

Property Council New Zealand

Submission on

Let's Get Wellington Moving

9 December 2021

For more information and further queries, please contact

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Let's Get Wellington Moving

1. Recommendations Summary

1.1. Property Council New Zealand ("Property Council") welcomes an opportunity to provide feedback on the Let's Get Wellington Moving ("LGWM") consultation document. We recommend the following:

- A whole-of-system approach to reduce emissions is required, rather than the current piecemeal approach of solely focusing on private vehicle transport emissions;
- Introduce electric vehicle charging stations and T2 and T3 transit lanes;
- Work with Central Government on their proposed pilot scheme of introducing congestion charging in Wellington;
- Develop a supply chain and freight transportation plan;
- Re-evaluate the infrastructure required for density;
- Determine how LGWM is funded by undertaking research into targeted rates over the lifetime of the infrastructure to better support intergenerational equality;
- Halt work on the car parking levy;
- Undertake an economic impact study to understand the impact that disruption and removal of car parks will have on the city alongside proposals to mitigate;
- Adopt option B – bus rapid transport as a more flexible and affordable option with potentially less maximum disruption to Wellington; and
- Include an economic impact study within the 2022 proposal.

2. Introduction

2.1 Property Council's purpose is; "Together, shaping cities where communities thrive". We believe in the creation and retention of well-designed, functional and sustainable built environments which contribute to New Zealand's overall prosperity. We support policies that provide a framework to enhance economic growth, development, liveability and growing communities.

2.2 Property is currently New Zealand's largest industry with a direct contribution to GDP of \$41.2 billion (15 per cent). The property sector is a foundation of New Zealand's economy and caters for growth by developing, building and owning all types of property.

2.3 Property Council is the leading not-for-profit advocate for New Zealand's largest industry – property. Connecting people from throughout the country and across all property disciplines is what makes our

organisation unique. We connect over 10,000 property professionals, championing the interests of over 550 member companies who have a collective \$50 billion investment in New Zealand property.

- 2.4 This submission provides Property Council’s feedback on LGWM consultation. In preparing our submission we sought and received feedback from a selection of our Wellington-based members. Comments and recommendations are provided on those issues that are relevant to Property Council and its members.

4 Climate Change and Sustainability

- 4.1 Climate change and sustainability is one of Property Council New Zealand’s top advocacy priorities for 2021/22. Our members see the importance of reducing emissions within the building and construction sector and acknowledge that there is a lot of work required from Central and Local Government, and the private sector to achieve reducing net carbon emissions to zero by 2050. We have been actively involved in the Building for Climate Change Programme and have made submissions to the Climate Commission and the Ministry for the Environment over the important part the sector can play alongside Government (both Central and Local) to reduce emissions.
- 4.2 For emission reductions to occur, a wholistic approach to net emissions is required, taking into account each individual sector but having an overarching cross-sector lens, which often requires trade-offs to ensure the best possible overall outcome will occur. For example, a new building which is made up of partially recycled materials may result in two different transportation methods (i.e. two separate trucks) to get the new and recycled materials to site. Despite, higher emissions upfront using two differential transportation methods, if the use of recycled building materials resulted in a lower net carbon outcome overall then this trade-off should occur. This example illustrates that a whole-of-system approach is required to reduce emissions, rather than solely focusing on transport emissions.
- 4.3 Unfortunately, the LGWM consultation document is singular focused on removing private vehicle use without considering the wider landscape (e.g. the Government’s electric vehicle (“EV”) policies). For example, LGWM considers inner city transport options but does not consider the future role of private vehicle use (e.g. a move towards EVs and hybrids), nor the Ministry for the Environment’s recommendations¹ to work with Wellington City Council to introduce congestion charging, nor considers alternative transport routes both in and out of the city. These omitted transport options within the LGWM consultation document cause further alarm when there is lack of detail on how this will affect Wellington’s landscape and density (i.e. housing options), and how to best utilise current and future connections for freight movement. These are two significant pieces of the Wellington transport puzzle that urgently need attention.

