

Property Council New Zealand

Submission on

Draft Auckland Council Making Space for Water

31/08/2023

For more information and further queries, please contact

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Draft Auckland Council Making Space for Water

1. Summary

1.1 Property Council New Zealand Auckland Committee (“Property Council”) welcomes the opportunity to submit on Auckland Council’s draft Making Space for Water proposal, as part of the Storm Recovery and Resilience consultation. Comments and recommendations are provided on issues relevant to Property Council’s members.

2. Recommendations

2.1 At a high level, we recommend that Auckland Council:

- Engages with stakeholders, including Property Council, to further develop the proposed initiatives; and
- A second stage of public consultation on Making Space for Water occurs, as indicated in the consultation document.

3. Introduction

3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.

3.2. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.

3.3. Property is Auckland’s largest industry. Property provides a direct contribution to Auckland’s GDP of \$12 billion (12 percent) and employment for 71,940 Auckland residents.

3.4. Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 351 Auckland based member companies across the private, public and charitable sectors.

4. General comment on Making Space for Water

4.1. Property Council believes in the importance of local government, central government and the private sector working together to develop solutions that build future resilience into our city and mitigate future flood and natural hazard risk across Auckland. To that end, we welcome Auckland Council’s intent with Making Space for Water. We are conscious that the proposed initiatives in the consultation document appear in their early stages of development and are not ready to be implemented. We are aware that subsequent to the consultation document

being released, Auckland Council reached an in-principle decision on a cost sharing agreement with the Crown¹.

- 4.2. Property Council has already provided a letter offering our assistance with the Making Space for Water program to Auckland Council's General Manager Healthy Waters on 07 June 2023 and we remain available to engage with Auckland Council as this workstream progresses in the future.
- 4.3. As Auckland Council progresses work in this space, Property Council recommends that detailed engagement with stakeholders including Property Council occurs. Once more sophisticated project plans and costings have been developed, and further details are publicly provided on the Crown funding arrangements, we further recommend that a second stage of public consultation occurs, as indicated by Auckland Council.

5. Flood mitigation approach

Project objectives

- 5.1. Auckland Council has proposed the following project objectives for Making Space for Water:
 - I. *Reduce existing flood risks;*
 - II. *Avoid creating new flood risks;*
 - III. *Raise peoples awareness of flood risks; and*
 - IV. *Be prepared for flood events.*
- 5.2. It is important for Auckland Council to apply these draft objectives in a flexible and pragmatic manner. For example, given the geographic size and scale of Auckland, there will need to be a level of prioritisation towards Auckland Council's investment in flood mitigation, as it will not be possible to prevent all localised instances of flooding. Allowing for flexibility, will help prevent unintended consequences from occurring.
- 5.3. We believe that the project objectives should be practically applied in a way that prioritises flood mitigation for areas with key infrastructure (such as motorways, railways or public transport routes). Key infrastructure is critical for the resilience of the region, especially during times of extreme weather events.
- 5.4. Flexibility is also critical to ensure that we do not turn the tap off on future development. There is also ability for engineering, planning and infrastructure solutions to address many of the natural hazard risks that may be present on a particular site. For example, developers currently undertake flood mitigation on particular sites to reduce adverse effects to the development and/or adjacent site. There is a risk that without flexibility, undue loss of potential new housing supply across Auckland could occur, as a result of otherwise developable sites (with appropriate infrastructure) having development restrictions placed upon them.

Alignment to other Auckland Council workstreams

- 5.5. In our view, a successful flood and natural hazard mitigation plan for Auckland will require joined up thinking between local government, central government and the private sector. There will need to be strong alignment between Making Space for Water and the ongoing work to

¹ <https://ourauckland.aucklandcouncil.govt.nz/news/2023/08/auckland-council-agrees-in-principle-to-cost-sharing-deal-with-government/>

revise Plan Change 78, Plan Change 79 and implement the National Policy Statement on Urban Development (“NPS-UD”).

