



Future Proof Submission on
Urban Development Authorities – Discussion Document

May 2017

To:

Construction and Housing Markets, BRM
Ministry of Business, Innovation and Employment
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Attention: Urban Development Authorities Consultation
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Name of Submitter:

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Submission:

This is a submission by the Future Proof Implementation Committee on the Urban Development Authorities Discussion Document (“Discussion Document”). The content of the submission follows overleaf. We appreciate the opportunity to provide comments on the document.

Other Future Proof partners will also be making submissions on the Discussion Document. These will be more detailed in nature than the Future Proof submission which provides a higher level, overarching view of the proposal.

Signed:

Bill Wasley
Independent Chair – Future Proof Implementation Committee

1. Introduction

This submission is presented on behalf of the Future Proof Implementation Committee (“FPIC”), the governance group responsible for implementation of the Future Proof Growth Strategy. The FPIC includes representatives from the Future Proof sub-regional councils of the Waikato Regional Council, Hamilton City Council, Waipa and Waikato Districts as well as tāngata whenua and the New Zealand Transport Agency.

The Future Proof Growth Strategy is a 50-year growth management and implementation plan for the Future Proof sub-region and was adopted by the partners in 2009. The sub-region refers to the administrative areas of the territorial authorities of Hamilton City Council, Waipa District Council, and Waikato District. Future Proof is currently in a Strategy Update phase with a draft Strategy due to be publicly consulted on in June this year. Future Proof has been embedded in relevant statutory documents. The Strategy has been successful in providing a strategic, integrated approach to long-term planning and growth management in the sub-region.

The Future Proof Implementation Committee is supportive of initiatives which help to progress urban development in a comprehensive way. This is an important part of implementing the Future Proof Strategy.

2. General Comments

Future Proof has the following general comments on the Discussion Document:

Framework and Process

- Future Proof is of the view that additional work should be completed on the Urban Development Authorities (“UDA”) proposal before it is taken further. In particular, there is a need to better understand how the UDA partnerships will work and to consider the funding arrangements. Future Proof is concerned about the potential impact that the proposal could have on council debt

levels. These matters need to be dealt with effectively and credible solutions found so that the UDA process can be implemented with the best possible outcomes. It will be important to work through some of these difficult issues with a variety of people and organisations that have the right skills, experience and interests.

- Future Proof is of the view that there should be specific significance criteria or scale thresholds before a UDA is initiated. We would also support having 'public good' or 'public benefit' conditions as a requirement for any UDA development project.
- Urban and rural should be defined given that there are ambiguities and cross overs in terms of what is rural and what is urban throughout the country. A number of regional policy statements and district plans define what is considered urban development so thresholds and / or criteria can be obtained from these documents. Urban should refer to all types of urban settings – not just greenfield or future urban opportunities.
- We are concerned about the extent and scope of central government / ministerial powers. In particular we are not convinced that it would be appropriate for the Government to identify a project and initiate the UDA process, set the objectives for the project, select the development powers and determine who is accountable. It is important that councils, local communities and various strategic partners have a strong say in what occurs in their area. Local government is responsible for the planning, infrastructure (delivery and ongoing maintenance) and funding for certain aspects of developments. Given that developments have a significant impact on communities and council finances, we are not sure that it is appropriate for central government to initiate a UDA on their own.
- Future Proof has concerns around the ability to override existing regional policy statements and district plans. We understand that it will be important for the UDA to be able to get on with the development, however regional policy statements and district plans have been built up over a number of years and worked through with the relevant communities, often at significant cost. Careful thought needs to be given to a better balancing of the need for expediency for the relevant development and the importance of the existing planning frameworks.
- Future Proof would like to see a greater role for regional councils in the UDA process. There may be situations where a Regional Council wishes to initiate a UDA. Regional Councils also have important functions under the Resource Management Act – including the strategic integration of

infrastructure with land use and ensuring there is sufficient development capacity in relation to residential housing and business land to meet the expected long-term demands of the region. They are responsible for the regional policy statement – a key planning document for the region which will often set objectives, policies and methods for urban development. They also have a critical transport role under the Land Transport Management Act 2003 including the responsibility for preparing regional land transport plans and regional public transport plans as well as the funding and management of public transport services.

