

Regulatory Impact Statement: Land Use Recovery Plan

Land Use Recovery Plan

Agency Disclosure Statement

This Regulatory Impact Statement has been prepared by the Canterbury Earthquake Recovery Authority (CERA).

It provides an analysis of options involving amendments to existing planning rules to ensure that they are more appropriate and that efforts to restore and enhance greater Christchurch are well coordinated and facilitate a timely and expedited process for recovery from the Canterbury earthquakes. The amendments to existing Resource Management Act 1991 (RMA) plans are not able to be appealed and so represent a significant – but necessary – intervention.

The Canterbury earthquakes created significant change, confronting Government with a tightly interrelated set of issues in New Zealand's second largest city on an unprecedented scale. The analysis in this Regulatory Impact Statement has been undertaken in the context of uncertainty regarding the market and community responses to the changes to the regulatory framework and non-regulatory interventions. The assumptions made in designing amendments to the RMA instruments and other interventions draw on consultation to date, including targeted business and community feedback.

The existing RMA plans in the area already impact on private property rights but the earthquakes have fundamentally altered some of the key assumptions upon which these rules were based. Actions proposed in the Land Use Recovery Plan will have positive and some negative impacts on development and private property rights through amendments to these existing rules. The wider 'public good' outcomes for greater Christchurch and New Zealand arising from the draft Land Use Recovery Plan are considered to more than justify the negative impacts where these arise. On balance the benefits are judged to outweigh the negatives and strongly justify the actions proposed in the Land Use Recovery Plan.

The preferred option will not override fundamental common law principles.

Benesia Smith

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Status quo and problem definition

The problem

1. The earthquake sequence in Canterbury that began on 4 September 2010 rendered change at such a scale that normal planning processes are not equipped to provide an adequate response. Within the area known as the residential red-zone over 7,000 dwellings are expected to be demolished and a further 2,100 - 9,100 houses may need demolition outside the red zones. Significant damage occurred to infrastructure and transport networks. Population dispersal and changes to business locations have impacted on economic activity, transport patterns, proximity to employment, entertainment and recreation. Christchurch is New Zealand’s second largest city and rebuild activity is making it a key driver of economic activity.
2. Existing statutory processes developed before the earthquakes were not designed to address the land use issues now apparent in metropolitan greater Christchurch, in particular the recovery needs and priorities that have arisen due to the severity of the earthquakes. These statutes are:

Table 1: Planning Statutes

Resource Management Act 1991 (RMA)	Local Government Act 2002 (LGA)	Land Transport Management Act 2003 (LTMA) Public Transport Management Act 2008 (PTMA)	Conservation Act 1987 Reserves Act 1977 Wildlife Act 1953
Regional Policy Statements Regional Plans District Plans	Annual Plans Long-Term Plans Triennial Agreements	Government Policy Statement on Land Transport Regional land transport programmes Regional public transport plans	General policies Conservation management strategies Conservation management plans Management plans

3. The status quo involves leaving matters to the normal planning processes. However, these processes would take place within the context of the Canterbury Earthquake Recovery Act 2011 (CER Act) which contains a range of powers including the ability to require councils to perform functions and direct planning or process changes through an Order in Council process.¹
4. The current metropolitan greater Christchurch recovery situation remains problematic as:
 - a. The existing policies and plans do not reflect the altered post-earthquake environment – they do not reflect the new population dynamics and changing land use patterns, nor provide sufficient prioritisation or direction for post-earthquake recovery efforts. In particular, current provisions are not enabling sufficient private sector development to counter housing shortages and price pressures. The

¹ These mechanisms are discussed further under the *Discounted Mechanisms* section.

average weekly rent in metropolitan greater Christchurch has increased 32 per cent from pre-earthquake levels, compared to 12 per cent in Auckland over the same period.

- b. Inability to amend the planning framework quickly enough to meet predicted rebuild peaks (late 2014 for the residential rebuild) and uncertainty about how the amended plans would address recovery issues is significantly impairing the earthquake recovery: new planning rules are needed – and needed quickly. Direction is also needed to facilitate the rebuilding of infrastructure and transport networks.
 - c. Successful legal challenges to earlier changes made by the Minister for Canterbury Earthquake Recovery to the Regional Policy Statement under section 27 of the CER Act meant that these changes were not able to provide the required certainty; the Court of Appeal indicated the Minister should have used the Recovery Strategy and related recovery plans instead.²
5. Land use was not able to be addressed in earlier documents, such as the Recovery Strategy for Greater Christchurch in 2012, as seismic activity was ongoing, and land damage and potential use assessments were still underway. Identification of appropriate land for rebuilding and development is sufficiently progressed for land use to now be addressed.
 6. The CER Act required the development of:
 - a. A Recovery Strategy as an overarching, long-term strategy for the reconstruction, rebuilding and recovery of greater Christchurch. The Recovery Strategy for Greater Christchurch *Mahere Haumanutanga o Waitaha* took effect on 1 June 2012; and
 - b. A Recovery Plan for the whole or part of the CBD. The Christchurch Central Recovery Plan setting out a vision for the central city and amendments to the relevant RMA documents took effect on 31 July 2012.
 7. In addition, the CER Act allowed other Recovery Plans as directed by the Minister for Canterbury Earthquake Recovery.
 8. The Recovery Strategy and Recovery Plans are to be read together with and form part of the documents listed in Table 1. No RMA document can be inconsistent with the Recovery Strategy while the CER Act is in place, nor can any recovery plan. Where there are inconsistencies, the Recovery Strategy and Recovery Plans will prevail. No instruments listed in section 26 of the CER Act can be interpreted or applied in a way that is inconsistent with the Recovery Strategy or Recovery Plans (sections 15 and 26 CER Act).

Request for direction

9. Recognising that recovery would take a long time, and that coordinated action was needed earlier than the usual planning framework could deliver, Environment Canterbury, Christchurch City Council, Selwyn District Council, Waimakariri District Council, Te Rūnanga o Ngāi Tahu (TRoNT) (collectively known as the strategic partners) and the New Zealand Transport Agency asked the Minister for Canterbury Earthquake Recovery (the Minister) to direct them to prepare a draft Land Use Recovery Plan

² *Canterbury Regional Council v Independent Fisheries* [2012] NZCA 601.

(LURP) for metropolitan greater Christchurch.³ This action was prompted not only by the scale of work facing the strategic partners and New Zealand Transport Agency, but by their limited ability to make the changes necessary in a timely manner given the already large impact on their capacity due to work generated from the earthquake response.

10. In November 2012, the Minister directed Canterbury Regional Council (also known as Environment Canterbury) to lead development of a draft LURP on behalf of the strategic partners and New Zealand Transport Agency under section 16(3) of the CER Act. The Minister's direction set the geographical limits for the LURP along with matters to be dealt with. These matters were those necessary for earthquake recovery and included:
 - a. identifying the location, type and mix of residential and business activities in specific areas (including priorities, sequencing and supporting infrastructure)
 - b. proposing changes to land use policy, planning provisions and funding instruments for both residences and businesses (regarding the location, mix, priorities and in order to provide a diverse range of housing types including social and affordable housing reflective of the new needs of the city and surrounding areas)
 - c. identifying a programme of further work to provide for intensification of use and brownfield developments, a network of smaller suburban and satellite centres
 - d. avoiding or mitigating the heightened risks of natural hazards.
11. The strategic partners and the New Zealand Transport Agency were directed to propose funding sources necessary to implement their recommendations. They were also directed to ensure consistency with the Christchurch Central Recovery Plan and to consider the relationship between the LURP and other recovery decision-making processes.

