and their constituent parts

natural hazard means any atmospheric or earth- or water-related occurrence (including earthquake, tsunami, erosion, volcanic and geothermal activity, landslip, subsidence, sedimentation, wind, drought, fire, or flooding) the action of which adversely affects or may adversely affect human life, property, or other aspects of the environment

Natural and Built Environments Bill

Part 1 cl 3

person includes—

- (a) the Crown, a corporation sole, and a body of persons, whether corporate or unincorporate; and
- (b) the successor of that person

plan—

- (a) means a natural and built environments plan made in accordance with **section 21**; and
- (b) includes a proposed natural and built environments plan, unless otherwise specified

planning committee means the planning committee appointed for a region for the purpose of **section 23**

precautionary approach is an approach that, in order to protect the natural environment if there are threats of serious or irreversible harm to the environment, favours taking action to prevent those adverse effects rather than postponing action on the ground that there is a lack of full scientific certainty

public plan change [placeholder]

region, in relation to a regional council, means the region of the regional council as determined in accordance with the Local Government Act 2002

regional council—

- (a) has the same meaning as in section 5 of the Local Government Act 2002; and
- (b) includes a unitary authority

regional spatial strategy, in relation to a region, means the spatial strategy that is made for the region under the **Strategic Planning Act 2021**

river—

- (a) means a continually or intermittently flowing body of freshwater; and
- (b) includes a stream and modified watercourse; but
- (c) does not include an irrigation canal, a water supply race, a canal for the supply of water for electric power generation, a farm drainage canal, or any other artificial watercourse

structure—

- (a) means any building, equipment, device, or other facility that is made by people and fixed to land; and
- (b) includes any raft

territorial authority means a city council or a district council named in Part 2 of Schedule 2 of the Local Government Act 2002

Part 1 cl 4

Natural and Built Environments Bill

territorial sea means the territorial sea of New Zealand as defined by section 3 of the Territorial Sea, Contiguous Zone, and Exclusive Economic Zone Act 1977

te Tiriti o Waitangi has the same meaning as Treaty in section 2 of the Treaty of Waitangi Act 1975

unitary authority has the same meaning as in section 5(1) of the Local Government Act 2002

urban form means the physical characteristics that make up an urban area, including the shape, size, density, and configuration of the urban area

water—

- (a) means water in all its physical forms, whether flowing or not and whether over or under the ground;
- (b) includes freshwater, coastal water, and geothermal water;
- (c) does not include water in any form while in any pipe, tank, or cistern

well-being means the social, economic, environmental, and cultural well-being of people and communities, and includes their health and safety.

4 How Act binds the Crown

[Placeholder.]

Part 2

Purpose and related provisions

5 Purpose of this Act

- (1) The purpose of this Act is to enable—
 - (a) Te Oranga o te Taiao to be upheld, including by protecting and enhancing the natural environment; and
 - (b) people and communities to use the environment in a way that supports the well-being of present generations without compromising the well-being of future generations.
- (2) To achieve the purpose of the Act,—
 - (a) use of the environment must comply with environmental limits; and
 - (b) outcomes for the benefit of the environment must be promoted; and
 - (c) any adverse effects on the environment of its use must be avoided, remedied, or mitigated.
- (3) In this section, **Te Oranga o te Taiao** incorporates—
 - (a) the health of the natural environment; and
 - (b) the intrinsic relationship between iwi and hapū and te taiao; and
 - (c) the interconnectedness of all parts of the natural environment; and

6

Consultation draft

Natural and Built Environments Bill

Part 2 cl 8

- (d) the essential relationship between the health of the natural environment and its capacity to sustain all life.

6 Te Tiriti o Waitangi

All persons exercising powers and performing functions and duties under this Act must give effect to the principles of te Tiriti o Waitangi.

7 Environmental limits

- (1) The purpose of environmental limits is to protect either or both of the following:
 - (a) the ecological integrity of the natural environment;
 - (b) human health.
- (2) Environmental limits must be prescribed—
 - (a) in the national planning framework (*see section 12*); or
 - (b) in plans, as prescribed in the national planning framework (*see section 25*).
- (3) Environmental limits may be formulated as—
 - (a) the minimum biophysical state of the natural environment or of a specified part of that environment;
 - (b) the maximum amount of harm or stress that may be permitted on the natural environment or on a specified part of that environment.
- (4) Environmental limits must be prescribed for the following matters:
 - (a) air;
 - (b) biodiversity, habitats, and ecosystems;
 - (c) coastal waters;
 - (d) estuaries;
 - (e) freshwater;
 - (f) soil.
- (5) Environmental limits may also be prescribed for any other matter that accords with the purpose of the limits set out in **subsection (1)**.
- (6) All persons using, protecting, or enhancing the environment must comply with environmental limits.
- (7) In **subsection (3)(a)**, **biophysical** means biotic or abiotic physical features.

8 Environmental outcomes

To assist in achieving the purpose of the Act, the national planning framework and all plans must promote the following environmental outcomes:

- (a) the quality of air, freshwater, coastal waters, estuaries, and soils is protected, restored, or improved:

Consultation draft

7

Part 2 c1 8

Natural and Built Environments Bill

- (b) ecological integrity is protected, restored, or improved:
- (c) outstanding natural features and landscapes are protected, restored, or improved:
- (d) areas of significant indigenous vegetation and significant habitats of indigenous fauna are protected, restored, or improved:
- (e) in respect of the coast, lakes, rivers, wetlands, and their margins,—
 - (i) public access to and along them is protected or enhanced; and
 - (ii) their natural character is preserved:
- (f) the relationship of iwi and hapū, and their tikanga and traditions, with their ancestral lands, water, sites, wāhi tapu, and other taonga is restored and protected:
- (g) the mana and mauri of the natural environment are protected and restored:
- (h) cultural heritage, including cultural landscapes, is identified, protected, and sustained through active management that is proportionate to its cultural values:
- (i) protected customary rights are recognised:
- (j) greenhouse gas emissions are reduced and there is an increase in the removal of those gases from the atmosphere:
- (k) urban areas that are well-functioning and responsive to growth and other changes, including by—
 - (i) enabling a range of economic, social, and cultural activities; and
 - (ii) ensuring a resilient urban form with good transport links within and beyond the urban area:
- (l) a housing supply is developed to—
 - (i) provide choice to consumers; and
 - (ii) contribute to the affordability of housing; and
 - (iii) meet the diverse and changing needs of people and communities; and
 - (iv) support Māori housing aims:
- (m) in relation to rural areas, development is pursued that—
 - (i) enables a range of economic, social, and cultural activities; and
 - (ii) contributes to the development of adaptable and economically resilient communities; and
 - (iii) promotes the protection of highly productive land from inappropriate subdivision, use, and development:
- (n) the protection and sustainable use of the marine environment:

Natural and Built Environments Bill

Part 3 cl 11

- (o) the ongoing provision of infrastructure services to support the well-being of people and communities, including by supporting—
 - (i) the use of land for economic, social, and cultural activities;
 - (ii) an increase in the generation, storage, transmission, and use of renewable energy;
- (p) in relation to natural hazards and climate change,—
 - (i) the significant risks of both are reduced; and
 - (ii) the resilience of the environment to natural hazards and the effects of climate change is improved.

Part 3

National planning framework

Requirement for national planning framework

9 National planning framework

- (1) There must at all times be a national planning framework.
- (2) The national planning framework—
 - (a) must be prepared and maintained by the Minister in the manner set out in **Schedule 1**; and
 - (b) has effect when it is made by the Governor-General by Order in Council under **section 11**.

10 Purpose of national planning framework

The purpose of the national planning framework is to further the purpose of this Act by providing integrated direction on—

- (a) matters of national significance; or
- (b) matters for which national consistency is desirable; or
- (c) matters for which consistency is desirable in some, but not all, parts of New Zealand.

11 National planning framework to be made as regulations

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister, make the national planning framework in the form of regulations.
- (2) The regulations may apply—
 - (a) to any specified region or district of a local authority; or
 - (b) to any specified part of New Zealand.
- (3) The regulations may—

Consultation draft

9

Part 3 cl 12

Natural and Built Environments Bill

- (a) set directions, policies, goals, rules, or methods;
- (b) provide criteria, targets, or definitions.
- (4) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Contents of national planning framework

12 Environmental limits

- (1) Environmental limits—
 - (a) may be prescribed in the national planning framework; or
 - (b) may be made in plans if the national planning framework prescribes the requirements relevant to the setting of limits by planning committees.
- (2) Environmental limits may be prescribed—
 - (a) qualitatively or quantitatively;
 - (b) at different levels for different circumstances and locations.

13 Topics that national planning framework must include

- (1) The national planning framework must set out provisions directing the outcomes described in—
 - (a) **section 8(a)** (the quality of air, freshwater, coastal waters, estuaries, and soils); and
 - (b) **section 8(b)** (ecological integrity); and
 - (c) **section 8(c)** (outstanding natural features and landscapes); and
 - (d) **section 8(d)** (areas of significant indigenous vegetation and significant habitats of indigenous animals); and
 - (e) **section 8(j)** (greenhouse gas emissions); and
 - (f) **section 8(k)** (urban areas); and
 - (g) **section 8(l)** (housing supply); and
 - (h) **section 8(o)** (infrastructure services); and
 - (i) **section 8(p)** (natural hazards and climate change);.
- (2) The national planning framework may also include provisions on any other matter that accords with the purpose of the national planning framework, including a matter relevant to an environmental outcome provided for in **section 8**.
- (3) In addition, the national planning framework must include provisions to help resolve conflicts relating to the environment, including conflicts between or among any of the environmental outcomes described in **section 8**.

10

Consultation draft

Natural and Built Environments Bill

Part 3 cl 17

14 Strategic directions to be included

The provisions required by **sections 10, 12, and 13** must include strategic goals such as—

- (a) the vision, direction, and priorities for the integrated management of the environment within the environmental limits; and
- (b) how the well-being of present and future generations is to be provided for within the relevant environmental limits.

15 Implementation of national planning framework

- (1) The national planning framework may direct that certain provisions in the framework—

- (a) must be given effect to through the plans; or
- (b) must be given effect to through regional spatial strategies; or
- (c) have direct legal effect without being incorporated into a plan or provided for through a regional spatial strategy.

- (2) If certain provisions of the national planning framework must be given effect to through plans, the national planning framework may direct that planning committees—

- (a) make a public plan change; or
- (b) insert that part of the framework directly into their plans without using the public plan change process; or
- (c) amend their plans to give effect to that part of the framework, but without—
 - (i) inserting that part of the framework directly into their plans; or
 - (ii) using the public plan change process.

- (3) Amendments required under this section must be made as soon as practicable within the time, if any, specified in the national planning framework.

16 Application of precautionary approach

In setting environmental limits, as required by **section 7**, the Minister must apply a precautionary approach.

17 [Placeholders]

[Placeholder for other matters to come, including—

- (i) the role of the Minister of Conservation in relation to the national planning framework; and
- (ii) the links between this Act and the Climate Change Response Act 2002.]

Part 3 cl 18

Natural and Built Environments Bill

18 Implementation principles

[Placeholder for implementation principles. The drafting of this clause is at the indicative stage; the precise form of the principles and of the statutory functions they apply to are still to be determined. In paras (b) and (e), the terms in square brackets need to be clarified as to the scope of their meaning in this clause.]

[Relevant persons must]—

- (a) promote the integrated management of the environment:
- (b) recognise and provide for the application, in relation to [te taiao], of [kawa, tikanga (including kaitiakitanga), and mātauranga Māori]:
- (c) ensure appropriate public participation in processes undertaken under this Act, to the extent that is important to good governance and proportionate to the significance of the matters at issue:
- (d) promote appropriate mechanisms for effective participation by iwi and hapū in processes undertaken under this Act:
- (e) recognise and provide for the authority and responsibility of each iwi and hapū to protect and sustain the health and well-being of [te taiao]:
- (f) have particular regard to any cumulative effects of the use and development of the environment:
- (g) take a precautionary approach.

Part 4

Natural and built environments plans

Requirement for natural and built environments plans

19 Natural and built environments plans

There must at all times be a natural and built environments plan (a **plan**) for each region.

20 Purpose of plans

The purpose of a plan is to further the purpose of the Act by providing a framework for the integrated management of the environment in the region that the plan relates to.

21 How plans are prepared, notified, and made

- (1) The plan for a region, and any changes to it, must be made—
 - (a) by that region's planning committee; and
 - (b) using the process set out in **Schedule 2**.
- (2) [Placeholder for status of plans as secondary legislation.]

12

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Natural and Built Environments Bill

Part 4 cl 23

Contents of plans

22 Contents of plans

- (1) The plan for a region must—
 - (a) state the environmental limits that apply in the region, whether set by the national planning framework or under **section 25**; and
 - (b) give effect to the national planning framework in the region as the framework directs (*see section 15*); and
 - (c) promote the environmental outcomes specified in **section 8** subject to any direction given in the national planning framework; and
 - (d) [placeholder] be consistent with the regional spatial strategy; and
 - (e) identify and provide for—
 - (i) matters that are significant to the region; and
 - (ii) for each district within the region, matters that are significant to the district; and
 - (f) [placeholder: policy intent is that plans must generally manage the same parts of the environment, and generally control the same activities and effects, that local authorities manage and control in carrying out their functions under the Resource Management Act 1991 (*see sections 30 and 31 of that Act*)]; and
 - (g) help to resolve conflicts relating to the environment in the region, including conflicts between or among any of the environmental outcomes described in **section 8**; and
 - (h) [placeholder for additional specified plan contents]; and
 - (i) include anything else that is necessary for the plan to achieve its purpose (*see section 20*).
- (2) A plan may—
 - (a) set objectives, rules, processes, policies, or methods;
 - (b) identify any land or type of land in the region for which a stated use, development, or protection is a priority;
 - (c) include any other provision.

Planning committees

23 Planning committees

- (1) A planning committee must be appointed for each region.
- (2) The committee's functions are—
 - (a) to make and maintain the plan for a region using the process set out in **Schedule 2**; and

Consultation draft

13

Part 4 cl 24

Natural and Built Environments Bill

- (b) to approve or reject recommendations made by an independent hearings panel after it considers submissions on the plan; and
- (c) to set any environmental limits for the region that the national planning framework authorises the committee to set (*see section 7*).
- (3) Provisions on the membership and support of a planning committee are set out in **Schedule 3**.

24 Considerations relevant to planning committee decisions

- (1) A planning committee must comply with this section when making decisions on a plan.
- (2) The committee must have regard to—
 - (a) any cumulative effects of the use and development of the environment;
 - (b) any technical evidence and advice, including mātauranga Māori, that the committee considers appropriate;
 - (c) whether the implementation of the plan could have effects on the natural environment that have, or are known to have, significant or irreversible adverse consequences;
 - (d) the extent to which it is appropriate for conflicts to be resolved generally by the plan or on a case-by-case basis by resource consents or designations.
- (3) The committee must apply the precautionary approach.
- (4) The committee is entitled to assume that the national planning framework furthers the purpose of the Act, and must not independently make that assessment when giving effect to the framework.
- (5) [Placeholder for additional matters to consider.]
- (6) In **subsection (2)(d), conflicts**—
 - (a) means conflicts relating to the environment; and
 - (b) includes conflicts between or among any of the environmental outcomes described in **section 8**.

25 Power to set environmental limits for region

- (1) This section applies only if the national planning framework—
 - (a) specifies an environmental limit that must be set by the plan for a region, rather than by the framework; and
 - (b) prescribes how the region's planning committee must decide on the limit to set.
- (2) The planning committee must—
 - (a) decide on the limit in accordance with the prescribed process; and
 - (b) set the limit by including it in the region's plan.

14

Consultation draft

Natural and Built Environments Bill

Schedule 1

Schedule 1

Preparation of national planning framework

s 9

[placeholder]

Consultation draft

15

Schedule 2 **Natural and Built Environments Bill**

Schedule 2
Preparation of natural and built environments plans

s 21

[placeholder]

Natural and Built Environments Bill

Schedule 3

Schedule 3
Planning committees

s 23

Contents

Page

Membership

1	Membership of planning committees	17
2	Appointment of member to represent Minister of Conservation	17
3	Appointment of mana whenua members	17
4	Appointment of planning committee chairperson	18

Support

5	Planning committee secretariat	18
6	Local authorities must fund secretariat	18

Membership

1 Membership of planning committees

- (1) The members of a region's planning committee are—
 - (a) 1 person appointed under **clause 2** to represent the Minister of Conservation;
 - (b) mana whenua representatives appointed under **clause 3**;
 - (c) either—
 - (i) 1 person nominated by each local authority that is within or partly within the region; or
 - (ii) [placeholder for appropriate representation if the regional council is a unitary authority].
- (2) Despite **subclause (1)(c)**, the same person may be nominated by more than 1 local authority for the purpose of that paragraph.

2 Appointment of member to represent Minister of Conservation

[Placeholder.]

3 Appointment of mana whenua members

[Placeholder] This section sets out—

- (a) how many mana whenua representatives may be appointed to a planning committee; and
- (b) how those representatives are selected and appointed.

Schedule 3 **Natural and Built Environments Bill**

4 Appointment of planning committee chairperson

[Placeholder.]

Support

5 Planning committee secretariat

- (1) [Placeholder] Each planning committee must establish and maintain a secretariat.
- (2) The function of the secretariat is to provide any advice and administrative support that the committee requires to help it carry out its functions under this Act, including, for example, to—
 - (a) provide policy advice;
 - (b) commission expert advice;
 - (c) draft plans and changes to plans;
 - (d) co-ordinate submissions.
- (3) [Placeholder: policy intent is that local authorities support secretariat.]

6 Local authorities must fund secretariat

[Placeholder.]

HOUSING CAPACITY ASSESSMENT FOR DUNEDIN CITY

Department: City Development

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide the Committee with the Housing Capacity Assessment for Dunedin City (Attachment A), which is a requirement of the National Policy Statement for Urban Development (NPS-UD).
- 2 Dunedin has been experiencing a medium rate of growth since 2014. Over the last five years, Dunedin's population is estimated to have grown by between 0.8% and 1.4% per year, compared to an average annual growth rate of 0.4% over the preceding 15 years.
- 3 As a result of Dunedin's size and growth, Dunedin is classified as a Tier 2 urban environment under the NPS-UD. As a Tier 2 territorial authority, the Council is required to ensure there is sufficient housing development capacity in the short (3 years), medium (10 years) and long-term (30 years).
- 4 The Housing Capacity Assessment for Dunedin (Attachment A) considers the projected demand for housing and the existing capacity of Dunedin's residential land. It also provides an analysis on the housing market and the impact of planning objectives, policies and rules.
- 5 The analysis shows that while Dunedin has insufficient development capacity based on operative Second Generation District Plan (2GP) rules and zoning, the proposed changes in Variation 2 to the 2GP, if confirmed, would ensure that the necessary short and medium-term capacity is achieved. It further notes that appeals on residential zoning, which are currently being progressed through mediation, will add further short and medium-term capacity. While there is almost sufficient long-term capacity under the proposed Variation 2 changes, further assessment on the nature of this capacity will be undertaken as part of the upcoming Future Development Strategy.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the conclusions of the Housing Capacity Assessment for Dunedin City dated July 2021 and that work is underway to add additional housing capacity.

BACKGROUND

- 6 The NPS-UD was released in July 2020 and replaced the National Policy Statement on Urban Development Capacity. It requires councils to consider the impacts of their planning frameworks on the development market. A key part of this is enabling the market to operate efficiently by providing enough opportunities for development.

- 7 Development of the 2GP started in 2012, when Dunedin's population growth rate was low and projected to remain low over the life of the Plan. As a result, the amount of additional capacity added through the 2GP was inadequate compared to the actual rate of population growth that eventuated.
- 8 Variation 2 was initiated after the 2019 housing capacity assessment to provide additional short and medium-term capacity. Decisions on Variation 2 are expected either late 2021 or in early 2022.
- 9 The NPS-UD requires Dunedin to produce a Future Development Strategy (FDS), which will replace the current Spatial Plan, in time to inform the 2024 10 year plan. The purpose of an FDS is to promote long-term strategic planning by setting out how Council intends to achieve well-functioning urban environments and provide sufficient development capacity over the next 30 years. The FDS must spatially identify the broad locations in which development capacity will be provided over the long term and the infrastructure required to service that capacity. Initial background work and project planning is being progressed and a new Strategic Spatial Planner position to lead this work has been created; a new staff member is scheduled to start in this role on 3 August.
- 10 The attached housing capacity assessment is the second report produced under the national framework (NPS-UDC, now NPS-UD). It was developed in consultation with the Transport, 3 Waters, and Parks and Recreation teams, who provided input on the ability for development capacity to be serviced. Technical expertise on the report and underlying methodology was also received from the Otago Regional Council.

DISCUSSION

The key findings of the attached housing capacity assessment are as follows:

Development Capacity

- 11 Development capacity represents how much capacity the Plan must provide for to meet demand based on the methodology required by the NPS-UD. This includes a requirement to have a margin of capacity over and above demand to support choice and competitiveness in the housing market. The assessment shows that Dunedin will require development capacity for:
 - 1,810 additional dwellings over the short term (2020-23)
 - 5,820 additional dwellings over the medium term (2020-30)
 - 11,330 additional dwellings over the long term (2020-50)

Supply of residential land in the operative and proposed Plan

- 12 The DCC uses a model to assess the capacity of residential and commercial mixed use zoned land. The model evaluates capacity based on 2GP provisions, site conditions, the economic feasibility of potential developments, and the likelihood that the capacity will be taken up. Based on this modelling, there is an estimated existing capacity for:
 - 1,330 new dwellings in the short-term (increasing to 2,000 under proposed changes included in Variation 2)
 - 3,660 new dwellings in the medium-term (increasing to 6,290 under Variation 2)
 - 8,290 new dwellings in the long-term (increasing to 11,230 under Variation 2)

Sufficiency of residential capacity

- 13 Overall, the assessment shows that the proposed changes in Variation 2 to the 2GP, if confirmed, would ensure that the necessary short and medium-term capacity is achieved under a medium growth scenario projection. The resolution of appeals on the 2GP may also add significant additional capacity, however this is subject to mediation agreements and/or Environment Court decisions.
- 14 While there is almost sufficient long-term capacity under the proposed Variation 2 changes, further assessment on the nature of this capacity will be undertaken as part of the upcoming Future Development Strategy. Dunedin's growth over 2030-50 is projected to be low but there is uncertainty about the rate of change over that period. To address this uncertainty and the potential risks of providing insufficient capacity, there will be an assessment in the Future Development Strategy considering how a higher growth rate would be managed.

