

WELLINGTON CITY COUNCIL SUSTAINABLE DEVELOPMENT STRATEGY

Contents

Executive Summary

1. Introduction
2. Wellington: a city already well advanced in sustainable development
3. Sustainable Development – what is it?
4. Sustainable Development – key trends and policy issues
5. Sustainable Development Principles to Guide Wellington City Council
6. Strategic alignment of Sustainable Development with Creative Wellington: Innovation Capital (CWIC)
7. Priority Actions for Wellington City Council
8. Priority Action Area – Sustainable Transport Solutions
9. Priority Action Area – Sustainable Energy Solutions
10. Priority Action Area – Sustainable Living Solutions
11. Priority Action Area – Key Support Elements
12. Recommendations

Excerpt of Minutes from Council Meeting, 17 December 2003

Notes:

This report was originally prepared for the Council by Guy Salmon of the Ecologic Foundation. The appendices referred to are not included here. The report was adopted by Wellington City Council on 17 December 2003, with agreed amendments that have been underlined.

With the subsequent development and adoption of seven Council strategies for the 2006/16 LTCCP, this document is now referred to as the Sustainable Development Framework. All seven Strategies (Environmental, Transport, Economic Development, Social and Recreation, Cultural Well-Being, Urban Development, and Governance) have built on this Sustainable Development Framework and incorporated many of its elements.

1. Introduction

Sustainable development now lies at the heart of local government's purpose, as the new Local Government Act 2002 makes clear.

The Act says that local authorities must, in a democratic way, promote the social, economic, environmental and cultural well-being of communities, in the present and for the future (ss10 & 11). All council decisions must take account of the likely impact on each aspect of well-being; and of the interests of future communities (s14).

Besides promulgating these statutory requirements, the Government has published a "Programme of Action" for sustainable development, including a set of ten principles for policy and decision-making (reproduced in Appendix 2 of this report).

These requirements have understandably given rise to concerns that costs will escalate, and duplication of effort between central and local government will result. However, the idea that councils should be involved with social and environmental issues is not in itself new. The potential for difficulty lies in the implementation.

On the one hand, sustainable development thinking calls for outcomes that broadly integrate the achievement of economic, social and environmental goals. On the other hand, effective organisational performance requires clear and specific definition of objectives and responsibilities, and carefully designed policies that link actions to desired results. Successfully reconciling these two considerations is the key to sustainable development implementation.

This report addresses that challenge. It has a high-level focus, oriented toward generating a conceptual framework and a small number of priority actions. Terms of reference are attached at Appendix 1. As the requirements of the terms of reference are wide-ranging, much of the requested material is relegated to appendices to this report. A note on the methodology of the report is also at Appendix 1.

2. Wellington: a city already well advanced in sustainable development

The City of Wellington has not been an eco-trumpeter. Nonetheless, a striking array of features and initiatives already make the City one of New Zealand's most sustainable:

- Pioneering approaches to urban design have created an attractive and vibrant central city, that has succeeded in recent years in attracting significant numbers of people to live in it;
- The city's compact form, walkability and good public transport system have made it less dependent than other cities on private motor vehicle movements and associated impacts;

- The city has an enlightened approach to solid waste management, including a kerbside recycling service and an innovative municipal composting plant, which blends green waste with biosolids from the wastewater system to produce a high quality recycled product for soil enhancement;
- The city has a state of the art wastewater treatment plant, and a fairly advanced sewage pollution elimination project to curb wastewater overflows to natural waters;
- The Karori Sanctuary is New Zealand’s leading example of urban biodiversity restoration, and will eventually provide a secure, accessible home for the full range of surviving wildlife species that once lived in the region;
- There is a good endowment of parkland, and visionary plans are being implemented for an outer town belt, and for a possum-free environment on the Miramar Peninsula;
- The harbour and south coast environments are in relatively good shape, and a marine reserve is being established;
- The city’s terrestrial biodiversity resources are reasonably well known and mapped, and there are programmes under way to ensure their survival and flourishing;
- The 2001 Six Cities Quality of Life Report highlighted that Wellington rates best on the proportion of people agreeing or strongly agreeing that the community works together and people support each other. Only 13% disagreed with that, and only 3% disagreed with the statement that Wellington’s diversity makes it a better place to live – indications that the city’s crucial, bridging social capital is probably in good health¹;
- While Wellington has some areas of social deprivation, it does not have a significant homelessness problem. The City Council provides three times as much housing, as a percentage of total rental housing stock, as any other city except Christchurch;
- While the city straddles a major fault line, it has pioneered the design and building of earthquake-resistant structures and is probably New Zealand’s leading city in pro-active planning for emergency management.

