

Planning for successful cities

Vector submission for the National Policy Statement on Urban Development proposed by the Ministry for the Environment

October 2019

executive summary

We support the National Policy Statement - Urban Development. We see this as an effective tool to support the wider objectives of removing barriers to timely infrastructure development and to support communities of the future

We welcome the proposed National Policy Statement – Urban Development (NPS) as part of the wider Urban Growth Agenda (UGA). We support the objective of the UGA to remove barriers to the provision of infrastructure to support urban growth. To realise this objective, future intensification needs to be accompanied by consideration for infrastructure requirements – such as the retention of service corridors to allow safe network maintenance and outage response.

We support the goal to develop well-functioning, inclusive, and better-connected cities that reflect the diversity of their current and future communities. We share the wider vision for Auckland (and urban centres across New Zealand) to be a smart city, where citizens are connected and enabled by smart infrastructure. Meeting this objective in the future requires a responsive regulatory framework as well as the integration of new technology and innovation. We agree with the submission that “... we need an urban development system that does not just react to and manage growth, but actively facilitates the kind of urban growth that maximises prosperity and wellbeing”.

Growth in Auckland continues to increase - last year, Vector connected over 11,000 new homes and worked with developers to connect 205 new subdivisions to its network – up from 84 in 2013. This growth is a challenge and an opportunity – by leveraging new technology and innovation to meet new pressures and by working in partnership with Government, we believe that there is an opportunity to develop new energy solutions which can strengthen both New Zealand’s electricity sector, and innovation ecosystem. For example, Vector launched a trial of 120 EV smart chargers in Auckland last week to understand how demand management

technology can alleviate demand peaks and to better understand charging behaviours. This can help avoid costly network upgrades in the future – which is particularly important to enable the affordable electrification of transport and to support our transition to a low carbon future.

Realising the benefits of network technology and innovation, and allowing infrastructure providers to make the right level of investment at the right time, requires responsive regulatory settings. This includes an effective planning framework which coordinates intensification objectives with infrastructure requirements; regulation which enables and encourages networks to invest in new technology and innovation; as well as a price pathway which provides infrastructure investors such as Electricity Distribution Businesses (EDBs) with the cash flow to fund efficient investment. We see the proposed NPS as a positive tool to strengthen the coordination of regulation in support of investment and urban development, and to support the alignment of regulation with wider policy goals.

