

ORDINARY MEETING

OF

STRATEGY AND POLICY COMMITTEE

MINUTES

Time: 9:30am
Date: Thursday, 13 February 2020
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

PRESENT

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

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1. Meeting Conduct

1.1 Karakia

The chairperson declared the meeting open at 9:31 am and invited members to stand and read the following karakia to open the meeting.

**Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!**

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day

1.2 Apologies

Moved Councillor Day, seconded Councillor Sparrow

Resolved

That the Strategy and Policy Committee:

1. Accept the apologies received from Councillor Young for lateness.

Carried unanimously

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Day, seconded Councillor Fitzsimons

Resolved

That the Strategy and Policy Committee:

1. Approve the minutes of the Strategy and Policy Committee Meeting held on 5 February 2020, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried unanimously

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

1.6.1 Fringe Festival

Sasha Tilly gave a presentation on the Fringe Festival, which will be running from 28 February to 21 March 2020.

Public participation tabled document

Attachments

- 1 Fringe Festival

Secretarial note: In accordance with Standing Order 3.9.2, the Chairperson accorded precedence to some items of business and announced that the agenda would be considered in the following order:

- | | | |
|------|-----|--|
| Item | 2.2 | Safer Speeds Hearing Subcommittee Appointment |
| Item | 2.3 | Review of the Parking policies - proposed policy consultation document |
| Item | 2.1 | Submission on the Urban Development Bill |

2. General Business

2.2 Safer Speeds Hearing Subcommittee Appointment

Moved Councillor Condie, seconded Councillor Fitzsimons

Resolved

That the Strategy and Policy Committee:

1. Receive the information
2. Appoint Central City Safer Speeds Hearings Subcommittee to hear submissions from the public on the proposed 30 km/h speed limit for the city centre.
3. Agree to the following terms of reference for the subcommittee:
 - a. Membership: Mayor Foster, Councillor Condie, Councillor Rush, Councillor Pannett, Councillor Young, Councillor Paul, Councillor Calvert, **Councillor Matthews, and Councillor Foon**
 - b. Chairperson: Councillor Condie
 - c. Quorum: ~~4 members~~ **5 members**
 - d. Frequency of meeting: as and when required
 - e. Sunset clause: The subcommittee will be discontinued once required hearings have been concluded and recommendations have been made back to the Strategy and Policy Committee.
 - f. Delegated authority: The subcommittee will have responsibility and authority to accept and hear submissions on the review of the proposed central city safer speeds and make recommendations to the Strategy and Policy Committee.

Carried unanimously

2.3 Review of the Parking policies - proposed policy consultation document

Moved Councillor Condie, seconded Councillor Foon

Recommendation/s

That the Strategy and Policy Committee:

1. Receive the information.
2. Agree to engage with the public and stakeholder groups on the proposed new parking policy as attached to this report: the draft Statement of Proposal (attachment 1) and the draft Discussion document (attachment 2)
3. Note the Parking Policy (with any recommended changes) will be submitted to the Strategy and Policy Committee for formal adoption after the consultation and engagement phase has closed and submissions and other feedback considered.
4. Note that consultation will be conducted in conjunction with Planning for Growth.
5. Note the following three existing policies will be revoked once the new consolidated Parking Policy is adopted: the Parking Policy 2007; the Mobility Parking Policy 2005 and the Car Share Policy 2016.
6. Note any change to how parking is managed could have an impact on the annual parking revenue and may require capital expenditure to implement some aspects. It will be necessary to weigh up the benefits of any parking management change with the likely revenue impact and how that affects other Council priorities.
7. Note that a new parking policy, once adopted, will be implemented gradually over time subject to a review of the Traffic Bylaw and future funding decisions.
8. Note that parking management is part of a complex transport and travel system, therefore decisions need to be made holistically to take into account the many factors effecting travel and transport systems such as parking behaviour, public transport options and reliability and transport infrastructure etc.
9. Note the inter-relationship between the Parking Policy and decisions being made under other key projects such as the Let's Get Wellington Movement programme, the District Plan review and the development of a Transport Strategy and a Place and Movement Framework.
10. Delegate to the Chief Executive and the Associate Portfolio Leader for Transport the authority to amend the proposal to include any amendments agreed by the Strategy and Policy Committee and any minor consequential edits.

Attachments 1 & 2

Reference to be made to attachments 1 and 2 of item 2.3 on the Strategy and Policy Committee meeting agenda of 13 February 2020: Review of the Parking policies - proposed policy consultation document

Moved Councillor Matthews, seconded Councillor O'Neill, the following amendment

Resolved

That the Strategy and Policy Committee:

11. Agree to add the following phrase to the end of *Support access for all* on page 11 of the statement of proposal document:
“through an improvement in mobility parking across the city”

Carried unanimously

Moved Deputy Mayor Free, seconded Councillor Sparrow, the following amendment

Resolved

That the Strategy and Policy Committee:

12. Note that in order to reduce demand for parking in our city we will need to provide more infrastructure that supports active transport modes such as walking and cycling, and support our partners at GWRC to improve public transport provision across the city.
13. Agree that the consultation/engagement process provides an opportunity to seek feedback on any barriers to reducing the need to use private vehicles, including barriers to a greater uptake of walking, cycling and taking the bus or train.

Carried

The meeting temporarily adjourned at 10:06 am and reconvened at 10:08 with all the members present.

Secretarial note: Clause 12 was voted on separately and carried, the division for which is as follows:

For:

Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Sparrow

Against:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Rush
Councillor Woolf
Councillor Young

Majority Vote: 10:5

Carried

Secretarial note: Clause 13 was voted on separately and carried, the division for which is as follows:

For:

Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul

Against:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Majority Vote: 8:7

Carried

The meeting adjourned for morning tea at 10:31 am and reconvened at 10:46 am with all the members present.

