



SUBMISSION ON THE PRODUCTIVITY COMMISSION BETTER URBAN PLANNING DRAFT REPORT

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Better Urban Planning Inquiry
New Zealand Productivity Commission
P O Box 8036
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WELLINGTON 6143

SUBMISSION: BETTER URBAN PLANNING – DRAFT REPORT

SUBMITTER: HORTICULTURE NEW ZEALAND

INTRODUCTION AND OVERVIEW

1. Horticulture New Zealand (“**HortNZ**”) welcomes the opportunity to make a submission on the Productivity Commission *Better Urban Planning* draft report (“Report”).¹
2. To provide context for its comments, this submission commences with an overview of Horticulture New Zealand before turning to respond to the questions raised and recommendations made in the following chapters:
 - (a) Chapter 7 – Regulating the built environment;
 - (b) Chapter 8 – Urban planning and the natural environment;
 - (c) Chapter 9 – Urban planning and infrastructure;
 - (d) Chapter 10 – Infrastructure: funding and procurement;
 - (e) Chapter 11 – Urban planning and the Treaty of Waitangi;

¹ New Zealand Productivity Commission. (2016). Better Urban Planning Draft Report. Available from www.productivity.govt.nz/inquiry-content/urban-planning.

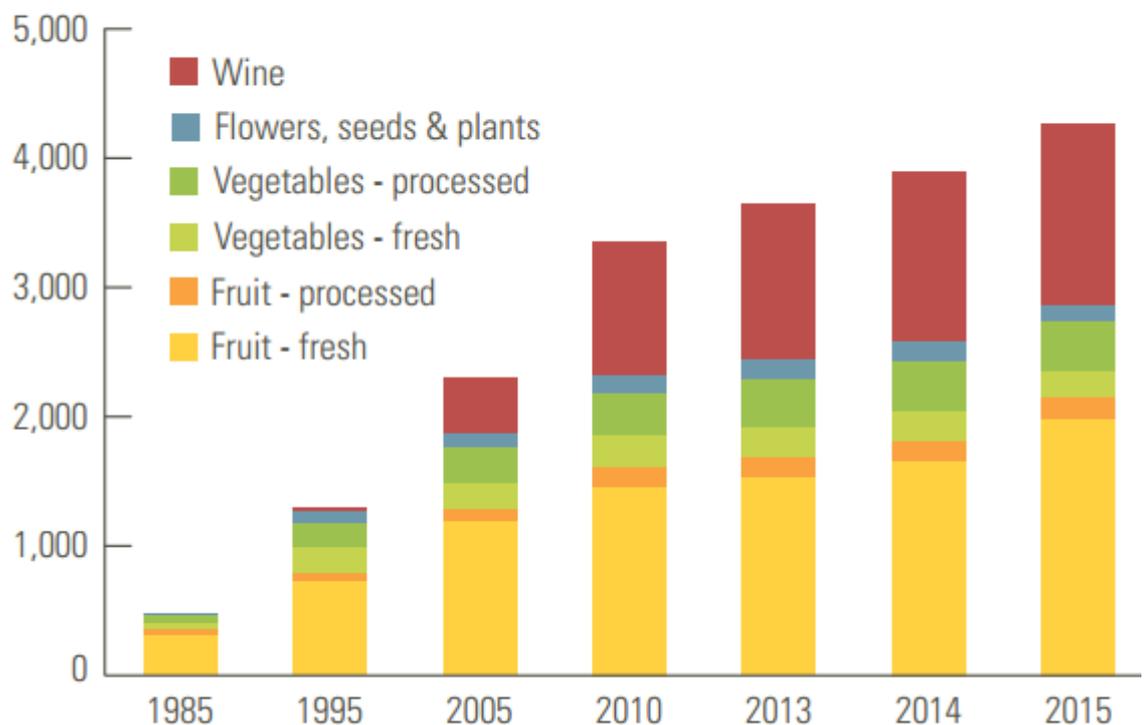
- (f) Chapter 12 – Cultural and capability; and
 - (g) Chapter 13 – A future planning framework.
3. Responses are organised in the order that the questions and recommendations appear in the Report. Where a question or recommendation is not mentioned this is because Horticulture New Zealand has no specific comment to make on that issue.