OPTIONS

- 15 Options are not provided as this report is for noting only.

NEXT STEPS

- 16 Under the NPS-UD, the Minister for the Environment is to be informed about the areas of insufficient capacity identified in a housing capacity assessment. The Minister will be informed once the report is noted by the Committee. This will include a statement about how the shortfall is being addressed.
- 17 Work is already progressing based on the results of this housing capacity assessment, including on Variation 2 and the Future Development Strategy. Infrastructure constraints (particularly wastewater and water supply) limit potential growth options in certain areas of the city, but are being addressed through both short-term options (e.g. wastewater detention tanks) and infrastructure upgrade projects.

18 A project to explore supply constraints and options to encourage greater residential development in the CBD and centres is also planned for late 2021. Signatories

Author:	Nathan Stocker - Policy Planner (Urban Development Capacity)
Authoriser:	Anna Johnson - City Development Manager Simon Drew - General Manager Infrastructure & Development

Attachments

	Title	Page
A	Housing capacity assessment for Dunedin City (2021)	175

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This report relates to providing a regulatory function.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This report contributes to infrastructure and spatial planning.

Māori Impact Statement

There are no known direct impacts of this report for tangata whenua. However, the report findings suggest that further housing capacity is required and the provision of this may have impacts for tangata whenua.

Sustainability

There are no implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

Any additional infrastructure projects required to enable further housing capacity will be incorporated in future 10 Year Plans and Infrastructure Strategies.

Financial considerations

Any additional infrastructure projects required to enable further housing capacity will be incorporated in future 10 Year Plans and Infrastructure Strategies.

Significance

This report is assessed as low significance in terms of the Council's Significance and Engagement Policy.

Engagement – external

Engagement has occurred with the University of Otago, Transpower, Aurora, New Zealand Transport Agency, Ministry of Education and Ministry of Health.

Engagement - internal

Engagement has occurred with Parks and Recreation, Transport, Property, Community Development, and Three Waters.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no direct implications of this report for community boards. However, the report findings suggest that further housing capacity is required and the provision of this may have implications for community boards.

Housing Capacity Assessment Dunedin City

July 2021

EXECUTIVE SUMMARY

Context

Dunedin's rate of population growth is currently significantly higher than historic trends. Over the last five years, Dunedin's population is estimated to have grown by between 0.8% and 1.4% per year¹, compared to an average annual growth rate of 0.4% over the preceding 15 years². Growth in house values has also been significant, with the average value increasing 99.6% from \$323,735 to \$646,313 over the last five years³. Due to its size and growth rate, Dunedin is categorised as a Tier 2 urban area under the National Policy Statement on Urban Development (NPS-UD). As a result, Dunedin City Council (DCC) is required to ensure that there is sufficient residential development capacity over the short (3 years), medium (10 years) and long-term (30 years). This report provides an overview of the analysis undertaken to assess the sufficiency of Dunedin's residential land capacity to meet future needs. It also provides an analysis on the housing market and the impact of planning. Further work on business land needs and the interaction between residential and business land will be completed in time to inform the 2024 Long Term Plan and Future Development Strategy.

Demand for housing

Modelling shows Dunedin's population is expected to grow by 0.7% per year over the next three years, decreasing to 0.04% per year between 2045 and 2050⁴. Over the next 30 years, the 65+ age group is the only group that is expected to grow. The projected demographic trends mean that household growth is likely to be concentrated in one and two-person households. The number of households with children and flatting households are expected to remain largely unchanged over the next 30 years.

Table 1 below outlines the projected demand for dwellings within the Dunedin urban area, based on the household projections described above.

Table 1: Demand for new dwellings

Timeframe	New dwellings required	Capacity required (units)⁵
Short-term (2020-23)	1,512	1,814
Medium-term (2023-30)	4,852	5,822
Long-term (2030-50)	9,645	11,334

There is a particularly high level of uncertainty in projected population trends due to the Covid-19 pandemic, in addition to the normal range of uncertainties (such as potential changes to immigration settings and trends). This has been addressed by testing different scenarios (both lower and higher) and undertaking ongoing monitoring of population and market indicators. Any significant changes will be incorporated into future reports.

Residential capacity

A GIS-based model has been developed to assess the development capacity of each property in Dunedin zoned Residential or Commercial and Mixed Use. It is a three-step model that evaluates capacity enabled under the Second Generation District Plan (2GP), the economic feasibility of delivering that enabled capacity, and the likely take-up of the feasible development capacity.

The model is based on property data from March 2021. Scenarios were run for the 2GP zoning and provisions that are deemed operative and the proposed Variation 2 changes. Appeals were excluded due to the uncertainty of mediation and/or Environment Court outcomes. Development

¹ This equates to growth of 1,100-1,800 people per year

² Statistics New Zealand subnational population estimates

³ <https://www.propertyvalue.co.nz/property-trends/residential-house-values>, May 2016 - May 2021

⁴ Dunedin City Growth Projections (March 2020), Russell Jones

⁵ This reflects the projected new dwellings required plus the market competitiveness margins of 15-20%, as required by the NPS-UD.

capacity was defined using NPS-UD criteria of being 'plan-enabled, infrastructure-ready, and feasible and reasonably expected to be realised'.

As shown in Table 2, results from the updated assessment suggest that there would be insufficient development capacity in the 2GP over all timeframes without additional capacity coming in through appeals resolution and/or Variation 2. However, it shows that the proposed changes in Variation 2, if confirmed, would ensure that the necessary short and medium-term capacity is achieved. In addition to these changes, appeals on residential zoning may add further short and medium-term capacity. While there is almost sufficient long-term capacity, further assessment around the nature of this capacity will be undertaken as part of the upcoming Future Development Strategy, as well as a consideration of alternative growth scenarios.

Dunedin's growth over 2030-50 is projected to be low but there is significant uncertainty about the rate of change over that period. To address this uncertainty and the potential risks of providing insufficient capacity, there would be benefit in the Future Development Strategy considering how a higher growth rate would be managed. This could include identifying, at a high level, potential additional areas for rezoning or changes to rules that would be introduced if and when necessary, as well as triggers to determine when work should begin to initiate changes. Ongoing monitoring of growth and capacity take-up could then be used to identify when the triggers are reached.

Table 2: Sufficiency of housing capacity

Timeframe	2023	2030	2050
Capacity required ⁶	1,810	5,820	11,330
2GP capacity based on decisions version of plan (surplus/deficit)	1,330 (-480)	3,660 (-2,160)	8,290 (-3,040)
2GP capacity based on Variation 2 proposals (surplus/deficit)	2,000 (+180)	6,290 (+460)	11,230 (-100)

⁶ Incorporating 20% competitiveness margin over 2018-28 and 15% over 2028-2048, as required by the NPS-UD.

CONTENTS

1	Introduction	7
1.1	Purpose	7
1.2	Report structure	7
2	Background	8
2.1	Recent growth	8
2.2	Second Generation District Plan (2GP)	8
2.2.1	Rezoning	10
2.2.2	Rule changes	10
2.3	Related work	11
2.4	Infrastructure servicing	11
2.4.1	Overview	11
2.4.2	Wastewater	12
2.4.3	Stormwater	13
2.4.4	Water supply	13
2.4.5	Transport	13
2.4.6	Parks and open space	14
2.4.7	Other infrastructure	15
3	Housing demand	16
3.1	Methodology	16
3.1.1	Housing catchments	16
3.1.2	Growth projections	16
3.1.3	Housing preferences survey	17
3.1.4	Projected demand for dwellings	17
3.2	Population and household growth projections	18
3.3	Housing preferences	21
3.4	Results	23
3.4.1	Outline	23
3.4.2	Demand by housing type	24
3.4.3	Demand by location	24
3.4.4	Demand by growth scenario	25
4	Housing capacity	28
4.1	Methodology	28
4.1.1	Overview	28
4.1.2	Preparation of property data	29
4.1.3	Plan-enabled capacity	29
4.1.4	Development feasibility for residential zones	31
4.1.5	Rate of uptake for residential zones	33
4.1.6	Commercial and mixed-use zone development assumptions	36
4.1.7	Appeals and Variation 2	37
4.2	Results	38
4.2.1	Overall housing capacity	38

4.2.2	Capacity by location	39
4.2.3	Capacity by housing type	39
4.2.4	Capacity by development type	39
5	Sufficiency of housing capacity	41
5.1	Comparison of capacity requirements and capacity provided	41
5.2	Response to capacity shortages	43
6	Analysis of housing market and impact of planning	45
6.1	Development market and price efficiency indicators	45
6.2	Impact of planning on affordability of housing	47
6.3	Housing for Māori	49
6.4	Housing needs assessment	50
6.4.1	Overview	50
6.4.2	Housing continuum definitions	50
6.4.3	Current situation	51
6.4.4	Historic trends	54
6.4.5	Housing continuum projections	55
6.5	Conclusion	58

TABLES

Table 1: Demand for new dwellings	2
Table 2: Sufficiency of housing capacity	3
Table 3: Projected Dunedin City population 2018-48	20
Table 4: Housing type preferences by household type	22
Table 5: Housing location preferences by household type	23
Table 6: Growth in demand for dwellings	24
Table 7: Projected net additional dwelling capacity required	24
Table 8: Projected capacity required by urban catchment	25
Table 9: Projected capacity required by urban catchment and dwelling type	25
Table 10: NPS-UD requirements for development capacity	28
Table 11: Recent take-up rates	35
Table 12: New development floor use allocation by CMU zone	36
Table 13: Residential capacity results	38
Table 14: Medium-term residential capacity results by assessment step	39
Table 15: Residential capacity by catchment	39
Table 16: Residential capacity by dwelling type	39
Table 17: Residential capacity by development type	40
Table 18: Housing capacity results	41
Table 19: Sufficiency by housing typology	42
Table 20: Sufficiency by area	43
Table 21: Rural-urban zone differential	46
Table 22: Capitalisation and land value and suitability for redevelopment and intensification	48

FIGURES

Figure 1: Population growth 1997-2020	8
Figure 2: Medium density zones	9
Figure 3: New residentially zoned land in 2GP	10
Figure 4: Spatial scope of assessment	16
Figure 5: Summary of residential demand methodology	18
Figure 6: National population growth	18
Figure 7: Net migration projections	19
Figure 8: Population projections by change composition	20
Figure 9: Population growth projections by age group 2018-2048	21
Figure 10: Projected changes in household composition	21
Figure 11: Preferred dwelling size by household type	23
Figure 12: Capacity required by growth scenario	26
Figure 13: Difference between low and high scenarios (2018-28)	26
Figure 14: Required development capacity by housing type and growth scenario (2020-30)	27
Figure 15: Required development capacity by location and growth scenario (2020-30)	27
Figure 16: Modelled and observed land value per m2	31
Figure 17: Capacity sufficiency by growth scenario	42
Figure 18: New dwellings compared to household growth	46
Figure 19: Ratio of house sale prices to cost of building equivalent sized house	47
Figure 20: Sale price of dwellings of fixed floor areas in relation to underlying land value, by zoning scenario	48
Figure 21: Areas where planning constraints might be impacting on housing affordability	49
Figure 22: Housing continuum classification	51
Figure 23: Housing continuum (2018)	51
Figure 24: Housing continuum by household type (2018)	52
Figure 25: Proportion of household income spent on rent by household type	52
Figure 26: Proportion of household income spent on rent by household income	53
Figure 27: Otago severely housing deprived population by age	54
Figure 28: Otago prevalence of severe housing deprivation by ethnicity	54
Figure 29: Historic housing continuum trends (proportion of households)	55
Figure 30: Historic housing continuum trends (number of households)	55
Figure 31: Historic and projected housing continuum trends (absolute figures)	56
Figure 32: Historic and projected housing continuum trends (by proportion of total population)	56
Figure 33: Housing preferences by household tenure	57
Figure 34: Housing choice by household income	57

1 INTRODUCTION

1.1 Purpose

This assessment has been prepared to meet requirements under the NPS-UD, particularly the housing components of subpart 5. It seeks to:

- Estimate the demand for dwellings in Dunedin
- Estimate the supply of development capacity in Dunedin
- Assess the sufficiency of development capacity to meet demand in the short-term (3 years), medium-term (10 years) and long-term (30 years). This includes the sufficiency of dwellings by dwelling type, development type, and broad location.
- Assess the impact of planning and infrastructure decisions on that demand and supply

This assessment provides an evidence base that will help inform decision-making, particularly for the Second Generation District Plan (2GP), Future Development Strategy (FDS), and Long Term Plans.

1.2 Report structure

Section 2 of this report provides some background to the current work including an outline of Dunedin's recent growth, NPS-UD requirements, how the 2GP enables residential growth and the capacity for infrastructure networks to absorb future growth.

Section 3 focuses on the demand for housing, including outlining how this has been assessed and key findings.

Section 4 focuses on the capacity for housing enabled by the 2GP.

Section 5 brings together these assessments and discusses the sufficiency of the identified capacity and next steps.

Section 6 provides an overview of analyses on the housing market and the impact of planning.

2 BACKGROUND

2.1 Recent growth

Dunedin has historically had modest population growth which generally follows national trends but has consistently been below the national average rate. However, the rate of growth is estimated to have recently risen significantly due to high levels of net domestic and international migration. Over the last five years, Dunedin's population has been growing by between 0.8% and 1.4% per year, which is the fastest rate of growth in over 20 years.

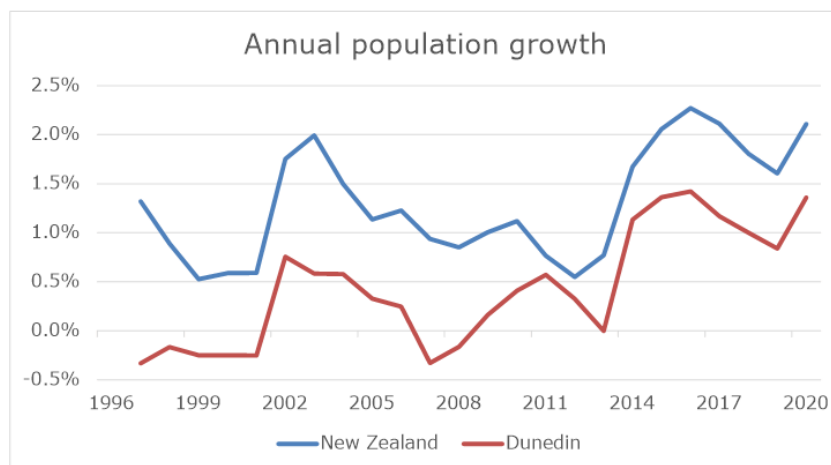


Figure 1: Population growth 1997-2020⁷

House price growth has also been significant, with an increase of 99.6% over the last five years⁸.

2.2 Second Generation District Plan (2GP)

The Dunedin City Council (DCC) recently developed the Second Generation District Plan (2GP). Development of the 2GP started in 2012, when Dunedin's population growth rate was low and projected to remain low over the life of the Plan and the capacity provided in the plan reflected that growth rate. Decisions on the 2GP were notified in November 2018 and are currently under appeal.

One of the underlying strategic directions of the 2GP is that "there is a range of housing choices in Dunedin that provides for the community's needs and supports social well-being." To achieve this goal (and despite the low growth rate at the time of development), the 2GP facilitates a range of residential growth options.

Within the CBD and town centres, residential activities are permitted as of right, provided certain performance standards are met. This allows for apartment-style living options, either through construction of new buildings or conversion of existing buildings.

Surrounding the CBD and larger centres, there are a number of new or expanded medium density zones that provide for multi-unit development, such as townhouses and duplexes. In these areas, the maximum density is capped based on the number of habitable rooms (bedrooms) rather than the number of residential units, to encourage smaller dwellings and flats/apartments. New medium density areas were identified to cater for the predicted growth in demand for townhouses and duplexes (yellow and pink areas in Figure 2 below). This includes parts of Opoho, Roslyn, Belleknowes, Andersons Bay, Waverley and Caversham.

⁷ Statistics New Zealand population estimates

⁸ <https://www.propertyvalue.co.nz/property-trends/residential-house-values>, May 2016 - May 2021

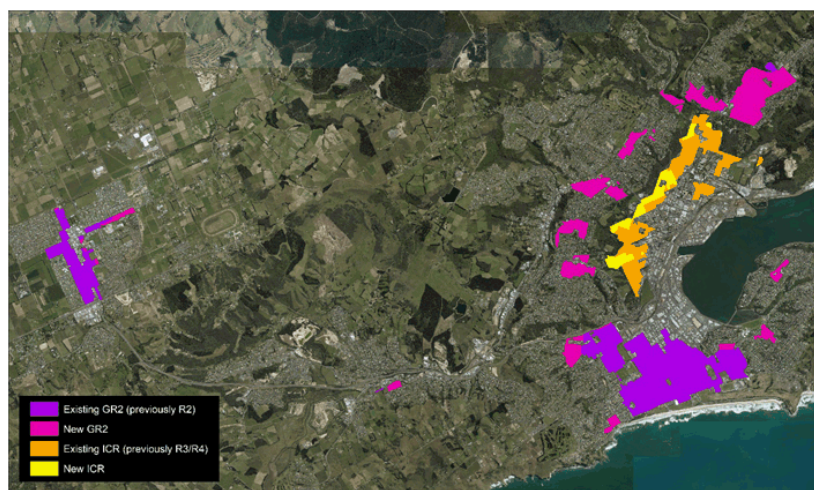


Figure 2: Medium density zones

Within existing residential areas, amendments to provisions were made to increase the ability to develop a wider range of housing. These include specific provisions for family flats (also known as 'granny flats') and more permissive provisions for 'supported living facilities', which include retirement villages, rest homes and student hostels.

Minimum carpark requirements for residential activities have been taken out of the 2GP in compliance with the NPS-UD and is expected to further increase plan enabled and feasible development capacity by way of increased flexibility and more efficient use of land.

New residential zoned areas ('greenfield' areas) adjacent to existing residential zones were also added through the 2GP. The 2GP includes 190 hectares of land that was rezoned to residential from other zonings under the previous District Plan (pink areas in Figure 3 below). Key sites were in Corstorphine (28 ha), Halfway Bush (11 ha), Abbotsford (7 ha), Pine Hill (6 ha) and Ocean Grove (6 ha).

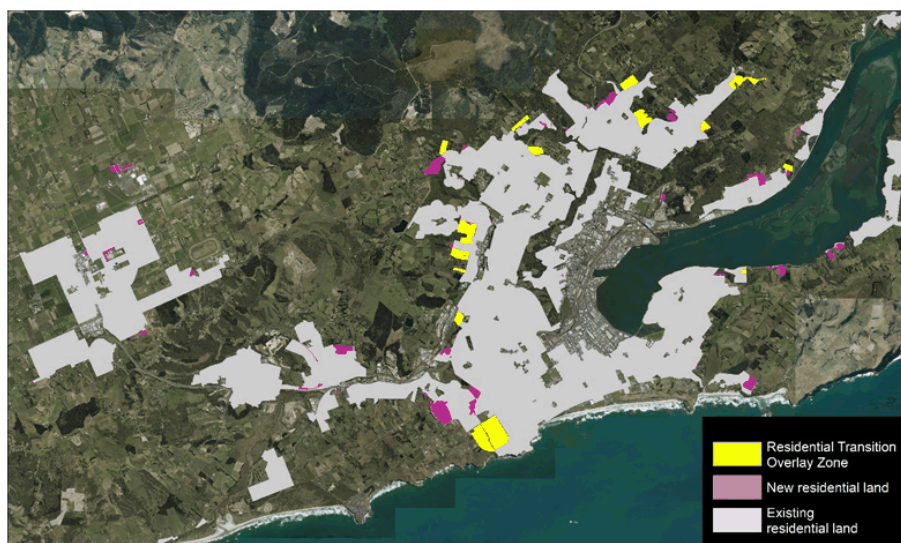


Figure 3: New residentially zoned land in the 2GP

An additional 132 hectares is identified as Residential Transition Overlay Zones (RTZs). RTZs are a form of deferred zoning, where a new residential zone is identified but is deferred until any required 3 waters infrastructure upgrades have been undertaken, further residential capacity is required⁹, and transport agreements are in place. Some areas have been recently assessed as unconstrained for 3 waters, while the necessary infrastructure upgrades for others are expected to take between 10 and 20 years.

Transition overlay zones are located near the urban/rural fringe throughout the city (see Figure 3). Key areas include Corstorphine (47 ha), Pine Hill/North East Valley (34 ha) and Kaikorai Valley (32 ha).

Variation 2 ('Additional Housing Capacity') to the 2GP was notified on 3 February 2021. It contains a suite of changes to the Plan, several of which will create more housing capacity. It also includes changes to better manage subdivision of greenfield sites to reduce the need for structure plans to be agreed prior to rezoning.

2.2.1 Variation 2 rezonings

There are 16 greenfield areas proposed for rezoning to residential zones through Variation 2. There are also 15 areas that are currently either zoned General Residential 1 or covered by a Residential Transition Overlay Zone and are proposed to be rezoned to General Residential 2. Three of these areas are currently undeveloped, with the others comprising existing suburban areas.