Moved Councillor Fitzsimons, seconded Councillor Day, the following amendment

Resolved

That the Strategy and Policy Committee:

14. Agree to amend the proposed parking consultation documents as follows:
- a) ~~Principle D to include the words “and take into account affordability for low income residents” on page 12 of both the statement of proposal and the discussion documents.~~
 - b) Under the proposed solution on page 49 of the discussion document, include a bullet point stating: “encourage groups using sports, recreation and community facilities to car pool”.
 - c) Include a section on community car share and car pool arrangements in the table on pages 63 and 64 of the discussion document
 - d) Add the following words under the proposed solution on page 38 of the discussion document: The Council will continue to work with large employers such as the District Health Board and the University on managing parking demand and travel plans for their employees.
 - e) Add a bullet point on page 16 of the statement of proposal under section 4.4: “the needs of schools and early childhood centres”
 - f) Include reference to the role of the Council on page 4 of the statement of proposal to address gaps in delivery of parking from the private sector
 - (g) add a bullet point on page 16 of the statement of proposal under section 4.4: "existing rates of illegal parking in the area, eg overstaying, non-payment, parking on footpaths etc".
 - (h) add a bullet point on page 16 of the statement of proposal under section 4.4: "high rates of illegal parking in the area, eg overstaying, non-payment, parking on footpaths etc"

Carried

Secretarial note: Clause 14 (a) was voted on separately and lost, the division for which is as follows:

For:

Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Matthews
Councillor O'Neill
Councillor Paul

Against:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Free
Councillor Pannett
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Majority Vote: 7:8

Lost

Secretarial note: Clause 14 (b) was voted on separately and carried, the division for which is as follows:

For:

Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Woolf

Against:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Rush
Councillor Sparrow
Councillor Young

Majority Vote: 10:5

Carried

Secretarial note: Clause 14 (c) was voted on separately and carried, the division for which is as follows:

For:

Mayor Foster
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul

Against:

Councillor Calvert (Deputy Chair)
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Majority Vote: 10:5

Carried

Secretarial note: Clause 14 (d) was voted on separately and carried, the division for which is as follows:

For:

Mayor Foster
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Sparrow
Councillor Woolf

Against:

Councillor Calvert (Deputy Chair)
Councillor Rush
Councillor Young

Majority Vote: 12:3

Carried

Secretarial note: Clause 14 (e) was voted on separately and carried, the division for which is as follows:

For:

Mayor Foster
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Paul

Against:

Councillor Calvert (Deputy Chair)
Councillor Pannett
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Majority Vote: 9:6

Carried

Secretarial note: Clause 14 (f) was voted on separately and carried, the division for which is as follows:

For:

Mayor Foster
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Rush
Councillor Sparrow
Councillor Woolf

Against:

Councillor Calvert (Deputy Chair)
Councillor Pannett
Councillor Paul

Councillor Young
Majority Vote: 12:3

Carried

Secretarial note: Clauses 14 (g) and (h) were voted on separately and carried, the division for which is as follows:

For:

Mayor Foster
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Sparrow

Against:

Councillor Calvert (Deputy Chair)
Councillor Rush
Councillor Woolf
Councillor Young

Majority Vote: 11:4

Carried

Moved Councillor Pannett, seconded Councillor Paul, the following amendment

Resolved

That the Strategy and Policy Committee:

- 2A. Agree to engage with the public and stakeholder groups on the proposed new parking policy as attached to this report: the draft Statement of Proposal (attachment 1) and the draft Discussion document (attachment 2) **with the following amendments:**
- ~~i. Agree that the Council will use all its tools through the District Plan review and as a city leader to work with business to encourage mode shift.~~
 - ii. Agree as part of the development of the Council's Transport Strategy that officers will come with further advice on mechanisms to support families with dependents and those on low incomes to shift to more sustainable transport choices to enable the city to meet its *Te Atakura* targets and to enable these groups to access more services and facilities.
- 7A. Note that a new parking policy, once adopted, will be implemented **with appropriate engagement and consistent with targets outlined in *Te Atakura: First to Zero* along with a review of the Traffic Bylaw and future funding decisions.**

Carried

Secretarial note: Clause 2A (i) was voted on separately and lost, the division for which is as follows:

For:

Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul

Against:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Free
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Majority Vote: 7:8

Lost

Secretarial note: Clause 2A (ii) was voted on separately and carried, the division for which is as follows:

For:

Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Sparrow

Against:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Rush
Councillor Woolf
Councillor Young

Majority Vote: 9:6

Carried

Secretarial note: Clause 7A was voted on separately and carried, the division for which is as follows:

For:

Mayor Foster
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul

Against:

Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Rush
Councillor Sparrow
Councillor Woolf
Councillor Young

Majority Vote: 9:6

Carried

Moved Councillor Rush, seconded Councillor Woolf, the following amendment

Resolved

That the Strategy and Policy Committee:

18. Direct officers to amend the Draft Parking Policy 2020 Statement of Proposal' as follows:

On page 5 paragraph 2.2.1, restate the first sentence to read: "The transport hierarchy adapted from the Urban Growth Plan -Urban Development and Transport Strategy 2015 is below."

A division was called for, voting on which was as follows:

For:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Free
Councillor O'Neill
Councillor Rush
Councillor Woolf
Councillor Young

Against:

Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Matthews
Councillor Pannett
Councillor Paul
Councillor Sparrow

Majority Vote: 7:8

Lost

(Councillor Woolf left the meeting at 11:57 am)

Moved Mayor Foster, seconded Councillor Young, the following amendment

Resolved

That the Strategy and Policy Committee:

15. Agree that the policy and questions include asking whether Council should consider charging for private hire operations using on street space, noting demand for space often exceeds supply and that those spaces are not available for the other uses.
16. Agree that the policy note that Council will engage with private sector parking providers during the engagement process to encourage their parking management to support the objectives and principles of this draft policy.

Carried unanimously

Moved Councillor Condie, seconded Councillor Foon, the following substantive motion

Resolved

That the Strategy and Policy Committee:

1. Receive the information.
2. Agree to engage with the public and stakeholder groups on the proposed new parking

policy as attached to this report: the draft Statement of Proposal (attachment 1) and the draft Discussion document (attachment 2) with the following amendment:

Agree as part of the development of the Council's Transport Strategy that officers will come with further advice on mechanisms to support families with dependents and those on low incomes to shift to more sustainable transport choices to enable the city to meet its *Te Atakura* targets and to enable these groups to access more services and facilities.