HORTICULTURE NEW ZEALAND

4. Horticulture New Zealand was established on 1 December 2005, combining the New Zealand Vegetable and Potato Growers', New Zealand Fruitgrowers' and New Zealand Berryfruit Growers Federations.
5. On behalf of its 5,600 active grower members Horticulture New Zealand undertakes detailed involvement in resource management planning processes as part of its National Environmental Policy. Horticulture New Zealand also works to raise growers' awareness of the Resource Management Act 1991 ("**RMA**") to ensure effective grower involvement in planning processes and resource consent applications. The principles that Horticulture New Zealand considers in assessing the implementation of the RMA include:
- (a) Science should underpin the basis of all advocacy;
 - (b) The effects based purpose of the RMA;
 - (c) Non-regulatory methods should also be employed by councils;
 - (d) Regulation should impact fairly on the whole community, make sense in practice, and be developed in full consultation with those affected by it;
 - (e) Early consultation of land users in plan preparation; and
 - (f) Ensuring that RMA plans work in the growers interests both in an environmental and "right to farm" sense.
6. Since 1997 Horticulture New Zealand has been, and continues to be, an active participant in the regional and district planning processes since 1998. Horticulture New Zealand's investment in this activity is significant. For example, in 2015 between \$1m and \$2m was expended by Horticulture New Zealand on resource management and environment advocacy work. This included evidence preparation and submissions on more than 48 plans and variations, more than 20 council hearings on decisions, 30 appeal discussions or mediations and 3 Environment Court Hearings.
7. Horticulture New Zealand has also participated in and supported grower involvement in collaborative planning processes at the regional and national level, and now has a science investment programme focussed on delivering better understanding and stewardship of natural resources. As part of this programme we have been involved in nine regional collaborative planning processes and administer science contracts over a yearly value of \$1million.

8. The key constraints to growth in horticultural production, which are the basis for this submission, remain access to the factors of production - in particular, land and water. Of the 5.5% of land available for production in New Zealand roughly 1/10th was subdivided for lifestyle blocks in the last 15 years. Access to water and land is becoming a key constraint to growth because of competition for versatile land for housing, the availability of water at high reliability, and water quality constraints.
9. Horticulture is a very efficient high value industry. For a comparison, ~50,000 people are employed in the >\$7Bn industry, operating off ~123,000ha. Dairy returns around \$18Bn, employs 30,000 people off a footprint of ~2.5million hectares. Increasingly, iwi based agribusiness is looking to expand into horticulture and Horticulture New Zealand has supported these groups to do so.
10. Horticulture in NZ is a growth industry (see Figure 1 below). Total horticulture merchandise exports in 2015 (including wine) were over \$4.27 billion, an increase in value of over nine percent on 2014 horticultural produce exports. Four fruit crops (apples, kiwifruit, avocados and wine) accounted for \$3.265b of exports and four vegetable crops (onions, squash, peas, potatoes) plus vegetable seeds totalled \$380m. Collectively these nine crop types were 85% of New Zealand's 2015 horticultural exports and by value 7.5% of New Zealand's total merchandise exports.

Horticultural exports – Years to June (\$ million, fob)



Source: Statistics New Zealand

Figure 1 Exports in NZ horticulture over time

11. Land under horticultural crop cultivation in New Zealand is calculated to be approximately 122,000 hectares.

Domestic production

12. Combined domestic sales value of horticulture products are calculated to exceed \$3.4 billion and exports of \$4.1 billion has the value of New Zealand's horticultural outputs exceeding \$7.5 billion for the first time.
13. Domestic production dominates the vegetable sector and is a core element of New Zealand's food network. Parts of the domestic supply chain are in our view now being affected by constraints on production that are influenced by the availability of suitable land. Effects tend to result in increased prices for access to products that are staples of the New Zealand food basket such as carrots, potatoes, onions and leafy greens. The most crucial issue is the timing of production; with potential for shortages at key times of the year if resource access is not managed strategically.

RESPONSE TO QUESTIONS AND RECOMMENDATIONS

CHAPTER 7 – REGULATING THE BUILT ENVIRONMENT

R7.1 Future urban planning legislation should clearly prioritise responding to growth pressures, providing land use flexibility, and supporting the ability of residents to easily move through their city.