These achievements suggest the city has not needed a sustainable development strategy to make substantial practical progress in sustainable development. Nonetheless, such a strategy can play a useful role in identifying and prioritising gaps, and in pointing to new ways of operating that can enhance sustainable development going forward.

3. Sustainable Development – what is it?

“Sustainable development” extends traditional concepts of economic development in two directions. First, it has a **future focus**: it aims to ensure we adopt a pattern of development that will not damage the reasonably foreseeable interests and needs of future generations. Second, it entails a **broader focus**: holding that what society is trying to

¹ See note 1 above on social capital concepts.

maximise embodies not just economic goals, but also goals for social and environmental well-being.

Sustainable development is not a concept that downgrades the importance of economic growth. Rather, the aim is to *de-couple* economic growth from adverse effects on the environment. In the past, economic growth has been closely coupled to growth in energy and resource use, waste production, pollution discharges, and urban sprawl. The intention is that economic growth should continue, and indeed strengthen, while the growth of energy and resource consumption, waste production, pollution and sprawl all taper off, and later decline in absolute terms. This concept of ‘de-coupling’ over time is central to the sustainable development policy principles recently announced by the Government (see appendix 2).

De-coupling depends crucially on fostering *innovation*. To protect the environment, innovation is especially needed in improving the efficiency of energy, transport and other resource use, and in reducing waste at all levels. The book *Factor Four* has popularised the concept of productive technologies that can generate twice as much wealth from half as much resource consumption, through a four-fold improvement in resource productivity.² Such innovation is most likely to occur where:

- enterprises are competing vigorously in a relatively free market economy;
- resources used, and externalities,³ are properly priced;
- high levels of economic growth and new investment allow the rapid up-take of new technologies;
- there are strong links between knowledge institutions, business and the community;
- there are smart, innovative, framework-setting public policies that guide development in the desired pattern.

Economic competitiveness and sustainable development both require innovation in a free and dynamic environment, supported by a carefully designed framework of public policy. At this fundamental level, there is a strong strategic alignment in thinking and style between ‘Creative Wellington – Innovation Capital’ and the promotion of sustainable development.

It is generally agreed that sustainable development includes a social dimension.⁴ However, there is debate and uncertainty about what this means. This report adopts the

² Von Weizacker, E et al, 1998. *Factor Four: Doubling Wealth – Halving Resource Use* Kogan Page

³ An externality occurs when activities have side-effects on others, or on the public good, which have not been mutually agreed. Pollution from a factory is the classic example. An externality has been properly priced when it is “internalised” either by being eliminated (e.g. through pollution controls) or through compensation of those affected, or both.

⁴ The Local Government Act refers to both social and cultural dimensions, although the distinction between these is unclear. This report will use the term ‘social’ to embrace both social and cultural dimensions of sustainability.

view that sustainable development must maintain and strengthen society's basic functionality – its capacity universally to reproduce trust, responsibility, and opportunity.

Social capital is the network of relationships and reciprocal behaviours that provides the basis for trust, and enables society to function. Social capital comes in two types. Bonding social capital allows individuals to work effectively within the distinct groups or institutions that make up society (e.g. families, ethnic groups, churches). Bridging social capital enables these different groups and institutions themselves to work together effectively, for the wider good of society as a whole.⁵

Bridging social capital is the more difficult to build up, and is also more fragile. It is important for building any kind of collective endeavour beyond the family and is vital for economic growth.⁶ Over time, it can be undermined or enhanced by public policies. To conserve bridging social capital, public policy should encourage:

- even-handed treatment of all citizens regardless of their group affiliations;
- pro-active efforts to modify individual behaviour and promote personal responsibility, in areas where there are consequences for society as a whole.