- Growth management strategies and spatial plans should be a factor in the initial assessment of a UDA. If a UDA project aligns with a growth strategy or spatial plan this would be a positive assessment factor as the development will give effect to an agreed settlement pattern / strategic direction.
- Future Proof supports the features outlined in Proposal 20 that would warrant a development being considered as eligible for a UDA. It would also be useful to add a criterion that relates to the ability to achieve higher densities / efficient development.
- Future Proof supports Proposals 50-53 on the role of territorial authorities. A collaborative approach is imperative. As noted earlier, we would like to see a greater role for regional councils.

Urban Development Authorities

- There is a need to ensure that there are good long-term outcomes from UDAs.
- Place-making needs to have a greater emphasis in the UDA process.
- Future Proof supports the geographic scope of the UDAs, ie that they will be available to all urban areas of New Zealand.
- Any new regime needs to be flexible, encourage good urban planning outcomes and take account of community views.
- Provision needs to be made to allow the government to set density targets, require a range of housing types and potentially set affordable housing targets for UDAs.

Infrastructure, Funding and Financing

- The discussion around infrastructure and linking with local government planning appears to be a ‘one-way street’ in the document. It only references the need for councils to align their documents with the urban development project. It will be just as important for the UDA to align aspects of its development with council documents (for example if a council has a planned cycleway leading up to the UDA area and the UDA doesn’t take this through its development there will be an incomplete network).
- Future Proof has a strong focus on integrated planning and the need to consider land use, infrastructure and funding in a coordinated manner. We would like to see a much stronger focus on land use, infrastructure and funding integration in the UDA process.
- Further work is required on the impact on council debt levels where they are required to fund trunk infrastructure. Debt levels are already a major issue for a number of growth councils across New Zealand.
- There are some significant issues to be addressed around the winding up of development projects and what happens if there is debt attached to the assets. This has the potential to place a significant burden on councils and their ratepayers. There will also be complexities arising from a situation where a council may be required to take on the asset debt but a receiver may be free to sell the asset.
- Further work will be required on cross border funding issues, particularly around recovering costs of providing facilities and amenities that benefit landowners outside the development project area.
- Funding and the financial impact of development needs to be considered in a lot more detail than what is currently set out in the discussion document.

3. Urban Development Authorities - Questions

Future Proof has responded to several of the questions in the Discussion Document which are relevant to the Future Proof Strategy and to the sub-region.

Q1: To what extent do you agree (or disagree) with the overall proposal to enact new legislation?

Future Proof supports the concept of UDAs in a general sense and the need to enact new legislation to give effect to the proposals. We view UDAs as an important part of the growth management / development planning implementation toolkit. We have some concerns around the process, how the UDAs will operate as well as infrastructure / funding considerations and potential impacts.

Q3: What additional limitations or protections would you like to see included in the proposed legislation (if any)?

Greater consideration needs to be given to the impact of urban development projects on council finances. At present there appears to be insufficient attention paid to the negative impact the proposals in their current form could have on council balance sheets. The capital and operational expenditure required from local authorities as a result of the UDA proposals could be significant. Councils are often constrained by legislation in terms of their ability to take on additional debt. This does not appear to be acknowledged in the discussion document.

Other Matters

A. Criteria or thresholds for selecting urban development projects.

Future Proof supports providing greater clarity around what an urban development project would be and potentially introducing criteria or thresholds that would need to be met. There are a number of regional policy statements and district plans that define urban development through thresholds or criteria and these could be used as a starting point.

B. The role of territorial authorities: should urban development projects be able to proceed without territorial authority agreement?

Future Proof would not support urban development projects proceeding without territorial authority agreement. As noted earlier in this submission, urban planning is an important function of councils and their communities. Councils are required to plan for developments, provide infrastructure and funding. It would be unreasonable to expect councils to take on debt for something that they have no say in. There are also other issues around community accountability that need to be considered.