14. Horticulture New Zealand considers that this recommendation needs to be qualified by reference to prioritising responses in "urban areas". Where responses would affect rural zoned land, then it is inappropriate to automatically prioritise meeting growth pressures above all other factors, and consideration must be given to all relevant factors – including whether the land is of value for rural production purposes, and the impacts of urban growth encroachment onto rural land users. In this regard there is a useful paper that has recently been published which examines the attitudes of a farming community in Pukekohe to urban growth and rural fragmentation.² This paper concludes that:³

"Future research needs to focus on determining the consequences of decisions of continuing urban growth and rural fragmentation pressures onto highly versatile land in relation to a region's, and country's current and future food growing capacity. This will become ever more important as the population continues to grow. It will not only inform the environmental impacts of these land use decisions but also the socio-economic consequences of that result. Such evidence will support fully informed planning and policy decisions that account for a multiplicity of needs."

² Curran-Cournane, F; Cain, T; Greenhalgh, S; and Samarsinghe, O "Attitudes of a Farming Community Towards Urban Growth and Rural Fragmentation – An Auckland Case Study", Land Use Policy Journal, 58 (2016) 241- 250.

³ Ibid, at page 249.

R7.2 Information about land price should be a central policy and monitoring tool in any future planning system, and should drive decisions on the release, servicing and rezoning of development capacity.

15. It is not clear what is meant by land price being a “central” policy and monitoring tool. Horticulture New Zealand accepts that land price should be a consideration but it just one among many. Other factors such as the impacts of changing the land use (including on the availability of rural productive soils) must also be considered.

R7.3 A future planning system should allow for more responsive rezoning, in which land use controls can be set in anticipation of predetermined and objective triggers and activated once those triggers are reached.

16. Horticulture New Zealand has no objection to this recommendation in principle provided that any proposed land use controls and triggers are only put in place following a robust planning process where all relevant factors (including impacts on productive soils and horticultural uses where relevant) are considered.

Q7.1 Would it be worth moving to common consultation and decision-making processes and principles for decisions on land use rules, transport and infrastructure provision? How could such processes and principles be designed to reflect both:

- the interest of the general public in participating in decisions about local authority expenditure and revenue; and
- the particular interest of property owners and other parties affected by changes to land use controls?

Do the consultation and decision-making processes and principles in the Local Government Act adequately reflect these interests?

17. Horticulture New Zealand agrees that at present there is some unnecessary duplication between LGA and RMA consultation processes and that this can lead to delay – particularly in relation to the provision of infrastructure.
18. In terms of whether the LGA processes would be adequate, Horticulture New Zealand considers that such processes may be sufficient for the general public but not for affected property owners and/or occupiers. For the latter, Horticulture New Zealand considers that (similar to the current requirement under the RMA) there should be a requirement to directly serve those parties with a copy of the proposal to ensure they are aware of the proposal and to provide them with information about how they can submit on it.

R7.4 A future planning system should focus urban notification requirements (and any associated appeal rights) on those directly affected, or highly likely to be directly affected, by a proposed development. This would better align the planning system with the fundamental purpose of managing negative externalities.

19. Horticulture New Zealand agrees that notification should be focused on those directly affected. However, provision should also be made for relevant sector representative

groups, such as Horticulture New Zealand, to participate. Such groups play an important role in ensuring that potential impacts on the sector (including cumulative effects) and relevant broader issues such as national consistency and recognition of industry best practice are raised and considered in context.

R7.5 Any appeal rights on Plans in a future system should be limited to people or organisations directly affected by proposed plan provisions or rules.

20. Horticulture New Zealand considers that limiting appeal rights just to those directly affected is too narrow. Relevant representative organisations should also be able to participate if they have an interest greater than the general public (i.e. the current s 274 test in the RMA). As noted above in response to recommendation 7.4, this will assist in ensuring relevant broader issues are also considered.

R7.6 Consultation requirements under a future planning system should:

- **give councils flexibility to select the most appropriate tool for the issue at hand;**
- **allow councils to notify only affected parties of Plan changes that are specific to a particular site;**
- **encourage and enable participation by people affected, or likely to be affected, by a decision; and**
- **encourage the use of tools that ensure the full spectrum of interests is understood in council decision-making processes, and that allow the public to understand the trade-offs involved in decisions.**

21. Horticulture New Zealand agrees that consultation under a future planning system should generally include the matters listed but with the following clarifications/qualifications:

(a) In terms of the first bullet point, Horticulture New Zealand considers that it would be helpful if some direction or guidance was provided as to when it might be appropriate to use the various tools. This will assist councils to select the right tool for the job and provide greater consistency between similar decisions taken by different councils.

