8 October 2019

National Policy Statement on Urban Development Consultation
Ministry for the Environment
PO Box 10362
Wellington 6143
By email: npsurbandevelopment@mfe.govt.nz

Dear Sir/Madam

Submission on Planning for successful cities: A discussion document on a proposed National Policy Statement on Urban Development

Powerco welcomes the opportunity to comment on Planning for successful cities: A discussion document on a proposed National Policy Statement on Urban Development (Planning for successful cities).

Powerco is New Zealand's largest electricity and second largest gas distributor in terms of network length, and has been involved in energy distribution in New Zealand for more than a century. The Powerco network spreads across the upper and lower central North Island servicing over 400,000 consumers. This represents 46% of the gas connections and 16% of the electricity connections in New Zealand.

Powerco's electricity networks are in the Taranaki, Wanganui, Rangitikei, Manawatu, Wairarapa, Bay of Plenty, Coromandel and Waikato regions, including the urban centres of New Plymouth, Wanganui, Palmerston North, Masterton and Tauranga. Our gas networks are in the Taranaki, Manawatu, Hutt Valley, Porirua, Wellington City, Horowhenua and Hawke's Bay regions (refer Figure 1).

General comments

Powerco is an electricity and gas infrastructure provider directly affected by the proposal for a National Policy Statement on Urban Development (NPS-UD). We are supportive of the Ministry's objective to ensure councils plan strategically for growth and provide development capacity to meet the diverse demands of communities; address unnecessary regulatory constraints; and encourage quality urban environments. Key points made in our submission include:
Powerco relies, in its own planning, on the plans that local authorities produce that identify areas for urban growth in order to continue to supply gas and electricity safely and securely for existing and future urban areas. For this reason Powerco supports the use of a NPS-UD to ensure that this planning is carried out and consulted on by local authorities.

Powerco supports a NPS-UD having an aim of delivering ‘quality urban environments’. Powerco considers that the direction given in a NPS-UD as to what is meant by ‘quality urban environments’ must include recognition of the need to enable the ongoing secure and safe supply of electricity and gas to people and communities.

Powerco has concerns with the proposal that smaller urban centres will have to do less planning for growth than those centres identified by a NPS-UD as ‘major urban centres’. The smaller urban centres tend to be the areas where existing infrastructure is at the upper limits of supply, and growth that is not signalled early through assessments (such as the housing and business development capacity assessment), strategies (such as a future development strategy) and consultation by local authorities with infrastructure providers such as Powerco could lead to situations where infrastructure cannot be provided in an efficient and effective manner and which then becomes a ‘handbrake’ on development.

Powerco considers that a NPS-UD should give direction in its discussion, objectives and policies regarding the need to avoid reverse sensitivity effects where new, incompatible activities might constrain the operation, maintenance or upgrading of existing and planned electricity and gas infrastructure.
• Powerco is supportive of the Government’s intention of shifting the current perception that urban development only has negative effects on amenity. A secure and safe supply of energy, including electricity and gas, for existing and future communities is an important aspect of what makes up the amenity values of an urban area, and the infrastructure that is necessary in order to provide that amenity should be recognised and enabled in the NPS-UD and in the plans and strategies that are developed under that NPS.

• Powerco considers that it is important that local authorities, when planning for urban growth, first ascertain whether the infrastructure, including in particular electricity and gas infrastructure, required to support urban development is or will be available.

• A secure supply of electricity is a key requirement for safe, healthy and functional communities. It is therefore very important that when urban intensification occurs due consideration is given to protecting the existing infrastructure (e.g. overhead powerlines, underground cables, substations) and the means by which this infrastructure is accessed to enable maintenance and repair. As urban spaces become increasingly congested sufficient space must be reserved and protected for key infrastructure, such as electricity lines.

• Early engagement with electricity and gas infrastructure providers is important to ensure that development is planned in a way that enables the efficient, safe and secure supply of this infrastructure.

Powerco welcomes the opportunity to comment on Planning for successful cities and a NPS-UD. Powerco would be pleased to discuss any of the matters raised in these comments, and to comment on any documents provided as a result of this submission. If you have any queries or require additional information please do not hesitate to contact me on the below details.

Kind Regards,

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Powerco Responses to the Questions in Planning for successful cities

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?

Powerco supports the use of a national policy statement as the most appropriate tool under the Resource Management Act to ensure that local authorities plan for growth in urban areas. Powerco relies on the local authority plans for growth in its own medium and long term asset planning in order to continue to supply gas and electricity safely and securely for existing and future urban areas.