3. Note the Parking Policy (with any recommended changes) will be submitted to the Strategy and Policy Committee for formal adoption after the consultation and engagement phase has closed and submissions and other feedback considered.
4. Note that consultation will be conducted in conjunction with Planning for Growth.
5. Note the following three existing policies will be revoked once the new consolidated Parking Policy is adopted: the Parking Policy 2007; the Mobility Parking Policy 2005 and the Car Share Policy 2016.
6. Note any change to how parking is managed could have an impact on the annual parking revenue and may require capital expenditure to implement some aspects. It will be necessary to weigh up the benefits of any parking management change with the likely revenue impact and how that affects other Council priorities.
7. Note that a new parking policy, once adopted, will be implemented with appropriate engagement and consistent with targets outlined in *Te Atakura: First to Zero* along with a review of the Traffic Bylaw and future funding decisions.
8. Note that parking management is part of a complex transport and travel system, therefore decisions need to be made holistically to take into account the many factors effecting travel and transport systems such as parking behaviour, public transport options and reliability and transport infrastructure etc.
9. Note the inter-relationship between the Parking Policy and decisions being made under other key projects such as the Let's Get Wellington Movement programme, the District Plan review and the development of a Transport Strategy and a Place and Movement Framework.
10. Delegate to the Chief Executive and the Associate Portfolio Leader for Transport the authority to amend the proposal to include any amendments agreed by the Strategy and Policy Committee and any minor consequential edits.
11. Agree to add the following phrase to the end of *Support access for all* on page 11 of the statement of proposal document:

“through an improvement in mobility parking across the city”
12. Note that in order to reduce demand for parking in our city we will need to provide more infrastructure that supports active transport modes such as walking and cycling, and support our partners at GWRC to improve public transport provision across the city.
13. Agree that the consultation/engagement process provides an opportunity to seek feedback on any barriers to reducing the need to use private vehicles, including barriers to a greater uptake of walking, cycling and taking the bus or train.
14. Agree to amend the proposed parking consultation documents as follows:
 - a) Under the proposed solution on page 49 of the discussion document, include a bullet point stating: “encourage groups using sports, recreation and community facilities to car pool”.
 - b) Include a section on community car share and car pool arrangements in the table

on pages 63 and 64 of the discussion document

- c) Add the following words under the proposed solution on page 38 of the discussion document: The Council will continue to work with large employers such as the District Health Board and the University on managing parking demand and travel plans for their employees.
 - d) Add a bullet point on page 16 of the statement of proposal under section 4.4: "the needs of schools and early childhood centres"
 - e) Include reference to the role of the Council on page 4 of the statement of proposal to address gaps in delivery of parking from the private sector
 - (f) add a bullet point on page 16 of the statement of proposal under section 4.4: "existing rates of illegal parking in the area, eg overstaying, non-payment, parking on footpaths etc".
 - (g) add a bullet point on page 16 of the statement of proposal under section 4.4: "high rates of illegal parking in the area, eg overstaying, non-payment, parking on footpaths etc"
15. Agree that the policy and questions include asking whether Council should consider charging for private hire operations using on street space, noting demand for space often exceeds supply and that those spaces are not available for the other uses.
16. Agree that the policy note that Council will engage with private sector parking providers during the engagement process to encourage their parking management to support the objectives and principles of this draft policy.

A division was called for, voting on which was as follows:

For:

Mayor Foster
Councillor Calvert (Deputy Chair)
Councillor Condie
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foon
Councillor Free
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Sparrow
Councillor Young

Against:

Councillor Rush

Absent:

Councillor Woolf

Majority Vote: 13:1

Carried

The meeting adjourned for lunch at 12:31 pm and reconvened at 12:52 pm with the following members present: Mayor Foster, Councillor Calvert, Councillor Condie, Councillor Day, Councillor Free, Councillor Matthews, Councillor Pannett, and Councillor Paul

2.1 Submission on the Urban Development Bill

Moved Mayor Foster, seconded Councillor Condie

Recommendations

That the Strategy and Policy Committee:

1. Receive the information.
2. Approve the **amended** draft submission on the Urban Development Bill (~~Appendix 1~~), **tabled at the meeting**, subject to any amendments agreed by the committee.
3. Delegate to the Chief Executive and Urban Development Agency Portfolio Leader the authority to amend the submission as per any proposed amendments agreed by the Committee at this meeting and any minor consequential edits, prior to it being submitted.

(Councillor O'Neill returned to the meeting at 12:54 pm)

(Councillor Young returned to the meeting at 12:56 pm)

(Councillor Sparrow returned to the meeting at 12:57 pm)

(Councillor Rush returned to the meeting at 12:58 pm)

Moved Councillor Rush, seconded Councillor Sparrow, the following amendment

Resolved

That the Strategy and Policy Committee:

4. Agree to add the following paragraph after paragraph 47 of the submission document:

These projects may not rank highly at a national level, but are nevertheless important to Wellington. In these instances, consideration should be given to devolving some or all of the powers provided to Kainga Ora, to local councils so they can undertake urban regeneration in line with their communities' aspirations.

Carried

(Councillor Fitzsimons returned to the meeting at 1:05 pm)

(Councillor Foon returned to the meeting at 1:08 pm)

Moved Councillor Fitzsimons, seconded Councillor Matthews, the following amendment

Resolved

That the strategy and Policy Committee:

5. Agree to add the following after paragraph 15 of the submission document:

Councils and the Government are significant land holders across the country, especially in Wellington. A partnered approach ensures that these holdings can be investigated to ensure they are reaching their full potential. An emphasis on government-held opportunities to ensure underperforming assets are achieving the best outcomes is sought.

Carried unanimously

Moved Mayor Foster, seconded Councillor Condie, the following substantive motion

Resolved

That the Strategy and Policy Committee:

1. Receive the information.
2. Approve the amended draft submission on the Urban Development Bill, tabled at the meeting, subject to any amendments agreed by the committee.
3. Agree to add the following paragraph after paragraph 47 of the submission document:

These projects may not rank highly at a national level, but are nevertheless important to Wellington. In these instances, consideration should be given to devolving some or all of the powers provided to Kainga Ora, to local councils so they can undertake urban regeneration in line with their communities' aspirations.
4. Agree to add the following paragraph after paragraph 15 of the submission document:

Councils and the Government are significant land holders across the country, especially in Wellington. A partnered approach ensures that these holdings can be investigated to ensure they are reaching their full potential. An emphasis on government-held opportunities to ensure underperforming assets are achieving the best outcomes is sought.
5. Delegate to the Chief Executive and Urban Development Agency Portfolio Leader the authority to amend the submission as per any proposed amendments agreed by the Committee at this meeting and any minor consequential edits, prior to it being submitted.