Out of scope

12. The Minister directed that a number of matters were out of scope:
 - a. while the recovery plan would inform decision-making in relation to infrastructure provision and associated community services such as public transport, health services, educational facilities and recreational facilities and areas, it could **not** direct or implement changes to them
 - b. the recovery plan was **not** to address the recovery of non-land resources such as water, air, soil, minerals, energy or plants or animals,
 - c. the recovery plan was **not** to address the:
 - future use of red zoned land
 - central city area (covered by the Christchurch Central Recovery Plan)
 - long-term provisions for growth and development of greater Christchurch.

³ The CER Act defines greater Christchurch as the areas within Christchurch City, Selwyn District and Waimakariri District and including the coastal marine area adjoining these districts. The Minister's direction requires the Recovery Plan to focus on "the metropolitan urban area and towns stretching from Lincoln and Rolleston in the south to Rangiora and Woodend in the north, including Christchurch City (and to the extent necessary, on across-boundary matters relating to residential land use and transport, this would include the area covered by the Christchurch Central Recovery Plan)". It should be noted that other than these matters, the central city area is not covered by the LURP.

Finalising the LURP

13. The direction stipulated a collaborative and consultative approach and set a seven month timeframe for development of a draft LURP to be provided to the Minister. In May 2013 the Minister extended the timeframe for the draft LURP under section 16 of the CER Act to consider significant land use recovery issues raised through community consultation.
14. The draft LURP was provided to the Minister by Environment Canterbury on 5 July 2013. This version of the LURP is presented as Option 1 in this Regulatory Impact Statement.
15. The Minister for Canterbury Earthquake Recovery notified the draft LURP for written comment until 2 August 2013 and is now seeking to advise his Cabinet colleagues of his proposed decisions. The version of the LURP presented as Option 2, (the preferred option), incorporates most of the key features of Option 1 as developed by the strategic partners and the New Zealand Transport Agency and makes several further changes to support recovery and rebuild efforts.

Alignment with Recovery Strategy

16. Under the CER Act a Recovery Plan must be in accordance with the purposes of the Act and consistent with the Recovery Strategy. The Recovery Strategy's vision is:

“greater Christchurch recovers and progresses as a place to be proud of – an attractive and vibrant place to live, work, visit and invest, *mō tātou, ā, mō kā uri ā muri ake nei* – for us and our children after us.”
17. The Recovery Strategy has six areas of activity: each of which will have Recovery Plans or programmes prepared. The LURP fits within the Built Environment Recovery area of activity which sets out to “**develop resilient, cost effective, accessible and integrated infrastructure, buildings, housing and transport networks**”.
18. The specific matters to be addressed in delivering the goals for the recovery of the built environment are:
 - a. coordinating and prioritising infrastructure investment that effectively contributes to the economy and community during recovery and into the future
 - b. supporting innovative urban design, buildings, technology and infrastructure to redefine greater Christchurch as a safe place built for the future
 - c. rebuilding infrastructure and buildings in a resilient, cost-effective and energy-efficient manner
 - d. developing a transport system that meets the changed needs of people and businesses and enables accessible, sustainable, affordable and safe travel choices
 - e. zoning sufficient land for recovery needs within settlement patterns consistent with an urban form that provides for the future development of greater Christchurch
 - f. having a range of affordable housing options connected to community and strategic infrastructure that provides for residents' participation in social, cultural and economic activities
 - g. drawing on sound information about ongoing seismic activity and environmental constraints, including other natural hazards and climate change.
19. A Recovery Plan for the use of land will address some of the critical issues in the region relating to the built environment, but it is not required to address them all. While it is

likely to impact positively on a range of other issues, for example, by facilitating economic growth and building back social and community amenity, it does not attempt to address the full set of issues facing metropolitan greater Christchurch as set out in the Recovery Strategy.

Status quo benefits

20. Irrespective of the changed circumstances, there would be some benefits from retaining the status quo:
 - a. Retaining the status quo avoids the costs of a Recovery Plan, which fall on central and local government in devising and the implementing the Recovery Plan (although some of these costs for local government are brought forward rather than created).
 - b. RMA planning processes are known and understood and allow full consultation with the community on the development of their towns and region.
 - c. There is some ability to speed up processes through existing CER Act mechanisms.
 - d. Rights of notification and objection under the RMA and of appeal to the Environment Court are maintained.

Status quo costs

21. However, the status quo has a number of significant real and opportunity costs:
 - a. The time it will take to amend existing RMA planning documents to reflect the new circumstances will result in substantial uncertainty in the interim. This is true even with the additional exercise of powers under the CER Act and the prospect of proposed changes to the RMA targeting simplification and shorter timeframes for plan development and consenting. The uncertainty that would result risks imposing unnecessary costs and delaying and deterring investment through the continued application of out of date rules and uncertainty around the timing and likely impact of their review. This in turn will slow recovery and delay the rebuild – which will have significant broader consequences for social, cultural, environmental and economic outcomes for those living in the area. In the short term this would have impacts on housing shortages and upward pressures on house prices and rental costs.
 - b. Public investment, particularly in infrastructure, risks being ad hoc and uncoordinated –with consequential perverse impacts on complementary private sector investment in related land development. This is inefficient and likely to have a range of unintended economic, social and environmental consequences, generating significant long term costs to the region and national economy.
 - c. An appropriate mix of housing choices is not likely – strong anecdotal information indicates developers are likely to move to lowest risk developments, which are greenfield developments on the outskirts – higher price point houses will be built while affected stocks of affordable and social housing may not be replaced, particularly in the inner suburbs. Affordable housing is under pressure; the supply of houses rented at less than \$300 per week has decreased by 60 per cent since the earthquakes.

- d. A number of existing RMA planning rules are quite prescriptive as to where, when and how development can occur. In some cases, as well as being too prescriptive, these rules are now out-of-date because they were set before the earthquakes. There are costs for every party to a resource consent application – consent applications will proceed case by case under the status quo (compared to a LURP) where region-wide planning changes may lessen the type and range of activities requiring consent.
- e. In the absence of revised planning rules, or strong signals about how these will be amended in future plans, residents and businesses will have less certainty on which to base their decisions about where to relocate or how they can redevelop. On-going legal uncertainty of the status quo due to unresolved court cases challenging decisions made under it would create litigation costs and compound this uncertainty.
- f. Without mechanisms to quickly open up potential land supply, current shortages are driving up prices (similar to what has been happening to the rental market in Christchurch). Rapid rises could extend to the creation of a housing price bubble, with the attendant post-bubble consequences for the national and local economy.
- g. There is a need to be ready before expected resource consent and rebuild activity peaks in order to maximise opportunities and avoid delays.
- h. There is uncertainty around the rights of key infrastructure, such as Christchurch International Airport, in the current District Plan, which creates uncertainty as to the rights of surrounding uses.
- i. The Recovery Strategy vision and objectives may not be achieved, or may take much longer to be achieved.