Powerco provides infrastructure that is critical for urban areas and to cater for urban growth and considers that it is important that urban areas that are not deemed to be major urban areas should continue to carry out planning and consultation on urban growth. While Powerco acknowledges the work may be perceived as a burden on smaller local authorities, it is concerned that any de-emphasis in the NPS-UD on some urban areas could lead to situations where patterns of population growth change and a NPS will not be able to be updated in a sufficiently timely manner to ensure adequate consultation and planning is carried out. The smaller urban centres tend to be the areas where existing infrastructure is at the upper limits of supply. Growth that is not signalled early through assessments (such as the Housing and Business development capacity assessment), strategies (such as a future development strategy) and consultation by local authorities with infrastructure providers (such as Powerco) could lead to situations where infrastructure to meet the energy needs of that growth cannot be provided in an efficient and effective manner. Although outside Powerco’s geographic area of interest, the Nelson/Tasman region is a prime example. This area is experiencing significant growth and pressure on resources, but would not be required to explicitly plan for growth.

Question 2
Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?
Do you support the approach used to determine which local authorities are categorised as major urban centres? Why/why not?
Can you suggest any alternative approaches for targeting the policies in the NPS-UD?

As noted above, Powerco has concerns with the proposal that smaller urban centres will have to do less planning for growth than those centres identified by a NPS-UD as ‘major urban centres’. Powerco considers such a narrowing of focus on major urban centres could lead to situations where infrastructure cannot be provided in an efficient and effective manner and which then in turn becomes a ‘handbrake’ on development.

Notwithstanding the above comment, if a list of urban centres is included in a NPS-UD, Powerco supports the inclusion of Wellington councils in that list. A list does have the
advantage of providing greater certainty of which local authority will be subject to the more stringent requirements of the NPS-UD than the use of growth statistics (while noting Powerco’s concerns expressed in the previous comment about which urban centres are included on that list).

**Question 3**

**Do you support the proposed changes to Future Direction Strategies (FDSs) overall?**

**If not, what would you suggest doing differently?**

**Do you support the approach of only requiring major urban centres to undertake an FDS? Would there be benefits of requiring other local authorities to undertake a strategic planning process?**

**What impact will the proposed timing of the FDS have on statutory and other planning processes? In what ways could the timing be improved?**

Powerco supports a requirement for a strategy that identifies locations for intensification based on, amongst other things, proximity to infrastructure. Powerco also supports a requirement that a strategy should consider how infrastructure will support development capacity, including identifying future infrastructure corridors. Powerco considers that it is essential that planning for future development addresses, at the earliest opportunity, the existing and future provision of infrastructure.

Powerco considers that a NPS-UD should give direction in its discussion, objectives and policies regarding the need to avoid reverse sensitivity effects where new, incompatible activities constrain the operation, maintenance or upgrading of existing and planned infrastructure. Powerco seeks that the NPS-UD gives sufficient recognition and weight to directing local authorities to identify and consider reverse sensitivity effects when identifying and planning for urban growth (including intensification). This could be achieved by requiring local authorities to identify areas where reverse sensitivity effects may constrain the operation, maintenance or upgrading or existing and planned infrastructure. Powerco considers that P1D should be amended to include a requirement for local authorities to identify areas where incompatible activities would constrain existing and future planned infrastructure.

With regard to the draft objectives and policies, Powerco supports the requirement for the long-term strategic planning for all urban environments to provide for the integration of land use and infrastructure, as described in proposed Objective 1. Powerco supports the requirement in P1D(b) and P1D(e) for FDSs to identify future infrastructure corridors and locations, and infrastructure needed to support growth.
Question 4
Do you support the proposed approach of the NPS-UD providing national level direction about the features of the quality urban environment? Why/why not?
Do you support the features of a quality urban environment stated in draft objective O2? Why/why not?
What impacts do you think the draft objectives O2-O3 and policies P2A-P2B will have on decision-making?

Powerco supports a NPS-UD having an aim of delivering ‘quality urban environments’. Powerco considers that the direction given as to what is meant by ‘quality urban environments’ must include recognition of the value to people and communities of the ongoing secure and safe supply of energy, including electricity and gas. The ongoing provision of such infrastructure is essential in order to enable people and communities to provide for their social, economic, and cultural well-being. Such direction could include the need to ensure reverse sensitivity effects of some growth (particularly residential) on existing and planned infrastructure are adequately addressed when planning for urban growth.

The preamble to the NPS-UD could contain a description of enabling safe and secure provision of electricity and gas supply as contributing to quality urban environments. As noted in the previous comment, avoiding reverse sensitivity effects on existing and planned critical infrastructure, such as gas and electricity, could be included.

A description of things that contribute to ‘quality urban environments’ and objectives and policies relating to ‘quality urban environments’ need to reflect that security of supply of electricity and gas and provision of infrastructure are key components of what makes up a ‘quality urban environment’. This goes beyond ‘using infrastructure efficiently’, and includes ensuring that people can meet their energy supply needs.