2.2.2 Variation 2 rule changes

The key proposed Variation 2 rule changes that would, if adopted, cumulatively add significant capacity are:

- Allowing a duplex to be built on all properties over 500m² within General Residential 1 and reticulated Township and Settlement areas
- Changes to minimum site sizes for subdivision and development down to 400m² from 500m² in General Residential 1 and reticulated Township and Settlement areas
- Changes to make the minimum site size for subdivision and development consistent and to allow access legs to be included for sites under 1,200m²

⁹ Variation 2 proposes to remove the requirement to demonstrate a shortage of capacity.

These rule changes effectively allow two duplex units per 500m² of land or one standalone unit per 400m². Both avenues allow for an increased density compared to the existing limit of one unit per 500m².

2.3 Related work

There are various projects underway that relate to, or impact on, this assessment. These include:

- An assessment of business land capacity under the NPS-UD
- Monitoring of market indicators under the NPS-UD
- An assessment of climate change adaptation options, particularly for South Dunedin
- Construction of a new Dunedin Hospital, as well as other significant construction projects planned over the next ten years

Business land assessment

This report is part of a larger package that responds to requirements under the NPS-UD. A separate report will detail the methodology and results of the business land assessment. While separate reports will be produced, the underlying modelling considers housing and business land together to ensure that development capacity is not double counted in mixed-use zones.

Monitoring

Monitoring of market indicators is being undertaken and reported on under clause 3.9 of the NPS-UD. Graphs showing the results of this monitoring are available on the DCC webpage¹⁰. At the time of writing, the indicators show that Dunedin is currently experiencing significant growth in population and housing prices. Both of these are likely to be linked to significant economic growth and high migration in recent years. Analysis by Infometrics suggests that overall affordability for both homeowners and renters is decreasing. Further information on monitoring is outlined in section 6.1.

Climate change adaptation

Work is being done to determine appropriate short and long-term responses to climate change risks in South Dunedin. While this may (or may not) affect Dunedin's residential and business capacity, the level of impact is not able to be determined until options have been developed. At that stage, consequences on urban development capacity will be integrated into work under the NPS-UD.

Dunedin Hospital rebuild project

The Dunedin Hospital rebuild project is due to start construction shortly. This is likely to take up to ten years and involve a significant influx of workers from outside of Dunedin. This will create extra demand for accommodation. At the time of writing, there are multiple options for housing workers being progressed, some of which may involve the construction of new permanent housing stock. The hospital rebuild is likely to lead to significant direct increases in both supply and demand for housing, as well as further indirect increases resulting from the wider boost to Dunedin's economy.

2.4 Infrastructure servicing

2.4.1 Overview

The ability for the identified feasible capacity to be serviced with 3 waters infrastructure has been tested through modelling by AR and Associates. DCC's Transport and 3 Waters teams have advised that all sites with a standard density residential zoning¹¹ in the District Plan are deemed to be serviceable unless they fall outside of the scheme boundaries provided in the Dunedin City Water Bylaw or have an overlay applied in the District Plan (e.g. 'no DCC wastewater mapped area') which indicates that servicing is not available in that location. However, even in serviced areas, some localised upgrade or extension work may be required at the time of subdivision.

¹⁰ <http://www.dunedin.govt.nz/your-council/district-plan/monitoring-and-research>

¹¹ This excludes the two large lot residential zones

Key infrastructure network issues that DCC is currently looking to address include:

- Lack of capacity within wastewater networks during rainfall events due to inflow and infiltration. This includes cross-connections from the stormwater network and pipes (private and public) in poor condition allowing groundwater and stormwater to enter the wastewater network. This can result in wastewater overflows to the environment and is a particular issue in Kaikorai Valley, North East Valley and South Dunedin.
- The age and poor condition of the wastewater network leading into Tahuna wastewater treatment plant (WWTP), particularly in Kaikorai Valley, North East Valley and South Dunedin
- Lack of capacity in the wastewater connection between Mosgiel WWTP and Green Island WWTP. This can result in overflow of partially treated wastewater into the Silverstream in significant rainfall events.
- The condition of the Mosgiel wastewater network and lack of capacity in the stormwater and wastewater network causing flooding
- Stormwater network flooding in South Dunedin
- The capacity of the water supply feeding Mosgiel, the Peninsula, Port Chalmers, Waitati, Warrington and Seaclyff.

The proposed capital expenditure (capex) budget in the draft 2021-31 10 year plan includes a significant increase in infrastructure upgrades, with over \$1b proposed to be spent on transport and 3 waters capex projects over the next 10 years. This is an increase from the \$678m identified in the previous 10 year plan. Of the proposed 3 waters capex, \$77m will be spent on projects to service growth, up from \$16.8m in the previous 10 year plan.

Further information on the condition of DCC infrastructure and planned upgrades is provided in the 2021 Infrastructure Strategy (part of the 2021-31 10 year plan).

In addition to requirements around development infrastructure, clause 3.5 of the NPS-UD states that 'local authorities must be satisfied that the additional infrastructure to service the development capacity is likely to be available'. Advice from DCC infrastructure departments and external infrastructure providers has been that the development capacity provided by the 2GP is serviceable. Further information on this consultation is provided in section 2.4.7. The impact of proposed Variation 2 changes has also been discussed with infrastructure providers and is outlined in section 4.1.6.

2.4.2 Wastewater

There are three key wastewater networks within Dunedin's urban area: Tahuna, Green Island and Mosgiel. The Tahuna Wastewater Treatment Plant (WWTP) is in good condition and has sufficient capacity for the foreseeable future, however much of the network feeding the plant is in poor condition due to the age of the pipes. As the pipes deteriorate, the joints allow stormwater to infiltrate the network, reducing capacity of the network to transport wastewater and reducing efficiency of the plant. Around the city many private properties have cross connections of stormwater flows into the wastewater networks. Private wastewater pipes are also in poor condition, allowing further stormwater to infiltrate into the network. As a result of these issues, the capacity of the wastewater network is often exceeding during heavy rainfall events. This in turn triggers constructed wastewater overflows¹² into Kaikorai Stream and the South Dunedin stormwater network, resulting in wastewater flooding in both networks. To alleviate these overflows, strategic planning is currently underway to identify long-term optimal solutions by looking holistically at the entire system from the private pipes through the DCC pipe network and treatment plants to final discharge.

There are plans for significant wastewater network renewals in Kaikorai Valley and North East Valley. These will allow for additional growth, as well as reduce inflow and infiltration in the wastewater network. This work is likely to take 10 years for Kaikorai Valley and 15-20 years for North East Valley. The Second Generation District Plan identified new greenfield areas that have

¹² Constructed overflows are designed overflow points in the wastewater network that help prevent overflows onto private properties and protect public health

infrastructure constraints as Residential Transition Overlay Zones. These require DCC to confirm that infrastructure capacity is sufficient to accommodate growth before development can occur.

Within the Mosgiel network, there are issues with high levels of inflow and infiltration resulting in overflows to roads, homes and properties during heavy rainfall events. The strategic planning mentioned above will seek to address these issues.

While there is sufficient capacity within the Mosgiel WWTP for dry weather flows, the pipeline that transfers partially treated wastewater from the Mosgiel WWTP for final treatment at the Green Island WWTP reaches capacity during heavy rainfall events, creating a bottleneck at the treatment plant. The most appropriate long-term solution is being investigated.

2.4.3 Stormwater

The Infrastructure Strategy identifies issues for stormwater networks servicing Mosgiel and South Dunedin, resulting in flooding during heavy rainfall events. In South Dunedin and Mosgiel this is thought to be exacerbated by high groundwater, particularly around high tide for South Dunedin and during high stream flow events in Mosgiel. Significant capital works are proposed to reduce the future likelihood and impact of flooding in these areas.

The Mosgiel stormwater catchment faces some challenges, as the area is a flood plain for the Taieri River, Silverstream and Owhiro Stream. The DCC stormwater network discharges into the Silverstream and other tributaries, which are scheduled flood and drainage schemes managed by the ORC. When the Taieri River and those waterways are high, stormwater discharge is impeded. As a result, Mosgiel can frequently experience catchment-wide nuisance flooding in moderate rainfall events. Capital works are taking place to improve two terminal stormwater pumping stations and strategic planning is also underway to identify long-term optimal solutions by looking holistically at the entire DCC stormwater system. Capital works will address the current low level of service and enable capacity for growth, based on current District Plan zoning, proposed Variation 2 changes, potential appeal changes, and growth projections.

2.4.4 Water supply

In December 2017, Mosgiel's water supply was switched from local bore water to reticulated water from the Mount Grand Water Treatment Plant due to concerns over water quality and contamination risks. Since then, capacity issues have arisen within the supply pipe and pump station due to the increased volume of water being carried. This is addressed in the 2021-31 10 year plan, with strategic planning underway to identify long-term optimal solutions by looking holistically at the entire water supply including Outram, West Taieri the Northern Schemes (Waitati, Warrington and Seacliff), Port Chalmers and the Peninsula.

2.4.5 Transport

The level of investment in transport renewals and maintenance across the city aims to maintain existing levels of service but does assume some transport mode shift associated with growth occurs to mitigate traffic congestion. There are several projects in the 2021-31 capital programme, including the Shaping Dunedin Future Transport programme, that aim to respond to the hospital rebuild and growth in the city. In addition to DCC's investment, ORC is investing in additional bus hubs and improved public transport and Waka Kotahi is investing in enhancing the state highway, intersections and other cycleways as part of the Shaping Dunedin Future Transport programme.

Key projects identified in DCC's 2021-31 capital programme include:

- Harbour arterial improvements: The harbour arterial route would run along Wharf St and Thomas Burns St to provide an alternative route bypassing the city centre, avoiding the new hospital during and after construction.
- Park and Ride facilities at Mosgiel and Burnside: Parking areas, where people can leave their car and catch a citybound express bus service.
- Central city parking management: Implementation of a plan to improve the parking experience, wayfinding of parking and a review of the pricing structure of parking.
- Strategic cycleway network: To fill the gaps and expand the existing cycling network across the city to provide a safe and connected cycle network.

- Central City bike hubs: Hubs where cyclists can lock their bikes in sheltered lockers and other facilities, such as repair and charging services, in North Dunedin, Central City and South Dunedin/Oval.
- Bus priority measures and safety improvements: Providing infrastructure to prioritise buses and safety improvements for pedestrians in and around the CBD.

Dunedin has recently seen an increase in traffic to and from the south of the CBD. This is believed to have stemmed from population growth along Otago Peninsula and on the Taieri Plain and has resulted in a corresponding deterioration in network performance on these strategic corridors during peak periods.

Transport planning and provision in the past has been strongly oriented towards providing infrastructure for private motor vehicles. This has encouraged travel behaviour that has resulted in more vehicles travelling into the central city area, causing congestion and increasing demand for car parking. DCC is currently identifying opportunities to rebalance street space allocation toward more sustainable modes of transport, promote place making, and facilitate more effective use of existing infrastructure.

If the actions from DCC's plans and strategies¹³ are completed and the local impacts of developments are adequately managed, the transport network will be able to service the development capacity identified in the 2GP and Variation 2.

2.4.6 Parks and open space

Dunedin has 33.6 hectares of park land per 1000 residents, 10 hectares more than its peer group average (peer group includes: Invercargill, Timaru, and Tauranga). Dunedin also has a greater area of sports parks per person than its peer group average, although this has been in steady decline over the last eight years. The current ratio is 2.3 hectares of sports parks per 1000 residents. Dunedin has 5.5 playgrounds per 1000 children under the age of 14, which is similar to its peer group average.

Based on the analysis summarised above, Dunedin currently has a sufficient supply of sport parks, grass fields, playgrounds and park land. Investment in the open space network has been incorporated into the 2021-31 10 year plan to reflect the way Dunedin is expected to grow. The impacts of increases in urban density will be carefully considered to maintain the current open space ratios noted above. Intensification may reduce the space available for private backyards, which will put greater emphasis on the provision of public open space for health, social and environmental benefits.

The existing open space area is established and generally well distributed. However, recently smaller open spaces have been created through subdivisions, particularly in Mosgiel. These smaller spaces scattered across urban expansion areas do not always provide optimal outcomes, as their size constrains how they can be used. DCC is aiming to provide larger open spaces that would enable active sport, recreational activities, passive recreation and quiet reflection, resulting in a more economical service.

The DCC is currently developing an Open Spaces Plan. The purpose of this will be to provide an overarching framework and strategic direction for public parks and open space for the next 10+ years. One of the focuses for future investment will be to connect new and existing open space networks and develop a plan for how to manage open spaces in response to climate change. Climate change poses a growing challenge for the ongoing provision of open space areas. Increasing temperatures, sea level rise and changes in rainfall patterns may lead to changes in the existing locations and distribution of open space. Climate change may also exacerbate existing erosion processes, which may mean the loss of some current open spaces. DCC is aiming to maintain an open space network that is at least the same as, if not greater than, our existing ratios and that considers housing density, growing demands for recreation space, changes in population demographics, and improving environmental and ecological values in response to climate change.

¹³ Dunedin City 10 year plan, 2013 DCC Integrated Transport Strategy and DCC Central City Plan

2.4.7 Other infrastructure

As Dunedin's school-aged population is projected to decline, the school network is not expected to be a constraint. The Ministry of Education has suggested that the spatial distribution of school-aged children in Dunedin is a more significant factor than total growth in student numbers. Engagement with the Ministry of Education is ongoing to assess any specific locational constraints within the existing school network. The Ministry has indicated that the changes proposed in Variation 2 may have an impact on the school network within the Green Island catchment.

The land purchases associated with the hospital rebuild project will provide sufficient ability to service the health requirements of foreseeable population growth and demographic changes. The Ministry of Health has advised that the planning for the hospital rebuild was based on demand modelling for the entire Otago and Southland regions out to 2043.

Waka Kotahi has advised that, based on the information available to them, they are not aware of any constraints in the state highway or wider transport network that would be likely to impact on Dunedin's development capacity. However, Waka Kotahi has suggested that some growth areas identified in Variation 2 may require specific development controls or result in the need for significant infrastructure upgrades.

There has been ongoing engagement with Aurora around comparing growth plans and the local electricity network. Aurora have advised that they do not envisage any capacity issues to accommodating growth in the areas identified since the first Housing Capacity Assessment (2019).

There are no other known issues with the ability of other infrastructure providers to service projected growth.

3 HOUSING DEMAND

This section outlines the methodology and results of an assessment of housing demand. It builds on existing information (such as population projections and housing preferences) to set out how many new dwellings are needed in the Dunedin urban area. This includes assessing the locations and types of housing required to meet future housing needs.

3.1 Methodology

3.1.1 Housing catchments

For the purposes of assessing demand for different housing markets, Dunedin was split into five housing catchments (Figure 4). These catchments were developed by aggregating Statistical Area 2 blocks. There is likely to be significant overlap between the outlined markets and the categorisation is a relatively simplistic method to allow for an estimate of housing demand by broad location.

Areas on the urban edge (adjoining the Mosgiel or Outer Suburb catchments) were treated as being within the adjacent urban catchment for the purposes of calculating capacity and housing costs.

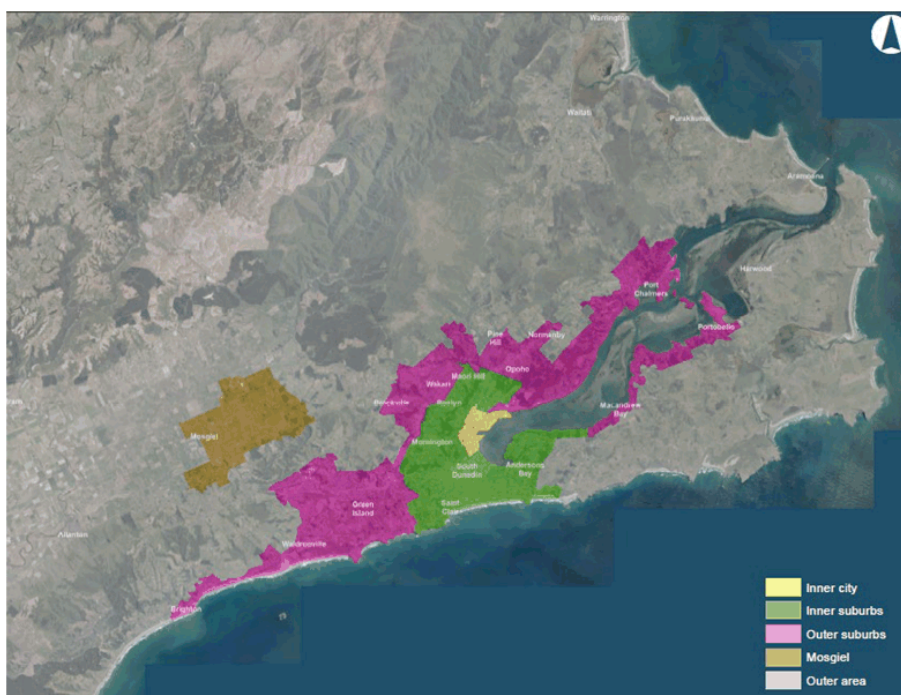


Figure 4: Spatial scope of assessment

3.1.2 Growth projections

DCC's prior growth projections were reviewed and updated by independent contractor Russell Jones in February 2020, including population and dwelling projections by census area unit. This included incorporating new data, such as the 2018 census. Population and dwelling projections were based on Statistics New Zealand's population projections (2017) and followed guidance issued by Statistics New Zealand in June 2019 recommending the use of medium-high projections for DCC until 2028 and medium from then until 2043. The spatial distribution of citywide growth across Dunedin was based on Statistics New Zealand's area unit projections (released 2017), with

some tweaks to reflect known developments over 2013-2018 and additional local knowledge that was unavailable to Statistics New Zealand in 2017.

Since February 2020, the New Zealand economy has undergone a significant period of upheaval due to the COVID-19 pandemic. This has created uncertainty around Dunedin's growth and economic performance into the future. In June 2020, the DCC commissioned Infometrics to review the Russell Jones projections to assess the impact of the COVID-19 recessions, identify the factors which will impact growth post-COVID, and to provide scenarios highlighting the extent of the uncertainty in the growth environment. In early July 2020, Infometrics produced updated city-wide projections across three scenarios (low, medium, high) reflecting differing long-term trajectories for Dunedin City. This work suggested that the impact of Covid-19 on population and dwellings projections would be minor. The Infometrics medium scenario for population sits slightly below the Russell Jones projections. Given the relatively minor difference between the pre- and post-COVID projections and the additional detail in the projections developed by Russell Jones, these latter projections have been incorporated as a significant forecasting assumption in the DCC 2021-31 10 year plan. These have also been used in this report to ensure consistency.

The growth scenario developed by Russell Jones is considered the most likely, reflects the most up-to-date information available, and is a reasonable assumption based on current information. However, there is a high level of uncertainty due to the unknown impacts of Covid-19, the relatively atypical nature of Dunedin's recent high levels of growth, and the inherent uncertainties in all growth projections. The low and high growth scenarios are used to test the impact of potential alternative growth trends.

3.1.3 Housing preferences survey

A housing preferences study ('The Housing We'd Choose') was commissioned in 2019 to estimate current and future levels of demand for different dwelling typologies and locations. Research First were commissioned and surveyed a representative sample of 770 respondents between 9 September and 23 October 2019, with quotas set to ensure age, gender and geographic coverage.

The survey had two key components. The first was a series of questions about the features that respondents would like if looking for a new home and the level of importance they placed on these features as part of the purchasing decision.

The second component was based on the trade-offs that households would make when faced with budget constraints. Based on their financial situation (household income, debts and assets), respondents were presented with a series of dwelling options that matched their affordability profile, living arrangements and housing preferences. At each stage the respondent was shown four options and they were asked to select their preference. At the end of four rounds, respondents were shown their four selected options in order to make a final selection. The purpose of the study was to determine the types of new housing needed in Dunedin in order to inform policy settings, so only options for new builds were shown to respondents.

Survey results were presented by household type and age so that they could be combined with population and demographic trends to calculate future housing preferences.

3.1.4 Projected demand for dwellings

The methodology for assessing demand for housing involved combining census information, projected household changes, dwelling projections, and housing preferences information. This is summarised in Figure 5 below.

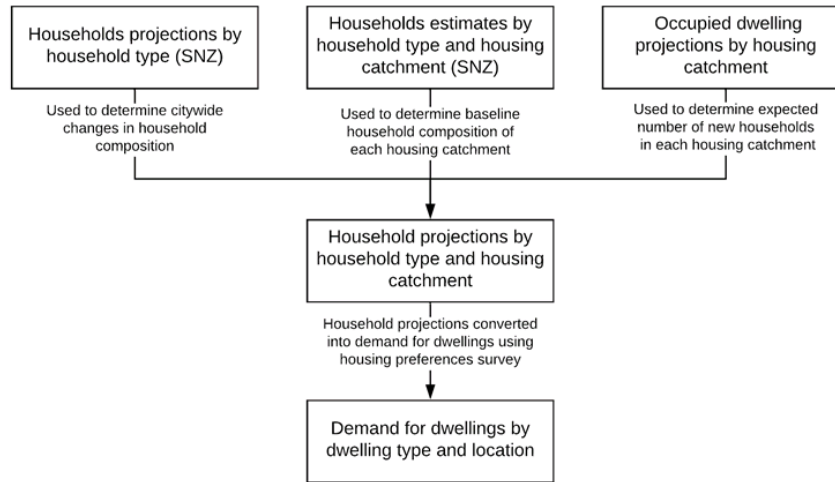


Figure 5: Summary of residential demand methodology

In addition to demand for new dwellings arising from projected population growth and demographic changes, the latent demand from the recent shortfall in new dwellings was included to the total demand figures. A shortfall of 1,060 was calculated using the difference between net additional constructed dwellings and estimated household growth between 2016 and 2020 (inclusive).

3.2 Population and household growth projections

While Dunedin's population is expected to grow in the foreseeable future, the rate of growth is expected to slow over the next 30 years. This reflects a national trend, largely driven by an ongoing aging of the population (reducing natural increase) and assumptions that the recent high levels of net migration will also slow.