- 5.6. We would also like to see alignment between Making Space for Water and the upcoming Long Term Plan process, as well as with the new infrastructure proposed for the Investment Priority Areas (“IPAs”) and funded by development contributions. Property Council also sees the need for greater clarity regarding the role of the future water entity in the Making Space for Water program.
- 5.7. We note that many of the areas affected by flooding during 2023 extreme weather events happened in areas that had known infrastructure constraints that had not previously been addressed overtime. Collectively, taking a more joined up approach will enable Auckland to address both existing and future flooding risks, while also working to resolve long-standing challenges around housing supply and affordability. approval
- 5.8. Well-planned developments can help mitigate climate change risks and deliver appropriate housing typologies that meet Auckland’s need for affordable housing supply. We note that a lot of newer developments across Auckland, such as the Northcote re-development or Stonefield’s development, fared particularly well during the extreme weather events. This is often the result of developments redirecting water flow through infrastructure and incorporating best practice in terms of planning for communities with access to transport linkages and housing closer to future amenities and employment opportunities.
- 5.9. Given that Auckland Council’s proposed Future Development Strategy seeks to restrict new greenfield development, and the lessons from the recent extreme weather events, it is ever more important that Auckland develops a planning framework that enables high-quality intensification in suitable areas. One immediate way that this can be achieved is by enabling greater housing intensification in Metropolitan, Town and Local Centres. Another mechanism is by amending the proposed Terraced Housing and Apartment Building (“THAB”) in Plan Change 78 to enable greater height than six stories, where appropriate, and as intended by the NPS-UD.

Proposed initiatives

- 5.10. Property Council would be interested to understand in greater detail the likely impact on flood risk associated with the proposed Making Space for Water initiatives, and the impact of each initiative on their own. In particular, how these initiatives would leave the city placed for future weather events such as the ‘one in one hundred year’ flooding that our city experienced earlier this year. The data and modelling underpinning these proposed initiatives would be of interest to us, as we seek to understand the flood mitigation impact of both the package as a whole and each individual initiative, in greater detail.

6. Funding ‘Making Space for Water’

- 6.1. The ‘Making Space for Water’ consultation document estimated the proposal to cost around \$1.65 billion over the next six years, with the intent being to seek central government co-funding and met the remainder of the cost with a new targeted rate. Property Council is conscious that after the release of this consultation document, Auckland Council reached an in-

principle decision on a cost sharing agreement with central government for \$2 billion of flood recovery and resilience works².

- 6.2. In principle, Property Council welcomes central government funding for infrastructure and flood mitigation initiatives in Auckland and commends Auckland Council for their work in this space. Given that the consultation document and subsequent funding announcement provides limited information on the costs and project specific details, we support Auckland Council's stated intent to re-consult once more sophisticated project costs and co-funding arrangements details have been developed. We recommend that this occurs as soon as practical.

Proposed use of a targeted rate

- 6.3. Property Council has long advocated for greater use of alternative funding and financing tools by local authorities, such as targeted rates, Special Purpose Vehicles ("SPVs") as enabled under the Infrastructure Funding and Financing Act or increased asset recycling. In principle, Property Council is comfortable with the option of using a targeted rate to fund Making Space for Water.
- 6.4. However, our support for a targeted rate is contingent on receiving greater access to more sophisticated project costings and additional public consultation on those figures occurring. We are also open to discussing alternative funding approaches and look forward to providing additional comments on funding in the near future.
- 6.5. If Auckland Council did adopt a targeted rate approach for funding Making Space for Water, we would favour a tiered approach, as discussed in the consultation document. This would best link the project costs to the geographic beneficiaries of Making Space for Water and better aligns with the user-pay principles we support.

7. Conclusion

- 7.1. Property Council welcomes the opportunity to submit on Auckland Council's draft Making Space for Water proposal. We support the intent behind Making Space for Water. Property Council recommends that additional engagement and a second stage of public consultation occurs on Making Space for Water.
- 7.2. Property Council members invest, own, and develop property in Auckland. We wish to thank Auckland Council for the opportunity to submit on the draft Making Space for Water proposal, as this gives our members a chance to have their say in the future of our city. Any further enquires do not hesitate to contact Logan Rainey, Advocacy Advisor, via email: Logan@propertynz.co.nz or cell: 021410787.

Yours Sincerely,



Martin Cooper
Auckland Committee Chair

²<https://ourauckland.aucklandcouncil.govt.nz/news/2023/08/auckland-council-agrees-in-principle-to-cost-sharing-deal-with-government/>