⁵ For further discussion of these concepts see Putnam, R D, 2000. *Bowling Alone* Simon & Schuster.

⁶ Fukuyama, F, 1995. *Trust: The Social Virtues and the Creation of Prosperity*. The Free Press.

4. Sustainable Development – key trends and policy issues

Appendix 3 contains a more detailed discussion of key trends and issues in sustainable development, including issues with the Resource Management Act. Appendix 4 deals with the respective roles of central and local government in sustainable development. Appendix 5 discusses policy instruments which the city could use to promote sustainable development. Key points from these appendices are summarised below.

Efforts to implement sustainable development have often suffered from scientific uncertainty, lack of consensus, and poor quality policy-making. Overcoming these problems requires:

- Building a sufficient knowledge base to allow effects-based decision-making;
- Building a shared vision and commitment to working cohesively together;
- Investing in the capability to deliver high quality policy design and evaluation.

As far as environmental sustainability is concerned, the easy wins have already been made, in most cases using various forms of regulation to combat pollution and uncontrolled development. What remains is a more difficult challenge, which is less amenable to regulation: the need to change the behaviour of countless individual consumers, households, motorists, recreational fishers, tourists, farmers and small businesses in their daily choices and activities. Those highly decentralised choices and activities are increasingly what determine the total environmental load of contaminated run-off, polluted urban air, greenhouse gas emissions, transport congestion, resource depletion, solid waste production and biosecurity risk.

Similarly, individual decisions and choices strongly shape social sustainability issues, particularly the selection and reinforcement of the habits of responsibility and mutuality over anti-social habits and behaviours.

There are basically three ways of changing individual patterns of behaviour: regulation, education, and incentives. Service delivery (e.g. of recycling facilities, home insulation) can also play an indirect role in changing behaviour.

Sustainability policies relying only on a regulatory approach have worked to some extent in the past, but are increasingly inappropriate to the emerging challenges of sustainable development. To influence thousands of behavioural decisions at the micro level, greater reliance needs to be placed on education, incentives and service delivery. This means that the promotion of sustainable development must increasingly operate outside the RMA. Sustainability education should be integrated into specific behaviour change programmes, and/or service delivery, rather than being funded as a stand-alone activity.

While statutory roles and responsibilities have traditionally been apportioned between various agencies, recent and ongoing reforms have blurred the respective roles of central,

regional and local government in pursuing sustainable development. Rather than sharp boundaries, the emphasis has shifted to collaborative partnerships, consultation and working together. This is because:

- Sustainable development, by its nature, demands a more integrated approach to both policy-making and implementation;
- Good sustainable development practice requires integration between economic, social and environmental policies on the one hand, and between regulatory, educational, service delivery and incentive-based approaches on the other;
- While central government is necessarily divided into specialised departments, local government, with its closeness to communities and community organisations, is better-placed to facilitate *integrated* policy delivery;
- Based on this experience, local government can also provide a valuable feedback loop into policy formulation;
- Sustainable development outcomes are most likely to be achieved if a variety of different agencies, with different cultures and competencies, avoid unnecessary preciousness about the boundaries of their responsibilities and instead work together on the problems.

There is currently a climate in which partnership opportunities for the integrated delivery of sustainable development policies can be advanced. To a significant extent these will depend on local governments seizing the initiative and inviting partners to assist.

The policy instruments which can be used to achieve sustainable development goals are regulation, education, incentives and service delivery. Key issues relating to effective use of these instruments are:

- The need to use them in an integrated way, rather than in isolation;
- The need to advocate to central government for enhanced statutory powers in some areas, especially transport;
- The need to establish a regional consensus and partnerships for action in several cases.

Christchurch gains cohesion from having a single city covering the great bulk of the urban area, while Auckland's many councils have achieved a strongly co-ordinated regional Growth Strategy, with a significant sustainable development focus. Auckland also has a strong regional council and, in effect, a regional development bank (Infrastructure Auckland).

