Kōmiti Whakarite Mahere / Planning Committee

OPEN ATTACHMENTS

ADDITIONAL ATTACHMENTS UNDER SEPARATE COVER

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Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Auckland Monthly Housing Update
August 2020
Attachment B

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Prepared by the Land Use and Infrastructure Research and Evaluation Team
Research and Evaluation Unit

August 2020
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1. Summary

Produced by the Auckland Council Research and Evaluation Unit (RIMU), the Auckland Monthly Housing Update brings together a number of significant Auckland housing related statistics.

The report includes:

- dwellings – consented, by type, and with CCCs issued
- residential parcels – created, and inside Auckland Plan monitoring boundaries – 2010 Metropolitan Urban Limit (MUL) and Rural Urban Boundary (RUB)
- permanent and long-term migration
- median residential sales price
- public housing supply and demand in Auckland.
2. Highlights

- 1,439 dwellings were consented in June 2020.
- In the year ending June 2020, 14,776 dwellings were consented in the region.
- 39 per cent of new dwellings consented in June 2020 were houses, 9 per cent were apartments and 52 per cent were townhouses, flats, units, retirement village units, or other types of attached dwellings.
- 45 dwellings were consented on Kāinga Ora or Tāmaki Regeneration Company owned land in June 2020.
- 1,336 dwellings consented in June 2020 were inside the RUB. Over the past 12 months, 93 per cent of new dwellings consented were inside the RUB.
- 21 per cent of dwellings consented were inside the 1,500m walking catchments of the rapid transport network in June 2020.
- 1,371 dwellings were ‘completed’ by having a Code Compliance Certificate (CCC) issued in June 2020.
- In the year ending June 2020, 14,353 dwellings had a CCC issued.
- 1,028 new residential parcels under 5,000m² were created in July 2020.
- In the past 12 months, 8,107 new residential parcels under 5,000m² were created – an average of 676 each month.
- In July 2020, 1,018 new residential parcels of all sizes were created inside the RUB.
- Long-term arrivals in May 2020 were 307.
- 487 public housing applications have been housed in the June quarter 2020.
3. Dwellings consented

In June 2020, 1,439 dwelling consents were issued, which saw 14,776 consents issued for the past 12 months.

<table>
<thead>
<tr>
<th></th>
<th>Jun 19</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,152</td>
<td>1,187</td>
<td>890</td>
<td>1,367</td>
<td>1,439</td>
</tr>
</tbody>
</table>

Data source: Statistics New Zealand
4. Dwellings consented by type

Of all the dwellings consented in June 2020, 566 were houses, 123 were apartments, and 750 were townhouses, flats, units, retirement village units or other types of attached dwellings.

Data source: Statistics New Zealand
5. Dwellings consented on Kāinga Ora or Tāmaki Regeneration Company owned land

In June 2020, 45 dwellings (two per cent of total dwellings consented) were consented on Kāinga Ora (KO) or Tāmaki Regeneration Company (TRC) owned land. These included 3 apartment units, 19 houses and 23 townhouses, flats, and other attached dwelling types.

<table>
<thead>
<tr>
<th></th>
<th>Jun 19</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of KO/TRC dwellings</td>
<td>89</td>
<td>58</td>
<td>24</td>
<td>26</td>
<td>45</td>
</tr>
<tr>
<td>consented</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of total dwellings</td>
<td>8%</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>consented</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data sources: Statistics New Zealand and Auckland Council
6. Dwellings consented by Auckland Plan monitoring boundaries

In June 2020, 1,136 dwellings consented were inside 2010 MUL and a total of 1,336 dwellings consented were inside the RUB. Over the past 12 months, 93 per cent of the dwellings were consented inside the RUB.

<table>
<thead>
<tr>
<th></th>
<th>Jun 19</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside 2010 MUL</td>
<td>952</td>
<td>975</td>
<td>635</td>
<td>1,123</td>
<td>1,136</td>
</tr>
<tr>
<td>Between 2010 MUL and RUB</td>
<td>122</td>
<td>142</td>
<td>184</td>
<td>168</td>
<td>200</td>
</tr>
<tr>
<td>Outside RUB</td>
<td>78</td>
<td>70</td>
<td>71</td>
<td>76</td>
<td>103</td>
</tr>
</tbody>
</table>

Dwellings consented by Auckland Plan monitoring boundaries

Data source: Statistics New Zealand
7. Dwellings consented along the rapid transport network

In June 2020, 306 dwellings (21 per cent of total dwellings consented) were consented inside the rapid transport network’s (RTN) 1500m walking catchments. In the last 12 months, 4073 dwellings were consented inside the 1500m RTN walking catchments.

| Attachment B | Item 12 |

<table>
<thead>
<tr>
<th>Dwellings consented inside the 1500m RTN walking catchments</th>
<th>Jun 19</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of total dwellings consented</td>
<td>26%</td>
<td>26%</td>
<td>14%</td>
<td>32%</td>
<td>21%</td>
</tr>
<tr>
<td>12-month rolling total inside RTN walking catchments</td>
<td>3,827</td>
<td>4,208</td>
<td>4,105</td>
<td>4,067</td>
<td>4,073</td>
</tr>
<tr>
<td>Proportion from the last 12-month inside RTN walking catchments</td>
<td>27%</td>
<td>28%</td>
<td>28%</td>
<td>28%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Data sources: Statistics New Zealand and Auckland Council
Spatial distribution of dwelling consents

Data sources: Statistics New Zealand and Auckland Council
8. Dwellings with CCCs issued (completions)

1,371 dwelling units had received CCCs in June 2020. 73 per cent of the CCCs were issued to dwelling units that had building consents granted within the past two years.

<table>
<thead>
<tr>
<th>CCCs issued</th>
<th>Jun 19</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 years</td>
<td>1,059</td>
<td>1,092</td>
<td>825</td>
<td>632</td>
<td>1,006</td>
</tr>
<tr>
<td>3-4 years</td>
<td>52</td>
<td>207</td>
<td>65</td>
<td>44</td>
<td>343</td>
</tr>
<tr>
<td>4+ years</td>
<td>14</td>
<td>45</td>
<td>20</td>
<td>15</td>
<td>22</td>
</tr>
</tbody>
</table>

Data source: Auckland Council
9. Residential parcels created

In July 2020, the total number of residential parcels under 5000m² created was 1,028.

<table>
<thead>
<tr>
<th>Parcel size category</th>
<th>Jul 19</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
<th>Jul 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1000 m²</td>
<td>575</td>
<td>274</td>
<td>700</td>
<td>640</td>
<td>996</td>
</tr>
<tr>
<td>1000 m² to 1999 m²</td>
<td>16</td>
<td>10</td>
<td>16</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>2000 m² to 2999 m²</td>
<td>9</td>
<td>2</td>
<td>6</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>3000 m² to 3999 m²</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>4000 m² to 4999 m²</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total number of residential</td>
<td>613</td>
<td>292</td>
<td>730</td>
<td>678</td>
<td>1,028</td>
</tr>
<tr>
<td>parcels &lt; 5000m²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New residential zoned parcels < 5000m²

Data source: RMU and Land Information New Zealand
10. Residential parcels by Auckland Plan monitoring boundaries

810 of new residential parcels of all sizes created in July 2020 were inside 2010 MUL and a total of 1,018 new residential parcels were inside the RUB.

