

File No: WRS/09/01/01
5 November 2008

Sustainable Urban Development Unit
Department of Internal Affairs
PO Box 805
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Wellington Regional Strategy Submission

To: Sustainable Urban Development Unit, Department of Internal Affairs
Submission on: Building Sustainable Urban Communities – A discussion document

1. Introduction

The Wellington Regional Strategy Committee¹ welcomes the opportunity to comment on the Building Sustainable Urban Communities discussion document. The objective of the discussion document is to set out ideas for new ways to help deliver sustainable urban development in New Zealand.

We welcome the interest and increased leadership by central government in the area of sustainable urban development in New Zealand. We commend the Department's on the discussion document. It is well-structured and presented and identifies the key issues and barriers to sustainable development in New Zealand.

The submission below endorses most of the options outlined in the discussion paper. The issues and options identified in the document are consistent with the urban development vision outlined in the Wellington Regional Strategy.

At this stage, this submission is a draft submission, and a final submission will be presented to the Department of Internal Affairs following the final Wellington Regional Strategy Committee meeting of 2008 on 10 December.

2. Background to Wellington Regional Strategy

The Wellington Regional Strategy (WRS) is a sustainable economic growth strategy for the Wellington region which was finalised in 2007. The strategy was produced through collaboration by the local authorities in the region (Greater Wellington Regional Council, Wellington City, Hutt City, Upper Hutt City, Porirua City, Kapiti Coast District, South Wairarapa District, Carterton District, and Masterton District Councils). We worked in

¹ The Wellington Regional Strategy Committee is the governance body of the WRS, the Wellington regions sustainable economic growth strategy.

tandem with central government and business, education, research and voluntary sector interests. The strategy seeks to provide an opportunity to improve the region's economy and environmental, social and cultural environments.

Councils across the Wellington region are diverse in terms of the pattern of development, topography, geographic location, infrastructure, social, cultural, and economic diversity – there is a range of metro, urban and more rural councils, each has its own 'urban' and 'rural' parts/characteristics.

The WRS outlines specific projects around good regional form, recognising the physical arrangements of rural and urban communities and how they link together. The regional forum actions and priorities are all aligned to building sustainable urban communities. Agreed region-wide actions in the strategy around sustainable urban development include:

- Urban centres – hubs for transport movements and civic and community interest
- Industrial based employment opportunities – land for business growth
- Intensification – targeted and infill housing and mixed use areas
- Affordable housing – recognising the linkages to workforce mobility and development, and collaboration with the private sector to explore innovative housing developments that increase the range of housing types in key parts of the region
- Quality urban design – signing up to the New Zealand Urban Design Protocol (NZUDP) and development of a regional action plan for urban design
- Regional focus areas – areas identified that are likely to come under development pressure
- Integrated landuse and transport.

The need to proactively manage change in these areas to address environmental sensitivity and sustainability issues has been recognised.

The WRS recognises the importance of facilitation and partnerships to assist bringing together key players to deliver sustainable growth in the region. This includes local authorities, central government, business, education, research and voluntary sectors. Forums to facilitate the sharing of information and to enable collaboration are in place.

The WRS recognises the role that Land Development Agencies can play where private sector development is unlikely, or where desirable change will not occur to meet economic development needs. While there is no regional land development agency in Wellington, the strategy does not rule out this possibility in the future.

Strengthening the non-statutory provisions of the WRS and other growth strategies throughout New Zealand is considered to be valuable. This would help to provide certainty in delivering sustainable growth, in particular, it could be used as a mechanism to equip New Zealand cities facing challenges such as housing affordability.

3. Specific response to questions in discussion document

3.1 Question 1: Barriers and difficulties in sustainable urban development

The following are some barriers and obstacles to the progress of large-scale sustainable urban development projects in some parts of the Wellington region. Many of these barriers align well with those outlined in the discussion document.