(b) In terms of the second bullet point, while notification should be focused on affected parties, any person or organisation with an interest greater than the general public should also be able to participate for the reasons given earlier in this submission (see response to recommendations 7.4 and 7.5).

R7.7 A permanent Independent Hearings Panel should be established to consider and review new Plans, Plan variations and private Plan changes across the country. As with the Auckland and Christchurch IHPs:

- **councils should retain the rights to accept or reject recommendations from the permanent Independent Hearings Panel; and**
- **once a council accepts a recommendation from the permanent Independent Hearings Panel, appeal rights should be limited to points of law.**

22. There is a need for any panel to consider local issues and conditions which could be addressed by requiring each panel to include a person with knowledge and experience in the local area, the composition of the panel would be key to ensuring adequate local input. Having said that, Horticulture New Zealand considers an independent hearings panel (“IHP”) is an entirely necessary part of professional and trusted decision making, particularly for complex, contentious and complex processes. Horticulture New Zealand notes that it would not be necessary or appropriate for all plan change processes and suggests exploration of a financial cut-off for the compulsory requirement (in relation to the scope of effect).
23. Horticulture New Zealand believes Councils should retain the right to accept or reject recommendations of an IHP and that if accepted appeal rights should be limited.

Q7.2 Should all Plan changes have to go before the permanent Independent Hearings Panel for review, or should councils have the ability to choose?

24. Horticulture New Zealand considers that all proposed new or replacement plans should either go before the IHP or have some independent non-elected people with national expertise on the hearing panel alongside council. In terms of changes to parts of plans, while there may be some small or discrete plan changes that may not need independent review, the difficulty would be in determining the criteria for what is small and discrete. Horticulture New Zealand considers that further thought should be given to what types of plan changes might be able to be separated off and that if councils are given the ability to choose, clear criteria is provided to guide that choice.

R7.8 A future planning system should enable councils to provide targeted infrastructure or services investment (e.g., the expansion of green spaces or upgrades to existing community facilities) for areas facing significant change, to help offset any amenity losses.

25. Horticulture New Zealand has no issue with this recommendation applying in the urban context. If the proposal would affect previously non-urbanised land (such as through the expansion of green spaces or infrastructure over rural land), then consultation with affected property owners and relevant industry groups should be undertaken as outlined above.

R7.9 Central government should develop processes to more clearly signal the national interest in planning, and have protocols to work through the implications of these national interests with local authorities. It should also monitor the overall performance of the planning system in meeting national goals (i.e., flexibility, sufficient development capacity and accessibility).

26. Horticulture New Zealand does not object to this recommendation. However, it is not clear exactly what is being proposed here and how it would differ to the current system. For example in terms of monitoring and reporting, there are already requirements in terms of producing state of environment reports and new obligations under the Environmental Reporting Act 2015. If something more is proposed, then further detail should be provided about exactly what is required and how that fits with current requirements.

R7.10 In a future planning system, central government should have the power to

- **override local plans in a limited set of circumstances,**
- **co-ordinate or require common land use approaches to specific issues, and**
- **direct council infrastructure units or CCOs to increase their supply, where the differential between the price of developable and undevelopable land exceeds a pre-determined threshold.**

27. Horticulture New Zealand is concerned that this recommendation is the latest in a line of proposals (including those in the Resource Legislation Bill) which provide the Minister with powers to override local government democratic processes and decision making. There are already some existing powers in the RMA (e.g. in relation to national policy statements) and ultimately Parliament still has the power to legislate to effect change in a particular region or district if it considers it necessary (Auckland and Christchurch both being prime examples here). There is, in Horticulture New Zealand's view, no need for any further such override powers.

28. If such powers are however to be introduced, Horticulture New Zealand considers that further work needs to be done to flesh out the details and potential impacts of the recommendations. For example, no indication is given of what circumstances may justify central government intervention and why such intervention requires inclusion in the planning system now – instead of just as circumstances arise (as has been the case to date with specific legislation responding to Auckland and Canterbury circumstances).

29. Further, including a power to direct an increase in the supply of infrastructure will not of itself necessarily ensure that the increase occurs. Funding and resourcing (in particular the availability of suitably qualified people) may constrain the supply notwithstanding that government direction. Accordingly, if the government wants to ensure that infrastructure is actually increased, it also needs to recognise and address these issues.

