

3 February 2020

To:

Hon Tony Randerson QC
Chair, Resource Management Review Panel

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Submission by the NZ Centre for Sustainable Cities on the RMA Issues and Options Paper, 'Opportunities for Change'

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Summary of major themes

- 1 There are **three** major themes we would underline:
 - First, the critical importance of addressing **climate change** in any relevant aspects of the resource management framework (such as land use planning)
 - Second, the desirability of better integration through **strategic spatial planning** for major urban areas, focused on sustainability and well-being
 - Third, and closely linked to the second theme, is the importance of ensuring that sustainable urban development includes paying attention to all aspects of **wellbeing** and **sustainability**, including sustainable urban form and a sustainable built environment, in advancing particular goals such as providing for adequate supplies of housing.

About the New Zealand Centre for Sustainable Cities

- 2 The New Zealand Centre for Sustainable Cities is an interdisciplinary research centre dedicated to providing the research base for innovative solutions to the economic, social,

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environmental and cultural challenges facing our urban centres. We undertake a range of research, published as journal articles, policy papers, working papers, and blogs, as well as making submissions from time to time to central government and councils on a range of issues relevant to cities, from climate change policy to compact urban development. See <http://sustainablecities.org.nz/> and <http://resilienturbanfutures.org.nz/>

Introduction to this submission

3 The Issues and options paper is heading in the right direction, in our view:

- We agree with much of the analysis of this issues and options paper (hereafter the ‘Paper’), and believe its ideas potentially align well with the proposed NPS on urban development, recently released for consultation. Some of the options are contingent, as the Paper notes, and some may be pre-determined by developments put in place in the interim before the broader framework is reworked.
- In terms of broad orientation, our view is that the resource management system has many strengths, but experience has underlined that it also has several major defects.
 - First, it lacks strategic direction. Coming out of the permissive 1980s, it remains too strongly focused on enabling economic growth except where major adverse environmental effects can be identified. For example, it has set too large a premium on making room for urban growth, often with adverse cumulative effects, and in such a way that spatial planning to minimise such effects has been difficult. We accept that our cities will develop – that is a reality. But their development needs to be guided strategically, to protect other values than growth.
 - Second, and relatedly, changes to the resource management system should be more clearly framed around the high level goals we wish collectively to achieve, i.e. wellbeing and sustainability, and in particular, environmental sustainability.
 - Third, the RMA has not achieved good outcomes for our urban areas or built environment, as the Paper notes. This may have contributed to a shortage of housing in New Zealand, and the perception that RMA processes are overly cumbersome.
- Correcting these defects also requires giving high priority to mitigating and adapting to climate change. The RMA at present largely excludes mitigation from RMA decision making, focusing only on considering the effects of climate change, following the 2004 amendment to the RMA. We see forthcoming changes to the RMA as a key opportunity to take a fresh approach, to sharpen and emphasise the linkages between the resource management system and action on climate change.
- We do not have the capacity to comment in detail on recognition of Te Tiriti issues within a reformed RM system. We agree with comments in the Paper regarding the progress that has been made in the Treaty environment, which has left the RMA behind in the development of bicultural partnerships. We do feel, however, that a vision of sustainability that embraces environmental and human wellbeing seems to be consistent with our understanding of the concept of mauri and would facilitate

further development of partnerships and other Treaty issues discussed in Issue 3 of the Paper.

Theme One: Issue 5 in the Paper: Addressing climate change and natural hazards

4 It is difficult to overstate what dramatic effects climate change will almost certainly have on our society, our economy and our future, over the next century and beyond. It is notable that the World Economic Forum's 2020 report on global risks puts climate change at the top: 'The near-term consequences of climate change add up to a "planetary emergency". Implications are catastrophic, wide-ranging and intersecting.' (World Economic Forum, 2020, p.30). These sentiments echo many others from scientists and a wide range of experts. The enormous significance of climate change in our view remains under-appreciated in New Zealand.

5 We consider this matter to be more urgent than any others that come (in part) within the purview of the RMA. Accordingly, while it is true to say that 'The RMA currently has a limited role in climate change mitigation' (p.30 of the Paper), this should not remain the case in future. It is imperative that the RM review create institutional rules which acknowledge that climate change mitigation is paramount. The resource management framework should be offering every support possible to the Climate Change Response Act, in terms of mitigation of (the primary shorter-term concern), and adaptation to (the ongoing concern) climate change.