<table>
<thead>
<tr>
<th></th>
<th>Jul 19</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
<th>Jul 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside 2010 MUL</td>
<td>508</td>
<td>264</td>
<td>641</td>
<td>634</td>
<td>810</td>
</tr>
<tr>
<td>Between 2010 MUL and RUB</td>
<td>115</td>
<td>27</td>
<td>76</td>
<td>68</td>
<td>208</td>
</tr>
<tr>
<td>Outside RUB</td>
<td>4</td>
<td>9</td>
<td>32</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

Data source: RUM and Land Information New Zealand
11. Permanent and long-term migration

Long-term arrival number in May 2020 was 307. Net migration to Auckland data was not available because the requirement for passengers to complete departure cards stopped in November 2018. A new methodology was developed by Statistics New Zealand, however, no regional output was released at the time this monitoring report was produced.

<table>
<thead>
<tr>
<th>Month</th>
<th>May 19</th>
<th>Feb 20</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrivals</td>
<td>3,257</td>
<td>4,996</td>
<td>2,889</td>
<td>156</td>
<td>307</td>
</tr>
<tr>
<td>Departures</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Net Change</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Permanent and long-term migration in Auckland (last five years)

Data source: Statistics New Zealand
12. Median residential sales price

The median residential sales price from REINZ in Jun 2020 was $928,000. The District Valuation Roll (DVR) median sales price in Jun 2020 was $837,000.

<table>
<thead>
<tr>
<th>Data source</th>
<th>Jun 19</th>
<th>Mar 20</th>
<th>Apr 20</th>
<th>May 20</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>REINZ</td>
<td>$850,000</td>
<td>$950,000</td>
<td>$925,000</td>
<td>$910,000</td>
<td>$928,000</td>
</tr>
<tr>
<td>DVR sales¹</td>
<td>$850,000</td>
<td>$940,000</td>
<td>$875,000</td>
<td>$862,250</td>
<td>$837,000</td>
</tr>
<tr>
<td>Count of DVR sales</td>
<td>2,060</td>
<td>2057</td>
<td>331</td>
<td>1150</td>
<td>466</td>
</tr>
</tbody>
</table>

Median residential sale price

Data source: Real Estate Institute of New Zealand and Auckland Council

¹ Back data has been updated to reflect the latest sales records captured in council’s District Valuation Roll database. Although conveyancers are required to inform council within 30 days after transactions have occurred, the monitoring team has identified the reporting process has not been thoroughly implemented. It should be noted there is no penalty if a conveyancer fails to report to council within the 30-day period. As a result, the reporting lag varies from as short as one working day to as long as six months.
13. Public housing in Auckland²

This section provides an overview of public housing demand and supply in Auckland region. These data are collected and distributed by the Ministry of Housing and Urban Development on a quarterly basis. In the March quarter 2020, 803 public housing applications have been housed with Kāinga Ora or with a Community Housing Provider.

<table>
<thead>
<tr>
<th></th>
<th>March quarter 2019</th>
<th>September quarter 2019</th>
<th>December quarter 2019</th>
<th>March quarter 2020</th>
<th>June quarter 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public housing stock</td>
<td>31,452</td>
<td>32,326</td>
<td>32,872</td>
<td>33,007</td>
<td>33,300</td>
</tr>
<tr>
<td>Public housing register</td>
<td>4,846</td>
<td>5,257</td>
<td>5,456</td>
<td>6,086</td>
<td>6,617</td>
</tr>
<tr>
<td>- housing register (top</td>
<td>1,170</td>
<td>1,313</td>
<td>1,413</td>
<td>1,518</td>
<td>1,531</td>
</tr>
<tr>
<td>row) and transfer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>register (bottom row)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public housing register</td>
<td>719</td>
<td>1,027</td>
<td>1,023</td>
<td>803</td>
<td>487</td>
</tr>
<tr>
<td>- applications housed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data source: Ministry of Housing and Urban Development

² Public housing data are extracted from the Public Housing in Auckland Region factsheets. Detailed monthly and quarterly information can be found on the Ministry of Housing and Urban Development’s website, https://www.hud.govt.nz/community-and-public-housing/follow-our-progress/
14. Notes on data and analysis

**Dwellings consented and dwellings consented by type**

Monthly building consent information is sourced from Statistics New Zealand’s InfoShare online portal, which includes counts of number of new dwellings consented, by type of dwelling.

**Dwellings consented by Auckland Plan monitoring boundaries**

Monthly data for individual building consents is supplied by Statistics New Zealand and mapped to properties by RIMU. This data is then analysed against its location relevant to the Auckland Plan monitoring boundaries, namely the 2010 Metropolitan Urban Limit (MUL) and the Rural Urban Boundary (RUB).

**Dwellings with CCCs issued (completions)**

Monthly building consent completions data is supplied by Auckland Council Building Control. The data shows the total number of dwelling units which have had Code Compliance Certificate (CCC) issued in that month. This gives an estimation of the number of dwellings being "completed", or "released to the market".

**Residential parcels created and residential parcels created inside the 2010 Metropolitan Urban Limit and the Rural Urban Boundary**

Parcel data is sourced from Land Information New Zealand (LINZ). A new dataset is downloaded from the LINZ Data Service by RIMU monthly. A list of parcels created in the previous month is also downloaded; this is used to extract new parcels created in the previous month. The new parcels created data is then analysed for size, the Auckland Unitary Plan (decisions version) zone it falls in and its location relevant to the 2010 MUL and the RUB.

**Permanent and long-term migration**

Migration data is sourced from Statistics New Zealand’s InfoShare online portal; arrivals, departures and net change are estimated for Auckland.

**Median residential sales price**

The Real Estate Institute of New Zealand (REINZ) produces monthly statistics on the median house price sales for Auckland from data provided to it by its members. This data is available on the REINZ website.
Public housing supply


Public Housing Register

The Public Housing Register is comprised of a Housing Register and a Transfer Register. The Housing Register is prioritised by need and consists of public housing applicants who have been assessed as being eligible. The Transfer Register is made up of people already in public housing, but who have requested and are eligible for a transfer to another property. (definition extracted from Ministry of Housing and Urban Development 2019, Public Housing in Auckland factsheet September 2019, page 3. https://www.hud.gov.nz/assets/Community-and-Public-Housing/Follow-our-progress/September-2019/Housing-regional-factsheets-September-2019/67824a28bb/Housing-regional-Factsheets-September-2019-Auckland.pdf)
Memorandum

12 August 2020

To: Planning Committee and all local board members

Subject: Auckland Council and Crown Auckland (housing and urban growth) Joint Work Programme – progress update

From: Anna Jennings, Principal Advisor Urban Growth and Housing

Copied to: Megan Tyler – megan.tyler@aucklandcouncil.govt.nz

Contact information: anna.jennings@aucklandcouncil.govt.nz

Purpose

1. To provide a progress update on the Auckland Council and Crown joint work programme on Auckland housing and urban growth.

Summary

2. Work is continuing on the Auckland Council and Crown joint work programme (JWP) on Auckland housing and urban growth. The JWP is an expression of the collaborative approach between the Crown and Auckland Council to deliver on shared housing and urban growth priorities. Background to the JWP is set out in the context below.

3. Key areas of progress within the first 12 months have included progress on the Drury Transport Infrastructure Project, Infrastructure Funding and Financing (pilots and legislation), Affordable Housing and participation on the Building Code Technical Risk Advisory Group.

4. The Steering Group has updated the joint work programme with Crown for the next 12 months. Staff do not recommend substantive change to the existing workstreams and projects identified in the programme, and a focus is maintained on the priority urban development areas (with a view to leveraging any economic stimulus as a result of the Covid-19 Response and Recovery Fund).