Wellington City's ability to promote sustainable development, and to benefit from effective use of available policy instruments, will depend on strengthening the political position of Greater Wellington, and/or the advancement of cohesive regional action through the Mayoral Forum.

5. Sustainable Development Principles to Guide Wellington City Council

The following ten principles are suggested as laying the basis for sustainable development decision-making by Council across the full range of its operations. Discussion and justification of each principle is to be found in Appendix 6.

- 1. Bring-the-future-into-focus principle** – *All decision making should explicitly consider its long term effects, including the benefits and opportunities achievable through innovative vision and risks and uncertainties, and should take a precautionary approach whenever there may be risks of serious or irreversible damage.*
- 2. Integrated decision-making principle** – *All decision making should explicitly consider economic, social and environmental goals in an integrated way and, wherever possible, should find ways to advance all three goals at once.*
- 3. De-coupled growth principle** – *Economic growth should be fostered in a way that de-couples it from the degradation of environmental and social capital.*
- 4. Demand-side management principle** – *Opportunities to manage demand for resources and services, such as energy, transport, water and waste services, should be explored as thoroughly as opportunities to increase the supply.*
- 5. Polluter-pays principle** – *The costs of avoiding, remedying or mitigating adverse environmental effects should normally be met by the person or business whose activities cause those effects.*
- 6. Transitional cost-sharing principle** – *Where the cost to an individual or identifiable group of moving through the transition from unsustainable to sustainable activities is unreasonably high in relation to the ability to pay, and where a sustainable outcome could not otherwise be achieved, consideration should be given to ways of sharing the cost of achieving defined environmental improvements during a defined transition period.*
- 7. Creative leadership principle** – *The Council should explore all possibilities for creative leadership in sustainable development, including setting an example in its own housekeeping; promoting innovation in its procurement role; smart approaches to its regulatory roles; initiating new partnerships for working in the community; and providing encouragement and assistance to citizens and businesses.*
- 8. Sustainable living principle** – *Sustainable development depends on people taking responsibility for their own patterns of consumption and lifestyle, and this should be fostered with appropriate information, advice, encouragement, services and incentives.*

9. Partnership principle – *While respecting the different roles and responsibilities of other agencies and groups, agencies with responsibility for sustainable development should promote partnerships in which skills and resources can be shared to achieve integrated outcomes.*

10. Monitor-evaluate-and-learn principle – *Policies for sustainable development should provide, from their design stages, for effective evaluation. From this design must flow appropriate specifications for monitoring and review.*

6. Strategic alignment of Sustainable Development with Creative Wellington: Innovation Capital

The Creative Wellington: Innovation Capital (CWIC) strategy has been outlined in a series of leadership papers from the City, including most recently the US Study Tour: Report Back Report 1 authored by the Mayor and Chief Executive, which virtually provides a strategic framework of thinking about how the creative city concept should be applied in Wellington, and which emphasises collaborative leadership.⁷ The underlying thinking which has inspired the whole strategic approach is set out in a book by Richard Florida.⁸

In a separate paper Florida provides substantial evidence that environmental quality and amenities are “absolutely vital” in attracting knowledge workers and developing high technology regional economies.⁹ He also shows that leading American high technology regions score consistently high on measures of natural amenities, lifestyle amenities, and overall environmental quality, and that they have “aggressively pursued strategies to bolster their environmental quality, natural amenities, and lifestyle offerings.”

Florida has not fully assessed, and may underestimate, the difficulties posed by growing energy use, greenhouse gas emissions, and transport congestion, all strongly associated with fast-growing, high-tech cities. However, his data does point to problems with urban sprawl in many high-tech cities, and he associates this trend with traffic congestion, deteriorating air quality and damage to natural amenities.¹⁰

Florida is ambivalent about the social effects of cities competing to attract the creative class. Under the heading “New Divides” he writes, “Places like Silicon Valley... fit the mould of the classic high-tech, low social capital community, full of excessively individualistic people uninterested in politics, community or virtually anything outside

⁷ Prendergast, K and Poole, G. 2003. *US Study Tour: Report Back. Report 1*. Wellington City Council, Economy and Arts Committee 12 June 2003 1215/46/IM.