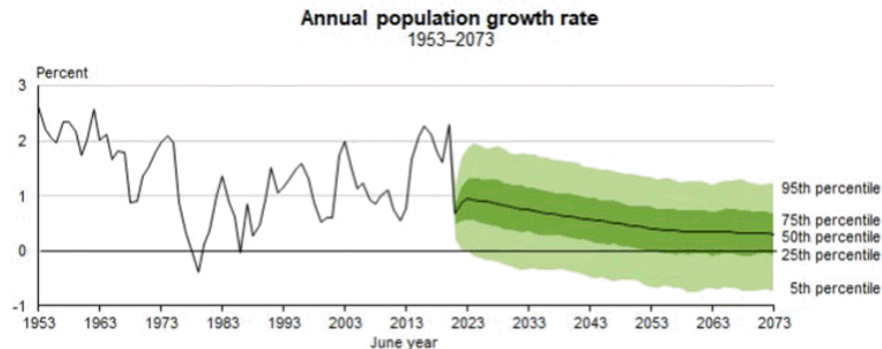


Figure 6: National population growth¹⁴

At a national scale, annual net migration is predicted to drop from 79,400 in 2019/20 to 10,000 over 2020/21 (due to the Covid-19 lockdown), then increase to an average of 25,000 per year until 2073. This assumed long-term median annual net migration of 25,000 reflects the average

¹⁴ National population projections: 2020(base)-2073, Statistics New Zealand, Medium growth scenario

annual gain of 20,000–30,000 observed since the late 1980s¹⁵. Migration assumptions were formulated using international travel and migration data, the impact from the COVID-19 pandemic, immigration applications and approvals, and immigration policies (in New Zealand and other countries)¹⁶. Statistics New Zealand also surveyed over 160 migration experts on their opinions about future net migration levels and used responses to inform their migration assumptions.

The projected migration has a significant degree of uncertainty, as show in Figure 7 below. Migration patterns are strongly influenced by the relative economic performance of New Zealand and a range of potential origin/destination countries, particularly Australia, due to the potential for differences in wages and job growth.

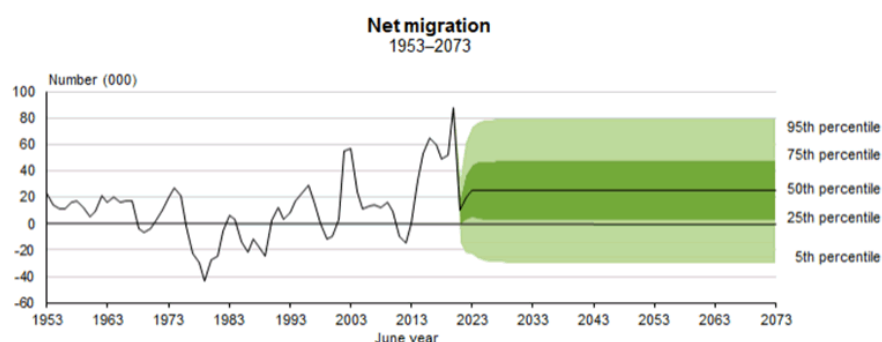


Figure 7: Net migration projections¹⁷

The number of births currently outweighs deaths by a slim margin. While the number of births per year is projected to remain relatively unchanged, the number of deaths is expected to increase from 510 per year over 2018–23 to 740 per year over 2043–48. This is due to the increase in the number of people in older age groups with a comparatively higher mortality rate. As a result, the current net natural increase is expected to soon turn into a net natural decrease. The overall impact of these trends is shown in Figure 8, where the coloured bars show the changes in each 10 year interval by component and the black bars show the overall population.

¹⁵ <https://www.stats.govt.nz/information-releases/national-population-projections-2020base2073>

¹⁶ Ibid.

¹⁷ Ibid.

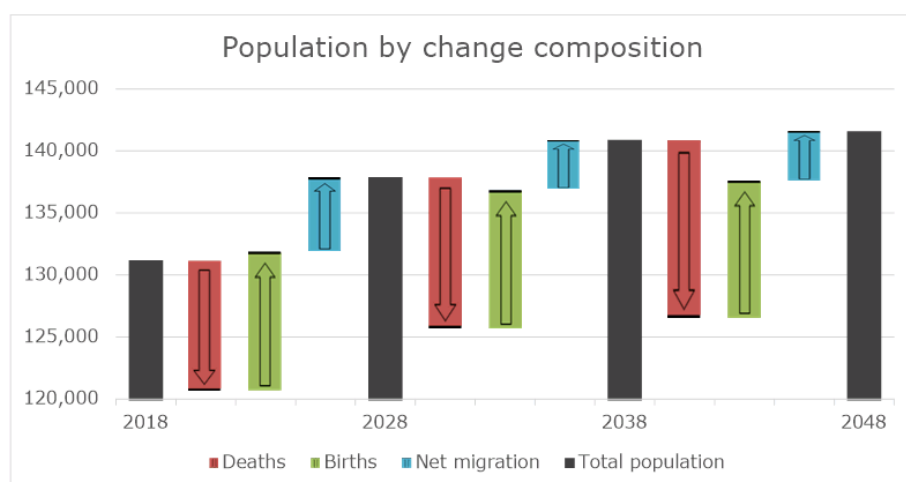


Figure 8: Population projections by change composition¹⁸

The overall impact of modelled population trends for Dunedin is an average annual growth of 916 people per year over 2018-23, decreasing to a growth of 67 people per year between 2038 and 2048.

Table 3: Projected Dunedin City population 2018-48

	2018	2023	2028	2038	2048
Projected resident population	130,520	135,100	138,674	142,318	142,985
Average annual growth (for the preceding five-year period)		916	715	364	67
Average annual growth % (for the preceding five year period)		0.7%	0.5%	0.3%	0.05%

The composition of Dunedin's projected population growth is strongly influenced by the aging population. Over the next 30 years, the 65+ age group is the only one that is expected to grow.

¹⁸ Figures in this graph differ slightly to other population projections in this report, as they are sourced from Statistics New Zealand projections (2018 base) rather than DCC projections.

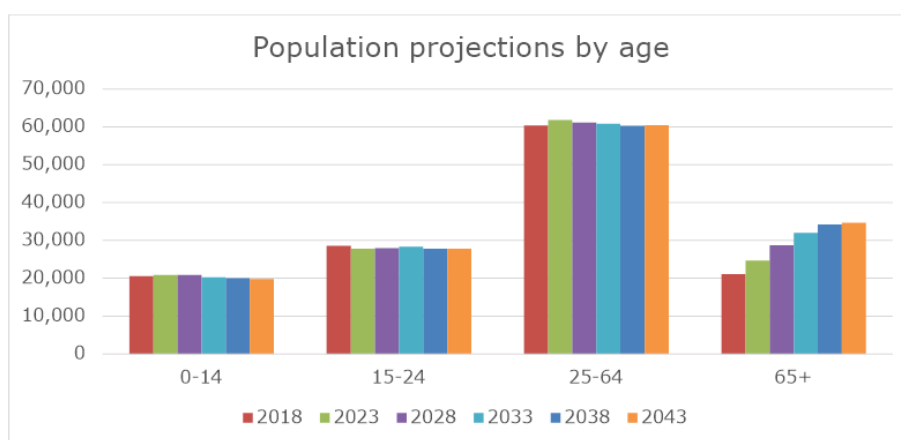


Figure 9: Population growth projections by age group 2018-2048

The projected demographic trends mean that household growth is likely to be almost entirely concentrated in one and two-person households (Figure 10). This is mainly driven by the increase in 'empty nester' households.

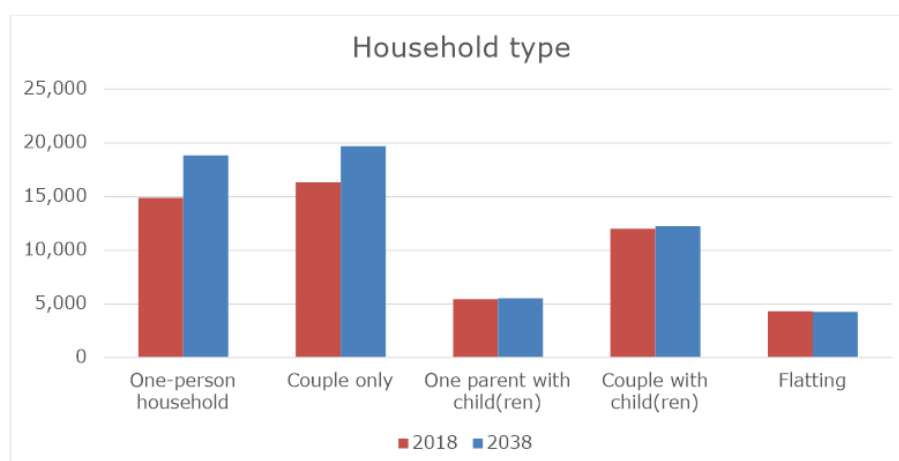


Figure 10: Projected changes in household composition

3.3 Housing preferences

Results of the housing preferences study show that there is still a predisposition towards standalone housing, particularly in younger couples and households with children. However, over 40% of older people living alone or with a partner would choose to live in an attached dwelling, such as a duplex, townhouse, or apartment. As these are the demographic groups that are projected to increase, it has a significant impact on future housing demand.

A comparison of preferred housing with Dunedin's existing housing stock shows that even before considering future growth and demographic trends, there are more standalone houses and less attached homes than needed to align with the preferences of Dunedin's current population. While this may seem at odds with high buyer demand for standalone housing (in addition to attached housing), it is likely that there are many households who are currently living in a standalone

house and would like to either move or down-size but do not currently have satisfactory options to move to.

Table 4: Housing type preferences by household type

Catchment	One person households (aged <65)	One person households (aged 65+)	Couple without children (aged <65)	Couple without children (aged 65+)	Parent(s) or caregiver(s) with children	Other multi-person household	All households
Apartment	11%	7%	5%	9%	1%	3%	4%
Terraced house	23%	16%	6%	9%	13%	16%	13%
Duplex (aka semi-detached)	18%	20%	10%	27%	9%	13%	12%
Total attached	52%	42%	21%	45%	23%	31%	30%
Standalone house: 500m ² section	45%	49%	51%	39%	49%	55%	49%
Standalone house: 2,000m ² section	2%	9%	21%	9%	25%	11%	18%
Standalone house: 2ha section	2%	0%	6%	6%	3%	3%	3%
Total standalone	48%	58%	79%	55%	77%	69%	70%

The Housing We'd Choose survey showed that 31% of total households would choose to live in a two bedroom dwelling, 37% in a three bedroom dwelling, and 24% in a four bedroom dwelling. One and five bedroom dwellings were rarely chosen (3% and 6% respectively). However, two bedroom dwellings were the dominant choice for the demographic groups expected to grow (one and two person households aged 65+), reflecting the importance of enabling development of smaller dwellings.

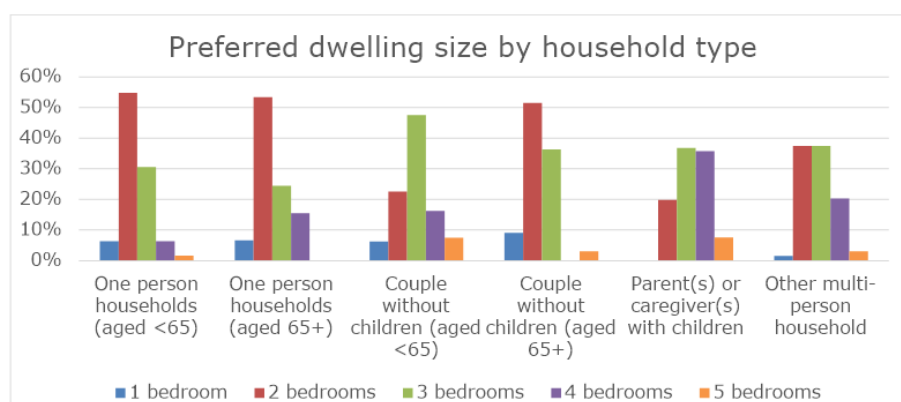


Figure 11: Preferred dwelling size by household type

The Housing We'd Choose study also revealed the preferred home locations of respondents. This showed a strong preference for inner suburbs (located close to the CBD) and outer suburbs, however there is significant variation between household types. In terms of those that are expected to grow, one person households aged 65+ are more likely to want to live in the inner city (compared to the general population) and couples aged 65+ without children are comparatively more likely to prefer South Dunedin or Mosgiel. All three of these locations (inner city, South Dunedin, and Mosgiel) have good accessibility to services and amenities and are relatively flat, all of which are likely attractors to aging households.

Table 5: Housing location preferences by household type

Catchment	One person households (aged <65)	One person households (aged 65+)	Couple without children (aged <65)	Couple without children (aged 65+)	Parent(s) or caregiver(s) with children	Other multi-person household	All households
Inner city	11%	11%	3%	6%	4%	5%	6%
Inner suburbs	35%	33%	31%	24%	33%	38%	33%
South Dunedin	8%	7%	1%	12%	5%	8%	6%
Outer suburbs	34%	24%	34%	21%	34%	34%	33%
Mosgiel	10%	22%	21%	27%	12%	9%	14%
Outer urban area	2%	2%	10%	9%	12%	6%	9%
Total	100%	100%	100%	100%	100%	100%	100%

3.4 Results

3.4.1 Outline

Table 6 below outlines the assessed level of net dwelling demand over the short, medium, and long-term. This incorporates the existing shortfall of 1,060 dwellings (presuming that it is gradually addressed over 30 years) and the required NPS-UD competitiveness margins of 20% of dwelling demand over the short and medium term and 15% over the long term.

Table 6: Growth in demand for dwellings

	2020-23	2020-30	2020-50
Additional demand	1,406	4,499	8,586
Additional demand + existing shortfall	1,512	4,852	9,645
Additional demand + existing shortfall + competitiveness margin	1,814	5,822	11,334

3.4.2 Demand by housing type

Household growth has been converted into demand for different dwelling types using results of the housing preferences survey. For example, between 2020 and 2023, there is projected to be an increase of 542 one-person households aged 65+. The housing preferences survey estimated that 42% of these households would choose to live in an attached dwelling and 58% would prefer a standalone house. Based on these percentages, the increase in one-person households aged 65+ translates to a demand for an additional 314 standalone houses and 228 attached dwellings. This process is repeated for each household type.

Standalone houses remain the dominant choice of dwelling type across survey respondents when thinking about their next home (70%). However, this is less than the number of respondents currently living in standalone houses (85%). The demographic groups that are projected to grow are more likely than other households to prefer attached homes, including single person households aged 65+ (42%) and couples aged 65+ without children (45%). As a result of these trends and the existing prevalence of standalone houses in Dunedin's housing stock, approximately 42% of net additional housing units needs to be attached dwellings to meet future preferences for housing resulting from population growth and demographic changes. This would result in 19% of Dunedin's total housing stock being attached units in 2050, up from 15% in 2018.

Table 7: Projected net additional dwelling capacity required¹⁹

Dwelling type	2020-23	2020-30	2020-50
Standalone house	1,065	3,400	6,447
Attached units	749	2,422	4,887
Total	1,814	5,822	11,334

3.4.3 Demand by location

The projected geographic spread of long-term demand (Table 8) is concentrated in the inner suburbs (38%) and outer suburbs (24%). Conversely, projected absolute demand for the inner-city area is low. However, the growth in the inner city is expected to be the highest relative to the number of existing homes due to the low baseline. Planned improvements to CBD amenity, the ongoing revitalisation of the Warehouse Precinct, and cultural changes all have the potential to further increase demand for inner-city living.

Anecdotal evidence suggests that there is a significant latent demand for apartments in or close to the city, with supply being the main constraint preventing this demand from being met. A project to explore supply constraints and options to encourage greater residential development in the CBD and centres is planned for late 2021.

¹⁹ Including existing shortfall and NPS-UD competitiveness margins (15-20%)

Table 8: Projected capacity required by urban catchment

Catchment	Current dwellings (2021)	Additional capacity required (2020-50)
Inner city	745	962 (+129%)
Inner suburbs	22,866	4,351 (+19%)
Outer suburbs	16,245	2,681 (+17%)
Mosgiel	6,192	2,671 (+43%)
Outer urban area	3,837	669 (+17%)

As discussed in Section 3.1.1, there is also significant overlap in demand between the urban catchments and spatial projections of demand should be seen as a guide rather than requiring any particular spatial pattern of growth.

Table 9: Projected capacity required by urban catchment and dwelling type

Catchment	Dwelling type	2020-23	2020-30	2020-50
Inner city	Standalone houses	0	0	0
	Attached dwellings	144	470	962
	Total	144	470	962
Inner suburbs	Standalone houses	411	1,318	2,518
	Attached dwellings	275	898	1,834
	Total	686	2,215	4,351
Outer suburbs	Standalone houses	319	1,018	1,845
	Attached dwellings	151	478	837
	Total	470	1,496	2,681
Mosgiel	Standalone houses	239	762	1,509
	Attached dwellings	168	539	1,162
	Total	407	1,301	2,671
Outer catchment	Standalone houses	107	339	669
	Attached dwellings	0	0	0
	Total	107	339	669

3.4.4 Demand by growth scenario

As shown in Figure 12, there is significant scope for Dunedin's growth to be considerably lower or higher than the adopted medium growth scenario. If growth is lower than expected, this can impact on the take-up of infrastructure upgrades and extensions, causing revenue and debt issues for Council. However, if growth is higher than expected, this can cause strain on Dunedin's housing stock, increase house/land prices, and impact on levels of service from DCC infrastructure. The impact of housing stresses would be most felt by lower income households and households who are currently renting and are less able to get into the property ladder or meet their housing needs.

Dunedin's growth over 2030-50 is projected to be low but there is significant uncertainty about the rate of change over that period. To address this uncertainty and the potential risks of providing insufficient capacity, there would be benefit in the Future Development Strategy considering how a higher growth rate would be managed. This could include identifying, at a high level, potential additional areas for rezoning or changes to rules that would be introduced if and when necessary, as well as triggers to determine when work should begin to initiate changes. Ongoing monitoring of growth and capacity take-up could then be used to identify when the triggers are reached.

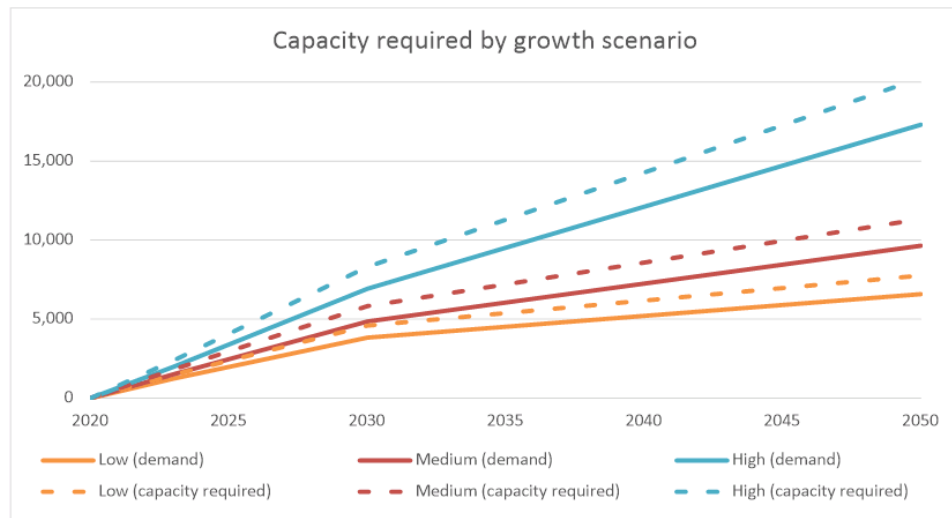


Figure 12: Capacity required by growth scenario

Differences in growth scenarios are the result of different assumptions about future fertility, mortality, and migration rates. In the short-term, the migration rate has the greatest ability to change quickly, resulting in the greatest uncertainty being in the age groups that are most inclined to migrate (see Figure 13). However over longer timeframes, differences in the assumed fertility and mortality rates become more significant and the new migrants advance into subsequent age brackets. As a result, the uncertainty in the population projections becomes more evenly spread across age groups.

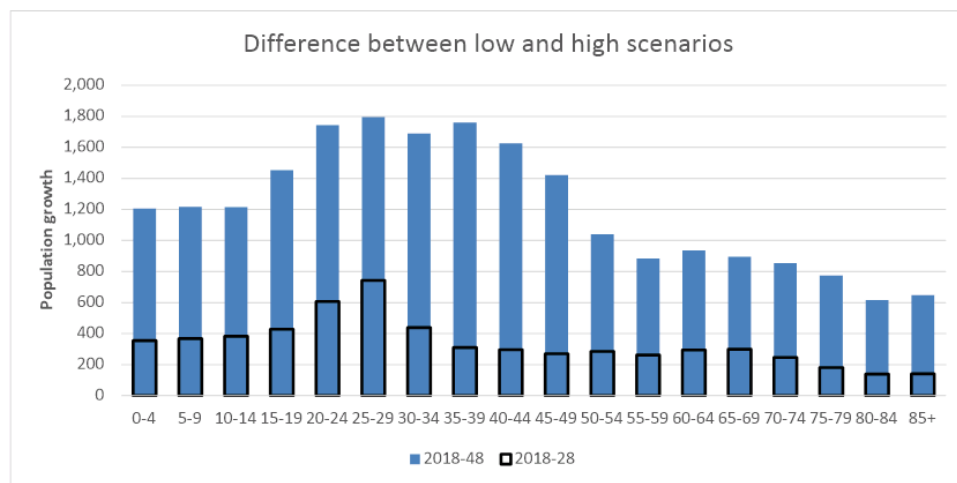


Figure 13: Difference between low and high scenarios (2018-28)

These differences in the age profiles of each growth scenario result in different housing demand scenarios. While the high growth scenario would require 60% of additional capacity for attached homes over 2020-30 compared to a low growth scenario, it requires an extra 97% capacity for standalone homes (Figure 14). Despite the different age profiles of the projected growth over the

long-term (2020-50) compared to the medium-term (2020-30), the difference in the dwelling types required between the low and high scenarios are similar for long-term housing demand.