5. A more formalised liaison is now in place between other key areas of work such as the Auckland Housing Programme (AHP) and the Auckland Transport Alignment Project (ATAP). These projects are standing items on the JWP agenda.

Context

6. Improving housing affordability in Auckland by increasing the supply of housing remains a key strategic priority of the Crown’s Urban Growth Agenda and the Auckland Plan 2050. The JWP was designed to respond to these priorities.

7. An initial terms of reference and work programme for the JWP were approved by the Planning Committee in March 2019. Endorsement was given by Cabinet’s Economic Development Committee on 8 May 2019. The terms of reference for the joint work programme outline that the programme is designed for the purpose of:
   - aligning and prioritising objectives
   - effective co-ordination and delivery
   - improving ways of working together
• supporting new/amended policies, legislation and tools.

To date the programme has enabled more targeted conversation between staff from various Crown agencies and from across the council group.

8. The JWP is governed by a Political Governance Group which last met on 20 September 2019 and was attended by signatories to the terms of reference. At that meeting the signatories were provided with a progress update on the joint work programme and a more detailed look at the Government build programme, infrastructure funding and financing, Drury, the Building Act and Code and research in to the Terrace Housing and Apartment zone.

9. One of the key decisions from that meeting was an invitation for Auckland Council to sit on the Building Code Technical Risk Advisory Group. Another key decision was that staff were asked to come back with recommended changes to the work programme. Due to the COVID-19 pandemic and elections later this year a Political Governance Group meeting has not been held.

Discussion

10. Key progress made in since the signing of the JWP include:

• delivery of the City Rail Link (CRL) Development Opportunities programme and agreement on next steps to develop a joint venture between Kāinga Ora and Panuku Development Auckland to develop precinct plans for both Mt Eden and Karangahape Road Stations.

• development of the Drury Preferred Transport Network Investment Programme (including a significant funding allocation from the New Zealand Upgrade Programme).

• completion of the Drury-Opāheke and Pukekohe-Paerata Structure Plans, and private sector activity to progress zoning and land development.

• collaboration on the identification of infrastructure costs and funding options for the Auckland Housing Programme.

• completion of the joint business case for the regeneration of Manukau.

• completion of the review of intensification zones in the Auckland Plan to assess whether the intended outcomes are being achieved.

• successful cross agency work on alternative financing and funding tools (e.g. the Infrastructure Funding and Financing (IFF)) to pay for infrastructure in both brownfield and greenfield locations (using four case studies: Mt Roskill, Tamaki, Red hills and Drury).

11. During the COVID-19 lock down period, the Steering Group served as a useful forum to keep updated and informed of agency responses to the the impacts of COVID-19, to inform a shared medium to long term view on Auckland’s COVID-19 recovery planning. This discussion has moved to clarifying joint spatial priority areas and ensuring collaboration and joined up effort on the recovery effort across Auckland.

12. The Steering Group also took the opportunity to refresh and update the work programme for the next 12 months in light of the progress made and recovery priorities emerging. Staff do not recommend substantive change to workstreams and projects identified in the initial programme. A focus is remains on the priority urban development areas (with a view to leveraging any economic stimulus as a result of the Covid-19 Response and Recovery Fund).

13. Within the Collaborative Policy Initiatives there are new policy initiatives such as the Ministry of Housing and Urban Development’s work on Progressive Home Ownership and the Government Policy Statement on Housing and Urban Development and changes in legislation.

14. There is now ongoing liaison between the Auckland Housing Programme and the Auckland Transport Alignment Project. This will be achieved through the membership of the Steering Group which now includes NZTA and Kāinga Ora.

Next steps

15. Staff will continue to keep elected members updated on progress of the JWP and look to arrange the next Political Governance Group meeting for early 2021.
Memorandum

To: Planning Committee and all Local Board Members

Subject: Passing of the Infrastructure Funding and Financing Act

From: Andrew Duncan, Manager Financial Policy

Contact information: Mobile: 027 458 3643
Email: andrew.duncan@aucklancouncil.govt.nz

Purpose

1. To provide elected members information on the passing of the Infrastructure Funding and Financing (IFF) Act which commenced on 7 August 2020.

Summary

2. The IFF Act is focused solely on the financing and funding of infrastructure. It provides for the establishment of Special Purpose Vehicles (SPV) to raise capital for investment in infrastructure to support growth to be repaid by a levy on those who benefit. By ring fencing this financing from councils’ balance sheets urban development projects can begin sooner than council financing limits allow.

3. The Planning Committee approved the council's submission to the IFF at its meeting on 5th March 2020. The final Act includes several of the key amendments sought by the council.

4. The Infrastructure Funding and Financing Act commenced on 7 August 2020.

5. This tool will work alongside other related central government initiatives such as the Urban Development Act.

Submission to the Infrastructure Funding and Financing Act

6. In its submission, the council supported the IFF Act as it:
   - provides additional capital for infrastructure projects without impacting the council’s debt limits or overriding planning controls
   - provides safeguards to protect the council’s interests as a levy cannot be recommended to the minister without the council’s endorsement
   - includes safeguards to protect the interests of levy payers including a cap on the total levy, ongoing monitoring and transparent disclosure to potential purchasers
   - enables the council to recover the cost of collecting the levy
   - enables residual risks to be managed by a Government Support Package and council is precluded from providing financial guarantees eliminating our exposure to cost overruns

7. The council’s submission recommended the following amendments which have been incorporated in IFF Act:
   - land acquisition costs are eligible as an establishment cost recoverable under the levy
   - a recommendation should not proceed to the minister unless infrastructure and levy endorsements have been provided
   - any conditions a responsible infrastructure authority imposes under a conditional asset endorsement must be included in a vesting agreement
   - the Local Government Official Information and Meetings Act 1987 (LGOIMA) has been amended so that if a property is liable to pay a levy, information about the levy period, how
the liability is assessed, and amounts of any unpaid levy must be included in the Land Information Memorandum (LIM)

- a timeframe of two months within which an SPV should make a direction to return any contribution
- amendment to the Local Government (Rating) Act 2002 to provide that rates have priority over the levy in the event of a rating sale.

8. The council’s submission also suggested other changes which were not adopted. The key submissions and the Department of Internal Affairs (DIA) responses were:

- a recommendation that the levy proposal includes risk management and risk ownership.
  DIA advised the committee that risk management need not be a requirement of a levy proposal as responsible infrastructure authorities will be able to manage their risk exposure through imposing conditions on an infrastructure endorsement or via the vesting agreement
- a requirement for community engagement to support effective decision making
  DIA advised that there is an expectation that local authorities will consider the place of levies in their financial strategies and revenue and financing policies which will be subject to public consultation.

9. The Department of Internal Affairs’ advice report can be found here.

Next steps

10. All levy proposals received will be reported to the relevant local boards and then Governing Body or relevant committee for a decision on endorsement of both the proposed infrastructure and levy.
Memorandum  
12 August 2020

To: Planning Committee and all Local Board Members
Subject: Urban Development Act
From: Anna Jennings – Principal Advisor, Urban Growth and Housing
Contact information: anna.jennings@aucklandcouncil.govt.nz

Purpose
1. To notify Planning Committee and local board members that the Urban Development Act (the Act) commenced on 7 August 2020.