⁸ Florida, R. 2002. *The Rise of the Creative Class* Basic Books.

⁹ Florida, R. 2000. *Competing in the Age of Talent: Environment, Amenities and the New Economy* Report prepared for the R K Mellon Foundation, Heinz Endowments and Sustainable Pittsburgh.

¹⁰ Florida 2000 pages 25-6

their own lives.”¹¹ However, he is also critical of those who espouse a traditional concept of community, calling instead for a balanced approach that promotes a new, more diverse and more accepting concept of community. His views are summed up in this passage, which suggests the need for an active strategy to address social sustainability issues associated with the ascendancy of the creative class:

*The Creative Class, in my view, has three fundamental issues to address: (1) investing in creativity to ensure long-run economic growth, (2) overcoming the class divides that weaken our social fabric and threaten economic well-being, and (3) building new forms of social cohesion in a world defined by increasing diversity and beset by growing fragmentation. We can meet them only by ensuring that the creativity of the many is tapped and that the benefits of the Creative Age are extended to everyone.*¹²

In short, it is apparent from Florida’s own writings that he expects active management of certain social and environmental issues to be needed, if there is to be a good alignment between a strategy like CWIC and strategies of sustainable development. The manner in which this is done is also important.

A widely-recognised weakness of New Zealand in recent decades has been the periodic tendency for political leaders to “crash through” new visions and strategies whose broader social, environmental and cultural effects are neither well understood nor effectively managed. Against this background, the idea that Wellington should make a conscious effort to identify, address and actively manage the environmental and social implications of the CWIC strategy is likely to commend itself to a good many of the city’s residents.

The proposal from the Mayor and Chief Executive to lead the CWIC strategy through ‘collaborative leadership’ is highly consistent with precepts of sustainable development, and is likely to provide the right climate for implementation. It is important that the collaborative leadership approach extends beyond collaboration with business and universities to create a sense of inclusion and engagement amongst leaders of the environmental and community sectors. A perceived broadening of the CWIC agenda would enhance its prospects of full community acceptance and long term success.

Overall then, there is a strong natural alignment of the CWIC strategy with strategic thinking around sustainable development, but this will need to be complemented by active management of certain issues. Key points are:

- Both the ‘de-coupling’ of growth from impacts, as required by sustainable development, and the economic vitality sought by the CWIC strategy, depend on *innovation*;
- Innovation thrives in a vigorous market economy which is supported by strong links between knowledge institutions, business and the community;

¹¹ Florida 2002 page 281

¹² Florida 2002 page 318

- To deliver on both strategies, these supportive conditions need to be complemented by smart, innovative, framework-setting public policies that guide development in the desired pattern;
- Cultivating a distinctive sense of place, attractive amenities and good overall environmental quality are clearly desirable from the perspective of both strategies;
- While the business sectors likely to grow under the CWIC strategy are not pollution-intensive, they are still likely to be associated with growing demands for energy and transport, trends which could translate into growing greenhouse gas emissions and traffic congestion problems;
- This points to the need for smarter transport and energy demand management, and calls for a focus on developing low-carbon energy sources;
- Collaborative leadership is the key common practice needed for both the CWIC strategy and a sustainable development strategy. Fostering of this political style will create the right context for delivering both strategies;
- The CWIC strategy may also run some risks with respect to social sustainability if it were to lead to a decline in civic-mindedness, or if the growth in wealth of ‘the creative class’ was associated with a decline in opportunities for others living in the region, due to their facing rising costs of living and access to services, or a degradation of the community’s bridging social capital;
- In implementing the CWIC strategy, the Council should monitor social trends, and consider developing some parallel initiatives that address social sustainability issues.