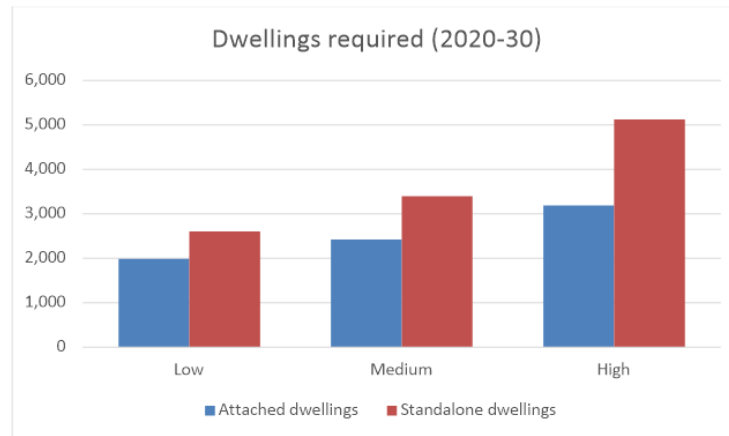


Figure 14: Required development capacity by housing type and growth scenario (2020-30)

Under a high growth scenario, the increase in dwellings required in the outer urban area would be 132% greater than under a low growth scenario. This compares to a 57-79% increase in the other housing catchments.

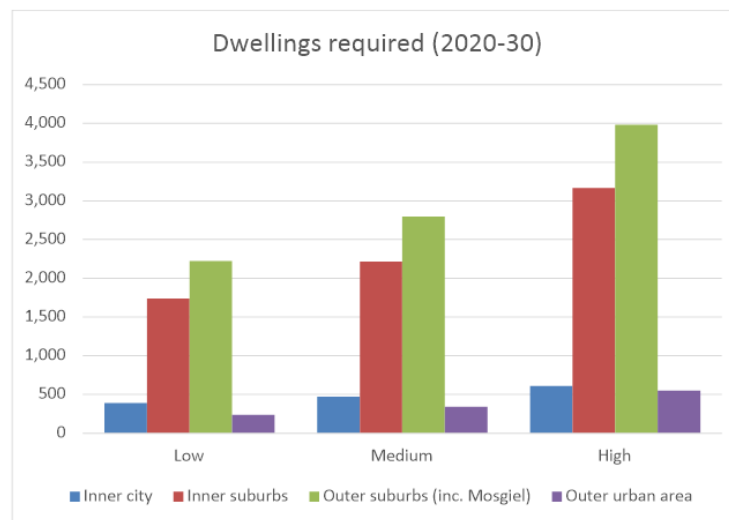


Figure 15: Required development capacity by location and growth scenario (2020-30)

4 HOUSING CAPACITY

This section outlines the methodology and results of an assessment of housing capacity. This is compared in section 5 to the estimated housing demand to assess the sufficiency of the modelled capacity.

4.1 Methodology

4.1.1 Overview

Table 10 outlines the NPS-UD requirements for development capacity to be considered sufficient to meet expected demand for housing. This assessment undertakes those tests to determine development capacity.

Table 10: NPS-UD requirements for development capacity

Requirement	Description
Plan-enabled <i>NPS-UD 3.4</i>	Development capacity is plan-enabled for housing or for business land if: <ul style="list-style-type: none"> in relation to the short term, it is on land that is zoned for housing or for business use (as applicable) in an operative district plan in relation to the medium term, either paragraph (a) applies, or it is on land that is zoned for housing or for business use (as applicable) in a proposed district plan in relation to the long term, either paragraph (b) applies, or it is on land identified by the local authority for future urban use or urban intensification in an FDS or, if the local authority is not required to have an FDS, any other relevant plan or strategy. ... land is zoned for housing or for business use (as applicable) only if the housing or business use is a permitted, controlled, or restricted discretionary activity on that land...
Infrastructure-ready <i>NPS-UD 3.4(3)</i>	Development capacity is infrastructure-ready if: <ul style="list-style-type: none"> in relation to the short term, there is adequate existing development infrastructure to support the development of the land in relation to the medium term, either paragraph (a) applies, or funding for adequate infrastructure to support development of the land is identified in a long-term plan in relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy (as required as part of its long-term plan).
Feasible and reasonably expected to be realised <i>NPS-UD 3.26(1)</i>	For the purpose of estimating the amount of development capacity that is reasonably expected to be realised, or that is both feasible and reasonably expected to be realised, local authorities: <ul style="list-style-type: none"> may use any appropriate method; but must outline and justify the methods, inputs, and assumptions used to arrive at the estimates.
Meet the expected demand plus the appropriate competitiveness margin <i>NPS-UD 3.22(2)</i>	Specified competitive margins are 20% for the short and medium term, 15% for the long term

A GIS model has been developed to assess the capacity of each residentially zoned property in Dunedin. This model allows for analysis to be easily repeated with different inputs to allow for scenario testing, sensitivity testing, and regular updating of results.

It is a three-part model that firstly evaluates plan-enabled capacity, then the economic feasibility of those plan enabled developments, and finally estimates likely take-up over time of the plan enabled, commercially feasible developments.

Property data is combined with other datasets to form the main input into the model (section 4.1.2). The plan-enabled capacity model assesses what can be built after site constraints and District Plan restrictions are taken into account and allows consideration of up to 42 development options per site with a range of unit sizes and yields (section 4.1.3). The second part of the model assesses the costs and revenue associated with each development option and determines the most profitable for properties in residential zones (section 4.1.4). Those that would give a developer an acceptable rate of return are counted as feasible development capacity. A range of property-level and city-level take-up assumptions are then applied to ensure the overall assessed capacity for residential zones is reasonably expected to be realised (section 4.1.5).

For properties in Commercial and Mixed Use (CMU) zones, a 'contemporary development scenario' approach is used, similar to what has been done elsewhere in New Zealand (section 4.1.6). Under this approach, existing nearby developments are used to assess what is economically feasible due to their previously proven developability. This is considered more appropriate than assessing the costs and revenues associated with mixed-use developments, as these can be diverse and difficult to accurately assess. This approach is also relatively conservative, as it implicitly assumes that likely scale of development would not substantially change over time in those environments.

Where upcoming developments are known and are relatively certain of proceeding, these have been manually incorporated into the model.

4.1.2 Preparation of property data

Two parcel layers are used in the model, both based on an existing GIS layer of rating valuation parcels. Additional spatial information is added to the parcels, such as the relevant development contribution catchments, statistical areas, District Plan zones and overlays, mean slope, and aspect.

Where adjacent properties are owned by the same owner/s and have the same zoning, the properties are merged. This allows for a better assessment of comprehensive redevelopment capacity, which can be more feasible when sites are amalgamated. This method relies on the ownership being under the same name and may not capture all properties, for instance where they are held by different companies which share the same ownership or parent company.

Parcels that are smaller than 100m² or have complex ownership arrangements (such as cross-leases and unit titles) are removed. While the latter make up a significant portion of CBD properties, these generally have multiple owners, making redevelopment relatively unlikely.

Parcels that are covered by multiple District Plan zones (or transitional zone overlays) are split at the zone boundaries and treated as separate sites. This is consistent with the 2GP definition of site.

Portions of sites with a slope of 30° or greater are removed from the analysis due to the difficulties associated with developing steep land. This was informed by a review of new housing consented over 2019-20, which included only 24 homes (2.8% of the total) being consented on land over 30°.

Once this data is collated, a property layer is created for testing infill developments. This layer removes parts of properties that contain buildings or structures larger than 50m². Parcels (or areas of parcels) that would subsequently be too small (less than 100m²) or too thin (less than 10m wide) to develop are removed.

4.1.3 Plan-enabled capacity

Assessment of District Plan restrictions

District Plan provisions have been incorporated into the model where they are likely to impact on the likelihood or potential scale of development. Sites that are within a transition overlay zone are

modelled according to their potential future zoning, but separated out at the end of model for reporting purposes.

Sites are classed as undevelopable if they are:

- subject to a District Plan designation
- used for purposes that are unlikely to change (utility services, community services or recreation)
- not zoned for residential uses (only parcels zoned Residential or certain Commercial and Mixed Use zones are assessed).

The model presumes that there will be no demolition of protected heritage buildings or structures. Infill capacity is still tested for these sites.

Parts of sites are deemed to be undevelopable where they are within:

- scheduled heritage sites
- national electricity grid setbacks
- high risk hazard areas (Hazard 1 overlays, mapped swales, and mapped dune systems)
- the approximate driplines of scheduled trees.

District Plan standards relating to development and land use density are applied to each site. These include:

- maximum site coverage
- maximum number of units and bedrooms
- maximum height and number of floors.

Setbacks from road and parcel boundaries are also removed from the area of sites deemed to be developable. Sites that are larger than 5,000 m² are classed as greenfield sites. It is presumed that, if subdivided, 30% of these sites would be required for roading, stormwater mitigation, and landscaping.

Finally, parts of potential building footprints that are too thin to be built on (less than 8m diameter) are removed, along with any building footprints less than 70m².

The output of this stage is a spatial layer that represents areas within sites that could contain buildings and carries a range of attributes for the next modelling step, including the maximum floorspace that could potentially be developed on each site.

Residential zone development assumptions

After assessing the maximum floorspace for each residentially zoned site, the model converts this into a range of development options. A 'standard' development option is created using the median floorspace of recent new dwellings within the same suburb²⁰ and analysing how many dwellings of that size would fit within the developable floorspace and be permitted under District Plan density standards. The model then creates a range of alternative development scenarios using different yields and dwelling sizes. Dwelling size options range from 50% to 150% of the standard size and yield options include 25%, 50%, 75%, or 100% of total permitted yield (with lower yields including larger section sizes). A development option that utilises the maximum permitted floorspace is also tested.

Once the different development options have been created, the model categorises the developments as either standalone or attached housing. Developments are classified as attached housing if multiple units are being developed and there is less than 400m² of land per unit, there are more dwellings than parcels being developed, or the units are smaller than 80m².

The undeveloped site area for each development option is assessed to ensure that there is adequate space for carparking and outdoor living space.

²⁰ For the purposes of the model, suburbs are defined using Statistics New Zealand's 2018 Statistical Area 2 classification.

4.1.4 Development feasibility for residential zones

Revenue

For sites zoned Residential, the potential revenue of each modelled development option is calculated based on the number of dwellings and estimated sale price of each new dwelling. For infill developments, it also includes the value of the existing dwellings. The sale price of new dwellings is estimated by separately calculating the land value and improvement value associated with the modelled dwellings.

Modelled land value is based on valuation data of existing dwellings in Dunedin, combining information on the particular suburb, slope, aspect, and property size. This involves:

- Applying a logarithmic equation to calculate the value of the land based on the total land area (Figure 16)
- Applying a multiplier based on the difference between the median land value of flat 400-1,000m² sites within the relevant suburb compared to the citywide median
- Applying a multiplier based on the median land value of sites with a similar slope/aspect combination relative to flat north-facing sections

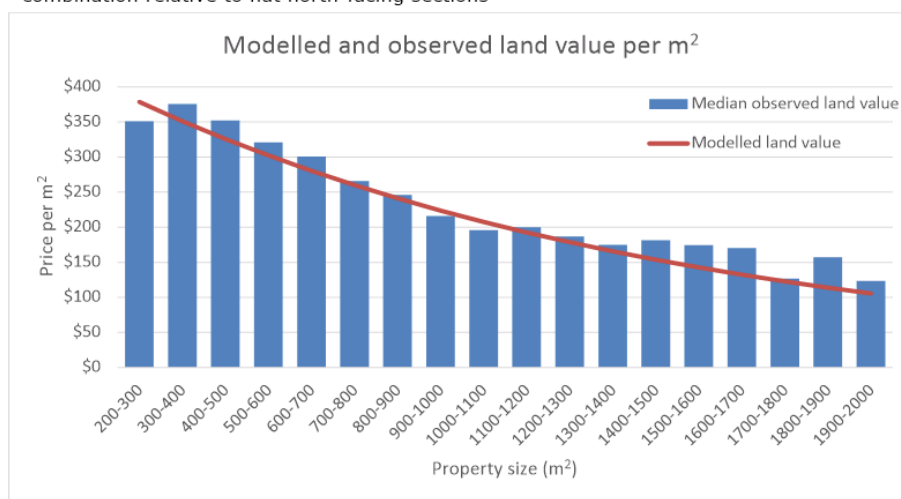


Figure 16: Modelled and observed land value per m²

The improvement value is based on rateable values of similar dwellings in Dunedin, taking account of the unit typology (standalone or attached) and total floorspace. A multiplier is also applied to reflect the difference between rateable values and sale values.

Purchase price

The purchase price of sites is based on their capital value multiplied by the current average difference between residential sale prices and capital values. This data comes from QV sales data from the last three months²¹. Where parcels are split by zone or transitional zone overlays, the model estimates the value of each portion based on the zoning and size.

Development costs

Construction costs are based on a rate per square metre. This rate varies between small and large developers to take economies of scale into account. Construction costs generally reflect a standard house built to NZS 3604, which provides methods for the design and construction of timber-framed, low-rise buildings on 'good ground'. Buildings constructed according to NZS 3604

²¹ <https://www.qv.co.nz/property-trends/residential-sales-prices>

meet the requirements of the Building Code without specific engineering design, reducing associated costs.

Other development costs incorporated into the model include subdivision costs, site preparation, professional fees, finance and contingency. The costings were predominantly developed by Flanders Marlow, a local quantity surveying company. They were then refined through discussions with developers and analysis of recent developments.

As the development costs were prepared for the original 2019 Housing Capacity Assessment and are now out-of-date, a 4.4% annual increase in construction costs was incorporated, based on the average annual increase of costs identified in building consents. While the costs identified on building consent applications do not reflect all construction costs and are based on an initial estimate rather than final costs, they are suitable for assessing overall trends over time. Building consent costs were used since they reflect Dunedin-specific costs, are updated monthly, and are a tier one statistic²². For comparison, CoreLogic's Cordell Housing Index Price, which also measures construction cost inflation, indicates a national construction cost inflation rate of 3.98% for the year to June 2020.

Other development costs (such as professional fees) were also increased by 4.4% per annum. While there is no direct data on changes to these costs, increasing them using the change in construction costs is a conservative approach in comparison with the alternative of using the more general inflation rate measured by the consumer price index, which is currently 1.9% per annum.

To check whether the final modelled development costs were appropriate, the costs for a range of sites were compared to an alternative approach developed by the Ministry of Building, Innovation and Employment and Ministry for the Environment for the price-cost ratios under the NPS-UDC. This alternative approach is based on using building consent data to estimate construction costs and incorporating a 30% buffer to reflect additional costs not covered by building consent estimates, such as consultant and legal costs. The costs estimated in the residential capacity model (RCM) approach almost always exceeded the costs under the building consent approach. The RCM approach was consequently retained as a conservative approach to estimating development costs.

Once the revenue and costs are calculated, the model assesses the overall profitability of the development option. For most developments, a 20% return on investment is deemed to be the threshold for a development to be economically feasible. This is the rate that many financiers require developments to demonstrate when applying for finance, to provide a safety buffer against failed developments. However, developments of single unit dwellings are considered feasible if revenue outweighs cost, regardless of profit margin. An assessment of Dunedin building consents and discussions with developers have highlighted that these developments are usually done by either owner/occupiers or 'one-man-band' type builders whose profit is included in the construction costs.

To more accurately reflect their different economic drivers compared to other developers and home builders, specific economic feasibility tests are applied for existing landowners developing infill sites. The approach is modelled on the methodology developed by Property Economics for Wellington City Council²³ and uses existing property values to determine the profit margin for these developments instead of total development costs. It also excludes the existing property value from the development costs since the property does not need to be purchased. However, the impact of the development on the value of the existing dwelling is factored into the assessment. Where the profit is at least 20% of the value of the original property, the development is deemed to be feasible. For example, if a property was worth \$500,000 and had infill potential, the development of that infill potential would be considered feasible if it resulted in a profit of at least \$100,000. This test of economic feasibility is not intended to factor in whether households would take up infill capacity, only whether they would make sufficient money for it to be financially attractive. While there is overlap between the amount of potential profit and the

²² According to Statistics New Zealand, 'Tier 1 statistics are the most important statistics, essential to understand how well New Zealand is performing and to inform critical decisions... Trust and confidence in Tier 1 statistics is assured through compliance with the Principles and Protocols for Producers of Tier 1 Statistics, a set of practice requirements based on the United Nations Fundamental Principles of Official Statistics.'

²³ Wellington City Commercially Feasible Residential Capacity Assessment, Property Economics (May 2019)

likelihood that households would develop available land, there are also other non-financial factors that are incorporated through the take-up rates, as discussed in section 4.1.5.

The final stage of the model compares the profitability of all development options per site and removes all except the most profitable option. Where the model indicates that there is a citywide surplus of feasible capacity for a certain housing type (standalone/attached) and a deficit in the other, the less profitable alternative may be chosen to reflect overall market demand, presuming that the alternative meets the overall profitability tests (for instance a 20% profit margin).

Future feasibility

The economic feasibility of developments can be very sensitive to changes in development costs and sales revenue. The key factors have different long-term trends which, when combined, generally make developments more feasible over time. In particular, land values usually increase faster than construction costs. In addition, the land value of existing built sites generally increases faster than improvement value. Both trends make development and/or redevelopment of sites increasingly feasible over time. While the NPS-UD requires feasibility for short and medium term capacity to be based on the current relationship between costs and revenue, it allows for 'any reasonable adjustment to that relationship' for assessing long-term feasibility. The reasoning behind making adjustments to land value and other cost and revenue assumptions is outlined in a Market Economics commentary on previous NPS-UDC requirements²⁴.

Key assumptions about long-term trends were largely based on data from 1995-2016. This reflects a 20 year period that includes multiple property cycles. Recent years were excluded and the annual land value increase was reduced by 1% to reduce reliance on significant ongoing increases in house prices. This is in response to a recommendation from the Ministry for the Environment /Ministry of Housing and Urban Development evaluation report on Dunedin's initial housing capacity assessment against assuming 'a continuation of a pattern that the NPS-UDC seeks to break, whereby prices become more and more elevated and unaffordable reflecting a shortage of supply relative to demand'. The assumptions used in the model were:

- 5.1% average annual increase in land values²⁵
- 4.6% average annual increase in property improvement values²⁶
- 4.1% average annual increase in construction and development costs²⁷

Applying these assumptions results in projected house prices increasing by 4.7-4.9% per year. This is significantly lower than the average compounded increase of 6% per year from 1995 to 2019.

4.1.5 Rate of uptake for residential zones

Context

The amount of feasible capacity that is reasonably expected to be realised (i.e. actually developed) over a particular timeframe is a subset of total feasible capacity. There are many factors that impact on whether capacity will be taken up, such as personal attachment to land, developer preferences, access to credit, and propensity for risk. Take-up will also include some capacity that is identified as infeasible in the RCM, due to developer behaviour differing from the modelled assumptions, non-market developments, or the high-level nature of the model.

Take-up rates were previously incorporated into the initial housing capacity assessment by applying a 20% buffer to short and medium-term demand and a 15% buffer to long-term demand. However, the NPS-UD has changed the purpose of those buffers to reflect the benefits of an over-supply of feasible capacity on allowing for choice and competitiveness in housing markets and being resilient to potential demand shocks. The NPS-UD requires take-up to be incorporated separately.

²⁴ NPS-UDC: Current Feasibility Provisions Discussion Paper, Market Economics (July 2018)

²⁵ The compound annual growth rate over 1995-2016 was 6.1%, based on DCC rating valuation data

²⁶ The compound annual growth rate over 1995-2016, based on DCC rating valuation data

²⁷ The average rate of increase over 1995-2016, based on building consent data

Options

After discussions with other local and central government staff involved in residential capacity modelling and a review of NPS-UD provisions, four potential approaches to incorporating take-up rates were considered:

1. Assess historic take-up rates and project these into the future at a city-wide level.
 - Example: There has been an average net increase of 133 dwellings per year from brownfield developments, so that could be projected forward over the long-term.
 - Benefits: Relatively simple to calculate and communicate.
 - Costs: Doesn't consider whether there is sufficient development capacity for the historic rate to be sustained. Does not account for changes in regulatory settings or demand. Doesn't consider connection between demand and supply.
2. Assess the probability that feasible developments will be taken up and apply that probability to feasible capacity on an individual development basis.
 - Example: Presume that each potential feasible development has a 10% chance of being taken up in any given year.
 - Benefits: Links into the amount of feasible capacity available.
 - Costs: Significant assumptions required to determine appropriate take-up rates. Doesn't account for the impact of total capacity on the development probability for individual properties.
3. Use assumptions in the assessment of plan-enabled and feasible capacity that reflect actual developer behaviour rather than what's enabled.
 - Example: Presume that new subdivisions are undertaken at the same density as recent subdivisions in their respective area, regardless of whether a greater yield could be achieved.
 - Benefits: May produce more realistic results over the short-term.
 - Costs: Can't be used to assess the likelihood that landowners may choose to not sell or develop their land. Presumes that developers will continue to operate in the same way they have in the past, regardless of changes to planning provisions, market forces, etc.
4. Contact owners of land with development capacity to enquire about their intentions.
 - Benefits: Provides relatively accurate data.
 - Costs: Works well for larger greenfield sites but would be too resource-intensive to apply to the large amount of smaller development opportunities. Assumes respondents are willing to share plans with Council.

Adopted approach

Take-up rates have been incorporated into the updated RCM using aspects of all four methods described above. The RCM uses observed development behaviour instead of maximum standards in areas where these diverge (e.g. the height of new developments in the CBD). As development behaviour changes over time, these assumptions will be reviewed regularly so that capacity modelling can be updated as changes occur. The RCM also incorporates knowledge of development intentions where these are known. Calibration of model results was undertaken by comparing recent developments with the modelled yields and feasibility results for the same sites.