Objectives

22. The underlying policy objectives of the LURP are to:

Create a more certain investment environment

- 23. Creating a more certain investment environment should allow those who invest in metropolitan greater Christchurch land holdings in various ways (whether by purchasing, leasing or developing land, or buying or renting residential or commercial property) to do so with more confidence. Increased certainty should boost confidence which in turn may stimulate or bring forward investment and lead to economic growth with nationwide as well as local benefit.
- 24. Secondly, by amending land use plans to reflect up-to-date hazard information, investment decisions are more likely to be taken in a way that ensures future hazards are avoided.

Focus, prioritise, coordinate and integrate efforts, particularly by central and local government agencies

- 25. There are a large number of central and local government agencies involved in the recovery of metropolitan greater Christchurch as well as TRoNT, the body which services the iwi's statutory rights and governs its assets.

26. The LURP aims to:

- a. Re-align key planning rules with the new situation confronting metropolitan greater Christchurch and the needs of those living and working in the area in a rapid and co-ordinated way.
- b. Focus efforts across local and central government on land use and related infrastructure provision and ensuring that the needs of metropolitan greater Christchurch are not lost among the national calls on central government and other competing interests within local government.
- c. Establish priorities for land use and related infrastructure recovery; by putting actions into an orderly sequence, especially where some actions are necessary precursors to others.
- d. Coordinate responses between agencies, so that, for example, a brownfield development of proposed higher density than previously permitted has adequate infrastructure and is serviced by amenity and transport networks at the same time. Such synergies should save time and money.
- e. Integrate land use with other interventions and decisions; by bringing together disparate parts of various planning instruments under a single vision, the LURP will integrate recovery components.

27. When each of these elements is achieved, each component of land use planning takes place within a larger scheme. If simplified and streamlined processes result, this should enable speedier recovery.

Speed up decisions, leading to a faster recovery

28. The recovery in metropolitan greater Christchurch requires not only a larger response than councils are prepared and able to respond to, it also requires a more rapid response than normal planning processes are able to deliver. Amending a district plan in the normal course of events can take 3 – 5 years, and may take longer given the typical impact of appeals. A successful recovery plan will enable decisions to be made on land use far quicker than this.

Accurately reflect the new and evolving needs of metropolitan greater Christchurch

29. Population shifts and new patterns of economic and community activity since the earthquakes need to be reflected in planning and infrastructure plans quickly. This situation has created an opportunity to reconsider the optimal urban form. The degree of destruction of built assets, public facilities and infrastructure has provided a unique opportunity to consider how these assets can be rebuilt to interact with each other in a coordinated way.

30. The right mix of certainty and flexibility within a land use plan for recovery will allow development to be catalysed in the short term. It will also allow responses to evolving needs.

Regulatory impact analysis

Discounted options

31. This regulatory impact statement responds to a direction from the Minister for Canterbury Earthquake Recovery to develop a LURP, therefore, the following impact analysis is confined to three variations of recovery plans for land use.
32. In addition to this, in light of the recent Court of Appeal decision and the assessment of these other legal options below, does not analyse other regulatory tools.
33. The following legal mechanisms were discounted:

Section 27 CER Act directions only

34. The option of the Minister for Canterbury Earthquake Recovery using section 27 of the CER Act to make changes to the relevant district plans is not included in this regulatory impact analysis. Section 27 allows the Minister to suspend, amend or revoke resource consents, RMA documents or policies under the LGA. A recent Court of Appeal decision affirmed that the Recovery Strategy and recovery plan process were the appropriate routes for addressing some of the issues that are now included in the LURP.⁴ Accordingly the option of using section 27 powers was discounted.

Sections 48, 49, 50 CER Act directions only

35. Another discounted option is for the Minister to use his powers under sections 48, 49 and 50 of the CER Act. Section 48 contains specific provisions for the Minister for Canterbury Earthquake Recovery to direct councils to either take actions or to stop taking actions. The powers specifically identify resource consents, abatement notices and enforcement orders and rules in plans. Under section 49 the Minister can direct a council to perform a function or exercise a particular duty or responsibility and under section 50 the Minister may assume the power him or herself by issuing a call-in notice.
36. While these powers relate to councils and planning documents, they are not as broad as what can be covered by a recovery plan. They also suffer from the same shortcomings as section 27 directions and can be seen as more suited to a one off situation, rather than the wider, more encompassing nature of a recovery plan.

Orders in Council under section 71 CER Act only

37. Section 71 provides for the Governor-General, on the recommendation of the relevant Minister, to grant exemptions from, modify or extend any provisions of any enactment. The Order must be necessary, expedient and meet the purposes of the CER Act. As the changes proposed are mainly to RMA documents the most likely ‘relevant Minister’ would be the Minister for the Environment.
38. While Orders in Council play an important part in regulatory enablement in the post-earthquake environment, they deal with processes and legal frameworks rather than the content of planning documents, and as such are not sufficient in themselves to facilitate, coordinate and direct a focused recovery. As such, expediting reviews of RMA documents (such as the Regional Policy Statement and district plans) as the sole course of action has been discounted.

⁴ *Canterbury Regional Council v Independent Fisheries* [2012] NZCA 601.

Overview of options

- 39. The LURP is primarily a vehicle for modifying other regulatory instruments. For example, under section 16 of the CER Act 2011, any person exercising functions or powers under the RMA must not make a decision or recommendation that is inconsistent with a Recovery Plan.
- 40. The following options therefore set out three different types of potential Land Use Recovery Plan – based on content – so that these options can be compared with the status quo of no Land Use Recovery Plan. Table 2 below summarises these options.

Table 2: Options Overview

	A recovery plan for the use of land – a vehicle for modifying regulatory instruments and facilitating non-regulatory interventions		
Status quo Existing planning tools and legislation (without a LURP)	Option 1 Environment Canterbury draft LURP of 5 July 2013	Option 2 (preferred) Minister’s proposed LURP	Option 3 Additional Ministerial direction and detail in a LURP, and potentially other legal mechanisms
Key features			
Least change Lead by councils and private sector in response to market signals Case by case consents Land supply and use constrained by existing policies Change to plans and policies potentially slow	High regulatory intervention – a mix of immediate amendments to be made to planning documents and actions with legal effect for RMA documents CCC to review district plan and other district councils to check district plans Specifies location, type and mix of residential and business activities Makes zoning changes and introduces the requirement to develop a floating zone Sets priority areas for development, including associated infrastructure Moderate non-regulatory activity including 2 exemplar projects to catalyse development Implementation programme including fora for engagement with a range of stakeholders	Higher regulatory intervention – to enhance macro-economic benefits All of Option 1 features, plus: Provides detailed criteria for Enhanced Development Mechanism (formerly “floating zone”) Provides for a Community Housing Redevelopment Mechanism Allows for higher density residential development in certain areas Enables site specific changes and exceptions to planning rules Identifies existing government and private initiatives as exemplar projects to be showcased to promote innovation, highest quality design and	Highest intervention, both regulatory and non-regulatory Higher level of detail and greater specificity, including for identified sites Directs a much greater number of immediate amendments planning documents Greater use of land acquisition and amalgamation powers Greater use of s 27 CER Act powers Greater use of both incentives and penalties to influence land use

		sustainability	
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Option 1: Environment Canterbury Draft LURP of 5 July 2013