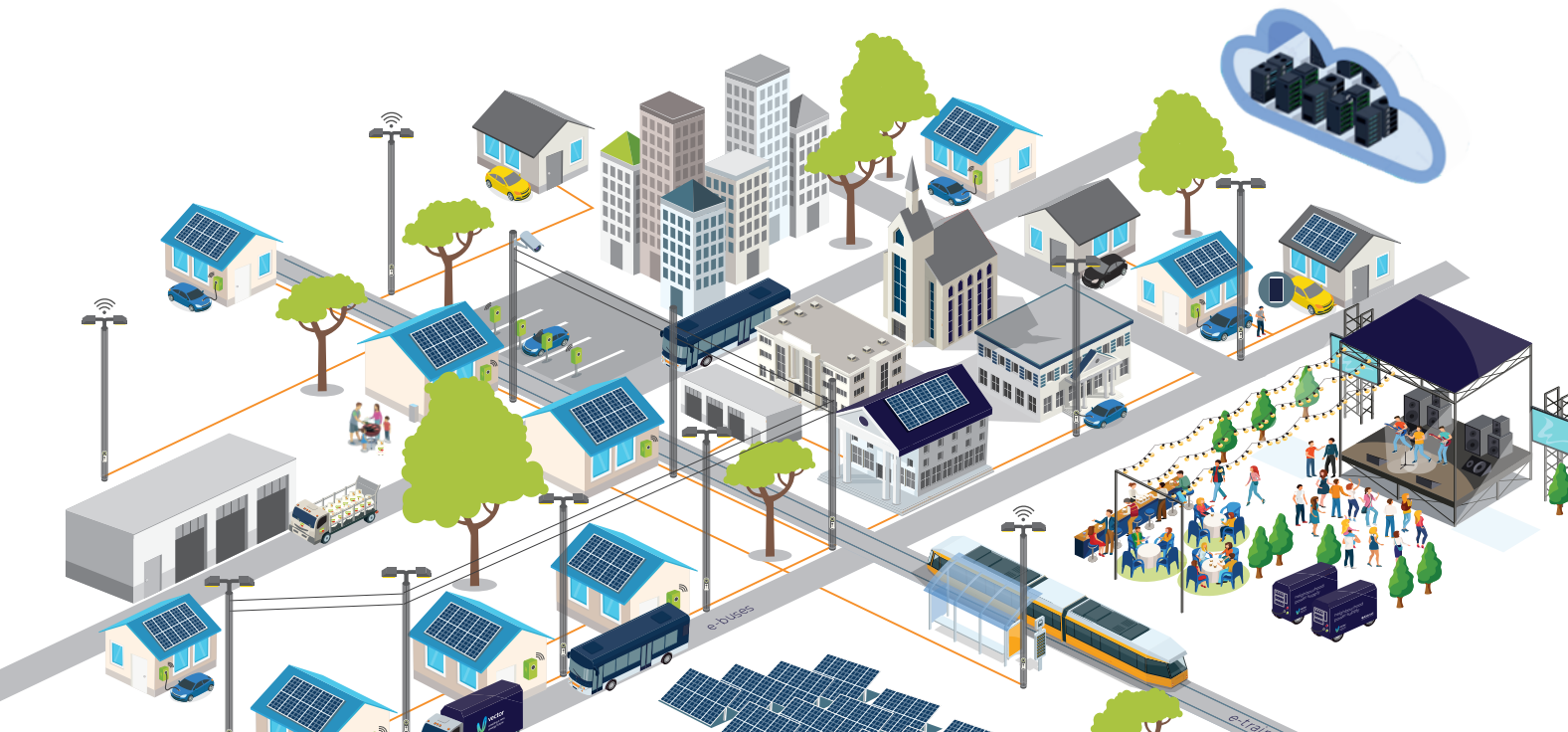


Question 1: Do you support a National Policy Statement on Urban Development that aims to deliver quality urban environments and make room for growth? Why/Why not?

We support a NPS on Urban Development to deliver quality urban environments and to make room for growth. We believe the NPS can help strengthen policy - regulatory alignment, and can work alongside other regulatory settings to support urban development objectives

- We support having an NPS to give clear direction to urban planning. We agree that urban development is a matter of national significance, and that as such, there is a role for an NPS to support urban development and to help achieve the purpose of the Resource Management Act 1991 (RMA).
- Regulatory decisions can impact national level policy outcomes significantly including housing affordability, productivity, infrastructure reliability, community resilience as well as our transition to a low carbon future. We support the NPS to help ensure that regulatory decisions have the intended impact on policy goals.

- The review of the RMA is significant, and sits in the wider context of a number of reviews, legislative changes and developing workstreams including actions further to the Electricity Price Review, the Climate Change Response (Zero Carbon) Amendment Bill, the work of the Interim Climate Change Commission, and the Default Price Pathway reset – which will impact the cash flow of price-quality regulated EDBs like Vector. These workstreams, which are being led across different parts of Government, will have cross-cutting impacts. In this context of change, coordinated policy which clearly aligns with regulation is critical – this is why Vector has called for a Ministry of Energy.
- For example, we welcome the Government's focus on *Deeper pools of capital being available to invest in infrastructure* as one of eight areas of focus in its 30-year economic plan. For price-quality regulated EDBs, the capital available to invest will depend on the price pathway set by the Commerce Commission. This will be critical to EDBs' having the cash flow to respond to the pressures of growth, and sits alongside the NPS as a key regulatory input to urban development outcomes – and, the 30-year economic plan.