To reflect that not all feasible developments will be taken up, development probabilities are applied to the feasible capacity. The net additional number of consented homes in 2019 and 2020 within each development type (greenfield, brownfield) was compared to the feasible capacity identified in the original housing capacity assessment results. This roughly identifies the proportion of development capacity that can be expected to be developed in any given year.

Table 11: Recent take-up rates

Development type	Feasible capacity as at Jan 2019²⁸	Average annual net dwelling growth²⁹ (2019-2020)	Average annual take-up rate
Brownfield	4,630	133	2.9%
Greenfield	4,097	182	4.4%
Total	8,727	315	3.6%

The average annual take-up rate of 2.9% for brownfield capacity equates to a 25% chance that a feasible development would proceed in a 10 year period. Similarly, the greenfield take-up rate corresponds to a 37% likelihood over 10 years.

Ideally, a longer period of data would be used to assess take-up in order to ensure the rates are not significantly impacted by market and development fluctuations. However, decisions on the 2GP were only released in November 2018 and previous capacity modelling did not include feasibility. This makes any assessment of historic take-up rates incomparable with current model results.

The take-up rates in Table 11 apply for the relationship between demand and feasible capacity during the related time period. If the amount of feasible capacity increased or decreased, it would be reasonable to assume that the take-up rate would change accordingly. For instance, while there was capacity in greenfield areas for 4,100 homes and 182 were taken up per year, it is unlikely that 1,820 homes would be built each year if feasible capacity increased to 41,000 homes (despite this still being a take-up rate of 4.4%). Ideally this would be incorporated into the model; however, there is no applicable empirical data that could be used to assess how take-up rates would change. To address this issue, along with the limited time period covered, future take-up will continue to be monitored and used to update the assumptions in the RCM.

The take-up rates are only used in the RCM where development is already feasible. Where a development would become feasible in the future, the probability of development is calculated from that point onwards and is only counted as development capacity for the purposes of assessing long-term capacity.

Overall net growth in housing over the last five years has come from 40% brownfield and 60% greenfield developments²⁹. This provides the baseline of what the development industry has been delivering, although a range of factors can impact on the composition of growth. For example, a greater proportion of brownfield development may occur due to changing economic conditions, new developers entering Dunedin, attitudes toward medium density housing and demographic shifts towards one and two person households, and increasing developer understanding and use of opportunities enabled by the 2GP and future changes. To reflect this possible change while acknowledging past developer behaviour, brownfield capacity has been limited to 50% of total capacity for the purposes of assessing the feasible capacity that could be reasonably expected to be realised. The relative amounts of brownfield and greenfield development will continue to be monitored to enable this limit to be regularly reviewed.

While there is considerable overlap in demand between different housing catchments, distances between townships in the outer catchment and the other housing catchments means that there is likely to be less overlap. Some areas within the outer catchment have an amount of feasible capacity that significantly exceeds demand and is unlikely to be substitutable for demand for other catchments. To avoid this skewing the results, the capacity for the outer catchment has been broadly capped at the assessed level of demand for that catchment.

²⁸ These figures differ from those published in the 2019 Housing Capacity Assessment, as they are based on the updated 2021 methodology.

²⁹ This is an estimate of net additional dwellings after accounting for demolition of existing dwellings.

4.1.6 Commercial and mixed-use zone development assumptions

For the commercial and mixed use (CMU) zones, capacity is assessed based on development of vacant or mostly vacant³⁰ sites and the full redevelopment of sites with existing buildings. No assessment of capacity is undertaken for undeveloped space on properties with existing buildings. Most of this space is used for car parking and other activities related to the functioning of the built component. However, these activities may be temporary or represent an underutilisation of the land, in which case development is likely to occur at some point. As such, the approach taken in this model is conservative and may underestimate total capacity.

To ensure that modelled developments reflect realistic possibilities within specific areas, site coverage and building height are limited to the upper quartiles of existing buildings within the same zone. The model then allocates floorspace based on percentages of expected land uses, as shown in Table 12 below. These percentages estimate the zone-wide distribution of floorspace rather than the allocation of floorspace for individual buildings. The ratios were developed through an assessment of District Plan policies and existing land uses recorded in the DCC rating database.

While the CMU assumptions reflect a realistic view of capacity in the short-medium term, the likely scale and nature of development is less certain over the longer term and they may result in a conservative assessment of long-term capacity. These assumptions will be reviewed with each subsequent review of the Housing Capacity Assessment.

Table 12: New development floor use allocation by CMU zone

Zone	Ground floor				Upper floors			
	Residential	Office	Industrial	Retail / other commercial	Residential	Office	Industrial	Retail / other commercial
CBD		20%		80%	50%	50%		
Warehouse precinct		40%		60%	50%	50%		
Princes, Parry and Harrow Street	50%		50%		100%			
Smith Street and York Place	50%			50%	100%			
Harbourside Edge			50%	50%	80%	20%		
Trade related			50%	50%				
CBD Edge Commercial			25%	75%				
Centres		10%		90%	50%	50%		

Once developments have been modelled, high-level feasibility tests are applied. Comprehensive redevelopment³¹ of sites is only deemed feasible where the improvement ratio is 0.34 or lower. This value was derived from past redevelopments in Dunedin's commercial zones³². The

³⁰ 'Mostly vacant' is defined as having buildings covering less than 10% of site area.

³¹ 'Comprehensive redevelopment' refers to the demolition of existing buildings and redevelopment of the resulting vacant site.

³² Properties which were redeveloped had a median improvement ratio of 0.34 immediately prior to development occurring.

improvement ratio reflects the value of improvements relative to the total value of a property and is a common indicator of underutilisation of land. All developments on vacant sites are assumed to be feasible if the vacant site is held under an existing standalone legal parcel (i.e. is not legally attached to another property).

The assessment of CMU zones includes both residential and business capacity, however only the residential portion of results is discussed in this report. Business capacity will be discussed in the Business Land Capacity Assessment.

4.1.7 Appeals and Variation 2

There are several appeals on the 2GP that seek rural sites to be rezoned to a residential zoning. If these appeals were successful or resolved through mediation, additional capacity for greenfield development would be added and would likely be taken up over the next ten years. Due to the uncertainty of the outcomes of the appeals, the potential capacity from appeals is not counted in calculations of Dunedin's current development capacity.

Variation 2 proposes to add development through both rezoning of sites (new greenfield residential areas and areas to be 'up-zoned' to medium density zoning) and rule changes in the General Residential 1 zone and Township and Settlement zone (where serviced for wastewater). The impacts of these changes were tested using the residential capacity model discussed above. As there is a degree of uncertainty around the impact of the rule changes (since they reflect a change from what has historically been enabled or developed), a conservative modelling approach has been taken. This is consistent with central government guidance³³.

The general location and scale of development capacity proposed to be added through Variation 2 were shared with infrastructure providers to enable them to provide feedback on their ability to service the growth. With the exception of school-related capacity issues in Green Island, there were no significant concerns raised. The 3 Waters, Transport, and Parks and Recreation departments also inputted into the options evaluation that formed part of the Variation 2 process.

To assess the impact of greenfield rezonings, the capacity model was run with the zone inputs tweaked to reflect the proposed zone changes. For many sites suggested for rezoning, the landowner or their agent was able to indicate the likely yield that could be expected from their development. As this generally resulted from a more detailed assessment of site conditions and incorporated landowner preferences, the yields communicated to staff were manually incorporated into the capacity model to replace the modelled yields. All sites promoted by landowners were assumed to be feasible to develop and likely to be taken up.

The rule changes tested were:

- Allowing a duplex to be built on all properties over 500m² within General Residential 1 and reticulated Township and Settlement areas
- Changes to minimum site sizes for subdivision and development down to 400m² from 500m² in General Residential 1 and reticulated Township and Settlement areas
- Changes to make the minimum site size for subdivision and development consistent and to allow access legs to be included for sites under 1,200m²

These proposed rule changes effectively would allow two duplex units per 500m² of land or one standalone unit per 400m². Both avenues allow for an increased density compared to the existing limit of one unit per 500m². These changes add a substantial amount of plan-enabled capacity, however the take-up of this capacity is likely to depend on the feasibility and total market demand for these typologies. To factor these in, the modelled assumptions around feasibility and take-up were assessed and tweaked so that they could apply to both the existing and proposed Variation 2 provisions.

The take-up for duplex developments will depend on developer behaviour and public demand. The housing preferences study demonstrated significant demand for attached typologies in both the inner suburbs and outer suburbs (as well as the inner city). Conversations with developers indicated a willingness to develop duplexes and there has been a recent increase in resource

³³ Guidance on Housing and Business Development Capacity Assessments under the National Policy Statement on Urban Development, Ministry for the Environment (2020)

consent applications for duplex developments, particularly in Mosgiel. Resource consents have also been lodged for duplexes and terraced housing in General Residential 1 areas, despite the planning framework not being conducive to these developments. Based on these factors, it is anticipated that there will be at least a moderate uptake of capacity for duplex developments in General Residential 1 and Township and Settlement areas.

A significant number of recent subdivision applications have sought site sizes smaller than 500m² by counting an allocated share of access ways as part of their lot size requirement. This suggests that the change to a 400m² minimum site size would result in lots between 400m² and 500m² being developed.

While large greenfield developments could theoretically build to a net density of 40 dwellings per hectare (250m² per site) under the proposed rule changes, this is considered unlikely to occur in a wholesale manner. Lower yields are likely due to site/layout constraints, risk aversion, and access to capital. To factor these in, the capacity model presumes that no more than half the lots in greenfield developments would have duplexes. Lower yields are also assessed to determine the most profitable development scenario, rather than the model presuming that the option with the highest yield is chosen by developers.

Proposed changes to the family flat provisions³⁴ are likely to result in increased take-up of this development option, particularly as they could be rented out. However, the housing capacity assessment does not count family flats as dwelling capacity due to the lack of data on the existing number of habitable rooms on properties (which determines their plan status) and the complexity involved in assessing likely uptake.

Demand and capacity figures shown in this report differ from those reported in the Variation 2 section 32 report due to:

- Improvements to the reconciliation between growth projections by area, age, and household type (which resulted increased demand figures)
- Improvements to the properties used in the residential capacity model. Specifically, properties that are split up in the rating database but actually owned as a single property have been included, whereas they were previously excluded (as part of the process of removing properties that are too complex to develop, such as unit title or cross lease properties)
- Changes to how the model considers the impact of slope on development yields and feasibility
- Model constraints around development composition (brownfield/greenfield) and location now being factored into all result figures

4.2 Results

4.2.1 Overall housing capacity

The results from the model show an estimated capacity for an additional 3,660 feasible dwellings that are reasonably expected to be taken up over the next 10 years (Table 13). The changes proposed in Variation 2 would add capacity for a further 2,630 dwellings over the same period.

Table 13: Residential capacity results

Type	Short-term (2020-23)	Medium-term (2020-30)	Long-term (2020-50)
2GP	1,330	3,660	8,290
2GP + Variation 2	2,000	6,290	11,230

Table 14 outlines the medium-term capacity broken down by assessment step. This shows that a relatively small proportion of plan and infrastructure-enabled capacity is feasible to develop, with a smaller amount being reasonably expected to be realised. All other results in this section reflect

³⁴ This includes renaming family flats to ancillary residential units and removing restrictions on their tenancy.

capacity that is plan-enabled, infrastructure-enabled, feasible, and reasonably expected to be realised. Results are rounded to the nearest 10, which may result in totals not matching.

Table 14: Medium-term residential capacity results by assessment step

Type	2GP	2GP + Variation 2
Plan-enabled and infrastructure-enabled capacity	25,930	50,190
Plan-enabled, infrastructure-enabled, and feasible capacity	11,770	16,800
Plan-enabled, infrastructure-enabled, feasible, and reasonably expected to be realised capacity	3,660	6,290

4.2.2 Capacity by location

The distribution of existing capacity is spread across Dunedin (Table 15) but is highest in the outer suburbs and Mosgiel. These are also the areas most impacted by Variation 2.

Table 15: Residential capacity by catchment

Catchment	2GP			2GP + Variation 2		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Inner city	60	180	410	60	180	410
Inner suburbs	330	850	2,110	490	1,360	2,720
Outer suburbs	550	1,430	3,640	900	3,080	5,230
Mosgiel	290	860	1,450	450	1,320	2,200
Outer catchment	110	340	680	110	340	680
Total	1,330	3,660	8,290	2,000	6,290	11,230

4.2.3 Capacity by housing type

Almost 85% of feasible capacity is currently for standalone housing (Table 16). Variation 2, as notified, focuses on attached housing capacity and would significantly increase the capacity for those typologies.

Table 16: Residential capacity by dwelling type

Dwelling type	2GP			2GP + Variation 2		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Standalone housing	1,150	3,080	6,800	1,280	3,990	6,650
Attached housing	180	580	1,490	720	2,290	4,590
Total	1,330	3,660	8,290	2,000	6,290	11,230

4.2.4 Capacity by development type

Approximately half the feasible development capacity is within greenfield land, with the remainder split between comprehensive redevelopments, infill, and vacant sections (Table 17). There would be a greater amount of capacity available for brownfield developments under Variation 2, however this would represent a much greater proportion of citywide development capacity than in historic development patterns, so might be unlikely to be taken up. However, ongoing monitoring of development take-up will be undertaken to assess whether there are any future changes to these trends.

Table 17: Residential capacity by development type

Development type	2GP			2GP + Variation 2		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Comprehensive redevelopment	160	480	1,430	260	810	2,150
Infill	260	780	1,870	450	1,330	2,400
Vacant lots	130	370	850	170	500	910
Greenfield	770	2,030	4,140	1,130	3,650	5,780
Total	1,330	3,660	8,290	2,000	6,290	11,230

5 SUFFICIENCY OF HOUSING CAPACITY

This section compares the capacity analysis results with the estimated demand for housing. It outlines the sufficiency of the capacity enabled by the 2GP and the next steps in responding to shortages.

All capacity figures in this section reflect capacity that is plan-enabled, infrastructure-enabled, feasible, and reasonably expected to be realised. Results are rounded to the nearest 10, which may result in totals not matching.

5.1 Comparison of capacity requirements and capacity provided

The results from the model show that housing development capacity under the existing 2GP is insufficient to meet demand over all timeframes (Table 18). However, Variation 2 is likely to add a significant amount of capacity and, if approved in its current form, would ensure sufficient medium-term capacity is provided, presuming Dunedin follows the medium growth scenario. The resolution of appeals on the 2GP may also add significant additional capacity, however this is subject to mediation agreements and/or Environment Court decisions.

Under Rule 12.3.1.2(a) of the 2GP³⁵, residential capacity must be insufficient to meet five years' worth of demand for land in a Residential Transition Overlay Zone (RTZ) to be released. This requirement is met (i.e. there is currently insufficient development capacity). Infrastructure requirements under Rule 12.3.1.2(b) and (c) must also be met before RTZ land may be released.

Table 18: Housing capacity results

Scenario		Short-term (2020-23)	Medium-term (2020-30)	Long-term (2020-50)
2GP	Capacity required	1,810	5,820	11,330
	Capacity available	1,330	3,660	8,290
	Sufficiency	-480	-2,160	-3,040
2GP + Variation 2	Capacity required	1,810	5,820	11,330
	Capacity available	2,000	6,290	11,230
	Sufficiency	+180	+460	-100

While the medium growth projection is considered the most likely scenario, there is a need to consider the potential impacts of other growth scenarios (Figure 17). This is highlighted by Dunedin's recent growth exceeding the projected 'high growth' scenario. If Dunedin continued to follow a high growth scenario, development capacity would be insufficient over the medium-term, even with additional capacity from Variation 2. Over the long-term, development capacity would need to almost double to meet requirements under a high-growth future.

³⁵ This rule is proposed for removal in Variation 2.

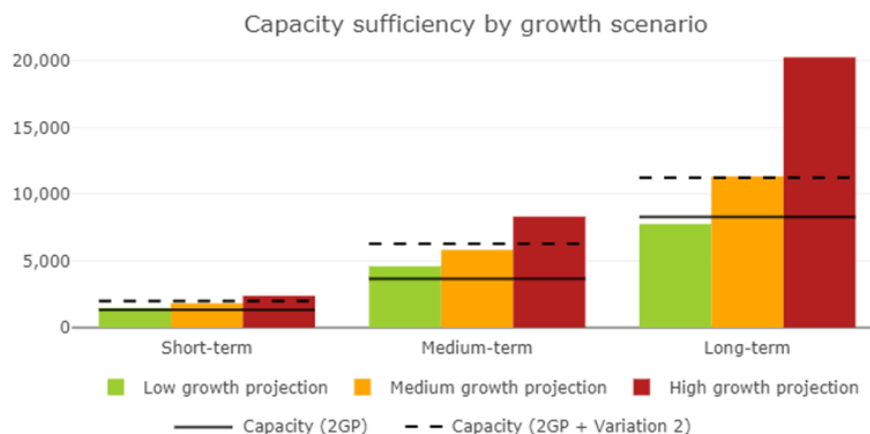


Figure 17: Capacity sufficiency by growth scenario

There is a particularly significant undersupply of capacity for attached housing across all time periods under the 2GP. This is partially caused by planning constraints, particularly in General Residential 1 areas. This was confirmed through modelling of the proposed Variation 2 changes, which showed a significant increase in attached housing capacity. Under Variation 2, attached housing capacity is expected to be close to sufficient to meet demand. Capacity for standalone housing is sufficient under the existing 2GP framework for the short-term and long-term and close to sufficient for the medium-term.

Table 19: Sufficiency by housing typology

Zoning	Short-term (2020-23)		Medium-term (2020-30)		Long-term (2020-50)	
	Capacity required	Capacity	Capacity required	Capacity	Capacity required	Capacity
2GP						
Attached housing	740	180	2,390	580	4,790	1,490
Standalone housing	1,080	1,150	3,440	3,080	6,540	6,800
2GP + Variation 2						
Attached housing	740	720	2,390	2,290	4,790	4,590
Standalone housing	1,080	1,280	3,440	3,990	6,540	6,650

The shortfall in development capacity is most pronounced in the inner city and inner suburbs. The outer suburbs, where demand is highest, only has a small shortfall over the short-term and has a moderate shortfall over the medium and long-term. Variation 2, as notified, would add significant capacity to the inner and outer suburbs.

Table 20: Sufficiency by area

Catchment	Short-term		Medium-term		Long-term	
	Demand	Supply	Demand	Supply	Demand	Supply
2GP						
Inner city	140	60	470	180	960	410
Inner suburbs	690	330	2,220	850	4,350	2,110
Outer suburbs (inc. Mosgiel)	880	840	2,800	2,290	5,350	5,090
Outer catchment	110	110	340	340	670	680
2GP + Variation 2						
Inner city	140	60	470	180	960	410
Inner suburbs	690	490	2,220	1,360	4,350	2,720
Outer suburbs (inc. Mosgiel)	880	1,350	2,800	4,400	5,350	7,430
Outer catchment	110	110	340	340	670	680

The constrained supply of feasible development capacity in the inner city and inner suburbs correlates with a relatively small net increase in new dwellings being consented. This suggests constraints to delivering development to meet existing and future demand in these areas. These areas don't have large greenfield development opportunities like the outer suburbs, relying instead on intensification which require redevelopment or reuse of existing sites and buildings.

In the inner city, planning provisions are liberal and allow for more height than is typically used. There are no carparking minimums for residential activities and no other major planning constraints that are considered to be inhibiting intensification. Discussions with developers have generally revealed building code requirements to be the key constraint to converting existing buildings to residential use. However, the costs and uncertainty involved with planning processes have also been raised as deterring development in the inner city. Finding land for inner-city residential developments was identified as difficult, with multiple small sites often needing to be amalgamated to make a development viable. This can involve long time periods and significant capital requirements, which may limit the number of potential developers interested in these projects.

The inner suburbs see more development, however this is concentrated near the university and targeted toward students. As most sites in the inner city are already built on, a significant yield is required to make redevelopment viable. For the high costs of these development to be justified, there needs to be a commensurate increase in returns (through either rental income or sales), which in turn requires a significant step change in building floorspace and/or quality is required over the existing conditions.

A large portion of the inner suburbs is zoned either Inner City Residential or General Residential 2, which both allow for medium density developments. Variation 2 proposes to rezone another 219 hectares in the inner suburbs to General Residential 2. As discussed in section 6.2, this was informed by an analysis of localised housing demand and where planning controls are having an impact on development.

While demand for housing in the inner suburbs exceeds the supply of housing capacity, many respondents in the housing preferences study who preferred the inner suburbs listed the outer suburbs as their second choice. This suggests a significant level of fluidity between the two catchments in people's housing choices.

5.2 Response to capacity shortages

Clause 3.7 of the NPS-UD states:

- (1) If a local authority determines that there is insufficient development capacity... over the short term, medium term, or long term, it must:
- a) immediately notify the Minister for the Environment; and
 - b) if the insufficiency is wholly or partly a result of RMA planning documents, change those documents to increase development capacity for housing or business land (as applicable) as soon as practicable, and update any other relevant plan or strategy (including any FDS, as required by subpart 4); and
 - c) consider other options for:
 - i. increasing development capacity; and
 - ii. otherwise enabling development.

The Minister will be informed about the areas of insufficient capacity identified in this assessment. DCC has already notified a change to the 2GP to increase medium-term development capacity and is currently initiating work on a Future Development Strategy that will address long-term capacity requirements. Infrastructure constraints (particularly wastewater and water supply) limit potential growth options, but are being addressed through both short-term options (e.g. wastewater detention tanks) and long-term infrastructure upgrade projects (as discussed in section 2.4).

A project to explore supply constraints and options to encourage greater residential development in the CBD and centres is planned for late 2021.