Summary
2. The Urban Development Act passed its third reading on 22 July 2020 and was enacted by Royal Assent on 6 August 2020. The Act provides for functions, powers, rights, and duties of the Crown entity Kāinga Ora - Homes and Communities, to enable it to undertake its urban development functions.
3. The Auckland Council submission to the Act was submitted on 14 February to the Environment Committee. Councillor Darby and Councillor Bartley spoke to the submission at Select Committee on 6 April 2020.
4. A key change that was made to the Act in line with our submission was the extension of the timeframe for response from 10 working days to 20 working days. A number of other changes were made which are set out in the discussion below.

Context
5. The Act was introduced to Parliament on 5 December 2019 and had its First Reading on 10 December 2019. The Act sets out the functions, powers, rights and duties of the Kāinga Ora Homes and Communities (Kāinga Ora) to enable it to undertake its urban development functions as follows:

   (1) The purpose of the Act is to facilitate urban development that contributes to sustainable, inclusive, and thriving communities.

   (2) To that end, this Act –

      a. provides a mechanism to streamline and consolidate processes for selected urban development projects initiated, facilitated or undertaken by Kāinga Ora – Homes and Communities; and

      b. provides powers for the acquisition, development, and disposal of land use for the purpose of Kāinga Ora performing its urban development functions; and

      c. provides additional powers, rights, and duties for the purpose of Kāinga Ora performing its urban development function.

6. The Act gives Kāinga Ora access to a ‘tool box’ of development powers. Most of these powers can only be used within a specified development project but some are also available for use in business as usual developments that Kāinga Ora undertakes. Each of the powers has been designed to address a specific barrier to development.
7. The Act creates a process to progress a new type of urban development project – called a Specified Development Project (SDP). SDPs as set out in the Act are designed to deliver improved urban development outcomes, including a mix of housing types, good transport connections, employment and business opportunities, key infrastructure, community facilities, and green spaces.

8. Submissions on the Act closed on 14 February 2020. Delegation as approved by the Planning Committee on 5 December 2019 included the Chair and Deputy Chair of the Planning Committee and an Independent Māori Statutory Board member, Tau Henare. Auckland Transport and Watercare Services Limited made separate submissions. Staff ensured consistency in messaging across all submissions.

9. At Planning Committee on 4 February 2020, the Committee approved the approach to the submission that maintains support for Kāinga Ora to undertake urban development within Auckland but had real concerns with a number of the provisions and therefore requested that the Bill be amended to:
   i) adopt a partnership approach between central government, local government and mana whenua to avoid unnecessary duplication
   ii) align with the Auckland Plan 2050 to provide certainty to our communities, infrastructure providers, and funding and implementation in the long-term plan
   iii) ensure that appropriate safeguards are put in place in relation to social and physical infrastructure networks
   iv) integrate this Bill with the other national directions and/or initiatives
   v) acknowledge that Auckland Council has a different governance structure, as established under the Local Government (Auckland Council) Act 2009 and ensure that ample time and opportunity is provided for input.

10. Thirteen local boards provided feedback to the Act which were appended to the final submission.

11. Councillor Darby and Councillor Bartley spoke to the Auckland Council submission at Select Committee on 6 April 2020. Auckland Transport and Watercare Services Limited also spoke at Select Committee on the same day.

Discussion

12. A number of changes were made to the Act in response to submissions and the recommendations from the Select Committee. However, there is concern that the Act did not adopt the partnership approach proposed in our submission or have stronger regard to the Auckland Plan 2050.

13. Key amendments are listed which were as a direct result of the relief sought in the Auckland Council submission:
   - A direct reference to the Waitakere Ranges Heritage area under Clause 34 that sets out the matters that Kāinga Ora must have regard to in an assessment of potential specified development projects.
   - Under Clause 43 (territorial authorities are invited to indicate support for a specified development project) – wording has been amended to allow for 20 working days for comment, not the 10 working days as proposed in the Bill.
   - Clause 55 (key amendments of a specified development area) – wording has been amended to ensure that the Minister must look at both engagement and (public) consultation when considering recommended amendments.
   - Clause 62 (draft development plan) - in line with our submission the subclause has been amended to include the identification of existing infrastructure and the integration of new infrastructure into the network whether within or outside the area.
• Clause 69 (relevant considerations) - now requires that Kainga Ora must have regard to any spatial plans under the Local Government (Auckland Council) Act 2009 which includes The Auckland Plan 2050.

• Clause 73 (environmental matters) to be considered in the evaluation report have been strengthened to include the Māori cultural, archaeological, and historic heritage values identified; any advice it has received from an entity responsible for the management of a natural resource within the project area; and any emissions reduction plan or national adaptation plan.

• Clause 74 (Infrastructure statement) has been amended to include an assessment of the effect on existing infrastructure rather than simply a ‘description’ and estimated operating costs associated with proposed infrastructure and to include details of the estimated operating costs associated with the proposed infrastructure.

• Clause 152 (Limitations on Kāinga Ora exercising roading powers) has been amended to state if requested by the relevant territorial authority, Kāinga Ora must reimburse the relevant territorial authority for its administrative costs incurred in undertaking the disposal.

• Clause 166 (limitation on Kāinga Ora exercising water-related infrastructure powers) – amended to extend the timeframe of the notice period from 20 working days to 30. In addition the clause specifies that the alterations will not be contrary to an obligation of the controlling authority that relates to the quality of services and is imposed by any enactment; or the existing conditions of any resource consent, or any drinking-water standards (within the meaning of section 69G of the Health Act 1956).

14. A number of other corrections, clarifications and procedural matters that were identified in the Auckland Council submission were also adopted in the final version of the Act.

**Next steps**

15. Staff are currently establishing internal processes to respond to the Act and will work closely with Kāinga Ora as they begin to exercise powers under the Act. A report will be prepared to the relevant Committee to establish delegations under the Act.

16. Further work will be done to explore the implications of the Act and be presented to local board members and Planning Committee at a future date. At this early stage staff are unaware of any areas being proposed to be a SDP.
Memorandum

26 August 2020

To: Planning Committee and all local board members


From: Jacques Victor, General Manager Auckland Plan, Strategy and Research

Contact Information: simon.randall@aucklandcouncil.govt.nz

Purpose

1. To provide an update to the Planning Committee and local board members on the report of the Resource Management Review Panel.

Summary

- The government is undertaking a comprehensive review of the resource management system with a primary focus on the Resource Management Act 1991. As a first step, the Resource Management Review Panel was established to conduct a comprehensive review, and the panel’s report and recommendations have now been published.
- In general terms, the panel’s report is well aligned to Auckland Council’s submission. The scale of reform is likely to be substantial and would have significant impacts on the council.
- The next government will consider the panel’s report after the election. Any reform proposal would be subject to further engagement and consultation and is likely to take several years to put in place.

Context

2. In late 2018, the government announced it would undertake a two-stage process to improve the resource management system:
   - first, reverse some changes made by the previous government in 2017 and implement a new consenting process to support the National Policy Statement on Freshwater Management. This has now been implemented.
   - second, a comprehensive review of the resource management system.

3. The government established the Resource Management Review Panel in July 2019 to lead the second stage. The review’s aim was to improve environmental outcomes and better enable urban and other development within environmental limits.

4. The review’s scope included:
   - a primary focus on the Resource Management Act 1991 (RMA)
   - looking at how the RMA interfaces with the Local Government Act 2002 (LGA), Land Transport Management Act 2003 (LTMA) and Climate Change Response Act 2002 (CCRA)
   - a new role for spatial planning
   - consideration of the potential impact of and alignment with other relevant legislation (including the Building Act 2004 and Fisheries Act 1996), government programmes and regulatory reviews currently underway within the resource management system
   - role of institutions, that is, consideration of which entities are best placed to perform resource management functions.