41. Option 1 is the draft LURP as provided to the Minister for Canterbury Earthquake Recovery by Environment Canterbury on 5 July 2013.
42. The draft LURP looks at the impacts of the earthquakes on residential and business land use and provides a pathway for the transition from rebuild to longer term planning through a package of measures. It sets a framework and provides delivery mechanisms, identifies actions for the short and medium term, records who is responsible and the timelines for carrying out the actions.
43. Option 1 is characterised by a high level of regulatory intervention and a moderate level of investment, incentives and collaboration. The draft LURP includes 56 actions to enable earthquake recovery.
44. Of these actions, there are 36 directing regulatory changes including zoning changes and enablement of intensification through a “floating zone”, the criteria for which would be set by the Christchurch City Council.
45. Under Option 1, the three affected district councils must make a range of specific amendments to RMA planning documents within four weeks of the adoption of the LURP. The draft LURP also notes that Christchurch City Council is undertaking a full review of its district plan and includes that Waimakariri and Selwyn District Councils check their plans and if necessary seek further intervention from the Minister for Canterbury Earthquake Recovery. A number of the regulatory actions in the draft LURP will be given effect through amendments to the district plans, including zoning of priority greenfield residential and industrial areas and enabling of housing choice through intensification and revitalisation of Key Activity Centres.
46. Other statutory directions in the draft LURP require review of Local Government Act Plans and Land Transport Management Plans for specified recovery purposes including specifying locations, priorities, types and mix of activities and alignment of the range of statutory planning instruments and tools contributing to earthquake recovery.
47. The draft LURP also includes a range of other non-regulatory actions covering:
 - a. Intervention and collaboration: through 31 actions including regulatory process management, provision of information and advice, facilitation or case management and signalling the possible land acquisition and amalgamation.
 - b. Investment: through 3 actions including stimulating redevelopment at a minimum of 2 project locations to provide ‘proof of concept’ of market demand for medium density and / or mixed use housing developments.
 - c. Incentives: through 2 actions to investigate incentivising specific types of development (brownfield development, medium density housing, temporary housing and affordable housing) through financial incentives, underwriting risk or waiver of fees and charges.

48. Key content of Option 1 includes:

- a. Identification of the location, type and mix of residential and business activities through a new proposed chapter in Environment Canterbury's Regional Policy Statement
- b. The mapping of priority areas for residential and business development including Key Activity Centres and neighbourhood centres with actions directing changes to local authority planning documents and programmes under the Local Government Act in relation to these areas
- c. The integration, coordination and sequential timing of infrastructure delivery via amendments to the Christchurch Regional Land Transport Plan and Local Government Act plans with actions directing changes to planning documents to ensure alignment with infrastructure rebuild programmes and funding arrangements
- d. Zoning changes and establishment by councils of a greater Christchurch Business Land Forum with local and central government and private sector membership to monitor land availability, facilitate development of brownfield sites and help identify and design collaboration opportunities and incentive packages. The proposal includes collaborative governance arrangements between councils, the business sector and central government to provide information and advice.
- e. Planning rules that increase housing options on Māori Reservation 873 (Tuahiwi) and Māori Reservation 875 (Rapaki)
- f. Identification of natural hazard areas in district plans through future plan changes.

Benefits

49. The draft LURP considers land use afresh since the earthquakes, with a focus squarely on recovery. The draft LURP increases certainty to investors and households and is therefore highly likely to deliver an immediate increase in the pace of recovery, through:

- a. Enabling the rezoning of approximately 40,000 sections by 2028, enabling redevelopment of brownfields land for residential purposes, and releasing an additional 900 hectares of business land by 2028
- b. Providing greater certainty about the location and timing of commercial and public amenities and public service provision for communities at Key Activity Centres and transport corridors
- c. Providing measures to permit higher density residential development and provide for a greater mix of housing (including medium density and affordable housing and supporting social housing redevelopment) including:
 - provision for the future development of a "floating zone" to allow comprehensive residential development on accessible and appropriately serviced sites proximate to existing public amenities, transport corridors and neighbourhood centres
 - provision for higher density redevelopment of brownfields sites and around Key Activity Centres
- d. Providing greater certainty to property owners by identifying natural hazard risks and areas

- e. Enabling quicker timelines for redevelopment or new developments than are currently possible through existing statutory processes. Developers and investors will benefit from plan changes effected through the draft LURP – they will not bear the cost of engagement over proposed plan changes, because these will be done through the LURP process. There will also be coordination of the investment and regulatory frameworks and streamlined processes for consenting and facilitation of approvals for development.
50. While the draft LURP does not directly address local authority capability and capacity it does have the potential, by clarifying and simplifying regulatory and investment decision-making, to allow local authorities to focus on more important aspects of earthquake recovery and on-going community needs.

Costs

51. No additional direct financial implications for the Crown are expected than what is otherwise already committed. The draft LURP directs where planned expenditure should take place; it does not create new expenditure. In the event that there is a need to supplement baseline funding for initiatives such as housing related incentives these will be subject to the Better Business Case approach.
52. Although the draft LURP does not commit local authorities to new spending it is likely there will be funding implications for local government. Spending on normal plan change processes will happen earlier. In its most recent 3 year plan, CCC had budgeted \$5.5m to bring forward preparation of its new district plan into the 2013-16 budgeting cycle. A “best-guess” equivalent figure for the work that Selwyn District Council or Waimakariri District Council need to undertake on their plans would be in the vicinity of \$1-2m.
53. Over time, extra or earlier costs for councils should be balanced by savings generated by more efficient processes, clearer rules and potentially fewer resources expended on current notification and appeal processes.
54. There is also likely to be a fiscal cost of incentives (e.g. development contribution fee waivers) although the nature and design of the incentives and their costs will be developed through local authority reviews of plans and policies.
55. Under the draft LURP proposals there are no rights of appeal apart from judicial review. This is a significant difference from the status quo. This may exacerbate any specific costs that fall on particular groups who may be adversely affected by decisions in the draft LURP compared to the status quo. By contrast it provides much greater certainty for the Christchurch community as a whole.
56. There is a trade-off between on-going community input and the need to move with certainty in order to maximise the macro-economic and national level potential for benefits from a coordinated recovery. The process of arriving at a draft LURP involved community consultation and the trade-off is necessary given the circumstances.

