10 October 2019

NPS Urban Development Consultation
Ministry for the Environment
WELLINGTON

Planning for Successful Cities – a National Policy Statement for Urban Development

1. This submission is made by Foodstuffs (NZ) Ltd on behalf of the Foodstuffs group of companies [Foodstuffs] including Foodstuffs North Island Ltd and Foodstuffs South Island Ltd which are retailer-owned grocery cooperatives. Foodstuffs (NZ) Ltd is the Federation Headquarters of the Foodstuffs group of companies and co-ordinates national policy and input on matters of public policy.

2. The Foodstuffs companies are 100 per cent New Zealand owned. They develop retail stores which are franchised to co-operative members who own and manage the stores on a day-to-day basis. Our core retail brands are PAK’nSAVE, New World, and Four Square. The Foodstuffs companies hold substantial property investments and invest tens of millions of dollars in development land, new building developments, and store refurbishment projects, on an annual basis. We are interested in ensuring the framework for managing development capacity reflects best practice.

3. The current consultation proposes a National Policy Statement on Urban Development (NPS-UD) to replace the National Policy Statement on Urban Development Capacity 2016. Foodstuffs is a member of the Property Council and is generally supportive of the Council’s submissions on the proposed NPS-UD.

4. Foodstuffs wishes to submit on two specific issue in the NPS-UD. The first issue is whether the new NPS-UD requires councils to regulate carparking, and, if so, how? The second issue is to clarify the intended status of supermarkets in residential areas.

   Carparking

5. It is proposed that the NPS-UD include a policy that limits the ability for local authorities in major urban centres to regulate the number of car parks required for a development. More specifically, the consultation document seeks feedback on 3 possible options, these are:

   • Option 1: removing the ability for local authorities to regulate the requisite number of car parks.

   • Option 2: removing the ability for local authorities to set minimum car park requirements.

   • Option 3: removing the ability for local authorities to set minimum car park requirements in areas providing for more intensive development.
6. Foodstuffs supports Option 1, removing the ability for local authorities to regulate the requisite number of car parks. Under this option, developers would determine the number of carparks that are appropriate for their development in the relevant context. Local context will include but not be limited to: the type of development, the need for carparking to support the proper functioning of the development, the relative access to public transport, the availability land for carparking purposes, and its cost.

7. Every development has its own unique context. For example, the requirements for supermarket carparking, in a suburban catchment which is poorly served by public transport will be very different from that of a high-density housing development in the CBD. Notwithstanding, every catchment requires a mix of housing type, size, and price and premium developments will have different requirements from more affordable housing developments. Developers are best placed to determine development-specific car parking requirements and make appropriate commercial trade-offs.

8. Supermarkets provide an essential community service and are open extended hours weekly for 362 days a year. The provision of enough customer car-parking is a basic requirement for their effective operation. This is because customers need the ability to carry significant quantities and weight of goods – frequently more than can be carried by hand. Outside CBD locations, most supermarket customers visit by vehicle for this reason, even when public transport is available. On the other hand, it makes no commercial sense to have surplus carparking capacity and this does not generally occur.

9. Supermarket shopping patterns have changed significant over the years and customers now shop on multiple occasions during the week and in a wider spread of hours across the day/week which means that supermarkets generally prefer to have their own dedicated car-parking than share car-parking facilities with other property owners.

10. Foodstuffs does not support Option 2 or Option 3 - the removal of car parking minimums. This is considered as a tool to reduce carparking and might result in councils setting maximum carparking requirements instead. A reduction in car parking capacity would have the following unintended consequences:

   - Overspill of businesses’ car-parking into residential areas
   - Illegitimate use of private car-parking by others (businesses and individuals)
   - Adverse economic impacts for under-supplied developments, in worst case threatening their viability.

11. Reducing car-parking will not necessarily reduce vehicle use, especially where people need a car to transport things e.g. when they are grocery shopping. Insufficient car-parking capacity will simply result in spill-over effects including more competition for street carparking, impacting other businesses and residents, and an increase in the illegitimate use of private parking including retailers’ private car parking for customers. Retailers would need to take more enforcement activity against illegal parking with all the attendant costs.

12. Car parking is already in short supply for many of our urban stores and spill-over would result in our legitimate customers having to queue for parking more frequently. Queuing is a cause of frustration for our customers and impacts on the quality of their shopping experience. Greater competition for more limited car-parking space is also likely to lead to more car collisions as well as putting pedestrians at greater risk of injury.

13. If Option 1 is ultimately rejected, we recommend that the NPS-UD carry forward the existing provisions.
Business Development Capacity

14. Foodstuffs questions how supermarkets will be categorised if they are not already located in an area which is designated for residential development? We are concerned that an overly prescriptive approach might result in supermarkets falling into a non-complying category of consent processing. This would be inconsistent with the NPS objective to provide “high-quality liveable urban environments that foster the well-being of people and the natural environment”.

15. Supermarkets provide very necessary services to urban communities, including support in times of crisis such as natural disasters. They also provide significant “local” employment. Zoning which locks supermarkets out of residential areas would undermine the objective of “high-quality urban environments”. We seek reassurance that the role supermarkets play in supporting local communities will be appropriately recognised.

Yours sincerely

[Signature]

[Name]

Government Relations