Question 3: Do you support the proposed changes to future development strategies (FDSs) overall? If not, what would you suggest doing differently?

We support the policies which are proposed for faster growing areas, including the requirement for local authorities to develop a Future Development Strategy (FDS)

- We agree that these strategies need to align with other council processes and long-term plans, and that the role of FDSs in the RMA and Local Government Act 2002 needs to be clear. In particular, we support the proposed requirement of PIF for local authorities to undertake a consultation process in developing their FDS that complies with either part 6 of the Local Government Act 2002 or schedule 1 of the Act.
- We support the intent of encouraging local authorities to use their FDS to inform relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, and the Regional Land Transport Plans under the Land Transport Management Act 2003. However, we believe that this requirement should be strengthened so that local authorities must use their FDS for these purposes rather than being strongly encouraged to do so. The purpose of these strategies is to provide certainty to urban planning and development stakeholders – this certainty would be better supported through a requirement for FDSs to be integrated into long term plans and infrastructure strategies.

Question 4: Do you support the proposed approach of the NPS-UD providing national level direction about the features of a quality urban environment? Why/why not?

We support the proposal for the NPS to give direction on what is meant by a ‘quality urban environment’ - both in existing and future urban environments. In particular, we hold that the definition of ‘quality’ should include strong regard for the social and economic needs of communities, as supported by reliable infrastructure. We support the proposed inclusion of ‘safety and good health’ and ‘promoting resilience’ as specified features of a quality urban environment, and hold that ‘reliable and affordable access to energy’ should also be included.

- Section 7 of the RMA requires decision makers to have particular regard to the “maintenance and enhancement of the quality of the environment”. ‘Quality’ is not defined and can mean different things in urban environments compared to other environments and across urban settings.
- We agree that in this context, some urban development decisions appear to lend too much weight to specific amenity considerations, and not enough to the social, economic and cultural needs of people and communities – including resilience.
- A key example of how amenity considerations are sometimes favoured over community resilience in current urban planning and design is the planting of trees which are too close to powerlines or underground services. In instances of high winds these trees can cause outages for thousands of customers – as occurred during the April 2018 storms in Auckland. Similarly, tree roots constrict, inhibit and infiltrate underground services, and occupy large tracts of road reserve over time,

often leaving little room for network infrastructure.

This can dramatically increase the costs of operating and maintaining essential services. We believe that urban planning and vegetation planting and management needs to reflect the risk that vegetation presents to both security of supply and health and safety, and should reflect a preventive approach. This could avoid the cost associated with the relocation of underground assets (which is sometimes currently required to avoid tree roots) and could also prevent unnecessary disturbance caused to trees. This could be achieved through a description of 'quality' which specifically refers to reliable access to electricity supported by a policy which requires trees planted to be an adequate distance from powerlines or underground services' corridors.

- We therefore support the proposal to include a non-exhaustive description of the features of a quality urban environment in the NPS and policies to ensure planning decisions consider whether quality urban environments can be achieved.
- We support the proposed inclusion of 'safety and good health' and 'promoting resilience to the impacts of natural hazards' as such features but propose that these aspects are developed to specifically refer to reliable access to electricity. This is appropriate given the criticality of electricity for customers, and that this is likely to increase in the future as our transport system electrifies. We also support a policy which requires trees planted to be an adequate distance from powerlines or underground services' corridors.
- A review of the Vegetation Management (Hazards from Trees) Act 2003 is currently underway and we support a regulatory approach which enables greater prevention of outages and health and safety risk caused by trees – including the strategic planting of trees as well as a risk based approach which responds to the risk posed by trees.



Question 5: Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?

We support the inclusion of proposals to clarify that amenity values are diverse and change over time. As we transition to a low carbon future, our urban environments are likely to change. It is important that amenity values are adaptable to this change, and enable, rather than inhibit this transition.