6 We have argued elsewhere that regulation has a vital role in urban form and land use planning and associated carbon emissions reduction⁶. We agree with the Productivity Commission that 'a single emissions price cannot...reflect the varying range of co-benefits and co-harms associated with different land uses', as noted in the Paper. This underlines the limitations of a carbon price, which in New Zealand has for various reasons failed to deliver adequate mitigation, and is unlikely to do so, by itself, in future.⁷

7 Moreover, it is now well established that urban form and land use is a major driver of carbon emissions. There is compelling international evidence that cities should primarily grow up and not out and emerging local evidence that New Zealanders are acclimatising to higher density living (Opit, Witten, & Kearns, 2020). The NZ Centre for Sustainable Cities has argued in various submissions to MfE / the Productivity Commission that intensification (upward development) is generally more efficient and sustainable than outward development, on the basis of our published research⁸ and international experience. One good example of the international evidence is Lee & Lee (2014). For instance, they conclude:

⁶ (Chapman et al., 2017); (Chapman & Dodge, 2016);

⁷ The global social cost of carbon is likely to be around NZ\$600 per tonne of CO₂ (see (Ricke, Drouet, Caldeira, & Tavoni, 2018)); whereas the ETS price is today around NZ\$28.

⁸ (Howden-Chapman, Early, & Ombler, 2017); (Early, Howden-Chapman, & Russell, 2015);(Howden-Chapman, Stuart, & Chapman, 2010)

*‘Given that household travel and residential energy use account for 42% of total U.S. carbon dioxide emissions, our research findings corroborate that urban land use and transportation policies to build **more compact cities** should play a crucial part of any strategic efforts to mitigate GHG emissions and stabilize climate at all levels of government.’ (p. 548; emphasis added).*

8 We conclude that the aspiration for unending urban expansion is a remnant of a permissive market-based model of urban development in which prices are imagined to reflect full costs, an ideal which departs from the messy reality that it is rarely if ever possible to either assess such ‘true costs’ (because of their complexity and heterogeneity) or in practice embed those costs in relevant prices. Instead, we take a more pragmatic view that sound urban planning has to be relied upon to make the rounded and informed judgements about where and how urban development should occur, in ways that best maximise overall wellbeing and sustainability. The conclusion we draw is that there is a strong role for regulation of land use – including through spatial planning – to advance climate goals. Mechanisms could include a requirement of strategic spatial plans that they explicitly set out their contributions to advancing climate change related outcomes.

Theme Two: Integration, and the case for strategic spatial planning (Issue 1 in the Paper: Legislative architecture; and Issue 4 in the Paper: Strategic integration)

9 The paper asks various questions relevant to strategic spatial planning and integration. We start here with the question (Issue 1 of the Paper) whether there should be separate legislation dealing with environmental management and land use planning for development, or whether the current integrated approach is preferable; and we then move on to consider the matter of strategic goals and strategic spatial planning.

10 We favour an **integrated** piece of legislation, essentially as currently exists, but strengthened. Separating off land use planning would create a risk of giving environmental considerations lower priority in regard to planning, when they should in our view be centre-stage. However, this raises the critical question of what the overall purpose of the legislation should be, and how an integrated perspective might be encouraged.

11 We see the central goal of resource management legislation as promoting **wellbeing** and **sustainability** – consistent with the wellbeing approach set out in the 2019 Budget (Robertson, 2019). Land use and resource planning, accordingly, should also be more strategic – in the sense of long-term, protective of critical natural assets, and with a clear view about vision, values, and goals for the future.

12 Subject to these caveats, we see the defects of the RMA as not necessarily created by the overall architecture of the Act. Part II has been fairly robust although in our view it would be strengthened by the reconsideration of critical outcomes, including climate change, that we have outlined. Part II could also include principles specifically relating to the urban environment and to development capacity. In the urban context, more attention is needed to the quality of the urban environment, achieved through means such as provision of sufficient and high quality green space for environmental and human needs,

provision for sustainable transport, improving (or maintaining) air and water quality, limiting pollution and noise, and other factors which directly influence wellbeing, including health. Enhanced amenity and service access enabled by a more compact urban form has social as well as environmental benefits for residents, for example, older people can more easily meet everyday needs and age in place.

13 Providing for economic prosperity through employment and economic development, and providing for various social outcomes such as safe communities, should in our view sit alongside but **not** be considered more important than the environmental determinants of wellbeing. Any changes to the RM framework should in our view reflect this by de-emphasising the priority long placed on economic outcomes, especially growth. At present, wellbeing is seen as shaping the sort of growth we have, but we believe this framing should be reoriented, with a clear statement that the new RM framework primarily aims to enable wellbeing and sustainability, and that any growth must conform to these higher goals.⁹

14 We note that a goal expressed as promoting ‘sustainable wellbeing’ might have appeal, but is subject to the risk that sustainable might be interpreted merely as about durability (‘durable well-being’) which might be construed merely as ongoing economic well-being. This would be an unfortunate and narrow interpretation. A two-part concept of **wellbeing and sustainability** acknowledges the social, cultural and economic aspects of wellbeing while retaining the notion that, at the end of the day, wellbeing is simply not possible without sustaining nature. This two-part notion is also consistent with te ao Māori values of improving, restoring or enhancing mauri of land, water and air.