Carried

Attachments

- 1 Amended Draft WCC Submission on Urban Development Bill

The meeting concluded at 1:15 pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
I te ara takatū	
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

Authenticated: _____
Chair

ORDINARY MEETING

OF

STRATEGY AND POLICY COMMITTEE

MINUTE ITEM ATTACHMENTS

Time: 9:30am
Date: Thursday, 13 February 2020
Venue: Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Wellington

Business

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Public participation tabled document

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| 2.1 Submission on the Urban Development Bill | |
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**COME CELEBRATE
WITH US AT THE
FRINGIEST PARTY
IN TOWN!**



**WE INVITE YOU TO
THE OPENING NIGHT
SHENANIGANS
TO CELEBRATE
OUR 30TH YEAR.**

**THURSDAY 27 FEBRUARY
5.30PM EXHIBITION OPENING
DRINKS AND NIBBLES INCLUDED.**

**7PM FOR GALA SHOWCASE
TE AUHAHA, DIXON STREET**

**RSVP TO RSVP@FRINGE.CO.NZ
BY MONDAY 17 FEBRUARY.**



Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Wellington City Council (the Council) thanks the Environment Committee for the opportunity to provide feedback on the proposed Urban Development Bill (the Bill), the second piece of legislation to enable a well-supported and streamlined process for the delivery of complex urban development projects.

In July 2019 the Council provided response to the then proposed Kāinga Ora Homes and Communities Bill. In that submission the Council supported the long awaited establishment of the Government's urban development agency to progress urban development projects. While the powers that Kāinga Ora would access were not specified in that Bill, the Council signalled support for the provision of a toolkit of powers for consenting, infrastructure development, land acquisition, and funding and financing on the basis that local authorities would work in partnership with Kāinga Ora to ensure community interests were well represented.

The Urban Development Bill clarifies the scope of the provisions to be made available to Kāinga Ora for significant and complex urban development, and the accompanying checks and balances for the establishment and implementation of Specified Development Projects (SDPs). The powers proposed are significant and will undoubtedly reduce some of the current complexity in delivering such projects. While the Council maintains its support of a toolkit approach to the provision of additional powers, it is caveated on the basis that Kāinga Ora works in partnership with local authorities right from the outset in determining the objectives of projects and the powers that will enable their delivery.

In the Council's view, the Bill does not provide for a true partnership approach to delivering complex urban development. As currently proposed, local authority collaboration is not sought during the crucial early stages of identifying, assessing and establishing an SDP, which limits the ability for local perspectives to be given the necessary weight in the development of city shaping proposals. The Council sees this as a major barrier to Kāinga Ora achieving the intended purpose of this Bill.

The Council has reviewed the submission provided by the Society of Local Government Managers (SOLGM) and agrees with their points raised on behalf of the local government sector. The Council's response expands on SOLGM's position, highlighting additional areas of the Government's proposal that require further consideration.

This submission has been developed in three parts: first; a summary of current urban development priorities in Wellington and how the urban development agency approach can provide much needed support, second; a summary of the implications of the proposed SDP process with an alternate approach that supports true local and central Government partnership, and third; an assessment of the potential impacts of the proposed powers on local authorities and the communities that they serve.

Part 1: Enabling urban development

The Wellington context

1. Wellington is currently experiencing steady population growth and over the next 30 years the city will be home to an additional 80,000 residents. The impact of this growth is already

being felt, as the demand on existing infrastructure continues to rise. Large scale development of housing, transport and community amenity is critical to accommodating our growing population; ensuring Wellingtonians can continue to enjoy living, working and playing in the city. Understanding the aspirations of our residents, and what they expect from our city as it continues to grow and develop into the future is crucial to ensuring the benefits of growth are harnessed and negative impacts are minimised.

2. To develop this understanding, the Council regularly consults with the public through Annual and Long Term Planning processes, and has specifically sought feedback on the future of Wellington's urban environment through the Let's Get Wellington Moving (LGWM) and Planning for Growth projects. From consultation with the community on these projects we know that Wellington residents value the city's compact form and favour urban development that facilitates a more connected, green, resilient, vibrant and prosperous city but still maintains the unique character and heritage that contribute to the city's sense of place.
3. To deliver urban development that embodies these values, consideration must be given to the advantages and constraints posed by the local environment: the physical landscape, economic factors and the demographics of the community. Local authorities are best placed to understand these.
4. The local level plans produced following consultation consider all of these factors, providing practical guidance that ensures development of the city realises the aspirations of our communities. In particular, the products of the Planning for Growth project (a Spatial Plan which will inform the review of the city's District Plan) provide the blue print for the form and function of Wellington City in years to come. Having access to a range of powers to fast track delivery of significant urban development projects is necessary, however it is crucial that projects enabled by such powers are informed by local plans to ensure delivery meets community needs now and in the future.

Effectiveness of Urban Development Agencies

5. The urban development agency model has been utilised to overcome the many challenges of progressing urban development projects in areas of high growth both internationally and, to a lesser extent, nationally. The success of the model relies heavily on the appointed agency working in partnership with local authorities, enabling them to leverage the place planning and community engagement expertise of councils. Where this happens, project objectives are tailored to ensure the delivery of local outcomes. Tamaki Regeneration provides a useful case study of the effectiveness of this model within the New Zealand context.
6. In 2013 the Tamaki Regeneration Company (TRC) was established as a Crown Entity, jointly owned by the government and Auckland Council. It was established to enable social transformation, economic development, place making and housing affordability within the Tamaki area. Through active engagement with the Council, central government agencies including Kāinga Ora, local community boards, residents, businesses and mana whenua the entity has been able to set a clear direction for the development of the Tamaki community.

In less than 10 years it has delivered over 500 homes and supporting community amenity, demonstrating the success of the model.

