FEEDBACK ON PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

To Ministry for the Environment
By email: nps-udconsultation@mfe.govt.nz

Name of submitter: Lyttelton Port Company Limited (LPC)

OVERVIEW

1 Lyttelton Port Company Limited (LPC) generally supports the Proposed National Policy Statement on Urban Development (NPS-UD) as set out in the Ministry for the Environment’s "Planning for successful cities” discussion document (Discussion Document). There are however a number of matters that LPC is concerned about and would like to provide feedback on, including recognition of strategic infrastructure (including associated freight networks), reverse sensitivity when providing for intensification and greenfield development, and timing.

2 While the consultation questions provided in the Discussion Document are useful, LPC’s concerns are of a broader nature than the questions posed. Therefore LPC has opted to provide more general feedback on the provisions of the NPS-UD and the Discussion Document.

LYTTELTON PORT COMPANY LIMITED

3 LPC owns and operates three sites within Greater Christchurch – the Lyttelton Port (the Port), the City Depot in Woolston (City Depot), and the Midland Port in Rolleston (Midland Port). LPC employs over 600 employees at these facilities.

4 The Port services a wide range of range of importers and exporters 24 hours a day, 365 days of the year. The Port and its associated container terminal service is the largest in the South Island in terms of total tonnage of cargo, number of containers handled, and the value of exports and imports. By volume, the Port accounts for 30.7% of South Island seaports’ overseas exports and 45.1% of overseas imports. By value, the Port handles 35.8% of the South Island seaports’ exports and 70.0% of imports.¹ The Port creates an essential link for many national and international shipping companies to the Canterbury (and wider) regional economy.

5 In the year ending June 2019 LPC:²

5.1 totalled $5,630 million in value of exports through the Port (a 16% increase from the previous year) and $4.75 billion in value of imports (a 1.6% increase from the previous year);

² Source: Data from Lyttelton Port Company 2019 Annual Report.
5.2 handled 437,413 twenty foot equivalent (TEUs) containers (noting that the Port has experienced a more than 10-fold increase in the number of containers handled in the past 30 years);

5.3 had $524.8 million dollars’ worth of property, plant, and equipment;

5.4 paid $59.9 million in salaries and wages; and

5.5 spent $28.9 million on goods and services, much of this going to local and regional suppliers.

6 The Port is significant infrastructure in a local, regional and national sense and is of strategic importance. It is recognised as such in the Canterbury Regional Policy Statement and in the Christchurch District Plan (District Plan). The Port is also recognised as a ‘Lifeline Utility’ under the Civil Defence Emergency Management Act 2002.

7 LPC expects the growth it has experienced recently will continue as a result of a number of projects it has undertaken following the series of Canterbury earthquakes, which devastated its infrastructure. LPC forecasts the ongoing growth of its container terminal will reach well over one million TEUs by 2041.\(^3\) Non-containerised volumes of export and import trades are also expected to continue growing but not as significantly as containerised cargo. LPC anticipates growth will also be associated with a number of projects enabled under the Lyttelton Port Recovery Plan, including:

7.1 the widening and lengthening of the channel to enable the Port to become big-ship capable;

7.2 the construction of a new cruise berth to allow large cruise ships to return to Lyttelton Harbour; and

7.3 the construction of a reclamation and wharf which will enable LPC to meet its future containerised cargo needs.

8 The City Depot provides the Port with an inland container storage and repair facility in close proximity to the Port itself and connected by rail to enable the efficient transport of both import and export cargo from the Port to the wider region. The Midland Port acts as a hub for receiving, storing, and consolidating containers and again as a distribution point (also connected by rail) to the wider region. We consider these two inland ports to be an integral part of LPC’s operation.

9 The Port is a significant physical and economic resource in national, regional and local terms and should be recognised as such in national planning documents.

FEEDBACK

**Strategic infrastructure and reverse sensitivity**

10 Reverse sensitivity issues are a real problem for the continuing operation of strategic infrastructure. Strategic infrastructure needs to be protected from inappropriate

\(^3\) Source: Data from Lyttelton Port Company 2015 Annual Review at page 18.
development. Residential dwellings and land uses such as educational or healthcare activities are particularly sensitive to the effects of port operations.

11 Land uses around the Port have the potential to impact upon its efficient operations and development. Of particular relevance to urban development is the issue of sensitivity to noise generated by large ships and general port operations. The District Plan requires LPC to prepare and implement a Port Noise Management Plan and a Plan for Acoustic Treatment and Purchase of Dwellings. These are developed based on a noise contour which indicates the extent of noise effects generated by Port operations on surrounding residential properties. The District Plan also restricts the development of residential houses within what is called the “Lyttelton Port Influences Overlay.” These plans and constraints serve the dual purpose of:

11.1 ensuring noise sensitive activities are not allowed to establish in an environment where occupants will then be exposed to unacceptable noise levels; and

11.2 avoiding reverse sensitivity effects on Port operations.