6. Auckland Council made an extensive submission that was developed with a political working party which included members of the IMSB, local boards, and the Governing Body, and was approved under delegated authority from the Planning Committee. Feedback from local boards informed the development of the submission and was appended.

About the report

7. The Resource Management Review panel submitted its report to government in June 2020 and it was publicly released on 29 July 2020. The report can be accessed via this link.

8. The report references Auckland Council extensively and is, for the most part, well aligned with the council’s submission. Several recommendations use wording similar to the council’s submission and a number of recommendations respond directly to the council’s submission.

Discussion

Key elements of the proposed reform

9. The panel proposes that the RMA be repealed and replaced with a new act called the Natural and Built Environments Act (NBEA). The NBEA’s purpose would be to enhance the quality of the environment (including the built environment) and achieve positive outcomes to support present and future generations’ wellbeing. This would include recognition of the concept of Te Mana o te Taiao (the importance of maintaining the health of our natural resources and their capacity to sustain life). This new focus would be achieved through a system designed to deliver specified outcomes, targets and limits for both the natural and built environments.

10. The panel proposes two additional pieces of legislation alongside the NBEA.

11. First, the Strategic Planning Act (SPA) will require the development of spatial plans in every region. These plans will be similar to the Auckland Plan but will be required to be given effect to in the equivalent regional and district plans, the Long Term Plan, and the Regional Land Transport Plan. The purpose of the Land Transport Management Act is proposed to be amended to align it with the Local Government Act and the SPA’s purpose of promoting the four well-beings of present and future generations.

12. Second, the Managed Retreat and Climate Change Adaptation Act (MRCCAA) to address compensation and existing use rights related to managed retreat.

13. Key aspects of the proposed system which address concerns with the current RMA include:
   - a new focus on enhancing the quality of the natural and built environments to support the wellbeing of present and future generations
   - improved direction for central and local government decision-makers through the use of specified outcomes, targets and limits
   - greater use of mandatory national direction
   - improved recognition of Te Tiriti o Waitangi and te ao Māori
   - establishment of long-term strategic and integrated planning for resource management and infrastructure
   - a stronger focus on decision-making about resource use, development and protection in plans rather than consents
   - simplified and integrated regulatory plans, which are clearer and more directive, and ensuring they respond to changes in economic, social, cultural and environmental conditions through improved planning processes
   - an improved consenting system that better differentiates between activities with significant and minor effects
   - a wider range of approaches to resource allocation than just the ‘first-in, first-served’ approach, guided by principles of sustainability, equity and efficiency
   - wider use of economic instruments such as permit trading and environmental taxes to complement regulation
14. The panel’s proposal seeks to improve integration at a regional level. To support this the proposed spatial and combined regulatory plans would be developed at the regional level by panels composed of representatives of the regional council and territorial authorities of that region, along with representatives of local mana whenua, and of the Minister of Conservation. It is proposed that these would make decisions independently from their constituent members, with the Minister for the Environment having new powers to overcome any conflict. The proposed mechanism reflects the current landscape of local government in most regions but seems unnecessary for unitary authorities such as Auckland Council and Gisborne District Council.

Alignment with Auckland Council’s submission

15. The following table looks at the key aspects of council’s submission and how they align with the panel’s proposed structure. It is set out against chapters of the panel’s report.

<table>
<thead>
<tr>
<th>Area of focus</th>
<th>Council’s submission</th>
<th>The panel’s report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1: Integrating land use planning and environmental protection</td>
<td>Retain a single integrated approach to land use planning and environmental management.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Integration of land use and environmental management</td>
<td></td>
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<tr>
<td>Chapter 2: Purpose and principles</td>
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<tr>
<td>Outcomes</td>
<td>Add a focus on achieving positive outcomes alongside managing effects.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Consideration of the needs of future generations</td>
<td>Take a longer-term view, with emphasis on current and future generations in the purpose and principles.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Built environment</td>
<td>Expand the purpose and principles to include built environments, including the provision of key infrastructure.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Climate change mitigation and adaption</td>
<td>Climate change mitigation and adaption should be explicitly addressed in the purpose and principles.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Environmental limits</td>
<td>Clarify the system to require environmental limits and setting of targets.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Hierarchy of considerations</td>
<td>A clear hierarchy of considerations which establishes a clear framework for balancing trade-offs.</td>
<td>Not included in the panel’s proposal.</td>
</tr>
<tr>
<td>Positive environmental improvement</td>
<td>Requiring improvement of the environment.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Te Tiriti o Waitangi</td>
<td>Greater recognition and provision of Te Tiriti.</td>
<td>The principles of Te Tiriti must be “given effect to”.</td>
</tr>
<tr>
<td>Item 12</td>
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</table>

<table>
<thead>
<tr>
<th>Chapter 3: Te Tiriti o Waitangi me te ao Māori</th>
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</thead>
<tbody>
<tr>
<td><strong>Treaty-based partnership</strong></td>
</tr>
<tr>
<td>- the principles of Te Tiriti must be “given effect to” and this is proposed to be supported with national direction</td>
</tr>
<tr>
<td>- mana whenua have direct representation on decision making bodies</td>
</tr>
<tr>
<td>- redesigning the Mana Whakahono a Rohe (Iwi participation arrangements) process to provide for greater opportunities to agree on partnership.</td>
</tr>
</tbody>
</table>

| **Te ao Māori, tikanga and community practices and interests, and mātauranga Māori** | Appropriate recognition of, and provision for, te ao Māori, tikanga and community practices and interests, and mātauranga Māori within the resource management system. included in the panel’s proposal in several ways: |
| - Principles and purpose of the proposed NBEA which: |
|  o requires that the principles of Te Tiriti must be “given effect to” |
|  o provides for recognition and protection of tikanga Māori as an outcome of the system |
|  o requires anyone performing functions under the act to provide for kaitiakitanga and tikanga Māori and the use of mātauranga Māori. |
| - Explicit participation in decision making across all levels of the system by mana whenua |
| - Funding challenges for capability and capacity to participate are identified and in part addressed |
| - Expanded role for national direction to support. |

| **Funding for Māori participation** | Better funding for Māori to fully participate in the system and to ensure te ao Māori is appropriately reflected. Addressed in part. It is proposed that mana whenua undertaking resource management roles should be compensated as part of the system. Wider funding for mana whenua capacity and capability is highlighted as an issue but no mechanism for funding this is proposed. |

| **National Māori Advisory Group** | Support for a National Māori Advisory Group being established to monitor the efficiency and effectiveness of provisions. included in the panel’s proposal. |
### Chapter 4: Strategic integration and spatial planning