7. Priority Actions for Wellington City Council

In broad terms, to fulfil its new obligations under the Local Government Act 2002, the Council should address four areas:

- a) Examine each of its existing functions from the point of view of how sustainable development could be advanced. This would involve initiating a conscious, systemic effort to bring a long-term and multiple-objective focus to the opportunities in each functional area of the council, in a manner that can deliver effective results;
- b) Explore the possibilities for enhancing its own role in addressing sustainable development issues in the community through new programme initiatives, especially those that involve partnerships with others, including central government departments;
- c) Invest effort in strengthening the capacity and commitment of local authorities in the greater Wellington region to act in a co-ordinated way to achieve those sustainable development goals which Wellington City cannot achieve on its own, especially in transport solutions;
- d) Strengthen its own policy design and evaluation capability to cope better with the complex challenge of delivering effective policies for sustainable development.

The recent completion of the Council's Strategic Review is considered to make it inappropriate to immediately embark on the further review implied in (a) above, which accordingly should be an item to be progressed over the medium term. Meanwhile however, work for this report has identified opportunities for enhancing some of the Council's existing activities, such as achieving energy efficiency in Council operations; developing the Council's environmental procurement function; and promoting sustainable buildings. These are picked up within four Priority Actions defined below.

Various functions, shared functions and potential functions of the Council in promoting sustainable development of the City are considered in Table 1. It should be noted that several of the functions listed are primarily the responsibility of regional or central government or other organisations (e.g. TranzRail). However, wherever the Wellington City Council may potentially have at least a co-management or partnership role, it is useful to identify gaps where particular functionalities are not currently being performed at a desirable level for sustainable development of the city, having regard to what is being done in other leading New Zealand cities.¹³

¹³ Functionalities have been identified from Hargreaves R & Davies K 2003, *Urban Sustainability in New Zealand: An Information Resource for Urban Practitioners*. Ministry for the Environment; Wellington Regional Council 2003, *Towards a Sustainable Region: Strategic Overview*; Australian House of Representatives, Standing Committee on Environment and Heritage 2003, *Sustainable Cities 2025 Discussion Paper* – available at www.aph.gov.au/house/committee/environ. Comparative ratings and comments provided in the table are solely those of the author of this paper, and are based on interviews in

Table 1: Assessment of current management for sustainable outcomes of various urban functions in the Wellington City area:

FUNCTIONAL AREA:	COMPARATIVE RATING:	SPECIAL COMMENTS:
Air quality	Good	
Biodiversity	Good progress	Plus a world class sanctuary
Building & construction	Statutory minimum	
Business, education & tourism promotion	Good	
Cultural & built heritage	Very good	
Energy use	Little action to date	
Recreation & parks	Good	
Safety & hazards	Good	
Social capital/community development	Good	Significant city council programme
Socio-economic deprivation	Good	Significant low-cost housing contribution by city council
Solid waste management	Good	Recycling; innovative compost plant
Sustainable living practices	Little action to date	
Transport networks	Barely satisfactory	Deteriorating rail; growing road congestion problems
Urban design, land use & amenity	Very good	Successful central city strategy; innovative ideas for northern growth planning
Water, wastewater & stormwater	Greatly improved	But stormwater upgrades likely to be needed soon

Priority Actions in four broad areas can be defined, which would enhance the Council's capacity to move forward with a sustainable development agenda. The proposed Priority Actions are based on:

- The need for alignment of the CWIC strategy with the sustainable development mandate of the Local Government Act, discussed in section 6 above;
- The broad gaps identified in Table 1 above;
- An evaluation of trends and issues in each of the key areas, as discussed in appendices 7-9.

Wellington for this project; visits to the Christchurch and Waitakere City Councils; and available comparative data including Gatt L 2001, *Quality of Life in New Zealand's Six Largest Cities*, together with unpublished material for the 2003 update of that report.

The four Priority Actions proposed are discussed in the following sections, under these headings:

- Sustainable Transport Solutions
- Sustainable Energy Solutions
- Sustainable Living Solutions
- Key Support Elements.

8. Priority Action Area – Sustainable Transport Solutions

Traffic congestion is the key issue here, with the Wellington region broadly following national and international trends toward rapid growth in vehicle miles driven per capita. These trends are expected to continue and the situation can be expected to worsen if the CWIC strategy is successful in stimulating population growth and/or rising regional affluence. While the Wellington region's congestion and delays are still modest by Auckland standards, the current Auckland situation highlights the consequences of failure to address the issue over a prolonged period of time.