12 Regardless of these protections LPC remains concerned to ensure that any residential development or intensification is avoided within the Port Influences Overlay. LPC is further concerned to ensure residential development, intensification, and greenfield development does not constrain LPC’s operations at its inland ports.

13 Reverse sensitivity effects are already a reality for LPC – it incurs significant costs associated with managing noise. LPC also regularly deals with complaints and is often required to participate in planning processes related to opposition to port activity on the basis of noise or to ensure that development does not result in adverse effects on port operations.

14 Reverse sensitivity effects can also have an impact on key freight networks. Residential activities are sensitive to rail, roads, and traffic noise just as they are to port activities. The transportation of port freight is heavier and noisier than private transport. Port operations occur 24 hours a day meaning that these freight routes are used continuously. Further, the anticipated growth in LPC’s activities indicate that utilisation of LPC’s key freight routes will increase over time. This may further amplify any reverse sensitivity issues related to these networks.

15 It is essential that the operations of strategic infrastructure and the need to avoid reverse sensitivity are taken into account by local authorities when planning for, and consenting, urban development. Intensification and greenfield development in particular must be undertaken with these issues in mind.

16 Larger scale infrastructure of regional importance should be integrated into considerations arising under the NPS-UD. LPC considers that the NPS-UD should make reference to and provide for the protection of strategic infrastructure and key freight networks from the constraints of residential development. This would allow for appropriate constraints on where residential development can occur and will assist authorities in identifying the most appropriate locations for further development and intensification.
17 It is also important that the NPS-UD recognise the importance of, and protect, key freight networks such as those which connect LPC’s infrastructure. A number of key freight corridors connect LPC’s sites and wider origins and destinations. It is essential that these routes are protected from congestion and reverse sensitivity impacts that may arise from new development, leaving sufficient capacity for freight.

**Definitions**

18 LPC notes that the Discussion Document provides a definition for ‘development infrastructure’ and ‘other infrastructure.’ A number of the objectives and policies, however, do not use this terminology and refer simply to ‘infrastructure’ which is not itself individually defined. It is not clear what infrastructure is being referred to in those objectives and policies (i.e. whether it is intended to apply to development infrastructure, other infrastructure, or both). Those provisions must be drafted so that it is clear to decision-makers and users of the NPS what is covered.

19 In order to enable the objectives and policies of the NPS-UD to better protect strategic infrastructure from reverse sensitivity effects, LPC considers it necessary to include a separate definition for ‘strategic infrastructure’ in the NPS-UD. LPC suggests the following wording:

**Strategic infrastructure** means those necessary infrastructure facilities, services and installations which are of greater than local importance (including airports, ports and electricity transmission and distribution networks). It includes infrastructure that is regionally and nationally significant.

**Development of Future Development Strategies**

20 LPC supports the recognition that reverse sensitivities must be appropriately managed with regard to plan changes for proposed greenfield development (discussed further below). However, that is the only mention of ‘reverse sensitivity’ in the entire Discussion Document. Reverse sensitivity effects do not solely arise as a result of greenfield developments and decision makers should be empowered to consider effects on strategic infrastructure throughout the NPS-UD.

21 In particular, LPC considers reference to managing reverse sensitivity effects should be included in the objectives and policies relating to the development of FDSs. Below is some suggested wording for policies P1C and P1D(a):

**P1C:** Every FDS must be informed by:

[…]

f) the need to avoid adverse reverse sensitivity effects on the operation of strategic infrastructure and associated freight networks

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4 For example O1, P1C, P1D, P1E, P1H, P1I, O2, P6A, P6B, and the greenfield development example policy.

5 As set out in paragraph (d) of the Example Policy on page 39 of the Discussion Document.
P1D: Every FDS must identify:

a) areas where evidence shows urban development must be avoided (including where urban development will result in adverse reverse sensitivity effects on the operation of strategic infrastructure and associated freight networks)

22 As the operator of strategic infrastructure, LPC should be included in any engagement or consultation a local authority may undertake when preparing its Future Development Strategy (FDS) – particularly in the setting of appropriate locations for future growth. Therefore, the NPS-UD needs to include mechanisms that empower local authorities to take into account the impacts on strategic infrastructure. LPC considers this could be done through inclusion of strategic infrastructure in, for example, P1E, O10, and P10B. LPC proposes the following suggested wording:

P1E: In addition to the policies P10A–P10C, when local authorities are developing or updating FDSs for a major urban centre they must:

...  

b) engage and consult with strategic infrastructure providers  

O10: To ensure decisions within local authorities and across local authority boundaries are coordinated and aligned with the provision of development, strategic and other infrastructure.

P10B: Local authorities must work with providers of development, strategic and other infrastructure to

a) achieve integrated land use and infrastructure planning ...