| Legal basis for spatial planning | Spatial planning should be embedded in the Local Government Act 2002 (LGA), as is the case for the current Auckland Plan, to enable alignment to:  
- the four well-beings, and  
- legislation governing funding and infrastructure provision decision making processes. | Addressed in other ways – the panel propose that spatial planning is governed by a separate new piece of legislation which would achieve the alignment to the four well-beings, and processes that determine funding and the provision of infrastructure. |
| Weight given to spatial strategy by other plans | Spatial plans should be given adequate weight by other key plans e.g. the Long Term Plan, the Unitary Plan, the Thirty-Year Infrastructure Plan, the Regional Land Transport Plan. | Adopted – other plans to be “consistent with” spatial strategies. |
| Purpose of spatial plans | Spatial plans should be broad as opposed to being narrowed to specific land use matters. | Adopted in part – the panel’s proposal is broader than just a narrow focus on specific land use matters but is narrower than council requested. The panel sees the purpose of spatial planning as “promoting the social, economic, environmental and cultural wellbeing of current and future communities by improving strategic integration across the resource management system”. The Auckland Plan’s legislation has a broader requirement to “set a strategic direction for Auckland and its communities that integrates social, economic, environmental, and cultural objectives” which is missing from the panel’s recommendations. |
| Spatial planning and environmental improvements | Spatial planning should play a role in achieving improved environmental outcomes, particularly in being able to address cumulative effects. | Included in the panel’s proposal – spatial strategies are identified as playing a role in understanding how environmental limits and targets could be met geospatially at a high level. |
| Requirements to do a spatial strategy | All regions should be required to develop some form of a regional spatial strategy. | Included in the panel’s proposal. |
| Mana whenua and mataawaka involvement in spatial strategy development | There needs to be provision for mana whenua and mataawaka involvement in their development. | Included in the panel’s proposal. Mana whenua involvement is through representation on the decision-making body, and through wider consultation with mana whenua. Mataawaka would be identified by the legislation as stakeholders in the SPA who would need to be involved in working groups or reference groups. |
### Attachment F

**Item 12**

<table>
<thead>
<tr>
<th>Consultation and decision-making on spatial strategies</th>
<th>Consultation and decision-making for spatial planning needs to be more flexible and holistic than RMA decision making processes.</th>
<th>Adopted – spatial plans would adopt a similar process to the special consultative procedure in the LGA.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alignment with central government infrastructure provision</td>
<td>Central government’s alignment of its infrastructure provision to regional spatial planning would enable closer cooperation between local and central government.</td>
<td>Addressed in part – it does not require central government to align its approach to regional spatial strategies but does require the provision of a national priorities statement which may assist in part as a coordination and communication tool.</td>
</tr>
<tr>
<td>Inter-regional alignment of spatial strategies</td>
<td>Approaches that could be employed to facilitate inter-regional cooperation on issues which cross regional boundaries.</td>
<td>Partially addressed in two ways. First, the National Priorities Statement could assist in addressing cross boundary issues. Second, the legislation would require consultation with neighbouring councils.</td>
</tr>
</tbody>
</table>

**Chapter Five: A more responsive system: addressing status quo bias**

Existing use rights | In some circumstances e.g. where necessary to adapt to the effects of climate change or where they would breach environmental bottom lines councils should be able to modify or extinguish existing use rights. | Included in the panel’s proposal – the proposal includes principles that guides decisions in this space, and while it suggests that protection of existing use rights is appropriate in most circumstances it adopts council’s proposed exemptions. The MRCCAA would also assist to address compensation and existing use rights resulting from climate change adaptation including managed retreat. |

**Chapter Six: Climate change and natural hazards**

National direction | National direction that provides clearer planning restrictions for development in high risk areas. | Included in the panel’s proposal – the proposal includes mandatory national direction which would be consistent with the national climate change risk assessment and national adaptation plans developed under the Climate Change Response Act (CCRA). |
<p>| Supporting a low carbon future | The RMA needs to enable decision making that supports a low carbon future, and this needs to be identified as a key outcome for the system to deliver. | Included in the panel’s proposal – the proposal greatly expands the need to consider greenhouse gas emissions in a more systematic way. |
| New tools to support adaptation | Council supports enabling a range of tools, such as dynamic adaptive pathway approaches and spatial planning, to support long-term planning for climate adaptation. | Included in the panel’s proposal – the NBEA would allow for adaptive planning measures, and spatial strategies would consider climate change adaptation and natural hazard risk, informed by the national adaptation plans developed under the CCRA. |</p>
<table>
<thead>
<tr>
<th>Implementation of the national adaptation plan</th>
<th>Clear and streamlined mechanisms should be introduced to the resource management system to enable incorporation of the national adaptation plan being developed under the CCRA.</th>
<th>Included in the panel’s proposal – spatial strategies and regulatory plans have to consider and incorporate and translate the national adaptation plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority on the preservation of life</td>
<td>Support the preservation of life being elevated above the matters of national importance. Where the hazard presents known risks to human life and property, the focus should be on avoiding development rather than the option to remedy and mitigate the effects.</td>
<td>Partially adopted – preservation of life is not elevated in the way proposed; however the proposal gives greater tools to address the issues raised in the NBEA and in the MRCCAA.</td>
</tr>
<tr>
<td>Chapter 7: National direction</td>
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<tr>
<td>Mandatory national direction</td>
<td>National direction should be required for a range of matters, not just the coastal environment.</td>
<td>Included in the panel’s proposal – several new areas of mandatory direction are given (e.g. environmental limits, enhancement of natural and built environments, Te Tiriti o Waitangi, natural hazards and climate change).</td>
</tr>
<tr>
<td>Integration</td>
<td>National direction should be delivered in a single combined instrument to ensure it is integrated and coherent.</td>
<td>Not included in the panel’s proposal – however there is a recommendation that any conflicts between existing and new national direction would need to be addressed before the new NBEA came into force.</td>
</tr>
<tr>
<td>Chapter 8: Policy and planning framework</td>
<td></td>
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<tr>
<td>Appointments to plan hearings panels</td>
<td>Opposed to central government appointing commissioners, and if the independent hearings panel process was adopted, then council supported a joint council/central government process for appointing hearing commissioners.</td>
<td>Partially adopted – the panel recommends that independent hearings panels be appointed by the Principal Environment Judge with an Environment Judge as the chair. It allows for nominations from the joint committee of councils, mana whenua and a representative from the Minister of Conservation.</td>
</tr>
<tr>
<td>Qualifications of plan hearings panel members</td>
<td>Supported members being accredited commissioners with at least one member having an understanding of tikanga and mātauranga Māori.</td>
<td>Included in the panel’s proposal.</td>
</tr>
<tr>
<td>Central government oversight</td>
<td>Opposed to draft plans needing to be approved by central government before they can be notified.</td>
<td>Not included in the panel’s proposal – the Ministry for the Environment would review the plans before they were notified. This review would focus on consistency with national direction and legislation.</td>
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<td>Item 12</td>
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<tr>
<td><strong>Single step plan making</strong></td>
<td>The council supports the ability to adopt a streamlined process similar to that through which decisions were made on the Proposed Auckland Unitary Plan. Included in the panel’s proposal – the panel also suggests removal of the current “two step” process.</td>
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<tr>
<td><strong>Restrictions on private plan changes</strong></td>
<td>Clear restrictions on private plan changes must be introduced to ensure they do not challenge fundamental aspects of a council’s strategic planning framework that have already been set. Included in the panel’s proposal – private plan changes would be allowed under fewer circumstances.</td>
<td></td>
</tr>
<tr>
<td><strong>Moratorium on private plan changes</strong></td>
<td>Councils should be able to reject any private plan changes within five years of a plan becoming operative rather than the current two years. Partially addressed in the panel’s proposal – moratorium pushed out to three years.</td>
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<tr>
<td><strong>Chapter 9: Consents and approvals</strong></td>
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<tr>
<td><strong>Greater clarity in plans</strong></td>
<td>Plans should give greater clarity, such as through greater use of permitted activity status for lower impact/risk activities and prohibited activity status for highly undesirable activities. Included in the panel’s proposal – the panel’s proposal envisages plans that are clearer and more directive meaning more decisions are made at the plan level rather than at the consent level.</td>
<td></td>
</tr>
<tr>
<td><strong>Reduction of statuses</strong></td>
<td>Reduce the number of activity statuses, for example remove controlled and non-complying activities. Included in the panel’s proposal – non-complying category should be removed.</td>
<td></td>
</tr>
<tr>
<td><strong>Graduated timeframes</strong></td>
<td>Graduated and proportionate timeframes that reflect the nature and complexity of a proposal/consent application. Not included in the panel’s proposal – the panel felt that current consenting timeframes in the RMA are appropriate.</td>
<td></td>
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</tbody>
</table>
| **Notification** | Rules determining what is notified need to be simplified and potentially be determined by activity statuses. Included in the panel’s proposal – the panel recommends:  
  • controlled activities be non notified  
  • notification of restricted discretionary activities be specified by the plan  
  • discretionary activities be fully notified. |
| **Easier consent hearings for minor issues** | A less formal and legalistic approach for appeals for minor issues rather than the current consent hearing process. Included in the panel’s proposal – minor issues could be resolved by an adjudicator. |
| **Chapter 10: Designations** |  |
| **Two step designations** | Allowing different types of designations e.g. one type of designation that achieves route protection earlier at a lower level of design information, and another designation type applied for situations where designs have been done. Included in the panel’s proposal – the panel recommends that the first stage of the designation assessment process should be kept at a high level, focused on considering the designation’s impact on set outcomes, and the environmental effects of the designation footprint, with the subsequent process addressing the potential impacts of the works within the footprint through construction and implementation plans. |
| Lapse times of designations | There should be longer lapse times for key infrastructure projects to enable long term infrastructure funding and planning, particularly for linear infrastructure – 15-year lapse period for full designations and up to 30 years for concept designations. | Partially adopted – a new default lapse period of 10 years, with extensions of up to a further 10 years. |