Private vehicle use

- 4.4 For emission reductions to be successful, the sector requires clear national direction with a joined-up approach from Local Government. It is therefore highly concerning to see the LGWM proposal to

¹ Ministry for the Environment, [Te hau mārohi ki anamata: Transitioning to a low-emissions and climate-resilient future](#)

remove private vehicle use and car parks within the city. This directly contradicts the Government's commitment towards EVs and the soon to be opened Transmission Gully project which seeks to allow for private vehicle use in and out of the city centre. We urge LGWM to reconsider its proposals and look into supporting EV charging stations and car parks within the city.

- 4.5 Current and future markets will likely continue to dictate what people want and given reliable and future public transport options are decades away, short-term over-reliance on private vehicle use will still occur. There is plenty of anecdotal evidence that Property Council (and other member organisations) have provided the Wellington City Council Mayor and officials in this regard. If LGWM continue to take an environmental lens to the project, then a solutions-based approach to private vehicle usage by introducing T2 or T3 transport lanes, with a similar model to Auckland, would be beneficial and encourage carpooling and other more efficient private vehicle usage. These simple but effective alternative private vehicle use options should be considered when developing future transport options for Wellington.

Congestion charging

- 4.6 The Government has signalled its intention to work with Wellington City Council to establish congestion charging. Congestion charging is an important mechanism used internationally to fund the upkeep of connections and associated infrastructure. We support congestion charging and have been vocal with the Government on undertaking this initiative. Congestion charging could not only support the upkeep of connections and infrastructure, but also the development of EV charging stations around the city which aligns with the Government and the Council's policies to reduce total net emissions. The LGWM project seeks to remove private vehicles from the City, thus placing an initiative such as congestion charging at risk. We urge the project team to take a wider whole-of-system approach to reducing emissions than simply removing private vehicle use and replace with public transport.

Freight

- 4.7 Let's Get Wellington Moving consultation documents lack a proposed supply chain strategy for the continued movement of freight (i.e. from the Airport to the City and North of the City). Currently, many trucks travel around Oriental Bay, due to the current and inadequate transport options. Furthermore, an over-reliance on one particular transport mode (i.e. public transport) would not only detriment other modes of transport but could cause major issues in the long run.
- 4.8 For example, the Coastal Pacific railway was closed for two years following the Kaikoura earthquake. Our members will still need roading connections and private access to transport goods and services for development. Prioritising public transport over private vehicles (i.e. freight movement) will result in further delays of goods and services required to support infrastructure and urban development. We recommend LGWM work with business to develop a supply chain transportation strategy within the consultation.

Whole of system approach required

- 4.9 In summary, a whole-of-system approach is required to make meaningful strides of environmental change. We recommend LGWM adopts a whole-of-system approach to the reduction of emissions, rather than solely focusing its efforts on the elimination of private vehicles and an over-reliance on public transport. This whole-of-system approach would consider a space for private vehicles (moving towards EV), congestion charging and T2 or T3 lanes and a clear freight and transport movement plan.

5 Density and infrastructure funding and financing

- 5.1 There is complete lack of detail in LGWM and Wellington City Council's draft District Plan 2021 as to how Wellington City Council will accommodate density and growth. The Resource Management (Enabling Housing Supply and Other Matters) Bill and the National Policy Statement on Urban Development ("NPS-UD") both seek to achieve intensification of residential housing. We note that LGWM and the Wellington City Council's draft District Plan occurred prior to the proposed bill, which will have significant impacts of these proposals.

- 5.2 With density, comes additional pressures on current and existing infrastructure and services. One of the key questions Wellington City Council needs to determine is whether Wellington has the infrastructure for density, and if not, how this is funded. Furthermore, the funding of LGWM has always been a huge question mark in both past and current consultation documents.

- 5.3 We recommend genuine research into targeted rates over the life of the infrastructure or value capture/uplift is undertaken by Wellington City Council. These alternatives would improve intergenerational equity and ensure that those who benefit from the community infrastructure help contribute towards it over a longer period of time, reducing the financial burden upfront. For example, introducing targeted rates for the funding of LGWM could occur over a period of time compared to being a lump sum upfront costs in house prices.