Table 3: Impact analysis: Assessment of Option 1 against objectives for specific groups

Group	Greater certainty	Focus, prioritise, coordinate, integrate	Speed up decisions, leading to faster recovery	Reflect new and evolving needs of metropolitan greater Christchurch
<p>Residents/landowners</p> <p>Including:</p> <ul style="list-style-type: none"> • Owner/occupiers • Renters/landlords • Owners of vacant land 	<p>YES</p> <ul style="list-style-type: none"> • Greater certainty about what they can do with their land • Create a clear investment environment, which will lead to commercial and public amenity benefits <p>NO</p> <ul style="list-style-type: none"> • May cause confusion among residents who are used to the status quo process • Retaining discretion with councils in reviewing their district plans 	<p>YES</p> <ul style="list-style-type: none"> • Clarification, prioritisation and streamlining of regulatory and investment functions will help councils focus on delivering better outcomes for residents and landowners <p>NO</p> <ul style="list-style-type: none"> • Potential negative impact on landholders in non-priority areas 	<p>YES</p> <ul style="list-style-type: none"> • Immediate housing needs can be met more quickly through some of the plan changes • Strongly within residents' interests to have a speedy recovery • Consenting and other processes should be quicker • Fewer resource consents may be required 	<p>YES</p> <ul style="list-style-type: none"> • In particular, intensification should ease the housing shortage and ease price escalation • “Build back better” – by providing for a mix of housing types and choice. • Residents were involved in consultation on the draft LURP
<p>Business</p> <p>Including:</p> <ul style="list-style-type: none"> • Commercial tenants and owners of commercial properties • Land developers • Retailers • Building and other industry 	<p>YES</p> <ul style="list-style-type: none"> • Developers would be able to progress their plans knowing what the changes to the planning regulations will be, removing some of the uncertainty of the post-earthquake environment • Rules should be clearer – able to know beforehand • More confidence in workers migrating to Christchurch being able to 	<p>YES</p> <ul style="list-style-type: none"> • Should be able to coordinate and integrate their plans with other developers and/or the Crown. • Developers should be able to prioritise based on the actions arising from the LURP • Development will happen at a faster pace and on a larger scale (more certainty therefore banks 	<p>YES</p> <ul style="list-style-type: none"> • Developers should be able to progress their plans faster than under the status quo • Consenting and other processes should be quicker • Fewer consents may be required 	<p>YES</p> <ul style="list-style-type: none"> • Developers should be incentivised to reflect the new and evolving needs of greater Christchurch • Know where to focus their efforts • Can see how their development / business fits into the wider recovery • Commercial and industrial interests were involved in consultation

Group	Greater certainty	Focus, prioritise, coordinate, integrate	Speed up decisions, leading to faster recovery	Reflect new and evolving needs of metropolitan greater Christchurch
	<ul style="list-style-type: none"> find housing • May result in less demand-smoothing of resource use and employment shortages for building industry (though CBD and insurance are mostly driving industry) • Higher levels of confidence overall by market supports financial investment 	<ul style="list-style-type: none"> may be willing to lend more) <p>NO</p> <ul style="list-style-type: none"> • Potential negative impact on landholders in non-priority areas 		
<p>Local Government (Environment Canterbury, CCC, SDC and WDC)</p> <p>Note: the 4 councils requested the Minister direct them to produce a draft LURP</p> <p>Local government in its role as:</p> <ul style="list-style-type: none"> • Planner • Consent issuer • Provider of services (roads, libraries, social housing etc.) • Investor in services, etc. • Provider of social housing (CCC) 	<p>YES</p> <ul style="list-style-type: none"> • The direction of the LURP will provide greater certainty to the councils in the immediate term • Greater certainty in the longer term (annual plans, LTP, amenities/services, where to direct funding) • LURP prevails where inconsistency with any Act it amends (e.g. RMA, LGA, LTMA) <p>NO</p> <ul style="list-style-type: none"> • Big organisational impact as need to do quickly (more planning and consenting staff) • Big financial impact (cost of staff, costs committed for projects in future) 	<p>YES</p> <ul style="list-style-type: none"> • The councils have coordinated to produce the draft LURP • The LURP identifies priorities for councils • Investments in infrastructure and buildings by local government are more likely to be in the right places and to complement each other • Decisions in one territory are more likely to be coordinated with those in neighbouring areas 	<p>YES</p> <ul style="list-style-type: none"> • A LURP (in conjunction with an Order In Council) will enable councils to conduct reviews of their city/district plans faster than the status quo. • Clarifies process for changing plans, which will lead to faster plan changes • Has 'completion dates' for each action, which provide a deadline • Councils will have needed to gear up anyway, but the LURP should smooth the process, focus resources and create a smoother journey • Preparing plans will be easier as some decisions have already been made • Will focus what they are doing, but will be busier for a while 	<p>YES</p> <ul style="list-style-type: none"> • All of these bodies collaboratively developed the LURP • LURP should provide tools to enable district plan changes to reflect changing needs • CER Act powers provide opportunity to quickly make amendments

Group	Greater certainty	Focus, prioritise, coordinate, integrate	Speed up decisions, leading to faster recovery	Reflect new and evolving needs of metropolitan greater Christchurch
			<ul style="list-style-type: none"> • Conversely, concerns about councils' ability to conduct timely and effective reviews 	
<p>Central Government</p> <p>Central government in its capacity as:</p> <ul style="list-style-type: none"> • Regulator • Provider of roads • Investor in greater Christchurch • Provider of social housing • Tenant 	<p>YES</p> <ul style="list-style-type: none"> • Central government will know what changes will be made to the planning regulations, which will create greater certainty and allow central government to progress its plans <p>Central government will have the confidence to invest in greater Christchurch (as the largest investor currently), knowing what the long-term plans in greater Christchurch area</p>	<p>YES</p> <ul style="list-style-type: none"> • Central government will signal its priorities through the LURP. • Central government is directing and facilitating coordination and integration through the LURP 	<p>YES</p> <ul style="list-style-type: none"> • The LURP should provide central government agencies with some of the information they need in order to make decisions, leading to faster recovery • Priority areas are set, so central government knows where these are and can plan accordingly • A faster recovery of greater Christchurch will be better for the economy of New Zealand • Faster recovery will mean the Crown can be confident that Christchurch's role as a South Island hub/gateway can be maintained 	<p>YES</p> <ul style="list-style-type: none"> • Ensures key changes will be made before CER Act ceases to have effect in April 2016 • The LURP changes the rules just for metropolitan greater Christchurch, so there may be some concerns about long-term precedents, however the exceptional circumstances of the earthquakes may mean the risk of precedent is low.
<p>Iwi / Maori</p> <ul style="list-style-type: none"> • Te Rūnanga o Ngāi Tahu • Other iwi 	<p>YES</p> <ul style="list-style-type: none"> • As residents/landowners and commercial/industrial operators Ngāi Tahu and other Maori will experience similar impacts 	<p>YES</p> <ul style="list-style-type: none"> • TRONT have been involved in the creation of the draft LURP as was directed by the Minister 	<p>YES</p> <ul style="list-style-type: none"> • As residents/landowners and commercial/industrial operators Ngāi Tahu and other Maori will experience similar impacts 	<p>YES</p> <ul style="list-style-type: none"> • The LURP is being used to address historical anomalies through the development of planning rules that recognise the original intent of reservations and provide a regulatory framework in which that can be realised in meaningful and sustainable ways

Option 2: Minister's proposed LURP (preferred)