<table>
<thead>
<tr>
<th>Chapter 11: Allocation of resources and economic instruments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Principles approach to allocation</td>
<td>Resource allocation decisions for finite resources should be underpinned by principles and bounded by environmental bottom lines instead of a ‘first come first served’ model.</td>
</tr>
<tr>
<td>Alignment of allocation decisions</td>
<td>Decisions around allocation for a resource should be able to be made at the same time to ensure that resources can be allocated to the best uses.</td>
</tr>
<tr>
<td>Flexibility? to review allocation consents</td>
<td>When environmental outcomes are not being met allocations should be able to be reviewed and changed.</td>
</tr>
<tr>
<td>Economic instruments</td>
<td>Support greater use of economic instruments to support the outcomes sought by the resource management system.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chapter 12: System oversight</th>
<th></th>
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<tbody>
<tr>
<td>Increased national system monitoring</td>
<td>Central government (or independent agency) should play a greater role in monitoring the resource management system.</td>
</tr>
<tr>
<td>Continued requirements to monitor</td>
<td>The statutory framework should require local and central government to monitor the state of the environment and the effectiveness of their policies and plans.</td>
</tr>
<tr>
<td>Monitoring and decision making</td>
<td>Greater emphasis should be placed on the interconnectedness between monitoring and decision-making.</td>
</tr>
<tr>
<td>Mātauranga Māori</td>
<td>Mātauranga Māori should be utilised to develop a monitoring framework, and Māori should also be involved in state of the environment monitoring and reporting.</td>
</tr>
</tbody>
</table>
## Chapter 13: Compliance, monitoring and enforcement

| Wider range of penalties for offences | A wider range of penalties for offences including spot fines, restorative justice, enforceable undertakings and more sentencing options such as community service, home detention, or even development or consent suspensions. | Key aspects adopted. |

### Next steps

16. The government will respond to the panel’s report after the election.

17. This response will include widespread consultation in the development of legislation and government policy. The panel report recommends that the NBEA and the SPA be developed and legislated within the next two years. This represents a significant work programme for the council.
Memorandum

To: Planning Committee members
Cc: Environment and Climate Change Committee members
Chief Executive, Independent Māori Statutory Board
Director Regulatory Services

Subject: Auckland Council’s Strategic Approach to Groundwater

From: Dave Allen Manager Natural Environment Strategy Unit
Jassalyn Bradbury Senior Analyst, Natural Environment Strategy Unit
Jessica Gerry Analyst – Strategy, Natural Environment Strategy Unit

Contact Information: jassalyn.bradbury@aucklandcouncil.govt.nz

Purpose

1. To inform Planning Committee members of Auckland Council’s Strategic Approach to Groundwater programme.

Summary

2. Groundwater is a vital resource, supporting community, industry, irrigation and domestic activities. Increasing demand, droughts and climate change have the potential to impact the reliability of the water supply, particularly if the management framework is not fit for purpose.

3. In upholding its statutory responsibilities in the management of water, Auckland Council needs to ensure that water is used within identified limits while safeguarding the life-supporting capacity and the natural, social and cultural values of water.

4. Natural Environment Strategy Unit (NES) staff started a cross-council Strategic Approach to Groundwater programme in early 2017. This recognised that our groundwater resources require informed and efficient management to ensure its sustainability. The programme sought to evaluate how to improve integration between planning, regulatory and operational activities – to achieve outcomes sought for groundwater – and break down silos.

5. The programme developed and delivered on key planning and technical work areas to improve groundwater management outcomes (with contributions from Research and Evaluation Unit (RIMU) and Resource Consents). A number of key technical milestones have been achieved over the last three years in groundwater priority areas, and several other areas of work are underway.

6. Resources permitting, NES staff will continue to progress the Strategic Approach to Groundwater programme so that management outcomes, derived from statutory responsibilities and strategic directions, are systematically improved across the organisation. This will support a more sustainable supply of groundwater for Aucklanders, while restoring and enhancing our waterbodies. There are a number of planned strategic projects for the 2020-21 financial year to enhance the performance of council’s management system.
Context

7. The Auckland region is currently experiencing a prolonged drought. While the effect of this on the reticulated water supply is widely known\(^1\), the significant implications for non-reticulated water users are generally less known. Further, while the implications of drought on surface water bodies is easily visible, the effect of droughts on Auckland’s groundwater resources is less easily seen and understood.

8. Understanding Auckland’s groundwater resource is crucial. Groundwater is an important source of water in many rural areas (for community, industry, irrigation and domestic use) and for some industry within the municipal water supply area. There are also a number of communities that receive treated water through the reticulated network, that comes from groundwater or springs.\(^2\)

9. Better information is required about the status of the groundwater resource, not only to ensure water security, but also from an environmental health perspective. Historically, the take and use of groundwater has been preferred over surface water from streams as it is of a higher quality and is more reliable.

10. Thousands of Aucklanders rely on groundwater. There are approximately 1200 active groundwater take consents and 450 notified permitted groundwater takes under the Auckland Unitary Plan (AUP). Auckland Council uses groundwater for some community facilities (e.g., campgrounds and parks). Each year there are hundreds of new bores drilled in the region, for the purpose of extracting water. In addition, thousands of bores across the region supply water in accordance with section 14(3)(b)\(^3\) of the Resource Management Act 1991 (RMA).

11. Auckland Council manages groundwater in more than 100 groundwater bodies (otherwise referred to as aquifer management areas). Although on a national scale most of Auckland’s aquifers are comparatively low yielding (low rate of extraction), this resource is crucial to the region. While some aquifers have a large amount of unallocated water available to be taken, others are in high demand and are close to or at full allocation (e.g. some aquifers in the Franklin region).

