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**SUBMISSION ON DISCUSSION DOCUMENT: IMPROVING OUR  
RESOURCE MANAGEMENT SYSTEM**

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**1. Purpose of report**

This report provides an outline of Wellington City Council's submission on the discussion document 'Improving our resource management system'. A copy of the submission is attached as Appendix 1 to this report, and Appendix 2 contains a summary of the submission.

**2. Executive summary**

Central Government is focused on the significant opportunities it sees to improve the resource management system. The discussion document is relatively up-front in acknowledging Central Government's view that the RMA is delivering sound environmental outcomes but it questions the process. The focus of the discussion document is on how to maintain sound environmental outcomes whilst simultaneously making the system cheaper to use and easier to understand and apply.

The proposed changes in this discussion document represent the most significant changes to the RMA since it was enacted in 1991. The amendments proposed will have fundamental impacts on regulatory planning duties from making changes to the District Plan through to the processing of resource consents.

It is officer's view that whilst containing many positive changes, a number of proposed changes need to be given careful consideration as they appear to reduce local government autonomy through the provision of increasingly powerful tools for Central Government, constrain local community involvement and have significant resource implications (time and money) for Council.

**3. Recommendations**

Officers recommend that the Strategy and Policy Committee:

- 1. Receive the information.*
- 2. Agree to the draft submission (attached as Appendix One) in response to the discussion document 'Improving the resource management system'.*
- 3. Agree to delegate to the Chief Executive and the Portfolio Leader Built Environment the authority to make any changes to the submission*

*required as a result of decisions of this Committee, as well as minor editorial amendments, prior to the submission being sent to the Ministry for the Environment.*

#### **4. Background**

MfE have released a discussion document proposing wide ranging changes to the RMA. The closing date for receiving submissions is Tuesday 2 April 2013. These legislative changes are expected to lead to policy (Cabinet) decisions in mid 2013 and a Bill by the end of 2013.

This discussion document has significant implications for both plan making and resource consent processes. This paper highlights the matters that officers consider to be of most significance:

- The focus on housing and land supply
- The single local plan reflecting regional and district rules
- All district and regional plans to comply with a nationally developed template within 5 years
- Enhanced tools for Central Government to intervene in, or to override local planning processes and instruments
- Streamlining resource consent processing by constraining rights of public participation at the Council level and on appeal

A Council submission on this discussion paper is important as it offers the opportunity to inform government decision making.

Officers are mindful that as a discussion document it often raises more questions than it answers. Where further information or guidance is required from MfE, this will be identified in Council's submission.

#### **5. Discussion**

##### ***5.1 Housing and land supply***

One of the key messages from these proposed reforms is that it will help address housing affordability issues. This will be addressed through (as outlined on page 70 of the discussion document):

- Greater provision through national direction (plan template, changes to section 6 and 7)
- Proactive and future focused planning through requirements for a 10 year supply for residential land
- Ministerial intervention tools (eg to direct a plan change on particular issues, changes to consenting processes).

##### **Wellington City land supply and intensification**

Wellington has sufficient greenfield land available for development for the next 20 plus years; 30 plus years for infill developments within established

residential areas and centres; and over 60 years capacity for high density apartment living in the Central City.

The Council has well-established centres and infill policies, which aim to intensify and invest in the 'Growth Spine (from Johnsonville to the Central Area and out to the airport), and identified suburban centres. The approach directs growth to where the benefits are greatest, by enhancing opportunities for public transport use, provide for better, more efficient use of infrastructure, support centres as the economic and social hubs of communities, and provide for quality residential infill in other parts of the City. Substantial greenfield development is provided for in the northern suburbs, although as the majority of this land is in the ownership of two companies, there is little that the Council can do to affect the pace at which the land is released for development, and only limited controls able to imposed on the size and type (and ultimately the cost) of residential dwellings.

The integrated planning approach being implemented by Council will provide for the city's changing population demographics and different housing demands in excess of the population growth expected over the next 20 years.

#### Housing affordability

The Building Competitive Cities discussion paper (2010) proposed a land supply requirement of 20 years for future growth. It is now proposed to be a 10 year residential land supply requirement, and the focus has moved from the supply of greenfield land to land for residential land (it is assumed this includes infill and greenfeild land). Notwithstanding this, the Council is concerned that the housing affordability issue remains focussed on land supply and RMA regulations. The drivers of rising housing prices over a number of years are complex and relate to both supply and demand. There is no one clear driver and no one clear response. In some regions housing affordability is acknowledged as a particularly significant issue, but the housing affordability issues (and causes) are not the same in all regions and the appropriate mix between greenfield and renewal sites will vary across the country.

It is important to note that the affordability of housing is not just about the purchase price. Affordability also includes property maintenance costs, the costs of transportation to work places, schools, etc, accessibility to facilities and services, and costs related to healthy housing such as heating. Increasing urban expansion can place additional, often hidden, costs on both the owners and the wider community (e.g. transportation costs, traffic congestion and air pollution).

Local councils are best placed to identify the capacity of existing infrastructure and services to accommodate growth, the costs of urban expansion in different areas, the appropriate mix of greenfield and infill development, and take into account the views and housing preferences of the local community. It would be a concern if the government chose to use it's proposed 'enhanced' intervention powers to intervene in Councils policy decision around growth management. It

appears at this stage that most of the focus for government intervention relates to the Auckland Council housing and development market.