Part 2: Delivering significant development projects through Kāinga Ora

7. The Urban Development Bill provides Kāinga Ora with access to the powers necessary to cut through the complexities of current urban development processes. Early consultation and planning inform the selection of relevant powers that are actioned as part of an operative development plan for an SDP. These powers will enable Kāinga Ora to bypass many of the challenges that have traditionally slowed or even stopped the delivery of large scale urban development projects.
8. Under the Bill, urban development is broadly defined and the application of Kāinga Ora's powers is not limited to housing development alone. Included in the definition is the renewal of urban environments and development of related commercial, industrial and community infrastructure and amenity (for example town centres schools, hospitals, public spaces and reserves). The Council supports this definition of urban development as it acknowledges that the development of infrastructure, as well as homes, is critical to the establishment of thriving communities
9. The Bill provides for proposals for urban development (both new and existing) to be considered for establishment as an SDP, on the basis that they meet a number of criteria that contribute to the development of a built environment that supports community needs for current and future generations.
10. The Council is pleased that Kāinga Ora will consider existing projects as SDPs. The Council has a pipeline of projects that have already undergone significant investigation and consultation, meeting much of the criteria of the initial assessment process described in the Bill. The Council would like confirmation that for such projects these efforts will be recognised and not need to be duplicated by Kāinga Ora.
11. The LGWM programme of work is a clear example of one of the Council's existing programmes that delivers the transformative urban development that the Bill intends to enable. The range of transport improvements that form this programme will connect Wellington City, the region's economic hub, to suburban centres within the city boundary and beyond. In doing so, the potential for new housing development will be unlocked, allowing more people to live in and sustainably move around Wellington and the wider region.
12. Equally LGWM exemplifies the type of complexity that the Bill intends to navigate. Its delivery requires significant coordination and funding to develop infrastructure across large corridors of land, involving a number of stakeholders and impacting both current and future Wellington residents. The ability to access powers of land acquisition, infrastructure development and funding and financing are fundamental to the success of the programme.

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13. Development of the LGWM programme has been undertaken by the Council in partnership with the Greater Wellington Regional Council and NZTA. The proposed programme of work is the product of significant planning and public engagement by staff from all organisations, and represents skills across the spectrum of urban development disciplines.
 14. Under the new Bill, crucial elements of the planning process will be undertaken by Kāinga Ora when determining whether a project should be established as a SDP. The following sections highlight the implications of this process, and recommend an amended approach (included as Appendix 1) which provides the Council's view of what constitutes a true partnership between local authorities and Kāinga Ora in the delivery of SDPs.

Proposal consideration and selection

15. Under the Bill, Kāinga Ora will seek proposals for potential SDPs that provide or enable *“integrated and effective use of land and buildings; quality infrastructure and amenities that support community needs; efficient, effective, and safe transport systems; access to open space for public use and enjoyment; and low-emission urban environments”*. In Wellington there is a pressing need to deliver all of these objectives to ensure our current and future populations have access to housing and supporting infrastructure, while also enabling our progress towards becoming a zero carbon city.
16. While initial process maps provided by the Ministry of Housing and Urban Development indicate that proposals for developments that progress these objectives may come from any interested developer, there is no further guidance provided in the Bill as to the limits of the proposals Kāinga Ora will consider. Clarity on the assessment process and criteria is therefore sought.
17. The Council alone has a pipeline of projects that could meet these high level selection criteria in the Wellington context. Other high growth centres will likely be the same. Add to this the potential of additional proposals from local Iwi and private developers and it is almost certain that Kāinga Ora will be inundated with proposals as soon as its powers take effect.
18. In addition to the issues created by the volume of proposals that Kāinga Ora will consider, the Council has a greater concern regarding the lack of a process for Kāinga Ora receiving unsolicited proposals from the private sector, which are more likely to be driven by commercial interests.
19. Without clear guidance regarding other factors that could either preclude or prioritise the consideration of a proposal, there is potential for projects to be selected on an ad hoc basis. Locally, this creates the potential for proposals driven by commercial interests being prioritised above those endorsed by the community, and nationally this could result in

efforts being primarily focussed in a particular area, limiting resources available to other parts of the country in progressing urban development priorities.

20. To mitigate these issues the Council proposes that an initiation stage, currently undefined in the Bill, is undertaken by a Project Initiation Group, a partnership group consisting of representatives from the impacted local authority and Kāinga Ora.
21. Any proposal from interested developers, Iwi or either of the partnership organisations would be referred to the Project Initiation Group, who would assess the merits of each proposal against local and national level planning documentation, identifying the objectives the proposal would progress and the area impacted.
22. At a local level, objectives set out in Annual and Long Term Plans and other strategic plans related to urban development within the impacted area would be considered. From a national perspective Government and National Policy statements would provide guidance on national priorities.
23. As a side note, when these key direction setting documents are developed by both levels of government, the Council recommends that local and Central Government partners work in collaboration to achieve strategic alignment. For example, local authorities should be engaged in the upcoming development of the GPS on Housing and Urban Development, and likewise central Government direction should inform the development of local spatial plans.
24. Following this assessment, the Project Initiation Group would then undertake an initial feasibility study, to inform the development of a more detailed proposal, which would define the parameters of the proposed project (including project objectives, area and governance). The proposal would then be referred to Kāinga Ora for selection and prioritisation.

This vetting process will ensure Kāinga Ora has one channel through which it receives proposals, which are of a consistent standard. The balanced representation of local and central government interests ensures any proposal that is promoted for selection as an SDP demonstrates alignment with local and national priorities. By defining the parameters of projects at the initiation stage, Kāinga Ora can fully weigh the costs and benefits of a proposal and select projects for progression accordingly.

Recommendation: The Council recommends a Project Initiation Group is established, with equal representation from impacted local authorities and Kāinga Ora, to manage the initial vetting and further development of any proposal for Kāinga Ora's later consideration. To ensure transparency at the project selection stage, the Council recommends further details of the project selection process and associated assessment criteria are included in the Bill.

Project assessment and establishment

Project assessment

25. Adding to the initial backlog of projects at the selection phase, the heavily loaded assessment process leaves the responsibility for defining projects with Kāinga Ora, with no

option to delegate to others. From the Council's experience, this work is highly resource intensive and takes a significant amount of time for one project, let alone the multiple projects Kāinga Ora intends to assess and progress at any one time. This will create a significant bottle neck in the SDP process, restricting the effectiveness of Kāinga Ora in fast tracking development projects from day one.