12. Auckland Council allocates groundwater to users such that the adverse effects of taking and using water on social, cultural and natural values are less than minor. There are limits in place to ensure there are no significant adverse effects associated with water use, and that there will be water availability for years to come. With over 100 aquifer management areas in the region, it is not economically feasible to investigate all at the same level of detail, as is the case nation wide. As demand for water increases, so does the level of scientific research and scrutiny to ensure the estimate is as accurate as possible.

13. NES started the Strategic Approach to Groundwater programme in early 2017. Specifically, the programme addresses a number of research, technical and planning gaps. This initiative sought to provide a stocktake on how groundwater management could be systematically improved.

14. Statutory responsibilities under the RMA, and expectations under the existing and recently gazetted National Policy Statement for Freshwater Management (NPS-FM), seek to better account for and support our capacity and capability to manage groundwater resources effectively. In regulating the taking and use of water, Auckland Council must ensure that it discharges its regional council functions and responsibilities, including the upholding of cultural and ecological values.

15. NES has led the programme with input and support from key council business groups with groundwater management responsibilities, such as RIMU, Water Allocation Team (Resource Consents), Plans and Places and Healthy Waters. Priority actions were identified through evaluation and proposed mitigations to make systematic and operational enhancements/improvements.

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\(^{1}\) On 7 May 2020 Auckland Council’s Emergency Committee voted unanimously to introduce mandatory water restrictions, which came into effect across the region on 16 May 2020 and restricted outdoor water use.

\(^{2}\) These communities include Murawai, Waitakere, Snells Beach, Bombay, Wauku, Owainuku and Waitakaroa.

\(^{3}\) Section 14(3)(b) of the RMA allows that freshwater be taking and used for an individual’s reasonable domestic needs or the reasonable needs of a person’s animals for drinking water, as long as it is not likely to have an adverse affect on the environment. There is no requirement to notify or report usage to council.
Discussion

Strategic Approach to Groundwater Programme key work areas and achievements

16. The Strategic Approach to Groundwater programme comprises both technical and planning work areas that seek to improve water quantity and quality outcomes. The programme aims to address underlying systematic issues so that our management approach is more cognisant of ‘closing the policy loop’ between planning, regulatory and operational activities.

17. A number of important components of the work programme were completed over the past 12 months including:

- a region wide re-assessment of aquifer availabilities and re-accounting of the proportion of available water that has been allocated to date. The purpose was to ensure that further allocation is based on transparent accounting. Each aquifer management area has an estimated percentage of the total water available for sustainable extraction. The remaining quantity of water must be maintained in the aquifer to support critical natural processes. These processes include maintaining baseflow to rivers and streams, preventing saltwater intrusion, preventing ground subsidence, and maintaining the ability of the aquifer to provide water for use. The water allocated for use is divided into various categories of takes (Figure 1). Through this process an accounting framework was developed with the purpose to report and make available transparent groundwater accounting. This also supports robust and informed consent decision-making.

- creation of a groundwater budget\(^4\) for a priority high use aquifer system (Franklin Kaawa) and review of the estimated groundwater availability\(^5\). High use aquifers, such as the Franklin-Kaawa, are under immense demand pressure. Water budgets ensure council staff utilise up to date science to ensure the appropriate quantity is available for use.

- review the ability of council’s State of the Environment groundwater monitoring network to characterise the state of the region’s aquifers, facilitate understanding of long-term trends, and use that understanding to inform policy\(^6\). This in turn supports the council’s capability to meet requirements of national and regional level directives including the NPS-FM and the AUP.

- the updating and redrawing of existing aquifer boundaries used in the council’s AUP and as a basis for consenting (Figure 2). This new information has been updated in the council’s GeoGateway (Auckland Council’s online hub for geospatial information and maps). These boundaries now include up to date research and consented information and are a reliable source of information to provide local expertise to assist technical investigations and consenting.

- an investigation into the most appropriate way to make freshwater allocation and availability information available, in a transparent way, to the public as is required by NPS-FM. Also, to facilitate information transfer between various arms of council to help ensure management outcomes are met. GNS have produced a technical letter with learnings from other regional councils on the matter.

18. A number of projects that are also underway:

- the development of a region wide geospatial model to estimate the unconsented water takes allowed under section 14(3)(b) of the RMA. This will ensure resource consent planners allocate water sustainably through the consenting process (taking into account consented, permitted and unconsented water takes). Model estimates are critical in the protection of cultural, social and natural values and in turn have the potential for a significant impact on the quantity of water available for allocation. Climate change may result in more droughts similar to what we have experienced in early 2020. This work will increase council’s understanding of groundwater use to avoid potential adverse effects of below average rainfall.

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\(^4\) Authorities responsible for groundwater usually use groundwater budget calculations to evaluate the sustainability of withdrawals for different purposes.


\(^6\) Report authored and produced by RIMU staff.
Figure 1. Example breakdown of aquifer water allocation.

Aquifer Availability and Categories of Allocation

- 65% of Recharge [Unavailable for use. Critical for resource sustainability.]
- 35% Recharge

Figure 2. GeoGateway aquifer shapes (aquifer management areas).
• investigation and improvement of SAP (council consent database) reporting capabilities and interdependent compliance functionality. Since council migrated to the new consent database in 2017, resource management capability has been severely impacted with loss of data, issues with data migration and integration with other software that facilitate reporting by consent holders. Significant recent gains have been made in the SAP reporting capability, however this work is ongoing and requires considerable manual intervention, and staff resource is not usually available to oversee continuity of standards of service. These improvements are crucial to enable a reliable basis for consenting, efficient resource management and compliance efforts.

• investigation into an adaptive groundwater management regime that can be used to enhance sustainable management of groundwater resources through the consideration of constantly improving information. This is a joint effort between the Institute of Geological and Nuclear Sciences Limited (GNS), RIMU and NES.

Next steps

19. NES and collaborating departments\(^2\) are committed to continuing this critical Strategic Approach to Groundwater programme. The programme is giving effect to our statutory responsibilities and strategic directions, underpinning planning and regulatory work, and ensuring that there is a sustainable supply of water for users, while restoring and enhancing our waterbodies. There are a number of initiatives that have been identified as priorities for the 2020-2021 financial year, resources permitting:

• development of a transparent groundwater accounting system. The NPS-FM requires regional councils and unitary authorities to establish freshwater accounting systems for both water quantity and quality\(^*\).

• input to NPS-FM implementation as it relates to an improved basis for groundwater management\(^*\).

• ensuring that strategic and operational initiatives speak to each other, whether within the Auckland Council group, with central government or with external parties.

• investigating groundwater age residence time that aims to analyse several wells in the Auckland region. A prior study (2015) of the groundwater residence time in the Pukekohe area identified residence time of water within an aquifer as an information gap for the wider region. Understanding the way in which water moves through the groundwater system – which is what this information does – is crucial for effective land use and groundwater quality management. It also helps us understand the likely time delay in experiencing effects of land use on groundwater. The findings of this investigation will also inform the development of nutrient-management rules in the AUP, particularly regarding the fate of nitrate and what mitigations might be applied, and their effectiveness, as required by NPS-FM\(^*\).

• investigation into the assessment and management of saltwater intrusion in Auckland’s aquifers.

• work with council water consenting and compliance teams to improve water take compliance and implement water usage efficiency guidelines for consent holders.

\(^*\) programmes potentially impacted by post COVID-19 2020-21 financial year budget restrictions

\(^2\) RIMU, Plans and Places, Resource Consents