Q7.3 Would the features proposed for the built environment in a future planning system (e.g., clearer legislative purposes, narrower appeal rights, greater oversight of land use regulation) be sufficient to discourage poor use of regulatory discretion?

30. Horticulture New Zealand considers that clearer legislative purposes and greater oversight should assist councils to better exercise their discretion. However, on its own it may not be sufficient to discourage poor practices. Horticulture New Zealand considers that some added deterrent, perhaps in the form of a penalty, (see comments below) could assist in this regard.

Q7.4 Would allowing or requiring the Environment Court to award a higher proportion of costs for successful appeals against unreasonable resource consent conditions be

sufficient to encourage better behaviour by councils? What would be the disadvantages of this approach?

31. Horticulture New Zealand agrees that some form of penalty may incentivise councils to ensure unreasonable resource conditions are not proposed. However, Horticulture New Zealand considers there are a number of issues with this proposal.
32. The first is that it would only apply if the matter was appealed – so if an applicant did not have the money to appeal they would not be able to benefit from this proposal.
33. The second is that costs awarded in the Environment Court are not a full reimbursement. Costs do not currently automatically follow the event and the Court normally only awards a portion of the total costs incurred – generally in the range of 25% to 33% of the costs incurred by the successful party. Costs also exclude those from the council level hearing.
34. The third is that this proposal may result in councils taking longer to process the consents so that they can fully robustness test the consent conditions before issuing a consent. It may also result in increased costs associated with the processing of the consent if the council seeks peer reviews or increases its use of external consultants for the consent.
35. If the proposal is proceeded with there would also need to be some clear guidance as to when such costs could be claimed. Costs should be linked to changes due to unreasonableness and not to changes as a result of other reasons. This is because often in the Court process conditions are reworded, replaced or merged with other conditions as part of a compromise position or to clarify or improve wording. So a change in the wording of a condition would not of itself necessarily mean that the condition was unreasonable. To provide clarity it may be that the court should be asked to include in its decision a finding on the reasonableness or unreasonableness of any particular conditions to guide the costs award.
36. An alternative (or an addition) to this proposal may be to require the council to refund a certain percentage of the council level hearing fees if a condition or conditions are successfully appealed. This would potentially enable greater costs to be recovered which could be factored into an applicant's decision as to whether to bring an appeal.

Q7.5 Would it be worthwhile requiring councils to pay for some, or all, costs associated with their visual amenity objectives for private property owners? Should councils only rely on financial tools for visual amenity objectives, or should they be combined with regulatory powers?

37. Restrictions due to amenity considerations can constrain legitimate rural production activities. The amenity in an area should reflect the underlying zoning and activity in the area. If a community wants a higher amenity standard it would be reasonable that the cost of meeting such a standard is met in part by the community so the cost of meeting the standard does not fall completely on the land owner. Horticulture New Zealand would like to see a combination of regulatory powers and financial tools to meet amenity objectives. Ultimately the industry would like to see amenity objectives be realistic and reflect the environment in which they are set.

CHAPTER 8 – URBAN PLANNING AND THE NATURAL ENVIRONMENT

Q8.1 What should be the process for developing a Government Policy Statement (GPS) on Environmental Sustainability? What challenges would developing a GPS present? How could these challenges be overcome?

38. There are a number of different options that the Government could use to develop a GPS - from the current national policy statement process, to a committee or board of inquiry, to a more collaborative process like the land and water forum. Whatever option is chosen Horticulture New Zealand considers it is important that:
- (a) there is consultation and opportunities for input from all relevant sectors;
 - (b) there is a requirement for the Minister or decision-making body to consider this input;
 - (c) there is a sufficient evidential basis to support the GPS.

R8.1 A future planning system should include a Government Policy Statement (GPS) on environmental sustainability. The GPS should:

- **set out a long-term vision and direction for environmental sustainability;**
 - **establish quantifiable and measureable goals against which progress would be monitored and reported on; and**
 - **establish principles to help decision makers prioritise environmental issues when faced with conflicting priorities or scarce resources.**
39. Replacing the existing national policy statements (NPSs) and national environmental standards (NESs) with the GPS should provide clearer national direction and resolve existing conflicts between the different NPSs and NESs. However, having just one combined document is likely to increase its length and complexity. It may also be difficult given the very different focus of some of the existing documents.
40. If the GPS is proceeded with, Horticulture New Zealand considers that it is important that the GPS not discard the policies and directions in the existing NPS/NESs but instead incorporate and build on those policies and directions whilst also resolving any issues (within and between) the existing NPSs/NESs. This is particularly important for the NPS Freshwater where significant amounts of work have been completed by the Land and Water Forum over the last few years to progress freshwater reform. It could however, look to progress some of the recommendations of the Forum that have not yet been incorporated.
41. Horticulture New Zealand also considers that it would be helpful to include provisions for reviewing the GPS after a certain time period has elapsed and/or if material new evidence becomes available which impacts the policies and directions in the GPS.