57. Option 2 is the draft LURP modified to reflect the proposed decisions of the Minister for Canterbury Earthquake Recovery. This follows advice from CERA (with input from others including the strategic partners and Government Departments) and written comment invited from the public. There was particular feedback calling for more direction to be provided in the LURP targeting social housing, housing affordability and residential intensification outcomes more immediately. Option 2 is the preferred option.
58. The Minister's proposed changes aim to enable an urgent and significant increase in intensified and affordable housing, increased density around Key Activity Centres and transport corridors. To achieve these outcomes, Option 2 includes a marginally higher level of direction to amend RMA plans than Option 1 and a moderate level of investment, incentives and collaboration similar to Option 1.
59. Option 2 builds on the content of Option 1 with the following changes targeted at addressing housing supply and choice issues. These changes are to be given effect through immediate changes to the CCC district plan:
 - a. Further detail on criteria for an Enhanced Development Mechanism ("floating zone" in Option 1) allowing more intense residential development without the need to change the planning maps to identify specific areas. The mechanism will be targeted at sites between 1,500m² and 10,000m². Developments would need to meet criteria regarding proximity to services such as schools, transport, publicly accessible open space and a neighbourhood centre and standards related to form and scale of development.
 - b. This mechanism would only be available for currently proposed development and could not be "banked" for use at some future point in time. The change focuses on the existing Living 2 and Living 3 zones and will enable the development of approximately 1,000-2,000 new dwellings in these areas.
 - c. A Community Housing Redevelopment Mechanism by which existing areas of social and/or community housing can be redeveloped to ensure better utilisation of land and better alignment with the needs of the communities such housing seeks to serve. This will cover all of Housing New Zealand Corporation's development programme and enable the development of approximately 3,000-4,000 new dwellings.
 - d. Enabling conversion of an existing single residential unit into two units. This will provide an opportunity for immediate increases in the provision of rental accommodation throughout these areas with little visual difference. While it is expected that this mechanism will lend itself to large, older dwellings that have multiple rooms, some extension to existing dwellings are also proposed to enable take up by owners of smaller existing dwellings. Two separately subdivided and owned units are also proposed to be provided for. Developments of more than two units are likely to fall within the floating zone criteria and it was therefore considered that there was little gain for including them in this proposal. Ad hoc developments of a larger scale also benefit from a more comprehensive planning approach to ensure good design outcomes.
 - e. Enabling use of existing family flats as a second residential unit subject to each unit meeting minimum standards for unit size, independent outdoor living space, and on-site parking. This would facilitate immediate use of family flats for permanent living accommodation over and above the current temporary worker accommodation provisions and should assist the provision of rental

accommodation. Where minimum lot sizes are not compromised subdivision would be enabled.

- f. Enabling two new residential units to be developed without resource consent on a vacant site including where the existing dwelling has or is required to be removed due to earthquake damage. This will allow establishment of units below the current minimum density requirements and will contribute to housing stock and housing affordability. The time bound nature of this rule will control the degree of intensification throughout the existing living zones. The change is aimed at the estimated 2,100 to 9,100 residential demolitions either completed or due outside of the red zone.
 - g. Enabling housing designed for the elderly with exemptions from the usual planning rules to be purchased by anyone. This will help further free up the current stock of housing for broader use and ownership.
60. The LURP identifies potential exemplar projects which will be showcased to promote innovation, highest quality design and sustainability - including central and local government investment and coordination.
61. Option 2 notes that Christchurch City Council is reviewing its district plan but does not prescribe a process. An expedited RMA process to review the district plan is being considered separately. Specific amendments to RMA planning documents will have effect from adoption of the LURP.

Options for Enhanced Development Mechanism settings

62. Several options were considered regarding the extent to which the Enhanced Development Mechanism enabled intensification. Risks with having few restrictions on intensification include poor neighbourhood outcomes where development could occur in areas lacking infrastructure and services, and create community and local authority resistance.
63. Conversely, overly tight restrictions could result in the provision of insufficient housing, and in particular a lack of housing coming into supply. If the Enhanced Development Mechanism did not enable intensification of brownfields and other existing sites, greater emphasis might be placed on greenfield development which requires new infrastructure. Housing affordability, compact city, and efficient use of infrastructure objectives might also be at risk.
64. Particular consideration has been given to whether enabling increase of supply (including higher densities) in suburban areas may diminish demand for residential development in the central city, an important component of achieving the outcomes set out in the Christchurch Central Recovery Plan. The central city is not yet in a position to deliver on the required increase to residential supply, and restrictions on suburban intensification to achieve short-term needs to assist in meeting longer-term central city outcomes is not desirable. Therefore, an enabling approach to suburban intensification is considered consistent with the Christchurch Central Recovery Plan.
65. The preferred option is for a mechanism that focuses on the existing Living 2 and Living 3 residential zones. This will be supplemented by directions to consider further changes through the district plan review. The EDM is expected to result in 1,000-2,000 extra dwellings.

66. However, the uncertainty around take-up of intensification and development opportunities provided for in the LURP this issue and any related adverse or unexpected outcomes, including in relation to the central city, will be explicitly considered in the future review of the LURP.
67. The scope of the proposed EDM does not provide sufficient certainty and support for the rebuild of social housing, particularly that owned by Housing New Zealand Corporation.
68. Accordingly, the Community Housing Redevelopment Mechanism (CHRM) has been developed to provide an appropriate set of planning provisions within areas that have clusters of social and community housing. Although similar in format to the EDM, the CHRM is designed to meet a very different objective – that of redevelopment and regeneration of existing community and social housing stock.
69. In conclusion, the preferred provisions are considered to strike a balance between enabling increased density residential development and the Christchurch community's desired neighbourhood outcomes.

Benefits

70. This section of the regulatory impact statement focuses on the marginal analysis, or the difference between Option 1 and this Option (2). The Minister's proposed LURP adopts all of the key proposals contained in the draft LURP proposed by Environment Canterbury, and makes some amendments and additional changes.
71. The benefits of these additional changes can be expressed as strengthening the ability to achieve each of the policy objectives:
 - a. greater certainty leading to more efficient investment:
 - making decisions on key sites so that development can proceed sooner and investment decisions can proceed certain of the zoning decisions for those sites
 - delivers value for money by making more efficient use of existing infrastructure
 - b. increased focus, prioritisation, coordination and integration:
 - improving focus on housing supply and choice outcomes by setting clear direction about increased density in specific locations and where Enhanced Development Mechanism criteria can be met
 - enabling development through the Enhanced Development Mechanism ensures coordinated development by setting criteria linking amenity and location to allowing this type of development
 - identifying areas which qualify for the CHRM. Redevelopment within these areas will also be required to comply with other criteria including a minimum and maximum site size
 - c. speeding up decisions, leading to a faster recovery:
 - the changes are all likely to speed decision-making because they provide added clarity and further direction about priorities
 - this should save local authorities and land users time and money – for example, the detail of intensification changes such as second dwellings will be

directed and will not have to be worked out through notification and appeal processes

- d. reflecting the new and emerging needs of metropolitan greater Christchurch:
- by providing for greater intensification in several ways (second dwellings on residential lots, purchase of elderly housing by others, Enhanced Development Mechanism, etc), the Minister's proposed LURP better reflects the significant need for housing supply and choice and temporary accommodation
 - the proposals do not fully maximise opportunities for intensification, but rather provide an immediate enabler through the Enhanced Development Mechanism and the CHRM; leaving further intensification for future community consideration. The intensification provision is expected to result in the provision of approximately 8,000-10,000 new dwellings in the existing urban area over time.

72. On balance, this option is assessed as providing the optimal mix of flexibility and certainty, in a way that best balances public and private benefits.

Costs

73. There are likely to be some greater costs on councils in administering these additional provisions – but they are also enabling and so may result in a reduction in consenting requirements.

