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Proposed National Policy Statement on Urban Development

NZAA submission

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REGARDING: **Proposed National Policy Statement on Urban Development**

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NOTE TO REQUESTOR

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Background on the New Zealand Automobile Association

The New Zealand Automobile Association (NZAA) is an incorporated society with over 1.7 million Members. Originally founded in 1903 as an automobile users advocacy group today it represents the interests of road users who collectively pay over \$3 billion in taxes each year through fuel excise, road user charges, registration fees, ACC levies, and GST. The NZAA's advocacy and policy work mainly focuses on protecting the freedom of choice and rights of motorists, keeping the cost of motoring fair and reasonable, and enhancing the safety of all road users.

Introduction

Thank you for the opportunity to provide feedback on the proposed National Policy Statement on Urban Development. Our submission focusses on the transport-related content of the proposals.

The NZAA supports the Government's proposal to develop a National Policy Statement on Urban Development; growth is happening in urban areas, and it needs to be managed and provided for appropriately. Currently, growth often has a negative impact on the transport network, as sufficient and appropriate infrastructure is not delivered in time to meet the demand generated by that growth.

We are pleased to see that through the proposed National Policy Statement on Urban Development, the Government is seeking to achieve urban transport systems that allow for the effective and efficient movement of people and goods, and to ensure that transport systems are well-integrated with land use.

While we support this overarching direction in the transport space, we are concerned with some of the finer detail that is proposed and what it may mean in practice.

Our key concern is that the proposed content of the National Policy Statement appears to largely overlook the role that private vehicles will continue to play in our cities for the foreseeable future (even with planned steps to increase density around, and attractiveness of, public transport and active transport infrastructure).

Failure to adequately provide for growth in demand for private vehicle travel will result in increased congestion and travel times – ultimately resulting in urban areas which are less liveable, less productive, and less successful.

More specifically, we are concerned that the discussion document:

- suggests that the transport-related determinant of whether an urban environment is of quality is simply that it provides “a range of transport options”, rather than requiring that the transport options that are provided meet the needs of people and the economy and are fit for purpose (see section – *Making room for growth: Describing quality urban environments*, below);
- doesn’t place sufficient emphasis on ensuring the right transport infrastructure will be delivered in the right place at the right time, while providing value for money, in order to meet demand (see sections – *Enabling opportunities for development* and *Providing for intensification*, below);
- doesn’t recognise the importance of ensuring sufficient provision of car parking in terms of meeting people’s mobility needs; by suggesting the removal of local authorities’ ability to regulate parking provision, rather than requiring local authorities to give greater attention to ensuring parking demand created by new developments is able to be met by supply (see section – *Removing car parking requirements*, below).

Lastly, it is important that the National Policy Statement doesn’t lose sight of the fact that different urban areas face different challenges, and will require different interventions to meet their unique needs. It should never be assumed that there is a ‘one size fits all’ solution to problems. Local authorities have unique perspectives, and need to be able to make decisions which suit their urban areas’ needs.

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Making room for growth: Describing quality urban environments

The discussion document indicates that the National Policy Statement on Urban Development will give direction on what is meant by the term ‘quality urban environments’. It notes that the preamble to the National Policy Statement would contain a description of things that contribute to quality environments, and, with regards to transport, suggests the indicator could be that the urban environment “provides a range of transport options.”

We support the concept of the National Policy Statement on Urban Development not only focusing on the quantity of development capacity, but also recognising the importance of providing for quality development.

We are concerned, however, at the discussion document’s suggestion that “the provision of a range of transport options” is the ultimate transport-related determinant of whether an urban environment is of quality.

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The number of transport options that will be appropriate in any given area will come down to a range of factors – such as the needs of the community and economy and the cost-effectiveness of providing alternatives.

While we absolutely agree that having a range of transport options is an attractive feature for urban environments to have, in our view the ultimate goal for the transport system should be to meet the needs of people and the economy, while providing value for money. In achieving this goal, it may well be that the provision of more transport options is the appropriate intervention; however this shouldn't be automatically assumed.

Enabling opportunities for development

The discussion document proposes that the National Policy Statement requires local authorities to ensure that their planning documents enable at least enough feasible development capacity (in terms of location, typology and price) for the short, medium and long term. The discussion document also signals that:

- for development enabled in the short term, the land in question will need to be serviced with infrastructure;
- for development enabled in the medium term, the land in question will need to be serviced with infrastructure or the local authority must have funding for the infrastructure identified;
- for development enabled in the long term, the infrastructure required to service the development must be identified.

We support this policy. However, we believe it should go further and require local authorities to not only identify the transport infrastructure that they will provide to service new developments, but also to demonstrate:

- how the infrastructure will be sufficient to provide for the demand for travel that the development will generate (both in terms of mode and capacity);
- that the infrastructure will be safe and fit for purpose;
- that provision of that infrastructure provides value for money; and
- specifics on timing and sequencing of the delivery of the infrastructure (including plans if development occurs faster than originally envisaged).

It is also unclear to us how local authorities will plan around infrastructure that is outside of their control – such as development of the State Highway network. Changes in Government policy that alter plans for the delivery of such infrastructure can impact whether an area remains to be

suitable for development (in terms of having the necessary transport infrastructure in place). The National Policy Statement should provide guidance on this issue.