The issues are discussed in Appendix 7. Key points are that:

- Growing traffic congestion threatens to undermine both CWIC and sustainable development strategies;
- New mechanisms for network pricing and regional funding of land transport will be needed to resolve the problem; and
- These issues will need to be addressed through the development of a cohesive, Wellington regional view, similar to that achieved in Auckland.

There are two implications for the Council. First, it is important that Council advocates to central government statutory powers for regional network pricing as a vital step for solving the Wellington region's emerging transport problems. Second, whether the enactment of such powers proceeds next year or is delayed for a few more years, it is important that the Council invests effort to build up a cohesive regional view on the design of smart and sustainable transport solutions. This will necessarily include building public support for new approaches, including congestion pricing.

9. Priority Action Area – Sustainable Energy Solutions

While Wellington has made important steps in recent years to enhance such assets as water quality, biodiversity and urban lifestyle, it has done little to tackle its unsustainable patterns of energy use. Sustainable energy use depends on developing two strategies: improving energy efficiency; and moving to renewable/low carbon emission energy sources. The major opportunity for the latter in the near future lies in developing wind power.

The issues are discussed in Appendix 8. Key points are that:

- There is likely to be considerable scope for energy efficiency gains in the Council's own operations. Based on the experience of other organisations of similar size, an energy efficiency manager's position could readily be financed from savings made in the Council's power bill;
- The design of new city buildings is one of the major determinants of Wellington City's future energy use, and it could be significantly influenced by a Council advisory programme;

- Wind energy is a marginal competitor in the emerging marketplace with coal-fired generation; it needs support from Council procurement policies and from the establishment and promotion of a ‘green electricity’ market, following the Australian experience.

It is proposed that the Council should give in-principle support to a Sustainable Energy Solutions Initiative. An initial focus on three components is suggested, subject to a more detailed study of the proposal:

- Establishing an in-house programme of energy savings, covering all Council buildings and operations;
- Offering an advisory/promotional programme for sustainable building design in the city;
- Establishing a procurement preference, and a facilitation/promotional role for the development of renewable energy, including the establishment of a Wellington regional market in green electricity.

10. Priority Action Area –Sustainable Living Solutions

The Council already promotes the habits and practices of sustainable living to residents through promotional material in a variety of activity areas. An additional initiative is proposed here, targeted at low income households, and contributing simultaneously to economic, social and environmental objectives.

Sustainable development initiatives of this type generate multiple benefits, but do not readily fit within the single-focus responsibilities of particular government agencies. Nonetheless they make good sense if viewed from a multiple-objective perspective. Territorial local authorities are well positioned to take the lead on such initiatives, and to seek both funding sources (often from central government) and operational partners (often in the community group sector) to achieve their implementation. Government policy statements clearly suggest that this approach is to be encouraged, and that central government chief executives are expected to respond positively.

The proposal is that the Council catalyse and co-fund an initiative that would be implemented by existing community agencies, or by a trust specially established for the purpose. The key requirement is for effectiveness in reaching, helping and influencing low income households, as illustrated by the case study of Community Energy Action in Christchurch. The aim is to use this skill to promote such sustainable living practices as:

- Partly subsidised investment in home insulation, and associated energy efficiency and health promotion practices;
- Similar cost-saving or welfare-enhancing improvements in water use, waste management and transport habits, including TravelSmart plans as used in Australia;

- Working with at-risk families on obesity-related issues, including a focus on diet, budgeting and exercise habits.

It is proposed that the Council should give in-principle support to the development of an initiative on Sustainable Living Solutions. Subject to a more in-depth investigation of the proposal, the initiative should focus on assisting low-income households address sustainability issues in a range of ways which benefit both the households themselves, and the community as a whole.

11. Priority Action Area - Key Support Elements

The following ingredients are suggested as key support elements for the Council's proposed sustainable development strategy:

- a) Strengthen the Council's policy design, monitoring and evaluation capability;
- b) Revamp the Council's sustainable procurement policy and ensure it has a champion within the organisation;
- c) Introduce sustainable development criteria for the Annual Plan process;
- d) Raise sustainable development issues through the longer term planning processes;
- e) Engage the city's education and research institutions in the sustainable development strategy.