Powerco supports an objective relating to achieving quality urban environments that applies to all urban areas (and not just to major urban areas).

Question 5
Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?
Do you think these proposals will help to address the use of amenity to protect the status quo?
Can you identify any negative consequents that might result from the proposed objective and policies on amenity?
Can you suggest alternative ways to address urban amenity through a national policy statement?

Powerco is supportive of the Government’s intention of shifting the current perception that urban development only has negative effects on amenity. A secure and safe supply of energy, including electricity and gas, for existing and future communities is an important aspect of what makes up the amenity values of an urban area, and the infrastructure that is necessary in order to provide that amenity should be recognised
and enabled in the NPS-UD and in the plans and strategies that are developed under that NPS.

Powerco supports the intent of Objective O4, in that it recognises that the physical qualities and characteristics of an area that contribute to people’s appreciation of its pleasantness and aesthetic coherence can be diverse and can change over time. In particular Powerco considers that the infrastructure that is necessary in order to ensure a secure and safe supply of electricity and gas are essential elements of what makes up the amenity values of an urban area.

Question 6
Do you support the addition of direction to provide development capacity that is both feasible and likely to be taken up? Will this result in development opportunities that more accurately reflect demand? Why/why not?

Powerco is supportive of a directive that local authorities determine whether development capacity is feasible, as this will assist Powerco in its own planning for servicing growth areas with electricity and/or gas.

Powerco seeks that objective (O5) relating to ensuring there are opportunities for development also addresses the infrastructure requirements of that demand. This could be achieved by wording the objective along the lines of: To ensure local authority policies, plans and strategies enable enough opportunities for development that can be serviced with infrastructure to meet diverse demands for housing and business land. Wording of the objective in this way would be in line with the intention that local authorities identify ‘feasible’ development capacity.

Powerco considers that the infrastructure needed in order for the development capacity to be considered to be ‘feasible’ should include ‘other infrastructure’ – in particular that it must include consideration of the existing or planned future provision of electricity and gas infrastructure. Powerco considers that it is important that local authorities, when planning for urban growth, first ascertain whether the infrastructure required to support urban development is or will be available.

Policies P4D-P4G would apply only to major urban centres. As noted in comments above, Powerco is concerned that reducing the amount of work that local authorities that have urban areas that are not defined in the NPS-UD as ‘major urban centres’ could lead to situations where unplanned growth takes place and a secure and safe supply of electricity and/or gas is not feasible, efficient or economic, which then becomes a ‘handbrake’ on development.
Question 7
Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not?
Do you think requiring zone descriptions in district plans will be useful in planning documents for articulating what outcomes communities can expect for their urban environment? Why/why not?
Do you think that amenity values should be articulated in this zone description? Why/why not?

Powerco supports a requirement (as in P5A) that zone descriptions in district plans articulate the outcomes communities can expect for their urban environment. Powerco seeks that there is a stronger direction given to local authorities that the expected levels of amenity for each zone in an urban areas should recognise the need to protect existing infrastructure corridors and the means to access these. A secure supply of electricity and gas is a key requirement for safe, healthy and functional communities. It is therefore very important that when urban intensification occurs due consideration is given to protecting the existing infrastructure (e.g. overhead powerlines, underground cables, substations) and the means by which this infrastructure is accessed to enable maintenance and repair. As urban spaces become increasingly congested sufficient space must be reserved and protected for key infrastructure, such as electricity lines.

Powerco supports the proposal (contained in P5D) that will require councils to prepare a FDS that will, amongst other things, consider how development and other infrastructure will support development capacity in existing and future urban areas, including identifying indicative locations for future infrastructure corridors and sites. Powerco also supports the better alignment of the planning for land uses and the provision of infrastructure to support that land use.

Powerco supports the encouragement of engagement with other local authorities during the development of the FDS, as this will assist in ensuring the recognition of infrastructure corridors that traverse local authority boundaries.

Question 8
Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?
What impact will these policies have on achieving higher densities in urban environments?
What option/s do you prefer for prescribing locations for intensification in major urban centres? Why?
If a prescriptive requirement is used, how should the density requirement be stated? (For example, 80 dwellings per hectare, or a minimum floor area per hectare.)
What impact will directly inserting the policy to support intensification in particular locations through consenting decisions have?

Powerco supports the recognition that higher density development should be enabled in locations where best use can be made of existing or planned infrastructure. Powerco considers that, in their identification of areas where higher density development could be enabled, local authorities should be encouraged to consult directly and early with the providers of infrastructure.

Powerco supports a directive that regional policy statements must include an objective to enable residential intensification that ensures the efficient use of infrastructure. Powerco considers that such an objective will require local authorities considering what areas to enable intensification will need to consider what infrastructure is and will be provided.

Powerco supports the descriptive approach contained in P6C and seeks that the policy include the need to recognise the ability to service the higher-density residential activities with infrastructure, including energy infrastructure.