As the discussion document points out, local authorities often limit their provision of development capacity because of constraints on infrastructure funding. Based on the content of the discussion document, it is not at all clear how this matter will be addressed under the National Policy Statement. Quite the opposite – the issue may be exacerbated as the National Policy Statement requires Councils to make even more land available for development than is required under the status quo. In our view, if the National Policy Statement is going to require local authorities to ensure sufficient land is available for development – and that that land is serviced, or will be serviced, by sufficient infrastructure – it cannot overlook the issues with the provision of infrastructure that local authorities indicate they are facing.

The discussion document also indicates that local authorities will be required to notify the Minister for the Environment as soon as they determine that they cannot provide the required development capacity. It is not clear to us what the Minister for the Environment will do if/when approached by a local authority that has determined it is unable to provide for the required development capacity. We consider the National Policy Statement should provide clarity on this matter.

Providing for intensification

The discussion document highlights the Government's desire to see higher density residential development allowed for in our urban areas, particularly around centres and frequent public transport stops/stations.

We agree that, from a land use/transport integration perspective, the most logical place for high density development is adjacent to centres and quality public transport. Over time we expect that higher density development adjacent to centres and alongside quality public transport will result in public and active transport increasingly providing for a greater proportion of overall travel.

However, it is worth noting that:

- living alongside quality public transport doesn't automatically translate into no longer needing a private vehicle (although we appreciate for some households it can). In Auckland, for example, suburbs adjacent to train stations still typically have high private vehicle mode share (in the order of 80%) for journey to work trips – and this is due to a combination of the city's land use patterns and the levels of service that private vehicles are able to provide relative to Auckland's public transport system. What's more;

- locating more dwellings in a given area will often result in more vehicles being housed within that area, even if average ownership rates reduce through improved access to alternative modes of travel. An example of this is: if six terraced houses are built on a site which previously had two stand-alone houses – even if vehicle ownership rates drop from, for example, two per dwelling to one, there will be more vehicles housed on that site than there had been previously.

That's not to say that intensification should not be zoned for around high quality public transport. But rather, if local authorities are required to allow for intensification around centres and quality public transport, there must be mechanisms in place to ensure necessary upgrades take place to the road network as needed to cater for the demand for private vehicle travel which is generated by the new development. Failure to do so will result in increased congestion – which will not deliver on the Government's goal for transport signalled for the proposed National Policy Statement; a transport system that allows for the effective and efficient movement of people and goods.

Removing car parking requirements

The discussion document indicates the Government's intention to include a policy that limits the ability for local authorities in major urban centres to regulate the number of carparks required for a development.

Parking is a core element of motoring and mobility and its contribution to people's wellbeing should not be overlooked. The AA's position is that the primary objective of parking policy should be to meet demand, however we recognise that in some instances it may make sense for Councils to use parking policy to manage congestion.

In our view, it is entirely possible that existing minimum parking requirements are not always fit for purpose, and can lead to an over-supply of parking. This results in increased costs which are passed on to property purchases, and land that is not being put to best use.

However, by completely removing the ability for local authorities to regulate the number of carparks provided in a development, two things could happen:

- developers may rely on their understanding of demand for parking in their development and seek to provide accordingly. This assumes that developers will provide for what the market wants, and no more than this, which would result in more efficient use of land and lower the overall cost of development. However;

- developers may take advantage of not having to provide parking, thereby enabling them to reduce costs (which will presumably be passed on to purchasers). However, if demand for parking exists, the cost of that parking will likely to be externalised to the transport system (in the form of increased on-street parking), potentially affecting the operation of the transport network and/or people who already park in the area (either because they live or work there or to access the services provided). If demand outstrips supply, the cost may then be passed on to the local authority, through calls for more/better infrastructure, which if provided will ultimately be met by ratepayers.

In practice, both of the above may occur.

In our view, by removing the ability for local authorities to regulate parking supply it may be that a more appropriate amount of parking is provided in some locations, but we are concerned that it may also result in an under-provision of parking in others, which will likely result in negative effects on people and/or the transport system. We also note that under the status quo, some developments are already being approved with insufficient parking to meet demand.

We therefore consider that instead of removing the ability for local authorities to regulate provision of parking, emphasis should instead be placed on requiring local authorities to understand demand for parking and ensure – in so far as possible – it is provided accordingly.

This doesn't necessarily mean that sufficient parking for a new development needs to be provided onsite; it may be that developers are able to demonstrate to local authorities that the amount of parking demand that is generated by the development can be met by other means.

For example:

- a developer may be able to demonstrate to the Council that some or all demand for parking arising from their development is able to be provided on-street without having negative impacts on the efficiency of the transport system or on existing demand; or
- a developer may be able to negotiate with neighbouring land owners to gain access to their surplus parking at certain times of the day (e.g. a neighbouring shopping mall or church on a weekday, or a neighbouring parking building, which predominantly provides for commuter parking, overnight and during the weekend).

In our view, this approach will better ensure that an appropriate amount of parking is provided when a new development is delivered.