Each is discussed further in Appendix 11.

The following six criteria are suggested for reporting on, and evaluation of, annual plan proposals by Wellington City Council:

1. Does the proposal address economic, social and environmental goals in an integrated way?
2. Does the proposal explicitly identify and evaluate long term effects, risks and uncertainties?
3. Does the proposal empower economic growth, by improving efficiency, strengthening the city's capacity for creativity and innovation, and pro-actively de-coupling growth from adverse effects on social and environmental capital?
4. Does the proposal embody creative leadership, and help to promote sustainable behaviour by residents and businesses?
5. Does the proposal fully engage potential partnerships which could maximise the achievement of outcomes?
6. Does the proposal's design ensure proper measurement and evaluation of its effectiveness over time?

To be effective, these sustainable development criteria should be established as a separate, over-arching sieve, additional to the reporting template for new proposals which is currently in use.

12. Recommendations

1. **Principles:** That the Council adopts the ten principles set out in section 5 of this report, to guide its response to the sustainable development mandate of the Local Government Act 2002.
2. **Alignment of Strategic Approach:** That the Council agrees that its Creative Wellington – Innovation Capital Strategy should be aligned and implemented consistent with the sustainable development principles.
3. **Priority Action Areas:** That work be undertaken to develop smart solutions in four priority action areas which can strengthen the alignment between the Creative Wellington: Innovation Capital strategy and the proposed Sustainable Development strategy, namely:
 - Sustainable transport solutions, with a particular focus on regionally co-ordinated network pricing of both transport and land use;
 - Sustainable energy solutions, with a particular focus on fostering energy efficiency and the development of the Wellington region’s wind power resource;
 - Sustainable living practices, with a particular focus on assisting and facilitating changes in low income households, which can bring environmental, social and economic benefit both to those households, and to the city as a whole;
 - Biodiversity – actively addressing threats to the maintenance and enhancement of indigenous biodiversity;
 - Key support elements, listed in Section 11 of this report, designed to strengthen the Council’s implementation of sustainable development.
4. **Annual Plan Criteria:** That the six criteria listed in Section 11 of this report be adopted as a basis for reporting on, and evaluation of, proposals for inclusion in the Annual Plan.

(excerpt of minutes from Wellington City Council Ordinary Meeting, 17 December 2003)

RESOLVED:

THAT Council:

1. *Adopt a Sustainable Development Strategy (attached as Appendix 7 – 17 to these minutes), and*
 - a. *Agree to the adoption of the ten amended principles set out in section 5 (of the officer's report), to guide Council's response to the sustainable development mandate of the Local Government Act 2002.*
 - b. *Agree that the Council's Creative Wellington: Innovation Capital strategy should be aligned and implemented consistent with the sustainable development principles.*
 - c. *Agree that work be undertaken to develop smart solutions in four priority action areas which can strengthen the alignment between the Creative Wellington: Innovation Capital strategy and the proposed Sustainable Development strategy, namely:*
 - i. *Sustainable transport solutions, with a particular focus on regionally co-ordinated network pricing of both transport and land use;*
 - ii. *Sustainable energy solutions, with a particular focus on fostering energy efficiency and the development of Wellington region's wind power resource;*
 - iii. *Sustainable living practices, with a particular focus on assisting and facilitating changes in low income households, which can bring environmental, social and economic benefit both to those households, and to the city as a whole;*
 - iv. *Biodiversity- actively addressing threats to the maintenance and enhancement of indigenous biodiversity and Agree that officers will write an appropriate section(s) for changes made from the draft and authorise the chair of the Planning and Performance Committee to sign off the changes.*
 - v. *Key support elements, listed in Section 11 of this report, designed to strengthen the Council's implementation of sustainable development.*
2. *Agree that the six criteria listed in Section 11 of the officer's report be adopted as a basis for reporting on, and evaluation of, proposals for inclusion in the Long Term Council Community Plan and subsequent Annual Plan iterations.*