Q8.2 Would a greater emphasis on adaptive management assist in managing cumulative environmental effects in urban areas? What are the obstacles to using adaptive management? How could adaptive management work in practice?

42. Horticulture New Zealand agrees that a greater emphasis on adaptive management may assist in managing cumulative effects.
43. In terms of obstacles to use, Horticulture New Zealand considers that some of the obstacles may arise from a lack of understanding of what adaptive management is, and a lack of trust that once the consent has been granted that adaptive management conditions will be effective in ensuring effects are appropriately managed. To overcome this, there should be clear guidance about what adaptive management is, (and what it is not), as well as when it is appropriate for it to be used. There also needs to be greater emphasis on enforcement to ensure conditions are being complied with.

R8.2 Before attempting to use urban planning as a means of reducing GHG emissions in New Zealand, a more robust empirical research base should be developed reflecting New Zealand circumstances. Specifically, research should aim to improve the government's understanding of local factors that shape urban GHG emissions in New Zealand, and the extent to which urban planning can influence these factors.

44. Horticulture New Zealand supports the development of a more robust research database on GHG emissions and the economic and environmental impact on businesses. There is clearly a link between urban planning and GHG emissions. However Horticulture New Zealand would not want to see GHG emissions targets be addressed through regional and district planning regimes. This is a national issue and therefore should be addressed at a national level as there is potential for inconsistencies in addressing the issue at a regional or district level.

R8.3 Central and local government should develop an agreed set of principles to govern the development of national regulations that have implications for the local government sector. This should be along the lines of the 'Partners in Regulation' protocol recommended in the Commission's report Towards Better Local Regulation (2013).

45. Horticulture New Zealand agrees that it is important that there are clear principles to guide the development of national regulations affecting the local government sector. These principles should include a requirement to consult with local government (and more broadly if the regulations are likely to affect other parties/sectors) and consider the outcomes of that consultation prior to enacting regulations.

R8.4 When regulating urban spillovers affecting the natural environment, a future planning system should provide government bodies access to the full suite of policy tools including market-based tools.

46. Horticulture New Zealand agrees that both market and non-market tools may be useful in regulating urban spillovers. However, before providing government (and presumably local government) bodies with the power to use such tools; Horticulture New Zealand considers that it is crucial that those bodies have the capacity to

understand and use those tools effectively. This reflects the recommendations in chapter 12 regarding building capacity and capability.

47. Further Horticulture New Zealand considers that guidance should be provided (whether in the GPS or a lower level document) as to when it is appropriate to use the different tools. This is particularly the case for market based tools where bodies will be trying to determine how to price different effects.

CHAPTER 9 – URBAN PLANNING AND INFRASTRUCTURE

R9.1 Spatial plans should be a standard and mandatory part of the planning hierarchy in a future system. Spatial plans should be tightly defined and focus on issues closely related to land use, in particular the provision of water and transport infrastructure and community facilities (e.g., green space, reserves, conservation areas, and libraries), protection of high value ecological sites, and natural hazard management.

48. Horticulture New Zealand agrees that spatial plans should be a standard and mandatory part of the planning hierarchy. Such plans are very important as they provide certainty for all parties in terms of where urban development and the associated infrastructure is to be accommodated.
49. To ensure that spatial plan are effective in providing this certainty, clear guidance is needed as to the weight to be given to spatial plans and how these fit with the other RMA planning documents.
50. The difficulties associated with requiring spatial plans, lie in the time they take to develop, the different capabilities of individual councils to prepare them and the level of detail that is required to be included. With respect to the latter, including a higher level of detail (such as size, layout and location of infrastructure) would provide greater certainty, but may require greater time (including in consultation with affected parties) and cost to determine.
51. In terms of the matters that spatial plans should cover, Horticulture New Zealand agrees that these should be focused on land use matters and the associated infrastructure required to service that land use. While Horticulture New Zealand agrees that such plans will need to consider high value ecological sites and natural hazard issues, in order to be able to determine where new land use development should be concentrated, ecological and natural hazard issues should not be the focus of such plans. Further protection of these areas should be left to other RMA planning documents.
52. Finally, Horticulture New Zealand considers that there ought to be a clear process for updating these plans as things change and further work is undertaken. This could be similar to that applying to existing RMA plans – a requirement for at least a 10 yearly review, but the ability to promote plan changes within that period to address any issues that arise.