74. No additional direct financial implications for the Crown are expected. The LURP directs where planned expenditure should take place; it does not create new expenditure. In the event that there is a need to supplement baseline funding for initiatives such as housing related incentives or land acquisition and a amalgamation these will be subject to the Better Business Case approach.

75. Those who own properties affected by the additional rules will also face potential costs in having to adhere to the new rules – but in most cases the additional rules are more enabling than the current rules that apply. Property owners adjacent to areas where new rules apply may also consider developments under the new rules would affect or impact the amenity values of their property.

76. The additional rules are likely to impact on some parties not affected by Option 1 or impact some parties more. The limited appeal rights, which are a feature of the Recovery Plan process, may therefore create costs for these individual residents, businesses and investors.

77. A loss of opportunity to input through consultation may be considered a cost by some people. This has been mitigated by the engagement conducted throughout the LURP process and also by future changes through the district plan review process which will include community consultation.

Option 3: A recovery plan containing additional Ministerial direction and detail

78. This option is characterised by a higher level of intervention than Option 2 across all components of the LURP. It could include:

- a. More identified amendments written directly into the RMA or LGA documents and instruments and other planning documents of the relevant local authorities and

agencies. More prescriptive regulation for locations could be identified than in Option 2 and more prescription provided around locations (such as Key Activity Centres and key transport corridors) for directed and prioritised development.

- b. Development penalties if the recovery-related development priorities set out in the LURP are not followed (e.g. loss or reassignment of zoning rights, or application of development contributions to influence behaviour).
 - c. A shift from non-regulatory measures encouraging and facilitating types and locations of development to directed or regulatory approaches to more significantly intervene in market activities including measures to influence land use along identified transportation corridors and in the vicinity of Key Activity Centres.
 - d. More immediate amendments required to planning documents and more detailed direction for the review of district plans including prescribing outcomes for an expanded range of recovery-related components of the plans consistent with the Minister's direction.
 - e. Directing use of land purchase and amalgamation powers and catalyst development projects requiring greater use of land purchasing ability to ensure strategically positioned development in greater Christchurch. Tagged or conditional funding and incentives could be used extensively to shape location, nature and order of development.
79. In essence Option 3 would involve a significantly higher level of regulatory intervention in market activities, including measures to influence land use along identified transportation corridors and in the vicinity of Key Activity Centres.

Benefits

80. The extensive suite of interventions envisaged for this option would give even greater certainty to private sector investors and therefore could deliver a further increase in the pace of recovery. A programme would also exist to sustain recovery activity along a prioritised and sequenced programme.
81. This option would strongly support the vision of the Recovery Strategy and the LURP. This would enable timeframes to be set for rebuild and recovery activities that could not be achieved through standard statutory processes.
82. Government (central and local) would have certainty that progress will be made in key locations in accordance with rebuild aspirations, particularly the type of development which data indicates will otherwise be likely to lag behind the LURP aspirations.

Costs

83. The more direction included in the LURP, the more difficult it is to anticipate its indirect consequences. In particular:
- a. the more prescriptive the rules the greater the risk of them over-riding flexibility where it would be more efficient. Stronger prescription might deter investment as much as the greater certainty might encourage it
 - b. writing detailed information on work programmes into the long-term and annual plans of local authorities would significantly reduce flexibility to amend the

programmes as the recovery progresses, or if further seismic activity, economic changes or population patterns requires a change in approach

- c. strong community reaction to a Recovery Plan that is perceived as overly directional and prescriptive may lead to later tightening of planning rules through the district plan review process that in turn tighten housing supply and lead to increased costs.
84. Expanding the LURP in this way will mean it takes longer to produce, therefore removing some of the benefits of timeliness. It may also increase risk of judicial review. It will also tie central government into the process to do more for longer. This may make it more difficult to transition back to business as usual.
 85. A greater financial commitment would be needed from central government compared to Option 2. Money would be needed to develop a wider range of catalyst projects, and underwrite the incentives, advisory, intervention and much of the collaboration activities proposed.
 86. There is also a risk of unintended consequences due to crowding out of private investment and potential restrictions or delays for land owners in non-priority locations. The impact of limited appeal rights would be likely to affect and be resisted by more individual residents, businesses and investors than Option 2. The risk of legal challenge could dilute certainty.

Assessment of Option 3 against objectives

87. Conducting a marginal assessment of Option 3 compared to Options 1 and 2 generally reveals an overall lowered likelihood of meeting the objectives, despite some favourable effects:
 - a. greater certainty leading to more efficient investment:
 - this Option will provide greater certainty but it is less clear whether it would lead to greater overall investment than Option 2 – given the risk of some of the greater prescription over-riding flexibility where this would be more efficient or the risk that the prescription is actually inappropriately targeted or designed or results in strong community opposition increasing the risk of later re-litigation
 - b. increased focus, prioritisation, coordination and integration:
 - this Option requires higher levels of coordination that could be difficult to maintain. The burden of managing increased investment and intervention could risk outcomes
 - c. speeding up decisions, leading to a faster recovery:
 - this Option also requires greater central government and local government resources – which are already stretched, in order to speed up decisions, and lead to a faster recovery. It does not address capacity within councils.
 - d. reflecting the new and emerging needs of greater Christchurch
 - this Option would speed up more decision making compared with option 2 but take longer to develop – thus undermining the benefit of reflecting the new and emerging needs of greater Christchurch:

- Officials are not confident that a prescriptive plan such as this option would require could reflect detailed needs of community in such a complex setting as earthquake recovery; it is not clear that more prescription will accurately reflect true needs.
- Due to the extent and nature of directed change to planning instruments, there may be difficulty in making changes if need or situation changes

The options compared against the objectives

88. The following table compares the options against the objectives. The shaded boxes represent the assessment of which option provides the optimal achievement of each objective.

Table 4: Options compared against objectives

	Status quo	Option1 – Environment Canterbury LURP	Option 2 (preferred) – Minister’s LURP	Option 3 – further Ministerial direction and detail
Greater certainty	Least certain Combined with longer timeframes to achieve regulatory clarity through existing processes, likely to deter investment and slow recovery	Greater certainty benefits all parties	Adds to Option 1 greater opportunity for housing needs to be addressed	Very certain but may lack flexibility Increased risk of costs to parties from inappropriate or inflexible rules
Focus, prioritise, coordinate, integrate	Councils will rely on established coordination mechanisms Risk of uncoordinated development and inefficient public investment	Achieves clear but flexible priorities and direct establishment of mechanisms for coordination and integration	Achieves the good levels of Option 1, and increases coordination and prioritisation in several key areas including housing density	Will require additional coordination and integration initiatives and be more prescriptive in directing prioritisation including penalties for not complying with priorities
Speed up decisions, leading to a faster recovery	Slow and potentially costly planning consenting and investment decisions for local authorities High cost for residential and business investment decisions	Significantly speedier than status quo across all decision-making with general recovery benefits for all groups	Quicker than Option 1 in priority areas including decisions on housing intensification.	Initially slowed by additional public-sector decision-making requirements. The level of public investment in catalyst projects and coordination would provide more rapid decisions once in place
Reflects new and evolving	Could do so in time (may take up to 30	Reflects many post-earthquake	Minister’s changes reflect more	Potentially yes – in the short term but

needs	years)	needs	thorough assessment of evolving needs in light of further input from strategic partners and written comment	risks getting some prescription wrong and is not able to evolve as needs change and greater risk of perverse outcomes in the long term
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Consultation