26. Compounding this challenge is the need for the national entity to gain sufficient understanding of local priorities and plans to build an informed assessment of the viability and long term impacts of a proposed project. This is an area that local authorities have a wealth of both expertise and experience.
27. It is on this basis that Kāinga Ora's role in setting the parameters of a project, including project objectives, the project area and potential opportunities and constraints is of concern to Council and hence the proposal of a partnership approach from the outset. It is unclear in the Bill to what extent local plans influence the development of these crucial factors, which ultimately shape the direction of the development plan in later stages of the SDP process and determine the impact of the resulting development on the community.
28. As previously noted, the Council recommends an alternate process where a Project Initiation Group undertakes an initial assessment of a proposal, and develops project parameters in line with local and national level plans before a project is submitted to Kāinga Ora (Stage 1 and 2, Appendix 1). Not only does this assist Kāinga Ora in the selection phase, but it also ensures the assessment phase undertaken by Kāinga Ora can be focussed on the feasibility of the application of additional powers to the project in order to progress objectives that have local and national support.
29. If the process as proposed in the Bill is maintained however at a minimum the Council suggests Section 29 of the Bill incorporate consideration of Council's strategic plans and policies in the development of project objectives, ensuring these are given sufficient weight at the inception of a project.

Consultation

30. While it is noted that relevant local authorities and key stakeholders will be consulted during the assessment process, it is unclear what constitutes meaningful engagement.
31. From the Council's perspective, meaningful engagement requires the public to have a full understanding of the parameters of a proposal in order to enable them to provide informed feedback.
32. The provisions of the Bill appear to allow Kāinga Ora to change parameters following feedback during the assessment stages. While additional consultation is required for changes, where a change is deemed technical or minor, Kāinga Ora would not be required to consult with the public again. The potential for a proposal to change creates uncertainty, which will undoubtedly lead to community concern, especially when it is viewed as central Government directing local affairs.
33. As such, the Council recommends that the two stage consultation process defined in the Bill is maintained, but is initiated only once the details of a proposal are fully formed and where

feedback will inform crucial decision points leading to the establishment and implementation of an SDP (Stage 8 and 11 , Appendix 1).

34. The Council is encouraged that engagement of, and partnership with mana whenua is given necessary prominence in the Bill. It should be noted that dedicated resourcing will be required to ensure that the intentions for meaningful engagement set out in the Bill are upheld in practice.

Assessment report

35. Following project definition and consultation, Kāinga Ora produces an assessment report which must be reviewed by any relevant local authority. The Bill provides an unrealistically short timeframe for councils to provide an informed response to Kāinga Ora’s assessment of the proposal.
36. The developments that Kāinga Ora could establish as SDPs will be of significant public interest and as such elected members will need to carefully consider endorsing any recommendation. Our Council committee process does not allow for a 10 working day turnaround of such a decision, especially where officers have had limited exposure to the proposal.
37. While the Council’s proposed process ensures impacted councils are involved leading up to and throughout the assessment phase of the process, local authority review of Kāinga Ora’s assessment report is maintained to ensure the assessment process full explores the project parameters defined in the initial proposal. It is recommended that 20 working days is provided as a minimum response time for councils to indicate their support for the proposal, before it is approved for public consultation by the Minister. From a Council perspective this is still a short timeframe, therefore this recommendation is contingent on the Bill including provisions for active local authority involvement in the initial stages of the SDP process.

Ministerial decision making

38. As the current Bill outlines, the Minister may override the concerns of local authorities if the project is deemed to be in the “national interest”. This term is not defined in the Bill, which provides potential for developments to be progressed that do not align, or indeed, conflict with local level planning.
39. However, the Council believes the proposed partnership approach outlined in this section and Appendix 1 reduces the possibility that Ministers will need to wield this power, as local and national interests will be equally considered in the initiation, development and assessment of proposals.

Recommendation: To enable the progress that central Government wants to achieve in the urban development space, Kāinga Ora must take every opportunity to work in partnership with local

authorities. The Council recommends that Kāinga Ora works collaboratively during the initiation and assessment stages of the process to develop project parameters that align with local and national level plans. On the basis that this level of engagement is provided for in the Bill councils will be better placed to provide an informed endorsement of Kāinga Ora's assessment report within a 20 working day timeframe.

Development plan progression and transitional period

40. Following the establishment of an SDP by Order of Council a transitional period begins, allowing Kāinga Ora to use some provisional powers while a draft development plan is produced.
41. Of those provisions, councils may choose to transfer their consenting responsibilities under the Resource Management Act 1991(RMA) to Kāinga Ora. However, if authority is not transferred at this stage, Kāinga Ora still acts as the ultimate decision maker in regards to planning in a project area, with the ability to decline proposed plan changes and new resource consents and to modify or void existing consents as it sees fit.
42. While it is necessary to include interim measures to ensure the delivery of an SDP is not compromised before a development plan is approved, the Council views that the modification or voiding of existing resource consents can be avoided through early council involvement during the assessment phase of the process.

Recommendation: To mitigate this issue, the Council recommends that consideration is given to current consented development when determining a project area during proposal development. Options for excluding the development from the project area should be explored before the modification or voiding of a consent is deemed necessary, and if so, the consent holder should be consulted as an affected party early in the assessment process.

Development plan finalisation and review

43. Under the proposed Bill, an Independent Hearing Panel reviews the development plan in light of public feedback. The Council has concerns that under the Bill Ministers are responsible for selecting the membership of the hearing panel, with no clear requirement for a local perspective to be included.
44. The Council recommends that local authorities nominate appropriate candidates for appointment as hearing commissioners, allowing Ministers to select from a potential pool of appointees who have experience and understanding of local opportunities and constraints.

This will ensure the final development plan and public feedback can be considered within the context of the local environment.

45. Additionally, the Council notes the Bill allows the final recommendations of the IHP to be considered alongside those of Kāinga Ora, which raises questions regarding the objectivity of the advice that informs the final decision to implement a development plan.
46. In the Council's proposed process, the IHP is the only body that provides final recommendations regarding the draft development plan before the Minister's decision to approve its implementation. The Council believes this process ensures Ministers only receive independent advice.

Projects not accepted by Kāinga Ora

47. While the Council agrees that the powers proposed are necessary to deliver complex and large scale urban development projects, medium scale developments can equally contribute to the city's goals and face many of the same challenges of the current urban development process.
48. The Council recently submitted on MfE's RMA reform consultation. In that submission we noted a number of barriers to the urban development process, in addition to the setting of the RMA. These include:
 - a. Financial incentives (e.g., security of property investment and access to capital).
 - b. Developer incentives (e.g., Maximising return by constructing limited numbers of high value houses where different typologies and higher yield could be achieved, land banking to keep prices high).
 - c. High cost of building materials.
 - d. Limited capacity of the construction sector.
49. In applying its powers, Kāinga Ora will be able to identify areas of the current urban development system that act as barriers to the delivery of development projects, as some of these will be circumvented through the use of the powers outlined in this Bill. The Council suggests that this information will be useful in refining existing legislative tools to enable a more effective urban development system for all.