Q9.1 Which components of the current planning system could spatial plans replace? Where would the greatest benefits lie in formalising spatial plans?

53. Horticulture New Zealand considers that spatial plans could replace regional policy statements.
54. There are a number of benefits in formalising spatial plans – providing direction and greater focus on key matters, reducing duplication, etc. However, perhaps the greatest benefit is to link land use development with infrastructure in one plan so that the infrastructure needed to support the land use development (and the likely timeframes in which it is required) can be identified and planned for in advance.
55. Horticulture New Zealand also notes that it may be helpful to provide a template or structure outline for these plans to ensure they cover all necessary bases and to improve consistency between regions.

R9.2 As part of the transition to a future planning system, central government should establish a centre of excellence or resource that councils could draw on to conduct real-options analysis in the development of land use plans.

56. Horticulture New Zealand has observed that throughout NZ some councils are better resourced than others to develop plans based on robust science. Therefore assistance at a government level to help address this issue could potentially improve planning outcomes.

R9.3 A future planning system should include institutions or formal processes through which councils and central government can work together to assess major programmes of urban infrastructure investment with wider spill over benefits.

57. Horticulture New Zealand agrees that councils and central government will need to work together on major infrastructure programmes. Horticulture New Zealand considers that having a dedicated team within central government to work on these matters and having formal processes to guide the relationship of this team with local government bodies may be useful.
58. While the focus is on urban infrastructure there is clearly going to be impacts on rural areas and therefore it would be prudent to include representatives from rural industries that may be affected by these major programmes.

CHAPTER 10 – INFRASTRUCTURE FUNDING AND PROCUREMENT

R10.1 A future planning system should allow councils to:

- **set volumetric charges for both drinking water and wastewater; and**
 - **apply prices for the use of existing local roads where this would enable more efficient use of the road network.**
59. Horticulture New Zealand supports allowing councils to set volumetric charging for both domestic water and wastewater because volumetric charging generally reduces water consumption and hence pressure on the water resource.

60. Horticulture New Zealand expresses no view on pricing of local roads.

R10.2 Councils should use targeted rates to help fund investments in local infrastructure, wherever the benefits generated can be well defined.

61. Horticulture New Zealand supports allowing councils to use targeted rates to help fund investments in local infrastructure as this will assist in addressing the funding shortfall which can often mean delays to the implementation of infrastructure. Horticulture New Zealand considers that it would be helpful if some guidance or criteria were supplied to guide when such rates could be imposed and that there should be a clear correlation between the targeted rate and where the benefits accrue.

62. Horticulture New Zealand also notes that mandatory spatial plans will be of assistance in determining what the infrastructure needs of a growth area may be and accordingly may assist in defining the extent of the area that should be subject to a targeted rate.

R10.3 A future planning system should enable councils to levy targeted rates on the basis of changes in land value, where this occurs as the result of public action (e.g., installation of new infrastructure, up zoning).

63. Horticulture New Zealand is concerned about the proposal to allow councils to levy targeted rates based on increases in land value resulting from the installation of new infrastructure. This is because:

- (a) It may impose costs on users who did not request or need the infrastructure but who have received a “paper” increase in the property value.
- (b) Care would need to be taken that properties are not required to pay twice – once through development contributions and secondly through a targeted rate.

64. If the proposal is proceeded with, clear guidelines would need to be provided regarding when it is appropriate for targeted rates to be used and how beneficiaries of that infrastructure are determined.

CHAPTER 11 – URBAN PLANNING AND THE TREATY OF WAITANGI

Q11.3 Do councils commonly use cultural impact assessments to identify the potential impact of developments on sites and resources of significance to Māori? How do councils set the thresholds for requiring a cultural impact assessment? Who sets the fees for a cultural impact assessment and on what basis? What are the barriers to cultural impact assessments being completed in good time and how can those barriers best be addressed?