15 It may be that **strategic spatial planning** can best be achieved through something akin to the following (Whaiwhakaaro, para 87(a)):

‘...an overarching strategic integrated planning statute, which sits above the RMA and other relevant legislation (including the Local Government Act 2002 (LGA) and the Land Transport Management Act 2003 (LTMA)). This might “elevate” aspects of Part 2 of the RMA, and other important principles.’

16 In this regard, we note two points which the Paper cites, from EDS (see para 67 of the Paper). We agree in particular that the RMA’s current concept of “sustainable management” lacks sufficient focus on improving, restoring or enhancing environmental quality. We also agree that ‘our laws may need to be more active and directive in terms of when, by whom, and under what normative umbrella we impose bottom lines.’

17 In relation to Issue 4 (Strategic integration) of the Paper, we agree that ‘there is poor alignment of land use and infrastructure plans and processes ... with funding... and poor management of cumulative impacts’ (Paper, p.28).

⁹ We acknowledge the EDS’s proposition that these goals might be set out in a separate piece of legislation such as a new Future Generations Act (Severinsen, 2019). We recognise that this potentially has merit, as long as the strategic goals are carried through to RM decision making. We also note that the EDS favours the creation of national and regional strategic spatial plans with meaningful legal influence on other frameworks, such as the RMA and infrastructure legislation (they envisage an RMA separate from infrastructure and local government legislation).

18 Spatial planning should indeed be able to better consider the mix of economic, environmental, social and cultural wellbeing goals, within a long-term time overall horizon (as well as shorter term planning horizons), and a ‘focus on integration of environmental protection, land and natural resource use and infrastructure decision-making, including funding and financing’ (para 84 of the Paper). Further, spatial planning provides a means for public engagement on the vision of a sustainable Aotearoa and the integration of te ao Maori.

19 It should be quite clear that this is not the same as a goal of maximising economic growth. It is not that we see no place for development: rather, we support well planned (urban) development as long as it protects natural assets and acts to mitigate climate change.

Theme three: the importance of ensuring that **sustainable urban development** includes paying attention to all aspects of sustainability, including sustainable urban form, in advancing particular goals such as providing for adequate supplies of housing.

20 We would support wording in the reformed RM legislation which could accommodate various desired aspects of the urban environment, at a fairly high level. This might include, for example, the goal of supporting or providing for a range of **environmentally sustainable**, energy-efficient transport, housing and other building options.

21 This is important in relation to mitigating carbon emissions. While the wording may be constrained by the scope and shape of the RM legislation itself, the objectives should point toward providing and using resources such as land, energy and infrastructure sustainably (which encompasses efficiently) and with minimal carbon impact.¹⁰

22 All this connects strongly to ensuring that strategic spatial planning is comprehensive and integrated (as introduced under theme 2 above). Accordingly, we support the ‘expanded scope’ formulation option in para 87 (f) of the Paper which would see spatial planning as having a wide scope to include not only urban form, housing and transport but also other matters such as environmental protection and restoration, climate change mitigation and adaptation, rural land use change and resource management in the coastal marine area.

23 To underline our earlier point about not splitting the RMA into an environmental management statute and a land use planning statute, the very concept of integrated spatial planning is not consistent with separation of planning provisions from environmental quality protection.

24 We would contest the value of a separation between urban areas where development and infrastructure needs are highlighted, and rural or ‘natural’ areas where

¹⁰ For further discussion, see (Chapman, Bennett, & Howden-Chapman, 2019)

environmental protection needs are highlighted.¹¹ This is a false dichotomy. Protection of environmental quality is important in urban as much as in rural environments, especially for the wellbeing of the more than 85% of New Zealanders who live in the former. Conversely, provision of adequate infrastructure and planning of development and changing land uses is as important for the rural environment and population as in urban areas.

25 Additionally, an artificial distinction between urban and rural environments misunderstands the importance of peri-urban areas around almost all cities, as well as natural areas within city boundaries. Peri-urban areas offer important uses and ecosystem services including the provision of food and water for urban areas, valuable recreation services and in a few cases, critical areas for urban expansion (although there are usually more sustainable alternatives). In cases of necessary expansion, integrated spatial planning is critical so that new greenfield urban areas do not exacerbate unsustainable transport or other infrastructure demands, occupy elite soils or diminish other important ecosystem services.

26 We would be happy to make an oral submission or discuss these points further with the Panel.

¹¹ As seen for example in para 31 compared with para 32 of the Paper.

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