Recommendation: The Council recommends that findings from the implementation of SDPs are used to inform legislative reform that enables a more effective and efficient urban development system.

Resourcing of Kāinga Ora

50. As already noted, the Council is concerned Kāinga Ora will not be sufficiently resourced to manage the assessment and implementation of proposals from the outset. The Council holds skills for planning, assessing, developing and consulting on significant urban

development proposals and is well placed to work alongside Kāinga Ora in selecting and advancing its SDPs. As such, we have recommended a partnership approach for the SDP process.

51. However, as the project enters the operative phase, Kāinga Ora will assume the Council's RMA consenting role for SDPs, requiring the skills of staff who currently work for local authorities. Kāinga Ora has already started to build its team, undertaking significant recruitment to prepare itself for delivering the consenting functions outlined in this Bill. The entry of Kāinga Ora as a new employer to an already constrained area of the employment market has added significant pressure, leaving councils struggling to retain and attract skilled consenting officers. This approach does not acknowledge the fact that local authorities will need to be resourced to resume their consenting functions when Kāinga Ora is progressing its own proposals. Without adequate resources, Council consenting processes will likely slow the timely progression of Kāinga Ora's SDPs

Recommendation: To mitigate this issue, the Council recommends local authorities and Kāinga Ora undertake joint workflow planning during the project initiation and assessment stages. Through this process, Kāinga Ora and councils will be able to determine the distribution of consenting tasks, and allocate the necessary resources to deliver them.

Part 3: Proposed powers of Kāinga Ora

52. Councils hold a critical role in operating in consultation with, and on behalf of the communities they represent. Therefore it is the Council's duty in urban development to ensure local character is safeguarded and enhanced. Although it is accepted there is a need to streamline approval processes and the delivery of urban development to meet New Zealand's increasing urban pressures, it must be acknowledged that these projects have the potential to have a long-lasting impact on the character of the local area.
53. To achieve the intended purpose of the Bill; *to contribute to sustainable, inclusive and thriving communities*, we must ensure those features of our cities that are valued by communities, and contribute to an area's sense of place, are preserved.
54. The toolkit of powers that this Bill provides appears broad, and could be viewed by communities as disregarding the importance of local values. Regardless of the streamlined process that the powers allow, without community support the delivery of projects will be unviable in practice. However, by working in partnership with councils in the identification, assessment and establishment of SDPs, Kāinga Ora can ensure that powers appropriate to the project and its local context are selected, potential risks are mitigated and communities are engaged and informed throughout the process.

Recommendation: It is recommended that the safeguarding and enhancement of local character and community values is given higher importance in the Bill and included as a principle for specified development projects in Section 5. The crucial role of councils in representing the interests of local

communities should also be solidified through Kāinga Ora working in collaboration with local authorities. At a minimum the requirement to consult local authorities during the development planning process should be included in Section 70 of the Bill.

55. The following sections seek to clarify the scope of the powers proposed in the Bill, to ensure use is focussed and limited to that which is necessary in delivering an SDP.

Powers of compulsory acquisition:

56. In Wellington the availability of developable land is limited. The city is set between hills and the sea and straddles a fault line, making viable parcels of land difficult to come by. As a result there will be instances where it is necessary to consider utilising the power of compulsory acquisition for all types of land, including land that may already be allocated to a public work, to deliver development projects that will accommodate our growing population.

57. In balancing the use of acquisition powers it is crucial that clear rationale for the prioritisation of the project's specified works over other uses for the land is provided, and that significant pieces of land are protected.

58. The Bill provides one level of protection by allowing the development project area to be made up of non-contiguous land. By working collaboratively with local authorities to determine the selection of parcels to be included within a project area, Kāinga Ora can account for areas that cannot or should not feasibly be developed.

59. Additionally, land that falls within the definition of "protected land" is excluded from the acquisition power. However Council notes that locally significant land is not captured in this definition.

60. In Wellington the Town Belt network of greenspace not only contributes to the city's sense of place, but is a highly valued community amenity that enhances residents' wellbeing. As such it has been protected by a local Act, yet this level of protection is not identified in Section 20 of the Bill.

Recommendation: In addition to working collaboratively with local authorities to determine any appropriate exclusion of land from a project area, the Council recommends the definition of 'protected land' includes land otherwise protected by any local Act or Bill to ensure locally significant areas like the Wellington Town Belt will be preserved for future generations.

Planning and consenting powers

61. In our previous submission, the Council noted that a transfer of planning and consenting powers to Kāinga Ora may be useful for the progression of complex development projects. The Bill confirms that once a development plan is operative the Council will no longer act as the RMA consenting authority within the project area of an SDP.

62. Regional councils, however, maintain their authority status. While the responsibilities of regional and local councils differ under the RMA, there may be a perception of the regional council having increased mandate over local council issues within a project area. The nature of regional and local authority roles is not hierarchical, and the relationship between the two authorities is one of collaboration. This should be clearly reflected in the proposed Bill.
63. Although Kāinga Ora assumes consenting authority in most cases, in instances where Kāinga Ora is the applicant or a partner to the applicant for an SDP, Council will undertake its substantive role under the RMA. As previously noted, the Council has concerns regarding resourcing and support of councils in meeting the requirements under this Bill.

Recommendation: The Council recommends that the separation of consenting roles between local and regional authorities is defined and the rationale for the different treatment of consenting roles is clarified. The Council also recommends that the resource requirements for councils in supporting the delivery of Kāinga Ora projects is considered and accounted for.