- The electrification of transport will require the integration of a greater number of EV chargers in urban environments and throughout New Zealand. Transitioning to greater renewable generation will also require changes in our urban environment, including the installation of rooftop solar for homes and for local energy communities. The future integration of distributed energy resources is an opportunity for communities and our energy system. It is important that our understanding of amenity value is adaptable and enables the changes that we need to transition to a low carbon future and to support greater customer choice.
- We agree that current planning reflects a bias towards the status quo and away from change – we support an approach to planning (and a wider regulatory framework) which is more enabling of change, including, as mentioned above, the integration of new technology and innovation.
- If anything, we do not believe that the proposals go far enough in ensuring that local decision makers account for changes over time in amenity values. As mentioned above, we think that the description of 'quality environments' needs to include robust considerations and policies which can support more balanced decisions in favour of economic, social, and resilience outcomes for communities.



Question 8: Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?

We support policies which enable intensification. However, in order for intensification to support the intended urban development outcomes, it needs to be accompanied with provisions which enable safe and efficient infrastructure development and maintenance – including service corridors and access to network assets.

- We recognise the benefit to productivity of enabling higher density residential development in certain areas – and we support policies which allow this. Realising the intent of greater community productivity and wellbeing however also requires that residential intensification is accompanied by consideration for infrastructure reliability, and the safe development and maintenance of infrastructure. We note that infrastructure and industrial development are distinct – whilst industrial development may have adverse impacts on residential zones in some cases, infrastructure is an essential part of every residential area, and needs to be considered and enabled alongside residential development.
- Greater intensification – including building up, and building out (of transport systems and buildings) – needs to be accompanied by adequate service corridors. Enabling EDBs to undertake maintenance in a timely way whilst protecting health and safety outcomes requires that lateral set-backs are maintained, (such that residential developments are appropriately set-back from any adjacent services corridors or strategic network assets) and ECP34 (which prescribes a distance buildings or construction activities must be from electricity assets) is recognised and provided. These factors must be considered at a micro (individual consent), level when planning new subdivisions and transport corridors, and, at a higher level, in the proposed NPS.
- Consideration of access to assets is particularly important where development occurs for private use. In these cases, EDBs generally need to gain easements to install and undertake maintenance on assets installed on private property. This can be resource intensive. Therefore, any development which increases the need for EDBs to install assets on private property would impact on EDBs' ability to undertake

maintenance to prevent outages and protect health and safety in a timely way.

- We support the proposal of P6A to consider the best use of existing or planned infrastructure services and facilities. In some cases, relocation of network assets can be costly. This cost is passed onto consumers, and we therefore support an approach of aligning urban planning and development with existing assets wherever possible.



Question 9: Do you support inclusion of a policy providing for plan changes for out-of-sequence greenfield development and/or greenfield development in locations not currently identified for development?

We appreciate the need to allow more development to occur. However, allowing large scale out of sequence greenfield development could lead to capacity and supply constraints if not managed appropriately. Early and strong engagement between planners, developers and infrastructure providers is critical to ensure, for instance, that EDBs can meet any large scale (and un-forecast) demand increases on their network – particularly those which could result from large scale un-sequenced greenfield development.

- Any policy which allows for out of sequence greenfield development needs to occur alongside provisions for early engagement between planners, developers, and infrastructure providers. We support the broader area of focus in the proposed NPS on engagement as being critical to successful urban development.
- Early engagement is particularly valuable when development is occurring across regional boundaries (and/or is out of sequence) and is subsequently subject to different planning rules and requirements. The need to engage with multiple local body councils can create efficiency losses.
- We support the proposal to amend NPS-UDC 2016 policies to expand provisions which provide for 'coordinated and aligned planning decisions within and across local authority boundaries', and, to make it more explicit that planning decisions should be coordinated and aligned with infrastructure decisions.