6 Car-park levy

- 6.1 We understand there have been discussions and proposals outside of the LGWM consultation which would see costs rise roughly 50 per cent for public and private off-street parking and would apply to commercial car parks leased by employers for employees or visitors and current public car parks. The proposal would see an annual cost of \$2,500 each car park per annum in Thorndon and the Lambton Quay area, and \$1750 in the Te Aro and Pipitea areas.

- 6.2 We strongly oppose the significant increased costs that a car park levy would bring. This is another example of focusing on trying to reduce private vehicle usage within the city, instead of taking a whole-of-system approach and look at ways to encourage EV and hybrid private vehicle usage or carpooling. The consequences of the proposed car parking levy would have significant flow on effects for the Wellington economy, with more people choosing to work from home resulting in less revenue for Wellington businesses.

- 6.3 To put costs into perspective, the car parking levy would have significant impact on the value of all commercial buildings in Wellington and consequently Wellington's commercial property value would be significantly reduced. Although, some of the costs could be shared or mitigated through passing on the costs to the tenants and converting current car parks into other uses (i.e. storage), to avoid significant costs, the overall outcome would have a significant impact on Wellington's transition to a low-emissions economy.
- 6.4 For example, being able to borrow on the building as an asset in order to achieve future carbon ambitions will be paramount to the transformative change that is required over the next few years to reduce carbon emissions of existing buildings. Transformative change towards a lower carbon economy will require capital and borrowing options. Significantly lowering the cost of Wellington commercial property through a car park levy, at a time where commercial property will need to prepare for future increased costs to comply with New Zealand's first Emissions Reduction Plan in May 2022, is negligent. We recommend Wellington City Council halt its work on the car park levy and investigate more appropriate alternative funding mechanisms.

7 Preferred transport option

- 7.1 Property Council supports rapid bus transport as a mass rapid transit option. Rapid bus is less disruptive, more flexible and a lot cheaper to add more buses and future-proof the network. It will likely have less negative impact than light rail in the long-term.
- 7.2 If rapid bus was adopted, it should go down the left lanes on all streets to avoid having an effect on the flow of other traffic.

8 Route options

- 8.1 Neither of the four proposed options have light rail to Wellington Airport.
- 8.2 Option 2 is Property Council New Zealand's preferred option with bus rapid transport. This is the only option that has a dedicated lane public transport lane to Wellington Airport. It will also reduce freight traffic around Oriental Bay, provided that the new tunnel can effectively accommodate freight movement.

9 Key considerations for 2022 proposal

- 9.1 We understand that a more detailed proposal will be released early 2022 for consultation. We strongly recommend the below information is required within this more detailed proposal in order to fully understand the overall impacts of decisions made within the LGWM proposal:
- The economic impact on businesses, community organisations, residents and commercial property that will stem from both disruption costs of development and the reduction of car parks and how this will be mitigated; and
 - The number of car parks that will be removed across the CBD and the strategy in dealing with an increase in the number of private vehicle use as a result of Transmission Gully and future growth.

10 Conclusion

10.1 Property Council New Zealand would like to thank Waka Kotahi, Wellington City Council and Greater Wellington for an opportunity to provide feedback on the LGWM consultation document.

10.2 A whole-of-system approach to reduce emissions is required, rather than the current piecemeal approach of solely focusing on private vehicle transport emissions. This would involve introducing EV charging stations, congestion charging, T2 and T3 transit lanes and a supply chain strategy. With the recent introduction of the Resource Management (Enabling Housing Supply and Other Matters) Bill, Wellington City Council needs to re-evaluate the infrastructure required for density and how to fairly finance the project.

10.3 We support light rapid bus transport – option B.

10.4 For any further queries contact Katherine Wilson, Head of Advocacy, via email: katherine@propertynz.co.nz or cell 0278708150.

Yours sincerely,



Gerard Earl

Wellington Regional Chairperson, Property Council New Zealand