## **5.2 Plan Making**

The Council agrees that RMA plans take too long to be made operative, which imposes significant costs on business and ratepayers. Initiatives to try and shorten this process are supported.

The discussion paper proposes a national template for plans. This is a significant piece of work with a proposed timeframe of 5 years.

The discussion document puts forward a proposal to enable district and regional councils to group together and jointly prepare a single integrated plan for each district or larger area. Provided the following criteria are met:

- One set of rules per area;
- Enables effective catchment management (eg water, land)
- Brings together material efficiency/cost gains

Regional and district councils would continue to retain separate functions under the RMA. This would require:

1. A **plan partnership agreement** which would bind the councils to collaborate.
2. More emphasis on **pre-notification engagement and collaboration** (draft joint policy statement, work with local communities, a joint policy statement and regional and district rules being combined for single notification in a single plan).
3. Independent hearings panel – formal consultation and submission process and make recommendations to the Councils
4. Narrowed appeals to the Environment Court only with respect to when a council/s deviate from the independent panels recommendations. Otherwise the decision is only appealable to the High Court on natural justice/points of law.

The process requires front-loading consultation and resolution of issues prior to notification, which will have cost implications, but may lead to reduced overall costs due to the restrictions imposed on appeals to the Environment Court. It has the potential to improve RMA decision making, but may be perceived as putting too much power in the hands of unaccountable commissioners.

This proposal may be anticipating local government amalgamations and the creation of unitary authorities with dual TA and regional council functions as the criteria (listed above) appears more relevant to catchment management planning and achieving integrated management of public resources (air and water) and achieving efficiencies from being administered by the same

authority. This process may have more benefits for unitary authorities, and smaller rural authorities and regional councils

For territorial authorities such as Wellington City, it is difficult to know whether the benefits of this proposed process might be given that private property right issues are more significant issues in metropolitan areas, and running a collaborative process involving all affected parties would be hugely challenging. The discussion document does not address the complexity and costs of transitioning from the current approach to plan making to the proposed single plan / collaborative plan approach

### **5.3 Increasing power of Central Government**

These changes will significantly increase the government's ability to direct local authorities to address particular issues in their district. At this stage, this appears to be focused on growth management issues and affordable housing, with the assumption being that increasing land supply will bring down the costs of housing.

Increased use of ministerial intervention powers could represent a significant shift away from local decision making to much more centralised planning. This is a concern if it is done in an ad hoc manner on highly politicised central government issues and where there is limited in-depth understanding of local issues. More clarity is required on what matters the Government is likely to want addressed by Councils, and what the triggers might be for ministerial intervention.

### **5.4 Constraints on rights of public participation**

It is proposed that submissions and appeals are limited to the matters that justified a decision to notify an application and only on effects directly related to those matters. In a limited notified scenario, neighbours who do not provide a written approval will only be able to comment on matters that directly affect them.

Limiting what aspects of a notified application that submitters may submit on seems contrary to, and erodes, the general participatory objective that underpins the RMA.

Council's understanding of the effects of a proposal and its relationship with relevant planning instruments is usefully informed by submitters. With the reduced scope for submissions, these benefits would be lost.

The onus will be on the Council to carefully identify all the separate categories of effects, clearly identifying who is directly affected and by what (eg height) for notification purposes. To avoid legal challenge, extremely robust notification decisions will be required as these will determine participation and scope by a party in the resource consent process. The writing of such decisions will take time and will have an associated cost to the applicant and will lead to a likely increase in legal challenges.

### **5.5 Consultation and Engagement**

Advice has been sought from DLA Phillips Fox.

### **5.6 Financial and long term plan considerations**

As this relates to a submission to the Ministry for the Environment there are no financial implications.

### **5.7 Climate change impacts and considerations**

No direct impacts.

## **6. Conclusion**

The proposals outlined in the discussion paper will have an impact upon local authorities with regard to the setting of policy and plan changes and Council's regulatory role.

The Council actively looks at ways of improving the implementation of the RMA. The submission signals that council officers would like to work with Central Government to refine the legislation in a way that delivers on the purpose and principles of the RMA, while improving the process for all participants. The attached draft outline submission has been prepared in that vein and sets out the issues for the Ministry for the Environment.

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## SUPPORTING INFORMATION

### 1) Strategic fit / Strategic outcome

*The submission aligns with Council's overall goal of 'open for business' and encouraging public participation in decision making.*

### 2) LTP/Annual Plan reference and long term financial impact

The impact on long-term planning is uncertain at this stage.

### 3) Treaty of Waitangi considerations

*There are no Treaty of Waitangi implications*

### 4) Decision-making

*The submission identifies a range of issues and suggested matters for MfE to consider.*

### 5) Consultation

#### a) General consultation

*General discussion has taken place with LGNZ with further discussions taking place with NZPI.*

#### b) Consultation with Maori

*Mana whenua have not been consulted on the proposed submission.*

### 6) Legal implications

*DLA Phillips Fox has been consulted during the development of this report.*

### 7) Consistency with existing policy

*The submission is consistent with current WCC practice and existing measures.*