- Limited council funds for large scale land purchase (transformation projects), capital programmes – start-up funding and ongoing capital
- Lack of public investment to get projects off the ground – reliance on private sector uptake
- Aggregated and fragmented land ownership
- Disconnection of urban development with the provision of infrastructure (including network utilities)
- Complex political processes (RMA)
- Community resistance to intensification

3.2 Question 2: Strengthening existing tools and ways of working

The WRS Committee considers that special purpose urban development companies, such as those in the United Kingdom would be more advantageous than the use of Council Controlled Organisations established under the Local Government Act 2002 to deliver large-scale sustainable urban development

We consider thorough sustainability criteria are needed for urban development projects. We also encourage central government to consider options for promoting sustainable development principles across regions, rather than limiting these principles to specific projects/master plans.

Clarification is needed on the appropriate scale for urban development areas, along with clear criteria and/or triggers. Testing proposals is also encouraged. For example, in some cases, intensification may not always be relevant. There is some ambiguity as to what sustainable urban development really means – the important thing is to focus on what the outcomes are, rather than just a list of tools.

One of the most important points is that any new tools or options have the ability to make a difference and enhance sustainable urban development.

3.3 Question 3: The role of government in sustainable development

The WRS Committee believes that there is scope for increased central government involvement, in particular increased leadership around achieving sustainable urban development outcomes. Ideally this should be in partnership with local government and the private sector.

Therefore central government assistance to promote capacity and capability in local government and the private sector is welcomed. The WRS also promotes building capacity in local government in areas around sustainable urban development by bringing together the interests and experience of including urban designers, planners, developers, and decision-makers to create unique solutions for new developments and redevelopment of urban places.

There appears to be some merit in establishing an agency based on the CABA and/or ATLAS models such as those utilised in the United Kingdom as further ways of enhancing skill levels and training of professionals in the urban development/planning/policy area.

We support the development of central and local government led demonstration projects utilising a variety of non-regulatory and regulatory tools to promote good examples of intensification, good urban design and/or sustainability principles and to test the effectiveness of any proposed changes. These projects may help change behaviours of developers and the private sector, and encourage community buy-in.

3.4 Question 4: Increased coordination and integration

Increased coordination across central government agencies e.g. education, health, transport we believe is critical to implementing sustainable urban development. The location of schools and health facilities can have a major impact on sustainable urban form, especially in relation to managing transport demand. They also contribute to the well-being of communities and neighbourhoods. One possible way of more effective coordination across central and local government e.g. improving the linkages between LTCCP activities, RMA plans, regional transport plans/ strategies and closer alignment with central government policy may be to introduce this role in to a central government Minister's portfolio.

3.5 Question 5: Funding

For both larger and smaller councils, funding is a major barrier to promoting sustainable urban communities. A central government fund would provide local government with an opportunity to take positive action to leverage opportunities and maximise value. We therefore would support the establishment of a fund.

The option of value-uplift levies are not considered an appropriate way to incentivise redevelopment as there are insufficient margins in many of the areas where such a mechanisms would be applied. Also, uplift levies may have the potential to discourage development, and often do not recognise the impact of increasing property values which may result in increased council rating.

Assistance early on in the process has been identified as critical for urban development projects to get off the ground. Upfront assistance from a central government fund is considered to be an appropriate funding tool for this reason, with the ability to pay back later.

3.6 Question 7: Streamlining planning and development control processes

We are not convinced that transferring the responsibility for processing resource consents to an urban development agency will be advantageous, effectively cutting out the community's right to be consulted and/or appeal large-scale development applications. We don't consider that this is a major issue in the Wellington region.

Incentives to speed up sustainable development/good regional form and increase uptake by the private sector are also encouraged, however, not at the expense of limiting local council's input into the appeal process.

3.7 Question 8: Housing supply, choice and affordability

The Committee considers that the recent legislative intervention from central government to enable affordable housing is an example of an ineffective way of dealing with this issue, as it provided no central government support. Other ways of dealing with this issue are encouraged.

3.8 Next Steps

The WRS Committee is keen to work with the Department of Internal Affairs to further develop options.

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Sir John Anderson
Chair – Wellington Regional Strategy Committee

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Date

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