6 ANALYSIS OF HOUSING MARKET AND IMPACT OF PLANNING

Clause 3.23(1) of the NPS-UD states that every housing capacity assessment must include analysis of how the relevant local authority's planning decisions and provision of infrastructure affects the affordability and competitiveness of the local housing market. The impact of planning on the competitiveness of the market has been tested by assessing the provision of development capacity and whether it meets and exceeds housing demand (section 5). The impact of planning on the affordability of the housing market is discussed in section 6.2 below.

Under clause 3.23(2) of the NPS-UD, the analysis must include an assessment of how well the current and likely future demands for housing by Māori and different groups in the community (such as older people, renters, homeowners, low-income households, visitors, and seasonal workers) are met, including the demand for different types and forms of housing (such as for lower-cost housing, papakāinga, and seasonal worker or student accommodation).

The analysis must be informed by price efficiency indicators and market indicators, including:

- (i) indicators of housing affordability, housing demand, and housing supply; and
- (ii) information about household incomes, housing prices, and rents

A high-level overview of key price efficiency and market indicators is provided in section 6.1. The housing needs assessment discussed in section 6.4 provides information on the current and likely future demands for housing by different community groups, using information about incomes, housing prices, and rents. Section 6.3 discusses housing needs for Māori.

6.1 Development market and price efficiency indicators

Recent development

Building consent data shows that consenting and construction of new homes has historically kept up with growth in household numbers, but has fallen behind in recent years (Figure 18). It also shows a mismatch between the type of homes being built and Dunedin's changing housing preferences and demographics. Dunedin's growth is expected to almost entirely consist of single person households and couples without children, both of which are more likely to prefer to live in attached housing than other demographic groups³⁶. However, only 21% of new consented homes over the last five years have been for attached housing typologies.

It is difficult to assess whether the inability for the construction of homes to service housing demand is due to planning constraints, other development constraints, or other factors such as the experience and preferences of those undertaking development.

³⁶ Housing Framework Predictions: The Housing We'd Choose, Research First (2019); Subnational Family and Household Projections: 2013(base)–2038, Statistics New Zealand (2017)

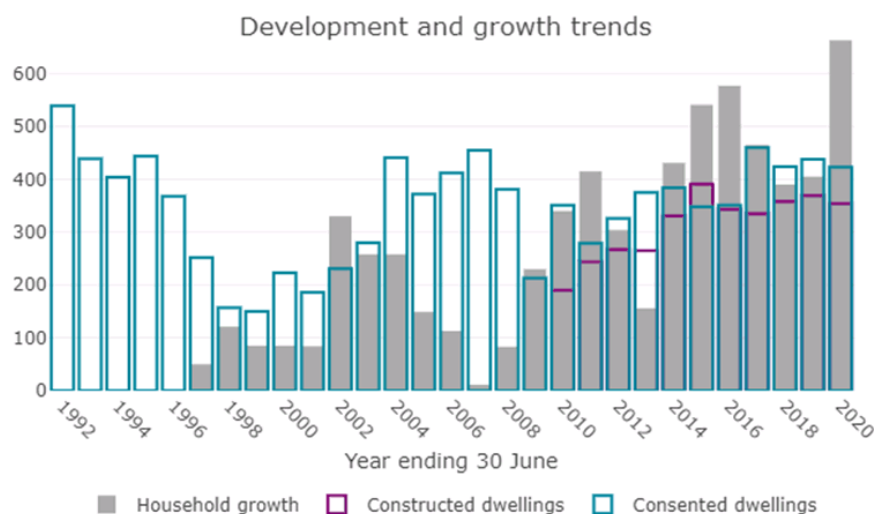


Figure 18: New dwellings compared to household growth

Land values near rural-urban boundary

Urban zoned land is worth significantly more than surrounding rural zoned land. However, most of the difference is due to factors unrelated to zoning, such as subdivision costs, net land lost to roads reserves and physical constraints, development contributions, amenities, and geographic features. After factoring in these elements, Ministry of Housing and Urban Development data³⁷ suggests that zoning of land may result in a \$22,500 (or 29%) difference in the property values of otherwise similar 600m² sections at the urban/rural boundary. This is the second lowest differential among major urban areas in New Zealand and suggests that the amount of zoned land is not a significant barrier to growth compared to other urban areas.

Table 21: Rural-urban zone differential

Urban area	Ratio	Difference (\$/m ²)	Difference (\$/600m section)
Gisborne	1.22	\$24	\$14,352
Dunedin	1.29	\$38	\$22,505
Rotorua	1.33	\$46	\$27,441
Blenheim	1.46	\$61	\$36,303
Palmerston North	1.57	\$73	\$43,902
New Plymouth	1.61	\$92	\$55,080
Napier	1.66	\$102	\$61,372
Whangarei	2.00	\$80	\$48,064
Tauranga	2.02	\$232	\$139,135
Nelson	2.10	\$153	\$91,671
Christchurch	2.23	\$150	\$90,136
Wellington	2.30	\$201	\$120,371
Hamilton	2.42	\$227	\$136,213
Queenstown	3.12	\$337	\$202,485
Auckland	3.15	\$345	\$206,722

³⁷ <https://huddashboards.shinyapps.io/urban-development/>

Price-cost ratio

The price-cost ratio compares the cost of buying a house with the cost of building a new house of an equivalent size. A ratio lower than 1.0 would effectively mean the sale price is less than the price of a new build, indicating a severely depressed market with little economic growth. According to central government guidance³⁸, a ratio between 1.0 and 1.5 represents a responsive market with an adequately supply of land, while a ratio greater than 1.5 suggests a poor supply of sections or development opportunities.

For much of the 1990s and into the early 2000s Dunedin's ratio was below 1.0 (Figure 19), suggesting there was little economic growth. In 2003, the ratio began to increase, peaking at 1.36 in 2007, before dropping to 1.11 as a result of the Global Financial Crisis. Since 2014, the price-cost ratio has been steadily increasing and has reached 1.43 (as of 2020). Based on the central government guidance, Dunedin's price-cost ratio indicates that the market is operating efficiently. However, the direction and rate of change suggests increasing constraints on the supply of infrastructure-serviced sections.

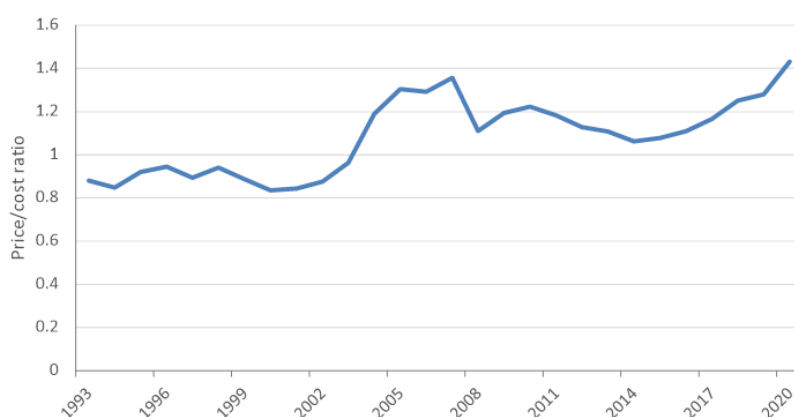


Figure 19: Ratio of house sale prices to cost of building equivalent sized house

6.2 Impact of planning on affordability of housing

The current shortfall of development capacity discussed in section 5 may have an impact on the affordability of housing by restricting new supply. The impact of constrained development capacity on the relationship between overall supply and demand of homes is likely to be small, as the number of new homes is historically very small compared to the overall housing stock (<1%). However, the impact on the number of homes sold is more significant. On average, 3,050 houses and/or sections were sold per annum over the last 10 years. Of these, an average of 380 (12.5%) were new homes or empty sections. As new homes/sections are a reasonable proportion of sales, any constraints to the development of new homes could have a significant impact on house prices. As outlined in section 5, the shortfall of development capacity is currently being addressed through Variation 2 to the 2GP and it is anticipated that resolution of appeals on the 2GP will result in more capacity being added over 2021.

Planning impacts on house prices are highest where development would be feasible under more flexible zoning. This predominantly occurs where land values are high and improvement ratios³⁹ are low (Table 22). High land values indicate high demand and low improvement ratios indicate that a property is under-utilised and redevelopment is likely to be feasible.

Where planning frameworks provide for intensification in these areas, development often results in both dwelling and property sizes decreasing. This mitigates the impact of higher land values per

³⁸ National Policy Statement on Urban Development Capacity - Price efficiency indicators technical report: Price-cost ratios, Ministry of Business, Innovation and Employment and Ministry for the Environment (2017)

³⁹ i.e. the value of buildings and other improvements relative to the value of land

square metre, resulting to total property prices being lower than they would be under stricter zoning⁴⁰ (Figure 20).

Table 22: Capitalisation and land value and suitability for redevelopment and intensification⁴¹

	Low land value	High land value
High capitalisation	Unlikely to be redeveloped. Areas of low demand, likely not suitable for intensification	Limited likelihood of redevelopment. Areas of some demand, may be suitable for intensification
Low capitalisation	Unlikely to be redeveloped. Areas of some demand, may be suitable for intensification	Likelihood of redevelopment. Areas of most demand, most suitable for intensification.

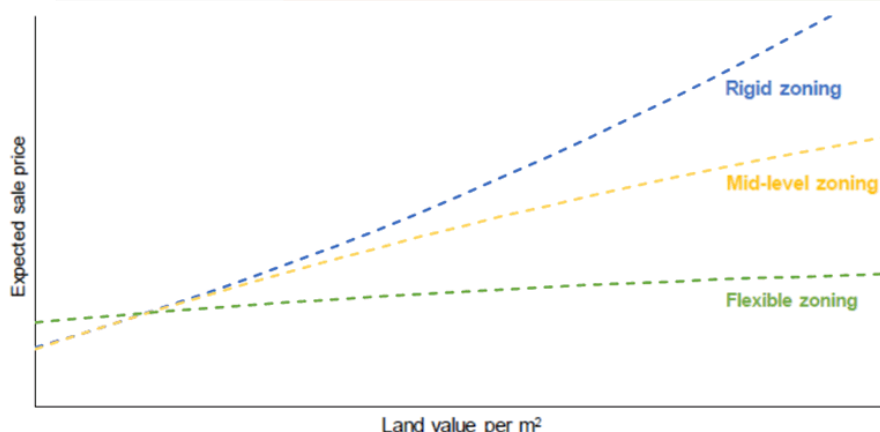


Figure 20: Sale price of dwellings of fixed floor areas in relation to underlying land value, by zoning scenario⁴²

An analysis of Dunedin properties was recently undertaken to highlight areas where planning constraints might be impacting on feasible development capacity and housing affordability, based on the criteria of having high land values and low improvement ratios. As shown in Figure 21 below, this revealed clear areas within the inner suburbs (between Mornington and Maori Hill) being developable and likely to benefit from rezoning, as well as St Clair, Opoho, and Mosgiel. These areas were evaluated for inclusion in Variation 2.

⁴⁰ 'Cost - benefit analysis for a National Policy Statement on Urban Development', PWC 2020

⁴¹ Adapted from 'Understanding and implementing intensification provisions for the NPS-UD', Ministry for the Environment 2020

⁴² Adapted from 'Cost - benefit analysis for a National Policy Statement on Urban Development', PWC 2020

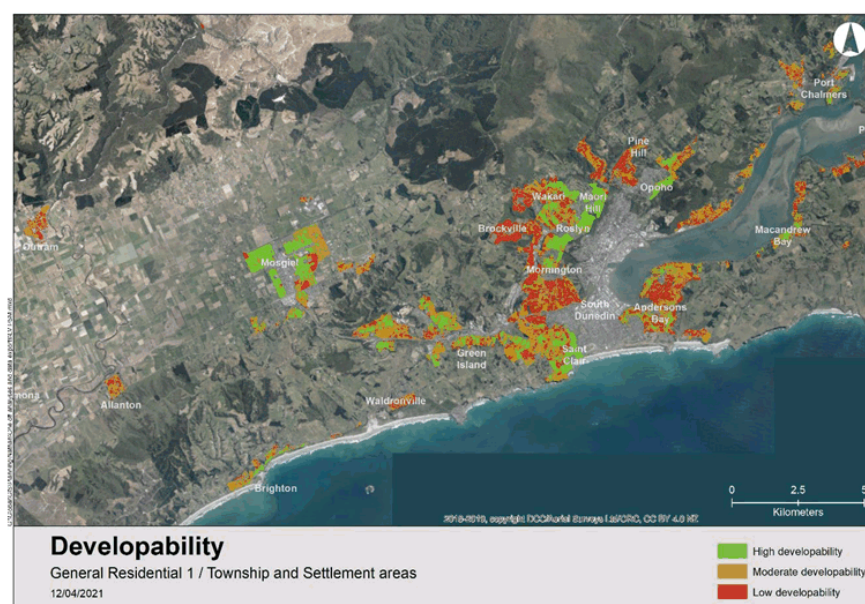


Figure 21: Areas where planning constraints might be impacting on housing affordability

In addition to providing additional development capacity, Variation 2 seeks to improve housing affordability by enabling smaller properties and housing through changes to development standards in General Residential 1 and reticulated Township and Settlement areas, which would allow for new housing stock to be developed at lower price points.

6.3 Housing for Māori

Research on the housing needs of Māori was undertaken in 2016 for the Centre for Housing Research, Aotearoa New Zealand (CHRANZ) and Te Puni Kōkiri⁴³. This included qualitative fieldwork (focus groups and interviews) that found that Māori households tend to accommodate more people due to larger family sizes. The informants all emphasised the importance of maintaining cultural practices around receiving whānau and other guests. Many research participants also highlighted the value given to being able to accommodate whānau (usually parents or grandparents) on a permanent basis. The more prevalent needs for larger homes and the ability to host whānau and visitors were also highlighted at the Dunedin Housing Summit in February 2019.

Population projections by Statistics New Zealand suggest that the Māori population is likely to grow much faster than the wider Dunedin population between 2018 and 2038 (+52% compared to +6%), increasing the importance of providing for the housing needs of Māori. However, there are no planning constraints or limits in the 2GP around providing for larger houses, asides from maximum building site coverages. The 2GP also specifically provides for papakāika in original native reserves and on Māori land, depending on land ownership and occupation. Family flats are also allowed as of right in most residential areas, enabling households to permanently accommodate whānau.

Mana whenua will be involved in the development of Dunedin's next Spatial Plan (Future Development Strategy) and this strategy will specifically explore housing issues, values, and aspirations for Māori, and particularly mana whenua.

⁴³ Waldegrave, C., King, P., Walker, T., Fitzgerald, E. Māori Housing Experiences: Emerging Trends and Issues. CRANZ (August 2006).

6.4 Housing needs assessment

6.4.1 Overview

This section provides information on current, historic, and projected trends around housing status. In addition to NPS-UD requirements, this section is also in response to Action 2.1 of the Housing Action Plan for Dunedin (2019-39), developed by the Mayor's Taskforce for Housing and adopted by Council on 6 May 2019.

The approach taken to assessing current and future housing need across the housing continuum has been to:

1. Identify and collect necessary census data
2. Use the census data to define affordability and create classifications for each segment of the housing continuum (section 6.4.2)
3. Analyse the latest census data to provide information on the current housing situation (section 6.4.3)
4. Analyse historic census data to ascertain historic trends (section 6.4.4)
5. Combine data on historic housing continuum trends and demographic projections to project future housing needs (section 6.4.5)

A custom data request to Statistics New Zealand was used to collect the necessary data. This was informed by consultation with Statistics New Zealand about available data and issues with data suppression. The key datasets that were cross-tabulated to inform the assessment were:

- Tenure of households
- Total household income
- Household type
- Age of reference person
- Sector of landlord (for households in rented dwellings)
- Weekly rent paid (for households in rented dwellings)

To smooth over changes in census response rates and data analysis approaches at Statistics New Zealand, some additional data imputation was undertaken.

Information on severe housing deprivation was taken from research by Dr Kate Amore, Helen Viggers, and Distinguished Professor Philippa Howden Chapman^{44,45}.

6.4.2 Housing continuum definitions

Housing affordability

Housing affordability is defined using a common metric of households paying no more than 30% of their gross income on housing costs. Households costs greater than 50% of gross income are considered severely unaffordable. One benefits of this definition is that it is easy to understand and analyse. It also represents how households experience affordability due to the focus on rental or mortgage payments and disposable income, as opposed to metrics that are based on purchase price and are unaffected by interest rates etc. However, there are issues with the metric. For instance, the material impact of spending 30% of income on housing costs is significantly greater for lower income households. Conversely, households with a high income may choose to pay more than 30% of their income on housing costs for lifestyle reasons and still have sufficient disposable income to comfortably meet their other needs.

Housing continuum

A range of classifications for housing continuums have been used nationally and internationally by different organisations and for different purposes. For this assessment, a classification was developed to fit with the available data and purpose of the assessment. The continuum is outlined in Figure 22 below. Due to the significant changes in the 2018 census and the uneven response

⁴⁴ Amore K. (2016). Severe housing deprivation in Aotearoa/New Zealand: 2001-2013. He Kāinga Oranga/Housing & Health Research Programme, University of Otago, Wellington.

⁴⁵ Amore K., Viggers H., Howden Chapman, P. (2020). Severe housing deprivation in Aotearoa New Zealand, 2018. He Kāinga Oranga/Housing & Health Research Programme, University of Otago, Wellington.

rate across ethnicity and age groups, it is difficult to analyse trends in the population without shelter or in temporary housing. This has consequently been limited to the current situation and assessed separately.

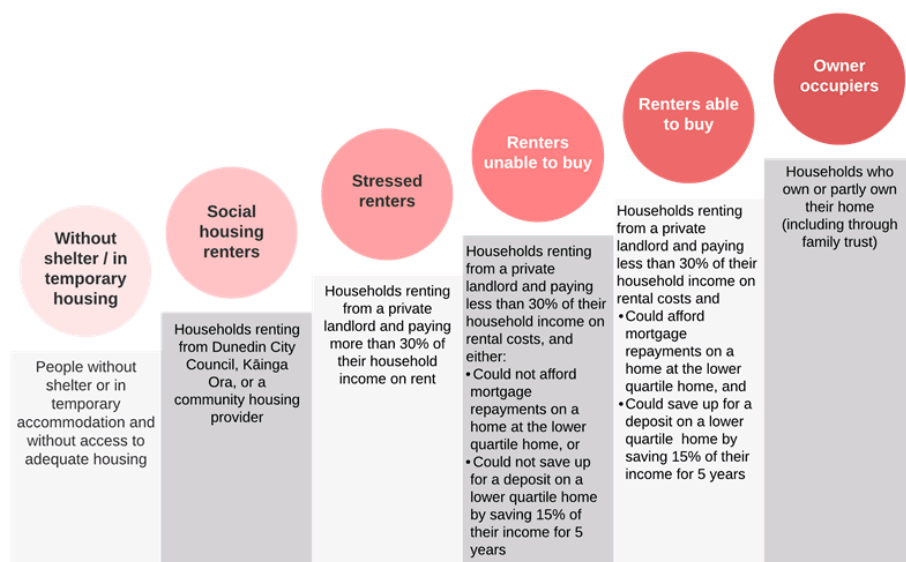


Figure 22: Housing continuum classification⁴⁶

6.4.3 Current situation

As shown in Figure 23, 70% of Dunedin households own the home they live in and the remaining population are spread throughout the renting continuum.

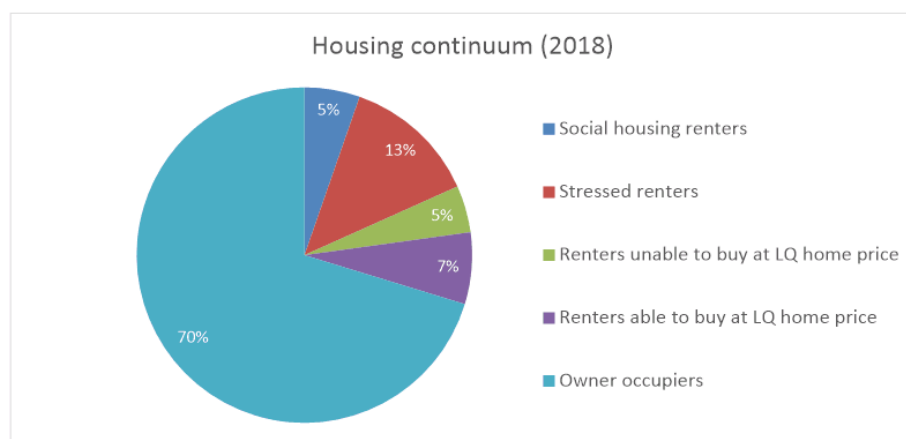


Figure 23: Housing continuum (2018)

⁴⁶ The proportion of income that could be saved for a mortgage (15%) was based on an assumption used by CoreLogic analysis (NZ Housing Affordability Report) to determine how many years it would take households to save for a deposit. It is recognised that the 15%/5 year assumptions are not entirely empirical, however it is believed that they are reasonable for the purposes of assessing trends over time.

While Dunedin has a high proportion of owner-occupiers, there is considerable variance between different household types (Figure 24). Over 90% of couples aged 65 or over are owner occupiers, whereas only 29% of group households own their home. This is unsurprising given that over half of group households in Dunedin are aged under 25, most of whom will be student flats. There is also variance between couples, families, and single person households, as well as between age groups. Couples are more likely to be owner occupiers than single person households, likely due to the additional income that they can earn. Approximately 27% of single person households either live in social housing and/or spend more than 30% of their income on housing.