Public consultation

89. Consultation took place with the development of the first draft of the LURP. An *Issues Paper* and a *Context Paper* published in November 2012 by the strategic partners and New Zealand Transport Agency identified key issues and presented evidence. Key stakeholders, including parties to litigation on plan changes were invited to topic-based workshops in November/December 2012. These processes identified the issues of importance.
90. Issues identified as part of public consultation included ensuring quality outcomes, balancing increasing existing housing with greenfield developments, and providing a clear plan. Some feedback supported a speedy response, while others wanted more time for democratic processes.
91. A month long public consultation was conducted in March and April 2013 on the publication of the preliminary draft LURP. This process attempted to ensure widespread community involvement. It consisted of workshops and meetings, including seven community consultation events, as well as the receipt of written comments.
92. The Minister then invited written comments on the publication of the draft LURP in July 2013. 148 comments were received and considered in arriving at the preferred option. The Minister's preferred option reflects changes to the draft LURP following consideration of these comments.

Conclusions and Recommendation

93. Actions proposed in each of the options will result in regulatory settings and revised infrastructure funding priorities that more accurately reflect the changed circumstances that those living and working in greater Christchurch now face and in a far quicker timeframe than would be usual under normal planning cycles.
94. The version of the LURP proposed by the Minister for Canterbury Earthquake Recovery is the preferred option as it is considered to best meet the underlying policy objectives. The marginal effect of the preferred option compared to the LURP presented by Environment Canterbury is that the preferred option strengthens the ability of the LURP to enable a timely recovery by adding mechanisms to promote intensity once criteria are met.
95. The Enhanced Development Mechanism allows developments of greater density within existing Living 2 and Living 3 zones. Other added measures to promote intensification are the CHRM, the ability to convert an existing residential unit into two units, conversion of existing family flats to residential units, and enabling two residential units on a vacant site. The intensification provisions are expected to result in the development of at least 8,000-10,000 dwellings in the existing urban area over time.

96. Alongside greater density, the additional mechanisms in the preferred option should facilitate the provision of more affordable and social housing – the latter through a range of investors, but initially through the enablement of redevelopment of HNZC’s Christchurch land holdings.
97. These additions recognise that the opportunity to build greater Christchurch back better by enabling a more compact form will be lost if immediate regulatory changes are not made. Houses substantially repaired over the next five years are not likely to be redeveloped within the next two to three decades.
98. By their very nature, planning rules impinge on private property rights. However, there will be greater benefits and lower perverse outcomes from the arrangements than under the status quo. The preferred option will not override fundamental common law principles but, like the CER Act itself, is a rare use of a strong statutory power in light of the unprecedented impact arising from the severity of the Canterbury earthquakes. Officials consider the preferred option has net benefit for all identified groups and is unlikely to place unreasonable costs or limitations on the rights of individual residents, business and investors.
99. The housing intensification measures were added after the draft LURP was available for written comment. There is the potential for some (or all) of these measures to be criticised by the public as they have not been consulted on specifically. However, these proposals have been endorsed by CCC and other Strategic Partners, significantly reducing the risk of criticism.
100. . The preferred option also provides for the review of intensification provisions (other than the EDM and CHRM which will expire in 2018) by CCC in 2018.
101. By contrast an even stronger LURP risks taking too long to develop and getting some of the prescription wrong or over-riding flexibility where building in flexibility would be more efficient.
102. Overall, the preferred LURP is assessed as providing the most optimal level of increased certainty, focus and integration, a speedier response and best reflects the new and emerging needs of greater Christchurch.

Implementation

103. Once the Minister gives notice of the issuing of the approved Land Use Recovery Plan in the Gazette (section 21(4)(a) CER Act), it will take effect immediately. The LURP will clearly set out actions, agencies responsible, appropriate implementation tools (e.g. statutory planning documents, incentives, partnerships or advisory initiatives) and a completion timeframe (although many actions are on-going).
104. Existing governance arrangements provide for implementation and monitoring of the Recovery Strategy and all recovery plans and programmes.
105. The LURP also provides for establishment of a Christchurch Housing Development Forum and a Christchurch Business Land Forum to provide regular and targeted engagement with a range of other stakeholders.
106. Funding for the implementation of the LURP will come from existing and future central and local government baselines and the private sector. In the event that there is a need to supplement baseline funding for initiatives such as housing related incentives these

will be subject to the Better Business Case approach. Implementation risks are being mitigated by readiness measures and clear direction.

107. The proposal will impact on existing regulation by ordering changes to district plans and the regional policy statement. In addition, future changes cannot be inconsistent with the LURP while the CER Act is in place.
108. Specific amendments directed to RMA documents become operative within two weeks of Gazettal. The LURP notes that CCC is reviewing its district plan but does not specify a process. The intent is that a truncated process be put in place to ensure provisions covering priority matters are made operative in a timely manner.
109. The LURP also directs the Waimakariri and Selwyn District Councils to undertake re-assessments of their district plans and, if need be, seek Ministerial intervention to use CER Act powers to amend parts of their plans quickly.
110. New rules will be clearer and more permissive, making their implementation easier for all parties. Compliance costs for resource consent applicants are not expected to increase and in some cases should decrease.
111. The process aims to provide a level of immediate relief to further the recovery and still achieve broad acceptance within the community. While the LURP proposed by the Minister for Canterbury Earthquake Recovery enables change, the extent to which this change is experienced across greater Christchurch depends on the decisions of home owners, investors and developers.

Monitoring, evaluation and review

112. Quarterly monitoring updates will be produced on the implementation of LURP actions and will be reported through existing recovery governance frameworks. CERA will develop a monitoring plan, within two months of Gazettal of the Land Use Recovery Plan, in consultation with the strategic partners and government agencies. An annual LURP Monitoring Report will summarise progress on implementation and assess the extent to which the actions have achieved LURP outcomes.
113. Monitoring of the LURP will be complemented by the monitoring provisions included in the Canterbury Regional Policy Statement and by research, modelling and monitoring initiatives for household growth, business needs and trends affecting urban development undertaken under other plans and programmes, relating to:
 - a. housing land availability and uptake
 - b. business land availability and uptake
 - c. demographic change.
114. Close monitoring should lead to early identification of unintended consequences, as well as monitoring the receptiveness of local bodies and local investors to the changes.
115. Environment Canterbury will formally review the LURP in collaboration with strategic partners by April 2015 or sooner if directed to do so by the Minister for Canterbury Earthquake Recovery. This review will identify whether it is necessary to amend or add to the actions outlined in the LURP to enable recovery. It will also specifically consider the effectiveness, impacts and outcomes of the LURP intensification provisions and the governance arrangements and fora related to LURP implementation. If amendments are

considered necessary, Environment Canterbury will ask the Minister to consider the proposed changes.

116. The Minister may also make changes to legislative or regulatory processes for recovery purposes by directing the preparation of additional recovery plans or using section 27 powers of the CER Act to amend RMA documents.