Powerco seeks that policy P6D be amended to reflect that security of supply of energy and provision of infrastructure are important considerations when assessing applications for high density residential activity.

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?

How could the example policy better enable quality urban development in greenfield areas?

Are the criteria in the example policy sufficiently robust to manage environmental effects to ensure a quality urban environment, while providing for this type of development?

To what extent should developers be required to meet the costs of development, including the costs of infrastructure and wider impacts on network infrastructure, and environmental and social costs (recognising that these are likely to be passed on to future homeowners/beneficiaries of the development)?

What impacts will this have on the uptake of development opportunities?

What improvements could be made to this policy to make development more responsive to demand in suitable locations beyond areas already identified for urban development?

Powerco supports a policy that out of sequence greenfield development must be considered in terms of whether reverse sensitivity effects are appropriately managed, but considers that the policy should be worded more in terms of avoiding reverse sensitivity effects. Powerco also supports a policy that out of sequence greenfield development must be considered in terms of whether the infrastructure to enable the development of the land can be provided, as clause e of the example policy includes.
Powerco considers that early engagement with infrastructure providers is crucial to ensure that developments can proceed smoothly and as cost-effectively as possible. It is vital that both local authorities and developers engaged with the relevant suppliers of energy infrastructure at the time that both strategic documents and development plans are being produced.

Question 10
Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development?

Powerco has no comment to make in response to Question 10.

Question 11
Do you think that central government should consider more directive intervention in local authority plans?
Which rules (or types of rules) are unnecessarily containing urban development?
Can you identify provisions that are enabling higher-density urban development in local authority plans that could be provided for either nationally or in particular zones or areas?
Should a minimum level of development for an individual site be provided for across urban areas (for example, up to three storeys of development is a permitted activity across all residential zones)?
Given the potential interactions with the range of rules that may exist within any given zone, how could the intent of more directive approaches be achieved?

Powerco seeks that in developing any NPS or planning standards to address rules that impact on urban development, recognition is given to the need for road corridors and spaces between development and buildings to be retained to ensure sufficient space is available for infrastructure and to protect ongoing access to existing infrastructure for maintenance and upgrading.

Question 12
Do you support requirements for all urban environments to assess demand and supply of development capacity, and monitor a range of market indicators? Why/why not?

Powerco supports requirements that all local authorities with urban areas must assess and monitor demand and supply of housing and business development. As previously commented, Powerco relies in its own planning, on the plans that local authorities produce that identify areas for urban growth in order to continue to supply gas and electricity safely and securely for existing and future urban areas. For this reason Powerco supports the use of a NPS-UD to ensure that this planning is carried out and consulted on by local authorities.
Question 14
Do you support amendments to existing NPS-UDC 2016 policies to include working with providers of development and other infrastructure, and local authorities cooperating to work with iwi/hapū? Why/why not?

Powerco supports the encouragement of local authorities coordination and collaboration with the providers of infrastructure.

Powerco supports an objective (such as O10) that directs local authorities to coordinate across boundaries, particularly in relation to the provision of energy infrastructure and the protection of energy infrastructure from reverse sensitivity effects.

Powerco supports a policy that requires local authorities to work with the providers of infrastructure to achieve integrated land use and infrastructure planning. In particular, Powerco supports a requirement that local authorities work with providers of infrastructure in achieving P4A and P4C, and considers, as noted above, that those policies should also refer to the need to coordinate development capacity with infrastructure provision.

Powerco has made comment above that early engagement with energy infrastructure providers is important to ensure that development is planned in a way that enables the efficient, safe and secure supply of energy infrastructure.

Powerco supports P10B applying to all urban environments.

Question 15
What impact will the proposed timing for implementation of policies have?

Poweco supports a sharper focus on integrated planning and an encouragement to local authorities to use their HBAs and FDSs to inform long-term plans and infrastructure strategies under the Local Government Act.

Question 16
What kind of guidance or support do you think would help with the successful implementation of the proposed NPS-UD?

Powerco considers that local authorities will need guidance on all aspects of a NPS-UD, including in how to best achieve integration of planning for growth and the planning for infrastructure, particularly infrastructure that is not provided by the local authority itself.

Other Comments

Powerco supports the inclusion in a NPS-UD of the definition of ‘other infrastructure’ as including ‘energy’. Powerco considers that this is important so that the objectives and policies and discussion contained in the NPS-UD regarding the need to enable ‘other infrastructure’ and the need to consult with providers of ‘other infrastructure' includes energy infrastructure providers such as Powerco.
Powerco notes the need for the NPS-UD to be clear and consistent in the use of the terminology of ‘infrastructure’ so that it is clear that this includes those types of infrastructure that are included in the definition of ‘other infrastructure’, including ‘energy’.