Quality Urban Environments

23 LPC considers recognition of reverse sensitivity effects on strategic infrastructure should be incorporated into the objectives and policies proposed under the “Describing quality urban environments,” section of the Discussion Document. LPC proposes the following suggested wording to objective O2 and policies P2A and P2B (for example):

O2: To enable quality urban environments that make it possible for all people, whānau, communities and future generations to provide for their well-being, including by:

...  

e) providing for the protection of strategic infrastructure and associated freight networks from adverse reverse sensitivity effects

6 Page 26 Discussion Document.
P2A: When making planning decisions that affect urban development, and the way and rate at which development capacity is provided, local authorities must have particular regard to:

... 

c) appropriately managing reverse sensitivity effects (including by avoiding reverse sensitivity effects on strategic infrastructure and associated freight networks).

When making decisions on consent applications that affect urban development, and the way and rate at which development capacity is taken up, decision makers must have regard to the need, consistent with this NPS, to:

...

f) appropriately manage reverse sensitivity effects (including by avoiding reverse sensitivity effects on strategic infrastructure and associated freight networks).

24 LPC considers similar wording to that suggested for policy P2A above should be included in policy P2B.

Providing for intensification
25 LPC considers recognition of reverse sensitivity effects on strategic infrastructure should be incorporated into the objectives and policies proposed under the headings "Providing for intensification” of the Discussion Document. \(^7\) LPC proposes the following suggested wording to policy P6D (for example):

P6D: Territorial authorities must include the following policy in their district plans:

When considering an application for a higher-density residential activity than is currently provided under this plan, the consent authority must have particular regard to whether:

...

... 

c) the development will avoid adverse reverse sensitivity effects on strategic infrastructure and associated freight networks.

26 LPC also considers that policy P6A has the potential to promote land that would in fact be inappropriate for higher-density development. LPC therefore suggests the policy should be qualified with reference to avoiding adverse reverse sensitivity effects on strategic infrastructure and associated freight networks.

Providing for greenfield development
27 LPC appreciates that to meet certain growth requirements, local authorities may need to provide for residential growth ‘out’ as well as ‘up.’ However, it is concerned about the effect that the proposed objectives and policies enabling greenfield

\(^7\) Page 35 Discussion Document.
development might have on its operations – in particular on its Midland Port which is surrounded by land that might well be considered viable for greenfield development.

28 LPC considers that the policy proposed in the Discussion Document to guide decisions on plan changes for greenfield development\(^8\) needs to recognise that strategic infrastructure requires particular protection. While LPC supports the reference to reverse sensitivity at (d) of the example policy, it does not consider it goes far enough to ensure protection against reverse sensitivity effects. Further, the wording suggests that reverse sensitivities are only experienced “within and adjacent to the location” that is subject to the plan change. LPC notes that its Port Influence Overlay extends beyond properties adjacent to the Port and there will likely be other instances around the country where reverse sensitivity effects may arise outside of the immediate vicinity of an area subject to a plan change. LPC therefore proposes the following wording for the policy would be more appropriate:

> When considering a plan change that enables urban development that is not otherwise enabled in the plan, local authorities must provide for urban development when all of the following apply:

> ...

> d. Reverse sensitivities effects will be appropriately managed (including by avoiding reverse sensitivity effects on strategic infrastructure and associated freight networks) within and adjacent to the location or locations that are the subject of the plan change.

### Timing and integration with other processes

29 LPC supports amendments to the NPS to ensure a better integrated approach to land and infrastructure planning. The FDS process must align with other local planning processes. LPC agrees it is essential that Future Development Strategies “are informed by and encouraged to inform relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, and regional land transport plans under the Land Transport Management Act 2003.”

30 Having just gone through the consultation process on Christchurch’s FDS – the Our Space 2018-2048 Greater Christchurch Settlement Pattern Update – LPC was particularly frustrated at how the timing of other Council/planning processes did not align with the FDS process (in particular, with relation to strategic infrastructure freight networks). Particularly relevant strategic planning documents in the Greater Christchurch region that should be integrated properly with the FDS process include the Greater Christchurch Freight Demand Statement, the Greater Christchurch Freight Infrastructure Statement, and the Christchurch Transport Strategic Plan. Therefore, LPC supports policies P1F(b), P1H and P11.

31 As a minor comment, LPC notes that policy P1F(b) contains a reference to “documents referred to in [P2H]”, policy P1H contains a similar reference to a policy

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\(^8\) Example wording provided on page 39 Discussion Document.

\(^9\) Page 21 Discussion Document.
There is no policy P2H or P2F. LPC has assumed that these are intended to be cross references to policies P1H and P1F.

CONCLUSION

32 LPC acknowledges that the core concern of the NPS-UD is focused on quality urban growth and promoting necessary urban development. But in order for local authorities to be able to appropriately determine locations for growth and intensification within their regions while maintaining the policy and rationale behind the intent of the National Policy Statement, it is essential that some provision is made for recognising and managing the interface between development and existing strategic infrastructure such as ports.

33 LPC seeks that the proposed wording outlined above is adopted in the final NPS-UD document.

34 LPC would welcome any opportunity to further discuss any of the issues raised in its feedback with the Ministry should any further consultation be undertaken in developing the NPS-UD.

Signed for and on behalf of Lyttelton Port Company Limited by its solicitors and authorised agents

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7 October 2019

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