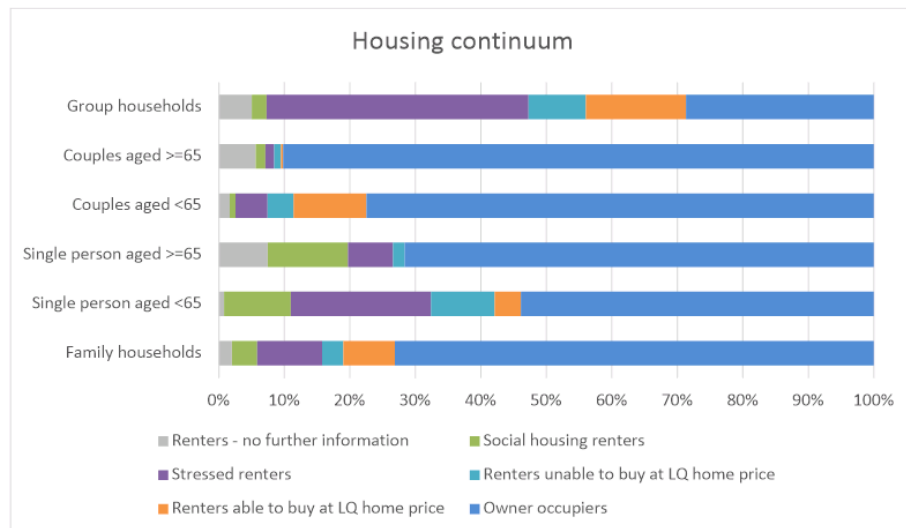


Figure 24: Housing continuum by household type (2018)

Approximately half of Dunedin renting households are living in unaffordable housing and 30% live in severely unaffordable housing. Approximately 74% of households in severely unaffordable housing are single person or group households.

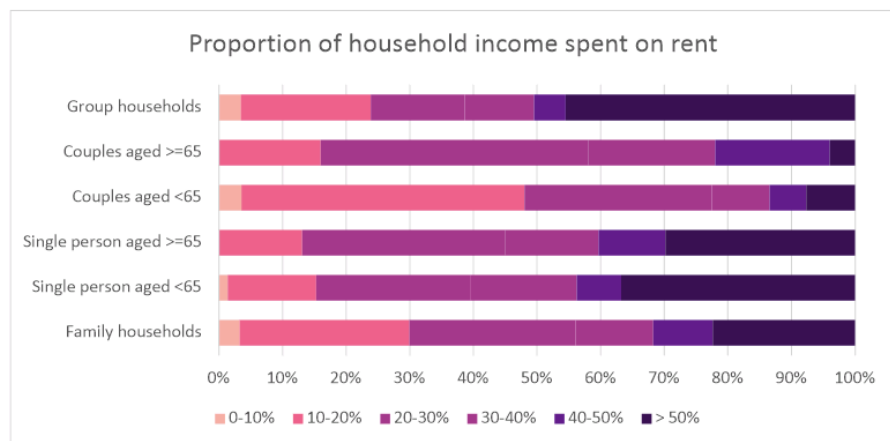


Figure 25: Proportion of household income spent on rent by household type

For renting households, the proportion of household income spent on rental costs is inversely correlated with total household income (Figure 26).

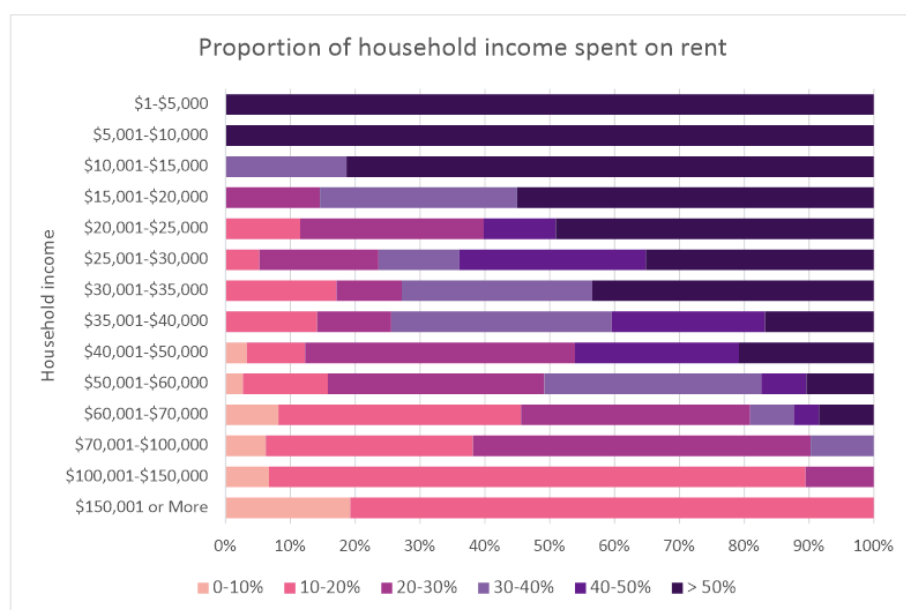


Figure 26: Proportion of household income spent on rent by household income

Work by Dr Kate Amore, Helen Viggers, and Distinguished Professor Philippa Howden Chapman provides an overview of severe housing deprivation in New Zealand, including breakdowns by territorial authority⁴⁷. This estimates that, as of 2018, Dunedin had 48 people without shelter, 204 people in temporary accommodation and 414 sharing accommodation in severely crowded houses⁴⁸. These collectively comprise the total severely housing deprived population, although issues with the underlying data (particularly around the 2018 Census coverage) mean that these numbers are likely to be underestimated. Dunedin's total prevalence rate of 53 per 10,000 people is 42nd highest out of the 67 territorial authorities around New Zealand.

The demographic composition of the severely housing deprived population has not been broken down by territorial authority, but in the Otago region, 55% of the severely housing deprived population were male. Over one third of Otago's severely housing deprived population is aged 15-24 (Figure 27), despite only 16% of the total population being in this age group. The prevalence of severe housing deprivation is highest for Otago's Asian population (Figure 28).

⁴⁷ Severe housing deprivation in Aotearoa New Zealand, 2018 (July 2020), Dr Kate Amore, Helen Viggers, Distinguished Professor Philippa Howden Chapman

⁴⁸ Ibid.

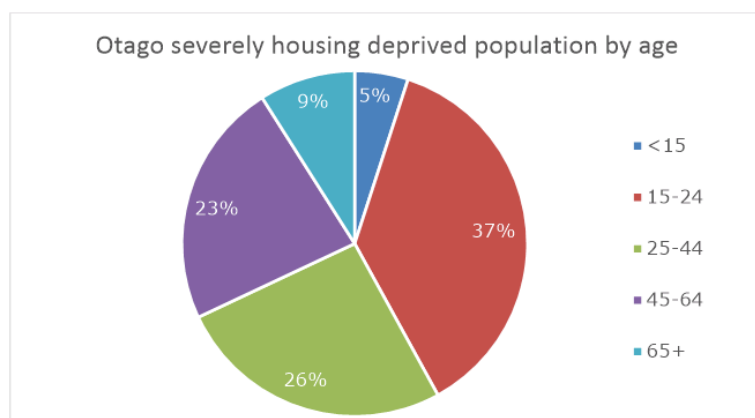


Figure 27: Otago severely housing deprived population by age

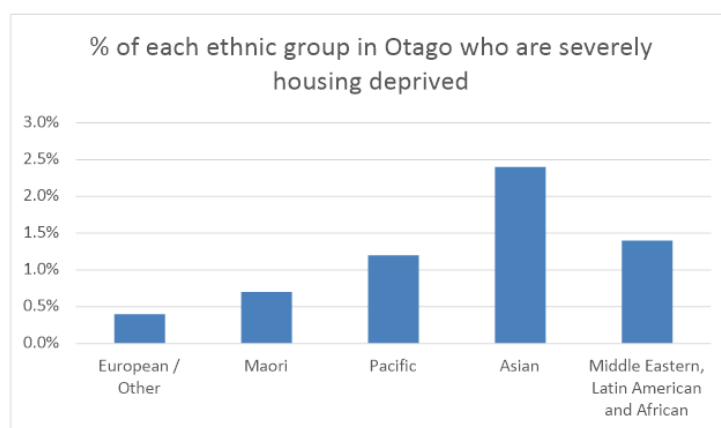


Figure 28: Otago prevalence of severe housing deprivation by ethnicity

6.4.4 Historic trends

Since 1991, there has been a largely consistent trend of a greater number and proportion of households being stressed renters (Figure 29/Figure 30). While the total number of owner occupiers has grown slightly, it represents a decreasing proportion of total households. In absolute terms, households in social housing declined over 1991-2001, however this was due to a sell-off of Housing New Zealand homes rather than a decrease in demand, as demonstrated by the significant increase in stressed renters over the same period. Since 2001, the number households in social housing has largely plateaued.

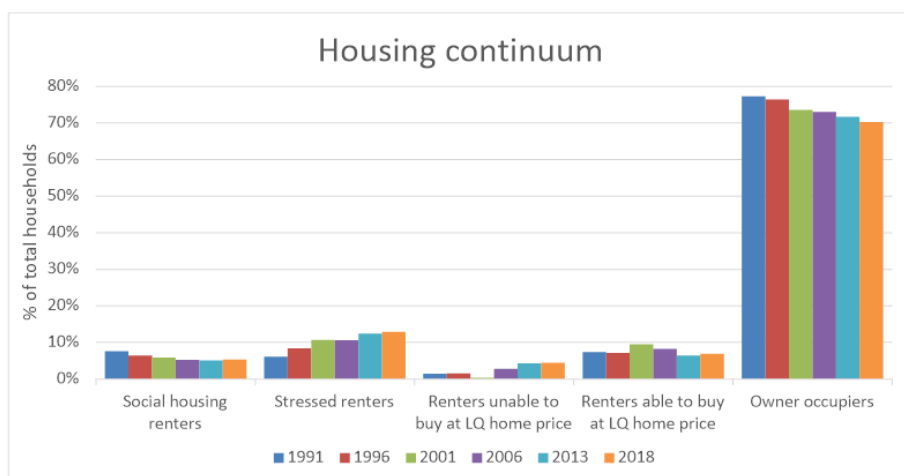


Figure 29: Historic housing continuum trends (proportion of households)

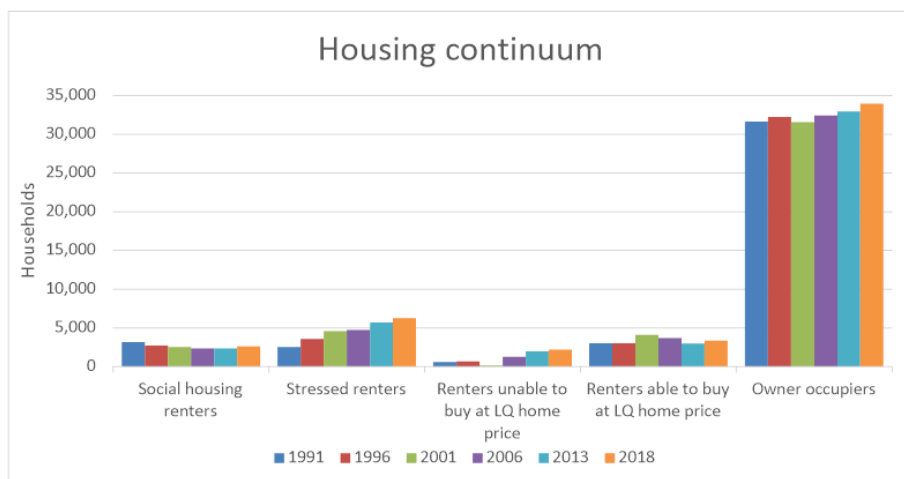


Figure 30: Historic housing continuum trends (number of households)

6.4.5 Housing continuum projections

To assess how demographic changes are likely to impact on future housing needs, the projected number and type of households (discussed in section 3.1.2) were compared with the projected proportions of each household type in each housing category. This presumes that, for each household type, the long-term trends outlined in Figure 29 continue, which in turn presumes that long-term trends in house prices, rental costs, and incomes continue. Having 27 years of historic data and clear trends in changes to household conditions allows for a reasonable assessment of long-term trends, however the results are projections rather than forecasts and do not factor in any future significant changes to government policy, provision of social housing, or potential flow on effects from improvements in supply of housing generally.

The results show a marked increase in the number and prevalence of stressed renters and renters unable to buy a lower quartile priced home (Figure 31, Figure 32). The number of owner occupiers and renters able to buy a lower quartile home is not expected to change significantly, although will comprise a lower proportion of the total population. The projections show a decreasing

number of households in social housing, however this is due to the historic trends in decreasing supply of social housing (particularly in the 1990s) rather than changes to the demand for social housing, as reflected in the increasing number of stressed renters.

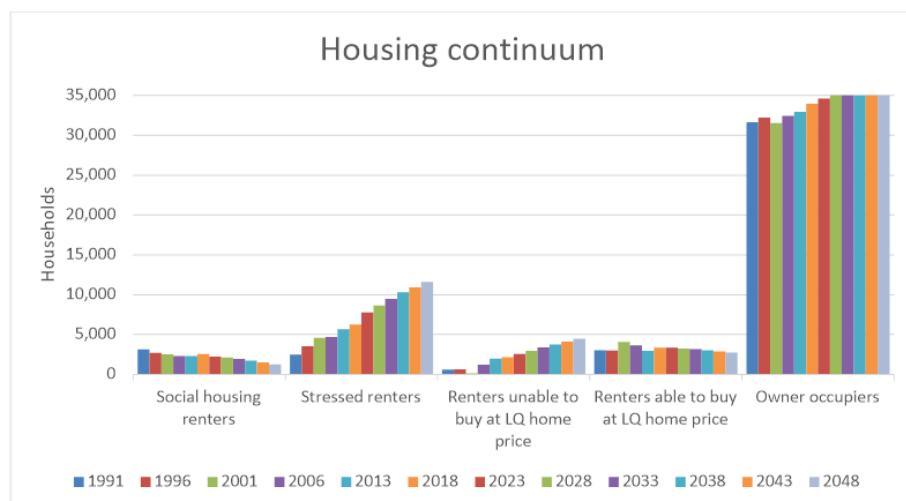


Figure 31: Historic and projected housing continuum trends (absolute figures)

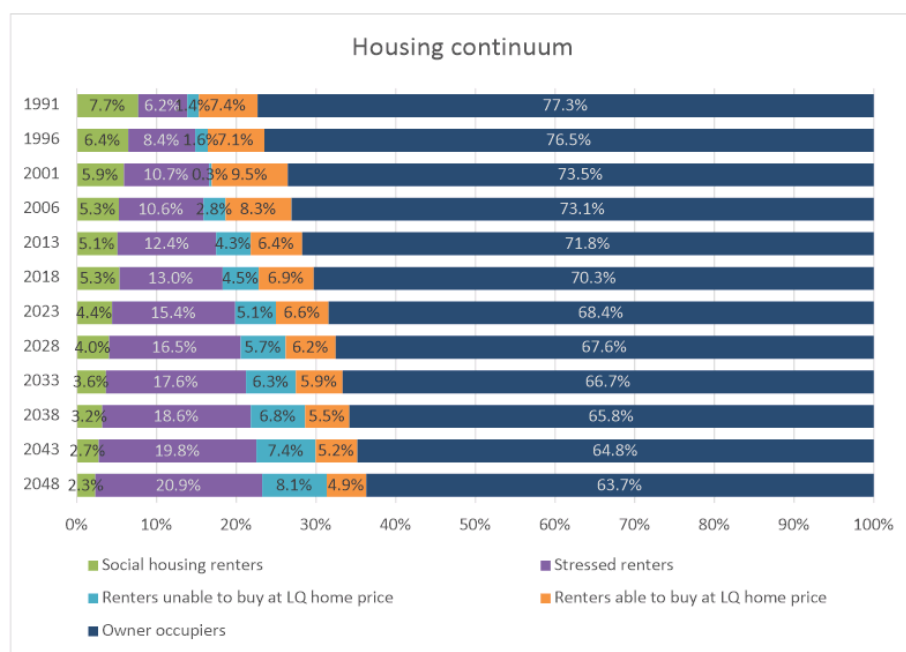


Figure 32: Historic and projected housing continuum trends (by proportion of total population)

As growth in housing needs is expected to be predominantly from renting households rather than owner occupiers, there is a need to consider their particular housing preferences. Results from the

Housing We'd Choose survey (discussed in section 3) showed that renters were more likely to choose attached housing typologies (56% vs 25%), particularly terraced housing. Of the respondents who would likely rent their next home, 36% chose a terraced house as their preferred option, compared to 9% of households that would likely purchase their next home (Figure 33). This may be due to the lower income profile of respondents who would either prefer to rent or could not afford to buy, as terraced housing is more affordable than other housing typologies in comparable locations. There is a clear correlation between household income and the type of housing chosen (Figure 34).

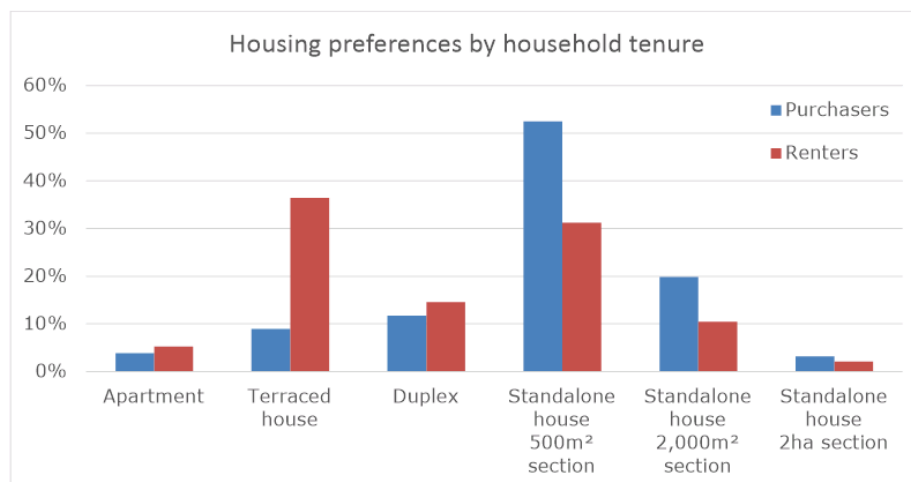


Figure 33: Housing preferences by household tenure

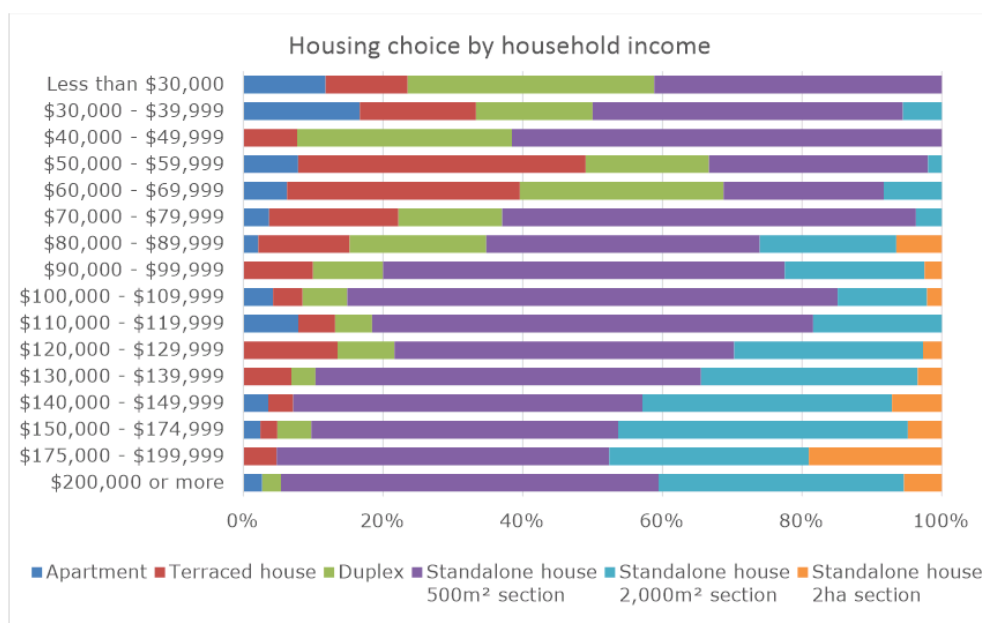


Figure 34: Housing choice by household income

6.5 Housing market analysis summary

There are significant affordability issues in Dunedin, with half of renting households living in unaffordable housing and 30% living in severely unaffordable housing. The proportion of households who own their home or can afford to purchase a home is also decreasing. Housing affordability issues disproportionately fall on households with lower incomes, particularly single person and group households. The trends towards worsening housing affordability and increases in renting households are likely to result in an increase in demand for more affordable housing typologies, particularly terraced housing.

The construction of new homes is not keeping pace with demand. The shortfall of feasible development capacity, particularly for attached homes, may be having an impact on this. Variation 2 is expected to remedy this for the short-medium term. However, there are many factors that impact on the construction of homes and it is difficult to make conclusions about the extent to which planning constraints are impacting new supply. The price difference between land on either side of the rural/urban boundary is relatively minor, suggesting that the land market is performing well. However, discussions with developers suggests that there are difficulties in finding greenfield land to develop. This has resulted in developers building on land that was previously considered unfeasible or finding smaller blocks of land to develop.

The price/cost ratio of 1.43 is currently in the ideal range but is steadily increasing. This trend indicates that factors other than construction cost are driving up house prices. This is supported by recent increases in land values. While the average capital value of house prices in Dunedin increased by 39% over 2016-19, average land values increased by 63% over the same period. This reflects an increase in the average land value proportion of capital values from 38% in 2016 to 45% in 2019. However, it is also difficult to determine the extent to which planning is contributing to this increase.

To address the uncertainty in the link between planning and housing affordability, a conservative approach is being taken by considering the possible impacts of planning (e.g. on development capacity, cost to developments, provision of affordable sizes and types of housing) and addressing each in Variation 2 and the upcoming Future Development Strategy.

RESOLUTION TO EXCLUDE THE PUBLIC

That the Planning and Environment Committee:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution	Reason for Confidentiality
C1 Central City Plan Retail Quarter Construction Reference Group	S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above after each item.