Infrastructure powers

64. Under the Bill, Kāinga Ora will have the ability to make decisions regarding key infrastructure both within and in the vicinity of the project area of an SDP. While the Council recognises the value of centralised infrastructure decision making, this needs to be balanced with significant consideration of the implications of decisions, which will continue beyond the life of the project.
65. While Kāinga Ora has powers in constructing and altering non-roading infrastructure, operations of the infrastructure continue to be the responsibility of local authorities. This separation does not acknowledge the fact that the construction and alteration of infrastructure within a project area has direct impact on the operations and maintenance of the wider network to which it connects and is a particular concern where infrastructure is built to a different specification or capacity to that already provided in the area.
66. The Bill does not provide sufficient detail of how Kāinga Ora will align levels of service with the Council's asset management planning and long term funding. It seems Councils will be expected to accommodate the flow on effects of the new service, with little consideration of the ongoing cost in doing so. Without accounting for this, it is likely the rating base will be left to absorb the cost, effectively subsidising Kāinga Ora development. These issues highlight the need for a partnership approach in the development planning phase of the SDP.
67. Where a network asset is delivered by Kāinga Ora to eventually be vested to Council, the cost recovery sought by Council and Kāinga Ora for the asset will need to be determined in collaboration. The fairness of the rates charged will need to be addressed but must consider Council's ability to fund the maintenance and depreciation of the asset over its lifetime.

Recommendation: To ensure the flow on impacts of the development of new infrastructure are well managed, Kāinga Ora must work in partnership with Councils to plan for the delivery of infrastructure, ensuring development plans provide full cost accounting and specifications that align

with Council's budgets and levels of service, especially where it is anticipated that an asset is to be handed back to Council.

Funding and financing

68. The funding of infrastructure has been widely acknowledged as a significant challenge for local authorities. As such, the Council is encouraged that in this Bill additional funding tools are provided for application in the delivery of SDPs, as established in the development plan. The Council does however seek clarification of the practicalities of the proposed collection of targeted rates and development contributions and seeks to ensure that rates affordability can be maintained in the process.

Equitable rate setting and affordability

69. The Council is cognisant that in parallel with this Bill, Central Government is proposing the use of targeted rating for the funding of other services and infrastructure, as noted in SOLGM's submission:

“Central government, its agencies and statutory creations are increasingly looking to the rating system as the means for funding activities central government provides or acts as sponsor for. The Bill is one of three policy/legislative proposals in train that would in some way grant access to the rating system and/or require local authorities to administer through the rating systems. The others include:

- *the Infrastructure Funding and Financing Bill – which empowers the establishment of so-called special purpose vehicles (agencies that borrow to finance infrastructure in a defined area and repay the loan through targeted rates administered by the affected local authorities). This Bill is currently before your colleagues on the Transport Select Committee*
- *the review of funding for Fire and Emergency New Zealand”*

70. Additionally SOLGM have highlighted that, in the event that all these proposals are progressed, some ratepayers could be set to pay up to three additional levies through rates. We share SOLGM's concern that there appears to be no consistent view of the purpose of property taxes and the potential cumulative impact of such proposals on rate payers and local authorities.

71. Under the Local Government Act 2002, councils must consider the impact of cost recovery of infrastructure on the community. In levying rates and fees, Kāinga Ora too should be held to this standard.

72. It is currently unclear how the targeted rates and development contributions set by Kāinga Ora will work in alignment with Council's rating systems and processes, including the extent to which councils are required to assess and address the impact of the rates set by Kāinga Ora when determining their own rates.

73. While the levying of targeted rates aims to balance the burden of rates with benefits received, Section 188 only identifies land within the project area as eligible for targeted rating. It is unclear if this allows for an equitable collection of rates from those outside the project area that will also benefit from the activity being funded.
74. The Bill also adopts the exemptions outlined in the Local Government (Rating) Act 2002 (the Rating Act), which excludes many Crown owned properties from paying rates. While some of these properties will be excluded from a project area by virtue of their protected status, other Crown owned land will be included within a project area, but excluded from rating. In doing so the burden of the targeted rates for the project will be shifted to the remaining rating base within an already limited area.
75. All of these issues are particularly important to consider when Kāinga Ora seeks to undertake development of affordable housing, which is desperately needed in our urban centres. The loading of additional costs through development contributions and targeted rates will increase the upfront cost of purchase, and the ongoing costs of sustaining home ownership, effectively working against the delivery of this objective.

Recommendation: Like councils, Kāinga Ora must be required to consider the impact of the rates they levy on the communities they serve. In determining the targeted rates to be applied to a project area, Kāinga Ora should work in partnership with local authorities when setting the funding provisions of the development plan to determine an equitable and affordable levying of additional rates. The Council recommends that consideration is also given to the rating of properties currently excluded under the Rating Act to ensure fair distribution of the higher targeted rates within a project area.

Recovery of costs to Council

76. Under the proposed Bill, Council provides support to Kāinga Ora at all stages of the process, but in particular acts as the entity's agent in the calculation and collection of targeted rates within a project area. If the cost of these activities is not adequately accounted for, the administrative aspect of this bill will essentially be funded by all rate payers.

Recommendation: The Council seeks to ensure that administrative costs incurred by local authorities in supporting the delivery of SDPs are recognised. Kāinga Ora should be sufficiently resourced to compensate these additional costs.

Bylaw powers

77. To assist Kāinga Ora in managing the project area during the operative phase of the development plan, the Bill grants the entity powers to recommend and require bylaw changes for roads and non-roading infrastructure. This includes the ability to establish new bylaws or revoke existing bylaws.

78. While the Bill includes a requirement for any change proposal to be publicly notified, there is no requirement for undertaking a Special Consultative Procedure where changes are of significant public interest or impact. This is currently required of local authorities under the LGA. As result, Kāinga Ora does not need to demonstrate the consideration of alternative options to the proposed changes. While the public is offered the ability to respond to the proposal during a consultation period following notification, without understanding all available options it is likely that their feedback will not be fully informed.
79. This is more problematic in cases where Kāinga Ora requires a bylaw change. In this case the Bill requires local authorities to action the change within 20 working days, and without undertaking consultation as required by any other Act. Not only does this provision compromise the democratic process, it also presents a risk to councils, who will need to manage community response and any ongoing adverse effects.
80. This is an additional area where collaborative planning between local authorities and Kāinga Ora in the early stages of identifying and developing a proposal could mitigate potential issues in the operative phase of a development plan.

Recommendation: The Council recommends that any bylaw change requirements are determined in collaboration with local authorities and defined in the draft development plan, prior to public consultation.

Conclusion

A 'whole of government' approach to urban development is required to ensure the delivery of necessary housing and infrastructure to support communities both now and in the future. The Council wants to work in partnership with the Government in delivering the affordable housing, sustainable transport solutions and community infrastructure necessary to accommodate our growing population.

We welcome any further opportunity to discuss how the role of local government can be incorporated into the Bill and wish to appear in support of this submission.