65. In Horticulture New Zealand’s experience Council’s do commonly use cultural impact assessments to determine effects of proposals on Māori cultural sites and resources.

66. The way thresholds have been set have varied between councils. Some have required them whenever a proposal is within a certain distance (say 50m) of a recognised culturally significant site whereas others have sought to require them for almost all applications.
67. Fees have tended to be set by the iwi/hapu involved in producing the cultural impact assessment.
68. Horticulture New Zealand considers that clear guidelines and a more consistent approach as to when cultural impact assessments are required would be useful.
69. In terms of timing, if clear guidance is available as to when such assessments are required this will enable applicants to start the process rolling early. It will also assist iwi/hapu with knowing when their services may be required – as would early notification of the application to iwi/hapu.
70. Greater clarity around the scope of such assessments, what they need to cover and the detail for this, would assist iwi/hapu to determine resourcing as well as likely costs associated with producing such assessments.

Q11.4 What sort of guidance, if any, should central government provide to councils on implementing legislative requirements to recognise and protect Māori interests in planning? How should such guidance be provided?

71. Horticulture New Zealand considers it would be useful if the GPS provided an indication of how to balance conflicting or competing values and interests in certain circumstances or for certain types of developments. This document could provide clarity of the expectations of all parties involved in the planning process.

CHAPTER 12 – CULTURE AND CAPABILITY

R12.1 A future planning system should place greater emphasis on rigorous analysis of policy options and planning proposals. This will require councils to build their technical capability in areas such as environmental science and economics. It would also require strengthening soft skills – particularly those needed to engage effectively with iwi/Māori.

72. Horticulture New Zealand supports this recommendation. It is particularly important where there are proposals to provide councils with new powers, tools or responsibilities.

R12.2 Central government should improve its understanding of urban planning and knowledge of the local government sector more generally. An improved understanding will help promote more productive interactions between central and local government.

73. Again Horticulture New Zealand agrees with this recommendation as greater understanding will assist in reducing the current disconnect between central and local government and should also ensure greater consistency between councils.

CHAPTER 13 – A FUTURE PLANNING FRAMEWORK

Q13.1 What are the strengths and weaknesses of these two approaches to land use legislation? Specifically:

- **What are the strengths and weaknesses in keeping a single resource management law, with clearly-separated built and natural environment sections?**
- **What are the strengths and weaknesses in establishing two laws, which regulate the built and natural environment separately?**

74. In terms of the two options, Horticulture New Zealand considers the first option may lead to a more complex piece of legislation but may be better at showing the clear inter-relationship between the built and natural environment sections. While the second option may provide a greater focus on the two areas there is the potential for a silo approach to be taken and for natural environment law to be a secondary consideration (if it is considered at all). However, as noted in the Report, the second approach may allow better integration of land use with infrastructure and land transport planning.

Q13.2 Which of these two options would better ensure effective monitoring and enforcement of environmental regulation?

- **Move environmental regulatory responsibilities to a national organisation (such as the Environmental Protection Authority).**
- **Increase external audit and oversight of regional council performance.**

75. The first option is likely to lead to a more nationally consistent and efficient approach to monitoring and enforcement. It may also reduce litigation risk at the local level. However, there is already somewhat of a disconnect between planning and consenting teams within council, and transferring monitoring and enforcement functions to another body has the potential to increase this disconnect. It could also be seen to be undermining local democracy in that it would take the discretion around enforcement decisions away from democratically elected bodies (councils) to a government appointed body (the EPA). To address this it would be helpful to provide some guidelines or protocols for how the EPA and the councils would liaise with each other in practice. It would also be helpful if the EPA had staff based in each region who liaised with the councils in that region on a regular basis so that they had an understanding of the relevant plans and local context.

76. The second option leaves responsibility for monitoring and enforcement with the councils but increases central government oversight. It is not clear whether greater oversight on its own will be sufficient to ensure effective monitoring and enforcement in the absence of any specific sanction or penalty. Horticulture New Zealand is aware that penalties were imposed for lateness in terms of processing resource consents (in terms of requiring a certain amount of the fee to be refunded). If the second option is to be proceeded with it may be useful if further consideration is given to whether a sanction or penalty would assist in making this option more effective.

Conclusion

77. Horticulture New Zealand thanks the Commission for the opportunity to present comments on the Report and is happy to elaborate on any aspects if required.

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